

**PARTNERSHIP
BETWEEN
THE WASHINGTON WINE INDUSTRY FOUNDATION
AND THE
UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION**

I. PROJECT TITLE: **Grower Decision-Making Tool for Grapes and Tree Fruit**

II. PARTIES:

The Partner: The Washington Wine Industry Foundation (WWIF)

The Agency: The United States Department of Agriculture (USDA) Federal
Crop Insurance Corporation (FCIC), through the Risk Management
Agency (RMA)

III. AUTHORITIES:

This partnership is authorized under section 522(d) of the Federal Crop Insurance Act.

IV. BACKGROUND:

This partnership addresses all apple, cherry, and pear growing regions within Washington State as well as all grape-growing regions in Idaho, Oregon, and Washington. It is estimated that there are 4,200 tree fruit growers in Washington and over 238,000 acres. Within Idaho, Oregon, and Washington, there are approximately 1,000 wine grape producers with over 45,000 acres and nearly 700 wineries. In addition, Washington has over 30,000 acres of juice grapes.

As changes in the market place and organizational support continue to directly impact growers, the synergy between tree fruit and grapes becomes stronger. Plantings are rapidly changing and/or expanding throughout the Northwest, in part because grape growers are gaining recognition for producing world-class premium products, cherry prices are admirable, and new apple varieties are continuing to appear. The dollar investments and the subsequent concerns of growers about how to protect those investments continue to escalate with the changes. To help manage the risks, this partnership will fund 1) comprehensive industry database templates, 2) Cost-Of-Production Calculators, 3) crop load estimation techniques (wine grapes only) and 4) acreage inventories by crop, variety, age and production to assist growers in their decision-making processes and reduce the impacts of year-to-year variability for both conventional and organic growers. The desired result will be industries and producers better informed and better prepared to face whatever challenges or opportunities lay ahead in an uncertain future.

V. OBJECTIVES:

This partnership will accomplish the following project objective as defined in the RFA:

1. **Develop risk management tools to assist producers in reducing the impact of multiple-year losses.**

Risk management tools will be developed and applied to:

- Mitigate price and production risks
- Enhance measurement and prediction of risks in order to facilitate risk diversification
- Improve production management, harvesting, record keeping, and marketing.

Specific tree fruit and grape research and implementation objectives include the following:

Part I - Research

Document what is – in terms of data currently available and currently being accessed.

Determine wants and needs – data, timing, format, and frequency.

Identify best way (template) to fulfill industry data requirements on a long-term basis.

Pilot acreage inventory estimation by remote sensing survey and reporting.

Refine grape crop size and load estimation techniques for commercial applications.

Part II - Implementation

Develop/extend Cost-Of-Production Calculators – by crop, by variety, by state/region, and by cropping system.

Implement/expand industry templates and databases in each state utilizing web-based format accessible to industry members in conjunction with regional demonstrations and informational sessions.

Promote availability, delivery, and use of industry databases and Cost-Of-Production Calculators throughout producer populations in all three states.

Maintain web pages, databases, security, and equipment to ensure ease in reading, increased speed for data searches; more current graphics of data selections; and simpler, more user-friendly access to the website database.

VI. NONFINANCIAL BENEFITS:

Prior risk management education efforts by the Washington Wine Industry Foundation and Washington Growers Clearing House (WGCH) have focused on business (e.g. contracts, insurance, planning, data availability) and technical (e.g. management of soil, nutrients, pests) topics. While all of these represent critical components in sustaining viable production agriculture, having user-friendly access to basic industry data on a timely basis would significantly increase the power and feasibility of doing this work. The proposed project strives to fill existing industry information voids, thus providing growers with “real time” data from which they can make timely decisions within a dynamic marketplace.

For grapes, added benefits will be derived from creating three individual yet compatible state industry databases and the associated reporting mechanisms sufficient to answer grape producers’ business planning questions for planting and vine removal decisions, vine management during the growing season, current year contracts, and bottling decisions for wineries.

