



United States Department of Agriculture
Risk Management Agency

January 2007

2007 COMMODITY INSURANCE FACT SHEET

Grapes

Texas

Crop Insured

Grape varieties grown for wine or juice are insurable if the vines have (1) reached the fourth growing season after being set out, the third growing season after being grafted and (2) produced an average of 2 tons per acre in at least one of the three most recent crop years. Varieties and price elections are listed on the back of this sheet.

Counties Available

Concho	Floyd	Hale
Hockley	Lamb	Lubbock
Lynn	Menard	Pecos
Runnels	Terry	Tom Green
Wise		

Causes of Loss

Adverse weather conditions¹
 Fire
 Insects²
 Plant disease²
 Wildlife

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

Note: The policy does **not** cover inability to market the crop unless caused by damage from an insurable peril.

Insurance Period

Coverage begins on November 21, 2006, and ends the earliest of: (1) total destruction of the grapes, (2) harvest of the crop, (3) final adjustment of a claim, (4) abandonment of the vineyard, (5) October 10, 2007.

Reporting Requirements

Acres Report—An acres report is due to your agent by the date shown below under Important Dates

to include all acreage (insurable and uninsurable) by varietal group 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 (vine damage or removal, change in cultural practices), and other information as required by the policy.

Important Dates

Sales Closing November 20, 2006
 Production Report Due January 15, 2007
 Acres Report Due January 15, 2007
 Premium Billing September 15, 2007

Definitions

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

Non-contiguous—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 non-contiguous 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 Elections

The prices shown below will be used to calculate premium and indemnity:

Group	Insurable Varieties	Price/Ton
A	Cabernet Sauvignon, Chardonnay, Merlot	\$1010
B	Sauvignon Blanc, Chenin Blanc	\$645
C	Barbera, Cabernet Franc, Gewurztraminer, Muscat Blanc/Muscat Canneli, Pinot Blanc, Pinot Noir, Zinfandel, Napa Gamay, Seval Blanc and other varieties.	\$830
D	French Columbard, Ruby Cabernet, Semillon and White Riesling	\$830

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 6 tons per acre results in a guarantee of 3 tons per acre at the 50-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 costs to you except for an administrative fee of \$100, regardless of the acreage.

Loss Example

This example assumes 65-percent coverage level, Group B2 variety, average yield of 6 tons per acre, and basic units.

6	Tons
x .65	Coverage level percentage
3.9	Tons per acre guarantee
– 1.0	Tons production per acre
2.9	Tons loss per acre
x \$645	Price election (Group B2)
\$1,870.5	Indemnity
– 28	Estimated producer premium
\$1,845.5	Net indemnity per acre

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