

July 20, 2020

Important Grape Harvest Info

We are aware of the challenges that some are facing this year with the potential oversupply of grapes in California due to the current market conditions. We are providing this key language from your crop insurance policy so that we may better serve you if one of these situations should occur. As a reminder, the MPCI insurance policy protects the grape crop against unavoidable, naturally occurring events. The policy does not insure against the inability to market the crop for any reason other than physical damage due to one of the natural causes listed below. The inability to market or sell grapes due to market oversupply or lack of labor are not listed perils, and therefore are not covered. However, if you are unable to harvest your crop due to the current market conditions or lack of labor, we do encourage you to contact your agent to set up an inspection so we may assess the crop and conduct an appraisal of the potential grape production in the vineyard. An appraisal will help protect your yield history and guarantee for future years' insurance coverage. In order for us to complete an appraisal we will need notification prior to when harvest should have occurred.

There are also important requirements for reporting damage. If damage should occur to your crop, please provide notice so we may inspect the crop before harvest or before harvest should have started. Please be aware of the allowable "Cause of Loss" and "Duties in the Event of Damage or Loss" provided below.

Grape Policy Provisions:

Causes of Loss.

In accordance with the provisions of section 12 of the Basic Provisions, insurance is provided only against the following causes of loss that occur during the insurance period:

- Adverse weather conditions;
- Fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris have not been removed from the vineyard;
- Insects, except as excluded in 10(b)(1), but not damage due to insufficient or improper application of pest control measures;
- Plant disease, but not damage due to insufficient or improper application of disease control measures;
- Wildlife;
- Earthquake;
- Volcanic eruption; or
- Failure of irrigation water supply, if caused by an insured peril that occurs during the insurance period.

In addition to the causes of loss excluded in section 12 (Causes of Loss) of the Basic Provisions, we will not insure against damage or loss of production due to:

- Inability to market the grapes for any reason other than actual physical damage from an insurable cause specified in this section. For example, we will not pay you an indemnity if you are unable to market due to quarantine, boycott, or refusal of any person to accept production.

Duties in the Event of Damage or Loss.

In addition to the requirements of section 14 of the Basic Provisions, the following will apply:

- You must notify your agent or AIP within three (3) days of the date harvest should have started if the crop will not be harvested.
- If the crop has been damaged during the growing season and you previously gave notice in accordance with section 14 of the Basic Provisions, you must also provide notice at least 15 days prior to the beginning of harvest if you intend to claim an indemnity as a result of the damage previously reported. You must not destroy the damaged crop that is marketed in normal commercial channels, until after we have given you written consent to do so. If you fail to meet the requirements of this section, all such production will be considered undamaged and included as production to count.

Visit [*https://www.rma.usda.gov](https://www.rma.usda.gov) for more information from the Common Crop Insurance Policy Basic Provisions for further instructions on your responsibilities in the event of a potential loss (specifically, Section 14).

Please contact your NAU Country Agent with any questions.

Thank you for choosing NAU Country Insurance as your trusted crop insurance provider.

The NAU Country Western Branch

*** URL's for California Provisions**

- Common Crop Insurance Policy Basic Provisions:
<https://www.rma.usda.gov/-/media/RMAweb/Policies/Basic-Provisions/2020/Basic-Provisions-20-BR.ashx>
- California Grape Provisions:
<https://www.rma.usda.gov/-/media/RMAweb/Policies/Grape/2010/Grape-Crop-Provisions-10-0053.ashx>