



The Forage Program

Forage insurance provides protection for tame hay, greenfeed, dehydrated alfalfa and sweetclover acres against yield-loss caused by a number of natural hazards.

THE FORAGE PROGRAM

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Insured Prices

The insured price is the forecast price a commodity will sell for during the crop year as determined by Saskatchewan Crop Insurance in consultation with Agriculture and Agri-Food Canada. The values are used in calculating your total coverage, premium and claim amounts.

Providing an alternate premium per acre to fit your risk management budget, Crop Insurance offers the Low Price Option. This option allows customers to insure at 85 per cent of the base price (reducing both premiums and coverage) without lowering the claim threshold.

For 2008, the base price and low price option values are as follows:

Crop	2008 Base Price Option (\$/tonne)	2008 Low Price Option (\$/tonne)
Alfalfa	65	55
Alfalfa/Grass	65	55
Grass	65	55
Dehy	20	17
Sweetclover	53	45
Greenfeed	55	47
Timothy Hay	130	111

Variable Price Option

Under the Variable Price Option, if market prices change, your insured price will also change. The variable price may increase or decrease by 50 per cent of the base price. The final price will be set in July by Saskatchewan Crop Insurance in consultation with Agriculture and Agri-Food Canada. Your premium and coverage are adjusted accordingly.

Premiums and Cost Sharing

See page 10.

Premium Discounts and Surcharges

See page 11.

Crops

Tame Hay

Tame hay coverage insures established tame perennial crops grown for forage including alfalfa, alfalfa/grass, grass and red clover.

Dehydrated Alfalfa

Established alfalfa acres contracted to a participating Saskatchewan dehy plant are eligible for coverage.

Sweetclover

Sweetclover acres intended for forage production that successfully establish may be insured for yield-loss.

Greenfeed

This insurance protects the following annual cereal crops grown for greenfeed: wheat, barley, oats, triticale, fall and spring rye.

Coverage Features

Greenfeed Establishment Benefit

To be eligible for a greenfeed establishment claim, a minimum of 10 acres or 10 per cent of the total acres seeded to greenfeed, whichever is less, must have failed to establish. Greenfeed that fails to adequately establish or suffers significant damage due to insurable causes before June 30 is eligible for an establishment benefit of \$20 per acre.

Crops damaged before June 30 may be eligible for an establishment benefit only, even if you report the damage as yield loss after June 30.

If you believe it is necessary to reseed or work down a portion of your insured greenfeed crop prior to June 30, contact Crop Insurance immediately. An adjuster must inspect those acres to assess possible eligibility for the establishment benefit. Insurance may be purchased on the reseeded acres

even if the crop was not previously selected. If the reseeded crop was previously selected, those acres will continue to be insured.

Gopher Damage

Crop Insurance now includes gopher damage as an insured cause of loss under both the establishment benefit and yield loss components of the multi-peril program. For more information, see page 18.

Your Coverage

Production Guarantee

A Crop Insurance contract guarantees a minimum yield based on the long-term individual yield and coverage option selected.

Yield-loss payments are based on the insured price and the shortfall between the production guarantee and the harvested yield plus any appraisals that have been applied to acres put to a use other than baling. There are no adjustments for quality. For each forage option, the annual yield is based on the combined annual production of all insured acres of all classes of the selected crop. For example, all acres and production of alfalfa, alfalfa/grass and grass are combined during the calculation of a tame hay yield-loss claim.

Forage production guarantees appear on your Statement of Insurance in tonnes and pounds.

Individual Coverage

See page 20.

Management Experience Transfer

See page 20.

Forage Establishment Benefit Option

The Forage Establishment Benefit Option can be selected on your endorsement if you want establishment coverage on acres seeded to perennial forage including alfalfa, alfalfa/grass, grass and red clover. Selection of this option ensures all types of perennial forage crops are insured for establishment. A specific crop does not have to be selected. However, biennial sweetclover is a separate selection. In order to receive establishment for sweetclover, you select it

separately as it is not included as part of the Forage Establishment Benefit Option selection.

Eligibility

Forage acres seeded between October 15, 2007 and June 20, 2008 are eligible for an establishment benefit. Crops seeded during this time and germinating in the spring should be established and ready for harvest in 2009. Any adjustments for establishment losses will not be made until 2009. These acres must be reported on a Seeded Acreage Report by June 25, 2008.

Native Forage Establishment Pilot

Establishment protection is available for native forages enrolled under the federal Greencover Canada Program. Only spring-seeded acres are eligible for an establishment benefit. Applicants will be advised on a number of agronomic issues which Crop Insurance will require customers to follow in order to be eligible for full coverage.

Coverage

Forage Establishment Benefit Coverage per Acre	
Sweetclover	\$27
Alfalfa and Red Clover	\$30
Alfalfa/Grass	\$30
Grass	\$30
Native Forage Pilot	\$75

Claims

Forage Establishment Benefit Option and Native Forage Establishment claims are subject to a deductible of 15 per cent of the **total coverage**.

Example: In 2007, you seeded 100 acres of alfalfa and 50 acres of alfalfa/grass. In the spring of 2008, 75 acres of alfalfa failed to establish.

