



United States Department of Agriculture
Risk Management Agency

January 2013

2013 COMMODITY INSURANCE FACT SHEET

Tropical Fruit Pilot

Hawaii - Coffee

Crop Insured

All coffee cherries, in which you have a share, grown for processing in a county and for which a premium rate is provided by the actuarial documents are insurable if:

- Grown to produce a crop intended to be sold for human consumption;
- Orchard is inspected and RMA considers it acceptable; and
- Coffee acreage that has reached 3 years by December 31, the crop year before.

Tree age is determined on December 31 using 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 December 31
 Acreage Report Due March 15

Insurance Period

Insurance attaches January 1 for carryover policies and 30 days after we receive your application for a new insurance policy, but no earlier than January 1. The insurance period ends the earlier of May 31 of the following crop year; or upon our determination of the total destruction of the insured crop on the unit.

Price Election

The price used to calculate your premium and indemnity

Coffee..... **\$0.43 per pound**
 Coffee (Hawaii County).....**\$0.81 per pound**

Coverage Levels and Premium Subsidies

Yields are based on actual production records reported to your insurance agent. You can select coverage levels from 50 to 75 percent average yield or Catastrophic Risk Protection (CAT) coverage equal to 50 percent of your approved average yield and 55 percent of the price of each crop.

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

4500	Pounds per acre average yield
<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 \$0.43</u>	Price election, per pound
\$827.75	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

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

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