

# Prince Edward Island Agricultural Insurance Corporation

## 2007 Production Insurance Agreement

### SUMMARY OF CHANGES FOR THE 2007 CROP YEAR

Section 1 (j) (ii) has been added to define a crop year for winter cereals.

Section 1 (m) has been added to define destruction of insurable crops.

Section 1 (ff) has been added to define a seedlot

Section 13 (7) has been changed to adjust the early payment discount for May from 4% to 3%.

Section 17 (1.1) (c) has been added to give the Corporation the option to waive the performance index adjustment when only one year of production data is available.

Section 18 (2) has been changed to increase the penalty for late filing of the Final Acreage Report from \$5 and \$1 for each day late to \$10 and \$2 for each day late.

Section 23 (3) has been added to establish salvage values for Stage I losses.

Schedule A, Part IV, Spring Grains has been modified by adding a Stage I salvage.

Schedule A, Part V, Potatoes has been modified;

- by adding a Stage I salvage.
- by adding to Section 3 the Corporation's right to adjust sales records
- by changing the adjustment factors for Section 3 (iii) and (iv)

Schedule A, Part VI, Rutabagas has been changed to establish December 20 as the final date for filing the Proof of Loss.

Schedule A, Part VII, Soybeans has been modified by adding a Stage I salvage.

Schedule A, Part IX, Winter Cereal Grains has been modified by adding criteria for salvage from Stage I and Stage II acres.

Schedule A, Part X, Grain Corn has been modified by adding a Stage I salvage.

Schedule A, Part XI, Silage Corn has been modified by adding a Stage I salvage

Schedule A, Part XIII, Elite Seed Potato Plan has been modified by adding text to clarify the coverage offered and to establish Stage I, Stage II and Stage III payouts.

Schedule A, Part XVIII, Carrots (Processing) has been modified by adding details for calculating the final production to count.

Schedule A, Part XXI, Whole Farm (Basket of ) Cereal Crops has been changed to identify full insured value off-setting.

Schedule C, Forage Production Plan has been modified;

- Forage Basic Indemnity rates have been changed to 25%, 50% and 75%;
- Forage Plus Coverage Periods have been increased by 5 days;
- Forage Plus Indemnity triggers have been increased from one trigger to three triggers;
- Forage Plus Indemnity formula has been changed to remove the Insured Value of the Forage Basic Plan;
- Forage Basic description has been modified to include provisions for additional weather stations and to clarify the selection and assignment of stations;
- Forage Plus description has been modified to provide a better description of Plus coverage;
- Quality Coverage description has been modified to include the three triggers;
- Production Coverage description has been modified to better explain the coverage and calculation of benefits;

Schedule F, Un-harvested Potato Acreage Benefit – Rider Option has been added as additional coverage for potatoes.

# AGRICULTURAL INSURANCE ACT

## GENERAL REGULATIONS

Pursuant to section 16 of the *Agricultural Insurance Act R.S.P.E.I. 1988, Cap. A-8.2*, the Board of the Prince Edward Island Agricultural Insurance Corporation, with the approval of the Lieutenant Governor in Council, made the following regulations:

1. In these regulations
- (a) “acreage” means the land area planted in a crop or variety, expressed in acres or hectares, and stated on the application form for a crop year; Definitions  
acreage
  - (b) “Act” means the *Agricultural Insurance Act R.S.P.E.I. 1988, Cap. A-8.2*; Act
  - (c) “annual index” for an insured in respect of a crop group, means the ratio between annual index
    - (i) the insured’s production to count in a crop year for the crop group, and
    - (ii) the average production to count for the province as a whole for the crop group and for that crop year;
  - (d) “Appeal Board” means the Appeal Board established under section 14 of the Act; Appeal Board
  - (e) “benchmark yield” is the simple average of the preceding five years’ provincial weighted average yield per acre for a crop or variety or is an average calculated by such means as is acceptable to the Board; benchmark yield,
  - (f) “Board” means the board of directors of the Corporation; Board
  - (g) “Corporation” means the Prince Edward Island Agricultural Insurance Corporation; Corporation
  - (h) “coverage level” means the percentage of the probable yield of a crop in any risk area or in any farm enterprise that is insured under an insurance scheme; coverage level
  - (i) “crop group” means the group of crops as set out in section 3; crop group
  - (j) “crop year” means crop year
    - (i) in the case of apples or wild blueberries, the period from December 1 in any year to November 30 in the following year,
    - (ii) in the case of winter cereals, the period is from November 1 in any year to October 31 of the following year,
    - (iii) in the case of strawberries, the period from December 1 in any year to June 30 in the following year, and
    - (iv) in the case of any other crop, the period from April 1 in any year to March 31 in the following year;
  - (k) “declared acreage” means, with respect to the crop year, the land area that the declared acreage

insured has planted in each crop or variety as declared in the Final Acreage Report for the year;

Department	(l) “Department” means the Department of Agriculture, Fisheries and Aquaculture;
destruction	(m) “destruction” means the disposal of insured crops by any means acceptable to the Corporation so that the crop can no longer be salvaged or marketed;
financial independence	(n) “financial independence” means the following are in the insured’s name: (i) operating credit, (ii) farm income and expense statement for tax purposes, (iii) invoices for inputs purchased, (iv) bill of sale for any crop insured (v) a valid GST rebate tax number;
guaranteed yield	(o) “guaranteed yield” means that yield for which insurance indemnity is available and is calculated for crop or variety by obtaining the product of the probable yield per acre and the percentage of coverage available subject to adjustments allowed herein;
insured	(p) “insured” means an individual, partnership, or corporation insured under a policy issued by the Corporation;
insured acreage	(q) “insured acreage” means the declared acreage, or a portion of the declared acreage, determined by the Corporation as the portion to be insured;
insurable crop	(r) “insurable crop” means an agricultural crop designated under section 3 as eligible to be insured under a policy;
insured value of the crop	(s) “insured value of the crop” means the maximum amount of indemnity payable to the insured for losses suffered in the production of an insured crop year, determined by the following formula: probable yield x coverage level x unit price OR coverage level x unit value Insured values for the forage, by-pass and storage program are specific to these plans.
loss ratio	(t) “loss ratio” means the ratio between the total indemnity paid to an insured for a crop category during the immediate preceding 10 crop years, and the total premiums collected on that crop category during the same time period from the insured and the Federal and Provincial Governments;
non-arm’s length relationship	(u) “non-arm’s length relationship” means a working relationship between (i) a husband and wife (including common-law spouses), (ii) a grandparent or parent and child (including step-parents and step-children), (iii) siblings (including step-siblings), (iv) a person and his or her brother-in-law or sister-in-law, (v) a partnership and its partners, or (vi) a corporation and its shareholders;
operationally dependent	(v) “operationally dependent” means that the applicant does not own or lease sufficient equipment to plant, grow and harvest a crop, but instead depends on custom work to the extent that it affects management control of the crop;

- (w) “optional coverage” means the level of compensation or unit price the insured elects to apply in his or her case; optional coverage
- (x) “performance index” for an insured in respect of a crop group, means the performance index, ratio between
- (i) the sum of the insured’s annual indexes for the crop group for each year that the insured has insured the crop group, divided by the number of crop years that the insured has insured the crop group, and
  - (ii) the average production to count for the province as a whole for that crop group and for the crop year that the crop group has been insured under the Act;
- (y) “policy” means a contract of production insurance issued to the insured by the Corporation, and includes policy
- (i) the completed application form,
  - (ii) the production insurance agreement or contract of production insurance,
  - (iii) the final acreage report of the insured,
  - (iv) the regulations,
  - (v) the statement of account, and
  - (vi) any amendment to any document referred to in sub-clause (i),(ii),(iii) or (v), and agreed on in writing by the Corporation and the insured;
- (z) “premium” means the insured’s share of the total premium, as calculated premium under sections 13 and 14, and using the appropriate premium rate stated in the statement of account;
- (aa) “probable yield” for each crop or variety means the insured’s weighted probable yield average production to count as determined herein, or by such means that the Board considers appropriate;
- (bb) “production” means the total units of insurable crop produced from acreage production declared and reported by the insured in the final acreage report for each crop year;
- (cc) “production insurance program” means a plan for production insurance production insurance program established by a production insurance agreement;
- (dd) “production to count” means the yield of a crop calculated by adding all crop production to count sales and inventory from all insured acres and then adjusting this gross production based on the crop’s intended or best use, by removing that portion of the yield affected by insured perils occurring before the harvest deadline and non-insured perils as determined by the Corporation;
- (ee) “rider” means any rider issued by the Corporation and forming part of the rider policy;
- (ff) “seedlot” means a potato crop or portion thereof that was produced from seedlot acres that were planted from a seed source that was inspected by the Canadian Food Inspection Agency and assigned a unique seed certification number.
- (gg) “unit price” means the product of the maximum price per unit of the insurable crop as established by the Board and approved by Agriculture and unit price Agri-Food Canada by means of their Unit Price Test and the percentage of optional coverage per unit as chosen by the insured;

weighted average	(hh) “weighted average” means the average yield as determined for a crop or variety by calculating the ratio of total production to count to the total planted acres for a given period of years using production to count records or benchmark yields.
Purpose	<b>2.</b> The purpose of a production insurance program is to provide for insurance against a loss of production on the designated insurable crops resulting from one or more of the perils designated in section 8.
Insurable crops	<p><b>3.</b> The following crops are designated as insurable crops for the purposes of the Act, these regulations and a production insurance agreement:</p> <ul style="list-style-type: none"> <li>(a) Russet Burbank potato;</li> <li>(b) Superior potato;</li> <li>(c) Kennebec potato;</li> <li>(d) Shepody potato;</li> <li>(e) Yukon Gold potato;</li> <li>(f) Russet baker varieties or other Russet potato varieties;</li> <li>(g) all other potato varieties;</li> <li>(h) barley;</li> <li>(i) grain corn, silage corn;</li> <li>(j) winter wheat;</li> <li>(k) mixed grain;</li> <li>(l) oats;</li> <li>(m) milling wheat;</li> <li>(n) brussel sprouts;</li> <li>(o) cabbages;</li> <li>(p) broccoli;</li> <li>(q) cauliflower;</li> <li>(r) rutabagas</li> <li>(s) wheat;</li> <li>(t) soybeans;</li> <li>(u) tobacco;</li> <li>(v) dry coloured beans;</li> <li>(w) white pea beans;</li> <li>(x) fall rye;</li> <li>(y) field peppers;</li> <li>(z) apples;</li> <li>(aa) wild lowbush blueberries;</li> <li>(bb) carrots;</li> <li>(cc) strawberries;</li> <li>(dd) forage;</li> <li>(ee) hybrid canola seed crops.</li> </ul>
Independent applicant	<b>4.</b> (1) For the purposes of the production insurance program, an applicant for a contract of insurance must be financially independent of all other farm businesses growing the same insurable crop.
Proof of financial independence	(2) If it appears that an applicant is not financially independent, it will be necessary for the applicant to prove financial independence.
<i>Idem</i>	(3) With respect to applications for contracts of insurance from corporations and partnerships, the financial independence of the shareholders or partners from other farm businesses growing the same insurable crop will be a factor in deciding

eligibility.

(4) If the applicant

(a) is operationally dependent on another insured; and

(b) has a non-arm's length relationship with that insured,

The records of the Corporation relating to both the applicant and the other insured may be used to determine the probable yield, the performance index for purposes of setting coverage levels and premium discount or surcharges and, where such a relationship exists, that person and the other insured will be deemed to be operationally dependent.

Operational  
dependence

5. (1) All fields of an insurable crop and all insurable crops including varieties grown on each field shall be properly identified and declared to the Corporation.

