



United States Department of Agriculture
Risk Management Agency

January 2013

2013 COMMODITY INSURANCE FACT SHEET

Tropical Fruit Pilot

Hawaii - Banana

Crop Insured

Bananas are insurable if grown for fresh market for which a premium rate is provided by the actuarial documents in which you have a share and:

- Are grown to produce a crop intended to be sold for human consumption;
- We inspect and accept the orchard; and
- Banana acreage is set out prior to June 1 of each crop year.

Banana tree age will be determined on May 31 according to the following table.

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

Counties Available

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

Causes of Loss

Adverse weather conditions¹
 Destruction of trees²
 Disease³
 Earthquake
 Fire⁴
 Insects³
 Tsunami
 Volcanic eruption
 Wildlife⁵

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

²If authorized by the insurance provider to contain the spread of disease.

³But not damage due to insufficient or improper application of control measures.

⁴Unless weeds and undergrowth are not controlled.

⁵Unless recommended wildlife control measures have not been taken.

Important Dates

Sales Closing..... May 31
 Acreage Report Due..... July 15

Insurance Period

Insurance attaches June 1 for carryover policies and 30 days after we receive your application for new policies, but no earlier than June 1. The insurance period ends the earlier of:

- 1) May 31 of the following crop year; or
- 2) Our determination of the total destruction of insured crop on the unit.

Coverage Levels and Premium Subsidies

Yields are based on actual production records you report to your insurance agent. You can select a coverage level from 50 to 75 percent of your average yield. Catastrophic Risk Protection (CAT) coverage is also available and offers a 50-percent coverage level. Claims payments are paid at 55-percent of the established price.

Price Election

The price used to calculate your premium and indemnity.

Cavendish..... **\$0.439 per pound**
 Brazilian..... **\$0.629 per pound**

Cost of Crop Insurance

CAT coverage has an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates though USDA pays at least 50 percent of the premium. You will have to pay a \$30 application fee for higher premium amounts. For more detailed information about coverage and premium amounts, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

Loss Example

Assume 65-percent coverage, 100-percent price election of \$0.439 per pound, an average yield of 16,000 pounds per acre, and 100-percent share in Cavendish county.

16,000	Pounds per acre average yield
<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 \$.439</u>	Price election, per pound
\$1,932	Gross indemnity per acre

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

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