

# Grapes Crop Insurance

## CALIFORNIA GRAPES

A severe crop loss can be financially devastating. Crop insurance can help you mitigate this devastation. In California, all varieties of grapes grown can be insured as long as the vineyard is in at least the fourth growing season after set out, or third season after grafting. Growers are required to insure all of their acreage of a particular variety in a county at the same coverage level. However, one variety may be insured and not another. For example, you may insure all of your Chardonnay and none of your Merlot vineyards.

## AVAILABILITY

Grapes are insurable in most counties in California. In counties where grapes are not considered insurable, a separate written agreement may be considered, if specific criteria are met. Contact us for more details on insurability.

## CAUSES OF LOSS\*

This policy is provided against the following causes of loss that occur during the insurance period:

1. Adverse weather conditions<sup>1</sup>;
2. Failure of irrigation water supply<sup>2</sup>;
3. Fire<sup>3</sup>;
4. Insects<sup>4</sup>;
5. Plant Disease<sup>4</sup>;
6. Wildlife<sup>5</sup>;

<sup>1</sup> Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup> If caused by an insured peril during the insurance period.

<sup>3</sup> Unless weeds and undergrowth are not controlled, or un-mulched pruning debris is not removed.

<sup>4</sup> But not damage due to insufficient or improper application of control measures.

<sup>5</sup> Unless wildlife control measures have not been taken.

## INSURANCE PERIODS & DATES

To insure the crop that you plan to harvest this year, **you must apply for coverage before January 31.**

Insurance coverage begins in February for vineyards not previously insured and ends the earlier of the date harvest ends or November 10. Acreage reports are due April 30.

## COVERAGE OVERVIEW

Marketing tools and crop insurance are among the basic building blocks of managing profit and risk. Your agent can assist in reviewing and analyzing multiple factors impacting your risk management decisions. Some details of this policy include –

- The guarantee is production, measured in tons of grapes;
- Individual amounts of insurance are based on a grower's production history. Individual approved average yields are calculated from 4 to 10 years of production records provided to your agent;
- Growers can select a coverage level from 50 to 85 percent of approved average yield and 55 to 100 percent of a price announced by USDA;
- Catastrophic risk (CAT) coverage is based on 50 percent of approved yield and 55 percent of the price;
- Price elections used to calculate premium may vary by variety and county.
- For loss adjustment purposes, if the value of your crop is reduced due to an insured peril, you may be eligible for a quality adjustment.

## COST

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates and USDA pays at least 50 percent of the premium.