



United States Department of Agriculture  
Risk Management Agency

March 2007

## 2007 COMMODITY INSURANCE FACT SHEET

# Apples

## Arizona

### 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 Cochise and Graham 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 conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>4</sup>But not damage due to insufficient or improper application of control measures.

<sup>5</sup>Unless 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. Coverage ends the earliest of:

- Total destruction of the crop
- Harvest of the crop
- Final adjustment of a claim
- Abandonment of the crop
- November 20-Pink Lady
- November 10-Fuji
- November 5-All other varieties

### Important Dates

Sales Closing ..... November 20  
Acreage Report Due ..... January 31  
Premium Billing ..... September 15

### Definitions

**Varietal Group A:** Braeburn, Cameo, Crispin, Fuji, Gala, Honeycrisp, Jonagold, Macoun, Pink Lady, Royal Gala and Sommerfeld  
Price election: **\$6.90 per box**

**Varietal Group B:** All other apple varieties not specified in Group A  
Price election: **\$8.85 per box**

**Optional Coverage for Fresh Fruit**– Additional Protection is available for loss of quality (as result of natural perils) to apples grown for fresh fruit that do not grade U.S. Fancy or better:

- This option may be applied only to apple acreage designated and certified for fresh fruit production on your acreage report;
- This option is not available under a CAT policy

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

Fresh - **\$8.15**                      Process - **\$2.35**

### Coverage Levels and Premium Subsidies

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-percent coverage level.

Catastrophic (CAT) Coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

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## Loss Example

This example is based on 500 boxes per acre average yield at 50-percent coverage level and 100-percent share.

	500	Boxes per acre average yield (APH)
x	.50	Coverage level percentage
	250	Boxes per acre guarantee
-	200	Boxes per acre actually produced
	50	Boxes per acre loss
x	\$8.85	Price election **
	<b>\$ 442.50</b>	<b>Gross indemnity per acre</b>

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## Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at: <http://www3.rma.usda.gov/tools/agents/>

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## Regional Contact for RMA USDA/Risk Management Agency

Davis Regional Office  
430 G Street, # 4168  
Davis, CA 95616  
Telephone: 530-792-5870  
Fax: 530-792-5893  
E-mail: [rsoca@rma.usda.gov](mailto:rsoca@rma.usda.gov)