

SMOKE TAIN - COVERED CAUSE OF LOSS

Frequently Asked Questions (FAQ)

Is loss of quality due to exposure to smoke a covered cause of loss under a Multi-Peril Crop Insurance policy?

Assuming the grower has met all of the policy and claim reporting requirements, a grower whose crop suffers a loss of quality due to smoke can, under certain circumstances, qualify for an indemnity payment.

Aside from the timely reporting of a claim, what is required in order for an indemnity payment under an MPCl Policy?

The policyholder must prove that their grapes are effected by smoke. In order to prove the crop has been effected by smoke, the grower must enlist the service of an independent and certified laboratory to conduct a test of their crop before the crop is harvested.

What test needs to be performed by the lab?

The laboratory will need to conduct a test for the two most common chemical markers of smoke - Guaiacol (G) and 4-Methylguaiacol (4MG). The crop must exhibit an elevated level of both chemicals.

What is considered an elevated level of Guaiacol and 4-Methylguaiacol?

RMA is offering no specific standard for the presence of these chemicals, but will instead acknowledge levels that may cause a winery to reject fruit, or reduce the price of tonnage impacted by smoke.

When should the crop be tested?

It is imperative that laboratory tests be conducted on crops where damage from smoke is suspected prior to harvest. Tests performed after harvest will likely result in a denial of coverage. Samples should be a minimum of 200 berries. If you have questions regarding proper sampling, please contact your adjuster or agent.

Are there any other factors that are considered?

When experiencing a quality adjustment claim for smoke tainted grapes, a grower will need to prove that the lower revenue derived from the harvest is due to the quality being compromised by exposure to smoke and not any other condition (Example: current market conditions/oversupply). In addition, it is important that any harvested fruit or juice not be commingled with any other grower's crop or product.

ALL CLAIMS OR POTENTIAL FOR CLAIMS SHOULD BE REPORTED IMMEDIATELY. THE LATEST POSSIBLE DATE TO REPORT A POTENTIAL LOSS IS 60 DAYS AFTER THE LAST DATE OF HARVEST. DAMAGE REPORTED BEYOND THIS DEADLINE WILL BE DENIED BY THE CARRIER.