

Crop Insurance Options for Florida Peaches

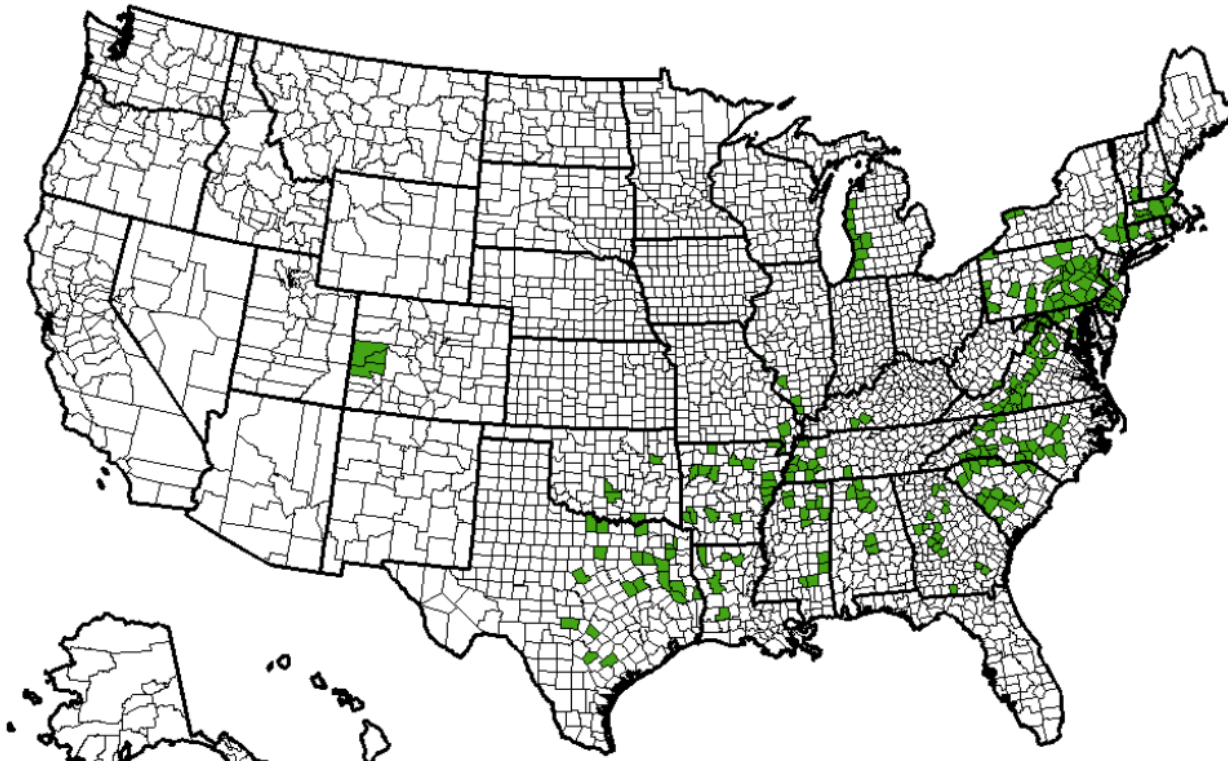
University of Florida Stone Fruit Field Day

April 22, 2014

Dr. Jeanne Lindsey, USDA-RMA

Peach Program - 2013

	US	Georgia	S. Carolina	Alabama
States	26			
Counties	232	16	14	7
Acres	34,191	6,013	12,142	927
Liability	\$77.9 M	\$9.5 M	\$37.5 M	\$1.5 M



Florida Option for Federal Crop Insurance for Peaches

- ▶ Written Agreement - County without Actuarial Documents (XC)
- ▶ AGR - Alachua, Gilchrist, Levy, Marion, Sumter, Suwannee
- ▶ AGR-Lite - All Florida Counties

Written Agreements - Steps

Request

- Apply through a crop insurance agent
- By sales closing - November 20th

AIP

- Insurance company review
- Forwards request to RMA Regional Office

Review

- Review process by a Risk Mngt. Specialist
- Offer, denial, or non-accepted

Written Agreement Requirements

- ▶ Completed Request for Actuarial Change form
- ▶ Completed APH database form signed and dated by the producer
- ▶ Evidence of adaptability from agricultural experts the crop or variety can be produced in the county (if required by the RO)
- ▶ Legal description of the land, FSN, and maps

