



United States Department of Agriculture
Risk Management Agency

September 2009

2010 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, Morrow, Polk, Umatilla, Wasco, Washington and Yamhill

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

Causes of Loss

Adverse weather conditions; earthquake; 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); 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 (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 twenty 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: \$300 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>	Dollars per box
\$96,600	Dollar coverage
8,000	Boxes harvested—grading at least U.S. No. 1 Processing
6,000	Production shortfall
<u>X \$6.90</u>	Dollars per box
\$41,400	Producer indemnity

Optional Coverage for Quality Adjustment

(Not available for policyholders 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.

Where to Purchase

All multi-peril crop insurance (MPCI), including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site:

<http://www3.rma.usda.gov/tools/agents/>

Regional Contact for RMA

USDA/Risk Management Agency

Spokane Regional Office

11707 E Sprague Ave #201

Spokane Valley, WA 99206

Telephone 509-228-6320 - Fax 509-228-6321

E-mail: warso@rma.usda.gov

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