

FACT SHEET

New for 2009

The Government of Saskatchewan initiated a review of Crop Insurance in April 2008. The objective of the review was to consult with producers and generate recommendations on how to improve the Crop Insurance Program.

As a result of the Saskatchewan Crop Insurance review, the Government of Saskatchewan is introducing new features to Crop Insurance in 2009 and enhancing existing parts of its core programs. Altogether, 12 of the 16 review recommendations are being implemented in 2009. Below are the highlights of the new Crop Insurance Program for 2009.

Yield trending

Yields will be increased to simulate agronomic advancements, which may include improved farm management practices, technology, equipment, genetically modified crops and new crop varieties.

Crop Insurance analyzed yields in the province from 1990 to 2007. There were positive and negative trends with many trends being insignificant.

Yields for canola, identity-preserved (IP) canola, winter wheat and fall rye had the most positive and significant trends in all areas and land uses across the province and will therefore be trended upwards. This was not the case for any other insurable crop.

On average, yield coverage will increase 11% for canola and IP canola and 9.5% for fall rye and winter wheat.

Wildlife damage compensation

The Wildlife Damage Compensation Program reimburses Saskatchewan producers for crop damage caused by white-tailed deer, mule deer, antelope, elk, bear, moose, bison, ducks, geese and sandhill cranes that have not been held in captivity.

The provincial government has made a commitment to fully fund the Wildlife Damage Compensation Program. For crops intended for harvest in 2009, producers will now receive 100% compensation (up from 80% in 2008) for any claims of \$150 and over. This program is available to all Saskatchewan producers, not only Crop Insurance customers.

Yield cushioning pilot program

Yield cushioning limits the impact of a poor growing season (such as a drought year) on an individual's coverage level. A new cushioning pilot will target customers with low yields consecutively from

2005-2007. Most producers with yields below 70% of their long-term individual average in 2006 and 2007 will see a 4 to 8% yield increase; while those with yields below 70% from 2005 to 2007 will see a 6 to 10% increase. The years 2005 to 2007 were chosen for the pilot because they have the greatest impact on 2009 individual coverage. There are about 2,000 customers eligible for this pilot program.

Irrigation premium

Crop Insurance is reducing the producer's share of the premium costs for the Enhanced Irrigation Pilot Program. The pilot offers separate coverage for irrigated and dryland acres of the same crop. Producers will now pay 40% of the premium in the cost-sharing arrangement instead of 66.7%; the provincial government will fund the difference. Crop Insurance will continue to work with the irrigation industry to improve yield coverage.

Enhanced pricing options

Crop Insurance is introducing a new In-Season Price Option. This option offers coverage levels based on prices that reflect actual market conditions and not price forecasts. This is accomplished using a six-month average (September 2009 to February 2010) to establish insured prices. An interim payment will be made when the claim is processed. Final payment will be issued after prices are finalized in February 2010.

The premiums for the Variable Price and In-Season Price Options will be established in March when contracts are renewed. Previously, Variable Price Option premiums varied according to crop price forecasts between March and July, leaving producers uncertain of their premium costs for a significant part of the growing season.

Pedigreed seed and organic pricing options

The Government of Saskatchewan recognizes the higher production costs and values associated with the increased quality of pedigreed seeds. Crop Insurance has worked with the seed industry and has identified three crops that would qualify for price factor updates. The price factor for barley, oats and field peas will increase from 1.2 times to 1.3 times the commercial price.

The Contract Price Option provides an insured price based on a producer's contract price and Crop Insurance's base price. To provide improved coverage to organic producers, the list of crops eligible under this option has been expanded to include organic: hard red spring wheat, hard white spring wheat, durum, Canada prairie spring wheat, winter wheat, Canada Western extra strong wheat, triticale, and fall and spring rye.

Experience discounts and surcharges

Producers with proven management capabilities will now have a greater chance to retain their 50% discount in successive claim years. The maximum number of credits or debits a producer can accumulate is now 16, up from 13.

The maximum number of credits a producer can earn or lose in one year is three. This means a producer with the maximum 50 % discount (16 credits) will not lose that discount unless they have two years with the maximum credit loss, as opposed to one year in the past.

Establishment benefits

The establishment benefit is a basic feature of Crop Insurance that pays a producer for crops that fail to establish by June 20.

Establishment payment levels are increasing this year and in the future will be reviewed annually.

For example, canola establishment payments will increase from \$25 to \$45 per acre. Large Kabuli chickpea establishment payments are increasing from \$30 to \$70 per acre.

Reinsurance options

Crop Insurance is working with a reinsurance broker to pursue options for sharing the risk of program losses with private reinsurance companies. This is done in most other jurisdictions across Canada and can be useful to help stabilize premium rates and share some of the program risk in significant loss years.

Premium discounts and incentives

The current program includes substantial premium discounts. These will be reinforced through efforts to increase program understanding.

New crop varieties

Crop Insurance has developed a healthy relationship with industry groups, with whom the corporation will continue work on establishing coverage for new crops.

Program understanding

Crop Insurance will re-connect with Saskatchewan producers through a refocused communication strategy.



Learn more

To learn more about 2009 insured crop prices, establishment payments, discounts and more, please see *Your Complete Guide to Understanding Crop Insurance*, visit our website at www.saskcropinsurance.com or contact your Saskatchewan Crop Insurance customer service office.

Assiniboia
1-888-935-0017

Davidson
1-888-935-0020

Estevan
1-888-935-0002

Humboldt
1-888-935-0026

Kindersley
1-888-935-0021

Leader
1-888-935-0011

Moose Jaw
1-888-935-0012

Moosomin
1-888-935-0005

North Battleford
1-888-935-0028

Preeceville
1-888-935-0015

Prince Albert
1-888-935-0018

Raymore
1-888-935-0016

Regina
1-888-935-0001

Rosetown
1-888-935-0019

Saskatoon
1-888-935-0024

Shaunavon
1-888-935-0010

Swift Current
1-888-935-0007

Tisdale
1-888-935-0014

Turtleford
1-888-935-0030

Weyburn
1-888-935-0003

Yorkton
1-888-935-0013

1-888-935-0000
www.saskcropinsurance.com