AgriLogic CONSULTING, LLC

Olive Crop Insurance Program

Program Description and Benefits

Developed By AgriLogic Consulting, LLC in Cooperation with the Olive Growers Council of California and the University of California Division of Agriculture and Natural Resources

OLIVE GROWERS COUNCIL OF CALIFORNIA

UC ANR

USDA

2016 and Succeeding Crop Years

Refer to the Olive Crop Insurance Program materials found on the RMA website for official policy language.

Olive Crop Insurance Program
Overview

- Covers table **and** oil olives.
- This is an Actual Production History (APH) Program.
  - Covers yield losses due to natural causes.
  - The approved yield is based on the producer's own yield records.
  - When the actual yield falls below the production guarantee for the crop year, there is an indemnity payment up to the guarantee.
- Coverage is purchased on a **two-year** basis (2-year coverage period).
- The program addresses the alternate bearing nature of olive trees.

Coverage Levels:

CAT | 50% | 55% | 60% | 65% | 70% | 75%

Olive Crop Insurance Program
Eligible Counties

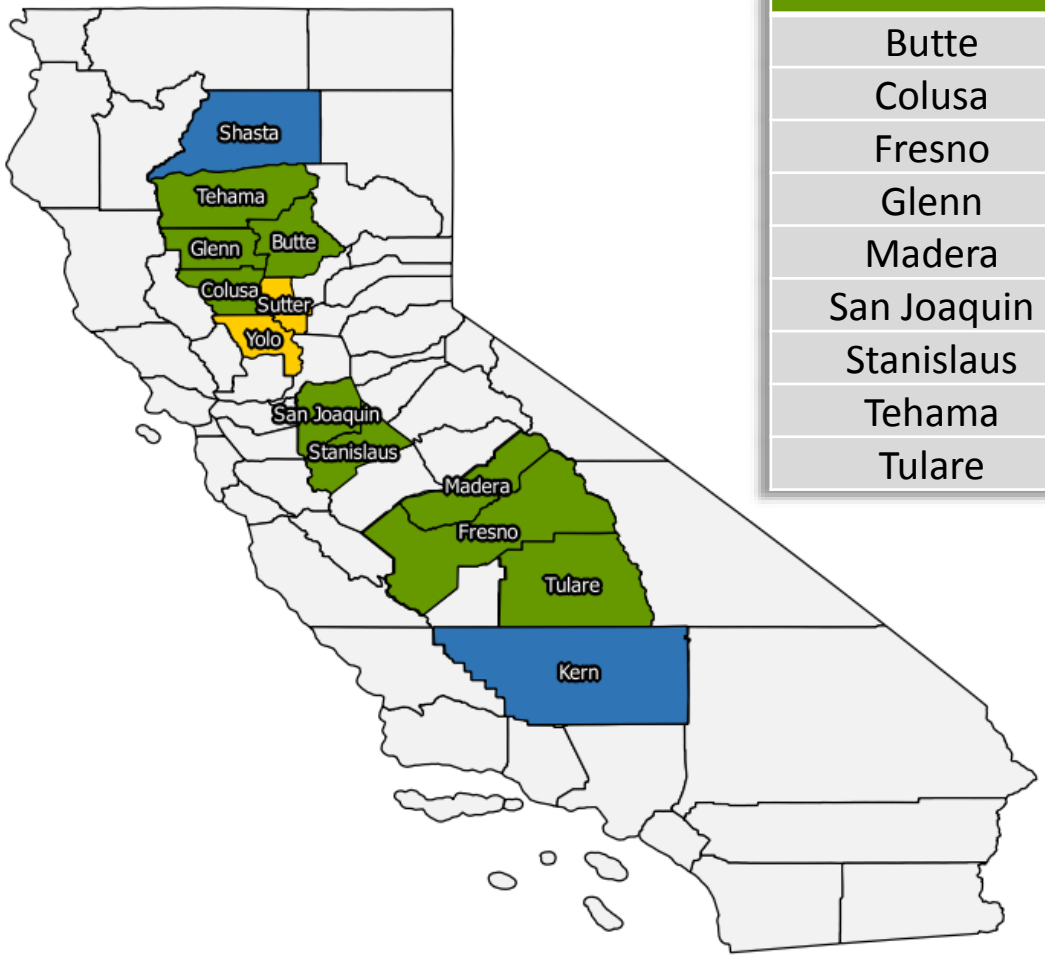


Table & Oil Olives	Table Olives Only	Oil Olives Only
Butte	Kern	Sutter
Colusa	Shasta	Yolo
Fresno		
Glenn		
Madera		
San Joaquin		
Stanislaus		
Tehama		
Tulare		

Olive Crop Insurance Program

Insurable Types and Practices

Type	Practice	Trees per Acre
Table (Manzanillo)	Irrigated Standard Density	Less than or equal to 100
Table (Manzanillo)	Irrigated High Density	Greater than 100
Table (All Other)	Irrigated Standard Density	Less than or equal to 100
Table (All Other)	Irrigated High Density	Greater than 100
Oil	Irrigated Standard Density	Less than or equal to 100
Oil	Irrigated High Density	101 – 450
Oil	Irrigated Super High Density	Greater than 450

Photo Source: California Olive Ranch

Olive Crop Insurance Program
Causes of Loss

- Adverse Weather Conditions (e.g., drought, excess moisture, hail, wind, frost, etc.)
- Earthquake
- Failure of Irrigation Water Supply (must be due to insured causes)
- Fire (adequate prevention measures are required)
- Insects (losses due to insufficient or improper control measures are not covered)
- Plant Disease (losses due to insufficient or improper control measures are not covered)
- Volcanic Eruption
- Wildlife

Olive Crop Insurance Program
Excluded Causes of Loss

There is **no** insurance coverage against:

- Rejection of the crop; or
- Inability to market the olives (e.g., quality, quarantine) for any reason.

Photo Source: Corto Olive

Olive Crop Insurance Program
Definitions

- **Alternate bearing** – The physiological propensity of olives to produce a high yield (on year) to be followed the next year by a lower yield (off year). Olive acreage is considered alternate bearing if the variability index is:
  a) Less than or equal to 75;
  b) Equal to or greater than 125;

  If the variability index is greater than 75 but less than 125, the acreage will not be considered alternate bearing.

- **Basic unit –** A basic unit will be:
  a) All your insurable olive acreage in the county which:
     1) Does not meet the requirements for an enterprise unit; or
     2) Meets the requirements for an enterprise unit and you do not elect to insure your insurable olive acreage as an enterprise unit.
  b) A basic unit may be further divided into separate basic units by type and practice.

Olive Crop Insurance Program
Definitions

- **Dehorning** - Cutting of any tree to a height that is not greater than two thirds (2/3) the height of the tree before cutting.
- **Direct marketing (marketed)** - Sale of the insured crop directly to consumers. Examples of direct marketing include: selling through an on-farm or roadside stand, a farmer's market, pick your own.
- **Enterprise unit** - An enterprise unit will be all your insurable olive acreage in the county in which you have a share on the date coverage begins for the crop year.

Olive Crop Insurance Program
Definitions

- **Olives** - Any variety of olives grown for the production of:
  a) Table olives;
  b) Olive oil; or
  c) Direct marketed oil or table olives if direct marketing is an insurable practice.
- **Price election percentage** – The percentage elected by you and multiplied by the price election issued by RMA to determine your price election.
- **Production (APH) database** – A record containing up to 10 continuous years of acreage and production reported by you, including actual yields, adjusted and unadjusted transitional yields, and any applicable assigned yields. Production databases are used to determine your approved yield.

Olive Crop Insurance Program
Definitions

- **Hedging (Hedged)** - A process of machine trimming the sides of the olive trees to facilitate harvesting and improve sunlight management and fruit production.
- **Stumping** - Cutting of any tree to a height that is not greater than four (4) feet.
- **Topping (Topped)** - A process of hand or machine trimming the uppermost portion of the olive trees to facilitate harvesting and improve sunlight management and fruit production.
- **Two-year coverage period** - A two-crop-year period of a continuous policy whereby you agree:
  a) To insure the olive crop for both years of the period; and
  b) That the same coverage level and price election percentage selected by you will apply during the period.

