

CROP

I N S U R A N C E

ALMONDS

CALIFORNIA

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ALMONDS CROP INSURANCE

CALIFORNIA ALMONDS

Marketing tools and crop insurance are among the basic building blocks of managing profit and risk. Your ProAg® agent will assist you in reviewing and analyzing multiple factors impacting your risk management decisions. In California, all almonds in a county can be insured if grown in an orchard where at least 90 percent of the trees have reached their sixth growing season after being set out. Growers must insure all of their almonds in a county at the same coverage level. Orchards may be insured as a separate unit if located on non-contiguous land.

AVAILABILITY

Almonds are insurable in Butte, Colusa, Fresno, Glenn, Kern, Kings, Madera, Merced, San Joaquin, Solano, Stanislaus, Sutter, Tehama, Tulare, Yolo and Yuba counties. Almonds in other counties may be insurable by written agreement if specific criteria are met. Contact your ProAg agent for details.

CAUSES OF LOSS*

This policy is provided against the following causes of loss that occur during the insurance period:

- (1) Adverse weather conditions¹;
- (2) Failure of irrigation water supply²;
- (3) Fire³;
- (4) Insects⁴;
- (5) Plant disease⁴;
- (6) Wildlife⁵.

¹ Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

² If caused by an insured peril during the insurance period.

³ Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

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

⁵ Unless wildlife control measures have not been taken.

INSURANCE PERIODS & DATES

Sales closing for almonds is December 31. Acreage reports are due January 31. Coverage begins on January 1 for the first year of insurance and ends no later than November 30 of the same year.

The insurance period can end earlier when the following occurs:

- Total destruction of the crop;
- Harvest of the crop;
- Abandonment of the crop;
- Final adjustment of a loss.

COVERAGE OVERVIEW

Your ProAg agent will assist you in reviewing and analyzing multiple factors impacting your risk management decision. These factors include:

- The production guarantee of almonds meats are measured in pounds;
- The weight of almonds sold inshell are converted to meat pounds using sample shelling percentages when available or USDA shellout factors;
- Individual approved average yields are calculated from 4-10 years of production records provided by prospective insured to their ProAg insurance agents;
- And growers can select a coverage level from 50 to 75 percent of their approved average yield and 55 to 100 percent of a price announced by USDA, or catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

LOSS EXAMPLE

A claim can be filed whenever production falls short of the guarantee selected by the insured. The amount of a loss is determined by multiplying the production shortfall by the pre-selected price.

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|----------|-------------------------------------|
| 2400 | Pounds per acre average yield (APH) |
| x .65 | Coverage level percentage |
| 1560 | Pounds per acre guarantee |
| - 400 | Pounds per acre actually produced |
| 1160 | Pounds per acre loss |
| x \$1.80 | Price election (changes annually) |
| 2088 | Gross indemnity per acre |

COST

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. *For more detailed information about the amounts of coverage and premiums, please contact your ProAg agent.*

ProAg® is among the fastest growing crop insurance companies in the industry. We strive to serve our clients' best interests by remaining singularly focused on our specialized line of business – crop insurance. While our nation weathers economic storms, ProAg, as a wholly owned subsidiary of CUNA Mutual Group, is positioned as a financially strong and well-capitalized insurer. With more than 80 years of service to our agents & insureds, we stand committed to continuing the principles that ProAg was founded on: **Integrity, Loyalty and Customer Service.**

Connect with us at www.ProAg.com.



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The information in this brochure is a general overview of the program. Please consult your local ProAg agent to confirm availability in your region.

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