



United States Department of Agriculture  
Risk Management Agency

January 2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Grapes

## Colorado

### Crop Insured

Grapes are insurable if:

- They are insurable types;
- Premium rates are provided;
- You have a share;
- They are grown for wine, juice, raisins, or canning [if such grapes are put to another use (i.e. table grapes), they will be counted as production-to-count];
- They are grown in a vineyard that, if inspected, we consider acceptable;
- After being set out, have reached the 4<sup>th</sup> growing season after being set out or have reached the 3<sup>rd</sup> growing season after being grafted; and
- They have produced an average of at least two tons of grapes per acre in at least 1 of the 3 crop years immediately before the insured crop year, unless we inspect and allow insurance on acreage that has not produced this amount.

### Counties Available

Grapes are insurable in Mesa county. Coverage in other counties may also be available by written agreement if certain criteria are met, including records for at least 3 years of production history.

### Causes of Loss

Adverse weather conditions  
 Earthquake  
 Failure of irrigation water supply, if caused by an insured peril that occurs during the insurance period  
 Fire<sup>1</sup>  
 Insects<sup>2</sup>  
 Plant disease<sup>2</sup>  
 Volcanic eruption

### Wildlife

<sup>1</sup>Unless weeds and other forms of undergrowth have not been controlled or pruning debris has not been removed from the orchard.

All specified causes of loss must be due to a naturally occurring event.

<sup>2</sup>But not damage due to insufficient or improper application of pest or disease control measures.

### Insurance Period

Coverage begins:

- 1) November 21, during the first year; and
- 2) The day immediately following the end of the insurance period for the crop year before. For each crop year after, the policy remains continuously in force.

Coverage ends the earliest of:

- 1) Total destruction of the insured crop;
- 2) Harvest of the insured crop;
- 3) Final adjustment of a loss on a unit;
- 4) November 1; or
- 5) Abandonment of the insured crop.

### Reporting Requirements

Acreage Report—A report of all your grape acreage, by grape type, in the county is due to your crop insurance agent by the acreage reporting date.

### Important Dates

Sales Closing/Cancellation.....	November 20
Production Report.....	January 15
Acreage Report.....	January 15
Premium Billing.....	August 15
End of Insurance.....	November 1

### Definitions

**Type**—A category of grapes (one or more varieties) identified as a type in the special provisions (Group A and Group B).

**Variety**—A kind of grape that is distinguished from any other by unique characteristics such as, but not limited to, size, color, skin thickness, acidity, flavors and aromas. Insurable varieties:

- Group A:
  - ◊ Cabernet, Chardonnay, Merlot Pinot and Shiraz-Syrah and Viognier.
- Group B
  - ◊ All other varieties.

## Coverage Levels and Premium Subsidies

You may choose only one coverage level and price election for each grape type in the county. The coverage level you choose for each grape type is not required to have the same percentage relationship.

The price elections you choose for each type is not required to have the same percentage relationship to the maximum price election we offer for each type. For example, if you choose 75-percent coverage level and 100 percent of the maximum price election for one type, you may choose 65-percent coverage level and 75 percent of the maximum price election for another type. If you choose the Catastrophic Risk Protection (CAT) insurance level for any grape type, the CAT level will apply to all insured grape acreage in the county.

The grapes policy guarantees a certain amount of production, depending on the coverage level you choose. Crop insurance premiums are subsidized as shown. For example, if you choose the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Subsidy Factor	Percent						
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Basic Unit	1.000	0.670	0.640	0.640	0.590	0.590	0.550
Optional Unit	0.670	0.640	0.640	0.590	0.590	0.550	

## Catastrophic Coverage

CAT is available at 50 percent of your actual production history (APH) yield and 55 percent of the established price election. The total cost for CAT coverage is an administrative fee of \$300 per crop per county. Administrative fees and premium costs for coverage levels above CAT are \$30 per crop per county.

## Price Elections

The price at which you are compensated, per ton, in the event of a loss. The price election is based on the percentage of the established price you have chosen. Price election percentage choices for this crop year are 55 percent to 100 percent of the prices shown below.

Group A.....	\$1,480
Group B.....	\$1,220

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable grapes acreage in the county by share arrangement.

**Optional Unit:** A basic unit may be divided into

optional units if each optional unit is located on non-contiguous land or consists of more than one type.

## Loss Example

A loss occurs when the crop production falls below the guaranteed tonnage amount because of damage from a covered cause of loss. Assume a mature grape loss at the 65-percent coverage level, a 100 percent price election for Group A of \$1,480, and an approved APH yield of 2.5 tons per acre.

	2.5	Tons/acre APH yield
x	.65	Coverage level
	1.63	Tons/acre guarantee
x	10.0	Acres
	16.3	Ton/acre unit guarantee
-	10.0	Tons harvested production
	6.3	Tons loss
x	\$1,480.00	Price election
	\$9,324	Unit indemnity
x	1.000	Share
	<b>\$9,324.00</b>	<b>Final indemnity</b>

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers or on the RMA web site at: <http://www3.rma.usda.gov/apps/agents/>

## Regional Contact

### USDA/Risk Management Agency

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