Identification

(2) The fields referred to in subsection (1) will be subject to measurement by the Corporation.

*Idem*

6. The premium prescribed under production insurance agreements is reduced by such payments as may be made by the Government of Canada under the *Farm Income Protection Act* (Canada) and by the province.

Premium

#### **OBLIGATION TO INSURE**

7. (1) The insured shall offer for production insurance all acreage of a group of insurable crops grown by him or her on land owned or used by the insured in the province, and the policy shall apply to the entire group of crops as follows:

Acreage

(a) all types and varieties of potatoes;

(b) all spring cereal grains, all protein feed crops and milling wheat;

(c) all types and varieties of edible beans;

(d) tobacco;

(e) all processing broccoli and cauliflower;

(f) rutabagas;

(g) all winter cereal grains;

(h) grain corn and silage corn

(i) field peppers;

(j) all Brussels sprouts and cabbage;

(k) apples;

(l) wild lowbush blueberries;

(m) carrots;

(n) strawberries;

(o) forage;

(p) hybrid canola seed.

(2) Before separate insurance contracts can be issued for a farm operation with multiple partners/owners (father/son, partnerships, corporations) or before production on a farm unit can be split, the insured must provide documents to prove financial independence. All criteria defined for financial independence must be met and must be consistent between programs administered by AIC and through out the production year or contracts and production will be combined and section 7 (1) enforced.

(3) The Corporation reserves the right to enforce section 7 at any time during the current crop year or in subsequent crop years, should it become evident that the conditions for financial independence were not met by the insured(s).

## PERILS COVERED

Perils	<p><b>8.</b> (1) Subject to the terms and conditions thereof, a production insurance agreement covers a production loss during the crop year caused by one or more of the following designated perils which pertain to that insurable crop or variety:</p> <ul style="list-style-type: none"><li>(a) insect infestation and plant disease;</li><li>(b) hail;</li><li>(c) frost;</li><li>(d) drought;</li><li>(e) excessive moisture;</li><li>(f) wind;</li><li>(g) any other unavoidable loss due to adverse weather conditions beyond the control of the insured;</li><li>(h) other designated perils which apply to individual crops and are set out in Schedule A in relation to these crops.</li></ul>
Exclusions, control programs	<p>(2) Notwithstanding clause 1(a), a production insurance agreement does not insure against a loss resulting from insect infestation or plant disease unless the insured person establishes that he or she followed a control program acceptable to the Department.</p>
Exclusion, alternative compensation	<p>(3) Notwithstanding clause 1(a), a production insurance agreement does not insure against a loss resulting from plant disease where compensation is provided from another source.</p>

## EXTENT OF COVERAGE

Period	<p><b>9.</b> (1) Subject to the Act and these regulations, a production insurance agreement is valid from the prescribed date of seeding until the prescribed final date for harvesting, as set out in Schedule A, unless an additional period of coverage is approved, in writing, by the Corporation.</p>
Harvested crops	<p>(2) All crops harvested up to and including the final date for harvesting will be insured for losses from designated perils.</p>
Storage	<p>(3) Those crops for which extended coverage is prescribed and permitted will be insured for losses from a designated peril from the prescribed final date for harvesting to December 20 of the crop year.</p>
Obligation to harvest	<p>(4) The insured shall harvest all insurable crops, unless written permission is received from the Corporation to do otherwise.</p>
Unharvested crop	<p>(5) Where the harvesting of the insurable crop cannot be completed on the date prescribed in Schedule A, the insured shall notify the Corporation and the Corporation shall determine the potential production for each variety of the unharvested acreage estimated from harvested production samples, and any losses occurring to the unharvested crop after the final date for harvesting will not be covered under the production insurance agreement.</p>
Time for harvesting	<p>(6) Where the Corporation determines that harvesting was prevented by one or more of the perils insured against, the Corporation may extend the time for harvesting for such period as it considers necessary.</p>

## EXCLUDED COVERAGE

**10.** (1) A production insurance agreement does not insure against, and no indemnity shall be paid in respect of, a loss in production of an insurable crop resulting from Exclusions

- (a) the negligence, misconduct, or poor farming practices of the insured or of agents or employees of the insured;
  - (b) a peril other than the perils designated in section 8 for that insurable crop;
  - (c) crops contaminated with diseases or conditions held unacceptable by the insurer that existed prior to the date of application for insurance coverage;
  - (d) failure to meet minimum acceptable seed standards specified in Schedule A for that insurable crop;
  - (e) the use of poor quality or diseased seed which does not meet the minimal acceptable seed standards as specified in Schedule A for each insurable crop;
  - (f) a shortage of labour or machinery;
  - (g) insurable crops planted or harvested after the final date for planting or harvesting as set out in Schedule A;
  - (h) insect infestation or plant disease, unless the insured established, to the satisfaction of the Corporation, that measures recommended by the Department for control of such infestations or diseases were performed;
  - (i) the use of any variety of crop that is not registered by the Canadian Food Inspection Agency for use in Atlantic Canada or otherwise specifically approved by the Corporation;
  - (j) mechanical damage that cannot be linked to a specific peril, but is a result of rough or abusive handling; and
  - (k) excessive miss due to faulty planting equipment.
- (l) losses to un-harvested production that occur after the final harvest deadline or to production in storage after the final date for filing a Proof of Loss.

(2) The insured must notify the Corporation of any problems with an insured crop (Notice of Loss) and the insured must receive written permission from the Corporation before any insured acres or stored production can be destroyed. Failure to notify the Corporation, destruction of an insured crop prior to receiving permission from the Corporation or destruction of a crop before the Corporation has verified the crops to be destroyed or the destruction thereof, shall eliminate all insurance coverage on that portion of the crop. (refer to Section 19)

(3) A production insurance agreement does not insure against, and no indemnity shall be paid in respect of, a loss in production of an insurable crop from any planted acreage that is subject to the production insurance agreement and in respect of which the insured, during the term of the production insurance agreement, contravenes a provision of Contravention of certain Acts

- (a) the *Environmental Protection Act* or its regulations;
- (b) the *Pesticides Control Act* or its regulations; or
- (c) the *Agricultural Crop Rotation Act* or its regulations.

## INSURABLE INTEREST AND ASSIGNMENT

**11.** Notwithstanding that a person other than the insured holds an interest of any kind in an insurable crop, Insurable interest

- (a) the interest of the insured in the insurable crop is deemed to be the insured value of the crop; and

(b) subject to section 12, no indemnity shall be paid to any person other than the insured.

Assignment

**12.** The insured may assign all or part of his or her right to indemnity under a production insurance agreement in respect of the insurable crop, but an assignment is not binding on the Corporation and no payment of indemnity shall be made to an assignee, unless

- (a) the assignment is made on a form acceptable to the Corporation; and
- (b) the Corporation gives its consent to the assignment in writing.

### **APPLICATION AND PREMIUMS FOR PRODUCTION INSURANCE**

Last date for application

**13.** (1) An application for production insurance shall be accepted, and a production insurance agreement shall be entered in to and signed by the Corporation and the insured, if:

- (a) the Corporation receives a signed application before the application deadline for each program,
- (a) the required deposit accompanies the application,
- (b) the Corporation receives a copy of the signed agreement
- (d) after initial review the application appears to meet all regulations stated in the agreement.

A Final Acreage Report shall be considered as part of the application for the Forage program.

A signed copy of the Agreement must be received by the Corporation no later than May 31 of the crop year for a valid contract of insurance to exist.

Deposit

(2) An application shall not be accepted unless it is accompanied by a deposit of 15 to 50% of the estimated premium, based on the following criteria:

- (a) 15% if full premium and interest for the preceding crop year was paid by December 31 of that year;
- (b) 25% if full premium and interest for the preceding crop year was paid during the subsequent month of January;
- (c) 30% if full premium and interest for the preceding crop year was paid during the subsequent month of February;
- (d) 35% if full premium and interest for the preceding crop year was paid during the subsequent month of March;
- (e) 50% if full premium and interest for the preceding crop year was paid after the subsequent month of March;
- (f) all premium and interest owing on insured crops from any previous year must be paid in full and a 50% deposit will be required before an application will be accepted for the new crop year.

Total premium

(3) The total premium shall be calculated by applying established rates to the insured value of each crop using methodology recommended by an actuary and approved by Agriculture Agri-Food Canada's Insurance Division on an annual basis and subject to adjustments pursuant to Section 15 and Subsection 18(3) of these regulations.

Insured's premium

(4) The insured's premium is calculated by applying the insured's share to the total

premium. The deposit, required with the application, is calculated by applying the deposit requirement stated in Section 13 (2) to the insured's share of total premiums. Failure to provide the required deposit at the time the application is submitted shall result in cancellation of the agreement.

NSF bank charges of \$40 shall be charged to the insured when NSF (Non Sufficient Funds) checks are submitted as payment of the required deposit or premiums.

(5) The remainder of the premium owing, after the deposit has been paid, is due and payable by the insured by June 30 of that crop year to which the production insurance agreement applies.

Date premium  
balance due

(6) Interest, at a rate determined by the Board, shall be paid by the insured for the balance of the premium that is outstanding at the end of July and at the end of any subsequent month.

Interest on premium  
balance outstanding

(7) The Corporation will provide a discount for the early payment of premiums above the required deposit at the rate of 3% for payment received on or before May 31, and 2% for payment received on or before June 30 of the crop year.

Discount

(8) The insured has 30 days after the application deadline to reconsider the policy and if an insured chooses to terminate the policy, a written request must be received by the Corporation prior to the expiry of the 30-day period, and on receipt of the written request the production insurance will be cancelled and any deposit paid for the insurance will be forfeited to the Corporation.

Termination

(9) Premiums or any other moneys due to the Corporation will be deducted from indemnities paid.

Premiums

**14.** (1) The Corporation will provide a premium discount or surcharge based on the insured's relative loss ratio (RLR) which applies to groups of crops as follows:

Discount or  
surcharge

- (a) all types and varieties of potatoes;
- (b) all cereal grains, grain corn, silage corn and protein feed crops;
- (c) all types and varieties of edible beans;
- (d) tobacco;
- (e) all types and varieties of cole crops;
- (f) rutabagas;
- (g) field peppers;
- (h) apples;
- (i) wild lowbush blueberries;
- (j) carrots;
- (k) strawberries;
- (l) forage;
- (m) hybrid canola seed.

(2) The insured's relative loss ratio is the ratio between the loss ratio for the individual insured and the loss ratio for the province as a whole for that group of crops in the same insured years.

Relative loss ratio

(3) The discount or surcharge will be calculated as follows:  
(a) for insureds with a loss ratio based on fewer than five years of insurance history, the discount or surcharge percentage will be equal to

Calculation

$$(RLR - 1) \times N \times .1$$

(where N = number of years insured);

Discount and surcharges shall be capped at 10% per year, for the first five years;

(b) for insureds with a loss ratio based on five or more years of insurance history, the discount or surcharge percentage will be equal to

$(RLR - 1) \times 5 \times .1$ ;

In the above calculations, a result less than zero represents a discount from the base premium rate, and a result greater than zero represents a surcharge on the base premium rate.