Written Agreement Request

- ▶ Producer Pre-Acceptance Worksheet (PAW)
- ▶ Pre-Acceptance Inspection Report (PAIR)
- ▶ Normal harvest dates
- ▶ Name, location, and distance to place crop will be sold
- ▶ Three years of acceptable, verifiable production records (most recent)

2014 Written Agreements - Florida Peach XC Requests

- ▶ Four requests from 4 different counties
- ▶ Two received insurance offers
- ▶ Two were not accepted
 - ▶ Not enough years of records
 - ▶ Did not submit verifiable records

Verifiable Records - Most Common

Third-Party Records:	Other Acceptable Records:
Buyer Records	Pick Records
Packer Records	Sales Invoice with check
Settlement Sheets	
Broker Records	

Crop, quantity, name of insured, date of transaction, name of record provider, crop year; Will have to keep records by unit selection

See 2014 CIH Part 11, Section 2 for more information

Policy Details - 2014 Florida Peach Offers

Factor	Range
Coverage Levels (CL)	50, 55, 60, 65, 70, or 75 percent (CAT policy not available)
Price	2014: \$47.75/bushel
Transitional Yield	2014: 105 bushels/acre
Total Premium Rate	2014: 0.338 base - adjusted for CL, Unit Structure, and Options
Premium Subsidies	0.67 - 0.55 factor based on Coverage Level

How is Liability Calculated?

Approved Yield (bushels)

(from average production history)

X Coverage Level %

X Acres

X Price Election (\$/bushel)

X Share

= Total Liability

Covered Causes of Loss

Adverse weather conditions

Earthquake

Failure of irrigation water supply¹

Fire²

Insufficient chilling hours

Insects³

Plant disease⁴

Volcanic eruption

Wildlife⁵

¹If caused by an insured peril during the insurance period.

²Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard.

³But not damage due to insufficient or improper application of pest control measures.

⁴But not damage due to insufficient or improper application of disease control measures.

⁵Unless appropriate control measures have not been taken.

Note: We will not insure against damage or loss of production due to split pits, regardless of cause, or inability to market the peaches for any reason other than actual physical damage from an insurable cause.

Important Dates: 2015 Crop Year

Sales Closing

November 20, 2014

Production
Reporting

January 15, 2015 (11/20/14 - 1st yr WA)

Acreage Reporting

January 15, 2015 (11/20/14 - 1st yr WA)

Premium Billing

August 15, 2015

Contract Change

August 31, 2015

Cancellation

November 20, 2015

Peach Program for Florida Counties?



AGR and AGR-Lite

COMPARISON	AGR Pilot	AGR-Lite
Maximum Coverage	\$6,500,000	\$1,000,000
Animal or Animal Product Limit	35 % of Expected Income	None
MPCI Required	Yes	Optional
Coverage Level	65 ,75 , 80*	65 ,75, 80*
Payment Rate	75, 90	75, 90
Cancellation/ Termination	Jan 31	Jan 31
Contract Change	Aug 31	Aug 31
Sales Closing Date	Jan 31	March 15 New Jan 31 Carryover

* 3 commodities required for 80% coverage (SPOI)

AGR-Lite Coverage

Revenue:

- ▶ **Based on whole farm average adjusted gross revenue from approved agricultural commodities**

Exceptions:

- ▶ **Timber, Forest or Forest Products**
- ▶ **Animals for sport, show or pets**

AGR-Lite Agricultural Commodities

- **Grain and non-grain crops**
- **Vegetables, fruits, nuts**
- **Nursery plants, floriculture**
- **Christmas trees**
- **Animals, products from animals such as milk, eggs, etc.**
- **Any other agricultural production**

