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# COVERAGE SUMMARY APPLES – PLAN B

The apple plan provides insurance for fruit crop production losses and quality losses caused by one or more insured peril. Coverage is based on your yield history and level of coverage you choose. A claim may be paid if an insured peril causes your yield to fall below your insured production.

**Insurable Crops:** apples varieties produced in New Brunswick that are accepted by the NBAIC for insurance coverage

**Insured perils:** Excessive moisture, drought, snow, frost, flood, hail, wind, wildlife, insect infestation*, disease*, winter injury, excessive heat and unavoidable pollination failure.
(*provided good farm management practices are followed.)

**Losses due to uninsured perils:** Losses due to uninsured perils, such as improper use of pesticides, shortage of labour or machinery, negligence or poor management practices are not covered by AgriInsurance.

## Apple fruit crop coverage

### Calculating your coverage and claims

Coverage under this plan is based on your probable yield, the unit price selected, the coverage level selected, and your insured production. The coverage levels include 60, 70 or 80%. The unit prices ($/lb) are established annually by the NBAIC and are based on the on NB historical average farm gate prices.

### Individualize unit price

Participants may be eligible for individualized unit price by grade. Producers would need to be able to provide their last five years of income for each grade and the corresponding production for each grade (fresh, commercial, peelers, juice etc.). They would also have to declare fall harvested production based on each grade, including grades of apples being placed in storage. For further information please contact your agricultural insurance representative.

### Probable yield for existing participant

The probable yield is specific to your farming operation and reflects your long-term average yield, your tree numbers, the density, and age of your trees. The methodology reflects each producer's productive capability and the trend to moving to higher density orchards.

**Enrollment**

Enrollment Deadline: December 1, 2022.
Minimum insurable: 250 trees

A minimum of two consecutive years of yield data is required before a client is eligible for fruit coverage can begin.

**Notice of loss**

The participant must notify the NBAIC within five days of discovering a loss from one or more of the insured perils.

**Payment of an indemnity**

Yield loss indemnity payments are based on the shortfall between the insured production and the total net harvested production for all acres of the insured crop. Yield-loss indemnity payments are determined once the total yield-loss, including quality factors, have been finalized. The production loss is paid at the insured price, according to the unit price option you select. The insured price is not based on, nor does it guarantee, market price.

**Example of a payment (need to update with 2023 rates and UP)**

You have 70% coverage on 30 acres of high-density honey crisp apple trees and the long term average yield for the entire orchard is 780,000 lbs. and the unit price selected is $0.55/lb. The actual harvest production (adjusted for quality or PTC) is 300,000 lbs.

Your insured production is:

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|---|---|
| **Step 1**<br>a) calculate your insured production | Insured production equals Coverage level times Probable yield<br><br>780,000 lbs<br>X 70%<br>=546,000 lbs |
| b) calculate your insured value | Insured value =<br>Insured production times Unit Price ($/lb)<br><br>546,000<br>X $0.55lb<br>= $300,300 |
| c) calculate your premium | Your premium = Premium rate times insured value<br><br>= 1.7623%<br>X $294,840<br>= $5292.19 |

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| **Step 2** Calculate your crop loss claim | Claim<br>= (Insured Production – PTC) * unit price<br>= (546,000 – 300,000)<br>X $0.55<br><br>= 246,000<br>X $0.55<br><br>=$135,300.00 |
| Taux utilisés dans cet exemple : Taux de prime du producteur pour une couverture de 70 % : 1,7623 % ; prix unitaire des fruits 0,55 $/lb | |

Government participation: administrative costs are fully assumed by the governments. The Government of Canada pays 60% of the costs and the Government of New Brunswick pays 40% of the costs. The financing of the premiums is assumed by governments (60%) and the participant (40%) of the benefit options.

***Producers who have purchased coverage under the Apple Fruit Crop Insurance Plan (Plan B) may be eligible for tree insurance coverage, at a three percent deductible level, at no additional cost.***

This coverage summary in no way takes precedent over the provisions of the Agricultural Insurance Program, Polices, Plans, of the regulation in effect and of the agreements with the Government of Canada.