



United States Department of Agriculture  
Risk Management Agency

January 2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Apples

## Utah

### Crop Insured

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

Fresh apple production and processing apple production are available by types. At least 50 percent of the production from acreage reported as fresh apple acreage was sold fresh in one or more of the four most recent crop years.

### Counties Available

Crop insurance is available for apples in Box Elder and Utah counties. Apples in other counties may be insurable by written agreement if specific criteria are met. Contact a crop insurance 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>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>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>4</sup>But not damage due to insufficient or improper application of control measures.

### Insurance Period

Coverage normally begins on November 21 for the first year of insurance. After the first year, coverage begins on November 11 for Fuji and November 6 for all other apple varieties. Coverage ends at the earliest of:

- 1) Total destruction of the crop;
- 2) Harvest of the crop;

- 3) Final adjustment of a claim;
- 4) Abandonment of the crop;
- 5) November 5 for all other apple varieties; or
- 6) November 10 Fuji variety.

### Important Dates

Sales Closing.....November 20  
Acreage Report ..... January 15  
Premium Billing.....August 15

### Units

**Basic Unit:** A basic unit includes all your apple acreage in the county by share arrangement.

**Optional Units:** A basic unit may be divided into optional units if each optional unit is:

- 1) Located on non-contiguous land, or
- 2) By varietal group.

### Varietal Groups

**Varietal Group A:** Ambrosia, Braeburn, Cameo, Crispin, Fuji, Gala, Honeycrisp, Jonagold, Macoun, Cripps Pink (Pink Lady), and Sommerfeld.

**Varietal Group B:** All other apple varieties not specified in Group A.

### Optional Coverage for Fresh Fruit Quality Adjustment

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 for catastrophic insurance policies.
- The price used to calculate your premium or indemnity is used to calculate quality loss.

## Price Election

The price used to calculate your premium and indemnity.

Fresh.....	<b>\$13.30</b> per box
Processing.....	<b>\$3.20</b> per box
Varietal Group A.....	<b>\$14.85</b> per box
Varietal Group B.....	<b>\$8.55</b> per box

## Coverage Levels and Premium Subsidies

Individual insurance amounts are based on past production and the guarantee is measured in 35-pound boxes. Your insurance agent will ask you to provide up to 5 years of production history from which your average yield can be calculated. You can select coverage levels from 50 to 75 percent average yield and 55 to 100 percent of the price announced by USDA, or Catastrophic Risk Protection (CAT) coverage equal to 50 percent of your approved average yield and 55 percent of the price of each crop.

## Cost of Crop Insurance

CAT coverage has an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates though USDA pays at least 50 percent of the premium. For more detailed information about coverage and premium amounts, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

## Loss Example

Assume a fresh type, 100 percent price election of \$13.30 per box, an average yield of 500 boxes per acre, 65 percent coverage, and 100 percent share.

500	Boxes per acre average yield (APH)
x .65	Coverage level percentage
325	Boxes per acre guarantee
- 200	Boxes per acre actually produced
125	Boxes per acre loss
x \$13.30	Price election*
<b>\$ 1,663</b>	<b>Indemnity per acre</b>

\*Price used above is for example only. Contact a crop insurance agent for current information.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA web site at: <http://www3.rma.usda.gov/apps/agents/>

## Regional Contact

### USDA/Risk Management Agency

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