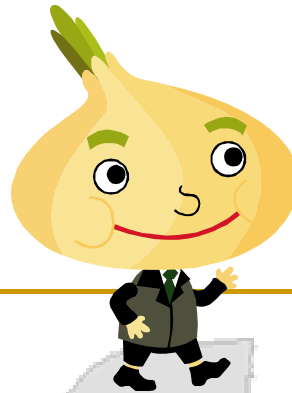

New York Onions 2009



New York Crop Insurance Education Program

Risk Management Agency USDA

New York State Department of Agriculture & Markets





New York State Crop Insurance Education Program

Funding for the New York Crop Insurance Education Program was provided to the New York State Department of Agriculture And Markets through a competitively awarded Cooperative agreement from the USDA Risk Management Agency through the Targeted States Program

Program Partners

- New York State Dept. of Agriculture & Markets
 - New York Agricultural Society
 - New York Horticulture Society
 - New York Farm Bureau
 - Cornell University
 - Cornell Cooperative Extension
 - New York Farms
 - USDA Farm Service Agency
-

Insured Crop

- The crop insured will be all the storage and non-storage onions planted for harvest as either storage or non-storage onions
- Green (bunch) or seed onions, chives, garlic, leeks, and scallions are not insurable

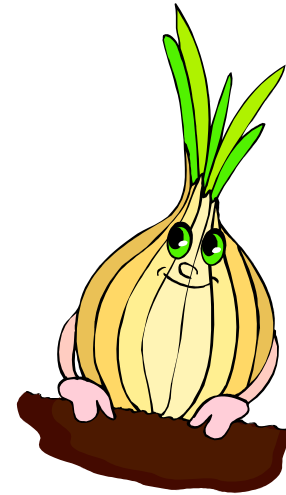


Damaged Onion Production

- Storage type onions that do not grade U.S. No. 1 or do not satisfy any other standards that may be contained in the Special Provisions or
 - Non-Storage type onions which do not satisfy standards contained in any applicable marketing order or other standards may be contained in the Special Provisions
-

Onion Production

- Production to count will be based on all onions meeting policy requirements that are $1 \frac{3}{4}$ inches in diameter or larger in size.



Coverage and Price Election Choices

- **Catastrophic Coverage (CAT)**
50% of your average yield and
55% of the Price Election
 - **Buy-Up Coverage**
50% to 75% of your average yield
and up to 100% of the Price
Election
-

Production Guarantee

- The final stage guarantee is the quantity of onions in hundredweight guaranteed determined by multiplying your average yield (based on your records) times the coverage level you elect
 - Example: Coverage 75% yield / 100% price
380 cwt. Average yield X 75% = **285 cwt.**
guaranteed
-

Stage Guarantee

- The production guarantee may be less if damage occurs in the earlier stages of plant development as shown below
 - Stage 1: from planting until emergence of the 4th leaf for direct-seeded; 50% of final guarantee
 - Stage 2: from emergence of 4th leaf until topping, lifting, or digging; 80% of final guarantee
 - Final: from completion of topping, lifting, or digging until end of insurance period; 100% of final guarantee
 - Note: Stage 1 and 2 guarantees may be increased to the full 100% final guarantee for a premium surcharge of 20%
-

Perils Insured Against:



- ❖ **Adverse Weather Conditions**
- ❖ **Insects** -but not damage due to insufficient or improper application of pest control measures
- ❖ **Plant disease** -but not damage due to insufficient or improper application of disease control measures
- ❖ **Wildlife** -unless control measures have not been taken)
- ❖ **Others:** Fire, Earthquake, Volcanic Eruption, Failure of irrigation water supply



Package

Insurance Period

- Coverage usually begins when the onions are planted and ends at the earliest of:
 - ❑ Total destruction of the onions
 - ❑ Fourteen (14) days after lifting or digging of the onions
 - ❑ Removal of the onions from the field
 - ❑ Final adjustment of a loss
 - ❑ October 15, 2009 for storage onions
 - ❑ August 31, 2009 for non storage onions
-

Important Crop Insurance Dates

- Sales Closing 2/01/09
 - Final Planting 5/10/09
 - Acreage Report 6/15/09
 - Premium Billing 10/1/09
-

2009 Price Elections (CWT)

<u>Type</u>	<u>Maximum</u>	<u>CAT</u>
Red	\$16.50	\$9.08
White	\$16.50	\$9.08
Yellow	\$10.40	\$5.72

Federal Government Subsidy

Coverage Level	Cat	50%	55%	60%	65%	70%	75%
Federal Subsidy	100%	67%	64%	64%	59%	59%	55%
Your Portion of Premium	\$300	33%	36%	36%	41%	41%	45%

Replant Provisions

- A replant payment is allowed if the crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90% of the final stage production guarantee and it is practical to replant. The maximum amount of the replanting payment per acre for yellow onions will be the lesser of 22% of the final stage guarantee multiplied by your price election and share or 50 cwt. Multiplied by your price election and share, and
-

