



# 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



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:



# Olive Crop Insurance Program

## Eligible Counties

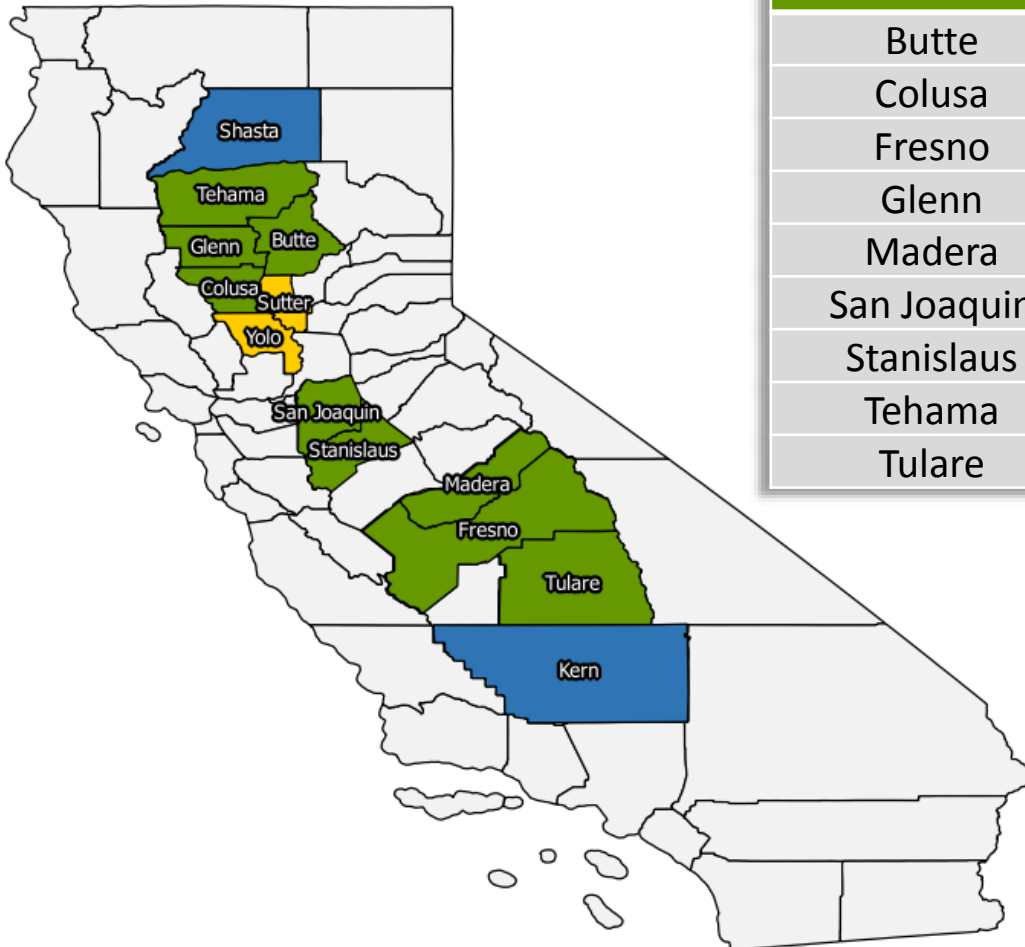


Table & Oil Olives	Table Olives Only	Oil Olives Only
Butte	Kern	Sutter
Colusa	Shasta	Yolo
Fresno		
Glenn		
Madera		
San Joaquin		
Stanislaus		
Tehama		
Tulare		



# 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

# 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

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There is **no** insurance coverage against:

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

# Olive Crop Insurance Program

## Definitions

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- **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

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- **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

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- **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

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- **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 7<sup>th</sup> 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.**

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

\* 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	2012	2013	Avg. Yield	Current Year	2-year Avg.	VI	VAF	Approved Yield
				(Col 1)	(Col 2)	(Col 3)	(Col 4)	(Col 5)	(Col 1 + Col 2) ÷ 2 (Col 6)	(Col 5) ÷ (Col 6) × 100 (Col 7)	(Col 8)	(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 <sup>1</sup>	1.30	5.3

