



United States Department of Agriculture
Risk Management Agency

January 2006

2006 COMMODITY INSURANCE FACT SHEET

Apple

Idaho, Oregon, Washington

Crop Insured

The crop insured will be all varieties of apples adapted to the area, located on insurable acreage, and for which premium rates are provided by an actuarial table. The acreage must have produced a minimum of 10 bins (250 boxes) per acre (Idaho, Oregon and Washington) in at least one of the previous four years to be insurable. Apples inter-planted with another perennial crop are insurable, unless the insurance provider inspects the acreage and determines it does not meet the insurability requirements contained in the policy.

Counties Available

Idaho: Canyon, Gem, Owyhee, Payette, and Washington

Oregon: Clackamas, Douglas, Grant, Hood River, Jackson, Josephine, Lane, Linn, Malheur, Marion, Polk, Umatilla, Wasco, Washington and Yamhill

Washington: Adams, Benton, Chelan, Douglas, Franklin, Grant, Kittitas, Klickitat, Okanogan, Spokane, Stevens, Walla Walla and Yakima

Causes of Loss

Adverse weather conditions; fire (unless weeds and other forms of undergrowth have not been controlled or unmulched 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); earthquake; volcanic eruption; failure of the irrigation water supply if caused by an insured peril that occurs during the insurance period; wildlife and all other natural losses that cannot be prevented. In addition, the insurance provider will **not** insure against damage or loss of production due to: Inability to market the apples for any reason other than actual physical damage from an insurable cause listed above (for example, an indemnity will not be paid if you are unable to market due to quarantine, boycott or refusal of any person to accept production).

Insurance Period

Coverage begins on the later date: either 20 days after the insurance provider accepts your application or November 21. For each subsequent crop year the policy remains continuously in force, **insurance coverage begins** on the day immediately following the end of the insurance period for the prior crop year. The **calendar date for the end of insurance** period for each crop year is November 5. Coverage continues to November 10th for the Fuji variety only.

Reporting Requirements

Acreage Report—You must report to your insurance agent all acreage (insurable and non-insurable) by type of apples in the county in which you have a share.

Important Dates

Sales Closing.....November 20
Production Reporting Date.....January 15
Acreage Report Date.....January 15

The dates shown above will apply to all Idaho, Oregon and Washington counties where Apple insurance is available.

Administrative Fees

Catastrophic (CAT) Coverage: \$100 per crop per county. **Additional Coverage:** \$30 per crop per county. Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for small-limited resource farmers.

Production Guarantees

Yields are based on actual production records reported to your insurance agent and/or company. Contact your insurance agent for specific details.

Coverage Levels and Price Election

Coverage levels are a choice of **50 to 75 percent** of your approved average yield (in 5 percent increments). Price election is the price of compensation paid per box in the event of a loss. Catastrophic (CAT) coverage is available at the 50-percent coverage level and 55 percent of maximum price election. For current prices, please contact your insurance agent.

Loss Indemnity Example

Assume: Proven APH of 1,000 boxes per acre, 20 acres, 70-percent coverage level.

1,000	Boxes per acre
<u>X .70</u>	Coverage level
700	Boxes per acre guarantee
<u>X 20</u>	Acres
14,000	Box unit guarantee
<u>X \$6.90</u>	\$ per box
\$96,600	\$ coverage
8,000	Boxes harvested—grading at least U.S. No. 1 Processing
6,000	Production shortfall
<u>X \$6.90</u>	\$ per box
\$41,400	Producer indemnity

Optional Coverage for Quality Adjustment

Not available for insureds who elect the CAT endorsement.

Provides quality adjustment for fresh apple production to count, which due to insurable damage, does not grade 80 percent U.S. Fancy or better. Available on acreage designated as grown for fresh apples. Washington Fancy and Idaho Fancy grades are applicable in respective states instead of U.S. Fancy.

Apple Pilot Quality Option

Washington State only and not available for insureds who elect the CAT endorsement.

The option provides additional quality-based coverage for varietal groups 114 and 115. Eligibility requires the producer to provide acceptable annual packout percentages for the acreage by varietal group. The option distinguishes two grades of apples for insurance purposes (Washington Fancy or better and all other lesser grades).

Historical packout factors will be computed and used to determine the amount of insurance on the acreage. The amount of coverage per acre is established by varietal group and grade of apples.

Adjustment of production due to quality is eligible if the current year's annual packout factor of WA Fancy apples falls more than 10 percentage points below the insured's historical packout factor for WA Fancy apples. Losses are paid when the producer's production falls below the guaranteed amount.

Where to Purchase

All MPCI, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers or at the RMA website: <http://www3.rma.usda.gov/tools/agents/companies/>

Regional Contact for RMA USDA/Risk Management Agency Spokane Regional Office

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