Maximum discounts or surcharge	(4) In no case may the discount or surcharge calculated under subsection (3) exceed (a) 10% of the base premium amount, in the case of an insured with a loss ratio based on one year of insurance history; (b) 20% of the base premium amount, in the case of an insured with a loss ratio based on two years of insurance history; (c) 30% of the base premium amount, in the case of an insured with a loss ratio based on three years of insurance history; (d) 40% of the base premium amount, in the case of an insured with a loss ratio based on four years of insurance history; or (e) 50% of the base premium amount, in the case of an insured with a loss ratio based on five or more years of insurance history.
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#### **YIELD CALCULATIONS AND PRODUCTION REPORTING**

Production summary	<b>15.</b> The insured shall complete and file a production summary at the end of harvest and no later than December 20 of the crop year stating the total production units per variety and an estimate of production to count.
Benchmark yields	<b>16.</b> The Corporation shall establish benchmark yields for each insurable crop or variety on an annual basis.
Probable yield	<b>17.</b> (1) The probable yield calculation for each crop or variety shall be a weighted average of the insured's own production to count based on all insurable acres grown by the insured for that crop or variety during the most recent ten-year period.
<i>Idem</i>	For the purpose of calculation, Probable Yield = total production to count for all eligible years/total acres grown for all eligible years.
Benchmark yield	(1.1) Where no insured's data is available during the most recent ten-year period, a provincial benchmark yield for the insurable crop will be used to establish the insured's probable yield and (a) if no insured's data is available on the crop or any related crops within the group as specified in subsection 14(1), the insured's probable yield is equal to the benchmark for the insurable crop; and (b) if the insured's data is available on other crops, the Corporation may adjust the benchmark if the insured's performance index for the other crops is more than 15% above or below the provincial average. (c) the Corporation may waive the application of the performance index when the index has been calculated using one year of production data.

Any insured or those wishing to insure may provide historical production data and these production figures may be entered in to the insured's production history and used in the probable yield calculations if :

(a) all crops grown in the years to be supplied are included in the data, 12

- (b) yield and acreage information is verified to the satisfaction of the Corporation ,
- (c) yield history provided is for consecutive years dating back from the present crop year.

(1.2) Where fewer than five years of insured market yield data is available for the crop, the probable yield calculation will be supplemented with a provincial benchmark yield value, that being,  $(\text{Benchmark yield} + [N \times \text{weighted average yield}] / (N + 1))$ , where N is the number of years for which an insured's production to count records are available (usually insured years), and weighted average yield is calculated for the crop as the ratio of total production to count to total planted acres during the years for which production to count records are available. *Idem*

(1.3) Where industry yields increase over time resulting from improvements in technology, a trend adjustment factor may be added to the calculated probable yield, but any trend adjustment will not apply until after the probable yield calculation includes ten years of insured production to count data. *Trend adjustment factor*

(2) Subject to subsection (3), the following coverage levels, expressed as percentages, are to be multiplied by the insured's probable yield or unit value per acre to determine the guaranteed yield or total insured value for each crop, variety or plan: *Guaranteed yield*

- (a) 70%, for crops not previously insured or with insufficient production data;
- (b) 60%, 70%, 80% and 90%, for all types and varieties of potatoes;
- (c) for carrots and hybrid canola seed,
  - (i) 70%, in any case other than the one referred to in subclause (i), or
  - (ii) 80%, where the insured has provided to the Board the field data required by the Board for the past three years;
- (d) for strawberries or wild lowbush blueberries, 70% or 80%, at the insured's option;
- (e) for all other crops,
  - (i) 80% or 90% of the probable yield, at the insured's option, where the fully loaded premium rate is 9% or less, and
  - (ii) 70% or 80% of the probable yield, at the insured's option, where the fully loaded premium rate is greater than 9%;
- (f) for apple trees, insurable value with 3% deductible based on an assessment of the long-term historical loss.

(3) The coverage level for apple trees is equal to the number of trees subject to the insured's policy. *Apple trees*

(4) The guaranteed yield shall be adjusted for any acres of an insurable crop planted after the prescribed final planting date and the Corporation shall reduce the guaranteed yield on such acreage by 2% for each day the acreage was planted after that date. *Adjustment*

(5) The final planting dates are those listed in Schedule A, and any acreage of a crop planted later than ten days after final planting date is not eligible for insurance. *Ineligible acreage*

### FINAL ACREAGE REPORT

**18.** (1) The insured shall complete and file with the Corporation, not later than June 30 of the crop year or July 31 in the case of cole crops and rutabagas, a final acreage report, and the report shall be on a form approved and provided by the Corporation *Final acreage report*

setting out the insured's declared acreage and providing such other information as the Corporation may require.

For the Forage program the final acreage reports shall form part of the application and shall be filed by the application deadline. For the Potato Storage Plan a Final Inventory Report shall be filed within 20 days of the final date for filing a Proof of Loss for potatoes.

Service charge for late filing (2) For all program other than the Forage program a service charge shall be charged for late filing of the final acreage report based on a late fee of \$10 plus \$2 for each day the report is overdue.

Adjustments (3) Where the planted acreage listed on the application form is less than or greater than the declared acres on the final acreage report, the guaranteed production will be adjusted to reflect the change in acreage, and the premiums will be adjusted accordingly and a new statement of account will be issued to reflect the changes in guaranteed yield and premium charges. Acres listed on the Forage program final acreage report shall be considered as the final insured acres unless they are adjusted by the Corporation.

Verification (4) The Corporation reserves the right to check or measure any or all acreage by an acceptable means in order to verify the declared acres and adjust the guaranteed yield and premiums accordingly.

Cultural practices (5) The insured shall produce and harvest the insurable crop following cultural practices recommended by the department or listed in the most recent version of the "Atlantic Provinces Crop Guide".

### NOTICE OF LOSS and PERMISSION to DESTROY

Notice of loss **19.** (1) Where loss or damage to an insurable crop results from one or more of the perils insured against and the damage was occasioned at a readily ascertainable time, the insured shall notify the Corporation, in writing, within five days of such time.

Abandonment etc. of damaged crop (2) Where loss or damage to an insurable crop results from one or more of the perils insured against and the insured intends to abandon or destroy the insured crop to re-seed or to use the seeded acreage for another purpose (Stage I), to abandon or destroy the insured crop prior to harvest (Stage II), or to destroy production after harvest (Stage III);

(a) the insured shall notify the Corporation, in writing, of such intention and shall take no further action without the written consent of the Corporation;

(b) the Corporation shall respond with a field inspection and written reply within three working days from the time the notice is received.

© written consent can be given by an agent of the Corporation by completing a Permission to Destroy form provided by the Corporation;

After receiving a Permission to Destroy form the insured shall notify the Corporation of the time and date when the insured crops are to be destroyed and shall allow an agent of the Corporation access to the abandoned acres or inventory in order to monitor the destruction. Failure to notify the Corporation shall eliminate coverage on that portion of the insured crop.

All crops and or inventory identified in the Permission to Destroy form must be

destroyed and the Corporation must establish a final production to count before an indemnity is paid.

(3) Where loss or damage to an insurable crop results from one or more of the perils insured against and it appears to the insured that the potential production of the insurable crop will be less than the total guaranteed production, the insured shall notify the Corporation, in writing, within such time prior to the harvesting of the insurable crop that will enable the Corporation to make a pre-harvest inspection of the insurable crop. Inspection after notice

(4) Notwithstanding any notice given by the insured under this section, where, on completion of harvesting of an insurable crop, the actual production or production to count of the insurable crop appears to be less than the total guaranteed production, the insured shall notify the Corporation immediately. Notice where production is less than guaranteed production

(5) Where the insured has failed to notify the Corporation of any loss not later than 20 days after completion of harvesting or, in the case of insurable storage losses for potatoes, by December 20, of the crop year, whether the failure to notify is to the prejudice of the Corporation and whether the loss is apparent by that date, no indemnity shall be payable and no premium shall be refunded. No indemnity for loss reported after December 20

(6) Notice of Loss are not required for the Forage program and the Corporation shall determine losses from weather data collected from each station.

### PROOF OF LOSS

**20.** (1) A claim for the indemnity in respect of an insurable crop shall be made on a proof of loss form provided by the Corporation, and, unless the Corporation gives written permission to delay filing, shall be filed with the Corporation not later than 20 days after completion of harvesting of the insurable crop, with the exception of insurable storage losses for potatoes for which a claim may be filed until December 20. A Proof of Loss is only required for Stage I losses for insurable crops enrolled in the Forage Plan. Proof of loss

(2) Subject to subsection (3), a claim for indemnity shall be made by the insured. Claim

(3) A claim for indemnity may be made *Idem*  
(a) in the case of the absence or inability of the insured, by the agent of the insured; or  
(b) in the case of the absence or inability of the insured or the failure or refusal of the insured to do so, by an assignee under an assignment made in accordance with section 12.

### INDEMNITY

**21.** (1) The indemnity payable for loss or damage to an insured crop shall be determined in the manner prescribed herein for the insured crop or group. *Idem*

(2) The Corporation may cause the production of an insured crop to be appraised by any method that it considers proper. Appraisal

(3) The loss in respect of an insured crop and the amount of indemnity payable shall be determined separately for each insured crop. Each crop determined separately

Conditions (4) No indemnity shall be paid for a loss in respect of an insured crop unless the insured establishes to the satisfaction of the Corporation that

- (a) the actual production to count obtained from the insured crop for the year is less than the guaranteed yield;
- (b) the loss resulted directly from one or more of the perils set out herein for that crop or variety; and
- (c) the insured discovered and reported the loss as required in Section 19.

Evaluation of loss 22. (1) For the purposes of determining the loss of production in a crop year and the indemnity payable, the insured value of the crop shall progress through the steps described in sections 23, 24 and 25.

The insured shall use all reasonable procedures available in order to mitigate (minimize) losses in all stages of crop production. The Corporation may limit its liability at any stage if it determines that the loss has been established and that extending the management of the crop will only increase the losses. A production to count signed off by the insured or a production to count assigned by the Corporation at the end of the coverage period shall establish the maximum liability unless written permission is granted by the Board to extend the adjusting period.

Insured value (2) The insured value per acre is calculated by multiplying the insured's guaranteed yield by the unit price of the insurable crop.

Stage I indemnity 23. (1) A Stage I indemnity shall apply within the following time periods and the amount of the indemnity will be based on the prescribed percentage of the insured value:

Crop	Time Period after completion of seeding	Insured Value
Carrots	the first 30 days	30%
Cereals (spring)	the first 30 days	30%
Cole Crops	the first 30 days	30%
Dry Beans	the first 30 days	30%
Potatoes	the first 30 days	30%
Rutabagas	the first 30 days	20%
Soybeans	the first 30 days	30%
Grain corn and silage corn	the first 30 days	30%
Field peppers	the first 30 days	30%
Hybrid Canola Seed	the first 30 days	30%
Forage	the first 30 days	
	>50% grass	20%
	>50% clover	25%
	>50% alfalfa	30%
	<b>Time Period from completion of seeding</b>	
Cereals (winter)	to May 25	30%
Tobacco	to June 21	6%

Stage I claim (2) With the exception of tobacco and subject to subsection (1), where a loss or damage occurs to the insurable crop from one or more of the perils covered under the policy and the Corporation permits a Stage I claim, in writing, the production insurance on the affected acreage shall be deemed to be cancelled, and the insurable

crop on that portion of acreage must be destroyed.