<sup>1</sup>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)	(Col 3)	(Col 4)	(Col 5)	(Col 1 + Col 2) ÷ 2 (Col 6)	(Col 5) ÷ (Col 6) × 100 (Col 7)	(Col 8)	(Col 4 x Col 8) (Col 9)
150	130	145	125	160	140	155	144	155	150	103 <sup>1</sup>	1.00	<b>144</b>

<sup>1</sup>Round to the nearest whole number

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

# 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	2012	2013	Avg. Yield	Current Year	2-year Avg.	VI	VAF	Approved Yield
				(Col 1)	(Col 2)	(Col 3)	(Col 4)	(Col 5)	(Col 1 + Col 2) ÷ 2	(Col 5) ÷ (Col 6) × 100		(Col 4 x Col 8)
									(Col 6)	(Col 7)	(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 <sup>1</sup>	.70	2.7

<sup>1</sup>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:
  - 2<sup>nd</sup> growing season after hedging or topping;
  - 3<sup>rd</sup> growing season after dehorning; or
  - 4<sup>th</sup> growing season after stumping.
- Grove location must contain at least three (3) contiguous acres (exceptions may apply).





# 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



# Olive Crop Insurance Program

## Age Determinations



### Age Determinations

Set Out Year

The actual calendar year for acreage transplanted before July 1<sup>st</sup>. For acreage transplanted after July 1<sup>st</sup>, 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

