

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Risk
Management
Agency



Product
Administration
and Standards
Division

FCIC-25490 (11-2010)
FCIC-25490-1 (08-2012)

TABLE GRAPE LOSS ADJUSTMENT STANDARDS HANDBOOK

2013 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO**

TITLE: TABLE GRAPE LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: FCIC-25490 (11-2010) FCIC-25490-1 (08-2012)
EFFECTIVE DATE: 2013 and Succeeding Crop Years	ISSUE DATE: August 15, 2012
SUBJECT: Provides the procedures and instructions for administering the table grape crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: /s/ Tim B. Witt Deputy Administrator for Product Management

REASONS FOR AMENDMENT

Major Changes: See changes or additions in text, which have been **highlighted**. Three stars (***) identify where information has been removed.

1. Page 4, subsection 3 A (4): Inserted adjuster and AIP instructions on how to document non-compliance with the Protective Cover Option (PC) requirements. Renumber succeeding pages.
2. Page 6, subsection 5 A, Appraisal Method Matrix: Changed reference from “harvested” to “unharvested” acreage for Mature Bunch Weight Appraisals.
3. Page 7, subsection 5 C (2) (a): Deleted phrase “CDFA minimum grade standards” and replaced it with the phrase “the state quality standards or the appropriate USDA grade standards (if no state standard is applicable).”
4. Page 22, subsection 8 C, Production Worksheet entry instructions for item 40 (Quality): Deleted reference to appraised production.
5. Page 29, example Production Worksheet: Corrected typographical errors in the Narrative, and item 72.

TABLE GRAPE LOSS ADJUSTMENT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Table Grape Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		3-8 21-22 29-30		11-2010 11-2010 11-2010	FCIC-25490 FCIC-25490 FCIC-25490
Insert	1-2		3-8 21-22 29-30		08-2012 08-2012 08-2012	FCIC-25490-1 FCIC-25490-1 FCIC-25490-1
Current Index	1-2	1-2	1-2 3-8 9-20 21-22 23-28 29-30	30-31	08-2012 11-2010 08-2012 11-2010 08-2012 11-2010 08-2012 11-2010	FCIC-25490-1 FCIC-25490 FCIC-25490-1 FCIC-25490 FCIC-25490-1 FCIC-25490 FCIC-25490-1 FCIC-25490

Variety	A kind of grape that is distinguished from any other by unique characteristics such as, but not limited to, size, color, skin thickness, acidity, flavors and aromas. In Arizona and California each variety is identified as a separate type in the SP except for type 095 (other varieties). Type 095 is used to designate varieties not listed as a separate type.
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3. INSURANCE CONTRACT INFORMATION

The AIP is to determine that the insured has complied with all policy provisions of the insurance contract. Crop Provisions which are to be considered in this determination include (but are not limited to):

A. INSURABILITY

The following may not be a complete list of insurability requirements. Refer to the Basic Provisions, Grape Crop Provisions (hereafter referred to as the Crop Provisions), and Special Provisions (SP) for a complete list.

- (1) **Insured Crop.** The crop insured will be any insurable variety of table grapes that the insured elects to insure in Arizona and California, or in all other states all insurable types, in the county for which a premium rate is provided by the actuarial documents:
 - (a) In which the insured has a share;
 - (b) That are grown for harvest as table grapes;
 - (c) That are adapted to the area;
 - (d) That are grown in vineyards that, if inspected, are considered acceptable by the AIP;
 - (e) That after being set out or grafted, have reached the number of growing seasons designated by the SP; or
 - (f) That have produced an average of at least 150 lugs of table grapes per acre (or otherwise provided in the SP) in at least one of the most recent three crop years immediately preceding the insured crop year, unless the AIP inspects and allows insurance on acreage that has not produced this amount.
- (2) **Insured Acreage.** Table grape vines interplanted with another perennial crop are insurable unless the AIP inspects the acreage and determines the acreage does not meet the requirements contained in the policy.
- (3) **Uninsured Causes of Loss.** In addition to the causes of loss excluded in section 12 of the Basic Provisions, we will not insure against damage or loss of production due to:
 - (a) Disease or insect infestation, unless adverse weather:
 - 1 Prevents the proper application of control measures or causes properly applied control measures to be ineffective; or,
 - 2 Causes disease or insect infestation for which no effective control mechanism is available;

- (b) Phylloxera, regardless of cause; or
- (c) Inability to market the table grapes for any reason other than actual physical damage from an insurable cause specified in the policy. For example, the AIP will not pay an indemnity if the insured is unable to market table grapes due to a quarantine, boycott, or refusal of any person to accept production.

