

# 2004 CROP INSURANCE FACT SHEET



# APPLES

## California



THIS FACT SHEET POINTS OUT CERTAIN FEATURES OF CROP INSURANCE AND IS NOT INTENDED TO BE COMPREHENSIVE. THE INFORMATION BELOW NEITHER MODIFIES NOR REPLACES THE TERMS AND CONDITIONS OF THE BASIC POLICY, THE CROP PROVISIONS, OR THE COUNTY ACTUARIAL DOCUMENTS. CONTACT A CROP INSURANCE AGENT FOR FURTHER DETAILS.

### INSURED CROP

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

### COUNTIES

Contra Costa   El Dorado   Fresno   Kern   Kings   Madera   Mendocino  
Merced   San Joaquin   Santa Cruz   Sonoma   Stanislaus   Sutter   Tulare

### CAUSES OF LOSS

**Adverse Weather Conditions** (including hail, frost, freeze, wind, drought, and excess precipitation)

**Failure of Irrigation Supply**, if caused by insured peril

**Insects and Disease\***

**Earthquake**

**Wildlife**

**Fire**

**Volcanic Eruption**

\*But not damage due to insufficient or improper application of pest or disease control measures.

### IMPORTANT DATES

**Sales Closing Date:**  
November 20

**Acreage Report Due:**  
January 31

### COVERAGE & PREMIUM

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/ac guarantee at the 50% coverage level, etc. **Catastrophic (CAT) Coverage** is fixed at **50%** of your average yield and **55%** of the Price Election (The price used to calculate your premium or indemnity. Fresh=\$8.05 / Process=\$2.10) Your cost for CAT coverage will be an administrative fee of \$100 per county, regardless of the acreage.

### OPTIONS

- Fresh Fruit Option B – Provides coverage for hail and wind.
- Quality Option - Provides coverage against quality losses below fancy grade by varietal group. Under Option C, you may insure your fresh apples in optional units by varietal group if you have maintained separate records by variety. In lieu of the fresh price above, price elections (per box) are as follows:

Varietal Group	Varieties	Quality Option Price Election	Option C Price Election
A	Braeburn, Cameo, Crispin, Fuji, Gala, Honeycrisp, Jonagold, Macoun, Pink Lady, Royal Gala, Sommerfeld	<b>\$10.50</b>	<b>\$6.10</b>
B	All other apple varieties not specified in Group A.	<b>\$5.60</b>	<b>\$3.75</b>

## 2004 California Apples

### INSURANCE PERIOD

Coverage normally begins on November 21 for the first year of insurance and on November 6 in subsequent years. 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 5

### 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 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates but USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent or your local county FSA office for an agent listing.

### LOSS EXAMPLE – APPLES

*(Assume 500 boxes/ac average yield at 50% coverage level with fresh fruit quality option B, 100% share.)*

500	Boxes per acre average yield
<u>x .50</u>	Coverage level percentage
250	Boxes per acre guarantee
<u>- 200</u>	Boxes per acre production
50	Boxes per acre loss
<u>x \$ 8.05</u>	Price election (fresh)
<b>\$ 402</b>	<b>Gross indemnity per acre</b>

For more information, visit the Risk Management Agency web site at [www.rma.usda.gov](http://www.rma.usda.gov)

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