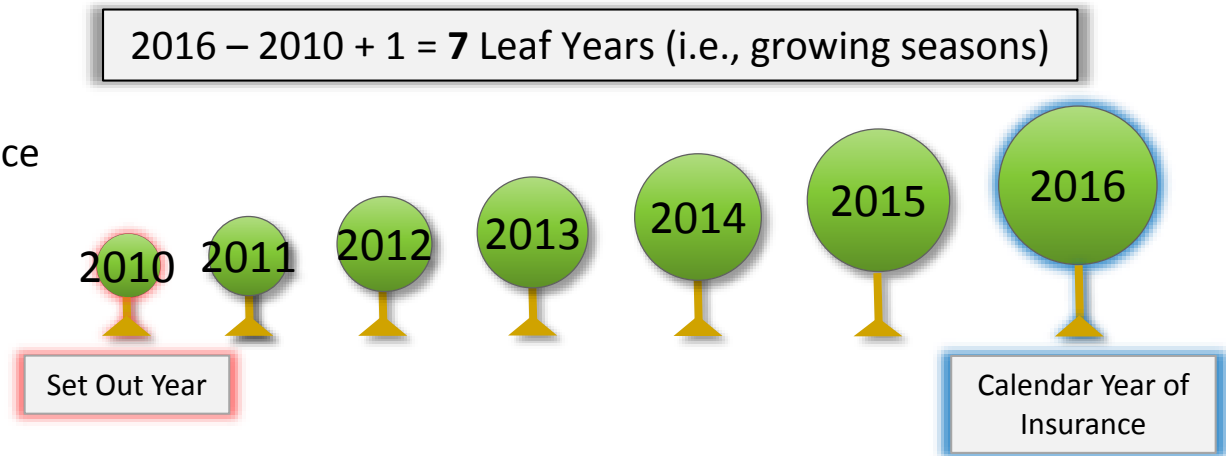


# Olive Crop Insurance Program

## Leaf Year

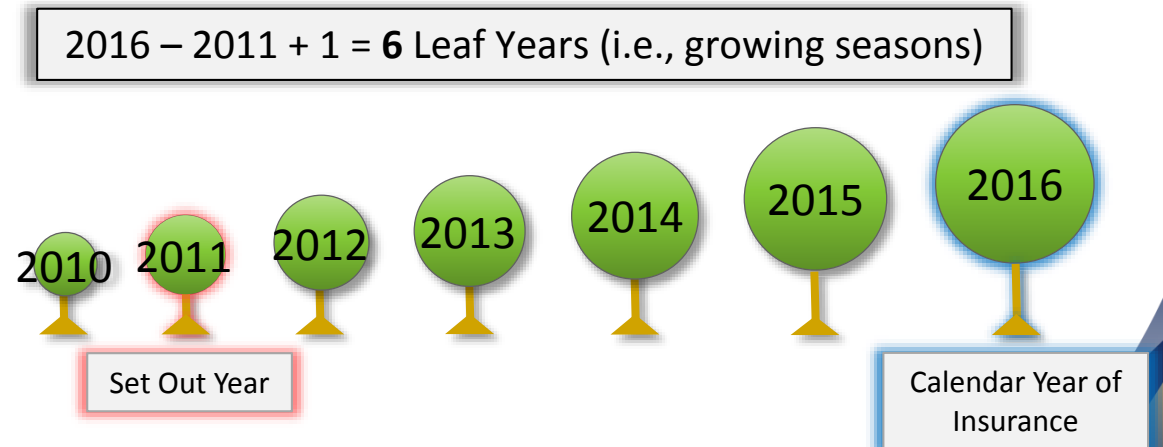
### Example 1:

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



### Example 2:

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



# Olive Crop Insurance Program

## Unit Structure

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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

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### **Sales Closing Date (SCD)/Cancellation**

- January 31

### **Acreage Reporting Date (ARD)**

- March 15

### **Premium Billing Date**

- August 15

### **Termination**

- January 31

# Olive Crop Insurance Program

## Important Dates - Insurance Period



### Sales Closing Date (SCD): January 31

Insurance attaches	for the initial crop year	February 1 <sup>st</sup> if the application is received at least 20 days before the SCD.
		the 20 <sup>th</sup> 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 16 <sup>th</sup> 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 15 <sup>th</sup> for table olives and January 31 <sup>st</sup> 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





# Olive Crop Insurance Program

## RMA Cost Estimator Tool



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

The screenshot shows the USDA Risk Management Agency Cost Estimator tool interface. The page title is "Quick Estimate" and the user ID is "CE0401". The interface includes a navigation menu on the left with "Popular Topics" such as "Appendix III/M-13", "Bulletins and Handbooks", "Crop Policies and Pilots", "Federal Crop Insurance Corp", "Field Offices: ROs | COs", "Frequently Asked Questions", "Information Browser", "Cost Estimator", "Main Menu", "Quick Estimate", "Detailed Estimate", "Saved Estimates", "Laws and Regulations", "Livestock Policies", and "Reinsurance Agreements". The main content area is titled "Quick Estimate" and contains a "Quick Criteria" section with the following fields:

* Commodity	: Olives 0501
* Commodity Year	: 2015
* State	: California 06
* County	: Butte 007
* Type	: Oil 048
* Practice	: High Density (Irrigated) 253

