



United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Avocado Fruit

Florida

Crop Insured

All of your commercially grown avocado types, where a premium rate is provided by the actuarial documents, are insurable if:

- You have a share in the crop;
- They are grown for harvest as avocados;
- They are grown on trees that, if inspected, are considered acceptable to the company; and
- They are grown on trees that have reached at least the fourth growing season after setout and the acreage has produced a minimum of 50 bushels of avocados per acre in one of the three previous crop years.

Talk to your crop insurance agent for details.

Counties Available

Avocados are insurable in Miami-Dade County.

Causes of Loss

| | |
|---|----------------------------|
| Adverse weather conditions | Insects ³ |
| Earthquake | Plant disease ⁴ |
| Failure of irrigation water supply ¹ | Volcanic eruption |
| Fire ² | Wildlife ⁵ |

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

Insurance Period

Coverage begins for each renewal crop year on December 1 of the calendar year. For the year of application, if your application is received after November 21, but prior to December 1, insurance will attach on the 10th day after your properly completed application is received by the company unless an inspection during the 10-day period determines that the acreage does not meet the policy requirements for insurability. You must provide the company any information required to 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 - You must report all acres of the crop, in which you have a share in the county, to your insurance agent by the acreage reporting date.

Notice of Loss - You must notify us at least 15 days before any production from any unit will be sold by direct marketing. Failure to give timely notice that production will be sold by direct marketing will result in an appraised amount of production to count of not less than the production guarantee per acre if such failure results in our inability to make the required appraisal. Talk to your agent for additional detailed requirements.

Production Report - A production report, by type, is required by the production reporting date. You must report:

- The number of bearing trees⁴ on insurable and uninsurable acreage;
- Any change that may adversely impact yield potential (i.e., tree damage or removal, or changes in practices);
- The age of the trees; and
- The planting pattern.

Important Dates

| | |
|-----------------------------------|-------------|
| Sales Closing..... | November 30 |
| Acreage/Production Reporting..... | January 15 |
| Premium Billing..... | August 15 |
| Cancellation/Termination..... | November 30 |

Definitions

Approved Yield - The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields, that are calculated and approved by your insurance company.

There is a one year lag period in reporting production. The latest APH crop year reported is determined by subtracting two years from the current crop year. For example, production reports through the 2010 production year are required for determining the 2012 crop year approved APH.

Buckhorn - To prune any limb at a diameter of at least four inches.

Crop Year - A period beginning with the date insurance attaches to the avocado crop and extending through the normal harvest time. The crop year is designated by the calendar year after insurance attaches.

Direct Marketing - Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the fields for the purpose of picking all or a portion of the crop.

Early Variety - 232, Arue, Bassage, Bernecker, Beta, Biondo, Black Prince, Blair, Catalina, Christina, Collinson, Donnie, Dr. Dupuis, Fuchs, Gorham, Hardee, Hickson, K-5, K-9, Lisa, Loretta, Marcus, Miguel, Nadir, Nesbitt, Peterson, Pinelli, Pollock, Ruehle, Simmonds, Simpson, Tonnage, Tower 2, Trapp, and Waldin.

Late Variety—All other varieties not listed as an Early Variety.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your approved APH yield. As an example, an approved yield of 250 bushels per acre results in a guarantee of 125 bushels per acre at the 50-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. If you choose the 50-percent coverage level, your premium share would be 33 percent of the base premium.

| Item | Percent | | | | | |
|--------------------|---------|----|----|----|----|----|
| | 50 | 55 | 60 | 65 | 70 | 75 |
| 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 your approved 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 \$300 per crop per county, regardless of the acreage.

Loss Example

Assume avocado with an approved yield of 200 bushels per acre, 65-percent coverage level, 100-percent price election, a one acre basic unit, and 50 bushels of production to count due to an insurable cause of loss.

| | |
|------------------|-----------------------------|
| 200 | Bushels/acre approved yield |
| <u>x.65</u> | Coverage level percentage |
| 130 | Bushels guarantee |
| <u>- 50</u> | Bushels production |
| 80 | Bushels loss |
| <u>x \$15.70</u> | Price election |
| \$ 1,256 | 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 at all USDA Service Centers and on the RMA web site: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact

USDA/Risk Management Agency
 Valdosta Regional Office
 106 S. Patterson St., Suite 250
 Valdosta, GA 31601-5673
 Telephone: (229) 219-2200
 Fax: (229) 242-3566
 E-mail: rsoga@rma.usda.gov

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