To calculate your claim:

$$\begin{aligned} \text{Coverage} &= (100 \text{ acres} \times \$30) + (50 \text{ acres} \times \$30) \\ &= \$3,000 + \$1,500 \\ &= \$4,500 \end{aligned}$$

$$\begin{aligned} \text{Deductible} &= \$4,500 \times 15\% \\ &= \$675 \end{aligned}$$

$$\begin{aligned} \text{Loss} &= 75 \text{ acres} \times \$30 \\ &= \$2,250 \end{aligned}$$

$$\begin{aligned} \text{Indemnity} &= \$2,250 - \$675 \\ &= \$1,575 \end{aligned}$$

Forage Diversification Option

The Forage Diversification Option is available for feed crops that are not insurable under the basic forage insurance program. The program uses barley acres insured in your risk zone as a proxy for both your coverage and any claims. No adjustments will be made for individual losses on forage diversification acres.

Coverage

Your coverage per acre is based on the risk zone average yield for barley at the 80 per cent coverage option at the base price. It is offered as a dollar per acre value that varies by risk zone.

Premium

Premium is calculated from the commercial barley premium rates less the costs associated with multi-peril insurance features not included in this option. Premiums are cost shared; producers will pay 40 per cent while governments pay 60 per cent. There is no experience discount or surcharge.

Claims

Your claim will be calculated based on the coverage and annual production on all insured barley acres in your risk zone. The risk zone loss is the difference between the total coverage of all insured barley acres at the 80 per cent coverage level and the total annual production from the same acres. Claims do not have to be filed, but will be automatically calculated.

The claim rate is calculated by comparing the risk zone loss back to the total coverage.

Assume a customer in risk zone 1 would have \$82/acre coverage. The table below uses data from all customers in risk zone 1 to calculate the claim.

Risk Zone 1 Customers	Acres of barley insured	Coverage adjusted to 80% coverage level (bu/ac)	Total coverage (bushels)	Actual production before grade adjustments (bu)
1	80	47	3,760	2,500
2	160	52	8,320	6,000
3	150	52	7,800	6,500
4	320	44	14,080	11,000
TOTAL	710	-	33,960	26,000

Risk zone loss = total coverage at 80% in risk zone – total yield in risk zone before grade adjustment

$$\text{Claim rate} = \frac{\text{Risk Zone Loss}}{\text{Total Coverage at 80\% in Risk Zone}}$$

$$\begin{aligned} \text{Claim rate} &= \frac{(33,960 - 26,000) \times 100\%}{33,960} \\ &= 23.4\% \end{aligned}$$

$$\begin{aligned} \text{Total claim} &= \$82/\text{acre} \times 23.4\% \\ &= \$19.19/\text{acre} \end{aligned}$$

Timothy Hay Pilot Program

The Timothy Hay Pilot Program is available on irrigated timothy hay acres intended for export and mitigates the risk associated with this intensively managed crop. All timothy hay acres intended for insurance must meet the requirements of the program’s terms and conditions on page 107.

Insurable Area

Timothy hay insurance is available for pure, irrigated timothy hay stands intended for export. Deadline to participate is March 31, 2008.

Crop Insurance will require the following from each producer:

- The weight of a representative sample of bales from each lot
- A copy of the producer's field management handbook

Claims will not be finalized until all information is provided. If any production issues arise, including harvest delays due to inclement weather, customers must contact Crop Insurance immediately.

Reporting Your Forage Information

All newly insured stands of perennial forage or sweetclover must be established before liability is accepted. These acres must be reported by March 31, 2008 on the Land Change and Seeded Acres Form included in your endorsement package. All new acres will be inspected.

Seeded Acreage Report

You must submit a Seeded Acreage Report declaring seeded acres no later than June 25. Insured greenfeed crops seeded by June 30 are to be reported by July 5. For more information see page 81.

Forage acres reported after a loss has occurred may be denied liability.

Statement of Insurance

See page 91.

Forage Declaration

As with all Crop Insurance yield-loss programs, your insured forage crop annual production is used to calculate claims and update your individual coverage. If you do not provide this information, your annual yield will be set equal to the production guarantee, which will reduce your future coverage.

In July, you will be mailed a production declaration to report your annual yield. You can find additional forms at www.saskcropinsurance.com, and CropConnect customers may submit their production information online. Return this information to Crop Insurance or contact your customer service office by

September 30, 2008 to report your yield. Crop Insurance will verify a percentage of declarations.

If you have second-cut production, you must contact Crop Insurance with your production information.

Filing a Claim

If you are in a claim position, contact your customer service office immediately so an adjuster can be assigned to assess your crop. Claims must be reported by September 30, 2008. Your total harvested production information must be submitted before you can register a yield-loss claim. Claims filed between October 1 and November 15 will have indemnities reduced by 25 per cent. Forage claims cannot be accepted after November 15, 2008, as all coverage ends.

For each forage class insured (tame hay, greenfeed or sweetclover), the annual yield is based on the combined production of all your insured acres of that class. For example, tame hay production will offset with other tame hay production when calculating claims. Greenfeed crops do not offset with tame hay crops.

If you have any unharvested acres as of September 30, you must request an extension of insurance. An extension of insurance will only be granted to November 15. There is no insurance coverage after November 15.

Forage Put to Any Use Other Than Baling

If you plan to put your insured forage crop to a use other than baling, you must immediately contact Crop Insurance to assess losses. If you do not contact Crop Insurance, premiums will be charged and your annual yield will be set at the production guarantee.

On acres that are not baled, a Crop Insurance adjuster will collect clippings. This requires five days notice before the date of normal harvest. Clippings will be taken:

- If production will be ensiled, loose, stacked or abandoned
- From within exclosures if the acres are to be grazed

