



# AgriStability

## Lower Payment Trigger, Harmonized Compensation Rates and Lower Program Fees

### Lower Payment Trigger

Starting in the 2013 program year, governments will provide assistance once a producer's margin falls below 70 per cent of their historical reference margin. In other words, producers will receive an AgriStability payment when their income in the program year drops more than 30 per cent below their historical reference margin. Under the previous agreement, producers received a payment once their margin fell below 85 per cent of their reference margin or dropped more than 15 percent below their historical reference margin.

### Harmonized Compensation Rates

Under the previous agreement, payments were based on a tiered system providing different levels of support depending on the degree of margin loss.

A producer's payment will be based on the same level of government support (70 per cent), regardless of the extent of margin loss, including negative margins.

**Deemed Crop Insurance Benefit:** Participation in crop insurance is not required to receive an AgriStability benefit. However, a negative margin benefit may be reduced if crop insurance was not purchased. If crop insurance was available and all insurable commodities were not insured at the 70 per cent level, the negative margin benefit will be reduced. The Saskatchewan Crop Insurance Corporation (SCIC) will calculate the indemnity that could have been received if crop insurance had been accessed. The crop insurance premium which would have been paid will be deducted from this amount to determine the deemed crop insurance benefit. The negative margin benefit will be reduced by 70 per cent of the deemed crop insurance benefit.



### AgriStability Benefit (2012 calculation)

Reference Margin	\$254,300		
Program Year Margin	\$119,000		
Margin Decline	\$135,300		
Reference Margin (coverage level)	Margin Decline	Government Support Rate	Benefit Level
Tier 1 (100% to 85%)	\$38,145	0%	\$0
Tier 2 (Stabilization 85% to 70%)	\$38,145	70%	\$26,702
Tier 3 (Disaster 70% to 0%)	\$59,010	80%	\$47,208
Negative Margin (<0%)	\$0	60%	\$0
<b>Total Benefit</b>			<b>\$73,910.00</b>


### AgriStability Benefit (2013 calculation)

Reference Margin	\$254,300		
Average Allowable Expenses	\$193,900		
<b>Limited Reference Margin</b>	<b>\$193,900</b>		
Program Year Margin	\$119,000		
Margin Decline	\$74,900		
Reference Margin (coverage level)	Margin Decline	Government Support Rate	Benefit Level
100% to 70%	\$58,170	0%	\$0
Disaster (70% to 0%)	\$16,730	70%	\$11,711
Negative Margin (<0%)	\$0	70%	\$0
<b>Total Benefit</b>			<b>\$11,711</b>

\*The limited reference margin was used because the average allowable expenses were lower than the reference margin.

### Lower Program Fees

Enrolment fees will be adjusted to reflect the change in coverage. This will make the program less expensive for producers. Previously fees were calculated using the 85 per cent coverage level. Beginning in 2013, fees will be calculated using the 70 per cent coverage level. The fee rate of 0.45 per cent or less than half a penny per dollar of margin covered and Administrative Cost Share, which is the annual charge for program participants to cover a portion of the program administration costs, will remain unchanged.

	Contribution Reference Margin	Fee Rate	Coverage Level	AgriStability Fee	Administrative Cost Share	Total AgriStability Fee
<b>2012 Fee</b>	\$224,000.00	0.45%	85%	\$856.80	\$55.00	\$911.80
						
<b>2013 Fee</b>	\$224,000.00	0.45%	70%	\$705.60	\$55.00	\$760.60