

## Topeka Regional Office — Topeka, KS

Revised November 2015

# Apples

## Colorado

### Crop Insured

Apples are insurable if:

- They are grown on tree types and varieties adapted to the county on irrigated insurable acreage;
- They have premium rates;
- You have a share;
- They are irrigated;
- They are grown on tree varieties that are adapted to the area and have, in at least 1 of the last 4 years, produced 200 bushels of apples per acre;
- They are grown in an orchard that, if inspected, we consider acceptable; and
- They are grown for fresh apple production or processing apple production.

### Counties Available

Apples are insurable in Delta, Mesa, and Montrose counties. Coverage in other counties may also be available by written agreement if certain criteria are met, including records for at least 3 years of production history. Contact a crop insurance agent for more information.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Earthquake;
- Failure of the irrigation water supply due to a covered cause of loss during the insurance period;
- Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard;
- Insects, but not damage due to insufficient or improper application of pest control measures;
- Plant disease, but not damage due to insufficient or improper application of disease control measures;
- Volcanic eruption;
- Wildlife; or
- All other natural causes of loss that cannot be prevented.

### Insurance Period

For the application year, coverage begins on:

- November 21; or
- The day immediately following the end of the insurance period for the prior crop year, for each subsequent crop year that the policy remains continuously in force.

Coverage ends with the earliest occurrence of one of the following:

- Total destruction of the insured crop;
- Harvest of the insured crop;
- Final adjustment of a loss on a unit;
- November 5;
- Abandonment of the insured crop; or
- As otherwise specified in the special provisions.

### Important Dates

Sales Closing .....	November 20, 2015
Cancellation Date .....	November 20, 2015
Production Reporting Date .....	January 15, 2016
Acreage Report Date .....	January 15, 2016
Premium Billing .....	August 15, 2016
End of Insurance .....	November 5, 2016

### Reporting Requirements

Acreage Report - A report of all your apple acreage, by type, in the county is due to your crop insurance agent by the acreage reporting date.

### Definitions

**Fresh Apple Production** - Apples from insurable acreage that:

- Are sold, or could be sold, for human consumption without undergoing any change in the basic form, such as peeling, juicing, crushing;
- Are from acreage that is designated as fresh apples on the acreage report and follow the recommended cultural practices generally in use for fresh apple acreage in the area in a manner generally recognized by agricultural experts; and
- You certify and, if requested by us, provide verifiable

records to support that at least 50 percent of the production from acreage reported as fresh apple acreage from each unit was sold as fresh apples in 1 or more of the 4 most recent crop years.

Acreage with production not meeting all the requirements above must be designated on the acreage report as processing apple production.

**Processing Apple Production** - Apples from insurable acreage failing to meet the insurability requirements for fresh apple production that are:

- Sold, or could be sold for the purpose of undergoing a change to the basic structure such as peeling, juicing, crushing; or
- From acreage designated as processing apples on the acreage report.

**Production Guarantee** - The quantity of apples in bushels determined by multiplying the approved actual production history yield per acre by the coverage level percentage you choose. If the production of apples has been measured in bins, the amount must be converted to bushels.

**Russetting** - A defect on the surface of the apple as described in the grade standards.

**Sunburn** - A defect as described in the grade standards.

**Type** - A category of apples as designated in the special provisions.

**Varietal Group B** - Gala and Cripps Pink (Pink Lady).

Varietal Group B includes all commercially recognized selections and brand names, mutations, or sports. Varietal Group B does not include hybrids created by crosses between the stated variety and any other varieties.

**Varietal Group C** - All other apple varieties not specified in Group B.

## Coverage Levels and Premium Subsidies

You may choose only one coverage level for all fresh apple acreage and only one coverage level for all processing apple acreage. For example, if you choose the 55-percent coverage level for all your fresh apple acreage (i.e., fresh, varietal group types), you may choose the 75-percent coverage level for all your processing apple acreage. The apple policy guarantees a certain amount of production, depending on the level of coverage chosen. Crop insurance premiums are subsidized as shown in the table. For example, if you choose the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Subsidy Factor	Percent						
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Basic Unit	1.000	0.670	0.640	0.640	0.590	0.590	0.550
Optional Unit		0.670	0.640	0.640	0.590	0.590	0.550

For coverage levels above the Catastrophic Risk Protection (CAT) level, in addition to premium costs, administrative fees are \$30 per crop per county.

## Catastrophic Coverage

CAT coverage is available at 50 percent of your actual production history (APH) yield and 55 percent of the established price election. The total cost for CAT coverage is an administrative fee of \$300 per crop per county, regardless of the acreage.

## Price Elections

The price at which you are compensated per bushel in the event of a loss, based on the percentage of the established price you have chosen. Price election percentage choices for this crop year are 55 percent to 100 percent of the prices shown below. The established price for apples in Colorado is:

Fresh Fruit .....	\$14.50
Processing Fruit .....	\$4.15
Varietal Group B (Fresh) .....	\$22.35
Varietal Group C (Fresh) .....	\$14.50

The contract price is only available for organic processing apples. See the Contract Price Addendum at [www.rma.usda.gov/policies/2014/14cpa-r.pdf](http://www.rma.usda.gov/policies/2014/14cpa-r.pdf) for details.

## Insurance Units

**Basic Unit** - A basic unit includes all of your insurable apples acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

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

- Located on non-contiguous land; or
- By varietal group.

## Optional Coverage for Fresh Fruit Quality Adjustment

This option applies to all your apple acreage designated in your acreage report as grown for fresh apple production and meets the insurability requirements specified in the Apple Crop Insurance Provisions Policy, except any acreage specifically excluded by the actuarial documents. This option is not available with CAT.

## Insurance Plans

APH is the only insurance plan available for apples. The production guarantee is based on your individual yield history.

## Supplemental Coverage Option (SCO)

SCO is a crop insurance option that provides additional coverage for a portion of your underlying crop insurance policy deductible. The amount of SCO coverage depends on the liability, coverage level, and approved yield of your underlying policy. For more information go to the SCO fact sheet at [www.rma.usda.gov/pubs/rme/2016sco.pdf](http://www.rma.usda.gov/pubs/rme/2016sco.pdf).

## APH Yield Exclusion

The Yield Exclusion option, when elected, allows you to exclude yields from your actual production history when the actuarial documents provide that the county average yield for that crop year is at least 50 percent below the 10 previous consecutive crop years' average yield. A crop year that has been determined eligible for exclusion in a county is also eligible for exclusion in contiguous counties. Producers who have either CAT or buy-up insurance policies can use this program. For more information go to the APH Yield Exclusion fact sheet at [www.rma.usda.gov/pubs/rme/aphye.pdf](http://www.rma.usda.gov/pubs/rme/aphye.pdf).

## Loss Example

A loss occurs when crop production falls below the guaranteed bushel amount due to damage from a covered cause of loss. Assume a 75-percent coverage level, a 100-percent price election of \$14.50 (fresh fruit), an approved APH yield of 325 bushels per acre, and 0.667 share.

325	Bushels per acre APH yield
x 0.75	Coverage level
243.75	Bushels per acre guarantee
x 40.0	Acres
9,750	Bushels unit guarantee
9,750	Bushels unit guarantee
- 4,000	Bushels harvested production
5,750	Bushels loss
x \$14.50	Price election
\$83,375.00	Unit indemnity
x 0.667	Share
\$55,611.00	<b>Final unit indemnity</b>

Guarantees and losses are paid by unit. See policy provisions or ask your crop insurance agent for more information.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).

## Contact Us

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