

October 26, 2005

United States Department of Agriculture

Reinsured Companies

Risk Management Agency

Raleigh Regional Office

4407 Bland Road, Suite 160 Raleigh, NC 27609

BACKGROUND:

Section 4, G(3), page 84 of the 2006 Crop Insurance Handbook allows the RMA Regional Office to issue additional guidelines to determine adaptability of the crop for written agreement requests. Vinifera grapes are insurable only by written agreement as shown on the Special Provisions of Insurance (SPOI) documents and FCI-35 County Actuarial Tables as Types: 210, 211, 212, 213, and 214 (Groups D1,D2,D3,D4, and D5) in the established grape counties of New York and Pennsylvania. Requests may also be made for Vinifera grapes in other states within the Raleigh Region.

DETERMINATION:

Vinifera grape vines, especially newly planted grape vines, are susceptible to winter freeze damage. Some Vinifera grape varieties are more susceptible to freeze damage than other varieties, but all Vinifera grape varieties are susceptible to freeze damage during the first several years after planting. Additional guidelines are needed to determine insurability and rates that will be assigned to the written agreement requests.

IMPLEMENTATION:

The following items are required before requests for Vinifera grape written agreements may be considered:

1) For Vinifera grape varieties, at least 5 crop years of APH records, with an average yield of 2 tons/acre (after reaching the production minimum of 2 tons/acre) is required by the RMA Raleigh Regional Office (RO) before the request can be considered (e.g., chardonnay grapes planted in the spring of 1997, meeting at least a minimum of 2.0 tons/acre in 2001.)

Note: Average APH yields less than 2.0 tons/acre may be considered, provided at least four years within the past five years of APH yield history have produced at least seventy-five percent or greater of the APH yield average and the vineyard inspection is favorable.

2) A complete Pre-Acceptance Perennial Crop Inspection Report and supporting documentation as outlined in the CIH Section 7F(6). The inspection must show the location of each block of grapes (sketch map and FSA aerial photos), distance from the nearest lake, or large body of water, aspect of slope (north, south, east, or west side), elevation, variety, and year planted for each variety, acres, and rootstock. Note: The location, or "microclimate" is an important risk factor for Vinifera grapes.



	11 BLOCK	11 BLOCK		1	
	12 AGE:	9	13		1008
10 YEAR	14 PROD.		15 ACRES	S	16 YIELD
1997	0		2.1		
1998	0		2.1		
1999	0		2.1		
2000	3.6		2.1		1.7 *
2001	4.8		2.1		2.3
2002	6.7		2.1		3.2
2003	7.6		2.1		3.6
2004	0		2.1		0
2005	5.0		2.1		2.4
TOTAL					11.5
	17 T-YIELD	17 T-YIELD ADJ.			
	18 AVERAGE YIELD		'IELD	$11.5 \div 5 = 2.3$	

^{*} The 2000 crop year is not used in the average since the minimum yield of 2.0 tons/acre has not been attained.

- 3) The Vinifera grape requests will be considered by the Raleigh RO if the Request for Actuarial Change and RMA RO Determined Yield Request forms and required supporting documentation as outlined above with producer signatures are submitted by the deadline, (sales closing/cancellation date), postmarked within 20 calendar days after the deadline, and received by the Raleigh RO within 10 days after the 20th day.
- 4) The Raleigh RO may consider added acres (blocks) that have reached the production minimum of 2 tons/acre, but have not attained 5 years of records, provided that there is a block of the same variety already approved under the guidelines described in item #2 above. Additional documentation for acceptance of an APH with less than five years of records must include location of the new site as compared to an approved block of the same variety.

Sincerely,

/s/ Larry N. Atkinson

LARRY N. ATKINSON Director