

## SCHEDULE C

### FORAGE PRODUCTION PLAN

This Schedule C, Forage Production Plan forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to insurance of forage crops.

1. This plan shall be reviewed each year and adjusted or cancelled according to a decision by the Board of the Corporation.
2. The plan is designed to offer basic (drought) disaster coverage for forage crops, and offers additional coverage for quality and production losses in hay and silage crops insured under the Forage Plus option.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
April 30	Application deadline	
	Required deposit	15 – 50% as per subsection 13(2)
	Perils insured against	See section 8
	Approved varieties	Varieties approved in Publication 100 or those approved by the Corporation.
June 5	Final planting date for spring sown forage crops	Acreage planted after June 5 will not be eligible for Stage I establishment coverage
	1. Forage Basic Indemnity Rate: (a) Basic Disaster (Drought) Coverage (weather derivative)	Insured Value (IV) $\$90 * 90\% = \$81$ Indemnity: 40% - if 25 or more consecutive days with <5 mm. total daily rainfall. AND<16 days with >5 mm. total daily rainfall 60% - if 30 or more consecutive days with < 5 mm. total daily rainfall AND<13 days with >5 mm. total daily rainfall 80% - if 35 or more consecutive days with < 5 mm. total daily rainfall AND<10 days with >5 mm. total daily rainfall
	Forage Basic Indemnity Rate: (b) Stage 1 indemnity for spring planted forage stands (30 days after planting)	Insured Value (IV) $\$90 * 90\% = \$81$ Maximum indemnity: >50% grass 20% of basic IV >50% clover 25% of basic IV >50% alfalfa 30% of basic IV
	2. Forage Plus Indemnity Rate: (a) Quality coverage (weather derivative)	Coverage Period: Silage—June 10 to June 30 Hay—July 05 to July 25 Unit Value \$150 - \$300 per acre (producer declared) Insured Value (IV) = declared Unit Value *90% Indemnity: 20% if three out of any five consecutive days in coverage period with daily total rainfall of 5mm. or more.
	Forage Plus Indemnity Rate: (b) Production Coverage (additional) (proxy crops)	Proxy crops - Barley — for one cut hay or silage Feed Wheat — for multiple cut hay or silage Insured Value(IV) — same as Quality Coverage Indemnity: IV * 90% - (weighted average actual yield/ weighted average probable yield) for 5 closest CI Clients LESS: Insured Value for Basic Disaster Coverage

### Forage Production Plan:

An application for the Forage Plan will consist of a signed application form, the required deposit and a detailed list of all fields to be insured. The detailed list of all fields shall include the location of each field, the size of each field (in acres or hectares) and the forage crop to be grown on the field. This list of fields will form the Final Acreage Report for the Forage Plan. No addition or deletion of fields will be allowed after the application deadline. (April 30<sup>th</sup>.) If more than one producer claims a single field the Corporation will remove this acreage from all contracts of insurance.

Pastureland is that land on which a forage crop is grown and is intended for grazing of livestock. Green manure land is that land on which a forage crop is grown for at least 100 days and on which the forage crop is to be plowed down as a green manure crop.

Hay and Silage land is land on which a forage crop is grown and from which a forage crop is harvested as livestock feed.

The Corporation shall compile weather data from all stations and shall calculate all indemnity payments. All indemnity payments shall include a calculation of the benefits paid and a summary of the weather records that triggered that payment. The insured shall have 30 days to appeal following the receipt of an indemnity payment. Those insured clients not receiving an indemnity payment shall have until January 30 to appeal.

The insured shall not be required to file a Proof of Loss nor a Production Summary. No Production to Count shall be recorded. However, a database which includes the details of the insurance contract shall be maintained so discounts or surcharges can be determined. Criteria for discounts and surcharges shall be those stated in Section 14.

### FORAGE BASIC:

- **The Forage Basic Option** provides **basic disaster (drought) coverage** for pasture, green manure, hay and silage crops. An Insured Value of (\$90 \* 90%) \$81 is offered for each acre insured under the plan. Indemnities are paid based on the lack of rainfall required to grow the crop, as recorded by weather stations situated in O'Leary, Tyne Valley, Kensington, Tryon, Johnston's River, Harrington, Dover, South Hampton and Souris. Fields are covered by the weather station chosen by the producer and the one closest to the farm operation. Indemnities are made based on weather records from the station identified for coverage. Weather records will determine the lack of rainfall and expected losses will be paid at 40%, 60% or 80% of the Insured Value. The coverage period for the Forage Basic Option is the period from June 1 until September 30 (122 days). In order for forage stands to be eligible for coverage, they must be in production at least 100 of the 122-day coverage period or until September 10 of the crop year.
- Establishment coverage is offered for those forage stands established in the spring of the insured year and included in the contract of insurance. This is protection against drought, excessive rain and diseases within the Stage I loss period (30 days after establishment) for establishing forage stands; indemnity payment as per Schedule C. Total indemnity payments made for drought and Stage I establishment losses in the Forage Basic Plan cannot exceed the stated Insured Value (\$81 per acre).

## **FORAGE PLUS:**

**The Forage Plus Option** is additional coverage to the Forage Basic Option and provides additional protection to hay and silage crops for lost quality and production. Hay and silage crops can be insured at a higher Unit Value, (\$150-\$300 per acre) selected by the insured and will receive additional protection for lost quality and yields. The Insured Value for this option shall be declared Unit price \*90%. Hay and silage acres can only be insured under one plan — either Forage Basic or Forage Plus but not both. The insured value selected under the Forage Plus Option must be at least \$135 per acre ( $\$150 * 90\%$ ) and it will establish the maximum insured value for hay and silage acres insured under this option. There are two types of coverage offered in this plan:

**(a) Quality Coverage:**

Hay and silage insured in the Forage Plus Plan will be covered for quality losses resulting from too much rain during the optimum harvest period. Losses will be expected to have occurred when 5mm or more of rain falls three days out of any five consecutive day period during the optimum harvest period identified for each forage crop in Schedule C. Indemnity payments will be made based on rainfall records recorded by the assigned weather station and indemnity payments will be 20% of the Insured Value.

**(b) Production Coverage:**

Hay and silage insured in the Forage Plus Plan will receive additional yield protection; over and above that offered in the Forage Basic Plan. Additional coverage is available by selecting a higher insured value in the Forage Plus plan. Yield losses will be calculated through proxy crops — single cut forages will be proxied against barley and multi-cut forages will be proxied against feed wheat. In both cases, the five nearest insurable crops will be compared to the actual yield for the same five insurable crops. When the weighted average actual yield is below the probable yield, it is expected that forage yields will have declined similar to the proxy crops. Indemnity payments will be calculated at 90% of the decline in the proxy crops yields \* Insured Value of the forage crop LESS insured value of the Forage Basic coverage.

Total Indemnity payments made in the Forage Plus Plan cannot exceed the maximum value of the crops insured; \$135 to \$270 per acre ( $\$150 * 90\%$  to  $\$300 * 90\%$ ).