(4) Protective Cover Option (PC) Information

- (a) **Inspection.** When an adjuster conducts an indemnity inspection for the crop year, determine if table grape acreage covered under the PC complies with the SP requirements. The adjusters will confirm:
 - (i) Vine covers are adequately installed and secured,
 - (ii) Insured PC acreage is correctly reported on the acreage report and/or Summary of Coverage, and
 - (iii) Table grapes reported as late-harvest type(s) comply with the end of insurance period harvest date requirement of October 30 or later.
- (b) **Adjuster Responsibilities.** When the adjuster discovers discrepancies with information in subsection 4 (a) above, he/she will:
 - (i) Resolve any discrepancies between the reported acreage and adjuster determined acreage. As applicable, contact the AIP for instructions on how to resolve such discrepancies, and
 - (ii) Describe on a Special Report form why acreage is not in compliance with PC requirements. Forward the report to the AIP for further action.
- (c) **AIP Responsibilities.** Upon receipt of such Special Report, the AIP will review and determine if the insured grape acreage is:
 - (i) In compliance with the PC, and if:
 - A. An indemnity is due, attach the report to the claim, or
 - B. No indemnity is due, retain the report in the insured's file for future reference.
 - (ii) Not in compliance with PC, and if:
 - A. An indemnity is due, multiply indemnity amount by the PC option rate differential in the SP (refer to the example below). Record all PC indemnity adjustment calculations on a Special Report and retain a copy in the insured's claim file.

Example: 10.0 acre unit of Autumn Royal grapes are insured under the PC. The adjuster inspected acreage and determined the plastic rain cover was not properly installed or secured resulting in excess rain damage. Unit indemnity is \$34,500 due to rain damage. PC rate differential is 0.870 for Autumn Royal grapes as listed in the actuarial documents. $\$34,500 \times 0.870 = \$30,015$ adjusted indemnity for improper use of plastic rain cover.

B. No indemnity is due, retain the report in the insured's file for future reference.

B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE

Refer to the CIH and LAM for provisions and procedures not applicable to CAT.

C. UNIT DIVISION

(1) **Basic Units.** Refer to the insurance contract for unit provisions. Unless limited by the Crop Provisions (CP) or SP, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met. In Arizona and California only, a basic unit will also be established for each grape variety that the insured chooses to insure.

(2) **Optional Units.**

(a) In all states except Arizona and California, Optional units may be established as follows:

- 1 By section, section equivalent, or FSA farm serial number;
- 2 For both irrigated and non-irrigated practices;
- 3 On acreage located on non-contiguous land; or
- 4 By separate type.

(b) In Arizona California only, unless otherwise allowed by a written agreement, optional units may ONLY be established if each optional unit is located on non-contiguous land or grown and insured under an organic farming practice, unless otherwise allowed by written agreement.

D. PRODUCTION TO COUNT

(1) **Appraised Production.** The total production to count in lugs from all insurable acreage on the unit will include:

(a) All appraised production as follows:

- 1 Not less than the production guarantee per acre for acreage:
 - i. That is abandoned;
 - ii. That is sold by direct marketing if the insured fails to comply with the requirements in the CP pertaining to direct marketed grape production;

(RESERVED)

- iii. That is damaged solely by uninsured causes; or
 - iv. For which the insured fails to provide acceptable production records.
- 2 Production lost due to uninsured causes;
 - 3 Unharvested production that meets, or would meet if properly handled, the state quality standards, if specified in the SP, or the appropriate USDA grade standard if no state standard is specified; and
 - 4 Potential production of insured acreage that the insured intends to abandon or no longer care for, if the insured and the AIP agree on the appraised amount of production. Upon such agreement, the insurance period for that acreage will end. If the insured does not agree with the AIP's appraisal, the AIP may defer the claim only if the insured agrees to continue to care for the crop. The AIP will then make another appraisal when the insured notifies the AIP of further damage or that harvest is general in the area unless the insured harvested the crop, in which case the AIP will use the harvested production. If the insured does not continue to care for the crop, the AIP's appraisal made prior to deferring the claim will be used to determine the production to count.
- (2) **Harvested Production.** Production to count includes all harvested production from insurable acreage regardless of condition or disposition. The quantity of production to count for table grape production damaged by insurable causes within the insurance period that is marketed for any use other than table grapes will be determined by multiplying **the greater of:**
- (a) The value of the table grapes per ton; or
 - (b) \$50, by the number of tons, and dividing that result by the highest price election available for the insured unit. This result will be the number of lugs to count.

