

September 19, 2007

## INFORMATIONAL MEMORANDUM

TO: ALL NORTHEAST REINSURED COMPANIES

United States Department of Agriculture

Risk Management Agency

Raleigh Regional Office

4407 Bland Road, Suite 160 Raleigh, NC 27609 FROM: LARRY N. ATKINSON /s/ Larry N. Atkinson

**DIRECTOR** 

**SUBJECT:** 2008 VINIFERA GRAPE WRITTEN AGREEMENT GUIDELINES

## **BACKGROUND:**

Section 4, G(3), page 84 of the 2007 Crop Insurance Handbook (CIH) 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 certified APH yields, 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 1999, meeting at least a minimum of 2.0 tons/acre in 2003).

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.



	11 BLOCI	K NO.:	1		
_	12 AGE:	9	13		1008
10 YEAR	14 PROD.		15 AC	CRES	16 YIELD
1999	0		2.1		
2000	0	0			
2001	0	0			
2002	3.6		2.1		1.7 *
2003	4.8		2.1		2.3
2004	6.7		2.1		3.2
2005	7.6		2.1		3.6
2006	0		2.1		0
2007	5.0		2.1		2.4
TOTAL					11.5
	17 T-YIEI	17 T-YIELD ADJ.			
	18 AVER	18 AVERAGE YIE		$11.5 \div 5 = 2.3$	

<sup>\*</sup> The 2002 crop year is not used in the average since the minimum yield of 2.0 tons/acre has not been attained.

- 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, year planted for each variety, acres, and rootstock. Note: The location or "microclimate" is an important risk factor for Vinifera grapes.
- 3) The Actuarial Change Request for Vinifera grapes will be considered by the Raleigh RO if the request is signed by the sales closing date deadline (November 20, 2007). In addition, all required information must be sent to the Raleigh RO, no later than 15 business days after the November 20th deadline date, or December 12, 2007 (Section 3F(2) of the 2007 Written Agreement Handbook). Requests for Actuarial Change and supportive "required" information sent after the December 12<sup>th</sup> deadline date will be rejected by the Raleigh RO.
- 4) New requests require the following: 1) Request for Actuarial Change Form, 2) Actual Production History (APH) form, 3) Legal Description or Farm Serial Number (FSN) including tract number, 4) Perennial Crop Inspection Report, 5) Producer's Pre-Acceptance Worksheet, 5) FSA aerial photograph, GIS, or GPS maps.

Request for new Written Agreements may be considered in counties without actuarial documents. In addition to the previously required information, verifiable production records for a least the three most recent crop years in the base period must be submitted to the Raleigh RO by the applicable deadline.

- 5) "Renewal" requests require the following: 1) Request for Actuarial Change Form, 2) Photocopy of previous written agreement, 3) APH form, 4) Producer's Pre-Acceptance Worksheet, and 5) FSA aerial photograph, GIS, or GPS maps.
- 6) 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, if there is a block of the same variety already approved under these, or previous crop year Vinifera Grape Written Agreements. Additional documentation for acceptance of an APH with less than five years of records must include the location for the requested block of Vinifera grapes and the location of a Vinifera block of the same variety.