Olive Crop Insurance Program
Definitions

- **Variability index (VI) –** A ratio determined for each olive production database that has reached the 7th growing season after set out and contains at least the most recent four (4) years of actual production records including assigned yields.
  - **a) The ratio is determined by dividing the yield from the most recent crop year by the average yield for the two (2) previous crop years. Multiply the result by 100 and round to the nearest whole number.**

$$\text{VI} = \frac{\text{Yield from most recent crop year}}{\text{Average yield from previous two crop years}} \times 100$$

* Round to the nearest whole number

  - b) If the yield in the most recent crop year is greater than zero and the yield for each of the two previous crop years is a zero, the variability index will be 125.
  - c) If the yields in the most recent crop year and each of the two previous crop years are zero, the variability index will be 100.
  - d) If the yield for the most recent crop year is zero and the yield for either of the two previous crop years is greater than zero, the variability index will be 75.

Olive Crop Insurance Program
Definitions

- **Variability adjustment factor (VAF) –** A factor derived from the variability index. If the variability index is:
  a) Less than or equal to 75, the variability adjustment factor will equal 1.30.
  b) Greater than or equal to 125, the variability adjustment factor will equal 0.70.
  c) Is greater than 75 but less than 125, the variability adjustment factor will equal 1.00.
  d) The variability adjustment factor will be 1.00 for any production database that does not contain at least the most recent four (4) years of actual production including assigned yields.

Variability Index (VI)	Variability Adjustment Factor (VAF)*
Less than or equal to 75	1.30
Greater than 75 but less than 125	1.00
Greater than or equal to 125	0.70

Olive Crop Insurance Program
Alternate Bearing Adjustments

Example 1: Table Olives (tons)

- Variability Index (VI) of 75 or less (off year)
- Variability Adjustment Factor (VAF) equals 1.30

2007	2008	2009	2010	2011 (Col 1)	2012 (Col 2)	2013 (Col 3)	Avg. Yield (Col 4)	Current Year (Col 5)	2-year Avg. (Col 1 + Col 2) ÷ 2 (Col 6)	VI (Col 5) ÷ (Col 6) × 100 (Col 7)	VAF (Col 8)	Approved Yield (Col 4 x Col 8) (Col 9)
6.1	2.5	3.5	4.5	4.1	5.4	2.4	4.1	2.4	4.8	50[1]	1.30	**5.3**

[1]Round to the nearest whole number

- **VI indicates an expected "On Production Year"**
- **The Approved Yield is increased by the VAF to 5.3 tons (2007-2013 Avg. Yield of 4.1 tons x 1.30)**

Olive Crop Insurance Program
Alternate Bearing Adjustments

Example 2: Oil Olives (gallons)

- Variability Index greater than 75 but less than 125 (not alternate bearing)
- Variability Adjustment Factor equals 1.00

2007	2008	2009	2010	2011	2012	2013	Avg. Yield	Current Year	2-year Avg.	VI	VAF	Approved Yield
									(Col 1 + Col 2) ÷ 2	(Col 5) ÷ (Col 6) × 100		(Col 4 x Col 8)
				(Col 1)	(Col 2)	(Col 3)	(Col 4)	(Col 5)	(Col 6)	(Col 7)	(Col 8)	(Col 9)
150	130	145	125	160	140	155	144	155	150	103[1]	1.00	**144**

[1]Round to the nearest whole number

- **VI indicates no alternate bearing**
- **The Approved Yield equals the 2007-2013 Avg. Yield**

Photo Source: University of California Division of Agriculture and Natural Resources

Olive Crop Insurance Program
Alternate Bearing Adjustments

Example 3: Table Olives (tons)

- Variability Index 125 or more (on year)
- Variability Adjustment Factor equals .70

2007	2008	2009	2010	2011 (Col 1)	2012 (Col 2)	2013 (Col 3)	Avg. Yield (Col 4)	Current Year (Col 5)	2-year Avg. (Col 1 + Col 2) ÷ 2 (Col 6)	VI (Col 5) ÷ (Col 6) × 100 (Col 7)	VAF (Col 8)	Approved Yield (Col 4 x Col 8) (Col 9)
6.1	2.5	4.5	1.5	5.4	2.0	5.0	3.9	5.0	3.7	135[1]	.70	**2.7**

[1]Round to the nearest whole number

- **VI indicates an expected "Off Production Year" (Alternate Bearing)**
- **The Approved Yield is reduced by the VAF to 2.7 tons (2007-2013 Avg. Yield of 3.9 tons x .70)**

Olive Crop Insurance Program
Requirements

- Minimum of **four** years of acceptable production records are required.
- Olive acreage must be irrigated.
- Trees must have reached the:
  - 2nd growing season after hedging or topping;
  - 3rd growing season after dehorning; or
  - 4th growing season after stumping.
- Grove location must contain at least three (3) contiguous acres (exceptions may apply).

Photo Source: University of California Division of Agriculture and Natural Resources

Olive Crop Insurance Program
Requirements

You must meet the minimum age or production requirements contained in the Special Provisions:

Olive Type/Practice	Minimum Number of Growing Seasons After Setout	Minimum Production in Any One of the Most Recent Three Crop Years
Table – Standard Density	5	2.5 tons/acre
Table – High Density	4	2.5 tons/acre
Oil – Standard Density	5	100 gallons/acre
Oil – High Density	4	100 gallons/acre
Oil – Super High Density	3	100 gallons/acre

Photo Source: University of California Division of Agriculture and Natural Resources

Olive Crop Insurance Program
Age Determinations

Age Determinations	
Set Out Year	The actual calendar year for acreage transplanted before July 1st. For acreage transplanted after July 1st, the Set Out Year will be the year following the calendar year in which set out actually occurred.
Leaf Year	This is determined by subtracting the Set Out Year from the calendar year of insurance and then adding one year.
The rules for determining Set Out Year and Leaf Year will also apply for purposes of determining the number of growing seasons after hedging, topping, dehorning, or stumping.	

Olive Crop Insurance Program
Set Out Year

- January 2010
- February 2010
- March 2010
- April 2010
- May 2010
- June 2010
- July 2010
- August 2010
- September 2010
- October 2010
- November 2010
- December 2010

If transplanting occurs here, then Set Out Year = 2010

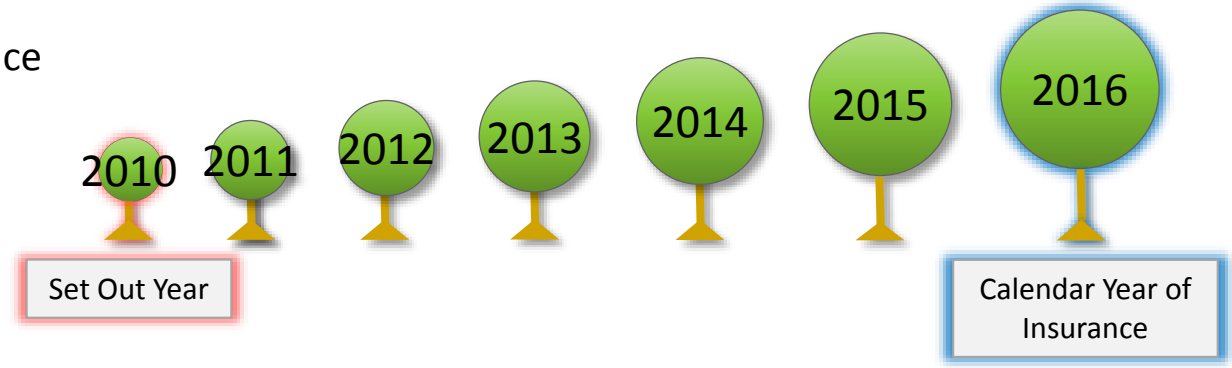
If transplanting occurs here, then Set Out Year = 2011

