



## Hawaii Crop Insurance Options Moving Forward

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### USDA Crop Insurance Programs

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No coverage on pre-existing damage

Coverage can begin:

**Nursery growers** can apply **now** to cover any damage that occurs *after* attachment date on new policies. Policies Start 30 Days after all paperwork is submitted.

**Cut Flower Growers** can apply in September for Whole Farm with attachment date of 01/01/19.

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### Why Apply now?

Secure coverage on events occurring after attachment, moving forward.

If you are relocating and rebuilding, policy may work as collateral for Loans.

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## USDA Crop Insurance Programs

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### Why Apply now?

WFRP Policies are based upon income history and can apply to new farm location. Projections of values have to be reported but can be increased to reflect planned increase in operations.

Benefits can secure loans taken out to repair damage, rebuild and re-stock. Can be assigned to lenders, including Banks and the Farm Services Agency.

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### Nursery Crop Insurance

Applications can be taken anytime.

Coverage begins 30 days after all paperwork and supporting documents are received and inspection is done to determine acceptability.

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## USDA Crop Insurance Programs

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### Nursery Crop Insurance

Plants are insurable if they:

- Are on the USDA-RMA's eligible plant list;

- Are grown in a wholesale nursery receiving 40% of its gross income from wholesale marketing of nursery plants;

- Meet all the requirements for insurability;

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### Nursery Crop Insurance

Plants are insurable if they:

Are grown in an appropriate medium;

Are grown and sold with the root system attached

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### Nursery Crop Insurance

Nursery plants may not be insurable if they:

Are grown in containers containing two or more different genera, species, subspecies, varieties, or cultivars;

Are grown as stock plants; or

Are grown solely for harvest of buds, flowers, or greenery.

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### Nursery Crop Insurance

Plants producing edible fruits and nuts can be insured if the plants are available for sale.

Your nursery must be inspected and approved as acceptable before insurance coverage can begin.

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## USDA Crop Insurance Programs

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### Nursery Crop Insurance

Coverage provided against:

Adverse weather

Fire

Volcanic Eruption

Earthquake

Failure of Irrigation Water Supply due to insurable cause

Insects and disease only when control measures used

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### Nursery Crop Insurance

#### Coverage Levels

##### Catastrophic Level

50% deductible and 55% of the Insurable Price

CAT Fee of \$300

Buy-up Levels 50%-75% with 100% of the Insurable Price

Premium + \$30 Admin Fee

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## USDA Crop Insurance Programs

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### Nursery Crop Insurance

#### Amount of Insurance Example

\$100,000 Plant inventory value

x 0.65 Chosen coverage level percentage

x 1.00 Producer share

\$ 65,000 Amount of insurance

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## USDA Crop Insurance Programs

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### Nursery Crop Insurance

#### In the event of a loss

\$ 50,000 Field market value after loss  
 \$ 50,000 Value of loss  
 - \$ 35,000 Deductible

#### **\$15,000 Indemnity**

Deductible is  $(1 - \text{coverage level}) \times \text{inventory} = (1 - 0.65) \times \$100,000 = \$35,000$ .

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## USDA Crop Insurance Programs

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### Nursery Crop Insurance

Coverage based upon Insurance Plant Value at the time insurance attaches

Established using your inventory entered into the USDA-RMA's Nursery Plant Valuation Software

May be revised upward twice during the crop year, and Peak Inventory Endorsement available on buy-up policies

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## USDA Crop Insurance Programs

### Nursery Crop Insurance

#### Cost and Coverage Example

Coverage Level	75 %	70 %	65 %	60 %	55 %	50 %	CAT 50 %
Coverage Amount	\$750,000	\$700,000	\$650,000	\$600,000	\$550,000	\$500,000	\$275,000
Premium Amount	\$6,240	\$4,544	\$3,558	\$2,241	\$1,874	\$1,425	

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## USDA Crop Insurance Programs

### Whole Farm Revenue Protection

#### Deadline to Apply:

- Calendar and Early Fiscal Filers 03/15/19
- Late Fiscal Filers 11/20/18

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## USDA Crop Insurance Programs

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### Whole Farm Revenue Protection

Coverage begins:

- 01/01/19 for Calendar and Early Fiscal Filers, if all application documents are completed prior to that date and the policy is accepted by the company
- The first day of the fiscal year for Late Fiscal Filers with tax year that begins after 09/01.

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## USDA Crop Insurance Programs

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### Whole Farm Revenue Protection

Covers all commodities on the farm under one policy.

Coverage is based upon approved allowable average revenue:

5 years Tax Returns

or 3 years for beginning farmers

Lesser of approved historical revenue or projected revenue

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## USDA Crop Insurance Programs

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### Whole Farm Revenue Protection

Coverage levels of 50% - 85% are available.

Premium subsidy levels vary by coverage level.

Replant payments are available if not already covered with an underlying MPCl crop policy.

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## USDA Crop Insurance Programs

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### Whole Farm Revenue Protection

Other MPCl policies may continue coverage alongside the WFRP policy.

Claims finalized when taxes are filed, year of coverage.

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## USDA Crop Insurance Programs

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### Whole Farm Revenue Protection

#### Requirements

All ag commodities generating income for the entity on the grower's Schedule F federal tax document must be included for coverage.

Three (3) commodities are required for 80% and 85% levels of coverage.

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## USDA Crop Insurance Programs

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### Whole Farm Revenue Protection

#### Limits

The liability limit for this program is \$8.5m per entity.

Animal or Animal Products, and Nursery or Greenhouse Products are limited to a cap of \$1 million per entity.

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# USDA Crop Insurance Programs

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## Whole Farm Revenue Protection

### Deadline for Applications

11/20/18 Late Fiscal Filers  
\* 3/15/19 for Calendar Filers  
3/15/19 Early Fiscal Filers

\*Start paperwork soon, and turn in paperwork as early as Sept. 1 for Jan 1 attachment.

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# USDA Crop Insurance Programs

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## Whole Farm Revenue Protection

### Cost

Premium discounts are commensurate with number of commodities insured by entity.

Growers who meet the definition of diversity will receive additional subsidy.

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## USDA Crop Insurance Programs

### Whole Farm Revenue Protection

#### Cost & Coverage Example

**Assuming Cut Flowers** Approved Allowable Revenue: \$1M

Coverage Level	75 %	70 %	65 %	60 %	55 %	50 %
Coverage Amount	\$750,000	\$700,000	\$650,000	\$600,000	\$550,000	\$500,000
Premium	\$38,812	\$26,978	\$20,254	\$14,040	\$11,088	\$8,085

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## USDA Crop Insurance Programs

### Whole Farm Revenue Protection

#### Benefits

Growers not covered by named crop insurance policies have a plan of protection for all agriculture commodities.

Organic growers with historic high crop incomes may benefit from WFRP coverage.

Accommodates expansion of grower operations without penalty.

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## More Information

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Request a quote at [HawaiiCropInsurance.com](http://HawaiiCropInsurance.com)

Policy Terms and Cost Estimator at [www.rma.usda.gov](http://www.rma.usda.gov)

Call Bonnie Lind at 888-276-7728

Email [agsecure@sbcglobal.net](mailto:agsecure@sbcglobal.net)

*Mahalo!*



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## More Information

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This outline provides limited information, and the information herein cannot be considered an offer or guarantee of insurance coverage.

See Risk Management Agency's website for complete policy language. Equal opportunity provider.

Policy Terms, handbooks and rates/rules are at [www.rma.usda.gov](http://www.rma.usda.gov)

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