



United States Department of Agriculture  
Risk Management Agency

July 2004

## 2005 COMMODITY INSURANCE FACT SHEET

# Peaches

## West Virginia

### Crop Insured

Peaches (including nectarines) may be insurable if they are grown within the county:

- For the production of Fresh or Processing peaches
- From tree varieties having a chilling hour requirement appropriate for the area
- From a root stock adapted to the area.
- In an orchard that is considered acceptable if inspected.
- On trees that have reached at least the **fourth** growing season after being set out.

Note: If the trees have not reached the fourth year, the acreage **may** still be insurable by written agreement provided the trees have produced at least 100 bushels per acre.

### Counties Available

Peaches are insurable in Berkeley, Hampshire, Jefferson, Mineral, Monroe, and Morgan counties. Peaches in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse Weather Conditions <sup>1</sup>	Insects <sup>3</sup>
Failure of Irrigation Water Supply <sup>2</sup>	Plant Disease <sup>3</sup>
Insufficient Number of Chilling Hours <sup>4</sup>	Fire <sup>5</sup>
Wildlife <sup>6</sup>	

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>But not damage due to insufficient or improper application of control measures.

<sup>4</sup>To effectively break dormancy.

<sup>5</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>6</sup>Unless wildlife control measures have not been taken.

Note: This policy does not cover damage or loss of production resulting from split pits (regardless of cause) or inability to market the peaches for any reason other than actual damage from an insurable cause (e.g., events such as quarantine, boycott, or refusal to accept production are not covered).

### Insurance Period

Coverage begins on November 21 for the first year of insurance and on October 1 in subsequent years.

Coverage ends the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) abandonment of the crop, (4) final adjustment of a loss, (5) the following September 30.

### Reporting Requirements

You must give 15 days notice before any production is direct marketed (unless records verify weighting/grading through a packing shed).

**Acreage Report**— An acreage report is due to your agent by the date shown above to include all acreage (insurable and uninsurable) in which you have a share.

**Notice of Claim**—Required if:

- Crop damage occurs. You give notice within 72 hours of initial discovery of damage.
- You intend to claim an indemnity. You must also give notice at least 15 days prior to beginning of harvest so that damaged production may be inspected.
- The crop will not be harvested. You must give notice within 3 days of the date harvest should have started.

**Production Report**—Required by date shown above and must include a production report for the previous year; tree information such as numbers, ages, varieties; any change that may adversely impact yield potential (e.g., tree removal, change in cultural

practices, etc.); other information as required by the policy.

### Important Dates

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Sales Closing .....	November 20, 2004
Production Report Due .....	January 4, 2005
Acreage Report Due .....	January 31, 2005
Premium Billing .....	September 15, 2005

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### Definitions

**Bushel**— Fifty pounds of peaches (ungraded)

**Production Guarantee**— Number of bushels guaranteed determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

**Price Election**— An established price used to calculate your premium or indemnity.

### Coverage Levels & Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. As an example, an average yield of 250 bu/ac results in a guarantee of 125 bu/ac at the 50% coverage level.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) Coverage is fixed at 50% of average yield and 55% of the Price Election. CAT is 100% subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

### Price Elections

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Fresh	<b>\$11.75</b>
Processing	<b>\$3.00</b>

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Price Elections will be posted on the RMA website at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

### Loss Example

This example is based on 50% coverage level, fresh price election, and average yield of 250 bu/ac.

250	Bushels per acre average yield
x .50	Coverage level percentage
125	Bushels per acre guarantee
- 25	Bushels per acre production
100	Bushels per acre loss
x \$11.75	Price election (fresh)
\$1175	Indemnity per acre
- \$65	Estimated producer premium
<b>\$1110</b>	<b>Net indemnity per acre</b>

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