



United States Department of Agriculture
Risk Management Agency

January 2005

2005 COMMODITY INSURANCE FACT SHEET

Apples

Georgia, South Carolina

Crop Insured

The crop insured will be apples in the county for which a premium rate is provided by the actuarial table:

- in which you have a share
- that are grown on tree varieties that are adapted to the area
- that are grown on insurable acreage that has produced a minimum of 150 bushels/acre
- that are grown in an orchard that, if inspected, is considered acceptable by us

Please contact your insurance agent for specifics.

Counties Available

Please contact your insurance agent for a listing of eligible counties.

Causes of Loss

Adverse weather conditions¹
 Earthquake
 Failure of irrigation water supply²
 Fire³
 Insects⁴
 Plant disease⁵
 Volcanic eruption
 Wildlife

¹Includes hail, wind, excess sun causing sunburn, and frost and freeze causing russetting.

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

³Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard.

⁴But not damage due to insufficient or improper application of pest control measures.

⁵But not damage due to insufficient or improper application of disease control measures.

Note: We will not insure against damage or loss of production due to your inability to market the apples for any reason other than actual physical damage from an insurable cause specified above. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

Insurance Period

Coverage begins on November 21 and ends at the earliest of—

- Total destruction of the crop,
- Harvest of the crop,
- Final adjustment of a loss,
- Abandonment of the crop,
- November 5.

Reporting Requirements

Acreage Report— An acreage report is due to your insurance agent by the acreage reporting date to include all acreage (insurable and uninsurable) in the county in which you have a share.

Notice of Loss—See your insurance agent for detailed requirements.

Important Dates

Sales Closing.....	November 20
Acreage Reporting.....	January 15
Billing.....	September 15
Cancellation/Termination.....	November 20

Definitions

Production Guarantee—The number of bushels guaranteed, determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

Price Election—The value unit of measure for the purpose of determining premiums and indemnity under the policy (see your insurance agent for additional pricing information).

Harvest—The picking of mature apples from the trees or collecting of mature apples from the ground. Apples collected from the ground that cannot be sold for human consumption will not be considered harvested.

Varietal group—Apple varieties with similar characteristics that are grouped for insurance purposes as specified in the special provisions.

Unit Division—In addition to the requirements of section 34(b) of the basic provisions, optional units may be established if each optional unit is: (a) located on non-contiguous land; or (b) by varietal group.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield. For example, an average yield of 400 bushels per acre would result in a guarantee of 260 bushels per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 65-percent coverage level, your premium share would be 41 percent of the base premium:

Item	Percent					
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 (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 \$100 per county, regardless of the acreage.

Options*

Coverage for quality adjustment—provides quality adjustment for all perils for an added premium.

**Not available with the Catastrophic Risk Protection (CAT) Endorsement.*

Loss Example

This example is based on 65-percent coverage level, 100-percent fresh price election, 500 bushel per acre average yield.

500	Bushels per acre average yield
x .65	Coverage level percentage
325	Bushels per acre guarantee
- 100	Bushels per acre production
225	Bushels per acre loss
x \$8.05	Price election
\$1,811.25	Indemnity per acre

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