

Apples- Plan B – 2015 – Spring Enrolment –

Individual crop insurance offers coverage tailored to the participant's farming operation. It is based on **the farming operation's production volume**. The coverage is offered for **organic** or **conventional** production.

INSURABLE CROPS

- Apples of the Paulared variety and those that ripen later than that variety

RISKS COVERED

- Defective flowering and fruit setting
- Drought
- Excessive wind, rain, humidity or heat
- Floods
- Frost
- Ice formation in soil and frost during the months of November to April, when the crop was insured the previous year
- Hail
- Hurricanes, tornados
- Snow
- Uncontrollable insects and diseases
- Wild animals against which there is no adequate means of protection, with the exception of the waterfowl provided for through the damage compensation plan of the Federal/Provincial Agriinsurance Agreement

PROTECTION OFFERED

Basic coverage: against loss in quantity for all risks.

In conjunction with basic coverage, there are two possible options:

- Multi-risk quality option: against loss in quality for all risks covered.
- Hail quality option: against loss in quality for the risk of hail.

Certified **organic** apple production are eligible for basic coverage with a different unit price.

Benefit options: **60%**, **70%**, **80%** or **80%** with abandonment of the total insurable yield.

Deductibles: **40%**, **30%** or **20%** depending on the benefit option chosen.

Unit price options: **100%** or **80%** (\$/kg)

Total insurable yield =

Probable yield x Number of insurable tree units

End of coverage: At harvest, without exceeding the harvest end date is offered, namely **October 20**.

Probable yield: tailored to the participant's operation, expressed in kilograms per equivalent tree unit.

FINANCING OF THE PREMIUM

The financing of the premium for the Crop Insurance Program, assumed by the governments and the participant, varies according to the different benefit options.

Benefit option	Governments Contribution	Participant Contribution
60%	80%	20%
70%	70%	30%
80%	60%	40%
80% with abandonment	42.8%	57.2%

The governments cost-share in a proportion of 60% for Canada and 40% for Québec.

FINANCING OF THE ADMINISTRATIVE COSTS

The costs inherent in administering the Crop Insurance Program are shared in a proportion of 60% by the Government of Canada and 40% by the Government of Québec.

ENROLMENT

Enrolment deadline: **April 1 of the insurance year.**

Minimum insurable: **100 tree units.**

Farming methods:

Abide by the methods recommended by the Centre de référence en agriculture et agroalimentaire du Québec or approved by La Financière agricole.

CROSS COMPLIANCE MEASURES

- When the Ministère du Développement durable, de l'Environnement et la Lutte contre les changements climatiques (MDDELCC) gives La Financière agricole information which establishes that a member has, for a given year, failed to file a compliant phosphorus report, as set out in the Règlement sur les exploitations agricoles (agricultural operations regulations, REA), the following consequences are applied. Any compensation to which the member is entitled under the program is reduced by 25% for all of the member's insured products, for the insurance year targeted by the missing phosphorus report, without a decrease in the contribution owed. This reduction is limited to a maximum of \$50,000 for all payable compensation. However, a member who fails to produce a compliant phosphorus report for a second consecutive year is denied all compensation for the second targeted insurance year, for all of the member's insured products.

The provisions related to the phosphorus report concern all the raising or spreading sites owned, leased or on which the operation custom produces. It targets all the operation's productions, whether or not they are covered by a program at La Financière agricole.

For more information on the requirements related to the phosphorus report, participants should consult an agrologist or the regional office of the MDDELCC.

- In accordance with the Protection Policy for Lakeshores, Riverbanks, Littoral Zones and Floodplains, La Financière agricole excludes from insurable areas those within a three-metre strip of vegetation with respect to riverbanks.

CHANGES TO CERTIFICATE

Participants must notify La Financière agricole of any change to their agricultural program that could change their insurance certificate.

Deadline for modifications: **August 1.**

NOTICE OF DAMAGE

When a participant's insured crops are damaged, the participant must immediately notify La Financière agricole.

Deadline for producing a notice of damage: as soon as possible and at the latest 2 business days before the beginning of the harvest, so that an assessment can be conducted while **the crop is still standing or, if applicable, 2 business days before urgent work or before the crop is destroyed.**

Neglecting to submit a notice of damage within the prescribed timeframes can lead to a loss of the right to compensation.

COMPENSATION

➤ EMERGENCY MEASURES

Emergency measures may be authorized by La Financière agricole to mitigate or avoid a drop in yield.

An indemnity based on the rates in effect for the work done can be paid only for benefits options at 80 and 80 % with abandonment.

➤ ABANDONMENT

When the crop is damaged by a risk covered by the insurance, to the extent of abandoning this crop over part or all of the affected area, abandonment compensation is paid out for the affected area when the subscriber has opted for the 80% guarantee with abandonment. The compensation is calculated as follows.

$$\text{Compensation} =$$
$$(\text{80\% of the insurable yield of the area affected} \\ \times \text{Unit price})$$

Abandonment can be authorized at any time during the season, as long as a La Financière agricole advisor can assess the damages while the crop is still in the field.

Minimum required: **entire orchard or undivided grouping of 100 tree units or more.**

Nonincurred expenses: deducted from compensation, if any.

➤ DROP IN YIELD

When damages incur loss higher than the deductible corresponding to the benefit option listed on the participant's certificate.

$$\text{Compensation} =$$
$$([\text{Total insurable yield} \times \text{Benefit option}] \\ - \text{Actual yield}) \times \text{Unit price}$$

However, when the hail quality option is chosen, the loss in quality compensated cannot exceed the loss attributable to that risk, as determined by La Financière agricole.

Salvage value and nonincurred expenses: deducted from compensation, if any.

APPLICATION FOR REVIEW

Any request for a review of a final decision rendered regarding a participant's insurance file must be made in writing, explaining the motives behind the request, and sent to the service centre in charge of the participant's file or delivered in person to a representative of La Financière agricole within ninety (90) days from the date of the decision in question. However, program conditions and parameters or program premises, the results of collective appraisals for crop insurance losses and exclusion from programs for motives provided for in the programs may not be subject to a request for a review.

This **coverage summary** in no way takes precedence over the provisions of the *Crop Insurance Program*, of the regulation in effect and of the agreements with the Government of Canada.