Pasture, Rangeland, Forage Hawaii Pilot Insurance Program

Pasture, Rangeland, Forage

The Risk Management Agency's (RMA) Pasture, Rangeland, Forage (PRF) Hawaii Pilot Insurance Program provides insurance coverage on rangeland acres. The PRF Hawaii program is designed to help protect a producer's operation from the risks of forage loss due to the lack of precipitation. It is not designed to insure against ongoing or severe drought, as the coverage is based on precipitation expected during specific intervals only.

The PRF Hawaii program utilizes a rainfall index to determine precipitation amounts for coverage purposes. The rainfall index does not measure production or loss of production. The rainfall index uses Hawaii Climate Data Portal's (HCDP's) precipitation data, which is then applied to a grid system to determine precipitation amounts within an area. Each grid is 5 kilometers by 5 kilometers, which translates to approximately 6,177 acres in a grid. Acres will be assigned to the grid in which they are located.

Availability

PRF Hawaii is being piloted and will be available only on the Island of Hawaii in 2025. RMA will monitor the pilot with intentions to expand to additional islands in the future.

Coverage and Claims

Coverage is available on perennial forages with the intended use of grazing. Coverage is based on a producer's selection of coverage level, index intervals, and productivity factor. The index interval represents a two-month period, and the period selected should be the one when precipitation is most important to a producer's operation. Policyholders can select a coverage level from 70 to 90 percent. The rainfall index does not measure direct production or loss. Insurance is based on the rainfall index, which is expected to be positively correlated with production.

Producers select a productivity factor to match the amount of protection to the value of the production that best represents the operation and the productive capacity of the producer's acres. The productivity factor will range from 60 to 120 percent of the County Based Value (CBV). The CBV is the amount of insurable value per acre. Producers do not have to insure all acres. However, producers cannot insure more than the total number of insurable acres.

Insurance payments are determined by using HCDP's data for each grid and index intervals chosen to be insured. When the final grid index falls below the policyholder's "trigger grid index," the producer may receive an indemnity. This insurance coverage is for a single peril -- lack of precipitation.

Coverage is based on the experience of the entire grid. It is not based on individual farms or ranches or specific weather stations in the general area.

Tools

Producers need to make several choices when insuring their grazing acres, including coverage level, index intervals, productivity factor, and number of acres. Producers should work with their crop insurance agent to view the Grid ID Locator map and index grids for their area, and assign acreage to one or more grids based on the location and use of the acreage to be insured. RMA encourages the use of the Grid ID Locator, historical indices tool, and decision support tools available on RMA's website to help decide whether PRF is the right insurance coverage for a producer's operation.

Buying a PRF Policy

PRF policies can be bought from a crop insurance agent by the sales closing date of December 1st as shown in the actuarial documents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at the Agent Locator. The purchase of a PRF policy does not limit the ability for producers to purchase a Noninsured Assistance Program (NAP) policy from the Farm Service Agency (FSA) nor the ability to participate in FSA's Livestock Forage Program.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and evaluation of your risk management needs, contact a crop insurance agent.

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