



United States Department of Agriculture  
Risk Management Agency

January 2007

## 2007 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 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 at the earliest of:

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

### Important Dates

Sales Closing .....November 20  
Acreage Report Due..... January 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	\$6.15
B	All other apple varieties not specified in Group A	\$4.65

### Coverage Levels and 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-percent coverage level, etc.

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

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

Fresh: **\$8.85** per box

Processing: **\$2.35** per box

Varietal Group A: **\$6.90** per box

Varietal Group B: **\$5.05** 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 percent of the premium 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.

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## Loss Example

Assume 500 boxes per acre average yield at 65-percent coverage level and 100-percent 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 \$8.85</u>	Price election
<b>\$ 1,106.25</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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