



United States Department of Agriculture
Risk Management Agency

December 2010

2011 COMMODITY INSURANCE FACT SHEET

Tropical Fruit Pilot

Hawaii - Banana

Crop Insured

The crop insured will be all banana grown for fresh market 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;
- Banana acreage set out prior to June 1 of each crop year.

Tree age will be determined on May 31st for banana 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 conditions¹
 Failure of irrigation water supply²
 Fire³
 Insects⁴
 Plant disease⁴
 Volcanic eruption
 Wildlife⁵

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Unless 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 June 1st for carryover policies and 30 days after we receive your application for new insured's, but no earlier than June 1st. The insurance period ends the earlier of May 31st of the following crop year; or upon our determination of the total destruction of insured crop on the unit.

Important Dates

Sales Closing..... May 31
 Acreage Report Due..... July 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.

Bananas:
 Cavendish..... **\$0.386 per pound**
 Brazilian..... **\$0.554 per pound**

Cost of Crop Insurance

CAT coverage:

- Pay an application fee of \$300
- 100 percent of the premiums 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.

Loss Example (Cavendish)

Example assumes 65-percent coverage, 100-percent price election of \$0.386/ per pound, an average yield of 16,000 pounds per acre, and 100-percent share.

16,000	Pounds per acre average yield (APH)
<u> x .65</u>	Coverage level percentage
10,400	Pounds per acre guarantee
<u> -6,000</u>	Pounds per acre actually produced
4,400	Pounds per acre loss
<u> x \$.386</u>	Price election, per pound
\$1,698.40	Gross indemnity per acre

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/

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