



United States Department of Agriculture  
Risk Management Agency

October 2012

## 2013 COMMODITY INSURANCE FACT SHEET

# Grapes

## North Carolina

### Crop Insured

Grape varieties grown for wine or juice are insurable if the vines have:

- 1) Reached the fourth growing season after being set out for all native varieties, fifth growing season for all hybrid varieties, and seventh growing season after being set out for all Vinifera varieties; and
- 2) Produced an average of 2 tons per acre in at least 1 of the 3 most recent crop years. Varieties and price elections are listed on the back of this sheet.

*Hybrid and Vinifera* grapes are only insurable by individual written agreement.

Insurable age of vines: Fourth growing season after being set out.

A vineyard inspection to evaluate risk and determine insurability is required for all new policyholders.

Note: Grapes grown for fresh market consumption (i.e., table grapes) are **not** insurable under this policy.

### Counties Available

Muscadine grapes are insurable only in Bladen County but may be insurable in other counties by written agreement if specific criteria are met. Contact an insurance agent for more details.

### Causes of Loss

- Adverse weather conditions<sup>1</sup>
- Failure of irrigation water supply<sup>2</sup>
- Fire
- Insects<sup>3</sup>
- Plant disease<sup>3</sup>
- Wildlife

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

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

<sup>3</sup>Except for insufficient or improper application of control measures.

Note: The policy does **not** cover the inability to market the grapes for any reason other than actual physical damage from an insurable cause of loss.

### Insurance Period

Coverage begins on November 21 and ends the earliest of:

- 1) Total destruction of the grapes;
- 2) Harvest of the crop;
- 3) Abandonment of the vineyard;
- 4) Final adjustment of a claim; or
- 5) November 20.

### Reporting Requirements

**Acreege Report:** An acreage report is due to your agent by the date shown below under Important Dates and must include all acreage (insurable and uninsurable) in which you have a share.

### Duties in the Event of Damage or Loss

- 1) If crop damage occurs, you must give notice within 72 hours of initial discovery of damage;
- 2) If crop is damaged during growing season and you previously gave notice, you also must provide notice at least 15 days before beginning harvest if you intend to claim an indemnity; or
- 3) If the crop will not be harvested, you must give notice within 3 days of the date harvest should have started.

### Important Dates

Sales Closing.....	November 20, 2012
Production Report Due.....	January 15, 2013
Acreege Report Due.....	January 15, 2013
Premium Billing.....	August 15, 2013

### Definitions

**Average APH Yield:** Your average yield per acre based on your actual production history (APH) or other adjusted yields, if appropriate.

**Non-contiguous:** Acreage of the insured crop that is separated from other acreage of the same insured crop by land that you neither own nor rent for cash or a crop share. However, acreage separated by only a

public or private right-of-way, waterway, or an irrigation canal will be considered contiguous.

**Production Guarantee:** Number of tons guaranteed per acre determined by multiplying your average APH yield (based on your records) by the coverage level percentage you choose.

**Price Election:** An established price used to calculate your premium and indemnity.

Note: The price used to determine your indemnity on unharvested acreage will be the price election minus the harvest cost (\$100/ton).

### Price Election

Grapes .....\$510 per ton

### Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 85 percent of your average yield (5 percent increments) and are subsidized as shown in the table below. For example, an average actual production history (APH) yield of 4 tons per acre results in a guarantee of 2 tons per acre at the 50-percent coverage level.

Item	Percent							
	50	55	60	65	70	75	80	85
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic risk protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. CAT is 100 -percent subsidized with no premium cost to you except for an administrative fee of \$300, regardless of the acreage.

### Loss Example

Assume Muscadine variety with an approved yield of 4 tons per acre, 65-percent coverage level, 100-percent share non-irrigated, and a one-acre basic unit.

4	Approved Yield per acre
x .65	Coverage level
2.6	Acre guarantee
- 1.0	Production-to-Count
1.6	Loss per acre
x \$510	Price election
\$816	Indemnity per acre
- \$39	Estimated Premium
<b>\$777</b>	<b>Indemnity/Acre</b>

### Regional Contact

#### USDA/Risk Management Agency

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