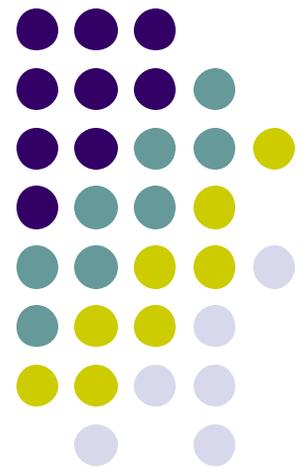
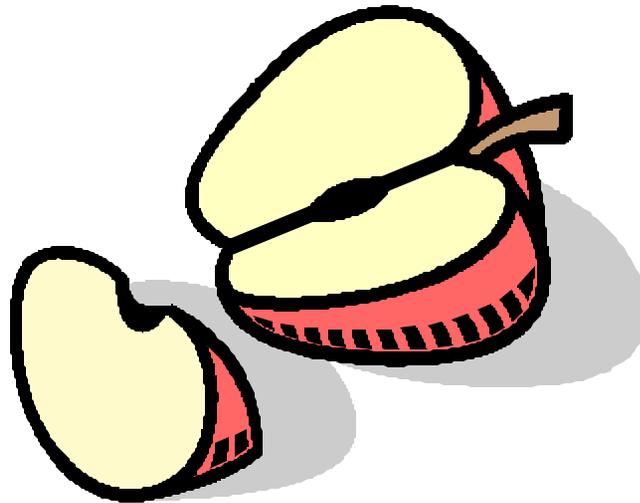


Fruit Crop Insurance



What is insured?



- ✍ Production quantity (APH)
 - ✍ Dollars per acre (dollar plan)
 - ✍ Income (AGR/AGR-lite)
-
- ✍ Apples, peaches, cranberries, blueberries

Actual Production History (APH)



- ✍ Guarantees percentage of crop in case of damage
- ✍ APH yield is an avg. yield of 4-10 years
- ✍ used to create a production guarantee
- ✍ Receive money when crop production is less than insurance guarantee
- ✍ Coverage Levels: 50,55,60,65,70,75%

Coverage Level and Premium Subsidy



Levels of Coverage	50%	55%	60%	65%	70%	75%
Premium Subsidy	67%	64%	64%	59%	59%	55%
Your Premium Subsidy	33%	36%	36%	41%	41%	45%

Apples



- ✍ Any variety adapted to an area and located on insurable acreage that has already produced at least 150 bushels/acre in one of the last four years
- ✍ Optional coverage for fresh fruit apples is also available which covers loss of quality due to forces of nature
- ✍ Insure average APH yield
- ✍ Insurable Causes of Loss: adverse weather conditions, failure of irrigation water supply, fire, insects, plant disease, wildlife

- ✍ Sales Closing Date: November 20

Peaches (including Nectarines)



- ✍ Grown for fresh or processing, on tree varieties with chilling hour requirement appropriate for area, from rootstock adapted to area, on trees that reached at least fourth growing season after being set out
- ✍ Insure Average APH yield
- ✍ Insurable Causes of Loss: adverse weather conditions, failure of irrigation water supply, insufficient number of chilling hours, wildlife, insects, plant disease, fire
- ✍ Sales Closing Date: November 20



Blueberries

- ✍ High-bush type that have either reached the third growing season after being set out or have produced at least 1500 lbs/acre
- ✍ Insure Average APH yield
- ✍ Insurable Causes of Loss: adverse weather conditions, failure of irrigation water supply, insufficient chilling hours, wildlife, insects, plant disease, fire
- ✍ Sales Closing Date: November 20



Cranberries

- ✍ Grown for harvest on vines that have completed four growing seasons after the vines were set out
- ✍ Insure Average APH yield
- ✍ Insurable Causes of Loss: adverse weather conditions, failure of irrigation water supply, failure of irrigation equipment, wildlife, fire, earthquake
- ✍ Sales Closing Date: November 20



Loss Example

Assume 500 bushels/acre of apples avg. yield at 50% coverage level with fresh fruit quality