(3) When a Stage I loss has been approved but the insured does not destroy the existing crop but replants directly over the initial stand, thus, salvaging a portion of the inputs, the Corporation may adjust the Stage I indemnity rate from that stated in subsection 1. Specific replanting adjustments shall be noted in the Schedule A details or crop note. Re-planting and Salvage

(4) Where a crop eligible for production insurance is replanted, it must be reinsured, subject to adjustments, and the obligation to insure all acreage. Replanting

(5) For tobacco, a Stage I claim may occur when there is more than 50% frost damage and insurance will continue on the affected acres when replanted throughout Stage II and Stage III. Tobacco

**24.** (1) A Stage II period applies to claims on un-harvested acres and starts immediately after completion of Stage I and ends at harvest. Stage II

(2) The maximum insured value for an insurable crop under Stage II is as follows: Maximum insured value

<b>Crop</b>	<b>Insured Value</b>
Carrots	40 - 60%
Cereals (spring)	50 - 80%
Cereals (winter)	50 - 80%
Cole Crops – broccoli	60%
- cauliflower	45 & 60%
Dry beans	50 - 80%
Grain corn and silage corn	50 - 80%
Field peppers	40 - 60%
Potatoes	50 - 75%
Rutabagas	40 - 65%
Soybeans	50 - 80%
Tobacco	50 - 70%
Strawberries (winter kill losses) for years 1 and 2 of production	45%
Strawberries (winter kill losses) for year 3 of production	25%
Strawberries (blossom damage)	30%
Wild lowbush blueberries	50 or 65%
Hybrid Seed Canola	50 - 80%

(3) Gross production from all Stage II acres must be destroyed prior to processing the Stage II claim unless written permission to do otherwise is received from the Corporation. Destruction

(4) Where loss or damage occurs in Stage II, the Corporation will provide an indemnity up to the maximum insured value percentage specified in subsection (2), and the insured value percentage will fall in the range as indicated in subsection (2) as calculated by using a sliding scale, based on the number of days to maturity of the crop, as indicated in Schedule A. Indemnity

(5) Where loss or damage occurs in Stage II and the insured concludes that part or all of the remaining crop is salvageable and marketable, the indemnity will be paid at the Stage III level as prescribed in section 25, provided the insured harvests the Indemnity—marketable salvage

affected acres, stores the harvested crop in acceptable storage facilities for the minimum of three weeks, and submits proof that buyers have been contacted and have rejected the crop.

Loss of apple trees (6) Where loss or damage in respect of insurable apple trees occurs in Stage II due to an insured peril, the Corporation will provide an indemnity at the insured value for the lost or damaged trees, less a deductible equal to 3% of the number of insurable apple trees after the trees have been removed.

Time of payment (7) Subject to subsection (8), indemnity payments for all Stage II claims will be withheld until it is determined that the loss is offset by possible excess yield in the remaining Stage III acreage, but if a Stage III loss is evident or the Stage II claim represents a large percentage of the total acreage, the Corporation may decide to pay a portion of the Stage II indemnity when the Proof of Loss is completed.

Late blight (8) The Corporation will pay a Stage II claim without offset by potential excess yield from remaining Stage III acres where  
(a) late blight is positively identified on 5% or more of a crop in an area of 1.0 acre or more planted in potatoes;  
(b) the crop is top-killed within seven days of the positive identification of late blight and ten days before the maximum days for the Stage II sliding scale have been reached based on the Maturity Class for the insured variety as specified in Schedule A, Part V, Potatoes; Potatoes; Part XIII, Elite Seed Potato Plan; and  
(c) the affected area is made non-harvestable by discing or similar action.

*Idem* (9) Final production to count must be determined before a Stage II claim can be completed, with the exception of Stage II acres as defined in subsection (8).

Stage III **25.** (1) A Stage III period applies to claims on harvested acres, and in cases where weather conditions within a regional services centre district are such that the majority of the crop cannot be harvested, then the Board may extend the final date for harvesting within any given district.

Final indemnity (2) A final indemnity under Stage III occurs where the production to count is less than the guaranteed yield for that crop or variety, and shall be calculated by multiplying the difference between the guaranteed yield and the production to count by the unit price, except tobacco and field peppers where the final indemnity for Stage III losses in tobacco and field peppers is calculated by using a sliding scale as indicated in Schedule A.

Determination (3) For tobacco crops, the production to count and guaranteed production shall include all acres insured, but for all other insurable crops, the production to count and guaranteed yield shall include all acreage, except acreage included in Stage I.

Storage (4) The insured shall store the different insurable crops or potato varieties that have been harvested separate from each other, and shall keep these insurable crops or potato varieties separate from crops produced by other farm businesses growing the same crop, so that the Corporation can measure production to count and adjust a loss.

*Idem* (5) No indemnity shall be payable for an insurable crop stored in contravention of subsection (4).

(6) Gross production from all Stage III acres that have been written off by the Corporation must be destroyed prior to processing a Stage III claim unless written permission to do otherwise is received from the Corporation.

## PAYMENT OF INDEMNITY

26. (1) Except as otherwise provided in the endorsement for an insurable crop, an offer of indemnity under a production insurance agreement shall be made by the end of the crop year in which the loss or damage was sustained. Time for payment
- (2) The Corporation may pay, in part or in full, an indemnity under a production insurance agreement before the date on which it is due. Idem
- (3) The Corporation reserves the right to deduct all monies owed to the Corporation from an indemnity payment before it is issued to the insured.
- (4) Total indemnity payments shall never exceed 100% of the insured value of the crop.

## MISREPRESENTATION

27. Where, in respect of an insurable crop, the insured: Misrepresentation
- (a) wilfully makes a false statement or provides documents that wrongfully state the financial and or operational independency of the insured;
  - (b) in the application for insurance or other documentation provided, gives false particulars of the insurable crop to the prejudice of the Corporation or knowingly misrepresents or fails to disclose any fact required to be stated therein;
  - (c) contravenes a term or condition of the production insurance agreement;
  - (d) commits a fraud;
  - (e) wilfully makes a false statement in respect of a claim under the production insurance agreement,

The policy will be deemed to be terminated, all premiums shall be deemed to have been earned by the Corporation, any claim for indemnity by the insured will be invalid, and the right to recover thereunder will be forfeited.

Where the Corporation finds at a later date that an insured falsely stated or misrepresented his position with respect to a contract of insurance or an indemnity payment the Corporation shall file claim for repayment of all indemnities deemed to be unearned.

## WAIVER OR ALTERATION

28. (1) No term or condition of the production insurance agreement or of a rider shall be waived or altered in whole or in part by the Corporation, unless the waiver or alteration is clearly expressed in writing and signed by the Board or a representative authorized for that purpose by the Corporation. Alterations
- (2) The Corporation reserves the right to change the terms and conditions of the production insurance agreement from year to year without obtaining the consent of the insured. Idem
- (3) Notwithstanding subsection (2), the insured will be notified of any changes to the production insurance agreement before the enrolment deadline for the crop year in which the changes are to be in effect, and those changes are deemed to be part of the policy for that crop year. Notice

Adjustments (4) The Corporation reserves the right to make additional adjustments for insured and non-insured perils.

### APPEAL OF A DECISION

Appeal **29.** Where the Corporation and the insured fail to resolve any dispute respecting the adjustment of a loss under the production insurance agreement, the insured may appeal in accordance with the Act and these regulations.

Notice of appeal **30.** (1) Where any person is aggrieved by a decision of the Corporation or its officers or agents in respect of a dispute arising out of the adjustment of losses, that person may, within 30 days from the final coverage date for a contract of insurance or within 30 days of the date of a written decision, (whichever is later) appeal to the Board by serving written notice of the appeal on the Board .

Hearing (2) Within 30 days of written notice being served on the Board, the Board shall hear the appeal and render a decision.

Final order (3) A decision made under subsection (2) is deemed to be a final order or finding of the Board.

Appeal to Appeal Board **31.** (1) Where any person is aggrieved by a final order or finding of the Board, that person may, within 30 days of the issuance of such final order or finding, appeal to the Appeal Board by serving written notice of the appeal on the Appeal Board.

Content of notice of appeal (2) Every notice under subsection (1) shall

- (a) contain a statement of the matter being appealed;
- (b) indicate the date that the notice is sent as well as the signature of the person making the appeal;
- (c) specify any error of fact in a final order or finding of the Board to which the appellant takes issue;
- (d) specify any reason why the final order or finding of the Board is not appropriate;
- (e) specify any other evidence that might affect the decision of the Appeal Board; and
- (f) provide any other information the Appeal Board may require.

Materials (3) On receipt of a notice under subsection (1), the Appeal Board shall

- (a) notify the Corporation and the Board of the notice received and the Board shall provide the Appeal Board and the person making the appeal with all relevant final orders, findings, regulations, documents and other material in its possession; and
- (b) require the Board to submit to the Appeal Board and the appellants a report which shall be in writing, signed by the chairperson of the Board and delivered to the Appeal Board members.

Report (4) The report shall include

- (a) the text of the complaint;
- (b) a statement summary of the findings of the Board indicating whether or not the Board has properly carried out its mandate under the Act and the regulations;
- (c) a statement summary of the facts that establishes that the Board was carrying out its mandate properly;
- (d) a statement of the position of the Board; and
- (e) any other information the Appeal Board may require.

- (5) In any appeal under subsection (1), the Appeal Board shall, within seven days after the notice referred to in subsection (1) is received, serve notice upon the person making the appeal of the date, time and place at which the appeal will be heard. Notice of hearing
- (6) The Appeal Board shall hear and decide any appeal under subsection (1) within 30 days after the notice of appeal is received, but the Appeal Board may, at the request of the person making the appeal, adjourn the hearing from time to time for such period or periods of time as the Appeal Board considers necessary. Decision within thirty days
- (7) At any hearing of an appeal under this section, the person making the appeal has the right to attend and make representations and to give evidence respecting the appeal either by himself or herself or through legal counsel. Rights of appellant
- (8) At any hearing of an appeal under this section, the Board or its appointed representative has the right to attend and make representations and to give evidence respecting the appeal either by its directors or through legal counsel. Rights of Board
- (9) The decision of the Appeal Board is final and binding on all parties and no appeal lies therefrom. Decision binding
- (10) The Appeal Board shall, within 10 days after the hearing is completed, serve notice of its decision to all parties of the appeal. Notice of decision

### **SUBROGATION**

- 32.** (1) Where the Corporation has paid a claim under the production insurance agreement, the Corporation is subrogated to the extent thereof to all rights of recovery of the insured against any person, and may bring action in the name of the insured for the full amount to enforce those rights. Subrogation
- (2) Where the Corporation is liable to pay a claim under the production insurance agreement but the insured has been compensated for the loss by another party, the Corporation being subrogated to the rights of the insured may take such third party compensation into account when determining the Corporation's liability for compensation to the insured. Third party payments

### **RECORDS AND ACCESS**

- 33.** The insured agrees that the Corporation has a right of entry to the premises of the insured, which right may be exercised by the Corporation or its agents at any reasonable time for any purpose related to the policy. Right of entry

No person shall obstruct, or hinder or knowingly make any false or misleading statements either orally or in writing to an officer or agent of the Corporation engaged in the performance of their duties or while lawfully carrying out the enforcement of the Act or regulations.

An insured client shall give an officer or agent of the Corporation all reasonable assistance to enable the officer or agent to carry out the duties or function described in the Act or regulations and shall furnish all information reasonably required to administer the Act or regulations.

When an insured client refuses to provide assistance, furnish required information or obstructs an officer or agent of the Corporation to the extent that a final production to count cannot be determined for an insured crop, the Corporation shall assign the

guaranteed yield for all affected crops and terminate the contract of insurance.

Records Access **34.** (1) The Corporation may, at any time, require the insured to keep or cause to be kept such records as it may prescribe for any insurable crop.

Access (2) The Corporation may, at any time, require the insured to produce or make available such records it considers pertinent to the policy, and any person designated by the Corporation shall have access to such records and to the land on which the crops are grown at any reasonable time for the purpose of determining matters related to the policy.

Information (3) The insured shall, within 15 days of being requested to do so by the Corporation, provide the information requested in subsection (1) or (2).

*Idem* (4) Information collected for the purpose of this program may be used by the Corporation to verify or cross reference relevant information required for, or from, other programs that are administered and delivered by the Corporation.

### **SERVICE**

Service **35.** (1) Any written notice to the Corporation shall be served by hand delivery to an agent of the Corporation or to the office of the Corporation in Charlottetown, or by sending it by mail to the address of the Corporation at P.O. Box 1600, 29 Indigo Crescent, Charlottetown, P.E.I., C1A 7N3.

