



## 2012 GRAPE CROP INSURANCE OUTLINE

***Last day to sign up for the 2012 crop is: January 31, 2012***

**Protect your hard earned investments in growing grapes!  
Insure against poor weather and grow with peace of mind!**

To find out how grape crop insurance can really work for you, [click here](#) to contact us or call us at 1-877-573-1122 or 209-668-6788.

### **1. Insurable Crop Qualifications & Eligibility**

- A. The vines must have reached 4th growing season after being set out (2009 or before) or the 3rd the year after grafting (2010).
- B. Acreage must have minimum average yield of 2 tons per acre.
- C. Growers can insure any or all varieties of their vineyards. Growers can select which grape varieties they want to insure. They must insure all acres of any variety selected in the county on which they receive own, lease or receive a share of the crop.
- D. When vineyards are rented on a crop share, either the landlord or operator or both, can insure their share of the crop.

### **2. Insured Causes of Loss:**

- A. Any adverse weather resulting in damage to the bloom, poor pollination, lack of production, or damage to the grapes on the vine, such as cool wet weather, frost, hail, wind, excessive heat or rain.
- B. Insects and plant disease, if proper application of control measures are done and the insect or plant disease problem is due to adverse weather conditions.
- C. Wildlife, birds, non-domesticated animals or earthquake.
- D. Failure of the irrigation water supply source occurring after insurance attaches.

### **3. Grape Production Yield Guarantee**

- A. Guarantee is based on the average of harvested and total delivered production from the acreage for up to the past 10 crop years. Total delivered production includes tons for any use. A yield adjustment is available for major loss years.
- B. For young vineyards with less than 4 years of production records, the average yield for the insurance unit will be established by the Regional Service Office.
- C. The maximum coverage available is 85% of the approved average yield as established by production records from the vineyard. 50%, 55%, 60%, 65%, 70%, 75% and 80% coverage levels are also available.

- D. Unit guarantee: Actual insurance coverage is by unit, not by acre. The per acre guarantee (coverage level % times average yield per acre) multiplied by the number of acres in the grape variety block or vineyard equals the unit guarantee.

#### 4. Insurance Units

- A. Each grape variety will be a separate unit.
- B. Owned, leased or cash rented vineyards of the same variety that are not separated by land owned by other people will be considered all one unit for insurance.
- C. Vineyards of the same variety rented on a crop share, and vineyards by variety that are separated by land owned by other people will be separate insurance units.

#### 5. Price Elections: By Variety and By Crush District

- A. Grower chooses one price per variety to be paid for each ton of loss below the unit guarantee. Price Elections vary by Crush District and variety. Please contact us to find out the price election available for your vineyard.
- B. **NOTE: Price Election Option for 2012:** If all acres of a variety are under contract with a winery stating the price to be paid per ton, then the contract price per ton minus the harvest cost per ton in the County Actuarial can be the Price Election for insurance. However, the insurance price election cannot exceed 2 times to the published price election for the crush district's type and variety.

#### 6. Coverage Example: Owner or operator of 40 acres of Chardonnay – Stanislaus County

If average yield is 9.5 tons per acre: 75% coverage = 7.1 tons

7.1 tons per acre X 40 acres = 284 ton unit guarantee

Price elected \$350 X 284 tons = \$99,400 protection for total loss

**Loss example:** Chardonnay Grapes in Crush District 12 – Excessive Heat in June

284 tons - Unit guarantee

minus 126 tons - Harvested and appraised production to count

equals 158 tons loss X \$350 election = \$55,300 loss payment

**If some grapes did not pass inspection, see the Quality Adjustment example below.**

#### 7. Quality Loss Adjustment: When due to adverse weather grapes fail to meet sugar % or quality standards of the processor and receive a price that is less than 75% of the market price for good quality grapes, a quality loss adjustment will be done.

**Example:** \$500 winery contract price; paid salvage value \$130; \$350 price election

\$130 divided by \$350 = .371 quality adjustment factor (Q.A.F.)

126 tons downgraded X .371 Q.A.F. = 46.7 tons not counted as production

292.0 tons Unit guarantee

minus 46.7 tons Q.A. tons deducted

equals 245.3 tons Production loss X \$350 price = \$85,855 loss payment

**8. For premium quotes, [click here](#).**

If you would like a personal crop insurance premium calculated for your operations, click above and fill out the form and submit it to us. We will get right back to you as soon as we can. Thanks!!

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