



United States Department of Agriculture
Risk Management Agency

January 2007

2007 COMMODITY INSURANCE FACT SHEET

Macadamia Trees

Hawaii

Crop Insured

The crop insured will be all macadamia trees in the county for which a premium rate is proved by the actuarial documents in which you have a share:

- That are grown for the production of macadamia nuts.
- For which the rootstock is adapted to the area.
- That are at least one year of age when the insurance period begins.
- That, if the orchard is inspected and is considered acceptable by us.

Counties Available

Macadamia trees are insurable in Hawaii, Kauai and Maui counties. Macadamia trees 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 conditions¹
 Failure of irrigation water supply²
 Fire³
 Insects⁴
 Plant disease⁴
 Wildlife⁵

¹Natural perils such as wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Unless recommended wildlife control measures have not been taken.

Insurance Period

Coverage begins on January 1 of each crop year, except that for the year of the application, if your application is received after December 22 but prior to January 1, insurance will attach on the 10th day after your properly completed application is received in our local office, unless we inspect the acreage during the 10-day period and determine that it does not meet insurability requirements. You must provide any information that we require for the crop or to determine the condition of the orchard. Insurance is provided for trees by age of plant.

Coverage Levels and Premium Subsidies

Growers can select a coverage level ranging from 50-75 percent of the maximum value established for the age of the tree. Catastrophic coverage risk protection offers a producer a 50-percent level of coverage, indemnified at 55 percent of the established price. **Established Price** (reference maximum amount). Price used to calculate your premium and indemnity. Prices vary with the age of the tree. Check with an crop insurance agent.

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.

Important Dates

Sales Closing December 31
 Acreage Report Due..... February 15

Premium Example

Premium based on one acre, 70-percent level of coverage, 100percent share, for 9-year old trees in Hawaii county.

\$3,954.00	Amount of coverage
.014	Base premium rate
<u>x .410</u>	Producer premium percentage
\$22.70	Premium per acre

Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance 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/tools/agents/>

Download Copies from the Web

Visit our online publications/fact sheets page at:
http://www.rma.usda.gov/aboutrma/fields/ca_rso/

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