For grape and tree fruit production throughout the U.S., the processes and products of this partnership offer direct applicability to all other growing regions; the critical need for time, user-friendly industry data as directed and deemed important by industry members is not unique to the Pacific Northwest.

TASK/RECIPIENT RESPONSIBILITIES	DATE	RMA ROLE	DELIVERABLES
Task 1. Develop the project plan.			Project plan in agreed upon format.
a. Develop the project plan in agreed upon format.	10/04	Assist in the development of the project plan in an agreed upon format.	
b. Determine advisory team participants to form a grape team and a tree fruit team.	11/04	Participate in selection of advisory teams and determination of advisory team guidelines.	
c. Determine agreed upon varieties of conventional and organic pears, apples, cherries, and grapes to be addressed in project development. Varieties studied will include the top 75% of varieties within each crop by revenue or production as agreed upon with RMA.	11/04	Participate in determination of agreed upon varieties of specified tree fruit and grapes.	
d. Draft contracts/agreements with currently identified subcontractors.	11/04		
Task 2. Develop and administer industry listening sessions to determine content, timing, and format of industry data needed/wanted/utilized by industry members – both organic and conventional. In addition, participants will identify where and how frequently they get current industry data.			Listening session results in agreed upon written format. Data will be reported in aggregate as well as by individual state.
a. Determine questions and issues to be addressed at listening sessions for both the grape industry and the tree fruit industry.	02/05	Participate in development of listening session administration guidelines.	

VII. STATEMENT OF WORK AND DELIVERABLES: continued

TASK 2. continued			
<p>b. Conduct listening sessions in agreed upon locations, with producer groups.</p> <ul style="list-style-type: none"> • One (est.) in ID for grapes: Caldwell. • Six (est.) in OR for grapes: Rogue, OR Coast, N. Willamette Valley, Umpqua, S. Willamette Valley, Eastern OR. • Eight (est.) in WA for grapes: Columbia Cascades North, Columbia Cascades South, Spokane, Yakima Valley, Tri-Cities, Walla Walla, Western Washington, Puget Sound. • Three for WA tree fruit producers: Okanogan, Wenatchee, Yakima • Two for WA tree fruit marketers: Wenatchee, Yakima. 	07/05	Assist in determining listening session locations and participants, along with overseeing administration of the sessions.	
c. Prepare a written grape report and a written tree fruit report summarizing the listening session findings.	09/05	Collaborate on the written reports.	
Task 3. Source government, state, industry, and private information sources currently available in ID, OR, WA.			Written report of data and findings.
a. Identify all sources of data and obtain examples of reports, sites, etc.	09/05	Evaluate the reliability and validity of the data and sources.	
b. Generate written report of data and findings for the agreed upon states.	09/05	Collaborate on the written report.	
Task 4. Prepare written report on comparison of identified industry data versus listening session data. This will include documentation of what they use, what is available, what they said they need/want and identification of gaps/overlaps/opportunities.			Written report identifying and illustrating industry data sources critical to producer decision-making compared to listening session data sources in an agreed upon format.
a. Develop presentation materials summarizing findings from Tasks 2 & 3.	12/05	Collaborate on the presentation materials.	
b. Report findings from Tasks 2 & 3 to Advisory Teams, industry leaders, and interested members via electronic means and organizations' publications.	12/05		

