

HAY AND PASTURE

2020

Collective crop insurance offers 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 associated with a same weather station.

Protection is offered for productions in organic or conventional mode.

INSURABLE CROPS

- Forage, “feed needs” option: corn silage and hay (hay and pasture)
- Forage, “area” option: corn silage and hay (excluding pasture)

RISKS COVERED

Collective risks

- Excessive rain
- Drought
- Frost during the previous months of November 2019 to April 2020

Individual risks (*spot loss*)

- Exceptional flooding
- Hail
- Hurricanes, tornadoes
- Uncontrollable insects and diseases
- Wild animals against which there is no adequate means of protection, with the exception of waterfowl, covered by the Wildlife Damage Compensation Program under the Federal-Provincial Agreement on the AgrilInsurance Program

PROTECTION OFFERED

- Benefit options 70%, 75%, 80% or 85% of the insurable value
- Unit price options (\$/t): 60%, 80% or 100%
- A unit price specific to organically certified hay production is offered
- Options for number of cuttings: 2 or 3

- Options for harvest start date:
 - 2 cuttings: by June 25 or starting on June 25
 - 3 cuttings: by June 16 or starting on June 16
- Insurable values:
 - Forage, “feed needs” option: according to the feed requirements of the participant’s herd
 - Forage, “area” option: according to the insured surface areas and the reference yield of each weather station
- Probable or reference yield: yield expressed in kilograms per hectare based on a moisture rate of 15%
- Specific term: It is possible to insure a crop in more than one zone or associate it with more than one weather station
- End of coverage: When crop is harvested, without exceeding the date found in the *Directory of the dates* (www.fadq.qc.ca/en/documents/crop-insurance/documents-in-effect)

QUANTITY LOSS

Quantity loss is calculated independently for each cut covered. The insurable yield for each cut is broken down depending on the following options: number of cuts and date of the start of harvest. The possibilities per cut are as follows:

| Option | Date of the start of harvest | 1st Cut or Growth Period | 2nd Cut or Growth Period | 3rd Cut or Growth Period |
|----------|------------------------------|--------------------------|--------------------------|--------------------------|
| 2 Cuts | Before June 25 | 65 % | 35 % | N/A |
| | June 25 | 70 % | 30 % | N/A |
| 3 Cuts | Before June 16 | 50 % | 30 % | 20 % |
| | Before June 16 | 55 % | 30 % | 15 % |
| Pastures | N/A | 40 % | 30 % | 30 % |

ENROLMENT

- Enrolment deadline: May 21, 2020
- Minimum area: none

Farming methods

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

ELIGIBILITY CONDITIONS AND CROSS-COMPLIANCE MEASURES

The program sets out eligibility conditions and cross-compliance measures related to environmental standards in effect.

Participants who do not comply with these conditions or measures will lose the benefits to which they are entitled or see them reduced.

CHANGES TO CERTIFICATE

Participants must notify La Financière agricole of any change in their crops or insured units that could modify their insurance certificate, by August 1, 2020.

NOTICE OF DAMAGE

Collective risks

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

Individual risks (*spot loss*)

When a participant's insured crops are damaged following an individual risk, the participant must notify La Financière agricole immediately, and no later than two business days before the harvest begins or urgent work is carried out or the crop is destroyed.

COMPENSATION

Collective risks

For hay, the percentage of loss of yield associated with a weather station is established using three tables – one for Frost,

one for Quantity (for lack of rain), one for Quality (for excess rain).

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%.

For hay "area" option, no compensation for the replacement value is not offered.

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: 4 undivided hectares

DISCOUNT FOR ASPIRING FARMERS

A farming operation eligible for one of the grants through the Financial Support Program for Aspiring Farmers benefits from a reduction of 25% off its contributions, up to \$2500 annually per individual who qualifies. The discount applies for three consecutive insurance years under certain conditions.

The qualifying individual has two years from the date on which the grant is confirmed to choose the period in which to apply the discount.

GOVERNMENT PARTICIPATION

Administrative costs are fully assumed by the governments of Canada and Québec. The Government of Canada pays 60% of these costs and the Government of Québec pays 40%.

Financing of the premium is assumed by the governments (60%) and the participant (40%), for all benefit options.

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.

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