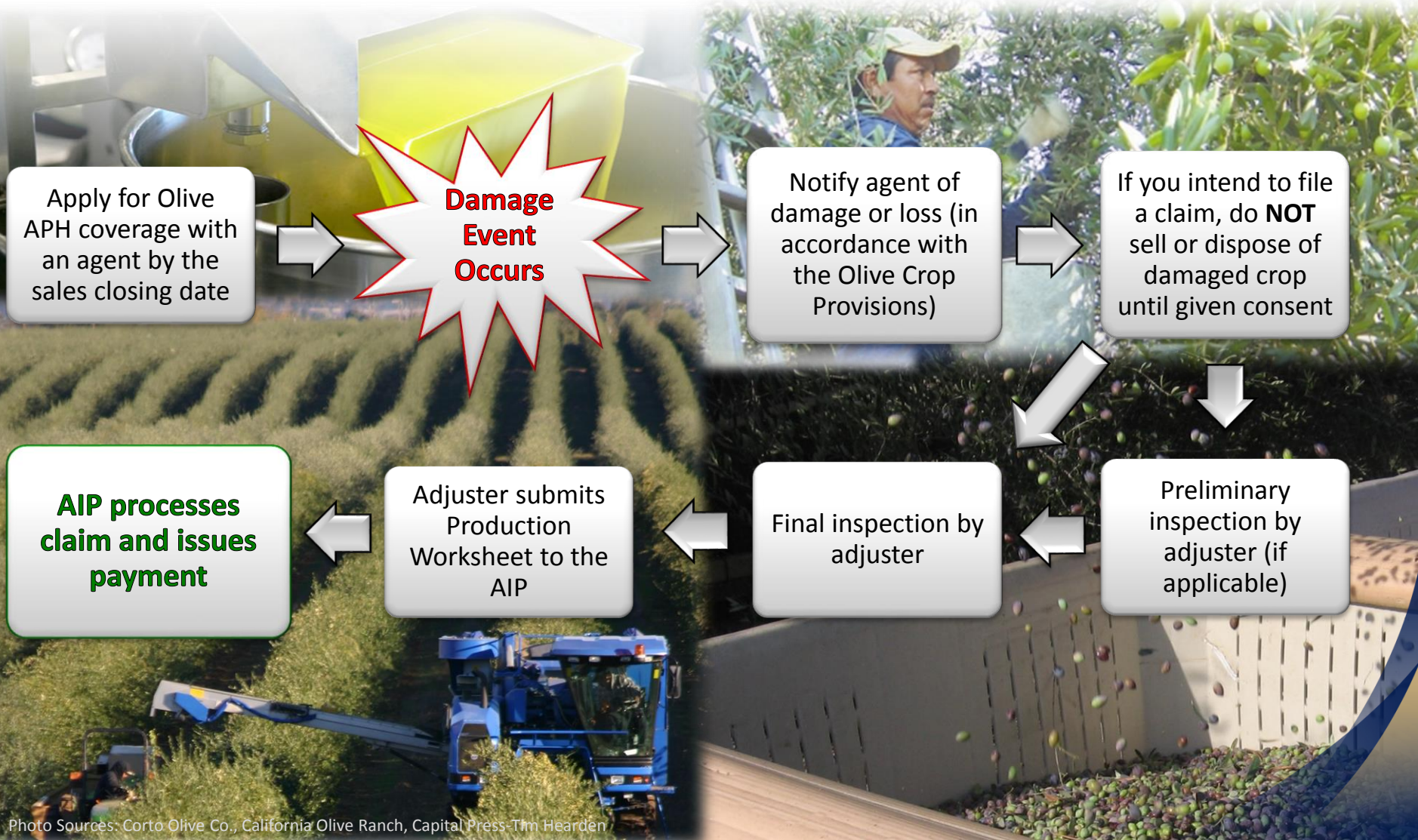
Below the "Quick Criteria" section is the "Individual Coverage" section, which includes the following fields:

* Unit of Measure	: GAL
Sub County Code	: None Available
* Price Election	: 100 % \$14.22
	99 % \$14.08
	98 % \$13.94
	97 % \$13.79
* Reported Acreage	: 100
* Approved Yield	: 200
* Rate Yield	: 200
* Insured Share Percent	: 1

A "Get Estimates" button is located below the "Individual Coverage" section. The page also includes a "Data valid as of: 9/17/2015" notice and a disclaimer: "The Cost Estimator only provides a general premium estimate. Refer to your crop insurance agent and policy for specific information regarding insurance coverage, actuarial information, conditions and exclusions." The footer contains links for "RMA Home", "Site Map", "Copyright", "Fraud Report", "Jobs", "Accessibility Statement", "Privacy Policy", "Non-Discrimination Statement", "Information Quality", "FOIA", "USA.gov", and "Whitehouse.gov".

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

# Olive Crop Insurance Program Damage Timeline



# 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

## Appraisal Requirements

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- 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.*

# Olive Crop Insurance Program Appraisal and Production Worksheets

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- 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.

# Olive Crop Insurance Program

Example Appraisal Worksheet – Completed by Company Adjuster



## EXAMPLE STONEFRUIT APPRAISAL WORKSHEET

(For Illustration Purposes Only)

Company: <i>Any Company</i>					Claim Number: <b>XXXXXXX</b>			
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>I. M. Insured</i>	<b>XXXXXXX</b>	<b>YYYY</b>	<b>00010000BU</b>	<b>28.0</b>	<b>110</b>	<b>Frost</b>	<b>May 12</b>	<b>Olives-Oil-Manzanillo</b>

