



Part III • Fruit Crops Insuring Agreement

This insuring agreement and PART I - General applies to all fruit crops.

A. General

This Part applies to apples, apple trees, grapes, grape vines, peaches, peach trees, nectarines, nectarine trees, pears, pear trees, plums, plum trees, sour cherries, sour cherry trees, sweet cherries and sweet cherry trees all as defined in this Part.

Agricorp agrees to pay the indemnities set out in this Part for loss of or damage to an insured crop caused by an insured peril, in accordance with the provisions of this Part and any Production Insurance Document applicable to the insured crop.

The limits on the amounts payable under this Part are shown in the Application as approved by Agricorp, or the confirmation of insurance, or Renewal Notice applicable to the insured crop.

Except as specifically provided otherwise, the provisions of Part I of this document apply to this Part. Where there is any conflict between the provisions of Part I and the provisions specifically set out in this Part, or between the provisions of Part I and the provisions of any Production Insurance Document to which this Part applies, this Part or the Production Insurance Document, as the case may be, take precedence.

Where there is any conflict between a provision in this Part and a provision in a Production Insurance Document to which this Part applies, the provisions in this Part take precedence.

All acres of insurable crop must have been offered to Agricorp for insurance in order for this Part to apply.

Except where provided otherwise, the insurance provided by this Part shall be in force for the crop year in respect of which it is made, and shall continue in force for each crop year thereafter until it is cancelled or terminated in accordance with the terms of the Contract.

The insurance provided by this Part is subject to such additional conditions or limitations as may be set out in an applicable Production Insurance Document.

B. Definitions

In this Part:

"apples" means all fresh and processing varieties of apples, except crab apples. "block of fruit trees" means a planting of fruit trees, without limitation by variety, that is separated, distinguished or divided physically or physiologically from a contiguous planting of other agricultural crops.

"block of grape vines" means a planting of grape vines separated, distinguished or divided physically, physiologically or by variety from a contiguous planting of other agricultural crops.

"crop year" means the calendar year in which a crop is harvested.

"established block" means a block of fruit trees or a block of grape vines that has been producing the same variety of fruit crops or grapes, as the case may be, for a minimum of five consecutive years prior to the filing of the Insured's claim for indemnity.

"final average Brix" means the adjusted average of an Insured's previous Brix for grapes as calculated by Agricorp at the time of underwriting; or, where the Insured does not have such previous Brix, the figure assigned by Agricorp.

"final average yield" means the adjusted average of an Insured's previous yields for an insured crop as calculated by Agricorp at the time of underwriting; or, where the Insured does not have such previous yields, the figure assigned by Agricorp.

"fresh apples" means apples intended for either fresh consumption or processing but not intended for juice or cider.

"fresh grapes" means grapes intended on a long-term basis for sale on the fresh market.

"fruit crops" means apples, apple trees, grapes, grape vines, peaches, nectarines, pears, plums, sour cherries, and sweet cherries.

"fruit trees" means apple trees, peach trees, nectarine trees, pear trees, plum trees, sour cherry trees, and sweet cherry trees being used or that will be used to produce an insured fruit crop.

"Fruit Tree Rider" means the insurance that applies to fruit trees being used or that will be used to produce an insured apple crop and set out in the Contract.

"good farm management practices" means that practices used are approved methods or techniques for managing orchards and vineyards and related crops.

"grapes" means all processing and fresh varieties of grapes.

"grape vines" means grape vines being used or that will be used to produce an insured grape crop.

"Grape Vine Rider" means the insurance for grape vines being used or that will be used to produce an insured grape crop as set out in an applicable Production Insurance Document.

"guaranteed production" means the final average yield multiplied by the chosen coverage level less any applicable deductible.

"guaranteed value" means the maximum potential indemnity covered.

"juice apples" means apples intended for juice or cider production.

"proven rootstock" means fruit tree or grape vine rootstock, as the case may be, of a variety that has an established history of production for the area where the Insured's claim arises, and is in a compatible soil type.

"tender fruit crops" means all fresh and processing varieties of peaches, nectarines, pears, plums, sour cherries, and sweet cherries being used to produce an insured fruit crop and where fresh varieties are intended for fresh consumption and where processing varieties are intended for processing or juice or cider production.

"Separate Orchard Apple Hail Rider" means the insurance against reduction of quality in insured apples from fresh apples to juice apples by hail, and which insurance is calculated on a separate orchard basis.

Under the Separate Orchard Apple Hail Rider only:

"gross production" means total damaged and undamaged apple production in each separate orchard.

"separate farms" means two or more farms with different postal or municipal addresses or different legal descriptions.

"separate orchards" means orchards operated by the same person or persons on separate farms that have yields declared separately.

C. Insured Perils

Except where otherwise provided, the insurance provided by this Part applies only during the time from December 20 of the preceding year until harvest in the crop year. Loss or damage due to storage conditions, howsoever caused, is not insured; nor is loss or damage due to:

- a. shortage of labour or machinery; or,
- b. insect infestation or plant disease except as specifically provided.