*Idem* (2) Any written notice to the insured shall be served by hand delivery to the insured, or by sending it by mail addressed to the insured at the last mailing address for the insured on file with the Corporation.

Revocation **36.** The *Agricultural Insurance Act* Regulations (EC282/94) are revoked.

Commencement **37.** These regulations come into force on April 1<sup>st</sup>, 2007

## SCHEDULE A

### PART I - COLE CROPS (processing broccoli and cauliflower)

This Schedule A, Cole Crops (Processing Broccoli and Cauliflower) Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to broccoli and cauliflower crops for processing.

Notwithstanding subsection 24(2) of these regulations, the insured may elect to insure broccoli and cauliflower at the 80% coverage level.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Approved varieties and quality of transplants	Varieties as recommended by the processor and the Corporation. Transplanting or direct seeding will be permitted; however, transplants must be uniform and free of disease or insects. Transplants from single cell trays are preferable.
May 1 - Aug. 10	Transplanting acceptable range for broccoli	Broccoli must be transplanted within this period; direct seeding must be completed by June 15.
May 1 - Aug. 10	Transplanting acceptable range for cauliflower	Cauliflower must be transplanted within this period; direct seeding must be completed by June 15.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 30% of insured value (section 23).
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is: For broccoli - 60% of insured value; for cauliflower (before covering 50% or more of the heads) - 45% of insured value; for cauliflower (after covering 50% or more of the heads) - 60% of insured value (section 24).
	Stage III indemnity rate (harvested crop)	Maximum indemnity is: 70% of insured value if less than 30% of the heads are harvested; 85% of insured value if 30-60% of the heads are harvested; and 100% of the insured value if more than 60% of the heads are harvested.
	Final date for harvest	Not applicable - determined by planting date and processor.
<b>Dec. 5</b>	<b>Final date for filing PROOF of LOSS in writing</b>	
<p>(1) Production to count is measured in pounds of leafless head and includes all quantity and grades of product accepted by the processor.</p> <p>(2) To qualify for an indemnity on a crop that was not harvested because it was too mature, i.e., bypassed areas, the producer must provide evidence that the bypassing resulted from an insurable peril.</p>		

## PART II - DRY BEANS

This Schedule A, Dry Beans Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to dry beans.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Seed quality standard	Minimum 80% germination rate
	Approved varieties	White pea bean and coloured edible bean varieties recommended by the Department or the Corporation.
June 12 June 22	Final planting date	Probable yield reduced by 2% per day after June 12. Acres planted after June 22 are not eligible for insurance.
Stage I indemnity rate (30 days after planting)		Maximum indemnity is 30% of insured value (section 23).
Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III		Maximum indemnity is an 80-day sliding scale from 50 to 80% of insured value (section 24).
Stage III indemnity rate (harvested crop)		Indemnity equals the shortfall in production at the unit price (section 25).
Oct. 30	Final date for harvest	Subsequent field losses are at the insured's risk.
Nov. 20	Final date for filing <b>PROOF of LOSS</b> in writing	
<p>Production to count means the amount of the harvested crop meeting one or more of these specific quality standards:</p> <p>(1) For the purpose of calculating production to count all weights will be recorded in metric tonnes. Metric tonnes = 2,204 lbs</p> <p>(2) The insured's production will be adjusted by the Corporation based on records, delivery receipts and samples taken and evaluated.</p> <p>(a) For crop sales, delivery receipts will be used to provide the total production, provided the production was graded in a manner acceptable to the Corporation. The Corporation reserves the right to adjust sales data to determine a final production to count. Net weights after the pick and moisture adjustment will be used to determine a production to count.</p> <p>(b) For crops in storage, the Corporation will determine actual production by multiplying bin or pile measurements by the conversion factors to determine production in metric tonnes. Gross production will then be adjusted by samples and visual inspection to produce a production to count. Adjustments for pick and moisture will be made for all production to be sold for processing and adjustments for normal cullage allowed for that production to be used for seed.</p>		

### PART III - COLE CROPS (Cabbage and Brussels Sprouts)

This Schedule A, Cole Crops (Cabbage and Brussels Sprouts) Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to cole crops.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Approved varieties	Varieties recommended by the Department, the Corporation or those listed in the Atlantic Provinces Vegetable Guide.
July 1 July 11	Final planting date — brussels sprouts	Probable yield reduced by 2% per day after July 1. Acres planted after July 11 are not eligible for insurance.
July 10 July 20	Final planting date — cabbage	Probable yield reduced by 2% per day after July 10. Acres planted after July 20 are not eligible for insurance.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 30% of insured value (section 23).
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is 75-day sliding scale from 50 to 75% of insured value (section 24).
	Stage III indemnity rate (harvested crop)	Indemnity equals the shortfall in production at the unit price.(section 25).
Nov. 15	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Dec. 5</b>	<b>Final date for filing PROOF of LOSS in writing</b>	
<p>Production to count means the amount of the harvested crop meeting one or more of these specific quality standards:</p> <p>(1) For the purpose of calculating production to count, all quantities will be recorded in pounds for brussels sprouts and bushels for cabbage (1 bushel = 50 pounds).</p> <p>(2) (a) The insured's production will be adjusted by the Corporation based on records, delivery receipts and samples taken and evaluated.</p> <p>(b) For crops in storage, the Corporation will determine actual production by multiplying bin or pile measurements by the conversion factor. Gross production will then be adjusted by samples and visual inspection to produce a production to count. Adjustments will be made for all acceptable cullage, any losses as a result of an insurable peril covered under the plan and for losses approved by the Corporation as a result of the end use of the production.</p> <p>(3) Statements from the processor will be the main source of sales data with tolerances and defects allowed by the processor taken into account. The Corporation reserves the right to make additional adjustments for insured and non-insured perils.</p> <p>Determination of Stage II and Stage III acres: The percentage of crop harvested on individual fields or on the entire insured acres is equal to the Stage III acres and all remaining un-harvested production shall be considered as Stage II acres.</p>		

### PART IV - SPRING GRAINS

This Schedule A, Spring Grains Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to spring grains.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per Subsection 13(2)
	Perils insured against	See section 8
	Seed quality standard	Minimum 80% germination rate
	Approved varieties of barley, wheat & oats	Those listed in the Atlantic Provinces Field Crop Guide, Publication 100A, or any other variety approved by the Corporation.
June 5 June 15	Final planting date	Probable yield reduced by 2% per day after June 5. Acres planted after June 15 are not eligible for insurance.
Stage I indemnity rate (30 days after planting)		Maximum indemnity is 30% of insured value (Section 23). Replanted acres maximum indemnity 20% - Subsection 23(3)
Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III		Maximum indemnity is a 60-day sliding scale from 50 to 80% of insured value (section 24). Stage II acres harvested as baled forage or silage after the final harvest deadline shall be assigned a salvage value and the indemnity payment shall be 65% of the insured value
Stage III indemnity rate (harvested crop)		Indemnity equals the shortfall in production at the unit price (section 25).
Sept. 15 Sept. 25	Barley - Final date for harvest All others - Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Oct. 5</b>	<b>Barley - Final date for filing PROOF of LOSS in writing</b>	
<b>Oct. 15</b>	<b>All other cereal grains - Final date for filing PROOF of LOSS in writing</b>	

Production to count means the amount of the harvested crop meeting one or more of these specific quality standards:

For the purpose of calculating production to count, the following conversion factors may be used:

MT = metric tonnes = 2,204 pounds

For grain stored in bins - 1 cubic foot equals 0.8 bushels

For grain sold off farm, the sales weight adjusted for moisture before dockage (MT) will be used.

All grain weights will be adjusted to the standard moisture content when wet weights are provided.

Adjusted weight = (actual weight) x (100 - actual moisture content) / (100 - standard moisture content)

Production to count means total production before dockage with a moisture adjustment expressed in metric tonnes. This production will be considered production to count whether sold or fed on farm.

Crop	Bushel Weight	Standard Moisture %
Barley	48 lbs.	15.5
Feed wheat	60 lbs.	14.5
Milling wheat	60 lbs.	14.5
Mixed grain	40 lbs.	14.0
Oats	34 lbs.	14.0

## PART V – POTATOES

This Schedule A, Potatoes Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to potatoes.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8, including bacterial ring rot, hollow heart, scab and growth cracks.
	Seed class required to be eligible for production insurance	All insured acres must be planted with seed lots that are foundation or higher classification and meet the <i>Plant Health Act</i> standards for post-harvest virus test results.
<b>Final Planting date by variety according to maturity rating</b>		
June 6 June 16	Very late, i.e. Russet Burbank, Century Russet, Butte, Sebago and Ranger Russet	Probable yield reduced by 2% per day after June 6. Acres planted after June 16 are not eligible for insurance.
June 12 June 22	Late, i.e. Green Mountain, Snowden	Probable yield reduced by 2% per day after June 12. Acres planted after June 22 are not eligible for insurance. Probable yield reduced by 2% per day after June 18. Acres planted after June 28 are not eligible for insurance.
June 18 June 28	Medium, i.e. Kennebec, Shepody, Frontier Russet, Yukon Gold, Russet Norkotah, Goldrush,	Probable yield reduced by 2% per day after June 24. Acres planted after July 4 are not eligible for insurance.
June 24 July 4	Early, i.e. Superior, Hilite Russet, Norland	
If mechanical planting miss is greater than 6% , the guaranteed yield will be adjusted on all affected acres by the difference between the average miss and the 6% tolerance.		
Stage I indemnity rate (30 days after planting)		Maximum indemnity is 30% of insured value (section 23). Replanted acres; maximum indemnity 20% - Subsection 23(3)
Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III, except in late blight cases meeting conditions in subsection 24(8).		Maximum indemnity is a sliding scale from 50 to 75% of insured value (section 24) based on: Maturity Class Days to Maturity Max Days for Sliding scale Late & Very Late: 120-140 days 90 days Medium: 110-120 days 80 days Early: 70-110 days 60 days
Stage III indemnity rate (harvested crop)		Indemnity equals the shortfall in production at the unit price (Section 25).
Oct. 25	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Dec. 20</b>	<b>Final date for filing PROOF of LOSS in writing</b>	

#### PART V - POTATOES - PRODUCTION TO COUNT

“Production to count” means the yield of a crop calculated by adding all crop sales and inventory from all insured acres and then adjusting this gross production based on the crop’s intended or best use, by removing that portion of the yield affected by insured perils occurring before the harvest

deadline and non-insured perils as determined by the Corporation;

Any or all of the following specific quality standards may be used to determine the final production to count:

- (1) For the purpose of calculating production to count (cwt) the following conversion factor will be used: one hundred pounds of potatoes displaces two and one half cubic feet, or, cubic feet x .4 = cwt.
- (2) The Corporation shall adjust crops based on their identified or best use;
  1. processing potatoes identified for delivery on a processing contract shall be adjusted to processing standards
  2. seed potatoes grown and stored as seed and those that have passed seed inspection by CFIA shall be adjusted as seed potatoes. Subject to Section (6) below
  3. potatoes grown for the tablestock market shall be adjusted based on Canada #1 grade standards for a dry, unwashed pack on the tablestock market as of the final coverage date of December 20 in the crop year. Market price and market availability shall not be considered in the final adjustment.

Adjustments shall be made for all insurable perils and non-insurable perils as determined by the Corporation. The insured may request additional adjustments up to the end of the appeal period or January 20<sup>th</sup>, whichever is later, provided the insured provides sales records or other documents to verify specific cullage rates.

