



United States Department of Agriculture
Risk Management Agency

May 2012

2012 COMMODITY INSURANCE FACT SHEET

Tropical Fruit Pilot

Hawaii - Papaya

Crop Insured

All papaya grown for fresh market, in which you have a share, and for which a premium rate is provided by the actuarial documents is insurable if:

- Grown to produce a crop intended to be sold for human consumption;
- Orchard is inspected and RMA considers it acceptable; and
- Papaya acreage is more than 12 months old and less than 4 years old on May 31 of the crop year before (unless otherwise stated in the Special Provisions).

Tree age (growth stage) will be determined on May 31 using the following table:

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

Counties Available

Papaya is insurable in Hawaii, Kauai, Honolulu and Maui counties in Hawaii.

Causes of Loss

Adverse weather conditions¹
 Destruction of trees²
 Disease³
 Earthquake
 Fire⁴
 Insects³
 Tsunami
 Volcanic eruption
 Wildlife⁵

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.

Important Dates

Sales Closing..... May 31
 Acreage Report Due..... July 15

Insurance Period

Insurance attaches June 1 for carryover policies and 30 days after we receive your application for a new insurance policy, but no earlier than June 1. The insurance period ends the earlier of May 31 of the following calendar year; or upon our determination of the total destruction of insured crop on the unit.

Price Election

The price used to calculate your premium and indemnity

Papaya..... **\$0.426 per pound**

Coverage Levels and Premium Subsidies

Yields are based on actual production records reported to your insurance agent. You can select coverage levels from 50 to 75 percent of your average yield or Catastrophic Risk Protection (CAT) coverage equal to 50 percent of your approved average yield and 55 percent of the price of each crop.

Cost of Crop Insurance

CAT coverage has an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates though USDA pays at least 50 percent of the premium. You will have to pay a \$30 application fee for higher premium amounts. For more detailed information about coverage and premium amounts, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

Loss Example

Assume 65-percent coverage, 100-percent share, and an average yield of 30,000 pounds per acre.

30,000	Pounds per acre average yield
<u> x .65</u>	Coverage level percentage
19,500	Pounds per acre guarantee
<u>-13,000</u>	Pounds per acre actually produced
6,500	Pounds per acre loss
<u>x \$.426</u>	Price election, per pound
\$2,769	Gross 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 on the RMA Web site at:

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

Regional Contact

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