

The sales closing date for buying apple crop insurance for the 2017 crop year is November 21, 2016.

Growers can choose to insure their crop at a catastrophic level which protects 50% of their crop yield and pays at 55% of the price election if there is a loss, or farmers can insure at higher levels called “buy-up” which protects 50 to 75% of their approved production history and up to 100% of the price election. The 2017 price election for fresh apples is \$14.15 per bushel. Gone are the days of government post-hoc disaster payments. Farmers must now decide whether or not to buy crop insurance to protect their crops from multi-peril losses.

A Perspective from the Field

Marilyn and Steven Meyerhans have about 100 acres of conventional and certified organic apples, as well as a few acres of plums, pears, vegetable gardens, and hoop houses at their two farms, Lakeside Orchard in Manchester and The Apple Farm in Fairfield. They aim to be as vertically integrated as possible by doing their own growing, packing, pressing, and marketing. With 42 years in the farming business, we asked the Meyerhans about their experience managing risk, crop insurance, and advice for farmers thinking about crop insurance.

On Farm Risks

“The risks obviously are the weather, insects, and diseases. We’ve had hailstorms. Freezes at the wrong time of year are a huge issue because if the blossoms are out we could lose everything with a few degrees below 28° F. In terms of apples set, it could be rainy during blossom; bees don’t work in the rain. No set, no apples. Marketing of course is always an issue, we’ve got to have markets, and we’ve got to have apples that the markets want.”

On Managing These Risks

“We use organic materials to take care of the risks like insects and diseases, and we use an IPM (Integrated Pest Management System) on the whole orchard for monitoring, figuring out what’s there and trying to deal with it, and then we buy crop insurance. That’s the best we can do.”

On Crop Insurance

“Years ago if there was a disaster then we might get a disaster payment from the government, those are not in existence. [On crop insurance] we buy-up; we don’t get the basic level [catastrophic]. Other parts of the gardens, pumpkins and mixed vegetables, are in catastrophic coverage through Farm Service Agency [Non-insured Crop Disaster Assistance Program] just because if we lose the whole of it, it’s nice to have some basis.”

Buying Crop Insurance

Apple crop insurance is a yield-based policy meaning 4 to 10 years of your historic yields will be used to establish your Actual Production History (APH). If you provide less than 4 years, the agent will substitute a percentage of your county’s transitional yield (t-yield) to set your APH.



Marilyn Meyerhans
Photo credit: **Tori Lee Jackson**

As Marilyn and Steven said, “We have a crop adjuster come out and look at the crop at the beginning of the season. We keep track of everything we pick year to year. Every bushel that gets picked we have records of and the quality”. The Meyerhans have had crop insurance for nearly 10 years and have had 2 claims, but find it still worth doing. As Steven recalled last year they had 100% crop loss from a hailstorm, and “the resulting indemnity was a lifesaver for us, it made a big difference.”



Lakeside Orchards, Manchester Maine
Photo credit: Tori Lee Jackson

Crop Insurance and Running a Business

“We hate paying the bill [premium], but if we didn’t have it, we probably wouldn’t have the business. It doesn’t pay full dollar value but if you can go into the next year without digging the hole deeper, that’s farming. For so many years we borrowed a line of credit every year and then we spent the rest of the year paying it off. We finally got to the point where we don’t have to do a line of credit, but then if we loose a crop we will go right back to that place where we’re just living off a line of credit, so you never get ahead. And what crop insurance has done, the times that we’ve used it, has kept us from falling into that hole again.”

Thinking about crop insurance?

“If you could afford to loose your entire crop in a given year, you might want to gamble and not buy the crop insurance. But if you can’t afford that, it’s a gamble not to buy crop insurance. So the crop insurance for us is a measure of comfort.”

To Locate a Crop Insurance Agent Serving Maine

Agents serving Maine can be found using the RMA Agent Locator at prodwebnlb.rma.usda.gov/apps/AgentLocator/#/ or contact Crop Insurance Education Program Manager, Erin Roche (erin.roche@maine.edu or 207.949.2490)



The University of Maine Cooperative Extension is in partnership with the USDA RMA to deliver crop insurance education in Maine. For more information, please visit the UMaine Risk Management and Crop Insurance website at <https://extension.umaine.edu/agriculture/maine-risk-management-and-crop-insurance-education-program/>

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