TASK/RECIPIENT RESPONSIBILITIES	DATE	RMA ROLE	DELIVERABLES
Task 5. Develop “strategic plan/template” for industry data collection, management, and dissemination.			Strategic plans/templates for data collection, management, and dissemination for tree fruit and grape industries.
a. Develop plan to implement focus group findings to revise/expand current data reporting to meet tree fruit growers’ and marketers’ needs.	09/05	Assist in development of current data reporting for tree fruit growers and marketers needs in agreed upon format.	
b. Host grape industry summits to identify/develop industry data templates. One in ID One in OR One in WA	03/06	Participate in determining format of meetings and participate in meetings.	
Task 6. Develop and/or expand the Cost-of-Production calculator for conventional and organic pears, apples, cherries, and grapes. Enhance website reporting for tree fruit industry data.			Web-based Cost-Of-Production Calculators for tree fruit and grapes in agreed upon format. Enhanced website reporting for tree fruit industry data.
a. Collect primary cost-of-production data on organic pears, apples, cherries, and grapes and collect primary/secondary data for the same conventional crops.	06/05	Evaluate the reliability and validity of the data collected and the sources and provide any relevant information.	
b. Expand cost-of-production calculator for tree fruit on already existing website.	09/05	Participate in expanding the website tool for tree fruit.	
c. Verify grape production costs by agreed upon determinants such as, by state, by variety of grape, intended quality, and/or by conventional or organic.	08/06	Provide assistance in verification of production costs and evaluate the reliability and validity of the data.	
d. Adapt cost-of-production calculator format from tree fruit to grapes. Publish on agreed upon industry organizations’ websites.	12/06	Assist in reformatting the calculator to fit grapes and participate in determining the industry organizations’ websites.	
e. Make improvements to on-line data reporting mechanisms per tree fruit plan.	12/06	Assist in making on-line improvements.	
f. Disseminate calculator in agreed upon format for: • Tree Fruit • Grapes	12/06 02/07	Provide guidance in disseminating the calculator in an agreed upon format.	

TASK/RECIPIENT RESPONSIBILITIES	DATE	RMA ROLE	DELIVERABLES
Task 7. Develop acreage inventory by remote sensing			Acreage inventory for tree fruit and grapes – with technology and processes being adaptable throughout the U.S.
a. Acquire images and perform analyses.	05 growing season – pilot 06 growing season – WA state		
b. Generate inventory (map) of acreage in apples, cherries, grapes, and pears.	05 growing season – pilot 06 growing season – WA state		
c. Perform analyses for freeze, pest, disease damage. Determine degree to which imagery can at this time provide other important regional information such as the amount of freeze damage or extent of pest and disease damage.	05 growing season – pilot 06 growing season – WA state		
d. Report methods and results for crop characterization techniques and use of FSA digital maps.	12/06		

TASK/RECIPIENT RESPONSIBILITIES	DATE	RMA ROLE	DELIVERABLES
Task 8 – Automating yield estimation.			Organized, reliable database for load mass, temperature, fruit and vine sampling, etc. collected continuously throughout growing seasons. Computer hardware and software appropriate for collecting and analyzing these data. Predictive model applicable for grapes and adaptable for other trellised crops.
a. Utilizing data collected 2001-2004, write software to manage the data.	06/06		
b. Develop predictive model.	01/07	Evaluate model reliability and validity.	
Task 9. Generate estimate of crop acreage and report results - WA tree fruit and grapes			Survey results in agreed upon format and a written report of data and findings organized in an agreed upon format.
a. Utilize mail survey currently used by State NASS offices expanding geographic coverage and the data items collected. If unable to subcontract with NASS, RMA will need to approve changes.	06/06	Provide any relevant information and approve any changes that are necessary.	
b. Utilize previous mailing lists – with agreed upon updates as necessary.	06/06	Assist in utilizing mailing lists and updating in agreed upon format.	
c. Administer surveys in each of the agreed upon states.	07/06	Participate in overseeing administration of surveys.	
d. Analyze and validate the survey results.	08/06	Evaluate the reliability and validity of the data collected.	
e. Generate written report of data and findings organized by the agreed upon states.	08/06	Collaborate on the written report.	

