

# Fresh Market Tomatoes Fact Sheet



## 1. Pennsylvania Crop Insurance Webinars

The objective of the Pennsylvania Crop Insurance Webinar series is to help Pennsylvania farmers and ranchers manage risk understand a variety of crop insurance products to make informed insurance decisions.

## 2. Pennsylvania Processing Bean and Fresh Market and Processing Sweet Corn and Tomatoes – Scheduled for February 7, 2019

Webinar objectives:

- Review the Federal crop insurance structure and key basic provision tenets and forms, as well as the primary processing bean and fresh market and processing sweet corn and tomato plans of insurance.
- Discuss where coverage is available for these fresh market and processing crops.
- Review types and practices insured and policy provisions and options available.
- Discuss documents and your duties when a loss occurs.

## 3. The Insured Crop

Fresh market tomatoes are grown for sale as fresh tomatoes for human consumption and are planted as

seedlings (direct seeded tomatoes are not covered). To be insurable, the tomatoes must follow a strict crop rotation requirement, and you must have grown or managed a fresh market tomato operation for commercial sale in at least 1 of the 3 previous crop years. Direct marketing is not covered unless allowed by the special provisions. A packing contract is not required, but if a packing contract exists, it must be in place by the acreage reporting date.

In Pennsylvania, fresh market tomatoes are insured under the Actual Production History plan of insurance, which is based on your historic production and provides a yield-based guarantee. The crop is measured in cartons.

## 4. Coverage Availability

**For the 2019 crop year**, fresh market tomatoes are insurable in Erie, Lackawanna, Luzerne, and Wyoming counties in Pennsylvania. Insurance may be available in other counties through a written agreement if specific criteria are met.

**Details** of the coverage offered in each county, including types, practices, rates, prices, dates, options, coverage levels, and special provisions of insurance, are available through the Risk Management Agency's **Actuarial Information Browser** at <https://bit.ly/2NZo44f>. Work with a licensed crop insurance agent to explore your coverage options.

## 5. Select Policy Definitions

### Carton

A container holding 25 pounds of fresh tomatoes.

### Direct Marketing

Sale of fresh market tomatoes directly to consumers without intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer.

Examples: selling through on-farm or roadside stand, farmer's market, or permitting the general public to enter the field for the purpose of picking a portion of the crop (U-Pick).

## 6. Insurance Period

Insurance on fresh market tomatoes begins the later of the date your insurance provider accepts your application or the date the crop is planted and ends the earliest of:

- Total destruction of the tomatoes;
- Discontinuance of harvest, completion of harvest, or the date harvest should have started on acreage not harvested;
- Final loss adjustment; or
- 120 days after the date of planting or replanting or October 15.

## 7. 2019 Crop Year Important Dates

- Sales Closing Date = 3/15/2019
- Production Reporting Date = 4/29/2019
- Earliest Planting Date = 5/10/2019
- Final Planting Date = 6/20/2019
- Acreage Reporting Date = 7/15/2019
- Premium Billing Date = 8/15/2019
- Premium Due = 9/30/2019

## 8. Prices

The price election is the price published in the actuarial documents or the contract price stated in your fresh market tomato packer contract (optional).

### 2019 Prices

- Conventional/Transitional established price = \$8/carton
- Certified Organic established price = \$12.90/carton
- Conventional/Transitional CAT price = \$4.40/carton
- Certified Organic CAT price = \$7.10/carton
- Transitional Organic max contract price = \$16/carrton
- Certified Organic max contract price = \$19.35/carton

## 9. Coverage Levels and Premium Discounts

Coverage levels range from 50% to 75% of your average yield and are subsidized as shown in the table below.

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 Risk Protection (CAT) coverage is fixed at 50% of your average yield and 55% of the price election. The 2019 cost for CAT coverage is an administrative fee of \$300.

## 10. Available Unit Structure

A basic unit is always available and covers all acreage in a county you own/operate 100% and Basic Unit for each other person or entity you share with.

An optional unit is available by section, section equivalent, or FSA farm number.

## 11. Optional Coverages

**Replant Exclusion (RE)** removes the replanting reimbursement provisions from your policy and waives your right to any replanting coverage. Taking this option will reduce your premium.

**Actual Production History (APH) Yield Exclusion (YE)** is available in some fresh market tomato counties. YE allows you to exclude yields in exceptionally bad years from your production history when calculating yields used to establish your crop insurance coverage.

