



United States Department of Agriculture  
Risk Management Agency

January 2010

## 2010 COMMODITY INSURANCE FACT SHEET

# Green Peas

## Iowa, Minnesota, and Wisconsin

### Crop Insured

The crop insured will be all the shell type green peas grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and grown under and in accordance with the requirements of a processor contract executed on or before the acreage reporting date.

### Counties Available

Green peas are insurable in 4 counties in Iowa, 34 counties in Minnesota, and 42 counties in Wisconsin. In counties where premium rates are not published, green peas may be insurable by written agreement.

### Causes of Loss

- Adverse weather conditions<sup>1</sup>
- Failure of irrigation water supply<sup>2</sup>
- Fire<sup>3</sup>
- Insects<sup>4</sup>
- Plant disease<sup>4</sup>
- Wildlife

<sup>1</sup>Including hail, frost, freeze, drought, and excess precipitation.\*

<sup>2</sup>If caused by an insured cause of loss.

<sup>3</sup>If due to natural causes.

<sup>4</sup>But not damage due to insufficient or improper application of pest or disease control measures.

\*Specifically: Excessive moisture that prevents harvesting equipment from entering the field or prevents the timely operation of harvesting equipment. Also abnormally hot or cold temperatures that cause an unexpected number of acres over a large producing area to be ready for harvest at the same time, affecting the timely harvest of a large number of acres or processing of such production is beyond the capacity of the processor, either of which causes the acreage to be bypassed.

### Insurance Period

Insurance coverage begins when the green peas are planted, and will end at the earliest of: (1) total destruction of the crop, (2) when the green peas should have been harvested, but were not, (3) abandonment of the crop, (4) harvest of the crop, (5) the date you harvest sufficient production to fulfill your processor contract if the processor contract

stipulates a specific amount of production to be delivered, (6) September 15, 2010 or, (7) final adjustment of a loss.

### Reporting Requirements

**Acreage Report** — You must give a report of all your green pea acreage in the county and provide a copy of all processor contracts to your agent by the acreage reporting date.

### Important Dates

Sales Closing/Cancellation Date.....	March 15
Final Planting Date for IA and MN .....	June 5
Final Planting Date for WI (except east cent. WI) .....	June 5
Final Planting Date for east central WI.....	June 10
Acreage Reporting Date .....	June 15
Premium Billing Date .....	October 1
Production Reporting Date.....	April 29

### Definitions

**APH Yield** — Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

**Unit** — The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity (loss payment).

**Production Guarantee** — Number of pounds guaranteed per unit. Multiply your APH yield per acre x the coverage level percentage you select x the number of acres in the unit. For shell type peas, the weight will be determined after shelling.

**High Risk Land (HRL)** — Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

**HRL Exclusion Option** — An agreement to exclude from crop insurance coverage **all** high risk land by crop and county, as signed on our form by the sales closing date. Catastrophic coverage is still available when this option is in effect.

## Coverage Levels and Premium Subsidies

Green peas may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium. Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Prem. Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

## Price Election

Price of compensation per pound in case of loss:

The price per pound stated in the processor contract (contracted price) for the tenderometer reading, grade factor, or sieve size contained in the special provisions of insurance.

## Insurance Units

**Basic Unit:** If the processor contract specifies the number of acres to be planted, a basic unit consists of all your insurable green pea acreage in the county by share arrangement. If the processor contract specifies the amount of production to be delivered, a basic unit consists of all acreage planted to the insured crop in the county that will be used to fulfill contracts with each processor. Premiums are reduced by 10 percent for a basic unit.

**Optional Unit:** When the processor contract specifies the number of acres to be planted, and if a basic unit consists of two or more sections of land and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium discount will not apply. Optional units are not available if the processor contract stipulates the amount of production to be delivered.

## Plans of Insurance

APH is the only plan of insurance available for green peas. The production guarantee is based on your individual yield history.

## Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Please consult a crop insurance agent for details.

## Loss Example

A loss occurs when the pounds of green peas produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 3,000 pounds per acre APH yield, 65-percent coverage level, 100 percent of the established price, and basic unit coverage.

$$\begin{array}{r}
 3000 \text{ pounds per acre APH yield} \\
 \times .65 \text{ coverage level} \\
 1950 \text{ pounds guarantee*} \\
 - 950 \text{ pounds per acre actually produced} \\
 1000 \text{ pounds per acre loss} \\
 \times \$0.12 \text{ price election (assumed contract price)} \\
 \$120.00 \text{ gross indemnity*} \\
 - \$12.50 \text{ estimated premium per acre (varies)} \\
 \hline
 \mathbf{\$107.50 \text{ net indemnity*}}
 \end{array}$$

\* Figures shown on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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