



Citrus Crop Insurance Considerations

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August 21, 2025

Take Home Message

Important considerations going forward when insuring under Actual Production History (APH):

1. Indemnities have been decreasing over time
2. RMA test for downward trend -> If positive -> *APH yield* reduced by 20%
3. A block needs to have produced at least 100 boxes/acre in at least 1 out of the 3 previous seasons
 - if not, yield may not exceed 80% of average yield for the *APH database*

Growers need to make own calculations to choose optimal level of APH coverage

Crop Insurance Policies Available for Florida Citrus Growers

Two main policies that citrus growers in Florida use to insure their crops

1. Reference Maximum Dollar Amount per Acre

- Policy provides coverage based on a dollar amount set by the Risk Management Agency (RMA)
- This policy is set to be terminated after the 2026 crop year (2025/26)

2. Actual Production History (APH)

- Started being offered to citrus growers in Florida in 2022
- Policy provides coverage based on the farm's historical records
- The basis for the guarantee is the average yield for last 10 seasons

APH vs. Dollar Amount Performance for Florida Oranges

Crop Year 2022 (Growing Season 2021/22)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Crop Year	Number of Policies Sold	Number of Acres Enrolled	Number of Policies that Received Indemnity	Percent of Policies that Received Indemnity	Average indemnity (\$/acre)	Average Grower Premium (\$/acre)	Average Net Indemnity (\$/acre)
APH	209	38,344	161	77%	726	22.59	703
Dollar Amount	1,198	220,398	365	30%	153	18.75	134

Crop Year 2023 (Growing Season 2022/23)

APH	227	54,934	205	90%	958	17.44	941
Dollar Amount	1,012	147,857	656	65%	892	19.54	872

Crop Year 2024 (Growing Season 2023/24)

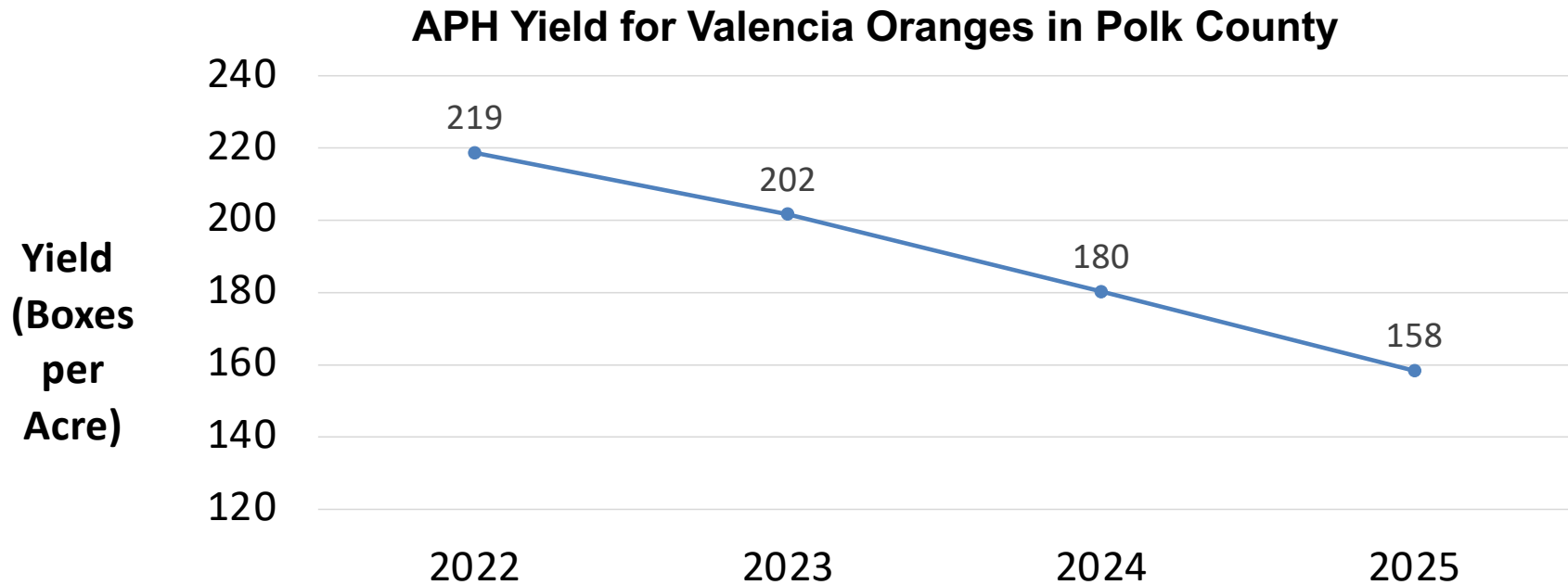
APH	311	75,999	253	81%	807	99	708
Dollar Amount	831	118,964	22	3%	9	40	-30