Olive Crop Insurance Program
Leaf Year

Example 1:

- 2016 calendar year of insurance
- Set out **before** July 1, 2010

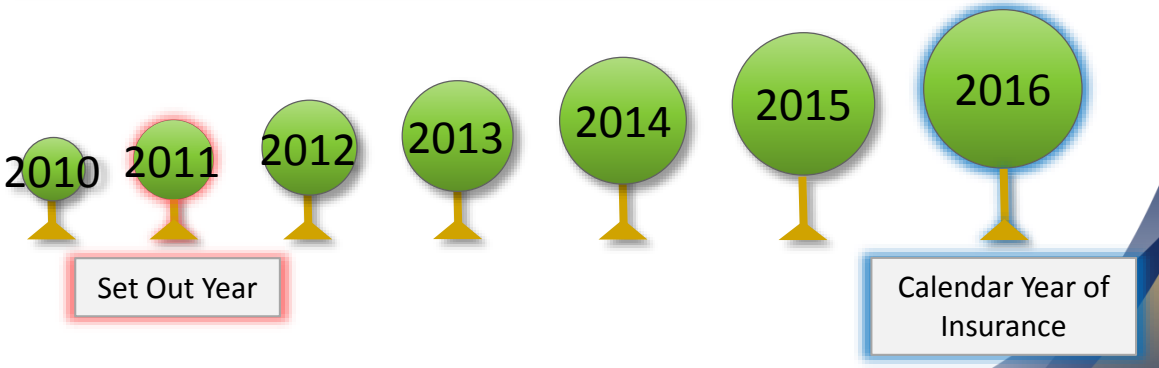
2016 – 2010 + 1 = **7** Leaf Years (i.e., growing seasons)



Example 2:

- 2016 calendar year of insurance
- Set out **after** July 1, 2010

2016 – 2011 + 1 = **6** Leaf Years (i.e., growing seasons)



Olive Crop Insurance Program
Unit Structure

For both years of the two-year coverage period, a unit will be:

- An **Enterprise Unit**; or
- A **Basic Unit**.
- For Catastrophic Risk Protection (CAT) policies, basic units are allowed only by share.
- Optional and Whole Farm Units are not allowed.

Olive Crop Insurance Program
Important Dates

Sales Closing Date (SCD)/Cancellation

- January 31

Acreage Reporting Date (ARD)

- March 15

Premium Billing Date

- August 15

Termination

- January 31

Photo Source: University of California Division of Agriculture and Natural Resources

Olive Crop Insurance Program
Important Dates - Insurance Period

Sales Closing Date (SCD): January 31		
Insurance attaches	for the initial crop year	February 1st if the application is received at least 20 days before the SCD.
		the 20th day after the application is received for applications received less than 20 days before the SCD.
	for each subsequent crop year	the earlier of November 16th or the end of the insurance period.
Insurance ends	the earlier of	the date harvest should have started for acreage that will not be harvested.
		the final delivery date established by the processor under the terms of the contract.
		November 15th for table olives and January 31st for oil olives.

Olive Crop Insurance Program
Coverage Levels and Premium Subsidies

- **Buy-up Coverage:**
  - Elected coverage level times approved yield
  - Elected price percentage times applicable published price election
  - Applicable premium charge and subsidy level by elected coverage level
  - $30 administrative fee per county

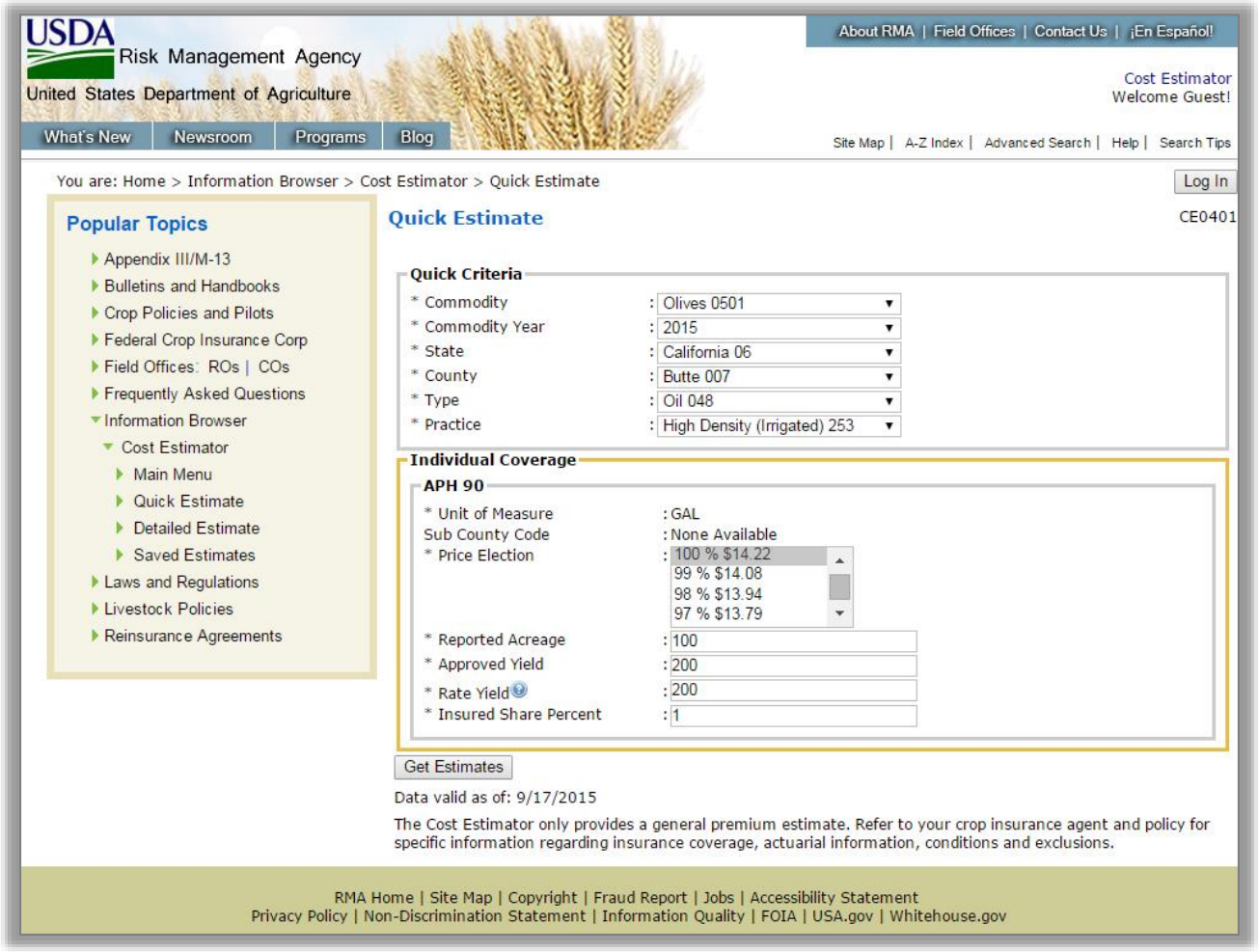
Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

- **Catastrophic Risk Protection (CAT):**
  - 50% of approved yield
  - 55% of price election
  - 100% subsidized; no premium charge
  - $300 administrative fee per county

Photo source: Musco Family Olive Co.

