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USDA Announces New Fire Insurance Protection-Smoke Index Endorsement for California Grapes

News Release |
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DAVIS, Calif., Aug. 12, 2024 – The U.S. Department of Agriculture (USDA) announced that the new Fire Insurance Protection-Smoke Index (FIP-SI) endorsement is available for grapes grown in California starting with the 2025 crop year. USDA’s Risk Management Agency (RMA) is offering this endorsement for grapes insured under the Grape Crop Provisions grown in the California counties listed in the actuarial documents. The sales closing date is January 31, 2025, for the 2025 crop year.

This endorsement covers a portion of the deductible of the Grape Crop Provisions when the insured county experiences a minimum number of Smoke Events identified in the actuarial documents. A Smoke Event is a day with heavy smoke density as determined by the National Oceanic and Atmospheric Administration (NOAA) Hazard Mapping System Smoke Product.

“With the increasing number and severity of natural disasters, the Risk Management Agency is pleased to give grape producers in California another option when it comes to managing risk,” said Jeffrey Yasui, Director of RMA’s Regional Office that covers California. “This endorsement is user-friendly and provides additional protection against potential smoke damage. Even though smoke damage is covered in the producer’s individual policy, growers who have the endorsement attached to their individual policy can collect an indemnity under this endorsement if there is a sufficient number of Smoke Events in the county.”

FIP-SI coverage can be combined with the Supplemental Coverage Option Endorsement or the Catastrophic Risk Protection Endorsement. FIP-SI cannot be purchased in conjunction with any other endorsements to the Grape Crop Provisions.

FIP-SI provides protection against widespread loss in a county. Individual vineyard yields and revenues are not considered under FIP-SI. It is possible that a producer with the FIP-SI endorsement may experience reduced yield and not receive an indemnity under the FIP-SI coverage. Likewise, producers may receive an indemnity under FIP-SI but not their grape policy. Triggered counties will be determined after the end of the insurance period. Producers with FIP-SI coverage are not required to file a notice of loss. The counties where payments occur will be identified in the actuarial documents.

An administrative fee and premium for each grape variety covered by each FIP-SI Endorsement will be due in addition to any administrative fees and/or premiums of the underlying policy. However, the FIP-SI administrative fee may be waived if you qualify as a limited resource farmer, a Beginning Farmer Rancher, or a Veteran Farmer Rancher.

RMA collaborated with stakeholders to develop this program. In crop year 2024, producers insured \$2 billion in covered liabilities on 413,000 acres of grapes in California.

More Information

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the [RMA Agent Locator](#). Producers can learn more about crop insurance and the modern farm safety net at rma.usda.gov or by contacting their [RMA Regional Office](#).

RMA secures the future of agriculture by providing world class risk management tools to rural America through Federal crop insurance and risk management education programs. RMA provides policies for more than 130 crops and is constantly working to adjust and create new policies based on producer needs and feedback.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.

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