Crop Year 2025 (Growing Season 2024/25)

APH	339	89,986
Dollar Amount	668	78,515

Going Forward, Will APH Continue to be Advantageous?

- APH yield has been decreasing -> makes indemnities smaller over time



- Base premium rates are increasing -> premium is increasing

APH: Important Considerations Going Forward

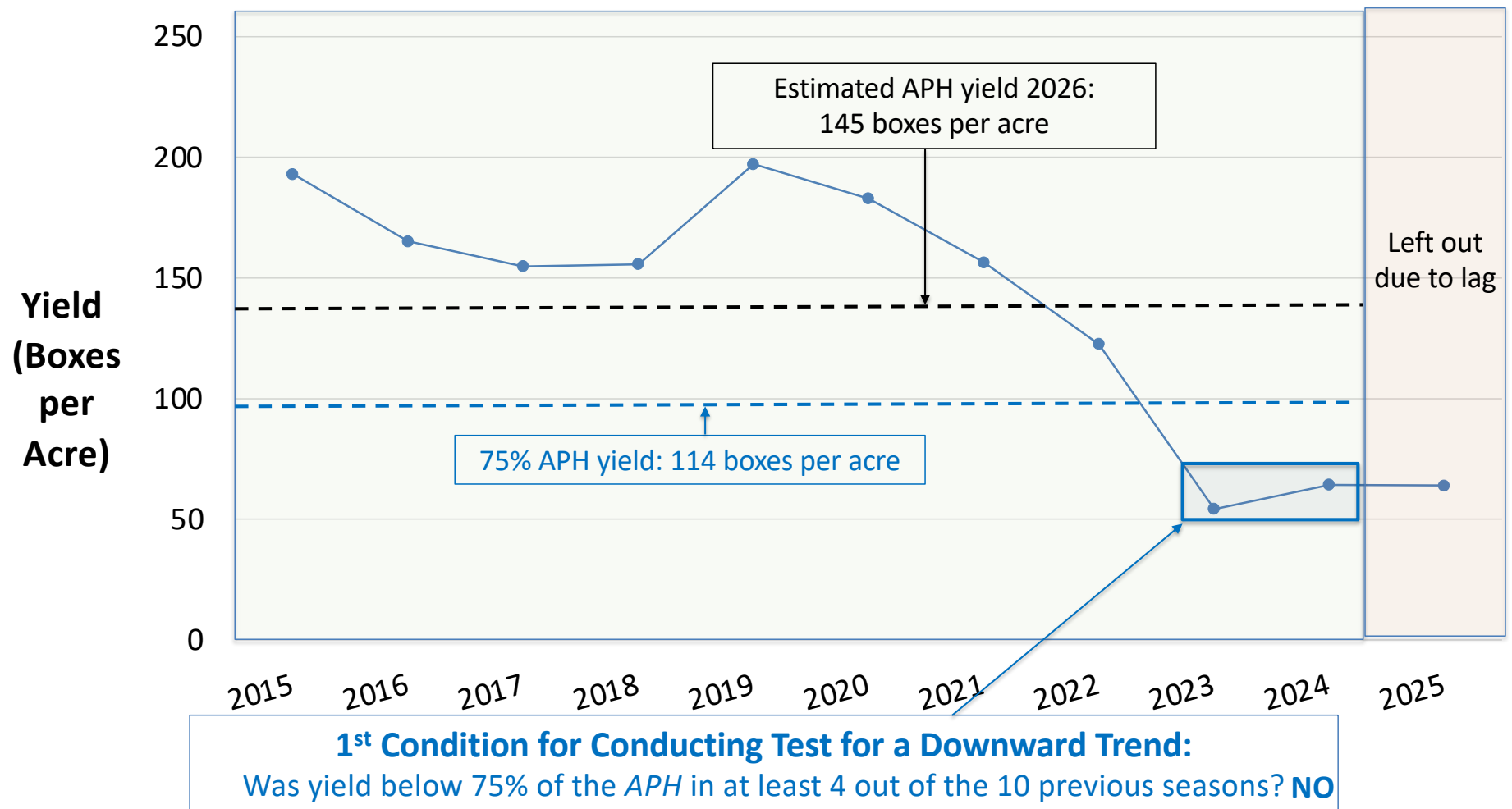
- RMA tests for high variability in yields
 - to determine whether any adjustments due to alternate bearing or downward trend patterns are warranted

