

# Grapevine

## Fact Sheet



### Crop Insured

Grapevines are insurable in specific counties in California, Idaho, Michigan, New York, Ohio, Oregon, Pennsylvania, Texas, and Washington. For grapevines to be insured, at a minimum they must be adapted to the area and grown for the purpose of producing grapes intended to be sold as fruit, wine, or juice for human consumption. Coverage will be offered on grafted vines only and no partial damage losses will be considered. A minimum number of vines per acre are required for insurability and is specified in the Special Provisions of your insurance policy.

### Causes of Loss

- Freeze;
- Hail;
- Flood;
- Fire; and
- Failure of the irrigation water supply caused by an unavoidable naturally occurring event that occurs during the insurance period.

### Insurance Period

You must apply for coverage with a crop insurance agent on or before November 1. Coverage begins on December 1 of each crop year and continues through November 30 of the following calendar year. The year you apply, your insurance provider will inspect your grapevines and will notify you if any of your grapevines are not insurable prior to December 1. Insurance coverage will automatically renew for the subsequent crop year unless you cancel coverage by the November 1 cancellation date.

### Important Dates

- Sales Closing.....November 1
- Acreage Report Due.....November 1
- Cancellation.....November 1

### Insurance Guarantees, Coverage Levels, and Premium Subsidies

Your amount of protection is based on the vine reference price applicable to each different stage of your insurable vines.

Vines are grouped into stages to establish the Vine Reference Price (VRP) used to determine your insurance coverage. There are three different stages based on the number of months since the vine was set out at the time insurance attaches. If at least 75 percent of the vines in a block fall within the same stage, the entire block may be considered the same stage.

The dollar amount of protection for the unit is based on the number of insurable vines in each stage-block multiplied by the applicable vine reference price and price percentage you elect for the type. These results are totaled for each stage and multiplied by the coverage level you elect for the type.

You will select one coverage level, ranging from 50 to 75 percent and one percentage of price election up to 100 percent of the vine reference price for each type insured in the county. Higher coverage levels are subsidized at lower rates and the premium subsidy is at least 55 percent of the premium. Premium and administrative fees are due annually.



## Insurance Units

Basic units, optional units, and enterprise units are available as outlined in the crop policy.

## Settlement of Claims

Indemnities are payable on a unit when the damage value for the unit exceeds the unit deductible. Damage value is determined by multiplying the number of vines destroyed due to an insurable cause by the applicable VRP and the elected percentage of the VRP. If there are multiple stage-blocks within a unit, the damage values calculated for each stage-block are totaled to determine the damage value for the unit.

## Optional Coverage

There are two forms of optional coverage available in conjunction with your grapevine policy. Both require you to elect a coverage level above the Catastrophic Risk Protection Endorsement (CAT) level (50 percent coverage level at 55 percent of the price election).

For an additional premium, you can elect the Occurrence Loss Option (OLO). The OLO doesn't change your amount of protection; however, it allows indemnities to be paid on smaller losses that are at least five percent.

For a premium discount, you may elect the Freeze Protection Option. This option is available if you have freeze protection practices in place that are recognized by industry experts.

## Loss Example

Assume you have chosen a 75 percent coverage level. You have not elected the OLO. You have 100 percent share in 3,000 stage 3 grapevines in the unit. The VRP for stage 3 grapevines is \$30 and you elect 100 percent of the VRP. The unit deductible is \$22,500 (3,000 stage 3 vines x \$30 x .25). Due to an insured cause of loss, 1,000 vines are destroyed.

The damage value is \$30,000 (1,000 vines x 100% damage x \$30 per vine). The indemnity for the unit is calculated as follows:

\$ 30,000	Damage Value
- \$ 22,500	Unit Deductible
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\$ 7,500	Amount of Loss
x 100%	Share
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\$ 7,500	Indemnity

## Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from crop insurance agents. A list of crop insurance agents is available online using the RMA Agent Locator: [www.rma.usda.gov/information-tools/agent-locator](http://www.rma.usda.gov/information-tools/agent-locator)

## Contact Us

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This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of our risk management needs, contact a crop insurance agent.