



United States Department of Agriculture  
Risk Management Agency

February 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Macadamia Trees

## Hawaii

### Crop Insured

Macadamia trees :

- That are grown for the production of macadamia nuts.
- For which the rootstock is adapted to the area.
- That are at least one year of age when the insurance period begins.
- That, if the orchard is inspected and is considered acceptable by us.

### Counties Available

Hawaii          Kauai          Maui

Macadamia trees in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
 Failure of irrigation water supply<sup>2</sup>  
 Fire<sup>3</sup>  
 Insects<sup>4</sup>  
 Plant disease<sup>4</sup>  
 Wildlife<sup>5</sup>

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

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>4</sup>But not damage due to insufficient or improper application of control measures.

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

### Important Dates

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

### Insurance Period

Coverage begins on January 1 of each crop year, except that for the year of the application, if your application is received after December 22 but prior to January 1, insurance will attach on the 10<sup>th</sup> day after your properly completed application is received in our local office, unless we inspect the acreage during the 10-day period and determine that it does not meet insurability requirements. You must provide any information that we require for the crop or to determine the condition of the orchard. Insurance is provided for trees by age of plant.

Coverage Ends: December 31

### Coverage Levels and Premium Subsidies

Growers can select a coverage level ranging from 50-75 percent of the maximum value established for the age of the tree. Catastrophic coverage risk protection offers a producer a 50-percent level of coverage, indemnified at 55 percent of the established price.

**Established Price:** (reference maximum amount). Price used to calculate your premium and indemnity. Prices vary with the age of the tree. Check with an crop insurance agent.

### Cost of Crop Insurance

CAT coverage:

- Pay an application fee of \$300
- 100 percent of the premium is subsidized.

Higher coverage levels

- Pay an application fee of \$30 and
- Premiums are subsidized at lower rates

For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.

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## Premium Example

Premium based on one acre, 70-percent level of coverage, 100 percent share, for nine-year old trees in Hawaii county.

\$4,115	Amount of coverage
.014	Base premium rate
<u>x .410</u>	Producer premium percentage
\$23.62	Premium per acre

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## 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/>

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