4. TABLE GRAPE APPRAISALS

A. GENERAL INFORMATION

- (1) Potential production will be appraised in accordance with procedures specified in this handbook and in the LAM.
- (2) Table grape appraisals are to be made for (but not limited to):
 - (a) Unharvested production that meets or would meet if properly handled, the state minimum standards, if specified in the SP, or the appropriate USDA grade standard (if no state standard is specified) and is damaged by insurable causes of loss; and
 - (b) Any production that will be sold by direct marketing. Refer to section 5 for applicable appraisal methods for table grape production that "Meets Table Grape Standards."

B. SELECTING REPRESENTATIVE SAMPLE VINES FOR APPRAISALS

- (1) Make a general examination of all acreage in the unit. Determine the number and general location of vines to be used in the representative samples based on:
 - (a) Total acreage and number of vines;
 - (b) Extent of variation in the amount of production or damage within the acreage and location of the fruit on the vine.
 - (c) Percent of each variety in the acreage;
 - (d) Vine age, size, density, and vigor. When there appears to be significant differences within the same vineyard or an insured wishes to destroy a portion of the vineyard, split the vineyard into sub-vineyards and appraise each one separately;
 - (e) The acreage in the unit from which fruit has been picked, and the extent of variation in the amount of unpicked fruit on the vines.
- (2) Use as many sample vines as are necessary to accurately determine potential production (refer to **TABLE A** for sample requirements).
- (3) As applicable, refer to section 7 or **TABLE B** for information on determining the number of vines per-acre.

5. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

Appraisal Method...	Use...
Immature Bunch Weight Appraisal Method	when at the time of appraisal, the appraised grapes have not reached the level of maturity to be packed as table grapes and are not going to be cared for to maturity; and the conditions for using the "Mature Bunch Weight Appraisal Method," or the "Harvested Appraisal Method" do not apply.
Mature Bunch Weight Appraisal Method	when at the time of appraisal the type (varietal group) has reached the level of maturity to be harvested for the intended use; the conditions for using the "Immature Bunch Weight Appraisal Method," or the "Harvested Appraisal Method" do not apply; the appraised table grape acreage has NOT been harvested; unharvested acreage is NOT representative of the harvested acreage; or vineyard management practices are going to be changed.
Harvested Appraisal Method	if a representative area of the vineyard will be harvested as "Meets Table Grape Standards" and "Other Use" marketable grapes will be harvested separately. The "Other Use" tons will be a separate line entry on the production worksheet and adjusted by the "Other Use" value factor (refer to section 8, herein).

B. IMMATURE BUNCH WEIGHT APPRAISAL METHOD

- (1) Use the Grape/Table Grape Appraisal Worksheet (hereafter referred to as the appraisal worksheet) to count and record the number of undamaged bunches from each sample. Include any bunches damaged by uninsurable causes.
- (2) Determine by type, the average mature weight per bunch based on information obtained from the local extension service office; university agriculture department; and/or historical average mature bunch weights for the vineyard. Refer to section 7 (items 23 to 25) that contains procedures for recording immature bunch weights on the appraisal worksheet.
- (3) Complete the chain calculations on the appraisal worksheet to determine the appraisal in lugs rounded to tenths.

C. MATURE BUNCH WEIGHT APPRAISAL METHOD

- (1) Select representative vines for bunch sampling (refer to subsection 4 B, herein).
- (2) Pick all of the grape bunches from each sample group and separate the bunches into two piles as follows:
 - (a) Grape bunches that meet, or would meet if properly handled, the state quality standards or the appropriate USDA grade standards (if no state standard is applicable) for table grapes (herein referred to as “Meet Table Grape Standards”);
 - (b) Grape bunches NOT meeting the Table Grape Standards.
- (3) DISCARD grape bunches that do NOT “Meet Table Grape Standards.”
- (4) Count the number of bunches in each sample that “Meets Table Grape Standards,” and weigh 10 representative bunches from each sample. Enter the weights for “Meets Table Grape Standards” on the appraisal worksheet. Grapes damaged by uninsured causes will be counted as those grapes meeting the minimum requirements for table grapes.
- (5) If the table grapes are damaged by insurable causes and the insured intends to discontinue table grape cultural practices it is necessary to determine the production of table grapes which would be marketable as table grapes. If the appraised grapes (Meeting Table Grape Standards) are harvested for “other use,” the appraisal will count as production, but the weight of the appraisal (in tons) would be subtracted from the tonnage of grapes marketed as other than table grapes BEFORE determining the harvested production.

