



United States Department of Agriculture  
Risk Management Agency

October 2009

## 2010 COMMODITY INSURANCE FACT SHEET

# Grapes

## North Carolina

### Crop Insured

Insurable grapes will be Muscadine grape varieties grown for wine or juice, provided that the vines have (1) reached the fourth growing season after being set out and (2) produced an average of 2 tons per acre in at least one of the three most recent crop years. A vineyard inspection to determine insurability will be required for all new policyholders. Varieties other than Muscadine grapes may be considered for coverage under an individual written agreement.

*Vinifera* grapes are only insurable by individual written agreement. You must provide a minimum of 4 years of production records on vinifera acreage with an average yield of at least 2 tons per acre (after reaching the production minimum of 2 tons per acre). A vineyard inspection to evaluate risk and determine insurability is required for all new policyholders.

**Note:** Grapes grown for fresh market consumption (i.e., table grapes) are **not** insurable under this policy.

### Counties Available

Grapes are insurable only in Bladen County but may be insurable in other counties by written agreement if specific criteria are met. Contact an agent for details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Fire  
Insects<sup>2</sup>  
Plant disease<sup>2</sup>  
Wildlife

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, excess moisture, etc. <sup>2</sup>Damage due to insufficient or improper application of control measures is not covered.

**Note:** The policy does **not** cover the inability to market the grapes for any reason other than actual physical damage from an insurable cause of loss.

### Insurance Period

Coverage begins on November 21, 2009, and ends the earliest of: (1) total destruction of the grapes, (2) harvest of the crop, (3) abandonment of the vineyard, (4) final adjustment of a claim, (5) November 20, 2010.

### Reporting Requirements

**Acreage Report**—An acreage report is due to your agent by the date shown below under Important Dates to include all acreage (insurable and uninsurable) in which you have a share.

### Notice of Claim

- If crop damage occurs, you must give notice within 72 hours of initial discovery of damage
- If crop is damaged during growing season and you previously gave notice, you also must provide notice at least 15 days before beginning harvest if you intend to claim an indemnity
- If crop will not be harvested, you must give notice within 3 days of the date harvest should have started.

**Production Report**—Required by date shown below and must include a production report for the previous year; number and ages of bearing vines, any changes that may adversely impact yield potential (e.g., vine damage or removal, change in cultural practices, etc.); other information as required by the policy.

### Important Dates

Sales Closing ..... November 20, 2009  
Production Report Due ..... January 15, 2010  
Acreage Report Due ..... January 15, 2010  
Premium Billing ..... September 15, 2010

## Definitions

**Average APH Yield**—Your average yield per acre based on your actual production history (APH) or other adjusted yields if appropriate.

**Noncontiguous**—Acreage of the insured crop that is separated from other acreage of the same insured crop by land that is neither owned nor rented by you, may be considered as noncontiguous acreage. However, if the acreage is separated by only a road, right-of-way, waterway, or canal (public or private), the acreage will be considered contiguous.

**Production Guarantee**—Number of tons guaranteed per acre determined by multiplying your average APH yield (based on your records) times the coverage level percentage you elect.

**Price Election**—An established price used to calculate your premium and indemnity.

## Price Election

\$500 per ton

Price elections are posted on the RMA Web site at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

## Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield and are subsidized as shown in the table below. As an example, an average yield of 3 tons per acre results in a guarantee of 1.95 tons per acre at the 65-percent coverage level.

Coverage Level % →	50	55	60	65	70	75
Premium Subsidy %	67	64	64	59	59	55
Your Premium Share %	33	36	36	41	41	45

Catastrophic (CAT) Coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$300, regardless of the acreage.

## Loss Example

This example assumes 65-percent coverage level, average APH yield of 3 tons per acre, non-irrigated, and basic units.

3	Tons APH yield
x .65	Coverage level percentage
1.95	Tons per acre guarantee
- .95	Ton per acre production
1.0	Ton per acre loss
x \$500	Price election
\$500	Indemnity per acre
- \$28	Estimated producer premium
<b>\$472</b>	<b>Net indemnity per acre</b>

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