



United States Department of Agriculture
Risk Management Agency

Sept. 2007

2008 COMMODITY INSURANCE FACT SHEET

Apples

Utah

Crop Insured

Insurable apples will be any variety of apples adapted to the area and located on insurable acreage that has already produced at least 250 boxes (10 bins) per acre. An orchard inspection may be required before coverage begins.

Counties Available

Apples are insurable in Box Elder and Utah counties. Apples in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

Causes of Loss

Adverse Weather Conditions¹ Insects³
Failure of Irrigation Water Supply² Plant Disease³
Fire⁴
Wildlife⁵

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

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

³But not damage due to insufficient or improper application of control measures.

⁴Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

⁵Unless wildlife control measures have not been taken.

Insurance Period

Coverage normally begins on November 21 for the first year of insurance and on November 6 in subsequent years for all varieties except Fuji. Fuji's insurance period begins November 11. Coverage ends at the earliest of:

- Total destruction of the crop
- Harvest of the crop
- Final adjustment of a claim
- Abandonment of the crop
- November 5th
- November 10th for Fuji

Important Dates

Sales ClosingNovember 20

Acreage Report DueJanuary 15

Options

Option - You may insure your fresh apples in optional units by varietal group. In lieu of the fresh price below, price elections are as follows:

| Varietal Group | Varieties | Price Election |
|----------------|--|----------------|
| A | Braeburen, Cameo, Crispin, Fuji, Gala, Honeycrisp, Jonagold, Macoun, Pink Lady, Royal Gala, Sommerfeld | \$11.00 |
| B | All other apple varieties not specified in Group A | \$7.85 |

Coverage Levels & Price Elections

Coverage levels range from 50 to 75 percent of your average yield. For example, an average apple yield of 500 boxes per acre would result in a 250 boxes per acre guarantee at the 50% coverage level, etc.

Catastrophic (CAT) Coverage level is fixed at **50%** of your average yield and **55%** of the price election.

Price Election : The price used to calculate your premium or indemnity.

Fresh: **\$8.95** per box

Processing: **\$2.45** per box

Varietal Group A: **\$11.00** per box

Varietal Group B: **\$7.85** per box

Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$100 per county with 100% of the premium being subsidized. Higher coverage levels are subsidized at lower rates but USDA pays at least 50% of the premium. For more detailed information about

the amounts of coverage and premiums, please contact a crop insurance agent.

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Visit our online publications/fact sheets page at:
<http://www.rma.usda.gov/pubs/#bfr>.

Loss Example

Assume 500 boxes/ac average yield at 65% coverage level and 100% share.

| | |
|--------------------|------------------------------------|
| 500 | Boxes per acre average yield (APH) |
| <u>x .65</u> | Coverage level percentage |
| 325 | Boxes per acre guarantee |
| <u>- 200</u> | Boxes per acre actually produced |
| 125 | Boxes per acre loss |
| <u>x \$8.95</u> | Price election |
| \$ 1,118.75 | Gross indemnity per acre |

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Where to Purchase Crop Insurance

All MPCI, including CAT coverage insurance policies are available from private insurance agents. A list of crop insurance agents is available on the RMA website at:

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

Regional Contact for RMA

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