EXAMPLE:

For grapes appraised as Meeting Table Grape Standards, but then harvested for “Other Use,” (section 12(c)(2) of the Crop Provisions), settle the claim as follows:	
Harvested Production	200.0 lugs per acre
Appraised production	*55.0 lugs per acre
Winery Tonnage @ \$100/ton	*3.0 tons per acre
*Since the winery tonnage included the appraised production, subtract the weight of the 55 lugs from the 3 tons delivered to the winery (therefore the appraised production is not counted twice).	
Winery Tonnage (3 T @ 2,000 lbs.)	6,000 pounds
Appraised production (55 lugs @ 21 lbs. per lug)	1,155 pounds
Total pounds (2.4 tons)	4,845 pounds
Value to Count **(2.4 tons x winery price of \$100 per ton)	\$240.00
Lugs to count from “other use” (\$240 is divided by the highest price election available for the variety: \$7.00).	34.3 lugs per acre

To establish the total production to count add:	
Harvested	200.0 lugs per acre
Appraised	+ 55.0 lugs per acre
“Other Use”	+ 34.3 lugs per acre
Total production to count	289.3 lugs per acre
**In this example, the 2.4 tons would be production to count and would be entered on the Production Worksheet in columns 56, 61, and 63. Enter “Other Use” quality adjustment factors in columns 64 a, 64 b, and 65. Enter adjusted lugs in column 66.	

- (6) If the acreage is appraised and will NOT be harvested, any grapes counted as “Other Use” production will not be used in determining production to count.
- (7) If the grapes are damaged by insurable causes and none meet the minimum standards for table grapes; but the insured intends to HARVEST them as other than table grapes, the appraisal worksheet will show no potential production. However, production to count, for harvested table grapes NOT meeting the minimum standards will be determined by dividing the value of production by the highest price election. Document in the Narrative of the Appraisal Worksheet.

D. HARVESTED APPRAISAL METHOD

- (1) Prepare a Special Report indicating the number of lugs/tons harvested, and the calculation showing the per-acre production of the harvested acreage that is to be applied to the unharvested acreage.
- (2) Explain on the Special Report how the harvested portion is representative of the entire acreage being appraised.

Verify any "Use of Acreage" entry. If the final use of the acreage was not as indicated, strike out the original line and initial it. Enter all data on a new line showing the correct "Use of Acreage."

GLEANED ACREAGE: Refer to the LAM for information on gleaning.

31. **Appraised Potential:** Transfer the per-acre appraisal in lugs rounded to tenths, of POTENTIAL production from item 32 on the appraisal worksheet, as applicable for acreage appraised. Refer to the appraisal methods and applicable appraisal worksheet for additional instructions. If there is no potential on UH acreage, enter "0," (zero). Refer to paragraph 85 in the LAM for procedures for documenting "0" (zero) yield appraisals.
- 32a.-33. MAKE NO ENTRY.
34. **Production Pre-QA:** Column 19 multiplied by column 31, results in lugs rounded to tenths.
35. MAKE NO ENTRY.
36. **Production Post-QA:** Transfer entry from column 34.
37. **Unins. Causes:** Make the following entries in lugs rounded to tenths.

For uninsured causes appraisals: Column 19 multiplied by the per acre appraisal for uninsured causes from item 32 on the appraisal worksheet or uninsured appraisal from other documentation, as applicable (explain in the Narrative). If no uninsured causes, MAKE NO ENTRY.

- a. Hail and Fire exclusion NOT in effect.
- (1) Enter NOT LESS than the insured's production guarantee per acre in lugs rounded to tenths, for the line, (calculated by multiplying the elected coverage level percentage times the approved APH yield per acre shown on the APH form) for any "P" stage acreage. On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.
- (2) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of production per acre in lugs rounded to tenths, for any such acreage. Refer to the LAM for instructions regarding assessing uninsured cause appraisals.
- b. Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.
- c. Enter the result of adding uninsured cause appraisals to hail and fire exclusion appraisals.
- d. For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

38. **Total to Count:** Column 36 plus column 37, results in lugs rounded to tenths.
39. **Total:** Total of all column 19 acres rounded to tenths.
40. **Quality:** Check the applicable qualifying quality adjustment condition(s) affecting the unit's harvested production (refer to the Crop Provisions and SP) in the Table below.

Qualifying Quality Adjustment Conditions Table

TW (Test Weight)
KD (Total Defects)
Aflatoxin
Vomitoxin
Fumonisin
Garlicky
Dark Roast
Sclerotinia
Ergoty
CoFo (Commercially Objectionable Foreign Material)
Other
None

- a. Check "Other" if the identified injurious substances or conditions are not listed above (refer to item 35 above). For mycotoxins, also refer to item 41 below. Document in the Narrative (or on a Special Report):
- (1) Insurable causes of damage that are not associated with destruction orders as described below (e.g., excessive precipitation, freeze damage, etc.);
 - (2) A description of the injurious substance or condition for which a destruction order was issued, the date the crop was destroyed and the method of destruction;
 - (3) Attach to the claim, the completed Certification Form, a copy of the destruction order issued by the Federal or State agency and (if possible) the results of the laboratory test that confirms the presence of injurious substances or conditions.
- b. Otherwise, check "None."