Damage incurred by an insured peril after harvest up to December 19 of the crop year that result in production losses in the subsequent crop year may be considered an insured peril provided the damage has been reported to Agricorp as soon as it is apparent and insurance is renewed in the subsequent crop year. Such damage must have been reported prior to December 19 of the crop year.

The insured perils that apply to the crops insured under this Part are as set out below, provided good farm management practices have been followed:

Apples: drought, excessive rainfall, excessive wind, freeze injury, frost, hail, tornado, unavoidable pollination failure and fire blight due to adverse weather conditions, and

russetting due to adverse weather conditions (but not for Russet or Golden Delicious varieties).

tender fruit crops: : drought, excessive heat, excessive moisture, excessive wind, freeze injury, frost, hail, tornado, unavoidable pollination failure due to adverse weather conditions. For sour cherries and sweet cherries only, rain split and wildlife. For peaches and nectarines only, bacterial leaf spot. For pears only, pear psylla and fire blight due to adverse weather conditions.

fruit trees: drought, excessive wind causing structural damage, freeze injury, flood, hail, ice damage, lightning, tornado. For apple trees and pear trees only, fire blight.

grapes: blossom set failure due to adverse weather conditions, drought, excessive moisture, excessive heat, excessive rainfall, excessive wind, freeze injury, frost, hail, tornado, wildlife, lady beetles (*Coccinellidae*), and fungal diseases for Niagara and Concord varieties only .

grape vines: drought, excessive wind causing structural damage, freeze injury, flood, hail, tornado, ice damage, and lightning, .

D. Crop Underwriting Report

To be eligible for production insurance on your fruit crop, a detailed inventory of fruit crops must be provided to Agricorp on a form designated by Agricorp no later than April 1 of the current crop year.

Agricorp shall prepare and deliver a Crop Underwriting Report to the Insured in each crop year and the Insured shall sign a copy thereof and return it to Agricorp by May 1 of the current crop year.

Agricorp reserves the right to re-underwrite any fruit crop if that crop failed to achieve its final average yield due to physical damage to the tree or vine, or if there was a general decline in yields by December 20 immediately prior to the start of the succeeding crop year.

Adjustments will be made by Agricorp to the final average yield or final average Brix (for grapes only) to reflect tree or vine removals, new plantings, acreage changes, and other management changes. Agricorp may alter the final average yield to reflect the production potential of any blocks of trees or vines.

E. Indemnities

Failure to notify Agricorp of damage as soon as it is apparent, unless provided otherwise in the Contract, will result in loss of any claim under this Contract in respect of such loss or damage.

Agricorp will pay a:

- production shortfall indemnity where, as a result of an insured peril, harvested production is less than guaranteed production.

- quality reduction indemnity where, as the result of an insured peril, the quality of the insured crops to which this indemnity applies is reduced.
- fruit tree or grapevine loss indemnity where as a the result of an insured peril, the number of tree or vine losses exceeds the deductible.

The amount of indemnity payable will be determined in accordance with the provisions of the Contract subject to any applicable limitations on insurable acreage or insurable crops, coverage level, deductible, or any other restriction.

F. Specific Crop Conditions

apples: The Insured shall report loss or damage to the crop as a result of hail, excessive wind, frost, or freeze injury affecting the quality of the crop, within five days of the occurrence of the damage.

Agricorp will insure, at the option of the Insured, both fresh and juice apples, or only fresh apples. Agricorp may amend or adjust fresh or juice yields or allocation between the two to reflect the quality of apples in an orchard.

An insured must choose between the following coverage options:

1. **Separate orchard hail coverage:** Where the Separate Orchard Apple Hail Rider applies, the Contract also insures, on a separate orchard basis, against the reduction in quality of an insured apple crop from fresh apples to juice apples caused by hail, in accordance with the provisions of the Contract. The insurance under the Separate Orchard Apple Hail Rider is in addition to, and not in lieu of, the insurance otherwise provided in this Part in respect of damage to apples as a result of other insured perils. Hail damage to an insured crop will be assessed and determined by Agricorp by reference to hail counts. The grading of fresh and juice apples for the purpose of hail counts is based on the Canadian Grade for Canada Extra Fancy as stated in the *Fresh Fruit and Vegetable Regulations* under the *Canada Agricultural Products Act*, as amended from time to time. No amount is payable under the Separate Orchard Apple Hail Rider unless the insured crop has been damaged by hail in an amount equal to or exceeding the percentage set out in the Contract.

OR

2. **Enhanced basic apple coverage:** Under Enhanced Basic Coverage, 2 plan features are offered:
 - a. **Write off Provision:** if the level of hail damage to the Insured's orchards exceeds the write-off value of 70 percent on a whole farm basis, the Insured is not required to harvest any of the undamaged fruit

as fresh grade but can be harvested for the juice market. A production claim will be calculated based on the Insured's declared yield. AND

- b. **Salvage Benefit:** a salvage benefit is available to compensate the Insured for the additional input costs required to salvage hail-damaged apples in the orchard. The amount of indemnity payable will be determined in accordance with the provisions of this Part and the applicable Production Insurance Document including, but not limited to, all limitations on insurable acreage, deductibles, and any other restriction on the amount payable.