Olive Crop Insurance Program
RMA Cost Estimator Tool

Estimate **premium** and **liability** (guarantee) with the **RMA Cost Estimator**.



https://ewebapp.rma.usda.gov/apps/costestimator/Estimates/QuickEstimate.aspx

Olive Crop Insurance Program
Damage Timeline

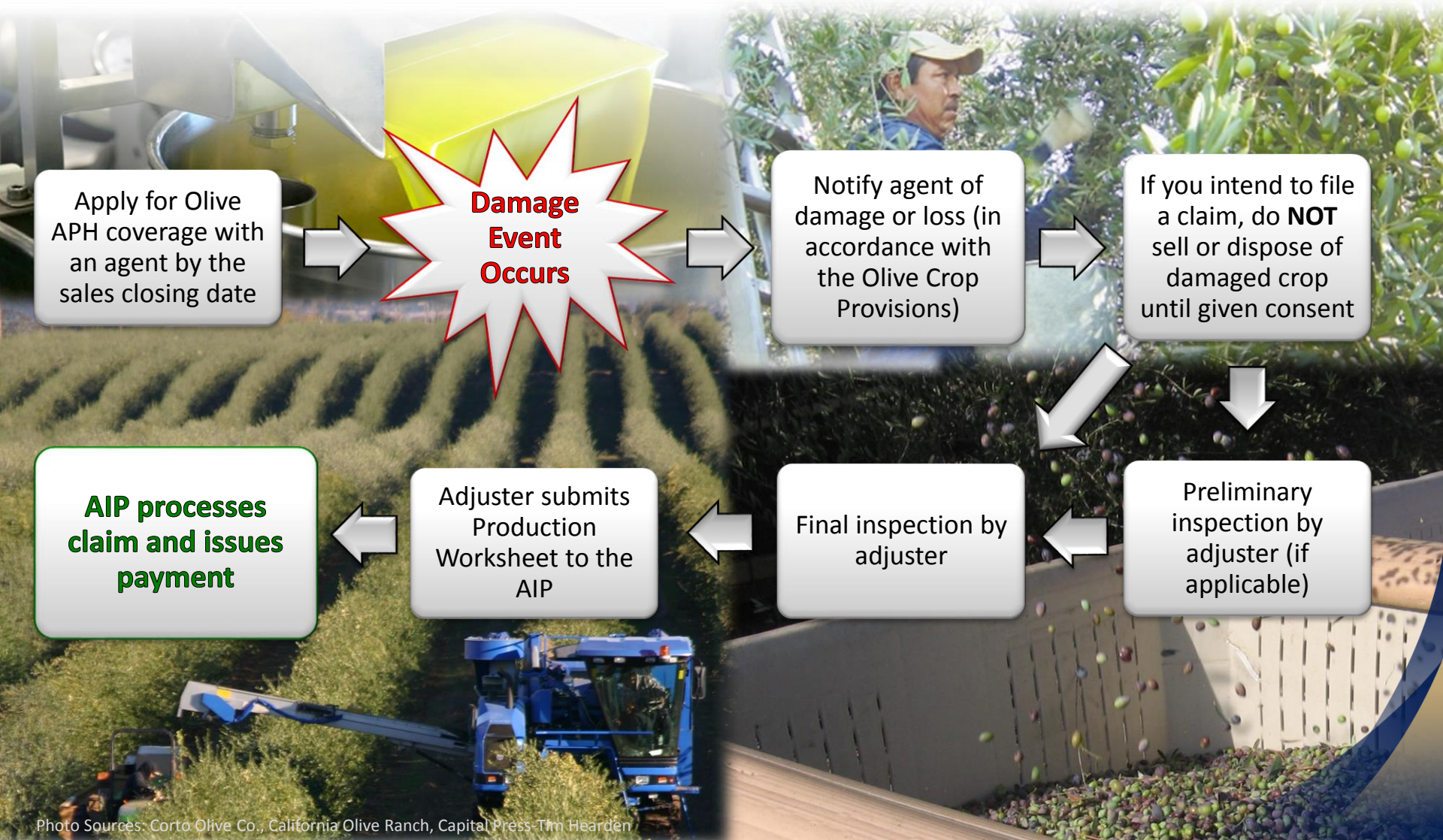


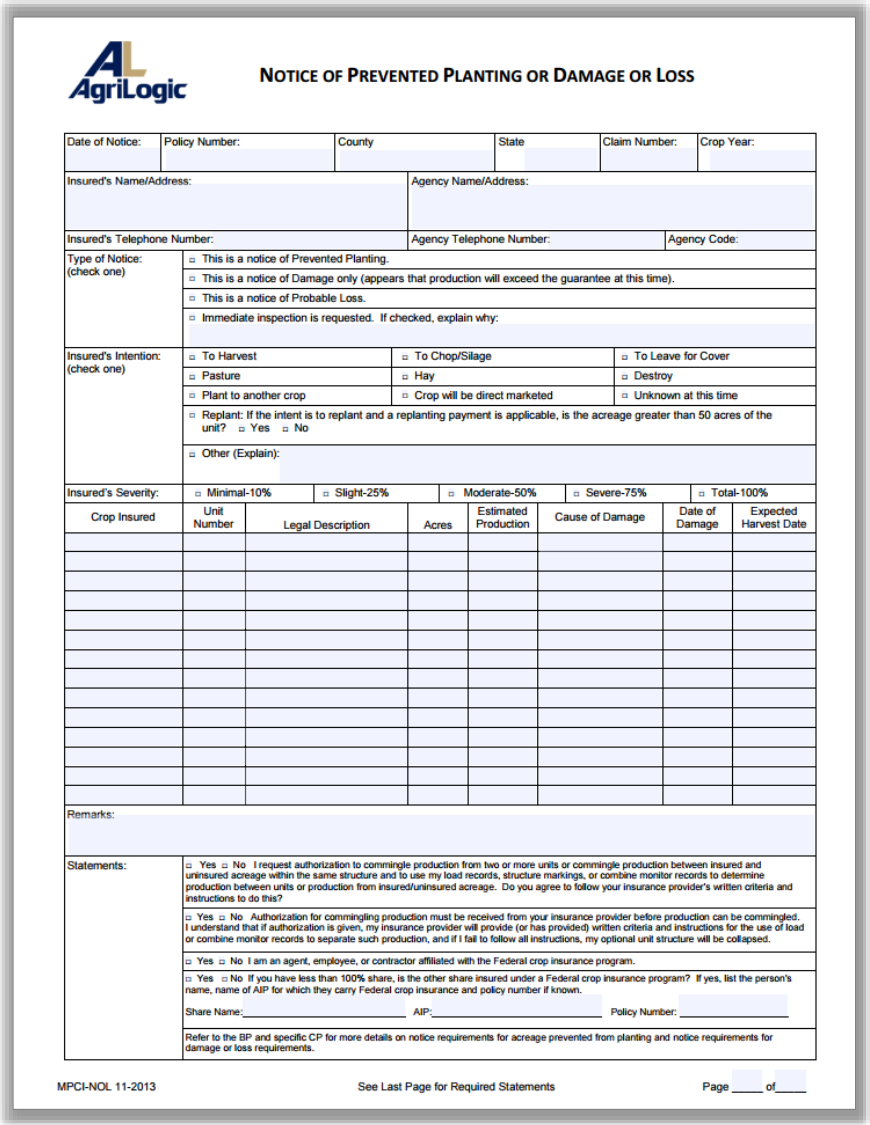
Photo Sources: Corto Olive Co., California Olive Ranch, Capital Press-Tim Hearden

Olive Crop Insurance Program
Notice of Damage or Loss

Notice Requirement	Event
Within 3 Days	of the date that harvest of the damaged variety should have started if the crop will not be harvested.
At least 15 days before	any production from any unit will be sold by direct marketing if insurance is provided for direct marketing.
At least 15 days before	the beginning of harvest of the damaged olive crop if the insured intends to claim an indemnity on any unit.
Before harvest begins	if any acreage will be harvested in a manner other than how it was reported for coverage (e.g., reported table type olives but will be harvested for oil; reported as oil type olives but will be harvested for table olives).

