

## St. Paul Regional Office — St. Paul, MN

Revised October 2015

# Apples

## Minnesota and Wisconsin

### Crop Insured

All apples are insurable if:

- They are grown in the county on insurable acreage;
- You have a share;
- They are adapted to the area;
- Acreage has produced at least an average of 150 bushels per acre; and
- The orchard is acceptable by RMA.

This fact sheet applies only to the available Common Crop Insurance policy plans of insurance. Contact a crop insurance agent for further explanation.

### Counties Available

See actuarial documents at [webapp.rma.usda.gov/apps/ActuarialInformationBrowser2016/CropCriteria.aspx](http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2016/CropCriteria.aspx) for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Contact an insurance agent for more details.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions such as natural perils of hail, frost, freeze, wind, drought, and excess moisture;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if due to natural causes unless weeds or undergrowth were not controlled, or pruning debris was not removed from the orchard;
- Plant disease and insects, but not damage due to insufficient or improper application of pest or disease control measures; and
- Wildlife.

### Insurance Period

Insurance coverage begins on the later of:

- 20 days after we accept your application; or
- November 21.

The policy remains continuously in effect for each subsequent crop year. Insurance coverage ends on November 5.

### Reporting Requirements

**Acreage Report** - You must give a report of all your apple acreage (insurable and non-insurable by type) in the county by the acreage reporting date.

### Important Dates

Sales Closing.....	November 20, 2015
Insurance Begins.....	November 21, 2015
Production Reporting.....	January 4, 2016
Acreage Reporting.....	January 15, 2016
Premium Billing.....	August 15, 2016
Insurance Ends at harvest or .....	November 5, 2016

### Definitions

**APH Yield** - Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to five years of actual and/or assigned yields.

**Unit** - The insurable acreage used to determine the APH yield, the production guarantee and any indemnity (loss payment).

**Production Guarantee** - Number of bushels guaranteed per unit. Multiply your APH yield per acre by the coverage level percentage you select by the number of acres in the unit.

### Coverage Levels and Premium Subsidies

Apples may be insured at the coverage levels shown in the table. Crop insurance premiums are subsidized as shown. For example, if you choose the 75-percent coverage level, your coverage will be based on 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium.

Item	Unit	Percent					
Cov. Level		50	55	60	65	70	75
Subsidy	BU	67	64	64	59	59	55
	OU	67	64	64	59	59	55

BU - Basic Unit

OU - Optional Unit

Catastrophic Risk Protection (CAT) coverage is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

## Price Election

Price of compensation per bushel in case of a loss.

Fresh .....	\$14.60 per bushel
Processing.....	\$5.40 per bushel
Varietal Group A (Fresh).....	\$45.40 per bushel
Varietal Group B (Fresh).....	\$14.95 per bushel
Varietal Group C (Fresh).....	\$10.85 per bushel

## Unit Division

**Basic Unit (BU)** - A basic unit includes all of your insurable apple acreage in the county by share arrangement and type. Premiums discounts apply.

**Optional Unit (OU)** - A basic unit may be divided into optional units if certain record keeping requirements are met: 1) when each optional unit is located on non-contiguous land, or 2) by varietal group.

## Insurance Plans

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

## Options

**Optional Coverage for Quality Adjustment** - The fresh option applies to fresh apples damaged to the extent that 20 percent or more of the apples do not grade United States Fancy or better. Not available with the CAT endorsement.

## Loss Example

A loss occurs when the bushels of apples produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes an APH yield of 250 bushels per acre, 75-percent coverage level, 100 percent of the established price (fresh), and basic unit coverage.

## APH Basic Coverage Example:

250	Bushels per acre APH yield
x 0.75	Coverage level
187.5	Bushel guarantee
- 87.5	Bushels per acre actually produced
100	Bushels per acre loss
x \$14.60	Price election (fresh)
\$1460	Gross indemnity per acre
- \$131	Premium per acre (varies by county)
<b>\$1329</b>	<b>Net indemnity</b>

Figures shown per acre. Guarantees and losses are paid by unit. See policy provisions or talk to your insurance agent for more 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 website at [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## Contact Us

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