500 bushels/acre avg. yield
x .50 coverage level %

250 bushels/acre guarantee
-100 bushels/acre production

150 bushels/acre loss
x \$7.10 price election

\$1065 gross indemnity/acre
- \$60 estimated producers share of premium per acre

\$1005 net indemnity/acre

Adjusted Gross Revenue (AGR)



- ✍ Whole farm income coverage
- ✍ Coverage for most crops and commodities not otherwise insurable
- ✍ Average revenue=schedule F on income tax return
- ✍ Losses begin when farm income is less than revenue guarantee
- ✍ Indemnity payment= revenue shortfall x payment rate
- ✍ Insurance period: calendar or fiscal year of producer's IRS tax year
- ✍ Sales Closing Date: January 31

Adjusted Gross Revenue Lite (AGR-L)



- ✍ Whole farm revenue protection program
- ✍ Insurable causes of loss: unavoidable loss of revenue due to unavoidable perils during the insurance year
- ✍ Maximum policy size= \$250,000
- ✍ Sales Closing Date: January 31

Producer Eligibility Requirements



Basic eligibility requirements include having:

1. Five consecutive years of IRS Schedule F 1040 records (or related forms) under the same tax entity for the past five years and the insurance year (unless at least 90 percent of a previous farming operation was transferred to the current tax entity). These records must be available for inspection,
2. Average annual adjusted gross income of up to \$512,821 or less (\$250,000 max. policy liability size - Protection in Force),
3. Not more than 50% of allowable income from ag commodities purchased for resale.
4. Maximum income from potatoes must not exceed 83.35% of total income.

AGR-L Protection Choices



- ✍ Protection is calculated by multiplying the approved AGR by the coverage level and payment rate percentage Options follow:
- ✍ Levels of Coverage: 65%, 75% and 80% of AGR for qualifying producers.
- ✍ Payment rates are 75% and 90% for most producers.
- ✍ Qualifications:
 - + One qualifying commodity – 65/75, 75/65% coverage level/ payment rate,
 - + Two or 3 qualifying commodities 75/90% coverage level /payment rate, with each commodity expected to contribute >16.7% of total, for 2 commodities and > 11.1% with 3 commodities.
 - + Four or more qualifying commodities - 80/75% or 80/90% coverage level/payment rate, with each commodity expected to contribute > 8.3% of total for 4 commodities and > 6.7% with 5 commodities, (varying factors for other commodity counts).

AGR-L Policies



- ✍ Stand-Alone Policy: covering the whole farming operation
- ✍ Umbrella Type Policy: selected crops can also be protected by crop policies (except AGR)
- ✍ Loss payments from other insurance count towards AGR-L revenue guarantee

AGR-LITE vs. AGR

for Larger Producers



Issue	AGR-Lite	AGR
Max. Policy Liability	\$250,000 (up to \$500,000 Gross Revenue)	\$6.5 Mil.
Tax Forms Collected	At Time of Filing Claim	At Time of Application
Animal & Animal Product	No Percentage Limit	35% of Revenue
MPCI Required Too	Optional	Yes
Diversification Premium Credit-Small Rev. Crops	Allows Grouping for Credit	No Credit
Max. Coverage – Single Commodity Farms	75/65% of Gross Revenue	65/75% of Gross Revenue

Limited Resource Farmers Benefit from Free CAT Coverage (Policy Fees Waived)



- ✍ USDA Limited Resource Farmer and Rancher Program Status – Burlington County
- ✍ Income Determination Gross Farm Sales: is less than or equal to \$102,400 per year
- ✍ Adjusted Gross Income: is less than \$29,304 (varies by county – see RMA website for details)
- ✍ Limited Resource Farmer/Rancher Status: based on the 2 above regulations

Reasons to Consider Crop Insurance



- ✍ Improves credit worthiness
- ✍ Reduces need for emergency borrowing during a bad production year
- ✍ Ability to market more aggressively
- ✍ Lock-in cash or futures pricing

Additional References



- ✍ Contact Local Crop Insurance Agent
- ✍ Risk Management Agency
- ✍ State Department of Agriculture
- ✍ Local Extension Office
- ✍ Farm Service Agency