



United States Department of Agriculture
Risk Management Agency

April 2005

2005 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 supply¹

Fire²

Insects³

Plant disease⁴

Volcanic eruption

Wildlife⁵

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 crop year on December 1 of the calendar, 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 your 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; 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
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 below. 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 except for an administrative fee of \$100 per county, regardless of the acreage.

Loss Example

This example is based on actual production history (APH) yield of 85 bushels per acre, 65 percent coverage level, 100-percent market price, and one basic unit.

85	Bushels per acre average yield (APH)
<u>x.65</u>	Coverage level percentage
55	Bushels per acre guarantee
<u>- 12</u>	Bushels per acre production
43	Bushels per acre loss
<u>x \$15.20</u>	Price election (fresh)
\$654.00	Gross indemnity per acre

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