



United States Department of Agriculture  
Risk Management Agency

January 2013

## 2014 COMMODITY INSURANCE FACT SHEET

# Macadamia Nuts

## Hawaii

### Crop Insured

All macadamia nuts in the county are insurable, in which:

- You have a share;
- Are adapted to the area;
- Are grown on rootstock that is adapted to the area;
- That are grown on trees that have reached at least the fifth growing season after being set out or grafted; and
- We inspect and accept the orchard.

### Counties Available

Macadamia nuts are insurable in Hawaii, Kauai, and Maui counties. Macadamia nuts 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 frost, 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 and ends on June 30 of the second year.

### Coverage Levels and Premium Subsidies

You can select coverage levels from 50 to 75 percent of the reference maximum price per tree. 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.

### 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 share, and an average yield of 4,000 pounds per acre.

4000	Pounds per acre average yield
x .65	Coverage level percentage
2600	Pounds per acre guarantee
- 2000	Pounds per acre actually produced
600	Pounds per acre loss
x \$.77	Price election, per pound*
<b>\$462</b>	<b>Gross indemnity per acre</b>

\*Price is used for example only. Please contact an insurance agent for current prices.

## 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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