



**AMERICAN
AGCREDIT**
MONEY FOR AGRICULTURE



2018 GRAPE CROP INSURANCE COVERAGE

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



**Shannon
Antonini**

santonini@agloan.com



**Fred
Carvajal**

fcarvajal@agloan.com

707.766.8498

License #OD48069
Equal Opportunity Provider

PROTECT YOUR INVESTMENT AGAINST

Any unavoidable loss of production, damage or poor quality resulting from:

- Adverse weather—frost, wind, drought, heat, rain
- Bird & wildlife damage
- Diseases & pests
- Smoke taint

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 minimum – 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 percentage times 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 2018 crop year is January 31, 2018.

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 1 (Mendocino County, 2017 pricing)

Pinot Noir	\$2,800	Chardonnay	\$1,285
Sauvignon Blanc/Fume Blanc	\$1,245	Zinfandel	\$1,505
Cabernet Sauvignon	\$1,820	Merlot	\$1,205

* 2018 prices released on Nov. 1, 2018

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

\$1,285	Established Chardonnay Price
x 120	Tons Unit Guarantee
= \$154,200	Protection For Total Loss

$$\frac{\text{Average Tons Per Acre Yield}}{\text{Average Tons Per Acre Yield}} \times \frac{\text{\% of Coverage (50\%-85\%)}}{\text{\% of Coverage (50\%-85\%)}} = \text{COVERED TONS}$$

$$\frac{\text{Covered Tons}}{\text{Covered Tons}} \times \frac{\text{Total Number of Acres}}{\text{Total Number of Acres}} = \text{TONS UNIT GUARANTEE}$$

$$\frac{\text{\$ Established Grape Price (see chart above)}}{\text{\$ Established Grape Price (see chart above)}} \times \frac{\text{Tons Unit Guarantee}}{\text{Tons Unit Guarantee}} = \text{PROTECTION FOR TOTAL LOSS}$$

LOSS PAYMENT EXAMPLE

Damage: Rain at bloom, heat in September

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

*Appraised Production To Count

\$1,285	Established Chardonnay Price
x 28	Ton Loss
= \$35,980	Loss Payment

$$\frac{\text{Tons Unit Guarantee}}{\text{Tons Unit Guarantee}} - \frac{\text{Tons Harvested and/or Appraised Production to Count}}{\text{Tons Harvested and/or Appraised Production to Count}} = \text{TON LOSS}$$

$$\frac{\text{\$ Established Grape Price (see chart above)}}{\text{\$ Established Grape Price (see chart above)}} \times \frac{\text{Ton Loss}}{\text{Ton Loss}} = \text{LOSS PAYMENT}$$

* Example worksheet, calculations subject to change.

