



United States Department of Agriculture  
Risk Management Agency

January 2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Apples

## Colorado

### Crop Insured

Apples are insurable if:

- Grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share;
- Grown on tree varieties that are adapted to the area and have, in at least 1 of the last 4 years, produced 200 bushels of apples per acre;
- Grown in an orchard that, if inspected, we consider acceptable; and
- Grown for fresh apple production or processing apple production.

### Counties Available

Apples are insurable in Delta, Mesa, and Montrose counties. Coverage in other counties may also be available by written agreement if certain criteria are met, including records for at least 3 years of production history.

### Causes of Loss

Adverse weather conditions

Earthquake

Failure of irrigation water supply<sup>1</sup>

Fire

Insects<sup>2</sup>

Plant disease<sup>2</sup>

Volcanic eruption

Wildlife

\*All causes of loss must be due to a naturally occurring event.

<sup>1</sup>If caused by an insured peril that occurs during the insurance period

<sup>2</sup>But not damage due to insufficient or improper application of pest or disease control measures.

### Insurance Period

For the application year, coverage begins on:

- 1) November 21;
- 2) For each crop year after that the policy remains continuously in force, the day immediately following the end of the insurance period for the crop year before.

Coverage ends the earliest of:

- 1) Total destruction of the insured crop;
- 2) Harvest of the insured crop;
- 3) Final adjustment of a loss on a unit;
- 4) November 5;
- 5) Abandonment of the insured crop; or
- 6) As otherwise specified in the Special Provisions.

### Reporting Requirements

Acreage Report—A report of all your apple acreage, by type, in the county is due to your crop insurance agent by the acreage reporting date.

### Important Dates

Sales Closing/Cancellation Date .....	November 20
Acreage Report Date .....	January 15
Premium Billing .....	August 15
End of Insurance.....	November 5

### Definitions

**Processing apple production** —Apples from insurable acreage failing to meet the insurability requirements for fresh apple production that are:

- 1) Sold, or could be sold for the purpose of undergoing a change to the basic structure such as peeling, juicing, crushing, etc.; or
- 2) From acreage designated as processing apples on the acreage report.

**Production Guarantees**—The quantity of apples, in bushels, determined by multiplying the approved actual production history (APH) yield per acre by the coverage level percentage you choose. If the apple production has been measured in bins, the amount must be converted to bushels.

**Russeting**—A defect on the surface of the apple, as described in the grade standards.

**Sunburn**—A defect, as described in the grade standards.

**Type** —A category of apples, as designated in the Special Provisions.

## Coverage Levels and Premium Subsidies

You may choose only one coverage level for all fresh apple acreage and only one coverage level for all processing apple acreage. For example, if you choose the 55-percent coverage level for all your fresh apple acreage (fresh, varietal group types), you may choose the 75-percent coverage level for all your processing apple acreage.

The apple policy guarantees a certain amount of production, depending on the coverage level you choose. Crop insurance premiums are subsidized as shown. For example, if you choose the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Subsidy Factor	Percent						
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Basic Unit	1.000	0.670	0.640	0.640	0.590	0.590	0.550
Optional Unit		0.670	0.640	0.640	0.590	0.590	0.550

## Catastrophic Coverage

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

## Price Elections

The price you receive, per bushel, in the event of a loss. This price is based on the percentage of the established price you have chosen. You can choose a price election percentage between 55 percent and 100 percent of the prices shown below.

Fresh Fruit .....	\$15.20
Processing Fruit .....	\$3.65
Varietal Group A.....	\$18.50
Varietal Group B.....	\$11.30

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable apples acreage in the county by share arrangement.

**Optional Unit:** A basic unit may be divided into optional units if each optional unit is:

- 1) Located on non-contiguous land, or
- 2) By varietal group.

## Options

**Optional Coverage for Quality Adjustment\***  
This option applies to all your apple acreage designated in your acreage report as grown for fresh apple production and that meets the insurability requirements specified in the Apple Crop Insurance Provisions. This

option does not include any acreage specifically excluded by the actuarial documents.

\*Not available with CAT.

## Loss Example

A loss occurs when the crop production falls below the guaranteed bushel amount because of damage from a covered cause of loss. Assume 75-percent coverage level, a 100-percent price election of \$15.20 (fresh fruit), an approved APH yield of 300 bushels per acre, and 0.667 share.

300	Bushels/acre APH yield
x .75	Coverage level
225	Bushels/acre guarantee
x 40	Acres
9,000	Bushels unit guarantee
- 1,000	Bushels harvested production
8,000	Bushels loss
x \$15.20	Price election
\$121,600	Unit indemnity
x .667	Share
<b>\$81,107</b>	<b>Final indemnity*</b>

\*Guarantees and losses are paid by unit. See policy provisions or ask your crop 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 web site at: <http://www3.rma.usda.gov/apps/agents/>

## Regional Contact

### USDA/Risk Management Agency

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