Replant Provisions Continued

- Red and White Onions will be the lesser of 18 % of the final stage guarantee multiplied by your price election and share or 33 cwt. Multiplied by your price election and share.
 - Replant payments are not available under catastrophic (CAT) coverage.
-

Prevented Planting

- Prevented planting coverage will be 45% of your production guarantee for timely planted acreage.
 - Additional prevented planting coverage levels are not available for onions
-

Unit Structure

- **Basic Unit** – Acreage of crop in the county that you own. A separate basic unit occurs each time you have an ownership share with a different person. A 10% premium discount applies to basic units.
 - **Optional Units** – Multiple units within a County. Separate by Farm Serial Number or Irrigated/non-irrigated land.
 - **In addition, optional units may be established by type of onion (Red, White, Yellow)**
-

Onions



How Do They
Work?

APH Example

APH Guarantees a producer a percentage of their 4 year
Production History

Example: Buy – up 65% / 100%

4 year history = 300 cwt./acre

Acres = 1

Coverage = 65%

Guarantee = $300 * 1 * 65\% = 195$ cwt.

Current Prod. = 65 cwt./acre

Deficit = 130 cwt./acre

Price Election = \$10.40/cwt.

Indemnity Payment = 130 cwt. X \$10.40 = \$1352.00

Estimated Premium - \$112.00 per acre (varies by county)

Adjustment To Mature Onion Production

- If the damage to harvested or un-harvested onion production exceeds the percentage shown in the Special Provisions (50%), no production will be counted for that unit or portion of a unit unless such damage onion production from that acreage is sold.
-

Adjustment To Mature Onion Production (Cont.)

- If sold, the hundredweight of production to be counted will be adjusted by dividing the price received for the damaged onion production by the price election and multiplying the resulting factor times the hundredweight sold.
-

New York State Crop Insurance Performance

Does it really work?

Crop Year	Losses Paid	Producer Premiums
■ 2007	\$15,046,780	\$7,194,889
■ 2006	\$20,193,384	\$6,196,106
■ 2005	\$12,673,667	\$5,435,156
■ 2004	\$19,912,188	\$5,136,868
■ 2003	\$15,622,947	\$3,855,125
■ 2002	\$19,679,218	\$2,918,920
■ 2001	\$6,937,105	\$2,737,213
■ 2000	\$10,229,429	\$2,167,398
■ 1999	\$3,668,790	\$1,683,246
■ 1998	\$3,118,263	\$808,410
■ Totals:	\$127,081,771	\$38,136,331

Producer
Benefit

\$3.00



New York State Onions

Crop Insurance Performance

Crop	Indemnity Payments			Producer
	Year	Buy-Up	CAT	Total
2007	\$1,816,925	\$225,506	\$2,042,431	\$603,482
2006	\$5,036,186	\$223,934	\$5,260,120	\$732,525
2005	\$2,597,556	\$43,949	\$2,641,505	\$661,788
2004	\$2,063,025	\$40,406	\$2,103,431	\$663,355
2003	\$2,538,088	\$95,320	\$2,633,408	\$610,262

Total \$14,051,780 \$629,115 \$14,680,895 \$3,271,412

Producer Benefit \$4.49

High Dollar Claim Review

\$100,000 / \$500,000

Indemnities exceeding \$100,000 must be reviewed by insurance provider prior to check being released.

Information To Be Reviewed:

- ❖ Producers production records to substantiate certified/reported yields. Accurate records of acreage and production is essential in order to maximize the benefits of the crop insurance program.
 - ❖ Adjusters review records, Claim Paperwork (To verify share, acreage, entity, unit structure, crop practice, etc.)
-

New for 2009

For SURE (crop disaster program) Eligibility:

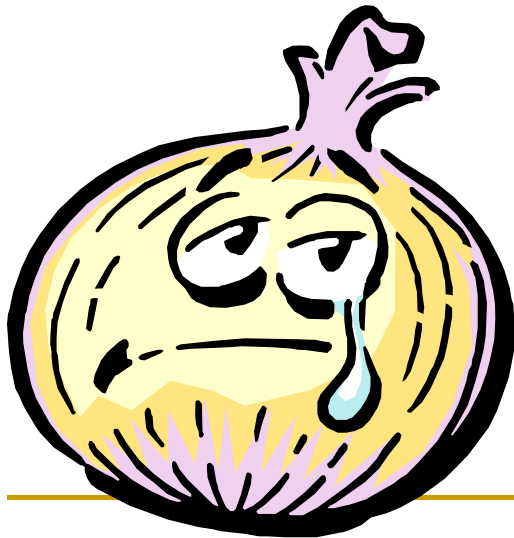
Most crops must be enrolled in crop ins. or NAP

Enrollment at higher levels of crop ins. coverage results in a higher SURE guarantee

Risk Management

An Essential Tool for

- Any Business in
- Any Industry



Be Prepared
& Manage Your Risk



Thank You