### 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	<b>0.9095</b>			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>B</b>	<b>3.8</b>	<b>18.0</b>	<b>18.4</b>	<b>18.6</b>	<b>17.8</b>	<b>18.2</b>				
							<b>91.0</b>	<b>5</b>	<b>18.2</b>	

#### 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			
				=				+				=			
31				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		X	<b>2,002</b>	<b>2000/30 = 66.7</b>	<b>30.0</b>
				<b>18.2</b>	<b>110</b>			

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 # <i>Olives 0501</i>		2. Unit # <i>0001 0000EU</i>		3. Location Description <i>SW1-96N-30W</i>		7. Company Agency <i>Any Company Any Agency</i>		8. Name of Insured <i>I. M. Insured</i>														
4. Date(s) of Damage <i>May 12</i>		5. Cause(s) of Damage <i>Frost</i>		6. Insured Cause % <i>100%</i>		12. Additional Units <i>--</i>		13. Est. Prod. Per Acre <i>4/160</i>														
9. Claim # <i>XXXXXX</i>		11. Crop Year <i>YYYY</i>		10. Policy # <i>XXXXXX</i>		14. Date(s) Notice of Loss <i>MM/DD/YY</i>		15. Companion Policy(s)														
14. Date(s) Notice of Loss <i>MM/DD/YY</i>		1st		2nd		Final		<i>MM/DD/YY</i>														
SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS																						
A. ACTUARIAL					B. POTENTIAL YIELD																	
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a. 32b.	33.	34.	35.	36.	37.	38.
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr. Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage	Appraised Potential	Moisture % Factor	Shell % Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count
A			7.2	1.000		408				253			UH	UH	.4	-----		2.9		2.9		2.9
B			3.8	1.000		048				250			UH	UH	30.0	-----		114.0		114.0		114.0
C			17.0	1.000		048				250			H	H		-----						
39. TOTAL			28.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> COFO <input type="checkbox"/> Other <input type="checkbox"/> None <input checked="" type="checkbox"/>												42. TOTALS		2.9 Tons Gal	114.0 Gal	2.9 Tons Gal	114.0 Gal	2.9 Tons Gal
41. Mycotoxins exceed FDA, State or other health organization maximum limits. Yes <input type="checkbox"/> No <input type="checkbox"/>																						

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 <i>MM/DD/YY</i>				44. Damage similar to other farms in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				45. Assignment of Indemnity Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				46. Transfer of Right to Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>							
A. MEASUREMENTS				B. GROSS PRODUCTION				C. ADJUSTMENTS TO HARVESTED PRODUCTION											
47a. 47b.	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58a. 58b.	59a. 59b.	60a. 60b.	61.	62.	63.	64a. 64b.	65.	66.
Share Field ID	Multi-Crop Code	Length or Diameter	Width	Depth	Deduction	Net Cubic Feet	Conversion Factor	Gross Prod.	Bu., Ton Lbs., Cwt., Gal.	Shell/ Sugar Factor	FM% Factor	Moisture % Factor	Test WT Factor	Adjusted Production	Prod. Not to Count	Production Pre-QA	Value Mkt. Price	Quality Factor	Production to Count
		CA Olive Oil Co. Anytown, State							2,300.0 Gal.							2,300.0 Gal.			2,300.0 Gal.
67. TOTAL																2,300.0	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

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## **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.....*



# 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  
( $\$162,500 - \$113,750 = \$48,750 \times 100\%$  share)

<b>Deductible</b>	<b>25%</b>
<b>\$ Unit Production Guarantee</b> \$162,500	<b>75% Coverage Level</b>
<b>Value of Production to Count</b> \$113,750	
<b>Indemnity</b> \$48,750	

# Olive Crop Insurance Program Guarantee and Payment

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## **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.....*