Olive Crop Insurance Program

Example Notice of Loss



NOTICE OF PREVENTED PLANTING OR DAMAGE OR LOSS

Date of Notice:	Policy Number:	County	State	Claim Number:	Crop Year:

Insured's Name/Address:	Agency Name/Address:

Insured's Telephone Number:	Agency Telephone Number:	Agency Code:

Type of Notice: (check one)	☐ This is a notice of Prevented Planting.		
	☐ This is a notice of Damage only (appears that production will exceed the guarantee at this time).		
	☐ This is a notice of Probable Loss.		
	☐ Immediate inspection is requested. If checked, explain why:		
Insured's Intention: (check one)	☐ To Harvest	☐ To Chop/Silage	☐ To Leave for Cover
	☐ Pasture	☐ Hay	☐ Destroy
	☐ Plant to another crop	☐ Crop will be direct marketed	☐ Unknown at this time
	☐ Replant: If the intent is to replant and a replanting payment is applicable, is the acreage greater than 50 acres of the unit? ☐ Yes ☐ No		
	☐ Other (Explain):		

Insured's Severity:	☐ Minimal-10%	☐ Slight-25%	☐ Moderate-50%	☐ Severe-75%	☐ Total-100%

Crop Insured	Unit Number	Legal Description	Acres	Estimated Production	Cause of Damage	Date of Damage	Expected Harvest Date

Remarks:

Statements:	
	☐ Yes ☐ No I request authorization to commingle production from two or more units or commingle production between insured and uninsured acreage within the same structure and to use my load records, structure markings, or combine monitor records to determine production between units or production from insured/uninsured acreage. Do you agree to follow your insurance provider's written criteria and instructions to do this?
	☐ Yes ☐ No Authorization for commingling production must be received from your insurance provider before production can be commingled. I understand that if authorization is given, my insurance provider will provide (or has provided) written criteria and instructions for the use of load or combine monitor records to separate such production, and if I fail to follow all instructions, my optional unit structure will be collapsed.
	☐ Yes ☐ No I am an agent, employee, or contractor affiliated with the Federal crop insurance program.
	☐ Yes ☐ No If you have less than 100% share, is the other share insured under a Federal crop insurance program? If yes, list the person's name, name of AIP for which they carry Federal crop insurance and policy number if known. Share Name:_____ AIP:_____ Policy Number: _____
	Refer to the BP and specific CP for more details on notice requirements for acreage prevented from planting and notice requirements for damage or loss requirements.

MPCI-NOL 11-2013 See Last Page for Required Statements Page ____ of____

Olive Crop Insurance Program
Appraisal Requirements

- Circumstances that require an appraisal include (but are not limited to):
  - When the insured has olive acreage that he/she does not intend to harvest or which is unharvested at the end of the insurance period;
  - When any production will be sold by direct marketing;
  - When the insured has reported insured damage;
  - When olives are harvested for another use (e.g., reported table type olives that are delivered for oil) and acceptable records showing the number of tons or gallons of oil will not be available.
  - Other instances where verifiable production records will not be available (e.g., the insured sells a minimal crop on the tree to an independent picking crew for a fixed price).

Field appraisals are not always required.

Photo Source: California Olive Ranch

Olive Crop Insurance Program
Appraisal and Production Worksheets

- Appraisal Worksheet:
  - Is completed by the loss adjuster;
  - Is used to conduct field appraisals; and

- Production Worksheet:
  - Is completed by the loss adjuster; and
  - Is used to compile information for:
    - Appraisals; and
    - Harvested production.
  - Required to establish any indemnity.

Photo Source: California Olive Ranch

Olive Crop Insurance Program

Example Appraisal Worksheet – Completed by Company Adjuster

EXAMPLE STONEFRUIT APPRAISAL WORKSHEET

(For Illustration Purposes Only)

Company: *Any Company* | Claim Number: *XXXXXXX*

1.. Insured's Name	2. Policy Number	3. Crop Year	4. Unit Number	5. Acres	6. Number of Trees per Acre	7. Cause of Damage	8. Date of Damage	9. Crop Type
I. M. Insured	*XXXXXXX*	*YYYY*	*00010000BU*	*28.0*	*110*	*Frost*	*May 12*	*Olives-Oil-Manzanillo*

A. IMMATURE (GREEN) STONEFRUIT APPRAISALS

Part I: FRUIT COUNT

10. Field ID	11. Acres in Plot	12. Fruit Count Number of Fruit From Each Sample Tree	13. Total Fruit	14. Number of Samples	15. Average Fruit per Tree
			=	÷	=

Part II: PRODUCTION TO COUNT

16. Average Fruit per Tree		17. Survival Factor		18. Average Fruit to Count		19. Fruit per Pound		20. Pounds per Tree		21. Number of Trees per Acre		22. Pounds per Acre		23. Pounds per _____		24. _____ per Acre
	X	0.9095	=		÷		=		X		=		÷		=	

B. MATURE STONEFRUIT APPRAISALS

Part I: ~~FRUIT COUNT~~ HARVESTED FRUIT

25. Field ID	26. Acres in Plot	27. ~~Fruit Count~~ ~~Number~~ Weight of Fruit From Each Sample Tree									28. Total Fruit Weight		29. Number of Samples		30. Average Fruit Weight per Tree
B	*3.8*	*18.0*	*18.4*	*18.6*	*17.8*	*18.2*					=	*91.0*	÷	*5*	= *18.2*

Part II: RANDOM PICK

31. Random Pick or Number of Fruit that Meet Grade (_____per Sample)	33. Total Number of Fruit that Meet Grade	35. Total Number of Fruit From All Sample Trees	37. Average Percent of Graded Fruit
32. Weight of Graded Fruit (_____per Sample)	34. Total Weight	36. Total Number of Fruit that Meet Grade	38. Average Weight per Fruit
31	33 =	35 ÷	37 =
32	34 =	36 ÷	38 =

Part III: PRODUCTION TO COUNT

39. Average Fruit per Tree		40. Average Percent of Graded Fruit		41. Graded Fruit per Tree		42. Average Weight per Fruit		43. Pounds per Tree		44. Number of Trees per Acre		45. Pounds per Acre		46. Pounds/Gal. per Ton		47. Gal. per Acre
	X		=		X		=	*18.2*	X	*110*	=	*2,002*	÷	*2000/30 = 66.7*	=	*30.0*

48. Remarks: Appraisal date MM/DD/YY

EXAMPLE MATURE APPRAISAL – Harvest Fruit Method

This form example does not illustrate all required entry items (e.g., signatures, etc.).

Olive Crop Insurance Program

Example Production Worksheet – Completed by Company Adjuster

PRODUCTION WORKSHEET

1. Crop/Code #	2. Unit #	3. Location Description	7. Company Agency
Olives 0501	*0001 0000EU*	*SW1-96N-30W*	*Any Company Any Agency*
4. Date(s) of Damage	**May 12**		
5. Cause(s) of Damage	**Frost**		
6. Insured Cause %	**100%**		
12. Additional Units	--		
13. Est. Prod. Per Acre	**4/160**		

8. Name of Insured		
I. M. Insured		
9. Claim # *XXXXXX*	11. Crop Year *YYYY*	
10. Policy # *XXXXXXX*		
14. Date(s) Notice of Loss 1st *MM/DD/YY*	2nd	Final *MM/DD/YY*
15. Companion Policy(s)		

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL

16. Field ID	17. Multi-Crop Code	18. Reported Acres	19. Determined Acres	20. Interest or Share	21. Risk	22. Type	23. Class	24. Sub-Class	25. Intended Use	26. Irr. Practice	27. Cropping Practice	28. Organic Practice	29. Stage	30. Use of Acreage
A			**7.2**	**1.000**		**408**				**253**			**UH**	**UH**
B			**3.8**	**1.000**		**048**				**250**			**UH**	**UH**
C			**17.0**	**1.000**		**048**				**250**			**H**	**H**
		39. TOTAL	**28.0**											

B. POTENTIAL YIELD

31. Appraised Potential	32a. / 32b. Moisture % / Factor	33. Shell %, Factor, or Value	34. Production Pre QA	35. Quality Factor	36. Production Post QA	37. Uninsured Causes	38. Total to Count
.4	-------		**2.9**		**2.9**		**2.9**
30.0	-------		**114.0**		**114.0**		**114.0**
	-------						
		42. TOTALS	**2.9 Tons** / **114.0 Gal**		**2.9 Tons** / **114.0 Gal.**		**2.9 Tons** / **114.0 Gal.**