Two conditions for conducting downward trend test on grower's *APH database*

In a database with records for 10 years the conditions are that:

1. At least in 4 out of the 10 previous seasons, yield was below 75% of *APH yield*

APH 2026: Average Valencia Orange Yield in Polk County



APH: Important Considerations Going Forward

- RMA tests for high variability in yields
 - to determine whether any adjustments due to alternate bearing or downward trend patterns are warranted
- Two conditions for conducting downward trend test on grower's *APH database*

In a database with records for 10 years the conditions are that:

 1. At least in 4 out of the 10 previous seasons, yield was below 75% of *APH yield*
 2. At least one of those seasons was among the last three

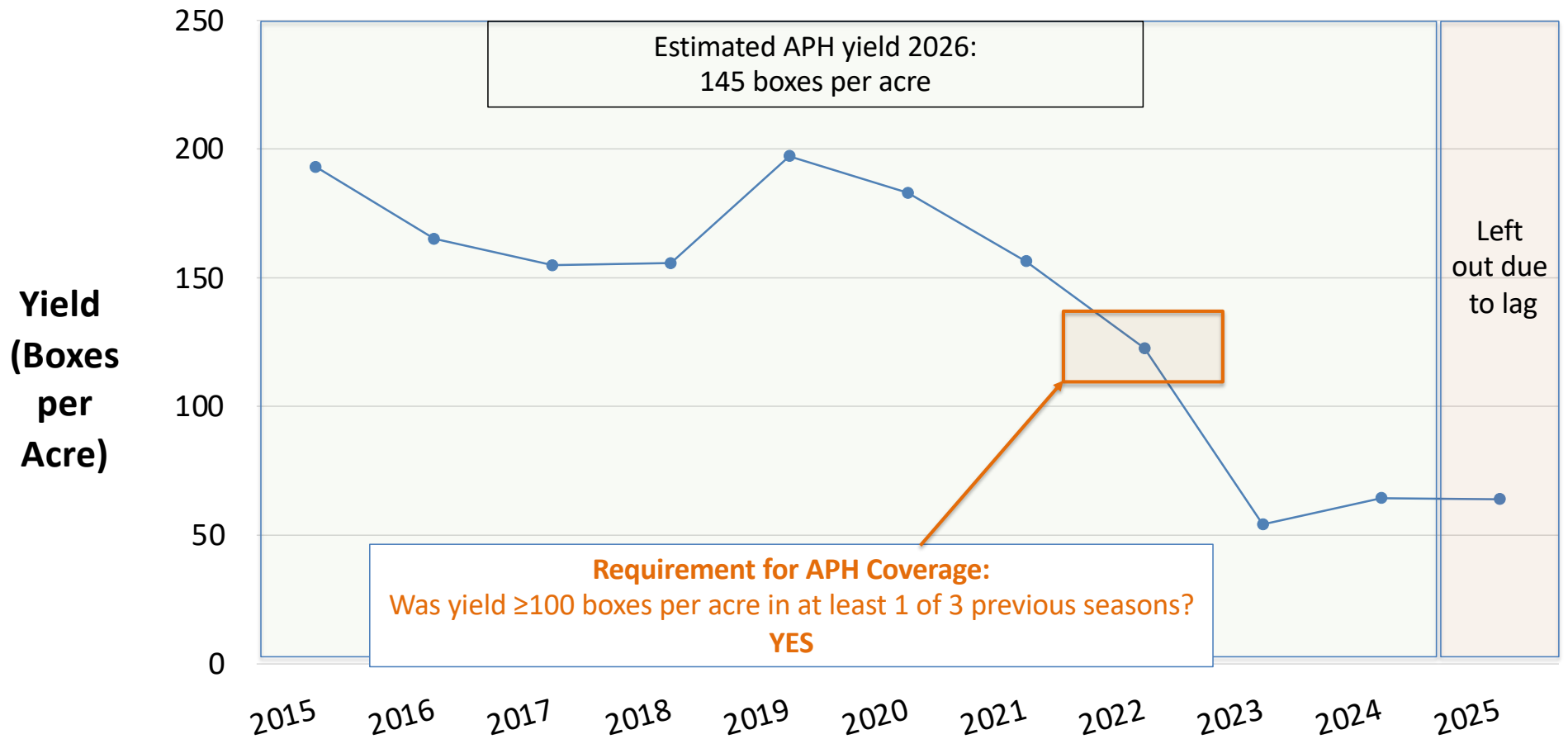
When both met -> downward trend test
- The adjustment is implemented if average yield for last 3 seasons is less than 75% of that of the *APH database*
 - If so, the *APH yield* will be reduced by 20%

