



United States Department of Agriculture
Risk Management Agency

December 2012

2013 COMMODITY INSURANCE FACT SHEET

Apples

Illinois

Indiana

Michigan

Ohio

What crop is insurable?

You can insure apples:

- grown on tree varieties adapted to the area,
- located on acreage which produced at least an average of 150 bushels per acre in at least 1 of the previous 4 years,
- grown for fresh apple production or processing apple production, and
- that have a premium rate provided by the actuarial table.

You may be eligible to insure apples inter-planted with another perennial crop. Ask your crop insurance agent for details.

When am I protected by insurance?

Coverage begins:

- November 21 for the first year of the policy, or
- November 6 for subsequent years of an existing policy.

Coverage ends at the earliest of:

- total destruction of the crop,
- harvest of the crop,
- final adjustment of a loss,
- abandonment of the crop, or
- November 5.

What am I protected against?

Your policy covers the following causes of loss if they are due to naturally occurring events:

- Adverse weather
- Earthquake
- Failure of irrigation water supply within the insurance period
- Fire*
- Insect damage and/or plant disease**
- Wildlife

* Unless you have not controlled weeds and other undergrowth or if you have not removed pruning debris from the orchard.

** Unless you have insufficiently or improperly applied pest or disease control measures.

Definitions

Fresh Apple Production: Apples, from insurable acreage, that:

- are, or could be, sold for human consumption without being changed by peeling, juicing, crushing, etc.,
- are from acreage designated as fresh apples on your acreage report,
- follow the cultural practices in use for fresh apples in a manner that agricultural experts recommend for the area, and
- are from acreage that you certify and have records to support that at least 50 percent of the production was sold as fresh apples in 1 of the 4 most recent crop years.

Processing Apple Production: Apples, from insurable acreage, that:

- are, or could be, sold for changing the structure by peeling, juicing, crushing, etc., or
- are from acreage designated as processing apples on your acreage report.

What dates should I be aware of?

Sales Closing	November 20
Acreage and Production Report.....	January 15
Cancellation.....	November 20

What am I required to report?

You must report all of your apple acreage, production, and any losses, when evident, to your insurance agent

How much of my premium is subsidized?

Crop insurance premiums are subsidized as shown in the following table. For example, if you choose the 75-percent coverage level, the premium subsidy is 55 percent and your share is 45 percent of the base premium.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Share	33	36	36	41	41	45

You may choose different coverage levels for fresh and processing apple acreage. However, you may only choose one coverage level for all fresh apple acreage and one coverage level for all processing apple acreage.

Is my production guaranteed?

Your production guarantee (per acre) is your approved yield per acre multiplied by the coverage level percentage you elect. Yields are based on your actual production history (APH) records you reported to your insurance agent.

What price will I get if I have a loss?

A price election is the price you are paid per bushel if you have a loss. This is based on the percentage of the established price you chose. For the 2013 crop year, you may choose 55 percent to 100 percent of the prices shown below.

	Varietal Group A	Varietal Group B	Fresh	Processing Established Price	Processing Additional Price
IL	\$17.25	\$8.85	\$13.60	\$3.95	\$4.05
IN	\$17.25	\$8.85	\$13.60	\$3.95	\$4.05
MI	\$17.25	\$8.85	\$13.60	\$3.95	\$4.05
OH	\$17.25	\$8.85	\$13.60	\$3.95	\$4.05

What are my coverage options?

Optional Coverage for Fresh Fruit Quality Adjustment:

Pays you based on a quality adjustment if more than 20 percent of your fresh apple production does not grade U.S. Fancy or better due to a covered cause of loss. This option is not available with the catastrophic risk protection endorsement.

Catastrophic Risk Protection Coverage (CAT):

Pays you 55 percent of the established price on losses of more than 50 percent. You pay a \$300 administrative fee for each crop insured in each county.

Loss Example

You have a loss when your crop production falls below your guaranteed bushel amount due to damage from a covered cause of loss.

Assume a 75-percent coverage level, a 100 percent price election of \$13.60 (fresh), and an approved APH yield of 400 bushels per acre with 0.667 share.

300	Bushels/acre APH yield
x .75	Coverage level
225	Bushels per acre guarantee
x 40	Acres
9,000	Bushels unit guarantee
- 1,000	Bushels production
8,000	Bushels loss
x \$13.60	Price election
\$108,800	Unit indemnity
x .667	Share
\$72,570	Final indemnity

Where can I get a policy?

You can buy a crop insurance policy from approved participating insurance agents. You can get a list of agents at any USDA service center or on the RMA web site: <http://www3.rma.usda.gov/apps/agents/>.

Regional Contact

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