40. Quality: TW ☐ KD ☐ Aflatoxin ☐ Vomitoxin ☐ Fumonisin ☐ Garlicky ☐ Dark Roast ☐ Sclerotinia ☐ Ergoty ☐ COFO ☐ Other ☐ None ☒

41. Mycotoxins exceed FDA, State or other health organization maximum limits. Yes ☐

NARRATIVE (If more space is needed, attach a Special Report) *Acres determined using GPS. Grove A and B not harvested due to severe frost damage.*

SECTION II – DETERMINED HARVESTED PRODUCTION

43. Date Harvest Completed *MM/DD/YY*

44. Damage similar to other farms in the area? *Yes* [X] *No* [ ]

45. Assignment of Indemnity *Yes* [ ] *No* [X]

46. Transfer of Right to Indemnity? *Yes* [ ] *No* [X]

A. MEASUREMENTS

47a. / 47b. Share / Field ID	48. Multi-Crop Code	49. Length or Diameter	50. Width	51. Depth	52. Deduction
		CA Olive Oil Co. Anytown, State			

B. GROSS PRODUCTION

53. Net Cubic Feet	54. Conversion Factor	55. Gross Prod.	56. Bu., Ton Lbs., Cwt., Gal.
			2,300.0 Gal.

C. ADJUSTMENTS TO HARVESTED PRODUCTION

57. Shell/ Sugar Factor	58a. / 58b. FM% / Factor	59a. / 59b. Moisture % / Factor	60a. / 60b. Test WT / Factor	61. Adjusted Production	62. Prod. Not to Count	63. Production Pre-QA	64a. / 64b. Value / Mkt. Price	65. Quality Factor	66. Production to Count
	-------	-------	-------			**2,300.0 Gal.**	-------		**2,300.0 Gal.**
	-------	-------	-------				-------		
	-------	-------	-------				-------		
			67. TOTAL			**2,300**			

68. Section II Total	**0.0/2,300.0**
69. Section I Total	**2.9/114.0**
70. Unit Total	**2.9/2,414.0**
71. Allocated Prod.	
72. Total APH Prod.	**2.9/2,414.0**

EXAMPLE CLAIM

This form example does not illustrate all required entry items (e.g., signatures, etc.).

Olive Crop Insurance Program
Guarantee and Payment

Example 1 – A basic unit of table olives only:

You have a 100 percent share in 50 acres of table olives in a basic unit, with an approved yield of 6.7 tons per acre. You choose the 75% coverage level. The price election is $650.00 per ton. You are only able to harvest 175 tons. Your guarantee, production to count, and indemnity would be calculated as follows:

continued on next slide…….

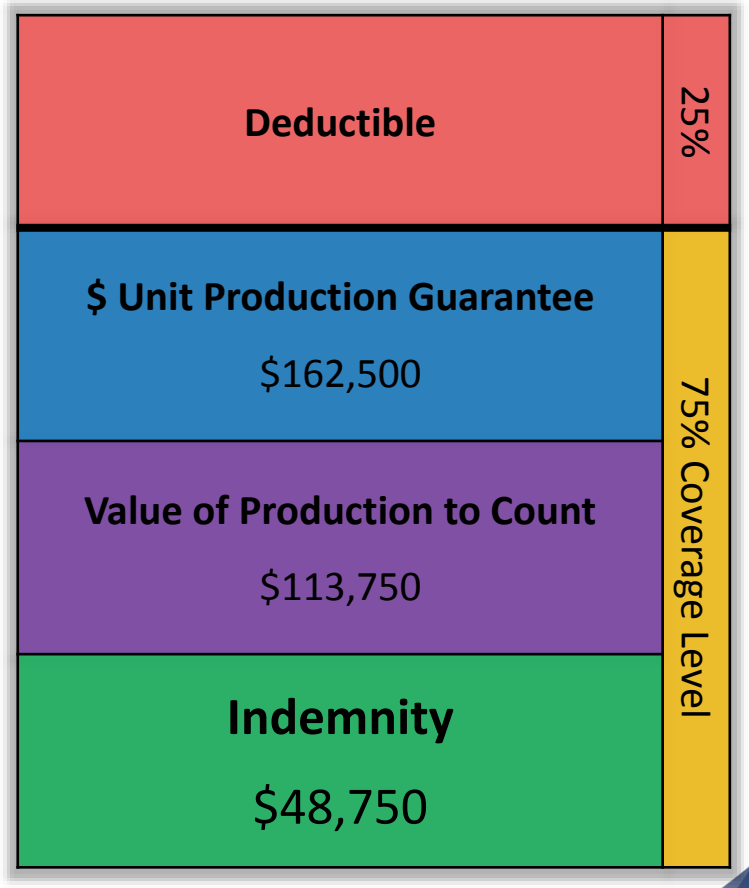
Photo Source: COC

Olive Crop Insurance Program
Guarantee and Payment

Production Guarantee/Acre = 5 tons
(6.7 tons/acre approved × 75% coverage level)
$ Unit Production Guarantee = $162,500
(50 acres × 5 tons/acre × $650/ton)

Value of Production to Count = $113,750
(175 tons × $650)

Indemnity = $48,750
$ Unit Production Guarantee – Value of Production to Count
($162,500 - $113,750 = $48,750 × 100% share)



Olive Crop Insurance Program
Guarantee and Payment

Example 2 – An enterprise unit with table and oil olives:

You have a 100 percent share in 50 acres each of table and oil olives in an enterprise unit, with an approved yield of 6.7 tons per acre for the table olives and 267 gallons per acre for the oil olives. You choose the 75% coverage level. The applicable price elections are $650.00 per ton and $14.50 per gallon. You are only able to harvest 175 tons of table olives and produce 7,000 gallons of oil from the oil olives. Your guarantee, production to count, and total indemnity for both table and oil olives would be calculated as follows:

continued on next slide…….

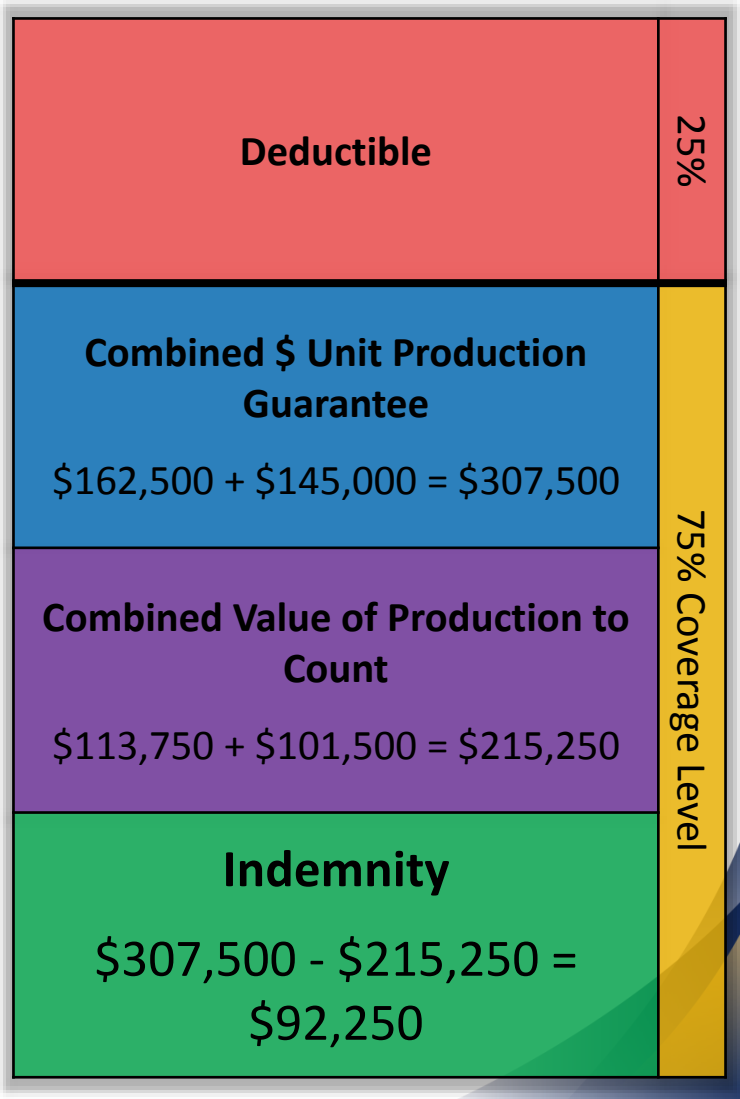
Photo Source: University of California Division of Agriculture and Natural Resources