APH: Important Additional Consideration Going Forward

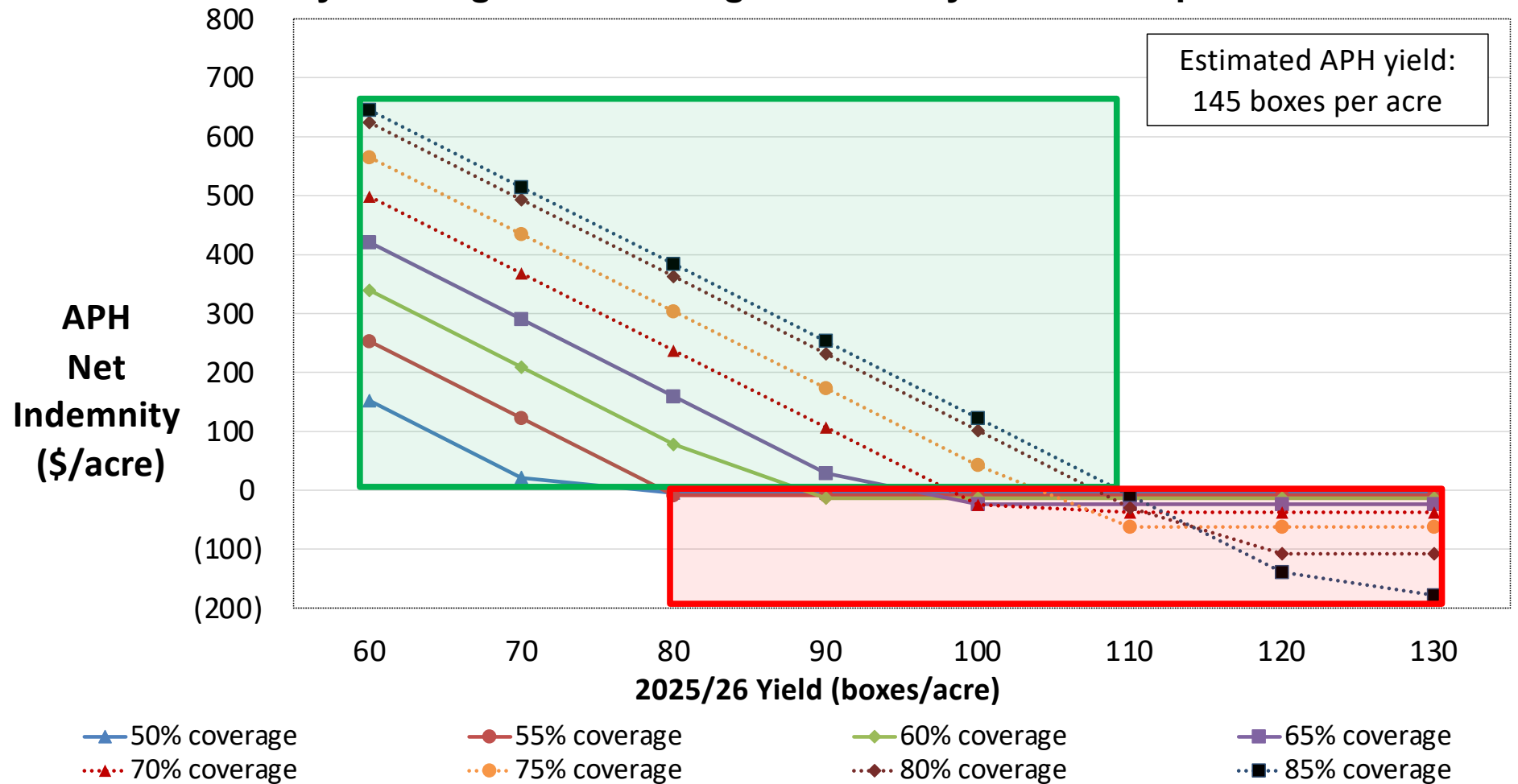
A requirement for acreage to be insurable under APH:

- A block that is at least 8 years old will need to have produced at least 100 boxes per acre in at least one of the three previous seasons. *According to FCM, the requirement will be lowered to 75 boxes per acre*
- Should a block not meet such a requirement, a request could be submitted to the RMA regional office to be able to insure it
- But the determined yield in that case may not exceed 80% of average yield for the entire *APH database*

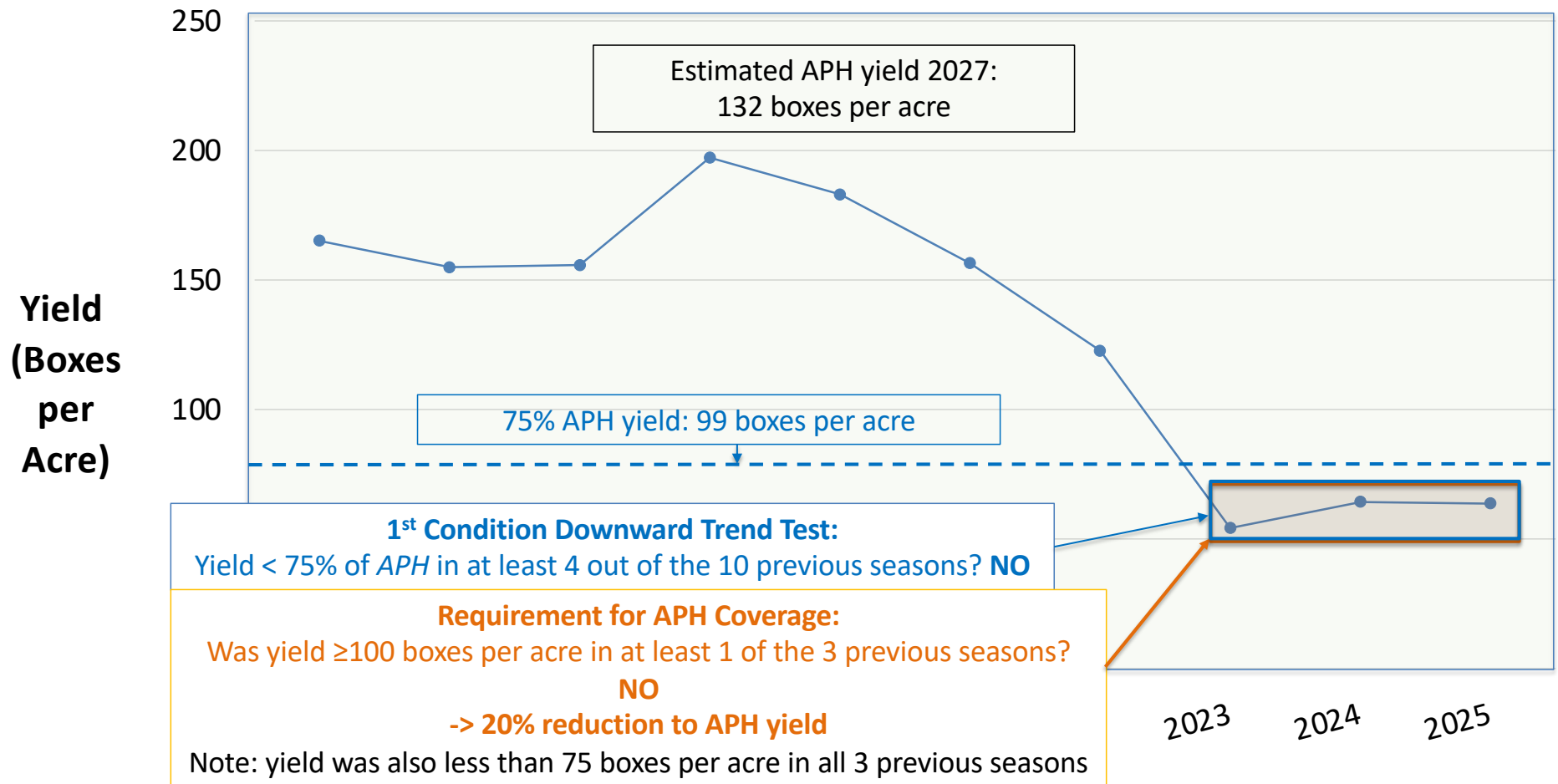
APH 2026: Average Valencia Orange Yield in Polk County