(3) The insured's production shall be adjusted by the Corporation based on records, delivery receipts and samples taken and evaluated. For each variety of potatoes listed in *Section 3*, the production to count (cwt) for indemnity purposes shall be determined by:

(a) adding all crop sales for each variety as recorded on delivery receipts, provided the total production was graded in a manner acceptable to the Corporation. All sales are recorded as production to count regardless of the price received or the expenses incurred to grade, store, transport and/or market the product. The Corporation reserves the right to adjust total cullage, claimed on the sales records, for all insurable and for non-insurable perils as determined by the Corporation based on the intended or best use of the product.

Adjustments used to establish a Production to Count shall be as follows:

- (i) export sales, Canada #1 sales (table and seed), processing potato sales for french fries and chips, and specialized markets for sales to restaurants shall be counted as 100% production to count,
- (ii) Canada #2 sales shall be adjusted to count as 35% production to count,
- (iii) sales of Russet Burbank and Shepody potatoes for processing into dehydrated granules or formed product (e.g. hash browns) shall be adjusted to count as 25% production to count,
- (iv) sales of varieties other than Russet Burbank and Shepody for processing into dehydrated granules or formed product (e.g. hash browns) shall be adjusted to count as 20% production to count,
- (v) sales of small potatoes for soups and salads shall be adjusted to count as 20% production to count,
- (vi) sales of cull potatoes for cattle feed shall be adjusted to count as 0% production to count, and

(b) for crops in storage, the Corporation shall determine actual production by multiplying bin or pile measurements by the conversion factor. Gross production shall then be adjusted by samples and visual inspection to produce a production to count. Adjustments shall be made for all insurable peril covered and for non-insurable perils as determined by the Corporation based on the intended or best use of the product.

(4) To determine the production to count, the following tolerances shall be used for non-insurable perils:

4. a 3% tolerance for mechanical bruise and injury;

5. a 0% tolerance for rocks, clay or other such defects;
6. a 1% tolerance for sunburn unless the insured can prove that approved management practices were applied and the damage was caused by weather conditions or an insurable peril beyond the control of the insured.

The Corporation shall also apply the following:

7. scab damage shall be adjusted according to the Canadian Food Inspection Agency's Fresh Fruit and Vegetable Regulations for Seed and Tablestock and/or the tolerance accepted by the processor.
  - (b) inventory diverted or sold under any Government-sponsored programs shall be included as sales and the gross yields shall be adjusted to determine production to count.

(5) The criteria stated by the Canadian Food Inspection Agency in its Fresh Fruit and Vegetable Regulations and the minimum requirements in the *Plant Health Act* shall be used as the basis to adjust production for seed and tablestock and those criteria set up by the processors to determine a pay weight shall be used as the basis to evaluate losses for processing potatoes. Additional adjustments may be made by the Corporation in order to adjust for insurable and non-insurable perils and to determine a production to count.

(6) The post-harvest virus test results and the Canadian Food Inspection Agency's final Seed Potato Certification will be used as the basis for determining the end use of seed production from insured acres unless other criteria can be identified that changes the end use of this production. Contracts for processing or agreements for processing will be accepted as proof of processing.

#### **Adjusting Potatoes for Bacterial Ring Rot (BRR)**

When a Bacterial Ring Rot (BRR) case, either positive or contact, is identified on an insured farm by the Canadian Food Inspection Agency (CFIA) the following adjusting procedures shall be followed:

8. all seedlots shall be decertified to tablestock,
9. all contracts shall be adjusted or re-adjusted to establish a production to count based on a tablestock or processing end use.

The final production to count for all insured potato crops on an infected farm shall be calculated using the standards established for processing or tablestock potatoes. The additional cost of grading, transporting, marketing or clean-up as well as the marketability of the infected crop are not insurable costs and shall not be considered in the final adjustment.

## **PART VI – RUTABAGAS**

This Schedule A, Rutabagas Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to rutabagas.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8, including scab and brown heart
	Seed quality standard	Minimum 80% germination rate
	Approved varieties	Varieties as recommended in the Atlantic Provinces Fruit and Vegetable Guide.
June 30 July 10	Final planting date	Probable yield reduced by 2% per day after June 30. Acres planted after July 10 are not eligible for insurance.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 20% of insured value (section 23).
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is a 70-day sliding scale from 40 to 65% of insured value (section 24).
	Stage III indemnity rate (harvested crop, i.e. proportional to quantity harvested if the crop is harvested in multiple pullings)	Indemnity equals the shortfall in production at the unit price (section 25).
Nov. 15	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Dec. 20</b>	<b>Final date for filing PROOF of LOSS in writing</b>	

Production to count means the amount of the harvested crop meeting one or more of these specific quality standards:

- (1) For the purpose of calculating production to count, sales volumes or inventory will be expressed in bushels or pounds (lbs). 1 bushel = 50 lbs.
- (2) The insured's production will be adjusted by the Corporation based on records, delivery receipts and samples taken and evaluated.
- (3) The criteria stated by Agriculture and Agri-Food Canada in their Fresh Fruit and Vegetable Regulations will be used as the basis to adjust gross production. Additional adjustments may be made by the Corporation in order to adjust for insurable and non-insurable perils and to determine production to count.  
Root maggot damage will be considered an insurable peril if the insured applied acceptable control measures or was enrolled in a crop scouting program and followed the recommendation of the crop scout for control.
- (4) Cultivation and drenching are considered to be part of a minimal management program.

Determination of Stage II and Stage III acres:

The percentage of crop harvested on individual fields or on the entire insured acres is equal to the Stage III acres and all remaining un-harvested production shall be considered as Stage II acres.

## PART VII – SOYBEANS

This Schedule A, Soybeans Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to soybeans.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Seed quality standard	Minimum 80% germination rate
	Approved varieties	Varieties listed in the Field Crop Guide for Variety & Pesticide Selection for the Atlantic Provinces, Publication 100A, or any other variety approved by the Corporation.
June 12 June 22	Final planting date	Probable yield reduced by 2% per day after June 12. Acres planted after June 22 are not eligible for insurance.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 30% of insured value (section 23). Replanted acres; maximum indemnity 20% - Subsection 23(3)
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is a 80-day sliding scale from 50 to 80% of insured value (section 24).
	Stage III indemnity rate (harvested crop)	Indemnity equals the shortfall in production at the unit price (section 25).
Oct. 30	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Nov. 20</b>	<b>Final date for filing PROOF of LOSS in writing</b>	
<p>Production to count means the amount of the harvested crop meeting one or more of these specific quality standards:            For the purpose of calculating production to count, the following conversion factors may be used:                MT = metric tonnes = 2,204 pounds                For soybeans stored in bins - 1 cubic foot equals 0.8 bushels                For soybeans sold off farm use the net sales weight before dockage (mt)            All soybean weights will be adjusted to the standard moisture content when wet or roasted weights are provided.            Adjusted weight = (actual weight) x (100 - actual moisture content) / (100 - standard moisture content)            Production to count means total production before dockage with a moisture adjustment expressed in metric tonnes. This production will be considered production to count whether sold or fed on farm.            - Soybeans : Bushel Weight = 60 lbs. Standard Moisture % = 14 %</p>		

## PART VIII – TOBACCO

This Schedule A, Tobacco Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to tobacco.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Approved varieties	Varieties approved and recommended by the Corporation.
June 20 June 30	Final planting date	Probable yield reduced by 2% per day after June 20. Acres planted after June 30 are not eligible for insurance.
Stage I indemnity rate (30 days after planting)		Maximum indemnity is 6% of insured value (section 23).
Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III		Maximum indemnity is a 55-day sliding scale from 50 to 70% of insured value (section 24).
Stage III indemnity rate (harvested crop)		Indemnity equals the shortfall in production at the unit price (section 25). Yield adjustment will increase from 71% - 100% at the rate of 1% per day during harvest. Adjustment is 100% at completion of harvest.
Sept. 27	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Dec. 20</b>	<b>Final date for filing PROOF of LOSS in writing</b>	

Production to count means all saleable production sold from the farm. Production units will be expressed in pounds.

For the purpose of calculating production to count (lbs.), the following conversion factor may be used:

- (1) actual sales weight of flue-cured tobacco in lbs. that has been graded and sold
  - contract lbs. = gross weight less terra
  - 4lbs. of nondescript tobacco will equal 1lb. of production to count.
  - every 1lb. bulk sales at the farm gate will represent 1lb. of production to count.
  - 1lb. of broadleaf (cigar) tobacco is deemed equal to 1.5 lbs. of flue-cured tobacco.

(2) the insured actual production shall be adjusted by the Corporation based on records and delivery slips.

## PART IX - WINTER CEREAL GRAINS

This Schedule A, Winter Cereal Grains Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to winter cereal grains.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
Oct. 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Seed quality standard	Minimum 80% germination rate
	Approved varieties	all varieties recommended in the Atlantic Provinces Crop Production Guide, Publication 100.
Sept. 30 Oct. 10	Final planting date —	Probable yield reduced by 2% per day after Sept. 30. Acres planted after Oct 10 are not eligible for insurance.
	Stage I indemnity rate (last day is May 25)	Maximum indemnity is 30% of insured value (section 23). Replanted acres maximum indemnity 20% - Subsection 23(3)
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is a 80-day sliding scale from 50 to 80% of insured value (section 24). Stage II acres harvested as baled forage or silage after the final harvest deadline shall be assigned a salvage value and the indemnity payment shall be 65% of the insured value
	Stage III indemnity rate (harvested crop)	Indemnity equals the shortfall in production at the unit price (section 25).
Sept. 25	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Oct. 15</b>	<b>Final date for filing PROOF of LOSS in writing</b>	

Production to count means the amount of the harvested crop meeting one or more of these specific quality standards:

For the purpose of calculating production or production to count, the following conversion factors may be used:

MT = metric tonnes = 2,204 pounds

For grain stored in bins - 1 cubic foot equals 0.8 bushels

For grain sold off farm, use the net sales weight before dockage (MT)

All grain weights will be adjusted to the standard moisture content when wet weights are provided.

Adjusted weight = (actual weight ) x (100 - actual moisture content) / (100 - standard moisture content)

Production to count means total production before dockage with a moisture adjustment expressed in metric tonnes. This production will be considered production to count whether sold or fed on farm.

Standard	Bushel Weight	Moisture %
Fall Rye	56 lbs.	14.0
Winter Wheat	60 lbs.	14.5

## PART X - GRAIN CORN

This Schedule A, Grain Corn Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to grain corn.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Seed quality standard	Minimum 85% germination rate
	Approved varieties	All varieties recommended in the Atlantic Provinces Crop Production Guide, Publication 100, or any other variety approved by the Corporation.
May 12 May 22	Final planting date — Mid Season	Probable yield reduced by 2% per day after May 12. Acres planted after May 22 are not eligible for insurance.
May 25 June 4	Final planting date — Short Season	Probable yield reduced by 2% per day after May 25. Acres planted after June 4 are not eligible for insurance.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 30% of insured value (section 23). Replanted acres maximum indemnity 20% - Subsection 23(3)
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is a 120-day sliding scale from 50 to 80% of insured value (section 24).
	Stage III indemnity rate (harvested crop)	Indemnity equals the shortfall in production at the unit price (section 25).
Oct. 30	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Nov. 20</b>	<b>Final date for filing PROOF of LOSS in writing</b>	

### PRODUCTION TO COUNT FOR GRAIN CORN:

For the purpose of calculating production or production to count, the following conversion factors may be used: MT = metric tonnes = 2,204 pounds

For grain corn stored in bins - 1 cubic foot equals 0.8 bushels

For grain corn sold off farm, use the net sales weight before dockage (MT)

All grain corn weights will be adjusted to the standard moisture content when wet weights are provided.