TASK/RECIPIENT RESPONSIBILITIES	DATE	RMA ROLE	DELIVERABLES
Task 10. Per industry's data management plan, collect and report data (e.g. using Oregon's template, generate industry report of crush capacity and stock data by wineries for each state in agreed upon format.)			Crush capacity and stock data reports in agreed upon format.
a. Design mail survey instrument to obtain conventional and organic grape data.	06/06	Participate in survey design, determining the sample frame, and providing any relevant information.	
b. Participate in the development of the Paper Work Reduction Act (PRA) package.	06/06	Finalize the PRA package and submit to OMB for review and approval.	
c. Utilize previous mailing lists – with agreed upon updates as necessary.	11/06	Assist in utilizing mailing lists and updating in agreed upon format.	
d. Administer surveys in each of the agreed upon states.	11/06	Participate in overseeing administration of surveys.	
e. Analyze and validate the survey results.	12/06	Evaluate the reliability and validity of the data collected.	
f. Generate written report of data and findings organized by the agreed upon states.	12/06	Collaborate on the written report.	
Task 11. Conduct communications and promotional program.			Written plan. Press releases. Library of printed and electronic documents disseminated and/or published.
a. Design communications plan – include evaluation component.	11/04 11/05	Participate in planning process.	
b. Prepare materials to support communications plan including but not limited to: Hand-outs, Brochures (e.g. How To Use The COP Calculator) Flyers, Articles, Columns	On-going	Review materials. Post on website.	

c. Initial press releases. <ul style="list-style-type: none"> • USDA, RMA • Projects 	11/04		
d. Press releases, articles/columns to announce and support partnership processes, progress, and results. <ul style="list-style-type: none"> • Radio, television, newspaper, industry periodicals, organization publications • Industry periodicals, organizations' publications 	On-going		
e. Conduct regional educational meetings as appropriate to present COP Calculator availability and usage.	02/07		
Task 12. Project Reporting			
a. Prepare quarterly reports – narrative and budget.	1/05, 4/05, 7/05, 10/05, 1/06, 4/06, 7/06, 10/06, 1/07	Collaborate on development of narrative reports.	
b. Develop a final report and documentation. The final report shall include: an executive summary; compilation of all reports delivered upon completion of the tasks; copies of all models, licenses, and data; evaluation of producer feedback; all supporting documentation and training materials; and all methodologies used.	02/07	Collaborate on the development of the final report.	

The amount of funding provided under this partnership agreement is \$743,050

VIII. BUDGET:

BUDGET

1 October 2004 – 1 March 2007

	Year 1-Total	Year 2-Total	TOTAL
Personnel	56,500	20,500	77,000
Travel	10,500	6,000	17,500
Equipment	-	-	-
Supplies	2,500	1,000	3,500
Contractual	251,500	327,000	578,500
Other	-	-	-
Total Direct	321,000	354,500	675,500
Indirect (10% limit)	32,100	35,450	67,550
GRAND TOTAL	353,100	389,950	743,050

IX. MUTUAL AGREEMENT:

It is mutually understood and agreed that:

1. Disbursements by FCIC will be made as soon as possible upon receipt and approval of a Standard Form SF-270, "Request for Advance Reimbursement."
2. This Partnership agreement, as it pertains to patentable inventions, shall be subject to the rights and limitations established under 35 U.S.C. 200-206 and applicable regulations published at 37 C.F.R. part 401. With regard to copyrightable material, this Partnership agreement shall incorporate the rights and limitations contained under 7 C.F.R. 3019.36. If any part of the final work product has been developed by someone other than WWIF or FCIC, it is the responsibility of WWIF to obtain any license that RMA needs to use such models or materials as deemed necessary in order for RMA to provide sound risk management tools to producers without cost to RMA. Failure to obtain such licenses will result in rejection of the work product and no obligation of FCIC to make any payment under this partnership agreement. WWIF further agrees that it will advise FCIC at least 90 days prior to any public release or publication of any information discovered as a

result of this partnership agreement. It is recognized and understood that the United States Government (through FCIC) has funded this research. All published products developed under this partnership agreement will acknowledge RMA as the source of funding.

