



United States Department of Agriculture
Risk Management Agency

July 2004

2005 COMMODITY INSURANCE FACT SHEET

Apples

West Virginia

Crop Insured

- Insurable apples are any variety of apples adapted to the area and located on insurable acreage that has produced at least 150 bushels per acre in one of the past four years
- Policy offers basic coverage against damage from natural perils resulting in fresh or processing fruit that fails to grade U.S. No. 1 Processing or better
- An orchard inspection may be required.

Counties Available

Apples are insurable in the following counties: Berkeley, Calhoun, Hampshire, Hardy, Harrison, Jefferson, McDowell, Mercer, Mineral, Monroe, Morgan, Nicholas, Putnam, Webster.

Causes of Loss

Adverse Weather Conditions¹

Failure of Irrigation Water Supply²
Fire⁴

Insects³

Plant Disease³
Wildlife

¹Natural weather perils such as hail, wind, frost, drought, etc.

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

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

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

Note: Policy does not cover loss of income due to market fluctuations.

Insurance Period

Coverage begins on November 21 and ends at the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) final adjustment of a claim, (4) abandonment of the orchard, (5) November 5 of the following year.

Reporting Requirements

Acreage Report— An acreage report is due to your agent by the date shown under Important Dates to include all acreage (insurable and uninsurable) in which you have a share.

Direct Marketing—You must give at least 15 days notice before any production is sold by direct marketing so that an appraisal can be made.

Notice of Claim

- If crop damage occurs, you must give notice within 72 hours of initial discovery of damage.
- If you previously gave notice of crop damage, you must also provide notice at least 15 days prior to the beginning of harvest if you intend to claim an indemnity.
- If crop will not be harvested, you must give notice within 3 days of the date harvest should have started.

Production Report—Required by date shown under Important Dates to include last year's production, number/ages of bearing trees on insurable and uninsurable acreage, any changes that may adversely impact yield potential (e.g., tree removal, change in cultural practices, etc.) and other information as required.

Important Dates

Sales Closing	November 20, 2004
Production Report Due	January 4, 2005
Acreage Report Due.....	January 31, 2005
Premium Billing	September 15, 2005

Definitions

Average APH Yield—Your average yield per acre based on your Actual Production History (APH), county yields, or other adjusted yields if appropriate.

Non-contiguous—Acreage of the insured crop that is separated from other acreage of the same insured crop by land that is neither owned nor rented by you, may be considered as non-contiguous acreage. However, if the acreage is separated by only a road, right-of-way, waterway, canal, etc. (public or private), the acreage will be considered to be contiguous.

Coverage Levels & Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown below:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

An average APH yield of 500 bu/ac would result in a 250 bu/ac guarantee at the 50% coverage level.

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

Price Elections

Fresh	\$7.55
Processing	2.05
Varietal Group A*	6.25
Varietal Group B.....	4.60

*See table below for specific varieties.

NOTE: Price Elections will be posted on the RMA website at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

Insurance Units

Insurable acreage is grouped into one or more units based on your selection of one of the following:

Basic Unit: A basic insurance unit includes all your insurable apple acreage in the county in which you have 100 percent share or which is owned by one person and operated by another person on shares.

Optional Units: Providing you meet all other requirements, including separate records for each unit, and the acreage is not insured under a CAT policy, optional units may be established by:

- Non-contiguous land (see definitions)
- Farm Serial Number
- Practice (irrigated/non-irrigated)
- Varietal group as specified below:

Group	Varieties		
A	Braeburn	Gala	Pink Lady
	Cameo	Honeycrisp	Royal Gala
	Crispin	Jonagold	Sommerfeld
	Fuji	Macoun	
B	All other varieties not specified above		

Options

Optional Coverage for Fresh Fruit—Additional protection is available for loss of quality (as a 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;
- Any block of apple acreage grown and maintained for processing is not eligible for optional coverage under this option;
- This option is not available under a CAT policy.

Loss Example

This example assumes 500 bu/ac average yield, 60 percent coverage level, no optional coverage.

500	Bushels per acre average yield
x .60	Coverage level percentage
300	Bushels per acre guarantee
- 100	Bushels per acre production
200	Bushels per acre loss
x \$7.55	Price election (fresh)
\$1510	Indemnity per acre
- 65	Estimated producer cost
\$1445	Net indemnity per acre

Download Copies from the Web

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.