



United States Department of Agriculture
Risk Management Agency

November 2009

2010 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;
- That are grown on trees that have reached at least the fifth growing season after setout; 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
 Wildlife⁴
 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 year, 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 the 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 and 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
Premium Billing.....	September 1
Cancellation/Termination.....	November 30

Definitions

Approved Actual Production History (APH)

Yield— The average of the actual production yields, assigned or adjusted yields, or unadjusted transitional yields, calculated and approved by your verifier. There is a one year lag period for reporting production. For example, production reports through the 2008 production year are required for determining the 2010 crop year approved APH..

Buckhorning—Cutting any scaffold limb to a length that is not greater than 1/4 the height of the tree before such cutting.

Bushel— A unit of measure equal to 55 pounds of avocados.

Crop Year - A period beginning with the date insurance attaches to the avocado crop and extending through the normal harvest time. The crop year is designated by the calendar year after insurance attaches.

Direct Marketing - Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the fields for the purpose of picking all or a portion of the crop.

Harvest— Picking of the avocados from the trees or ground by hand or machine.

Early Variety—232, Arue, Bernecker, Beta, Biondo, Catalina, Christina, Donnie, Dr. Dupuis, Fuchs, Gorham, Hardee, K-5, K-9, Lisa, Miguel, Nadir, Nesbitt, Peterson, Pinelli, Pollock, Ruehle, Simmonds, Tonnage, Tower 2, Trap, and Waldin.

Late Variety—All other varieties not listed as an Early Variety.

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your approved actual production history (APH) yield. As an example, an approved yield of 250 bushels per acre results in a guarantee of 125 bushels per acre at the 50-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 50-percent coverage level, your premium share would be 33 percent of the base premium.

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 your average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

Loss Example

This example is based on an approved APH yield of 200 bushels per acre, 65-percent coverage level, 100-percent price election, and a one acre basic unit.

200	Bushels/acre approved yield (APH)
<u>x.65</u>	Coverage level percentage
130	Bushels/acre guarantee
<u>- 50</u>	Bushels/acre production
80	Bushels/per acre loss
<u>x \$15.50</u>	Price election (fresh)
\$ 1,240	Indemnity per acre

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