



United States Department of Agriculture  
Risk Management Agency

October 2006

## 2007 COMMODITY INSURANCE FACT SHEET

# Avocado Fruit (Pilot)

## Florida

### Crop Insured

The crop insured will be all the commercially grown avocado types in the county listed in the special provisions for which a premium rate is provided by the actuarial table:

- In which you have a share;
- That are grown for harvest as avocados; and
- That are grown on trees that, if inspected, are considered acceptable to us.

### Counties Available

Avocados are insurable in Miami-Dade County.

### Causes of Loss

Adverse weather conditions  
 Earthquake  
 Failure of irrigation water supply<sup>1</sup>  
 Fire<sup>2</sup>  
 Insects<sup>3</sup>  
 Plant disease<sup>4</sup>  
 Wildlife<sup>4</sup>  
 Volcanic eruption  
 Wildlife<sup>5</sup>

<sup>1</sup>If caused by an insured peril during the insurance period. <sup>2</sup>Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the grove. <sup>3</sup>But not damage due to insufficient or improper application of pest control measures. <sup>4</sup>But not damage due to insufficient or improper application of disease control measures. <sup>5</sup>Unless control measures have not been taken.

### Insurance Period

Coverage begins for each crop year on December 1 of the calendar year, except that for the year of application if your application is received by us after November 21, but prior to December 1, insurance will attach on the 10th day after your properly completed application, and acreage and production reports are received in our local office, unless we inspect the

acreage during the 10-day period and determine that it does not meet the requirements for insurability contained in the policy. You must provide any information we require so we may determine the condition of the grove to be insured. The calendar date for the end of the insurance period is the first November 30th after insurance attaches for early avocados and the second March 31st after insurance attaches for late avocados.

### Reporting Requirements

**Acreage Report**— An acreage report is due to your insurance agent by the acreage reporting date to include all acreage (insurable and uninsurable) in the county in which you have a share.

**Notice of Loss**—See your insurance agent for detailed requirements.

### Important Dates

|                               |             |
|-------------------------------|-------------|
| Sales Closing.....            | November 30 |
| Acreage Reporting.....        | January 31  |
| Premium Billing.....          | September 1 |
| Cancellation/Termination..... | November 30 |

### Definitions

**Harvest**— Picking of the avocados from the trees or ground by hand or machine.

**Bushel**— A unit of measure equal to 55 pounds of avocados.

### Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75-percent of your average yield and are subsidized as shown in the table. As an example, an average yield of 250 bushels

per acre results in a guarantee of 125 bushels per acre at the 50-percent coverage level.

| Item               | Percent |    |    |    |    |    |
|--------------------|---------|----|----|----|----|----|
| Coverage Level     | 50      | 55 | 60 | 65 | 70 | 75 |
| Premium Subsidy    | 67      | 64 | 64 | 59 | 59 | 55 |
| Your Premium Share | 33      | 36 | 36 | 41 | 41 | 45 |

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$100 per county, regardless of the acreage.

### Loss Example

This example is based on actual production history (APH) yield of 200 bushels per acre, 65-percent coverage level, 100-percent price election and a one acre basic unit.

|                   |                                  |
|-------------------|----------------------------------|
| 200               | Bushels/acre average yield (APH) |
| <u>x.65</u>       | Coverage level percentage        |
| 130               | Bushels/acre guarantee           |
| <u>- 50</u>       | Bushels/acre production          |
| 80                | Bushels/per acre loss            |
| <u>x \$15.85</u>  | Price election (fresh)           |
| <b>\$1,268.00</b> | <b>Indemnity per acre</b>        |

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