



United States Department of Agriculture
Risk Management Agency

September 2009

2010 COMMODITY INSURANCE FACT SHEET

Grape

Idaho, Oregon, Washington

Crop Insured

The crop insured will be all insurable varieties of grapes in which you have a share and are grown for wine, juice, raisins, or canning and for which a premium rate is provided by the actuarial table. The grapes must be grown in a vineyard that, if inspected, is considered acceptable by the insurance provider; has reached at least fourth leaf; and has produced an average of two (2) tons of grapes per acre during at least one of the three crop years immediately preceding the insured crop years (unless we inspect and allow insurance on such acreage) or as specified in the Special Provisions. Grapes inter-planted with another perennial crop are insurable unless the insurance provider inspects the acreage and determines it does not meet the requirements contained in your policy.

Counties Available

Idaho: Ada, Canyon, Elmore, Owyhee, Payette, and Washington

Oregon: Benton, Clackamas, Douglas, Hood River, Jackson, Josephine, Lane, Linn, Marion, Morrow, Polk, Umatilla, Wasco, Washington, and Yamhill

Washington: Benton, Chelan, Clark, Douglas, Franklin, Grant, Island, Kitsap, Kittitas, Klickitat, Mason, Okanogan, Pierce, San Juan, Skagit, Skamania, Walla Walla and Yakima

Causes of Loss

Adverse weather conditions; fire (unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the vineyard); Insects (except Phylloxera, regardless of cause, and not damage due to insufficient or improper application of pest control measures); plant disease (but not damage due to insufficient or improper application of disease control measures); wildlife; earthquake; volcanic eruption; **or** failure of irrigation water supply, if caused by an insured peril that occurs during the insurance period.

Insurance Period

Year-Round Coverage: For each subsequent crop year that the policy remains continuously in force, coverage begins on the day immediately following the end of the insurance period for the prior crop year. Policy cancellation that results solely from transferring to a different insurance provider for a subsequent crop year will not be considered a break in continuous coverage.

Reporting Requirements

Acreage Report: You must report to your insurance agent all the acreage (insurable and non-insurable) of grapes in the county in which you have a share (your share at the time insurance attaches), reporting the crop by type.

Important Dates

Sales ClosingNovember 20
Production Reporting Date January 15
Acreage Report Date..... January 15

The dates shown above will apply to all Idaho, Oregon and Washington counties where grape insurance is available.

Administrative Fees

Catastrophic (CAT) Coverage: \$300 per crop per county. **Additional Coverage:** \$30 per crop per county. Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Production Guarantees

Yields are based on actual production records reported to your insurance agent and/or company. Contact your insurance agent for specific details.

Coverage Levels and Price Election, Choices by Varietal Type

In Idaho, Oregon and Washington, an insured may select one price election and one coverage level for **each grape type** specified in the Special Provisions. However, if an insured elects the CAT level of insurance for any varietal group, that level of coverage and price will be applicable to all insured grapes in the county.

Price Elections are the price of compensation paid per ton in the event of a loss. **For current prices, please contact your insurance agent.** Price elections for each type are not required to have the same percentage relationship to the maximum price offered by us for each type (for example, if the insured chooses 100 percent of the maximum price election for one type, they may choose 80 percent of the maximum price election for all other types).

In addition to the definition of “price election” contained in section 1 of the basic provisions, the price election may be the contract price (the price that will be paid per ton without premiums or discounts) minus the dollar harvest costs. Further, if more than one contract price exists, then the established price election will be the weighted average for all adjusted contract prices. However, in no case will the price be greater than 1.5 times the published price election for the applicable grape type/variety. Grapes may be insured using the contract price only if: 1) the grapes are grown under a contract in effect for the current crop year with a winery stating the contract price and the amount of tons or acres contracted; 2) a copy of the contract(s) is provided to the insurance provider by the production reporting date; 3) all production from the insurable acreage of the variety must be grown under a grape contract; and 4) acreage is insured at additional coverage levels of insurance.

Coverage Levels are a choice of **50 to 85 percent** of your approved average yield (5-percent increments). Catastrophic (CAT) coverage is available at the 50-percent coverage level and 55 percent of maximum price election.

Loss Example

Wine grapes: Assume: 100-percent share; 70-percent coverage level; a 100-percent price election of \$900; and an average yield of 5 tons actual production history (APH).

5	Tons per acre average
<u>x .70</u>	Coverage level
3.5	Tons per acre guarantee
<u>x 45.0</u>	Acres
157.5	Tons unit guarantee (or \$141,750 liability)
<u>-36.5</u>	Tons of actual harvested production
121.0	Ton loss
<u>x \$900</u>	Price election
\$108,900	Indemnity due policyholder (less insurance premium due)

Where to Purchase

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site:

<http://www3.rma.usda.gov/tools/agents/>

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