The 2024 harvest

Navigating the impact of a low yield and why vineyard insurance matters.

The 2024 UK wine growing harvest has proved challenging for many vineyard owners. A cooler, wetter summer with fewer sunlight hours has resulted in a disappointing crop of lower than expected yields – sometimes less than half of last year's – and one of the toughest growing seasons since 2012.

For all vineyard owners navigating the difficulties of this year's harvest, and preparing for the next, the question of how to protect themselves against financial knocks and ensuring their business is adequately insured becomes more pressing than ever.

A year of lower yields

After several years of strong production, the 2024 harvest has been a reminder of the risks associated with winemaking in the UK. Poor weather conditions, marked by a lack of sufficient sunshine and cooler-than-average temperatures, is always a risk in this country, leading to delayed grape ripening and smaller yields. This not only impacts revenue for vineyard owners but also increases the pressure to make the most of the grapes harvested, with hopes pinned on quality rather than quantity.

How this year's harvest highlights key vineyard risks

Vineyards are complex businesses, exposed to a range of risks that go beyond just the weather, and they need to assess their insurance needs carefully. A tailored insurance policy can help cover losses and ensure that vineyard owners recover from low-yield years with both resilience and vitality.

- **Weather-related crop losses:** As evidenced this year, cooler summers with less sunlight can significantly affect grape yields, and unexpected frosts, hail or excessive rainfall can all further damage crops. Comprehensive climate-related crop insurance is essential to cover all weather-related risks, particularly important for a climate as variable as the UK's, and safeguard a vineyard against a poor harvest.
- **Pest and disease outbreaks:** Lower sunlight, cooler conditions and higher rainfall can increase the likelihood of pests and fungal diseases, which thrive in damp conditions. Managing and mitigating these risks often requires swift action, adding further costs and complications, but, again, crop insurance can financially protect a vineyard from their impact.
- **Machinery breakdown and equipment failure:** In a low-yield year, every aspect of production is under pressure to maximise efficiency. If key machinery fails, such as grape harvesters or bottling equipment, it can lead to further delays and increased costs. Comprehensive agricultural fleet and equipment insurance ensures that specialised equipment is protected.
- **Product recall and quality control:** As vineyards focus on quality during a less than bumper year, ensuring that no issues arise with the final product is vital. Product recall insurance helps protect against the financial costs associated with recalling and replacing defective products, which can be especially harmful in a year where every bottle matters.
- **Business interruption:** A bad harvest not only affects immediate sales but can also disrupt long-term business plans and make a dent in ongoing financials. Business interruption insurance will help to cover lost revenue and support vineyards during difficult periods and unexpected downtimes.
- **Directors & Officers (D&O) liability:** As vineyards grow and expand, there are increased risks for directors and officers in making business-critical decisions. Brutal harvests may force tough financial choices, but D&O insurance can provide vital protection against legal claims tied to management decisions.

The 2024 harvest may have been a difficult one for UK vineyards, but with the right insurance coverage in place, vineyard owners can mitigate against key risks such as climate variability, business interruption and equipment failure, safeguarding their business's future and allowing them to continue to produce the wines that have put English and Welsh wines on the global map.