



United States Department of Agriculture  
Risk Management Agency

February 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Apples

## California

### Crop Insured

Insurable apples will be any variety of apples adapted to the area and located on insurable acreage that has already produced at least 250 boxes (a box is equal to 35 pounds) or 10 bins per acre. An orchard inspection may be required before coverage begins.

### Counties Available

Apples are insurable in Butte, Contra Costa, El Dorado, Fresno, Kern, Kings, Madera, Mendocino, Merced, Monterey, Sacramento, San Benito, San Bernardino, San Joaquin, San Luis Obispo, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Tulare, Tuolumne, Ventura, Yolo and Yuba counties. Apples in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>But not damage due to insufficient or improper application of control measures.

<sup>4</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>5</sup>Unless wildlife control measures have not been taken.

### Important Dates

Sales Closing .....January 31  
Production Report Due .....January 31  
Acreage Report Due .....January 31  
Premium Billing .....September 15

### Insurance Period

Coverage begins on February 1st. Coverage ends at the earliest of:

- Total destruction of the crop,
- Harvest of the crop,
- Final adjustment of a claim,
- Abandonment of the crop,
- November 10 for Fuji
- November 20 for Cripps Pink (Pink Lady)
- November 5 for all other varieties.

### Options

Varietal **Group A** - Braeburn, Cameo, Crispin, Fuji, Gala, Honeycrisp, Jonagold, Macoun, Cripps Pink (Pink Lady), Royal Gala, Sommerfeld  
Price election: **\$12.40 per box**

Varietal **Group B** - All other apple varieties not specified in Group A  
Price election: **\$7.50 per box**

**Optional Coverage for Fresh Fruit**– Additional Protection is available for loss of quality (as result of natural perils) to apples grown for fresh fruit that do not grade U.S. Fancy or better:

- This option may be applied only to apple acreage designated and certified for fresh fruit production on your acreage report;
- This option is not available under a CAT policy;
- The price used to calculate your premium or indemnity. Fresh= **\$10.75** / Process= **\$2.30**

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. For example, an average apple yield of 500 boxes per acre would result in a 250 boxes per acre guarantee at the 50-percent coverage level.

**Catastrophic (CAT) Coverage** is fixed at **50 percent** of your average yield and **55 percent** of the price election. Your cost for CAT coverage will be an administrative fee of \$300 per county regardless of the acreage.

## Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent or your local county FSA office for an agent listing.

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## Loss Example

Assume 500 boxes per acre average yield at 50-percent coverage level with fresh type apples, 100-percent share.

500	Boxes per acre average yield (APH)
<u>x .50</u>	Coverage level percentage
250	Boxes per acre guarantee
<u>- 200</u>	Boxes per acre actually produced
50	Boxes per acre loss
<u>x \$10.75</u>	Price election
<b>\$ 537.50</b>	<b>Indemnity per acre</b>

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## Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at: <http://www3.rma.usda.gov/tools/agents/>

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