



United States Department of Agriculture
Risk Management Agency

October 2012

2013 COMMODITY INSURANCE FACT SHEET

Apples

Massachusetts

Crop Insured

All apples in a county are insurable if:

- 1) A premium rate is provided by the actuarial documents;
- 2) In which you have a share;
- 3) Grown on tree varieties that are adapted to the area;
- 4) Acreage that has produced at least 150 bushels per acre in 1 of the past 4 years; and
- 5) Are grown for fresh apple production or processing apple production.

Note: The apple policy offers basic coverage against damage from natural perils resulting in fresh or processing fruit that fails to grade U.S. No. 1 Processing or better.

Counties Available

Apples are insurable in all Massachusetts counties except Nantucket and Suffolk Counties. Contact an insurance agent for more details.

Causes of Loss

Adverse weather conditions¹
 Failure of irrigation water supply²
 Fire
 Insects³
 Plant disease³
 Wildlife

¹Natural perils such as hail, freeze, frost, drought, wind, and excess precipitation.

²If caused by an insured peril during the insurance period.

³Except for insufficient or improper application of control measures.

Note: Policy does not cover loss of income due to market fluctuations.

Insurance Period

Coverage begins on November 21 and ends the earliest of:

- 1) Total destruction of the crop;
- 2) Harvest of the crop;
- 3) Final adjustment of a claim;
- 4) Abandonment of the orchard; or
- 5) November 5.

Reporting Requirements

Acreage Report: An acreage report is due to your agent (see Important Dates) with all acreage designated by type (fresh, processing, varietal groups A+B).

Direct Marketing: You must give at least 15 days notice before any production is sold by direct marketing so that an appraisal can be made.

Duties in the Event of Damage or Loss

- 1) If crop damage occurs, you must give notice within 72 hours of initial discovery of damage;
- 2) If you previously gave notice of crop damage, you must also provide notice at least 15 days before the beginning of harvest if you intend to claim an indemnity; or
- 3) If crop will not be harvested, you must give notice at least 3 days before the date harvest should have started.

Important Dates

Sales Closing..... November 20, 2012
 Production Report Due January 15, 2013
 Acreage Report Due January 15, 2013
 Premium Billing..... August 15, 2013

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown below. For example, an average actual production history (APH) yield of 500 bushels per acre would result in a guarantee of 250 bushels per acre at the 50-percent coverage level. You may choose different coverage levels for fresh and processing apples.

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 risk protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$300, regardless of the acreage.

Price Elections

Fresh	\$16.00
Processing.....	\$2.60
Varietal Group A*	\$18.50
Varietal Group B	\$10.50

*See table below for specific varieties.

Insurance Units

Insurable acreage is grouped into one or more units based on your selection of one of the following:

Basic Unit: A basic insurance unit includes all your insurable apple acreage in the county in which you have 100-percent share or that is owned by one person and operated by another person on shares.

Optional Units: If your policy is not a CAT policy and you meet other specific requirements, such as separate records for each proposed unit, you may apply for separate optional units established by:

- 1) Non-contiguous land;
- 2) Farm Service Agency Farm Numbers;
- 3) Practice (irrigated/non-irrigated);
- 4) By Type: Fresh and processing; or
- 5) Varietal group as specified below.

Group	Varieties
A	Braeburn Gala** Ambrosia
	Cameo Honeycrisp Sommerfeld
	Crispin Jonagold Cripps Pink*
	Fuji Macoun
B	All other varieties not specified above

*Pink Lady is insurable under Cripps Pink

**Royal Gala is insurable under Gala

Options

Optional Coverage for Quality Adjustment

Additional protection is available for loss of quality (as a result of natural perils) to apples grown for fresh fruit that do not grade U.S. Fancy or better:

- 1) This option may be applied only to apple acreage designated and certified for fresh fruit production on your acreage report;
- 2) Any block of apple acreage grown and maintained for processing is not eligible for optional coverage under this option;
- 3) This option is not available with a CAT policy; and
- 4) You certify and can provide records to support at

least 50 percent of the acreage reported as fresh apples was sold as fresh apples in 1 or more of the 4 most recent crop years.

Loss Example

Assume apples with an approved yield of 600 bushels per acre average yield, 65-percent coverage level, fresh non-irrigated apples, 100-percent share, and a one-acre basic unit.

600	Approved Yield per acre
x .65	Coverage level
390	Acre guarantee
- 100	Production-to-Count
290	Loss per acre
x 16.00	Price election (fresh)
\$4,640	Indemnity per acre
- \$216	Estimated Premium
\$4,424	Indemnity/Acre

Note: Any acreage not graded or appraised before the time apples are placed in storage or delivered to a packer, or other handler will not be considered damaged apple production and will be considered production to count.

Regional Contact

USDA/Risk Management Agency

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