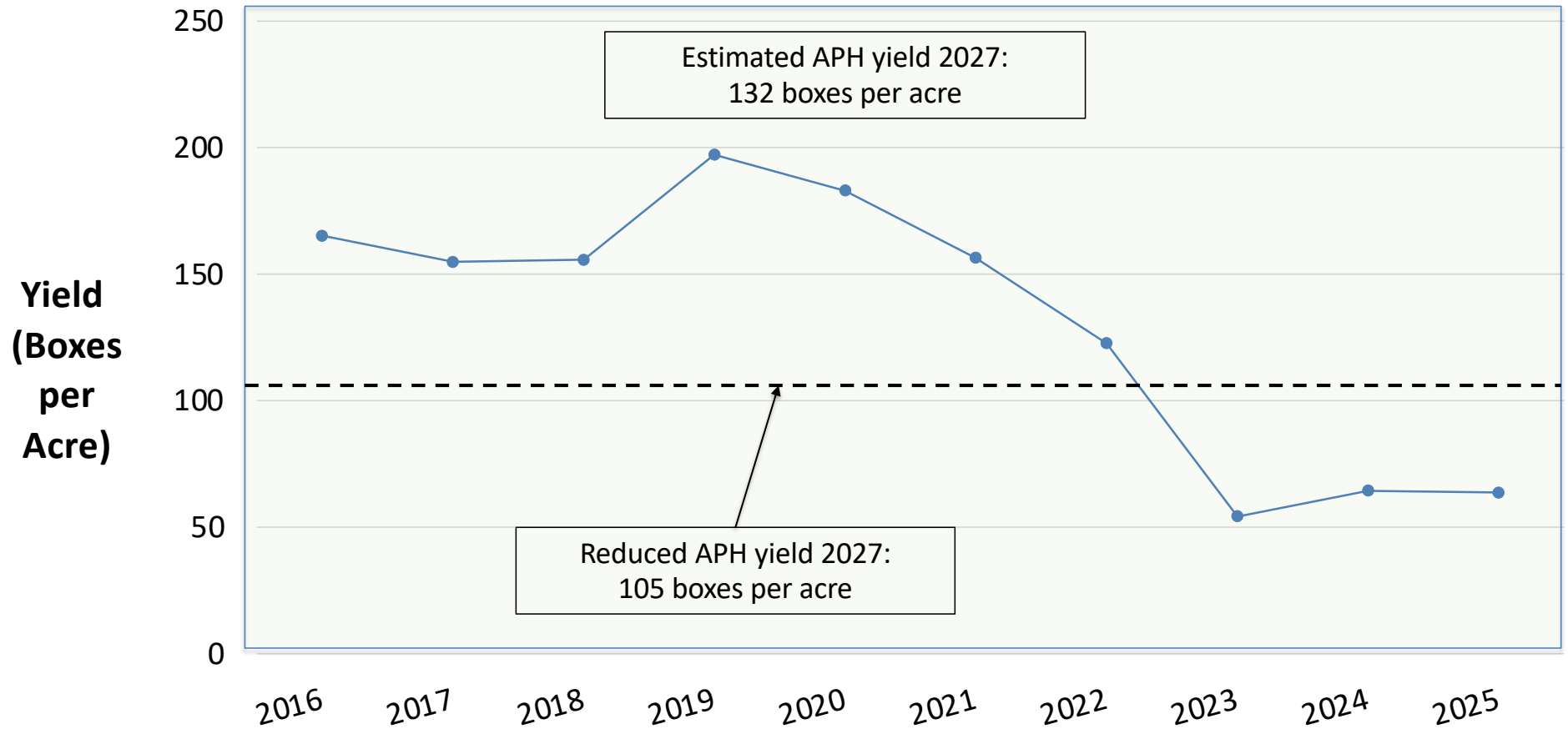
Estimated Net Indemnities from APH in 2026 for Valencia Oranges by Coverage Levels Using Polk County as an Example



