RMA Develops A New California Avocado Crop Insurance Program

DAVIS, CA, Oct. 10, 2008 - The Risk Management Agency (RMA) has developed a new California Avocado Actual Production History (APH) pilot crop insurance program, effective for the 2010 crop year. The new avocado insurance program will replace the current California Avocado Revenue (CAR) pilot program, in place since the 1998 crop year. RMA expects the avocado APH insurance plan to be simpler and much easier to understand. Producers are encouraged to contact their crop insurance agents prior to the Sales Closing Date for detailed information regarding this new pilot APH crop insurance program.

RMA evaluated the current CAR pilot program and found that the acceptance of the program generally had been poor due to high premium rates and confusion among agents and producers because of the program’s complexity. Since the current CAR pilot program provided minimal risk management benefits to avocado producers a new California Avocado APH pilot crop insurance program has been developed for California avocado producers.

A grower’s approved yield will be based on a simple average of the grower’s own historical yields and RMA will develop a price election prior to the sales closing date. The sales closing date for the 2010 crop year will be November 30, 2008. The insurance period covers the avocado bloom that occurs in the spring of 2009 for the crop that will be harvested in 2010.

The California Avocado APH pilot program will be offered in six counties in California; San Diego, Riverside, Orange, Ventura, Santa Barbara and San Luis Obispo. Crop insurance will be offered on the Hass variety of Avocados. The Lamb-Hass variety will be treated as Hass for insurance.

Avocado growers can also contact the Risk Management Agency’s Davis Regional Office for information regarding the new crop insurance program.