Adjusted weight = (actual weight) x (100 - actual moisture content) / (100 - standard moisture content)

Production to count for grain corn means the total production before dockage, with a moisture adjustment expressed in metric tonnes. This production will be considered production to count whether sold or fed on farm.

Standard	Crop	Bushel Weight	Moisture %
	Grain corn	56 lbs.	15.5%

## PART XI - SILAGE CORN

This Schedule A, Silage Corn Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to silage corn.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Seed quality standard	Minimum 85% germination rate
	Approved varieties	All varieties recommended in the Atlantic Provinces Crop Production Guide, Publication 100, or any other variety approved by the Corporation..
June 1	Final planting date	Probable yield reduced by 2% per day after June 1.
June 10		Acres planted after June 10 are not eligible for insurance.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 30% of insured value (section 23). Replanted acres maximum indemnity 20% - Subsection 23(3)
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is a 120-day sliding scale from 50 to 80% of insured value (section 24).
	Stage III indemnity rate (harvested crop)	Indemnity equals the shortfall in production at the unit price (section 25).
Oct. 30	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Nov. 20</b>	<b>Final date for filing PROOF of LOSS in writing</b>	

### **PRODUCTION TO COUNT FOR SILAGE CORN:**

Production to count for silage corn means the amount of the harvested crop measured in metric tonnes.

MT = metric tonnes = 2,204 pounds.

Industry standard for silage corn is 66% moisture.

1) For the purpose of calculating production or production to count, the volume of silage corn stored in a horizontal silo shall be determined by using the formula:

Length x width x average height x compaction factor x 40 lb./cu.ft. / 2,204 = tonnes corn silage.

Compaction factor =  $0.7615 + (0.016613 \times \text{height}) + (.0056095 \times \text{width})$

2) For the purpose of calculating production or production to count for silage corn, the volume of silage corn stored in a vertical or upright silo shall be determined using the formula:

Diameter x diameter x height x 0.8 x compaction factor x 0.907 = tonnes corn silage

Compaction Factor = Factors from Corn Silage Compaction Table for upright silos.

If cone shaped - take average height and add to depth.

3) For the purpose of calculating production or production to count for the volume of silage corn blown into a wagon shall be determined by using the formula;

Length x width x average height x 25 lbs. / 2,204 = tonnes silage corn.

4) For the purpose of calculating production or production to count for silage corn, the equivalent volume of silage corn from grain or high moisture ear cob corn (HMEC) shall be determined using the following conversion factors:

1 tonne grain corn = 7 tonnes corn silage / 1 tonne HMEC corn = 4 tonnes corn silage

## PART XII - WHOLE FARM POTATO PLAN

This Schedule A, Whole Farm Potato Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contain supplementary information specific to potatoes.

1. The purpose of this plan is to provide an option to select full yield offset between ALL potato crop groups insured and the associated reduction in premium rates depending on the mix of crops grown.
  - (a) for the Whole Farm Potato Plan, the production guarantee equals the sum of the individual variety production guarantees for each crop group;
  - (b) indemnity is payable only if actual total production for all crop groups is less than the production guarantee as described in clause 2(a).
2. The plan is restricted to insured growing two or more of the varieties recognized as individual crops for the purpose of production insurance. Crop groups are those defined in section 3.
3. The reduction in premium rates will be established using methodology recommended by an actuary and approved by Agriculture Agri-Food Canada and will be restricted to the attached tables applicable for 1997/98, and subsequent years.
4. The insured must select one coverage level and one level of unit price (i.e.: high; medium; low) for all crops insured under this plan.

## WHOLE FARM POTATO CROP PLAN RIDER - DISCOUNT TABLE

(60, 70, 80 & 90% coverage)

% Probable Yield Major or Dominant crop group

% Probable Yield Secondary crop group

**PERCENT REDUCTION in the BASIC PREMIUM RATE based on the PROPORTIONAL PRODUCTION of the DOMINANT and SECONDARY CROP GROUP GROWN**

% Probable yield

GROUP	From		From									
	Dominant crop	Secondary crop group	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40-45	45-50
25-30%	46	45	43	42	40	39						
30-35%	45	43	42	41	40	38	37					
35-40%	43	41	40	39	39	37	37	37				
40-45%	40	39	39	38	37	36	36	36	35			
45-50%	38	37	37	36	35	35	35	34	33	31		
50-55%	35	35	34	34	34	34	33	32	31			
55-60%	32	32	32	31	32	32	31	30				
60-65%	29	29	29	29	29	29	28					
65-70%	25	25	25	26	26	26						
70-75%	22	22	23	23	23							
75-80%	18	18	19	19								
80-85%	14	15	15									
85-90%	10	11										
90-95%	0											

## PART XIII - ELITE SEED POTATO PLAN

This Schedule A, Elite Seed Potato Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific for qualifying elite seed potato producers.

1. The purpose of this plan is to provide elite seed potato producers with the option to insure elite seed potatoes as a separate crop at higher Unit Prices.
2. To qualify under this plan, proof of seed class and post-harvest virus test results may be required to be submitted with the application, and all acres that are or will be registered for seed certification with the Canadian Food Inspection Agency (CFIA) during the crop year and meet the requirements and obligations under that program must be insured under this plan.
3. The final planting date for crops insured under this plan are:
  - (a) May 31 for early varieties (70 - 110 days to maturity);
  - (b) May 26 for medium varieties (110 - 120 days to maturity); and
  - (c) May 19 for late and very late varieties (120 - 140 days to maturity).The guaranteed yield shall be adjusted as prescribed in subsection 17(4).
4. Producers may elect coverage of 70%, 80% or 90% of the probable yield for all elite seed insured under this plan.
5. The probable yield for elite seed potatoes is determined by multiplying the probable yield figures for table and processing potatoes with the following factors;

The factors used to calculate probable yield are the number of growing days for the crop or variety divided by the maximum numbers of days needed to grow that crop or variety to maturity. The growing days shall be the number of days from planting to the date; top kill is applied, tops are chopped or the crop is destroyed or harvested.

Early varieties	(90 days)	Growing days /90 = Top Kill Factor (%)
Medium varieties	(100 days)	Growing days /100 = Top Kill Factor (%)
Late varieties	(120 days)	Growing days /120 = Top Kill Factor (%)

### **Top Kill Factor must be < 100%**

6. To reflect the added risks, the premium rate for a crop insured under this plan shall be 130% of the premium rate for the same crop insured at the same level of coverage for table and processing potatoes.

The premium deposit required with the application shall be based on the insured value calculated at the time the application is submitted and will be based on the assigned probable yield, 100% maturity factor and the coverage and unit prices selected by the insured. The final premium due; will adjusted for late planted acres and top kill factor.

7. To qualify for coverage in this program, all insured acres must be planted with seed identified as Nuclear (mini tubers), Pre-Elite, Elite-I, Elite-II, Elite-III or Elite-IV and:
  - (a) the seed lot planted must:
    - (i) have been planted with seed with a post-harvest virus test results which show 1 % or less PLRV and 3% or less total virus (PVY and PLRV), and
    - (ii) must pass the first CFIA seed inspection after June 30 of the crop year, or when the tops average at least 10" of growth, whichever is later,
  - (b) the insurance coverage on any acres that did not meet all requirements under clause (a) or (b) will be changed to Part V- Potatoes. Coverage on these acres shall be offered at 80% and at the high unit price, or at the level at which the non-seed portion of the crop was insured.

8. The unit price selected depends on the class of seed planted and cannot exceed the maximum unit price for regular potatoes by more than the following factors:

- (a) 15.0 for Nuclear (mini tubers) seed planted and expected to be harvested as Pre-Elite;
- (b) 5.0 for Pre-Elite or better seed planted and expected to be harvested as Elite-I;
- (c) 2.5 for Elite-I or better seed planted and expected to be harvested as Elite-II;
- (d) 2.0 for Elite-II or better seed planted and expected to be harvested as Elite-III;
- (e) 1.5 for Elite-IV or better seed planted and expected to be harvested as Foundation;
- (f) 1.0 for Foundation or better seed planted and expected to be harvested as table or processing potatoes.

9. In order for an entire potato seedlot or a portion thereof, to receive quality coverage for high post-harvest virus levels the seedlot must have retained a seed classification of foundation or better and must have been topkilled or chopped and be completely dead by August 18 of the crop year.

10. (1) Stage I is the period from planting until 30 days after planting:

(a) Stage I acres destroyed within 30 days of planting and shall receive an indemnity of 30% based on the insured value as calculated at the time the application was submitted and will be based on the assigned probable yield (100% top Kill Factor) and the coverage and unit prices selected by the insured.

Notwithstanding, requirements for seed inspection as outlined in Sub-section 7(ii) do not apply to Stage I losses.

(b) Stage I acres replanted to potatoes shall receive a maximum indemnity of 20% - Subsection 23(3)

(2) Stage II is the period from 30 days after planting and extends until the crop is killed, tops are chopped or just before the crop is destroyed or harvested.

Stage II acres destroyed due to an insurable peril shall qualify for an indemnity of 75% of the insured value calculated at the time of destruction. The insured value shall be calculated using the probable yield, as identified in Section 4 above and the coverage and unit prices selected by the insured..

(3) Stage III is the period after the crop has been harvested.

(a) Any portion of the insured seed crop that was completely dead August 18 (as stated in section 9 above) shall be fully covered for high post-harvest virus levels, loss of expected seed class and all other insurable losses.

(b) Any insured seed crop or portion thereof that was NOT completely dead by August 18 shall NOT be eligible for losses as a result of high post-harvest virus test levels.

Any seedlot NOT completely dead by August 18 shall be eligible for an indemnity payment if:

(i) after second or third inspection the Canadian Food Inspection Agency (CFIA) certifies a seedlot to a level below the expected seed class. Indemnities will be calculated using the selected insured value LESS the production value for the harvested crop or;

(ii) a seedlot is un-saleable and has a zero production to count because of an insurable peril. Indemnities will be calculated at the selected insured value; subject to offsetting within the Elite Seed Plan, or;

(iii) a seedlot is un-saleable as seed due to an insurable peril but the production can be salvaged for the tablestock market. Indemnities will be calculated at the selected insured value LESS the production value for the tablestock crop at the high unit price. The production value for tablestock shall be established according to the regulations set out in Schedule A, Part V, Potatoes. . Indemnity payments are subject to offsetting within the Elite Seed Plan.

11. Production to count recorded for the Elite Seed Plan shall be adjusted back to a full yield equivalent.

12. (1) Full insured value off-setting shall be applied to groups insured within the Elite seed Plan.

(2) Excess production in Part XIII - Elite Seed Potato Plan will not offset a shortfall in production in Part V- Potatoes, or vice versa.

## **PART XIV - ORGANIC CROPS**

This Schedule A, Organic Crops Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to organically grown crops.

1. If an insured changes from producing crops using standard management practices to using organic management practices, the probable yield calculation will be adjusted as follows:
  - (a) the benchmark yield for the crop will be reduced to 60% of the calculated benchmark yield for all new producers;
  - (b) historic production to count for the insured will for the applicable crop group be adjusted to
    - (i) 50% of the originally recorded values for the applicable crop group if the insured's performance index is less than 50%,
    - (ii) 60% of the originally recorded values for the applicable crop group if the insured's performance index is greater than 50% but less than 75%,
    - (iii) 70% of the originally recorded values for the applicable crop group if the insured's performance index is greater than 75% but less than 100%,
    - (iv) 80% of the originally recorded values for the applicable crop group if the insured's performance index is greater than 100%.
2. The insured must be certified by a Certification Agency which adheres to the Canadian Organic Advisory Board standards.

For purposes of expressing the insurance coverage for organic crops on the Statement of Account, the acres of organic production will be converted to the non-organic coverage. The converted acres will be combined with any other similar crop group with full offsetting of yields.