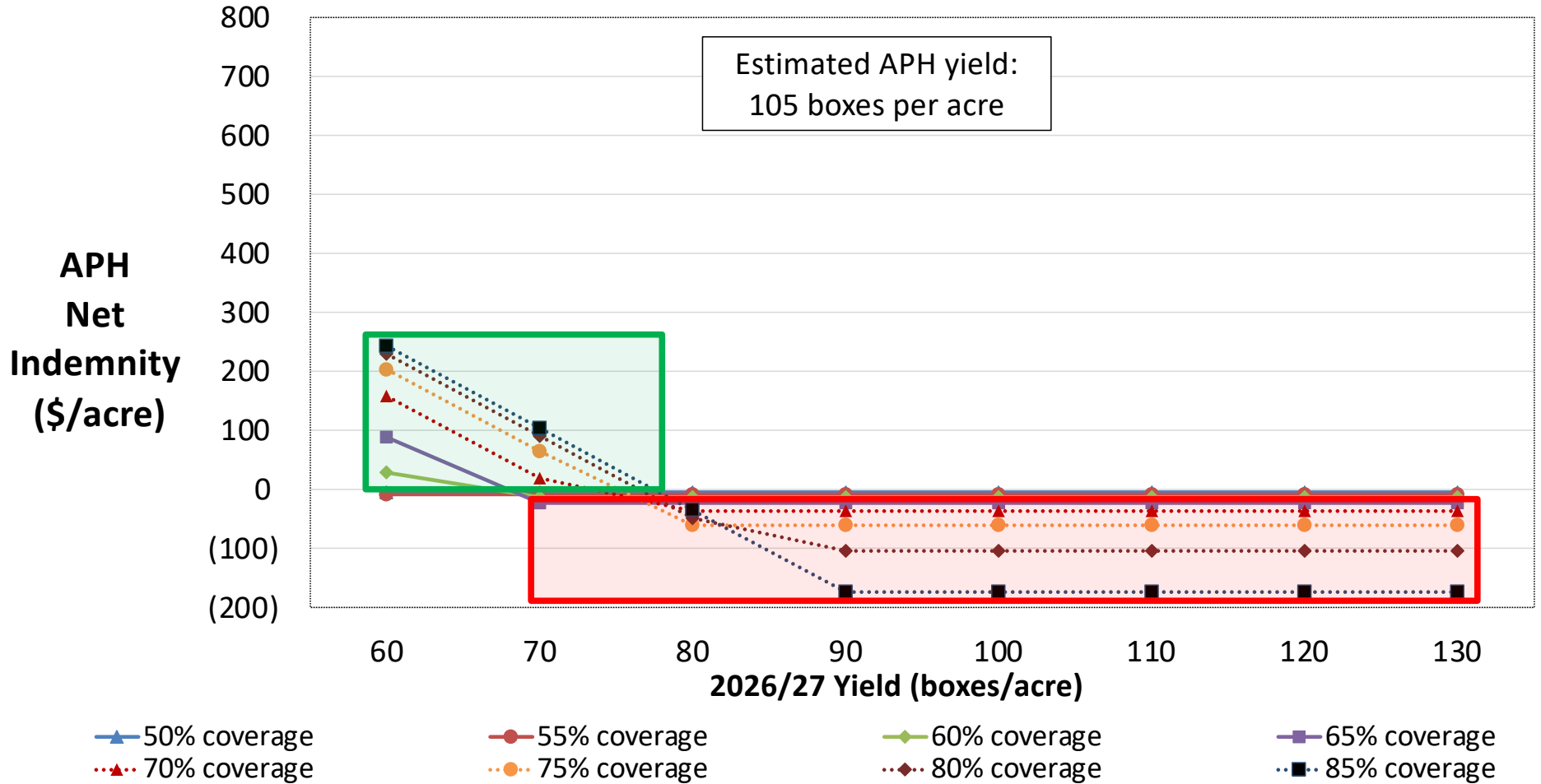
APH 2027: Average Valencia Orange Yield in Polk County