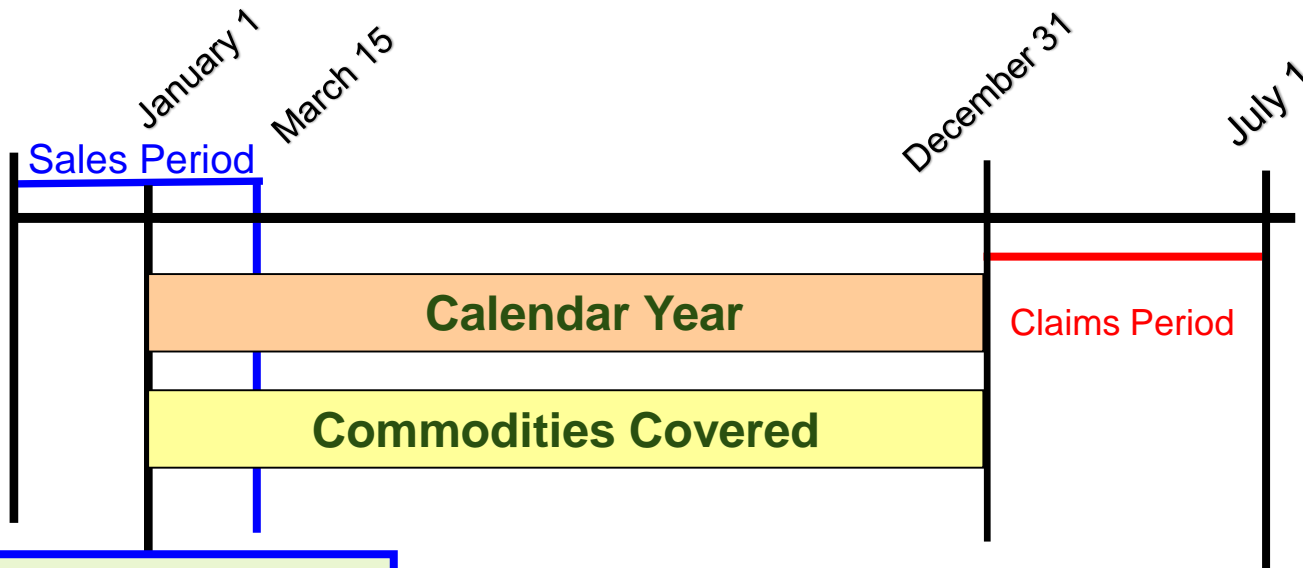
Check with your agent for policy provisions for your county

AGR-Lite - What are you insured for?

Loss of revenue from the sale of agricultural commodities produced during the insurance year due to:

- ▶ Unavoidable natural disasters
- ▶ Market fluctuations during insurance year

AGR Lite Insurance Year Calendar Year Filer



Insurance begins
January 1 or 10 days
after completed
application is
received

First Day of the seventh month after
the end of the year, unless an IRS
filing extension is approved

For more information - Contact a crop insurance agent or visit the RMA website:

www.rma.usda.gov

The screenshot shows the USDA Risk Management Agency website. At the top left is the USDA logo and the text "Risk Management Agency, United States Department of Agriculture". To the right are navigation links: "About RMA | Field Offices | Contact Us | ¡En Español!". Below this is a search bar and a navigation menu with "What's New", "Newsroom", "Programs", and "Blog". A secondary navigation bar includes "Site Map | A-Z Index | Advanced Search | Help | Search Tips".

The main content area features a "Popular Topics" list on the left, a central image of a pink and white orchid, and a news article on the right titled "Sales Closing Date (SCD) for 2015 Nursery Multi-Peril Crop Insurance Coverage is May 1" dated Friday 4/18/2014. Below the orchid image are social media icons for Facebook, Twitter, YouTube, Email, Flickr, and RSS.

The bottom section is divided into three columns. The left column has a "What's New | Newsroom | USDA Blog" header and three news items: "RMA clarifies prevented planting standards in the Prairie Pothole Region", "Federal Crop Insurance Program Broadens Options for Organic Producers", and "Annual Forage Rainfall Index (RI)". The middle column has a "Quick Links" header and a list of links including "Agent/company locator", "Calendar events", "Cost estimator", "Crop Indemnity Maps", "Information Browser", "Price Discovery Report", "Rainfall-Veg Indices", and "Summary of Business". The right column has an "RMA's Priorities" header and a list of links including "Census of Agriculture", "Civil Rights", "Farm Risk Plans", "Organic Crops", "Prevented Planting", and "SRA". At the bottom center is a logo for "THE FARM BILL" featuring a barn and sun.

Non-Discrimination Policy

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)



RMAonline
www.rma.usda.gov