

Example – How AgriStability responds

Grape operation

Example scenario:

CCC Grape Growers has 50 acres of grapes. This year was challenging for CCC Grape Growers, with lower-quality grapes due to weather conditions and increased costs because of needing to replant damaged vines. As a result, CCC Grape Growers' net income was \$40,000 this year.

Important numbers used in payment calculation

Average net income <i>(Reference margin)</i>	\$202,400
Payment trigger	\$141,680
This year's net income <i>(Production margin)</i>	\$40,000
Shortfall <i>(Margin decline)</i>	\$101,680
Payment <i>(Shortfall x 80% compensation rate)</i>	\$81,344

How AgriStability responded:

CCC Grape Growers got a payment of \$81,344 when things didn't go well, which allowed them to continue producing grapes and helped the operation stay in business.

