



United States Department of Agriculture
Risk Management Agency

January 2013

2014 COMMODITY INSURANCE FACT SHEET

Avocado

California

Crop Insured

All commercially grown Hass and Lamb-Hass avocados produced in the counties listed below are insurable. The insured trees must be irrigated and have reached the sixth growing season after being set out or have produced at least 2,000 pounds of avocados an acre. The grove may also be subject to an inspection to determine its insurability.

Counties Available

Avocados are insurable in Orange, Riverside, San Luis Obispo, Santa Barbara, San Diego and Ventura counties. Contact an agent for more details.

Causes of Loss

- Adverse weather conditions¹
- Failure of irrigation water supply²
- Fire³
- Insects⁴
- Plant disease⁴
- Volcanic eruption
- Wildlife⁵

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

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

³Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed.

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

⁵Unless wildlife control measures have not been taken.

Important Dates

Sales Closing November 30
 Acreage Report Due March 1

Insurance Period

The avocado crop is insured for a 2-year period, for example, from December 2011 through October 31, 2013. The insurance period can end earlier due to:

- 1) Total destruction of the crop;
- 2) Harvest of the crop;

- 3) Abandonment of the crop; or
- 4) Final adjustment of a loss.

Coverage Levels and Premium Subsidies

The guarantee is based on your production history. You will be asked to provide 4 to 10 years of production records to your agent. When you first apply for insurance you must certify your production records for at least the most recently completed crop year.

You can choose a coverage level from 50 to 75 percent of your approved average yield and 55 to 100 percent of a price announced by USDA. Or you can choose Catastrophic Risk Protection (CAT) coverage based on 50 percent of your approved yield and 55 percent of the price election.

Price Election

The price used to calculate your premium and indemnity. Price elections are re-calculated each year. Talk to a crop insurance agent for the current price election.

2013 Price Elections

Conventional.....	\$0.87 per pound
Organic.....	\$1.11 per pound

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. 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 an APH yield of 8,000 pounds per acre, 65-percent coverage level, 100-percent of the price election of \$0.87 per pound, and 100-percent share.

8,000	Pounds per acre average yield (APH)
x .65	Coverage level percentage
5,200	Pounds per acre guarantee
- 4,000	Pounds per acre actually produced
1,200	Pounds per acre loss
x \$0.87	Price election
\$1044	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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