



United States Department of Agriculture
Risk Management Agency

May 2012

2012 COMMODITY INSURANCE FACT SHEET

Macadamia Trees

Hawaii

Crop Insured

Macadamia trees are insurable if they are grown for the production of macadamia nuts, the rootstock is adapted to the area, are at least a year old when the insurance period begins, and if RMA inspects and approves the orchard.

Counties Available

Macadamia trees are insurable in Hawaii, Kauai, and Maui counties. 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 conditions¹

Earthquake

Failure of irrigation water supply²

Fire³

Insects⁴

Plant disease⁴

Volcanic eruption

Wildlife⁵

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

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

³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

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

⁵Unless recommended wildlife control measures have not been taken.

Important Dates

Sales ClosingDecember 31

Acreage Report DueFebruary 15

Insurance Period

Coverage begins on January 1 of each crop year, except for the year of the application. If your application is received after December 22 but before January 1, insurance will attach on the 10th 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 on December 31.

Coverage Levels and Premium Subsidies

You can select a coverage level ranging from 50 to 75 percent of the maximum value established for the age of the tree. Catastrophic coverage risk protection (CAT) offers a 50 percent coverage level, insured at 55 percent of the established price. The established price is the reference maximum amount and the price used to calculate your premium and indemnity. Prices vary with the age of the tree. For more information, check with an crop insurance agent.

Cost of Crop Insurance

CAT coverage has an application fee of \$300 with 100 percent of the premiums being subsidized.

Higher coverage levels have 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

Assumes 65-percent coverage, 100-percent share, for 9-year old trees in Hawaii county.

\$5,030	Amount of coverage
.013	Base premium rate ¹
x .410	Producer premium percentage ¹
\$26.81	Premium per acre

¹The base rate of .013 can be found in the Actuarial Information Browser (AIB) "Rates" tab. The .410 is the premium at the 65-percent coverage level and is located in the AIB "Subsidy Factors" tab.

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT 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/apps/agents/>

Regional Contact

USDA/Risk Management Agency

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