

2019 GRAPE CROP INSURANCE COVERAGE



**AMERICAN
AGCREDIT**
MONEY FOR AGRICULTURE

To learn how crop insurance
can really work for you,
call an American AgCredit
Agent today!



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PROTECT YOUR INVESTMENT

Insure your crop from unavoidable loss of production, damage or poor quality resulting from:

- Adverse weather— frost, wind, drought, heat, rain
- Bird & wildlife damage
- Diseases & pests
- Rain/wind during bloom

INSURABLE CROP QUALIFICATIONS & ELIGIBILITY

- Vines must have reached **4th** growing season or **3rd** after grafting.
- Growers can insure select or all grape varieties, but must insure all acres of any one variety selected in the county on which they receive a share of the crop.
- When vineyards are leased on a crop share, either the property owner, operator or both can insure their share in the crop.

GRAPE PRODUCTION YIELD GUARANTEE

- Based on the average total tons harvested.
- Average yield established using harvested tons per acre (APH) rolling average: 4 year min – 10 year maximum.
- For Vineyards with less than 4 years of production records, the average yield will be calculated using county average yields or by Determined Yield Request.
- Minimum coverage starts at 50%, increases by 5% increments and maxes out at 85% of the of the approved average yield.
- Unit guarantee coverage is by unit, not by acre. The per acre guarantee (coverage % X APH) multiplied by the number of acres equals the unit guarantee.

INSURANCE UNITS

- Each grape variety is a basic unit. Optional units are available for non-contiguous land.
- Owned or leased vineyards of the same variety that are not separated by land owned by others are considered a basic unit.
- Vineyards of the same variety and leased on a crop share are a basic unit. (Ask your agent for details).

BEGINNING, YOUNG FARMERS

If you are within your first five years of farming, you may be eligible for:

- 10% reduction in premiums
- No administration fees
- Higher yield adjustments

**LAST DAY TO SIGN UP FOR THE 2019 CROP YEAR
IS JANUARY 31, 2019.**

CONTRACT OPTION

All acres of a variety must be under a written contract.

Contracts must be dated by May 15 of the growing year.

Maximum allowed is double established price.

ESTABLISHED GRAPE PRICES BY VARIETY & CRUSH REPORT DISTRICT

- Price per variety to be paid for each ton of loss below the unit guarantee
- Established Grape Prices vary by Crush District

CRUSH DISTRICT 2 (Lake County, 2019 pricing)

Cabernet Sauvignon	\$2,120	Syrah/French Syrah-Shiraz	\$1,500
Sauvignon Blanc/Fume Blanc	\$1,125	Zinfandel	\$1,495
Chardonnay	\$1,230	White/Johannisberg Riesling	\$1,300

VINEYARD OWNER'S CROP INSURANCE WORKSHEET

Total Number of Acres

Average Tons Per Acre Yield

% of Coverage (50%-85%)

TOTAL PROTECTION EXAMPLE

Owner/operator of **40** acres of Chardonnay grapes

Average yield: **4.0** tons per acre; 75% Coverage = **3.0** tons

3.0	Covered Tons
x 40	Total Number of Acres
= 120	Tons Unit Guarantee

\$1,230	Established Chardonnay Price
x 120	Tons Unit Guarantee
= \$147,600	Protection For Total Loss

$$\begin{array}{r}
 \text{Average Tons Per Acre Yield} \times \text{\% of Coverage (50\%-85\%)} = \text{COVERED TONS} \\
 \text{Covered Tons} \times \text{Total Number of Acres} = \text{TONS UNIT GUARANTEE} \\
 \$ \text{Established Grape Price (see chart above)} \times \text{Tons Unit Guarantee} = \text{PROTECTION FOR TOTAL LOSS}
 \end{array}$$

LOSS PAYMENT EXAMPLE

Damage: Rain at bloom, heat in September

120	Tons Unit Guarantee
- 92	Tons Harvested*
= 28	Ton Loss

**Appraised Production To Count*

\$1,230	Established Chardonnay Price
x 28	Ton Loss
= \$34,440	Loss Payment

$$\begin{array}{r}
 \text{Tons Unit Guarantee} - \text{Tons Harvested and/or Appraised Production to Count} = \text{TON LOSS} \\
 \$ \text{Established Grape Price (see chart above)} \times \text{Ton Loss} = \text{LOSS PAYMENT}
 \end{array}$$

* Example worksheet, calculations subject to change.

