

2007 Crop Insurance Information for Fruit Growers

The 2007 crop insurance sign-up deadline for fruit crops is fast approaching. As most of you already know, the deadline for sign-up for fruit policies is November 20, 2006. This article will cover a few dates and issues all producers must remember. Understanding the importance of these dates and deadlines could mean the difference between having a good experience with crop insurance or a bad experience with the program.

The policies you have will continue as they are currently written unless you make changes. If you change insurance agents, you will need to sign-up by the deadline with the new agent, but your coverage will not lapse. Because crop insurance is a federally subsidized program, all producers receive the same rate of subsidization as any other producer of that commodity within the United States. An exception to this rule is if you live in a state like Pennsylvania (PA). Because the Pennsylvania Department of Agriculture provides an additional premium subsidy, PA producers will pay a lower portion of the premium than producers in many other states. Because of this, what the insurance agent is selling you is their service to you and your policy. If you are not pleased with your agent, you have the option to change agents.

If you remove production acreage prior to January 31, 2007, you need to report the lower acreage to your agent. If you know you will be removing blocks this winter, but do not have the trees pushed out by January 31, you should remove that block from your acreage report. If you do not, you will pay for crop insurance on acreage that is no longer in production. Another possibility is if you purchase, lease, or rent additional acreage prior to January 31. The acreage will be eligible for insurance after an inspection determines the acreage is acceptable. If you add farms or blocks, do not assume that they will be covered under your policy. You must call your agent and tell them you have changes to your acreage if these changes took place after they visited your farm for your acreage report.

After you have met all deadlines this fall and winter and your crop is on the tree next spring, continue to regularly check the crop throughout the season for any claim related damage. Immediately report any damage you see to your crop insurance agent because you only have three days or 72 hours from the time of detection to file a claim. The recommendation is to call your agent as soon as any possible claims are detected and start the claim process. If the adjuster determines there is no claim at this time, the damage may have more impact later in the season and the process will be in place. Remember, insured causes of loss are: insect and disease damage (you must apply normal practices), wildlife damage, hail, wind, sunburn, failure of your irrigation supply due to extreme conditions, and russetting due to frost or freeze.

A new pear policy is available this year in Adams County. This is the first time a pear policy has been developed specifically for a county east of the Rocky Mountains. Any variety of pears adapted to the area that has produced at least three tons of pears per acre in at least one of the previous four years are insurable. As in the past, if you produce

pears elsewhere in PA, you may be able to obtain insurance by written agreement, but now it will be based on the Adams County policy rather than one from Washington State.

As many of you know, some fruit crops are not individually insurable. Crops such as sweet and tart cherries, apricots, and plums are not covered under current policies. If these crops are an important portion of your income stream, consider protecting your revenue with an Adjusted Gross Revenue-Lite (AGR-Lite) policy. This program has undergone several changes since its inception and is now more appealing to fruit producers. You may now cover up to \$1 million in income at the fifty percent coverage level. If you are considering organic production, AGR-Lite can now be used for your operation. The sales closing date is now March 15, 2007 for new policies and January 31, 2007 for those with existing policies. AGR-Lite works well in combination with existing crop policies. For example, you can insure your apples, peaches, nectarines, and pears with traditional crop insurance policies and use AGR-Lite as an umbrella of protection for your cherries, plums, apricots, and any other crops or livestock you may produce.

To purchase AGR-Lite, you will need your past five years of IRS Schedule F tax forms (or your corporate tax forms, if applicable). You will also need to fill out a commodity profile for your operation based on your past two years of production and an annual farm report reporting expected revenue producing crops and their expected revenue for 2007. Gather this information and contact your crop insurance agent for a quote to see how this type of policy can provide affordable coverage for your farm. To date, AGR-Lite has not been widely used by fruit producers, but in these times of increased expenses and shrinking profit margins, any protection you can provide for your operation should be investigated.

We hope this information will save you money and possible headaches when dealing with crop insurance. For additional information and fact sheets with more details regarding crops and policies, please see our web site <http://cropins.aers.psu.edu>.

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