Olive Crop Insurance Program
Guarantee and Payment

Table Olive Production Guarantee/Acre = 5 tons
(6.7 tons/acre approved × 75% coverage level)
Oil Olive Production Guarantee/Acre = 200 gallons
(267 gallons/acre approved × 75% coverage level)
Table Olive $ Unit Production Guarantee = $162,500
(50 acres × 5 tons/acre × $650/ton)
Oil Olive $ Unit Production Guarantee = $145,000
(50 acres × 200 gallons/acre × $14.50/gal)

Table Olive Value of Production to Count = $113,750
(175 tons × $650)
Oil Olive Value of Production to Count = $101,500
(7,000 gallons × $14.50)

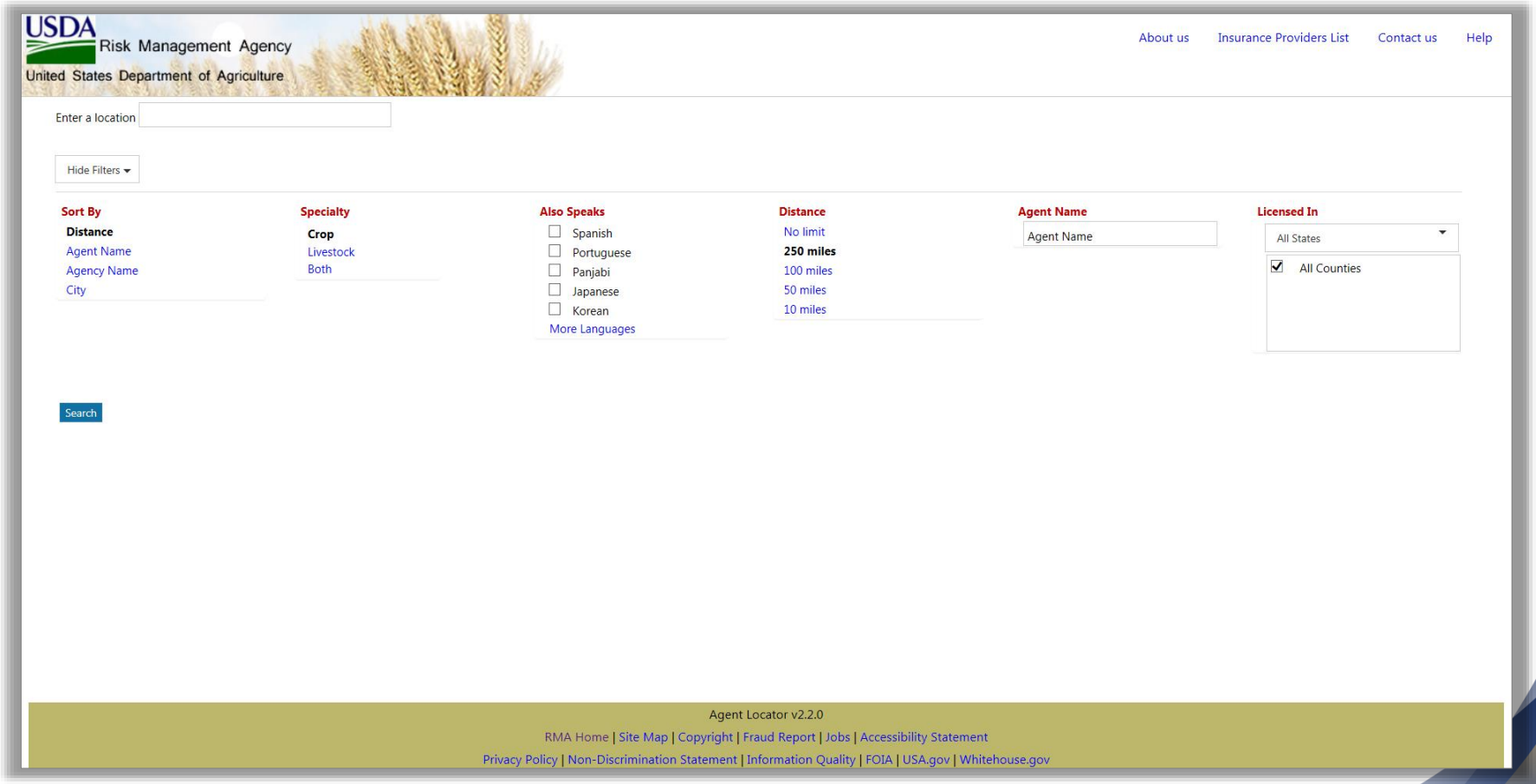
Indemnity = $92,250
$ Unit Production Guarantee – Value of Production to Count
($307,500 - $215,250 = $92,250 × 100% share)



Olive Crop Insurance Program

Where to Buy Crop Insurance

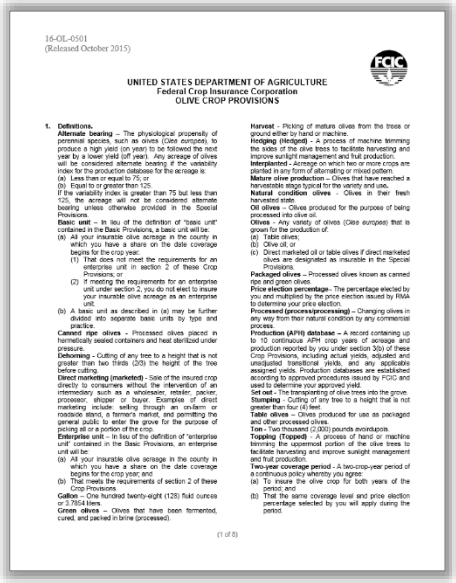
Visit the **RMA Agent Locator** to find a list of private insurance agents licensed to sell multi-peril crop insurance in your area.



http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#/

Olive Crop Insurance Program
More information

Visit www.rma.usda.gov for:


16-OL-0501
(Released October 2015)

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
OLIVE CROP PROVISIONS

1. **Definitions.**

Alternate bearing – The physiological propensity of perennial species, such as olives (*Olea europea*) to produce a high yield (on year) to be followed the next year by a lower yield (off year). Any acreage of olives will be considered alternate bearing if the variability index for the production databases for the acreage is:
(a) Less than or equal to 75; or
(b) Equal to or greater than 125.
If the variability index is greater than 75 but less than 125, the acreage will not be considered alternate bearing unless otherwise provided in the Special Provisions.

Basic unit – In lieu of the definition of "basic unit" contained in the Basic Provisions, a basic unit will be:
(a) All your insurable olive acreage in the county in which you have a share on the date coverage begins for the crop year:
(1) That does not meet the requirements for an enterprise unit in section 2 of these Crop Provisions; or
(2) If meeting the requirements for an enterprise unit under section 2, you do not elect to insure your insurable olive acreage as an enterprise unit.
(b) A basic unit as described in (a) may be further divided into separate basic units by type and practice.

Canned ripe olives – Processed olives placed in hermetically sealed containers and heat sterilized under pressure.

Deboming – Cutting of any tree to a height that is not greater than two thirds (2/3) the height of the tree before cutting.

Direct marketing (marketed) - Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include: selling through an on-farm or roadside stand, a farmer's market, and permitting the general public to enter the grove for the purpose of picking all or a portion of the crop.