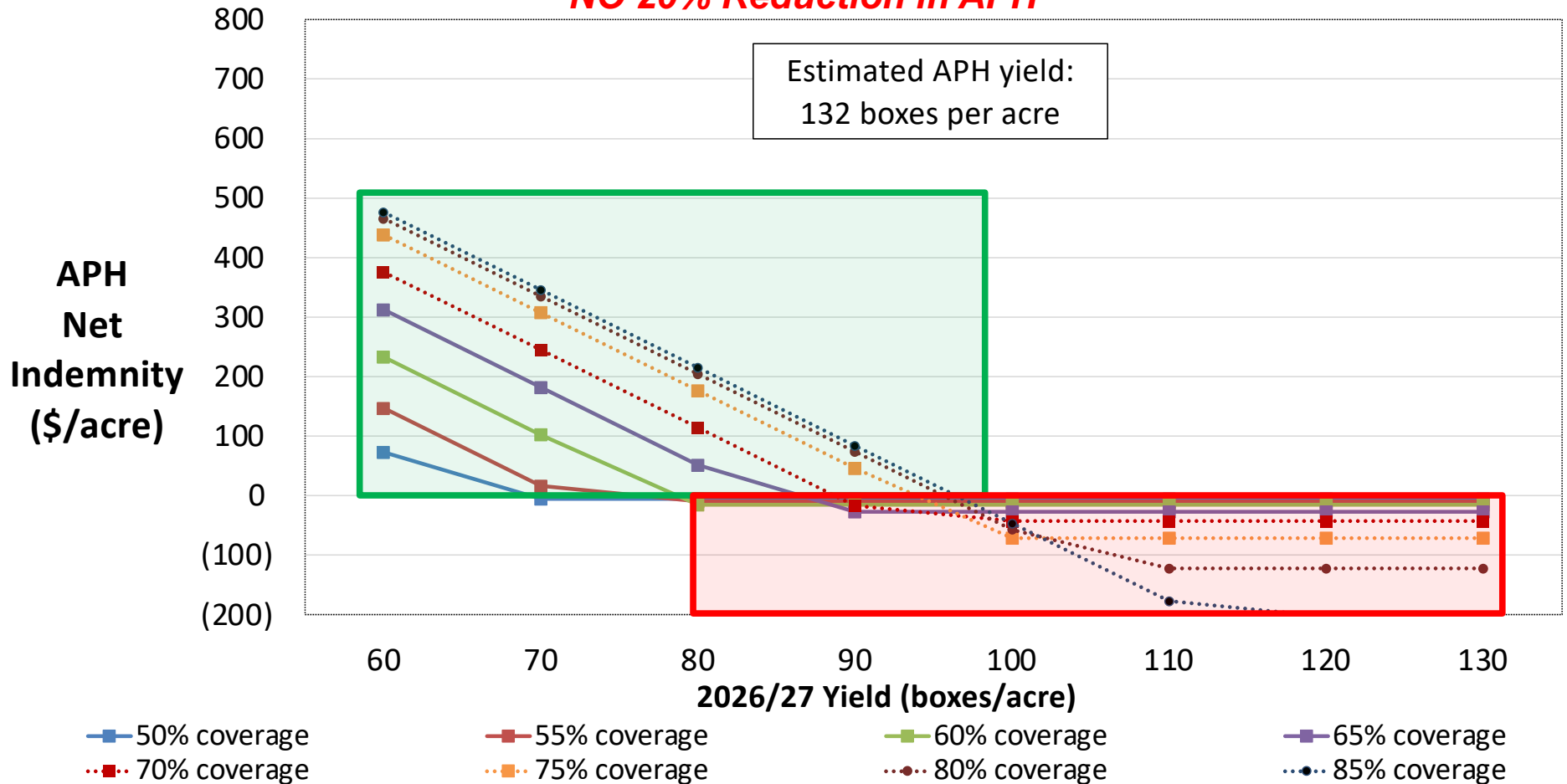
APH 2027: Average Valencia Orange Yield in Polk County



Estimated Net Indemnities from APH in 2027 for Valencia Oranges by Coverage Levels Using Polk County as an Example



NO 20% Reduction in APH



Conclusions

Data shows, on average, Florida orange growers were more likely to receive an indemnity (which was also higher) under APH than under the Dollar Amount during last 3 seasons

But important considerations to take into account going forward when insuring under APH

For more details, please check my article in the *NEW* UF/IFAS Citrus Magazine

Will APH Continue to be Advantageous in the Future? *It depends:*

Growers need to make their own calculations to choose optimal level of APH coverage



Thank you for your attention

Any questions?