41. **Mycotoxins exceed FDA, State, or other health organization maximum limits.** Check "Yes" if any mycotoxin listed in item 40 (including any identified as "Other") exceed the Federal, State, or other health organization maximum limits; otherwise, MAKE NO ENTRY.

42. **Totals:** Total of columns 34, 36, 37 and 38, in lugs rounded to tenths, if there is an entry in the respective columns; otherwise, MAKE NO ENTRY.

PRODUCTION WORKSHEET

1. Crop/Code # Table Grapes 0052	2. Unit # 0001- 0001BU	3. Location Description SW1-96N-30W	7. Company Agency Any Company Any Agency	8. Name of Insured I. M. Insured
4. Date(s) of Damage May 2	July 10			9. Claim # XXXXXXXX
5. Cause(s) of Damage Hail	Hail			11. Crop Year YYYY
6. Insured Cause % 50	50			10. Policy # XXXXXX
12. Additional Units				14. Date(s) Notice of Loss 1st MM/DD/YYYY
13. Est. Prod. Per Acre				2nd
				Final MM/DD/YYYY
				15. Companion Policy(s)

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL															B. POTENTIAL YIELD							
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a. 32b.	33.	34.	35.	36.	37.	38.
Field ID	Multi-Crop Code	Prelim Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acres	Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Unins. Causes	Total to Count
A			7.5	1.000		088				002			UH	UH	328.9			2,466.8		2,466.8		2,466.8
B			5.0	1.000		088				002			UH	UH	230.2			1,151.0		1,151.0		1,151.0
C			17.5	1.000		088				002			H	H								
39. TOTAL			30.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input checked="" type="checkbox"/> None <input type="checkbox"/>												42 TOTALS		3,617.8		3,617.8		3,617.8
												41. Do any mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>										

NARRATIVE (If more space is needed, attach a Special Report) **Vineyard C harvested as other than table grapes. Value of damage grapes was \$75.00/ton (item 64 a entry). Price election for Thompson Seedless was \$8.30/lug (item 64 b entry). 12.0T x 2,000 lbs./ton = 24,000 lbs. ÷ 20 lbs./lug = 1,200.0 lugs + 3,650.0 lugs = 4,850.0 lugs (item 67 entry).**

SECTION II – DETERMINED HARVESTED PRODUCTION

43. Date Harvest Completed MM/DD/YYYY						44. Damage similar to other farms in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						45. Assignment of Indemnity Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>						46. Transfer of Right to Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
A. MEASUREMENTS						B. GROSS PRODUCTION						C. ADJUSTMENTS TO HARVESTED PRODUCTION											
47a. 47b.	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58a. 58b.	59a. 59b.	60a. 60b.	61.	62.	63.	64a. 64b.	65.	66.				
Share Field ID	Multi-Crop Code	Length or Diameter	Width	Depth	Deduction	Net Cubic Feet	Conversion Factor	Gross Prod.	Bu., Ton Lbs. CWT Lugs	Shell/Sugar Factor	FM% Factor	Moisture % Factor	Test WT Factor	Adjusted Production	Prod. Not to Count	Production Pre-QA	Value Mkt. Price	Quality Factor	Production to Count				
		Acme Juice Co. Anytown, State							12.0T					12.0T		12.0T	75.00 8.30	9.036	108.4				
		Acme Fresh Grape Co. Anytown, State							3,650.0					3,650.0		3,650.0			3,650.0				
67. TOTAL																4,850.0	68. Section II Total		3,758.4				
																	69. Section I Total		3,617.8				
																	70. Unit Total		7,376.2				
																	71. Allocated Prod.						
																	72. Total APH Prod.		7,376.2				

EXAMPLE TABLE GRAPE CLAIM

For Illustration Purposes Only

This form does not illustrate all required entry items (e.g., signature, etc.).

9. REFERENCE MATERIAL

TABLE A - REPRESENTATIVE SAMPLE REQUIREMENTS

ACRES IN FIELD OR SUBFIELD:	NUMBER OF SAMPLES:
0.1 – 10.0	3
One additional sample is required for each additional 40.0 (or fraction thereof) in the vineyard or sub vineyard. 1 sample = 5 vines.	