



United States Department of Agriculture  
Risk Management Agency

February 2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Apples

## Georgia, South Carolina

### Crop Insured

All your apples in a county, where a premium rate is provided by the actuarial documents, are insurable if:

- You have a share in the apples;
- They 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;
- They are grown in an orchard that, if inspected, is considered acceptable by the company; and
- They are grown for fresh or processing .

Talk to you crop insurance agent for specifics.

### 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.

### Insurance Period

Coverage begins on November 21 for the first year of insurance application (talk to 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.

### Reporting Requirements

**Acreage Report**— You must report all acres of the crop, in which you have a share in the county, to your

insurance agent by the acreage reporting date.

**Direct Marketing**—You must notify the company at least 15 days before any production from any unit will be sold by direct marketing.

**Notice of Loss**— In the event of loss, notify your agent:

- 1) At least 15 days before the beginning of harvest;
- 2) At least 3 days prior to the date harvest should have started if crop will not be harvested; or
- 3) Immediately when damage is discovered during harvest.

You must not sell or dispose of the damaged crop until after the company gives 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 production reporting date. You must also report:

- The number of bearing trees on insurable and uninsurable acreage;
- The age and planting pattern of the trees;
- Any damage to or removal of trees; and
- Any change in practices or other circumstances that may reduce yield potential.

### Important Dates

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

### Definitions

**Approved Yield**—The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that your insurance company calculates and approves.

**Damaged Apple Production**—The percent of fresh or processing production failing to grade U.S. No. 1 Processing or better, 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 you certify 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 to determine premiums and indemnity. Prices can be found at: <http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/>

**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 peeling, juicing or crushing; or
- 2) From acreage designated as processing apples on the acreage report.

**Production Guarantee** - Bushels guaranteed, per acre, determined by multiplying your approved yield by the coverage level percentage you choose.

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved 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 choose the 65-percent coverage level, your premium share would be 41 percent of the base premium:

Item	Percent					
	50	55	60	65	70	75
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 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.

### 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.

### Loss Example

Assume apples, with an approved yield of 350 bushels per acre, 60-percent coverage level, 100-percent share, 100-percent fresh price election for varietal group B, and a one-acre basic unit. Due to insurable cause of loss, production to count is 100 bushels.

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

### 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: <http://www3.rma.usda.gov/tools/agents/>

### Regional Contact

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 Valdosta Regional Office  
 106 S. Patterson St., Suite 250  
 Valdosta, GA 31601-5673  
 Telephone: (229) 219-2200  
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