## 12. Perils Protected Against

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; or
- Wildlife.

This policy does not cover any damage or loss of production that occurs or becomes evident after tomatoes are harvested.

### 13. Acreage Reporting Requirements

You must report all your acreage of fresh market tomatoes in the county.

### 14. Losses

The fresh market tomato policy covers replanting reimbursements and production loss indemnities.

If you believe you have a loss, you should:

- Protect the crop from further damage by providing sufficient care;
- Notify your crop insurance agent within 72 hours of the earliest of the:
  - Time you discover damage;
  - Time you discontinue harvest of any acreage on a unit;
  - Date harvest normally would start if any acreage on the unit will not be harvested; or
  - Calendar date for the end of the insurance period; and
- Provide any documentation the adjuster needs and allow access to your fields.

#### Your Adjuster's Actions

Your crop insurance adjuster will determine the loss using RMA Loss Adjustment procedures, and your crop insurance company will ensure timely payment after you and the company reach an agreement.

Your adjuster will:

- Set up an appointment to visit your farm location(s) to inspect the damaged acreage
- Determine the causes of loss and how many acres are damaged by each
- Determine the percentage of damage and will defer the loss adjustment if can't determine percent of loss; will revisit and reinspect after deferral period
- Take actual plant counts from representative parts of the field to determine the amount of damage
- Consider different factors based on the crop and the stage of growth
- Photograph the damage, often with a ruler or other measurable object in the picture for scale
- Your adjuster may request paperwork from you (production records and sales, etc.)
- Complete all needed paperwork
- Explain what he or she did and the findings and walk you through the adjustment worksheet

- You and the adjuster will sign documents in agreement of the loss adjustment findings

#### Replanting Reimbursements

Unless you elect the replant exclusion option, you may be eligible for replanting payments if your tomatoes are damaged by an insurable cause of loss and the acreage to be replanted has sustained a loss in excess of 50% of the plant stand. The maximum amount of replanting payment per acre is 70 cartons multiplied by your price.

#### Stage Guarantee at Loss Time

The fresh market tomato production guarantee increases by crop growth stage at set intervals until the full production guarantee applies in the fourth stage. Staging is intended to reflect the absence of harvesting cost and other maintenance expenses not incurred at earlier points in the growing season.

Stage	Percent of Stage 4 (final) production guarantee	Length of time
1	50	Planting until qualify for Stage 2
2	75	Earlier of stakes driven, one tie and pruning, or 30 days after planting until qualify for Stage 3
3	90	Earlier of end of Stage 2 or 60 days after planting until qualify for Stage 4
4	100	Earlier of 75 days after planting or beginning of harvest

#### Indemnity Calculation Components

- Acres
- Total production guarantee (in tons)
- Price (may be reduced from 'full' if not at final stage)
- Your share in the crop
- Production to count (PTC)

#### Indemnity Calculation (by type, then sum for unit)

1. Total guarantee x price = value of guarantee
2. Total PTC x price = value of PTC
3. Value of guarantee – value of PTC = gross loss
4. Gross loss x your share = indemnity payment

## Indemnity Calculation Example

100% share in 80 acres

All acres at final stage (100%)

345 carton guarantee per acre; 27,600 unit total

\$18 organic contract price per carton

275 carton PTC per acre; 22,000 unit total

1.  $27,600 \times \$18 = \$496,800$  value of guarantee
2.  $22,000 \times \$18 = \$396,000$  value of PTC
3.  $\$496,800 - \$396,000 = \$100,800$  gross loss
4.  $\$100,800 \times 1.00$  share = \$ 100,800 indemnity pmt

## 15. Get Covered: Find an Agent

A crop insurance agent is your local expert and best resource on how, when, and what kind of crop insurance coverage to add to your risk management toolkit.

Crop insurance is available through independent crop insurance agents licensed in your state. Most Federal crop insurance agents also offer private crop-hail and other named peril policies. If you need an agent, review the Risk Management Agency's Agent Locator (<https://bit.ly/2sohz1f>).

## 16. View the Recorded Webinar

A recording of this Pennsylvania Processing Bean and Fresh Market and Processing Sweet Corn and Tomatoes webinar will be viewable after the live presentation concludes. To view the recording, visit

<https://cropinsuranceinamerica.org/pennsylvaniacrop-insurance-webinars/>