



United States Department of Agriculture
Risk Management Agency

Oct. 2007

2008 COMMODITY INSURANCE FACT SHEET

Tropical Fruit (Pilot)

Hawaii - Banana

Crop Insured

The crop insured will be all banana grown for fresh market for which a premium rate is provided by the actuarial documents in which you have a share:

- Grown to produce a crop intended to be sold for human consumption;
- That, if the orchard is inspected and is considered acceptable by us;
- Provide most recent four consecutive crop years of acreage and production;
- Banana acreage on January 1 following the year of tree setout.

Tree age will be determined on December 31st according to the following table:

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

Causes of Loss

Adverse Weather Conditions ¹	Tsunami
Destruction of trees ²	Earthquake
Insects ³	Volcanic Eruption
Disease ³	Fire ⁴
Wildlife ⁵	

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.

Counties Available

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

Insurance Period

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

Important Dates

Sales Closing	December 31
Acreage Report Due	February 15

Coverage Levels & Premium Subsidies

Yields are based on actual production records reported to your insurance agent. Growers can select a coverage level ranging from 50-75 percent of their average yield or Catastrophic Coverage Risk protection which offers a producer a 50 percent level of coverage, indemnified at 55% of the established price.

Price Election Price used to calculate your premium and indemnity.

Bananas..... **\$0.473 per pound**

Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about amounts of coverage and premiums, please contact a crop insurance agent or the county FSA office for an agent listing.

Loss Example

Premium based on one acre, 65% level of coverage, 100% share, and an average yield of 16,000 pounds per acre.

16,000	Pounds per acre average yield (APH)
<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 \$.473</u>	Price election, per pound
\$2,081.20	Gross indemnity per acre

Where to Purchase Crop Insurance

All MPCI, including CAT coverage insurance policies are available from private insurance agents. A list of crop insurance agents is available on the RMA website at:

<http://www3.rma.usda.gov/tools/agents/>

Download Copies from the Web

Visit our online publications/fact sheets page at:
<http://www.rma.usda.gov/pubs/#bfr>.

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