Enterprise unit – In lieu of the definition of "enterprise unit" contained in the Basic Provisions, an enterprise unit will be:
(a) All your insurable olive acreage in the county in which you have a share on the date coverage begins for the crop year; and
(b) That meets the requirements of section 2 of these Crop Provisions.

Gallon – One hundred twenty-eight (128) fluid ounces or 3.7854 liters.

Green olives – Olives that have been fermented, cured, and packed in brine (processed).

Harvest - Picking of mature olives from the trees or ground either by hand or machine.

Hedging (Hedged) – A process of machine trimming the sides of the olive trees to facilitate harvesting and improve sunlight management and fruit production.

Interplanted - Acreage on which two or more crops are planted in any form of alternating or mixed pattern.

Mature olive production – Olives that have reached a harvestable stage typical for the variety and use.

Natural condition olives – Olives in their fresh harvested state.

Oil olives – Olives produced for the purpose of being processed into olive oil.

Olives - Any variety of olives (*Olea europea*) that is grown for the production of:
(a) Table olives;
(b) Olive oil; or
(c) Direct marketed oil or table olives if direct marketed olives are designated as insurable in the Special Provisions.

Packaged olives – Processed olives known as canned ripe and green olives.

Price election percentage– The percentage elected by you and multiplied by the price election issued by RMA to determine your price election.

Processed (process/processing) – Changing olives in any way from their natural condition by any commercial process.

Production (APH) database – A record containing up to 10 continuous APH crop years of acreage and production reported by you under section 3(b) of these Crop Provisions, including actual yields, adjusted and unadjusted transitional yields, and any applicable assigned yields. Production databases are established according to approved procedures issued by FCIC and used to determine your approved yield.

Set out - The transplanting of olive trees into the grove.

Stumping - Cutting of any tree to a height that is not greater than four (4) feet.

Table olives – Olives produced for use as packaged and other processed olives.

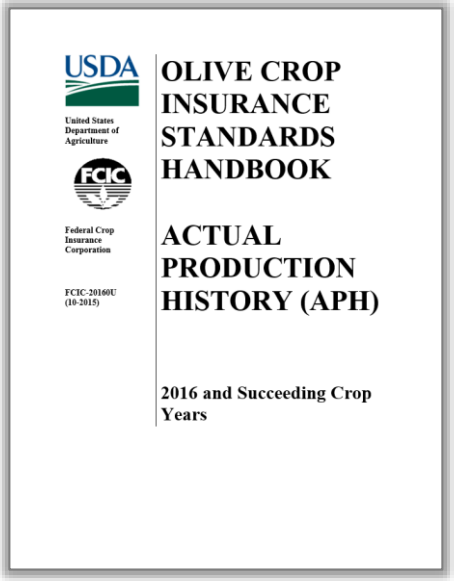
Ton - Two thousand (2,000) pounds avoirdupois.

Topping (Topped) – A process of hand or machine trimming the uppermost portion of the olive trees to facilitate harvesting and improve sunlight management and fruit production.

Two-year coverage period - A two-crop-year period of a continuous policy whereby you agree:
(a) To insure the olive crop for both years of the period; and
(b) That the same coverage level and price election percentage selected by you will apply during the period.

(1 of 8)

Olive Crop Provisions

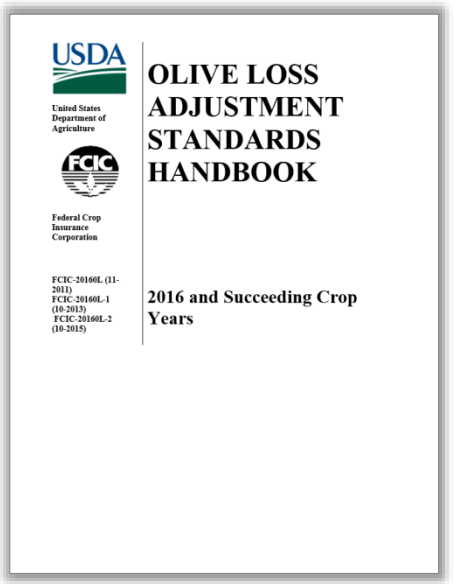

USDA
United States Department of Agriculture
FCIC
Federal Crop Insurance Corporation
FCIC-20160U (10-2015)

OLIVE CROP INSURANCE STANDARDS HANDBOOK

ACTUAL PRODUCTION HISTORY (APH)

2016 and Succeeding Crop Years

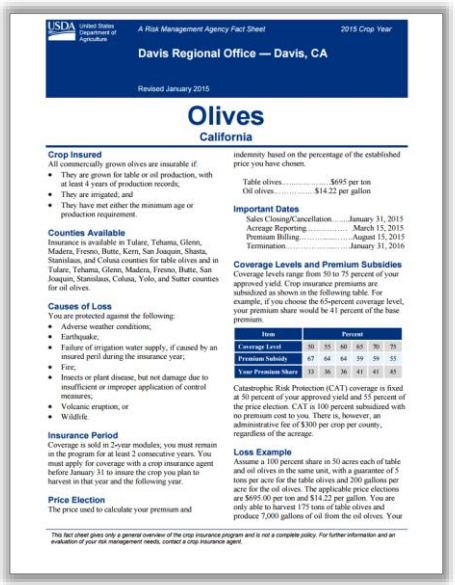
Olive Crop Insurance Standards Handbook


USDA
United States Department of Agriculture
FCIC
Federal Crop Insurance Corporation
FCIC-20160L (11-2011)
FCIC-20160L-1 (10-2013)
FCIC-20160L-2 (10-2015)

OLIVE LOSS ADJUSTMENT STANDARDS HANDBOOK

2016 and Succeeding Crop Years

Olive Loss Adjustment Standards Handbook


USDA United States Department of Agriculture
A Risk Management Agency Fact Sheet — 2015 Crop Year

Davis Regional Office — Davis, CA

Revised January 2015

Olives
California

Crop Insured
All commercially grown olives are insurable if:
- They are grown for table or oil production, with at least 4 years of production records;
- They are irrigated; and
- They have met either the minimum age or production requirement.

Counties Available
Insurance is available in Tulare, Tehama, Glenn, Madera, Fresno, Butte, Kern, San Joaquin, Shasta, Stanislaus, and Colusa counties for table olives and in Tulare, Tehama, Glenn, Madera, Fresno, Butte, San Joaquin, Stanislaus, Colusa, Yolo, and Sutter counties for oil olives.

Causes of Loss
You are protected against the following:
- Adverse weather conditions;
- Earthquake;
- Failure of irrigation water supply, if caused by an insured peril during the insurance year;
- Fire;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Volcanic eruption; or
- Wildlife.

Insurance Period
Coverage is sold in 2-year modules; you must remain in the program for at least 2 consecutive years. You must apply for coverage with a crop insurance agent before January 31 to insure the crop you plan to harvest in that year and the following year.

Price Election
The price used to calculate your premium and indemnity based on the percentage of the established price you have chosen.

Table olives.....$695 per ton
Oil olives.....$14.22 per gallon

Important Dates
Sales Closing/Cancellation.....January 31, 2015
Acreage Reporting.....March 15, 2015
Premium Billing.....August 15, 2015
Termination.....January 31, 2016

Coverage Levels and Premium Subsidies
Coverage levels range from 50 to 75 percent of your approved yield. Crop insurance premiums are subsidized as shown in the following table. For example, if you choose the 65-percent coverage level, your premium share would be 41 percent of the base premium.

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 percent of your approved yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of $300 per crop per county, regardless of the acreage.

Loss Example
Assume a 100 percent share in 50 acres each of table and oil olives in the same unit, with a guarantee of 5 tons per acre for the table olives and 200 gallons per acre for the oil olives. The applicable price elections are $695.00 per ton and $14.22 per gallon. You are only able to harvest 175 tons of table olives and produce 7,000 gallons of oil from the oil olives. Your

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Olive Fact Sheet