To be eligible for the apple salvage benefit:

- a. the Insured must have Enhanced Basic Coverage, and
- b. fresh yield allocation must be equal to or greater than the fresh percentage assessed by the hail count multiplied by the historical fresh allocation, and
- c. the damage on all orchards must exceed 10 percent.

Fruit Tree and Grapevine Rider

Where the Fruit Tree and Grapevine Rider applies, the Contract also insures against death of fruit trees or grapevines by an insured peril, in accordance with the provisions of the Contract. Coverage under this Part for fruit trees and grapevines is based on the number of healthy fruit trees or grapevines that were planted in the orchard or vineyard in the Insured's inventory, as assessed annually. To insure fruit trees or grapevines, there must be no pre-existing damage to the fruit trees or grapevines and they must have been in the ground as set out in the Contract.

To be eligible for the Fruit tree and Grapevine Rider:

- (i) the Insured must insure the corresponding fruit crops in the current crop year; and
- (ii) the fruit trees or grapevines must have been insured in the preceding crop year; or, if they were not insured in the preceding crop year, the Insured must notify Agricorp in writing of the intent to insure fruit trees and grapevines by September 1 prior to the crop year, to allow Agricorp to inspect them and to determine if they are eligible for the Fruit Tree and Grapevine Rider.

The amount of insurance available in respect of any insurable variety will be determined by Agricorp as set out in the Contract.

A deductible in the amount set out in the Contract will be applied to all claims payable under the Fruit Tree and Grapevine Rider.

Loss or damage must be reported as soon as it is apparent, and no indemnity will be paid if dead fruit trees or grapevines are removed prior to inspection by Agricorp.

The indemnity is paid on eligible dead fruit trees or grapevines only as set out in the Contract. Dead fruit trees or grapevines must be removed and disposed of in a manner satisfactory to Agricorp before any indemnity becomes payable.

An indemnity becomes payable under the Fruit Tree and Grapevine Rider if:

1. the number of fruit trees or grapevines that died as a result of an insured peril meet or exceed the minimum amount as set out in the Contract;
2. good farm management practices have been followed; and
 - a. a significant number of growers of the same fruit trees located with-in a radius of seven and a half kilometers of the Insured's dead fruit trees or in the case of grapevines, twelve and a half kilometres of the Insured's dead grapevines also suffered dead fruit trees or grapevines in the same crop year due to the same insured peril; or
 - b. death occurred in an established block for a variety that has been grown with proven rootstock for a minimum of ten years and where due to an insured peril that can be independently verified .

Notwithstanding the preceding, an indemnity will be paid on the basis of all fruit trees or grapevines in an established block, dead or not, when the percentage of the fruit trees or grapevines covered by the Contract that are dead due to an insured peril exceeds the percentage required as set out in the Contract.

Fruit tree or grapevine death due to freeze injury may not be apparent in the crop year the freeze injury occurred. If all fruit trees or grapevines have not died by the end of the crop year, coverage may carry over until August 1 of the next crop year provided:

- a) damaged fruit trees or grapevines have been inspected and documented by Agricorp in the crop year freeze injury occurred;
- b) good farm management practices have been followed; and,
- c) all other claim criteria have been met.

In the crop year following a crop year in which the insured was indemnified for loss of fruit trees or grapevines, Agricorp may waive the deductible as it applies to any fruit trees or grapevines which had been identified by Agricorp in writing as having suffered winter injured in the previous crop year up to August 1 of the following crop year as set out in the contract.

grapes: The categories of grapes insured under this Part are set out in the Contract.

Labrusca grape production is considered either fresh production or processing production, depending upon the market for which it is intended and shall be insured as such

peaches and nectarines: All planted acres of insurable peaches and nectarines must be insured under one Contract.

sour cherries: The insurance price shall be calculated as set out in the Contract.

G. Quality Factor for Grapes Peaches, Nectarines, Pears, Plums, and Sweet Cherries

For each of grapes, peaches, nectarines, pears, plums, and sweet cherries, where the insured crop is damaged by an insured peril, the quality factor shall be applied as provided in the Contract.

H. Cancellation

For the purpose of clause L.2 of Part I of the Contract, the dates are:

- a. Fruit trees and grape vines - December 20 immediately prior to the start of the crop year.
- b. Apples, tender fruit crops and grapes December 20, immediately prior to the start of the crop year.

I. Exclusions

Insurance will not be provided for crab apples or fruit trees that are used exclusively for pollination and are not planted in a continuous block for the purposes of fruit production.

The Contract of Insurance Terms and Conditions are available by calling 1-888-247-4999 or by visiting agricorp.com.
(Version française disponible)

