

Hay, Corn Silage and Cereals – 2015

Collective crop insurance offer for hay production the choice between coverage against loss in yield (quantity) or coverage against loss in quantity and quality. For cereals, coverage includes loss in quantity and quality.

Damage appraisal is made collectively for all farming operations on a same weather station territory for hay or in a same geographical zone for other insurable crops.

The coverage is offered for **organic** or **conventional** production.

INSURABLE CROPS

- Cereals: barley, oats and wheat harvested for grain.
- Forage, feed need option: corn silage and hay (dry hay, wet hay and pasture).
- Forage, area option: corn silage and hay (dry hay and wet hay).
- * Spelt wheat and triticale are insurable as wheat crops. Mixed grains are insurable under the species most prevalent in the mixture.

RISKS COVERED

➤ COLLECTIVE RISKS

- Drought
- Excessive wind, rain, humidity or heat
- Floods
- Frost
- Hail
- Hurricanes, tornados
- Ice formation in soil and frost during the months from November to April, when the crop was insured the previous year
- 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

➤ INDIVIDUAL RISKS (*Spot Loss*)

- Floods
- Frost that damages corn silage prior to September 2
- Hail
- Hurricanes, tornados
- Snow during seeding done before cut-off dates for insurable crops, except hay
- 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

Benefit options:

- Cereals: **65%, 70%, 80%** or **85%** of the insurable value.
- Hay and corn silage: **70%, 75%, 80%, 85%** or **88%** of the insurable value.

Deductibles:

- Cereals: **35%, 30%, 20%** or **15%** depending on the benefit option chosen.
- Hay and corn silage: **30%, 25%, 20%, 15%** or **12%** depending on the benefit option chosen.

Unit price options: 100%, 80% or 60% (\$/t).

Probable or reference yield: expressed in kilograms per hectare based on a moisture rate of 15%.

Insurable values:

- Forage, feed need option: according to the feed requirements of the participant's herd.
- Forage, area option:
 - hay: according to the insured surface areas and the reference yield of each weather station territory;
 - corn silage: according to the insured surface areas and the zone's probable yield
- Cereals: according to the insured surface areas and the zone's probable yield.

Specific term: it is possible to insure a crop in more than one zone or on more than one weather station territory.

End of coverage: At harvest, without exceeding the harvest end date for each crop, namely:

- Hay **November 1**
- Corn silage **October 25**
- Cereals **October 10**, except for the service centres of Alma, Caplan, Lévis, Rimouski, Rivière-du-Loup and Rouyn-Noranda, whose coverage ends on **October 25**

FINANCING OF THE PREMIUM

The financing of the premium for the Crop Insurance Program is assumed by the governments (60%) and the participant (40%), for all benefit options.

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 30.**

Minimum area: **none.**

Seeding cut-off dates for cereals:

- Wheat **June 1**, except for the service centres of Alma, Amos, Caplan, Lévis, Québec, Rimouski and Rivière-du-Loup, whose seeding cut-off date is **June 5**
- Barley and oats **June 15**

Areas planted after the last seeding date remain insured when climate-related conditions cause seeding delays.

Cereal seed:

The seed used must be a Canada pedigreed grade (Breeder, Select, Foundation, Registered or Certified) having been subject to valid registration for Québec.

Farming methods:

Produce cereals according to a cultivation plan complying with the *Guide des normes reconnues par La Financière agricole du Québec en matière de pratiques culturelles 2013* (www.fadq.qc.ca/assurance_recolte/normes).

Present a cultivation plan when the farming methods differ from those in the *Guide des normes reconnues par La Financière agricole du Québec en matière de pratiques culturelles 2013* or recommended by CRAAQ.

CROSS COMPLIANCE MEASURES

- When the Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques (MDDELCCP) 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 AOR, La Financière agricole excludes from insurable areas those on which it is prohibited to cultivate crops. This measure may concern in particular areas that have been deforested and used for agricultural purposes while on the territory of one of the municipalities listed in the AOR.
- In accordance with the Protection Policy for Lakeshores, Riverbanks, Littoral Zones and Flood Plains, La Financière agricole excludes from insurable areas those cultivated 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 changes: August 1.

NOTICE OF DAMAGE

➤ COLLECTIVE RISKS

Participants do not need to notify La Financière when a collective risk affects their insured crops.

An appraisal of the collective loss is made every year, regardless of the weather conditions.

➤ INDIVIDUAL RISKS (*Spot Loss*)

When an individual risk affects a participant's insured crops, 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.

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.

COMPENSATION

➤ COLLECTIVE RISKS

For hay, the percentage of loss or gain in yield associated with a weather station is determined based on the difference between the annual yields and the historic yields estimated by means of a mathematical model using agronomic and weather-related data.

For hay, if the areas are associated with more than one weather station, the percentage of loss to be compensated is calculated by taking into consideration the gains and losses of the stations in question.

For other crops, La Financière agricole makes an appraisal of different farming operations in the zone.

For all crops, compensation is paid when the loss is greater than the deductible corresponding to the benefit option listed on the participant's certificate.

REPLACEMENT VALUE

For hay feed needs option: compensation for the replacement value is added to the compensation calculated for a drop in yield when regional yield loss exceeds 15%. The replacement value is designed to index the compensation paid to take into account the rise in market value of the hay when it is scarce.

➤ INDIVIDUAL RISKS (*Spot Loss*)

Compensation is possible when damage following an individual risk occurs causing a loss greater than the deductible corresponding to the benefit option listed on the participant's certificate.

Minimum area:

- *Cereals and Corn silage* : **1 undivided hectare.**
- *Hay* : **4 undivided hectares.**

When La Financière agricole authorizes destruction of the crop or work to substitute the insured crop, compensation in spot loss risks is diminished by the value of the nonincurred expenses, including harvesting expenses and the substitution crop's fixed expenses.

The salvage value of the insured crop is taken into account when calculating the compensation.

Compensation could be adjusted if participants fail to abide by approved farming methods.

➤ ADJUSTMENT FOR CROP QUALITY WHEN COLLECTIVE COMPENSATION IS PAID

- Hay: quality variation is determined according to the difference between the reference quality and the quality valued using agronomic and bioclimatic variables for the current insurance year.
- Cereals: actual yield is adjusted if grain is downgraded.

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.