

UNITED STATES DEPARTMENT OF AGRICULTURE
Risk Management Agency
GRAPE CROP INSURANCE



CFR Reference 457.138
Grape Crop Provisions 00-053
2000-NCIS-717

2000 Crop Year
August 1999
FACT SHEET

Crop Insured: The crop insured will be all insurable varieties of **grapes** 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, be at least fourth leaf and have 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 year (unless we inspect and allow insurance on such acreage). ♣*Grapes interplanted with another perennial crop are insurable unless the insurance provider inspects the acreage and determine it does not meet the requirements contained in your policy.*

Counties where Available: **Idaho:** Canyon County
Oregon: Benton, Douglas, Jackson, Josephine, Lane, Marion, Morrow, Polk, Washington, Yamhill counties, and
Washington: Benton, Franklin, Grant, Klickitat, Walla Walla, Yakima counties.

Important Dates: Final sales closing date to obtain Grape crop insurance is **November 22, 1999**.
for the above Final cancellation date or to make adjustments to current policies is **November 22, 1999**.
counties: Acreage Reporting Date is **January 17, 2000** (*growers shall contact their insurance agent to report acres*).

Acreage Report: You must report to your insurance agent all the acreage (insurable vs. 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 and varietal grouping.

NEW: Year-Round Coverage: In Idaho, Oregon and Washington states, 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.

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.

In addition, the insurance provider will not insure against damage or loss of production due to: *Inability to market the grapes for any reason other than actual physical damage from an insurable cause listed above (e.g.: an indemnity will not be paid if you are unable to market due to quarantine, boycott or refusal of any person to accept production).*

NEW: Coverage Levels and Price Election, Choices by Varietal Group: In Idaho, Oregon and Washington, an insured may select one price election and one coverage level for *each grape varietal group* specified in the Special Provisions (provided CAT endorsement is not in effect). 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 varietal group are not required to have the same percentage relationship to the maximum price offered by us for each varietal group (e.g.: if the insured chooses 100% of the maximum price election for one varietal group, you may choose 80% of the maximum price election for all other varietal groups).

! **Coverage Levels** are a choice of **50 to 75%** of your approved average yield (5% increments). Catastrophic (CAT) coverage is available at the 50% coverage level and 55% of maximum price election. **Pilot Coverage Enhancement Option (CEO)** attaches to an MPCCI policy and provides up to 80 and 85% coverage. If a loss is payable, this option retroactively reduces the MPCCI deductible. Not available to insureds who elect the CAT Endorsement or price elections less than 100% of maximum. CEO is available for grape policies in Washington State for crop year 2000 (check with your crop insurance agent for specific details).

! **In Idaho, Oregon and Washington states, an insured may not increase the elected or assigned coverage level or the ratio of the insured's price election to the maximum price election offered if a cause of loss that could or would reduce the yield of the insured crop is evident prior to the time that the insured requests the increase.**

Administrative Costs: CAT basic administrative fee is the greater of \$50, plus an additional administrative fee of \$10/crop/county. In addition to the insured's premium share, Limited administrative fees are \$50/crop/county, not to exceed \$200/county, \$600 total; Additional administrative fees are \$20/crop. *Contact your insurance agent for specific details.*

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

Loss Example - GRAPES: *Example assumes 100% share; 70% coverage level; a 100% price election of \$900; and an average yield of 5 tons Actual Production History (APH).*

5	Tons
x .70	Coverage Level
3.5	Tons Per Acre Guarantee
x 45.0	Acres
157.5	Tons Unit Guarantee (or \$141,750 Liability)
-36.5	Tons of Actual Harvested Production
121.0	Ton Loss
x \$900	Price Election
\$108,900	Indemnity Due Policyholder (less Insurance Premium Due)

DISCLAIMER: This summary is for general illustration purposes only.

Detailed Information: Producers should consult their crop insurance agent to obtain specific information and refer to Crop Provisions and Actuarial Materials (e.g.: practices, options and appropriate deadlines).

Where to Purchase: All MPCCI, including CAT coverage insurance policies are available from private insurance agents. A list of crop insurance agents is available at all USDA Service Centers throughout the nation. **States**

Served by Spokane Regional Office are: Alaska, Idaho, Oregon and Washington.

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