



United States Department of Agriculture  
Risk Management Agency

February 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Tropical Fruit Pilot

## Hawaii - Coffee

### Crop Insured

The crop insured will be all coffee cherries grown for processing in the county for which a premium rate is provided by the actuarial documents in which you have a share:

- Grown to produce a crop intended to be sold for human consumption;
- That, if the orchard is inspected and is considered acceptable by us;
- Provide most recent four consecutive crop years of acreage and production;
- Coffee acreage that has reached age three (3) on December 31 preceding the crop year.

**Tree age will be determined on December 31<sup>st</sup> according to the following table:**

Year	Months After Set Out
1	≤ 12
2	13 - 24
3	25 - 36
4	37+

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
 Destruction of trees<sup>2</sup>  
 Disease<sup>3</sup>  
 Earthquake  
 Fire<sup>4</sup>  
 Insects<sup>3</sup>  
 Tsunami  
 Volcanic eruption  
 Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as frost, wind, drought, and excess moisture.

<sup>2</sup>If authorized by the insurance provider to contain the spread of disease.

<sup>3</sup>But not damage due to insufficient or improper application of control measures.

<sup>4</sup>Unless weeds and undergrowth are not controlled.

<sup>5</sup>Unless recommended wildlife control measures have not been taken.

### Counties Available

Tropical Fruits are insurable in Hawaii, Kauai, Honolulu and Maui counties in Hawaii.

### Insurance Period

Insurance attaches January 1<sup>st</sup> for carryover policies and 30 days after we receive your application for new insureds, but no earlier than January 1<sup>st</sup>. The insurance period ends the earlier of December 31<sup>st</sup> of the crop year; or upon our determination of the total destruction of insured trees on the unit.

### Important Dates

Sales Closing ..... December 31  
 Acreage Report Due ..... March 15

### Coverage Levels and Premium Subsidies

Yields are based on actual production records reported to your insurance agent. Growers can select a coverage level ranging from 50 to 75 percent of their average yield or catastrophic coverage risk protection which offers a producer a 50-percent level of coverage, indemnified at 55 percent of the established price.

**Price Election:** Price used to calculate your premium and indemnity.

Coffee..... **\$0.61 per pound**  
 Coffee (Hawaii County).....**\$0.77 per pound**

### Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about amounts of coverage and premiums, please contact a crop insurance agent.

---

## Loss Example

Premium based on one acre located in Kauai, 65-percent level of coverage, 100-percent share and an average yield of 4,500 pounds per acre.

4500	Pounds per acre average yield (APH)
<u>x .65</u>	Coverage level percentage
2925	Pounds per acre guarantee
<u>- 1000</u>	Pounds per acre actually produced
1925	Pounds per acre loss
<u>x \$0.61</u>	Price election, per pound
<b>\$1,174.25</b>	<b>Gross indemnity per acre</b>

---

## Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:

<http://www3.rma.usda.gov/tools/agents/>

## Download Copies from the Web

Visit our online publications/fact sheets page at:  
[http://www.rma.usda.gov/aboutrma/fields/ca\\_rso/](http://www.rma.usda.gov/aboutrma/fields/ca_rso/)

---

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

## Regional Contact for RMA

USDA/Risk Management Agency  
Davis Regional Office  
430 G Street, # 4168  
Davis, CA 95616  
Telephone: 530-792-5870  
Fax: 530-792-5893  
E-mail: [rsoca@rma.usda.gov](mailto:rsoca@rma.usda.gov)