



2009 Apple Crop Insurance Fact Sheet

Why should I consider purchasing apple crop insurance?

A severe crop loss can significantly impact cash flow. In some cases, producers may have to use long term debt to cover operating expenses if crop quality and quantity result in insufficient cash flow. If your orchard has produced at least 150 bushels per acre in one of the past four years, your farm may be eligible to purchase apple crop insurance.

What type of coverage does the policy offer?

Apple crop insurance provides a means to manage risk resulting from natural perils such as: adverse weather; irrigation failure; fire; insects; plant disease; and wildlife. Fresh or processing fruit that fails to grade U.S. No. 1 Processing or better is covered under the policy. Loss of income due to market fluctuations is not covered.

Is coverage available in all apple producing counties?

Apple producers in Albany, Broome, Cayuga, Clinton, Columbia, Dutchess, Essex, Fulton, Monroe, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Rensselaer, Rockland, Saratoga, Schoharie, Schuyler, Suffolk, Ulster, Washington, and Wayne counties are eligible to purchase crop insurance.

What kind of records do I have to keep?

An acreage report is due by January 31, 2009. If your farm has different Farm Serial Numbers or your orchard is not contiguous, you may divide it into optional units. Production information can be supplied on each unit. Recording the number of bins per block of orchard is also critical, especially for direct marketers. In addition, direct marketers must also give at least 15 days notice before any production is sold.

Which Dates are important?

Sales Closing/policy changes* November 20, 2008
Production Report Due.....January 31, 2009
Acreage Report Due..... January 31, 2009
Premium Billing September 15, 2009

*Covers price/level and cancellation

When does coverage begin?

Coverage begins on November 21, 2008 or after the policy is approved *, 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, 2009.

*Coverage may be delayed due to pre-approval underwriting inspections.

How do I protect against loss of quality?

Ask your insurance agent about the *Fresh Option*. This option factors in quantity and quality of apples. If the majority of production does not grade U.S. Fancy resulting from an insurable peril, it is considered a loss for insurance purposes.

What is the minimum amount of coverage available?

Catastrophic coverage (CAT) offers a 50% production guarantee and pays losses at 55% of the Federal Crop Insurance maximum indemnity price. There is a \$300 fee to cover purchase CAT coverage. However, there is no adjustment for loss of grade. All apples, whether grading U.S. #1 processing or better will count as production if they are harvested or left on the tree.

Buy up coverage is available, and you can choose the level of production history to guarantee, up to 75%. The table below illustrates coverage level and premium subsidy percentages.

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

Crop insurance enrollment required to be eligible for Farm Bill Crop Disaster Payments

For 2009 and future years, you must have all crops enrolled in crop insurance or NAP to be eligible for disaster payments. Remember that the crop insurance indemnities and disaster payments are each larger if you insure at higher levels of coverage. For more information, contact your county FSA/USDA Office.

What are the price elections for the insurable crop year?

Fresh **\$10.10**
Processing **2.70**
Varietal Group A* **9.95**
Varietal Group B..... **7.85**

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

Where can I find out more about purchasing crop insurance in New York State?

Contact a crop insurance agent for more information before the 11/20/08 deadline. Additional information is also available at web page: <http://www.rma.usda.gov>. If you need help locating a crop insurance agent, a list is available at the web page: <http://www3.rma.usda.gov/apps/agents/index.cfm> or contact Sarah Johnston at, e-mail: sarahjohnston@agmkt.state.ny.us or by calling 518-457-4531.

