



United States Department of Agriculture  
Risk Management Agency

July 2004

## 2005 COMMODITY INSURANCE FACT SHEET

# Nursery Crop

Arkansas, Kentucky, Louisiana, Mississippi and Tennessee

### Crop Insured

The crop insured will be insurable plants in which you have a share in the county for each **practice, (container or field grown)**.

### Insured Plants

The insured nursery plant inventory will be all the nursery plants in the county that are shown on the **Eligible Plant List** and meet all the requirements for insurability. Nursery plant inventory may be insurable by written agreement if specific criteria are met.

### Causes of Loss

The insurance provided for unavoidable damage caused only by the following causes of loss that occur within the insurance period:

- Adverse weather conditions
- Volcanic eruption
- Failure of irrigation water supply due to a specific cause of loss
- Fire (provided weeds and undergrowth are controlled)
- Wildlife
- Earthquake
- Delay in marketability of the plants

**We do not insure against any loss caused by (unless they meet specific criteria):**

- Disease or insect infestation
- A failure of , or a reduction in, the power supply
- The inability to market the nursery plants
- Cold temperatures
- Collapse or failure of buildings or structures
- Failure of plants to grow to an expected size due to drought

### Insurance Period

**Coverage begins** 30 days after the insurance provider receives your signed application. For subsequent crop years, the insurance period begins 12:01 a.m. each

October 1. No application for insurance for any current crop year will be accepted after May 31st of the crop year.

### Insurance ends the earliest of:

- Date of final adjustment of a loss when the total indemnities due equal the amount of insurance;
- Removal of bare root nursery plant material from the field;
- Removal of all other insured plant material from the nursery; **or**
- 11:59 p.m. on September 30.

### Plant Inventory Value Report

A report declaring the value of insurable plants is used to help determine your premium and amount of insurance. Price limits by size and/or packaging form are contained on EPL/PPS. The reported inventory value may be estimated using the lower of this price, or the lower price contained in the Nursery's Wholesale Catalog or Price Listing. Any indemnity will be determined using the lower of the two prices.

### Important Dates

Contract Change.....	June 30
Billing Date.....	July 1
Cancellation & Termination Date .....	September 30

### Definitions

**Eligible Plant List:** A list published by RMA in electronic format is available from your agent that includes the botanical and common names of insurable plants, the winter protection requirements for container material and the areas in which they apply, the hardiness zone to which **field grown** material is insurable, the designated hardiness zones for each county, and the unit by plant type for each plant on the list. A paper copy of the eligible plant list is also available from your agent.

**Field Grown:** Nursery plants planted and grown in the ground without the use of any artificial root containment device. In-ground fabric bags are not considered an artificial root containment device.

**In-Ground Fabric Bag:** Also called a grow bag or a root control bag. A porous fabric bag made of a non-biodegradable material such as polypropylene that typically has a plastic bottom, and is used for growing woody plants in the ground.

**Nursery:** A business enterprise deriving at least 50 percent of its gross income from the marketing of wholesale plants.

**Plant Price Schedule:** A schedule of insurable plant prices published by RMA in electronic format that established the value of undamaged insurable plants and the maximum amount we will pay for damaged insurable plants. A paper copy is available from your agent also. Growers have an option to use their catalog prices, if lower.

**Practice:** A cultural method of producing plants. Standard nursery container grown and field grown are considered separate insurable practices.

**Standard Nursery Containers:** Rigid containers not less than 3 inches in diameter at the widest point of the container interior and that are appropriate in size and have drainage holes appropriate for the plant. In addition, non-rigid, woven or matted planter bags that are appropriate in size for the plant and allow proper drainage of the growing medium will be considered insurable nursery containers.

**Under Report Factor:** A factor which adjusts an insured's indemnity for under reporting of inventory values. The factor is always used in determining any indemnity.

**Wholesale Marketing:** Wholesale marketing, as used in the definition of "nursery" in section 1 (and above) of the Nursery Crop Provisions, means to sell: a) in large quantities; b) at a price below that offered on low-quantity sales; and c) to retailers or commercial users or other end-users for business purposes (for example, sales to landscape contractors and commercial fruit producer).

## Catastrophic Insurance Coverage

A catastrophic level of insurance coverage providing 50 percent coverage at a 55 percent price election is available for a minimal cost.

## Amount of Insurance

The policy provides protection for up to 75 percent of the value of nursery inventory value report. For each basic unit, the insured's practice value, multiplied by the selected coverage level, times the **price election**, times the insured's share.

## Peak Inventory Endorsement

The Peak Inventory Endorsement allows growers to cover temporary increases in inventory without paying a full year's premium. Growers declare the amount of the inventory value increase, and the dates the peak coverage begins and ends. The grower pays premium for the whole month for any portion of a month that the endorsement is in effect.

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