Subject to confidentiality restrictions consistent with 7 U.S.C. 1502(c), the Freedom of Information Act (FOIA), and the Quality of Information Guidelines, the parties agree that all final data products, completed and documented models, and peer-reviewed documents developed under this partnership agreement will be made available to third parties upon request.

3. All travel using Federal funds must be directly related to the work required under this partnership agreement. All travel shall be in compliance with 31 U.S.C. 1345.
4. The provisions of 7 C.F.R. parts 3015 through 3052 are incorporated herein and made a part of the partnership agreement by reference.
5. Any public information (e.g., publications, websites) describing the work carried out under this partnership agreement will acknowledge that the WWIF and its work are a part of this partnership agreement.
6. The following certifications and forms are required and will become a part of this partnership agreement:
 - a. OMB Standard Form, SF-424, "Application for Federal Assistance;"
 - b. OMB Standard Form, SF-424A, "Budget Information-Non-Construction Programs;"
 - c. OMB Standard Form, SF-424-B, "Assurances, Non-Construction Programs;"
 - d. Form AD-1049, "Certification Regarding a Drug-Free Workplace Requirements (Grants) Alternative I-For Grantees Other Than Individuals;"
 - e. Form AD-1047, "Certification Regarding Debarment, Suspension, and other Responsibility Matters – Primary Covered Transactions;"
 - f. OMB Standard Form LLL, "Disclosure of Lobbying Activities."
7. Audit Records – The Comptroller General of the United States, or his duly authorized representative and accredited representatives of the United States Department of Agriculture or cognizant audit agency, shall, until the expiration of three years after final payment under this partnership agreement, have access to and the right to examine any directly pertinent books, documents, papers and records of WWIF, or any of its partners or contractors under this partnership agreement, or transactions related to this partnership agreement. These records will be maintained by WWIF for that period of time.
8. The following Office of Management and Budget circulars are herein incorporated by reference as part of this partnership agreement: A-122 cost principles, A-110 for administrative requirements, and applicable U.S.D.A. audit requirements. Recipients shall apply the provisions of these circulars or the applicable circulars to sub-recipients

performing substantive work under contracts, grants or agreements that are passed through or awarded by the primary recipient.

9. The recipient certifies that it will comply with the minimum wage and maximum hour provisions of the Federal Labor standards Act.
10. The activities conducted under this partnership agreement will be in compliance with the nondiscrimination provisions contained in titles VI and VII of the Civil Rights Act of 1964 and other applicable nondiscrimination statutes: section 504 of the Rehabilitation Act of 1975. They will also act in accordance with regulations of the Secretary of Agriculture (7 C.F.R. part 15, subpart A & B), which provide that no person in the United States shall on the grounds of race, color, national origin, age, sex, religion, marital status, or handicap be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program receiving Federal financial assistance from the Department of Agriculture or any agency thereof or in any program activity conducted by the Department.
11. The activities under this partnership agreement will be in compliance with title V of the Drug Free workplace Act of 1988, 41 U.S.C. §702 and 7 C.F.R. parts 3017, subpart F.
12. For-profit entities are required to submit independent audit reports (\$500,000 or more of expended Federal funds) as part of the final closeout package.
13. The recipient has oversight responsibilities when they sublet an agreement to a for-profit entity.
14. The project will be reviewed prior to closeout to determine if unexpended funds need to be returned to the U.S. Treasury.

X. PARTNER AND AGENCY RESPONSIBILITIES:

WWIF responsibilities:

1. Complete all WWIF work requirements as specified in this partnership agreement, Statement of Work and Deliverables (Section VII).
2. Provide management and coordination of the work requirements of this partnership agreement. The WWIF may subcontract work requirements with the prior approval of FCIC.
3. Administer this partnership agreement in accordance with 7 C.F.R. parts 3015 through 3052, and OMB Circulars A-110, A-122, A-21, A-133, and other applicable laws.
4. Hold harmless and save FCIC free from any claim or causes of action whatsoever resulting from the obligations undertaken by the WWIF under this partnership agreement or resulting from the work performed under this partnership agreement.

