



United States Department of Agriculture  
Risk Management Agency

October 2011

## 2012 COMMODITY INSURANCE FACT SHEET

# Apples

## Georgia, South Carolina

### Crop Insured

The crop insured will be apples in the county for which a premium rate is provided by the actuarial table:

- In which you have a share;
- That are grown on tree varieties that are adapted to the area and have produced a minimum of 150 bushels/acre in one of the previous four years;
- That are grown in an orchard that, if inspected, is considered acceptable by us; and
- That are grown for fresh or processing apple production

Please contact your insurance agent for specifics.

### Insurance Period

Coverage begins on November 21 for the first year of insurance application (see your crop insurance agent for limitations on the starting date of coverage). For each subsequent renewal year, coverage begins on November 6 following the end of insurance on November 5.

### Important Dates

Sales Closing.....	November 20
Acreage/Production Reporting.....	January 15
Premium Billing.....	August 15
Cancellation/Termination.....	November 20

### Counties Available

**Georgia:** Banks, Fannin, Gilmer, Habersham, Hall, Rabun

**South Carolina:** Greenville, Oconee, Pickens, Spartanburg

### Causes of Loss

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

<sup>1</sup>If caused by an insured peril that occurs during the insurance period.

<sup>2</sup>Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard. <sup>3</sup>But not damage due to insufficient or improper application of pest control measures. <sup>4</sup>But not damage due to insufficient or improper application of disease control measures.

Note: We will not insure against damage or loss of production due to your inability to market the apples for any reason other than actual physical damage from an insurable cause specified above. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

### Reporting Requirements

**Acreage Report**— An acreage report is due to your insurance agent by the acreage reporting date to include all acreage (insurable and uninsurable), by type, in the county in which you have a share.

**Direct Marketing**—You must notify us at least 15 days before any production from any unit will be sold by direct marketing. Failure to give timely notice that production will be sold by direct marketing will result in production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal.

**Notice of Loss**— If you intend to claim an indemnity on any unit, you must notify us 1) at least 3 days prior to the date harvest should have started if crop will not be harvested; 2) at least 15 days prior to the beginning of harvest; or 3) immediately if damage is discovered during harvest. You must not sell or dispose of the damaged crop until after we have given you written consent to do so. Failure results in the inclusion of all such production as production to count.

**Production Report**—A production report, by type, is required by the date designated in section 3 of the basic provisions. You must report, by the production reporting date, the number of bearing trees on

insurable and uninsurable acreage; any change that may adversely impact yield potential (such as tree damage or removal, or changes in practices); the age of the trees; and the planting pattern.

## Definitions

**Approved Yield**—The actual production history (APH) yield, calculated and approved by the verifier, used to determine the production guarantee by summing the yearly actual, assigned, adjusted or unadjusted transitional yields and dividing the sum by the number of yields contained in the database. The database will contain a minimum of four yields and a maximum of five yields.

**Damaged Apple Production**—The percentage of fresh or processing apple production failing to grade U.S. No. 1 Processing or better in accordance with grade standards, due to an insurable cause of loss.

**Direct Marketing**—Sale of the insured crop directly to consumers without the intervention of an intermediary such as wholesaler, retailer, packer, processor, shipper, buyer, or broker.

**Fresh Apple Production**—Apples: 1) that are sold, or could be sold, for human consumption without undergoing any change in the basic form, such as peeling, juicing, crushing; 2) from acreage designated as fresh apples on the acreage report; 3) that follow the recommended cultural practices generally in use for fresh apple acreage in the area in a manner generally recognized by agricultural experts; and 4) from acreage that you certify that at least 50 percent of the production was sold as fresh apples in one or more of the four most recent crop years.

**Price Election**—The value per bushel used for the purpose of determining premiums and indemnity under the policy.

**Processing Apple Production**—Apples from insurable acreage failing to meet the insurability requirements for fresh apple production that are: 1) sold, or could be sold, for the purpose of undergoing a change to the basic structure such as peeling, juicing, crushing; or 2) from acreage designated as processing apples on the acreage report.

**Production Guarantee**—The number of bushels guaranteed, determined by multiplying your approved actual production history (APH) yield (based on your records) by the coverage level percentage you elect.

## Unit Division

In addition to the requirements of section 34(b) of the basic provisions, optional units may be established if each optional unit is: (a) located on non-contiguous land; or (b) by type specified in the special provisions.

## Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your approved APH yield. For example, an approved yield of 400 bushels per acre would result in a guarantee of 260 bushels per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select 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 (CAT) coverage is fixed at 50 percent of your average 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

This example is based on one acre of apples, 60-percent coverage level, 100-percent fresh price election, an approved APH yield of 350 bushels per acre, 100-percent share, and production to count of 100 bushels due to an insurable cause of loss.

$$\begin{array}{r}
 350 \text{ Bushels per acre approved APH yield} \\
 \times \quad .60 \text{ Coverage level percentage} \\
 \hline
 210 \text{ Bushels per acre guarantee} \\
 - \quad 100 \text{ Bushels per acre production} \\
 \hline
 110 \text{ Bushels per acre loss} \\
 \times \quad \$10.25 \text{ Price election} \\
 \hline
 \mathbf{\$1,128 \text{ Indemnity per acre}}
 \end{array}$$

## Download Copies from the Web

Visit our online publications/fact sheets page at:  
[http://www.rma.usda.gov/aboutrma/fields/ga\\_rso/](http://www.rma.usda.gov/aboutrma/fields/ga_rso/)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.