# 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)

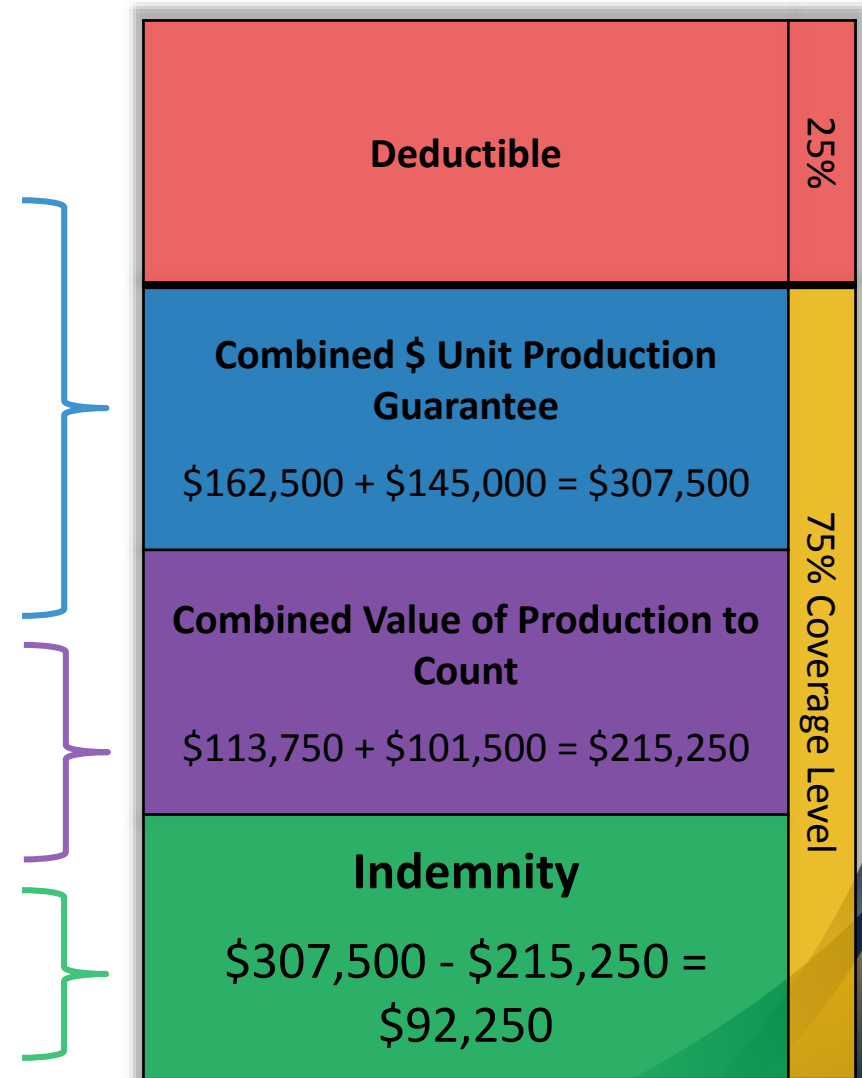
**Oil Olive \$ Unit Production Guarantee = \$145,000**  
(50 acres × 200 gallons/acre × \$14.50/gal)

**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  
( $\$307,500 - \$215,250 = \$92,250 \times 100\%$  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.

The screenshot shows the USDA Risk Management Agency's Agent Locator web application. At the top left is the USDA logo and the text 'Risk Management Agency' and 'United States Department of Agriculture'. On the top right are navigation links: 'About us', 'Insurance Providers List', 'Contact us', and 'Help'. Below the header is a search bar with the placeholder text 'Enter a location'. A 'Hide Filters' button is located below the search bar. The main content area is divided into several filter sections: 'Sort By' (with options for Distance, Agent Name, Agency Name, and City), 'Specialty' (with options for Crop, Livestock, and Both), 'Also Speaks' (with checkboxes for Spanish, Portuguese, Panjabi, Japanese, and Korean, plus a 'More Languages' link), 'Distance' (with radio buttons for No limit, 250 miles, 100 miles, 50 miles, and 10 miles), 'Agent Name' (with an input field), and 'Licensed In' (with a dropdown menu for 'All States' and a checked checkbox for 'All Counties'). A blue 'Search' button is positioned at the bottom left of the filter area. At the bottom of the page, there is a footer with the text 'Agent Locator v2.2.0' and a series of links: 'RMA Home', 'Site Map', 'Copyright', 'Fraud Report', 'Jobs', 'Accessibility Statement', 'Privacy Policy', 'Non-Discrimination Statement', 'Information Quality', 'FOIA', 'USA.gov', and 'Whitehouse.gov'.