## PART XV - FIELD PEPPERS

This Schedule A, Field Peppers Crops Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to field peppers.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Approved varieties	Varieties as recommended by the Atlantic Provinces Fruit and Vegetable Guide or any other variety approved by the Corporation.
June 20 June 30	Transplanting acceptable range	Probable yield reduced by 2% per day after June 20. Acres transplanted after June 30 are not eligible for insurance.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 30% of insured value (section 23).
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is 50-day sliding scale from 40 to 60% of insured value (section 24).
	Stage III indemnity rate (harvested crop allowing)	Indemnity equals the shortfall in production at the unit price (section 25). The Stage III guarantee will increase from 61% - 100% of insured value at the rate of 1% per day during harvest. The Stage III guarantee will be 100% of insured value at completion of harvest.
Oct. 12	Final date for harvest	Subsequent field losses are at the insured's risk.
Dec. 5	Final date for filing PROOF of LOSS in writing	
Production to count is measured in pounds of peppers delivered to the market.		

## PART XVI – APPLES

This Schedule A, Apples Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to apple trees and apple production.

### SECTION A - Apple Tree Insurance

1. The purpose of this plan is to provide insurance for apple trees damaged as a result of the following perils:
  - (a) wind;
  - (b) winter injury, excluding mouse damage;
  - (c) snow;
  - (d) ice;
  - (e) virus diseases;
  - (f) canker;
  - (g) fireblight (*erwinia amylovora*).
2. The crop year for tree insurance is the period from December 1 in any year to November 30 of the following year.
3. The application deadline for apple tree insurance is November 30 prior to the start of the crop year.
4. Coverage under this plan shall be based on the following table of insurable values per tree, considering tree age and type or planting density:

Tree Density -Type	Tree age in years after planting						Maximum Age
	1	2	3	4	5	6	
<125 / acre Standard	\$6.00	\$9.00	\$12.00	\$15.00	\$18.00	\$25.00	50 years
125-300 / acre Semi-dwarf	\$6.00	\$9.00	\$12.00	\$15.00	\$15.00	\$15.00	40 years
>300 / acre Dwarf	\$6.00	\$9.00	\$12.00	\$12.00	\$12.00	\$12.00	30 years

**Tree age 1 means the year following the year the trees were planted.**

5. (1) The insured shall notify the Corporation within five days of discovering tree damage from one or more of the insured perils.  
 (2) The insured shall notify the Corporation 10 days prior to the destruction or removal of trees.
6. (1) Indemnity shall be paid for damaged trees due to insurable perils less the deductible equal to 3% of the number of insured trees.  
 (2) Indemnity will be paid at the insured value for the damaged trees beyond the 3% deductible after the trees have been removed.

## SECTION B - Apple Production Insurance

1. The insured will not receive a provincial benchmark but must supply production data for a minimum of two consecutive years immediately prior to the year production insurance is requested, which will be used to determine the insured's probable yield.
2. The probable yield is based on the insured's weighted average production during the 10-year period prior to the crop year being insured; production for non-insured years must be from consecutive years prior to insuring.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS																
Nov. 30	Application deadline	All areas with trees aged 6 years or over must be included.																
	Required deposit	15 - 50% as per subsection 13(2)																
	Perils insured against	See section 8																
	Coverage adjustment - the number of acres applied for will be adjusted for establishing orchards, i.e. with trees planted from 6 to 12 years earlier.	<p>a) Adjustment based on age of trees:</p> <table border="1"> <thead> <tr> <th>Tree Age</th> <th>Adjustment Factor</th> </tr> </thead> <tbody> <tr> <td>6 years</td> <td>0.14</td> </tr> <tr> <td>7 years</td> <td>0.28</td> </tr> <tr> <td>8 years</td> <td>0.42</td> </tr> <tr> <td>9 years</td> <td>0.56</td> </tr> <tr> <td>10 years</td> <td>0.70</td> </tr> <tr> <td>11 years</td> <td>0.84</td> </tr> <tr> <td>12+ years</td> <td>1.00</td> </tr> </tbody> </table> <p>Trees will be deemed 12 years old if the year of planting cannot be documented to the satisfaction of the Corporation.</p> <p>b) Adjustment for any planting missing more than 5% of the trees will be adjusted accordingly.</p>	Tree Age	Adjustment Factor	6 years	0.14	7 years	0.28	8 years	0.42	9 years	0.56	10 years	0.70	11 years	0.84	12+ years	1.00
Tree Age	Adjustment Factor																	
6 years	0.14																	
7 years	0.28																	
8 years	0.42																	
9 years	0.56																	
10 years	0.70																	
11 years	0.84																	
12+ years	1.00																	
Stage I and Stage II indemnity rates do not apply to this crop.																		
Stage III indemnity		Indemnity equals the shortfall in the production at the selected unit price (see section 25).																
Oct. 25	Final date for harvest	Subsequent field losses are at the insured's risk.																
Nov. 15	<b>Final date for filing PROOF of LOSS in writing.</b>																	
<p>Production to count will be based on:</p> <p>(a) pounds of U-pick apples sold;</p> <p>(b) pounds of fresh packed Canada Fancy apples sold or in storage;</p> <p>© pounds of processed or juice apples sold or in storage with a quality adjustment based on price ratio compared to fresh packed; or</p> <p>(d) yield measurements prior to harvest based on estimated pounds per tree and allowing for normal drop rates of 10%; subsequent losses due to wind prior to October 25 will require new estimates to determine the actual loss.</p> <p>Conversion of marketing from fresh packed apples to U-pick apples or reverse will result in adjustments to probable yield as follows:</p> <p>(a) from fresh packed apples to U-pick apples will have the probable yield based on previously harvested production multiplied by <math>\frac{3}{4}</math> (or 75%);</p> <p>(b) from U-pick apples to fresh packed apples will have the probable yield based on previously harvested production multiplied by <math>\frac{4}{3}</math> (or 133.3%).</p>																		

## PART XVII - WILD LOWBUSH BLUEBERRIES

This Schedule A, Wild Lowbush Blueberries Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to wild lowbush blueberries.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS																														
Nov. 30	Application deadline	Acres applied for are the acres intended for harvest the subsequent summer. Property maps are required.																														
	Required deposit	15 - 50% as per subsection 13(2)																														
	Perils insured against	See section 8, plus winter injury, bird damage and unavoidable pollination failure; beehives should be placed in fields larger than 10 acres.																														
	Coverage Adjustment - the number of acres applied for will be corrected on a per field basis if vine coverage is less than 95% or if an area has been harvested less than four times and if an area is harvested in subsequent years.	<p>Adjustment factor applied will be the lesser of 1) based on the proportion of the land covered with wild lowbush blueberry plants:</p> <table style="margin-left: 40px;"> <thead> <tr> <th>Condition</th> <th>Adjustment Factor</th> </tr> </thead> <tbody> <tr> <td>95+% coverage</td> <td>- 1.00</td> </tr> <tr> <td>85-95% coverage</td> <td>- 0.90</td> </tr> <tr> <td>75-85% coverage</td> <td>- 0.80</td> </tr> <tr> <td>65-75% coverage</td> <td>- 0.70</td> </tr> <tr> <td>55-65% coverage</td> <td>- 0.60</td> </tr> <tr> <td>45-55% coverage</td> <td>- 0.50</td> </tr> <tr> <td>35-45% coverage</td> <td>- 0.40</td> </tr> <tr> <td>25-35% coverage</td> <td>- 0.30</td> </tr> <tr> <td>15-25% coverage</td> <td>- 0.20</td> </tr> <tr> <td>1-15% coverage</td> <td>- 0.10</td> </tr> </tbody> </table> <p>OR</p> <p>2) new wild lowbush blueberry acres will be adjusted:</p> <table style="margin-left: 40px;"> <tbody> <tr> <td>First harvest</td> <td>- 0.15</td> </tr> <tr> <td>Second harvest</td> <td>- 0.25</td> </tr> <tr> <td>Third harvest</td> <td>- 0.50</td> </tr> </tbody> </table> <p>AND</p> <p>3) acres which were harvested in the previous year:</p> <table style="margin-left: 40px;"> <tbody> <tr> <td>Subsequent year harvest</td> <td>- 0.50</td> </tr> </tbody> </table>	Condition	Adjustment Factor	95+% coverage	- 1.00	85-95% coverage	- 0.90	75-85% coverage	- 0.80	65-75% coverage	- 0.70	55-65% coverage	- 0.60	45-55% coverage	- 0.50	35-45% coverage	- 0.40	25-35% coverage	- 0.30	15-25% coverage	- 0.20	1-15% coverage	- 0.10	First harvest	- 0.15	Second harvest	- 0.25	Third harvest	- 0.50	Subsequent year harvest	- 0.50
Condition	Adjustment Factor																															
95+% coverage	- 1.00																															
85-95% coverage	- 0.90																															
75-85% coverage	- 0.80																															
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25-35% coverage	- 0.30																															
15-25% coverage	- 0.20																															
1-15% coverage	- 0.10																															
First harvest	- 0.15																															
Second harvest	- 0.25																															
Third harvest	- 0.50																															
Subsequent year harvest	- 0.50																															
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Since Stage I does not apply to this perennial crop, the Stage II indemnity on un-harvested acres is 50% of the insured value if losses occur before June 1 <sup>st</sup> of the harvest year and 65% if losses occur after June 1 <sup>st</sup> ; except in the case of new wild lowbush blueberry land, i.e., intended for first harvest; post-harvest; management practices must be applied to qualify; otherwise, no indemnity is payable and the development status of the area will remain the same as it was at the time of the application.																														
	Stage III indemnity applies to harvested acres	Indemnity equals the shortfall in production at the selected unit price (see section 25).																														
Sept. 25	Final date for harvest	Subsequent field losses are at the insured's risk.																														
<b>Nov. 30</b>	<b>Notwithstanding subsection 20(1), this is the final date for filing PROOF of LOSS in writing.</b>																															
Production to count means the amount of cleaned wild lowbush blueberries harvested or sold by weight.																																

## PART XVIII - CARROTS (Processing)

This Schedule A, Carrots (Processing) Plan, forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to carrots for processing.

DATE	TOPIC	REQUIREMENTS and/or EFFECTS
May 31	Application deadline	
	Required deposit	15 - 50% as per subsection 13(2)
	Perils insured against	See section 8
	Approved varieties	Varieties as recommended by the processor and the Corporation.
June 15 June 25	Final planting date	Probable yield reduced by 2% per day after June 15. Acres planted after June 25 are not eligible for insurance.
	Stage I indemnity rate (30 days after planting)	Maximum indemnity is 30% of insured value (see section 23).
	Stage II indemnity rate (un-harvested acres) FULL OFFSET between Stage II and Stage III	Maximum indemnity is a sliding scale from 40 to 60% of insured value (see section 24).
	Stage III indemnity rate (harvested crop)	Maximum indemnity equals the shortfall in production at the unit price (see section 25).
Nov. 15	Final date for harvest	Subsequent field losses are at the insured's risk.
<b>Dec. 5</b>	<b>Final date for filing PROOF of LOSS in writing</b>	
<p>(1) For the purpose of calculating production to count, all quantities will be recorded in pounds net of cullage.</p> <p>(2) Production to Count shall be calculated from the FANCY grade sales. Any product sold to the processor as a CHOICE grade shall be adjusted to count as 30% production to count. The corporation reserves the right to adjust the final production to count for insurable and non-insurable perils.</p> <p>(3) The insured's production will be adjusted by the Corporation based on records and delivery receipts from the processor.</p> <p>(3) Notwithstanding clause 17(2)(a), the insured may elect 80% coverage if more than three consecutive years of field data have been provided.</p>		