

# 2021 GRAPE CROP INSURANCE COVERAGE



**AMERICAN  
AGCREDIT**  
MONEY FOR AGRICULTURE

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

Shannon Antonini  
santonini@agloan.com

Cell: 707.953.4810

Emily Carvajal  
ecarvajal@agloan.com

Cell: 707.849.7062

**707.766.8498**

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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 2021 CROP YEAR  
IS JANUARY 31, 2021**

## 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, 2021 pricing)

Pinot Noir	<b>\$3,088</b>	Chardonnay	<b>\$1,296</b>
Sauvignon Blanc/Fume Blanc	<b>\$1,329</b>	Zinfandel	<b>\$1,647</b>
Cabernet Sauvignon	<b>\$2,074</b>	Merlot	<b>\$1,292</b>

## 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

<b>3.0</b>	Covered Tons
<b>x 40</b>	Total Number of Acres
<b>= 120</b>	Tons Unit Guarantee

<b>\$1,296</b>	Established Chardonnay Price
<b>x 120</b>	Tons Unit Guarantee
<b>= \$155,520</b>	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

<b>120</b>	Tons Unit Guarantee
<b>- 92</b>	Tons Harvested*
<b>= 28</b>	Ton Loss

\*Appraised Production To Count

<b>\$1,296</b>	Established Chardonnay Price
<b>x 28</b>	Ton Loss
<b>= \$36,288</b>	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.