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


# Olive Crop Insurance Program

## More information



Visit [www.rma.usda.gov](http://www.rma.usda.gov) for:

16-OL-0501  
(Revised 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 europaea*), to produce a high yield (or years) to be followed the next year by a lower yield (or years). Any average of olives will be furnished alternate bearing if the steadily rising for the production outcomes for the average is:

- Less than equal to 75;
- Equal to or greater than 75;
- If the variable factor is greater than 75 but less than 125, the average will not be considered alternate bearing unless otherwise provided in the Social Provisions.

**Basic unit** — In lieu of the definition of "basic unit" contained in the Basic Provisions, a basic unit will be:

- All your measurable olive acreage in the county in which you have a share on the date coverage begins for the crop year;
- If that does not meet the requirements for an enterprise unit in section 2 of these Crop Provisions;
- If meeting the requirements for an enterprise unit under section 2, you do not elect to insure your measurable olive acreage as an enterprise unit;
- A basic unit as described in (a) may be further divided into separate basic units for base and practice.

**Canned ripe olive** — Processed olives placed in hermetically sealed containers and heat sterilized under pressure.

**Cultivar** — Cultivar of any tree to a height that is not greater than two thirds (2/3) the height of the tree being grafted.

**Direct marketing (marketed)** — Sale of the insured crop directly to a customer without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, exporter or buyer. Examples of direct marketing include selling through an on-line or mobile device, a farmers market, and providing 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:

- All your measurable olive acreage in the county in which you have a share on the date coverage begins for the crop year; and
- 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 harvested, cured, and packed in brine (processed).

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

**Harvest (harvest)** — A process of machine harvesting the sides of the olive trees to facilitate harvesting and improve market management and final production.

**Harvested acreage** — Acreage on which olive trees are planted in any form of alternating or mixed pattern.

**Measure olive production** — Olives that have reached a harvestable stage typical for the variety and soil.

**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 europaea*) that is grown for the production of:

- Table olives;
- Olive oil;
- Olives marketed as table olives if direct marketed to a customer with an interstate or foreign shipment.

**Packaged olives** — Processed olives frozen as canned, jar, and green olives.

**Price election percentage** — The percentage elected by you and maintained by the price election issued by RMA to determine your price election.

**Processed (process/processing)** — Changing olives in any way from their natural condition to any commercial process.

**Production (APH) database** — A record containing up to 10 consecutive APH crop years of acreage and production recorded by you under section 2(b) of these Crop Provisions, including actual, irrigated and unirrigated transitional APHs, and any applicable assigned acre. Production database 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.

**Shading** — A 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.

**Tree** — Any tree (or 200) plants (seedlings).



**Topping (topped)** — A process of hand or machine leveling the uppermost portion of the olive trees to facilitate harvesting and improve market management and final production.

**Two-year coverage period** — A two-year period of a continuous policy whereby you agree:

- To insure the olive crop for each year of the period; and
- That the terms coverage level and price election percentage selected by you will apply during the period.

(1 of 5)

Olive Crop Provisions

United States Department of Agriculture  
Federal Crop Insurance Corporation



**OLIVE CROP INSURANCE STANDARDS HANDBOOK**

**ACTUAL PRODUCTION HISTORY (APH)**

FCIC-2016OL-1 (16-2015)

**2016 and Succeeding Crop Years**

Olive Crop Insurance Standards Handbook

United States Department of Agriculture  
Federal Crop Insurance Corporation

**OLIVE LOSS ADJUSTMENT STANDARDS HANDBOOK**

FCIC-2016OL-1 (16-2015)  
FCIC-2016OL-2 (16-2015)

**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.

**Countries Available**  
Insurance is available in Tulare, Tehama, Glenn, Madras, Fresno, Butte, Kern, San Joaquin, Shasta, Stanislaus, and Colusa counties for table olives and in Tulare, Tehama, Glenn, Madras, Fresno, Butte, San Joaquin, Stanislaus, Colusa, Yuba, 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;
- Frost;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Volcanic eruption; or
- Wildfire.

**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
Year 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 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 you 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