5. Participate in Civil Rights training if required under Departmental Regulations or Federal Statute. (Attachment A - must be signed).
6. WWIF will assist RMA in developing budget justifications and in fulfilling reporting requirements for major Investment Technology investments as required by the USDA Information Technology Capital Planning and Investment Control Guide.
7. WWIF must follow the guidance of FCIC in establishing the security, hardware and software specifications of any IT related tools developed under this partnership agreement.
8. WWIF must submit quarterly reports, which document the progress of the project relative to the Statement of Work and Deliverables (Section VII). WWIF will develop and submit a project plan using Microsoft Project or a format that can be converted into Microsoft Project. The format of the project plan will be provided by FCIC.

FCIC Responsibilities:

1. Complete all FCIC work requirements provided as specified in this document (Section VII).
2. Cooperate fully with WWIF by making available Risk Management personnel in the appropriate Regional Offices and in Kansas City headquarters office in order to provide technical, analytical assistance and to approve project deliverables on a timely basis.
3. Cooperate fully with WWIF in providing any relevant USDA or FCIC materials or data required by WWIF to complete its objectives and goals on a timely basis.
4. Cooperate fully with WWIF in continuously providing to WWIF the relevant feedback and data necessary for the timely completion of the project.
5. Cooperate fully with WWIF in providing Risk Management subject matter experts and information.

DOCUMENTS:

All data, models, and documents in connection with this partnership agreement will be considered data, models and documents that are created, maintained, or controlled by the U. S. Department of Agriculture. Subject to confidentiality restrictions consistent with section 502(c) of the Act and the Quality of Information Guidelines, final data products, completed and documented models; and peer-reviewed documents developed under this partnership agreement will be made available to third parties upon request.

All published products developed under this partnership agreement will acknowledge RMA as the source of funding.

AGREEMENT:

This partnership agreement and its Attachments constitute the complete agreement of the parties. This partnership agreement may be amended at any time by mutual agreement of the parties in writing.

TERMINATION:

This partnership agreement may be terminated at any time by either party upon 30 days notice in writing to the other party.

EFFECTIVE DATE AND DURATION:

Unless there is an amendment extending this Partnership agreement to the following year, this Partnership agreement will end March, 2007.

BY: _____

TITLE:

DATE: _____

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION

BY: _____
Ross J. Davidson, Jr.

TITLE: Manager

DATE: _____

CIVIL RIGHTS ASSURANCES

Recipients of Federally Assisted Programs must execute projects, workshops and other activities of this Agreement in accordance with the following laws, where applicable, and must certify compliance.

1. Title VI of the Civil Rights Act of 1954, as amended, provides that no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal Financial assistance. Title VI also extends protection to persons with limited English proficiency (42 USC 2000d et seq).
2. Title IX of the Education Amendments of 1972 provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied benefits of, or be subject to discrimination under any education program or activity receiving Federal financial assistance. (20 U.S.C. 1681 et seq.).
3. The Age Discrimination Act of 1975 provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance. (42 U.S.C. 6101 et seq.).
4. Section 504 of the Rehabilitation Act of 1973 provides that no otherwise qualified individual with a disability in the United States, shall, solely by reason of his/her disability, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance. (29 U.S.C. 794). Recipients are required to complete a Section 504 self-evaluation of facilities, within 60 days from the date of this Agreement which must be on file at recipient's organization and documented in RMA's files. A checklist is attached for your use in completing this evaluation.
5. The Americans with Disabilities Act of 1990 ("ADA") prohibits discrimination on the basis for disability in employment (Title 1), state and local government services (Title II), places of public accommodation and commercial facilities (Title III) (42 U.S.C. 12101-12213).

WASHINGTON WINE INDUSTRY FOUNDATION

Date

Vicky Leah Scharlau,
Executive Director