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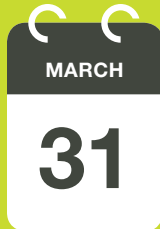
# The Forage Program

*DELIVERED BY* **SCIC**  
Saskatchewan Crop Insurance Corporation

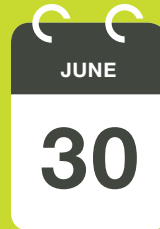
**SCIC**  
SASKATCHEWAN CROP  
INSURANCE CORPORATION 

**Canada** 

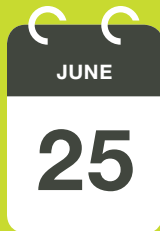
# Deadlines



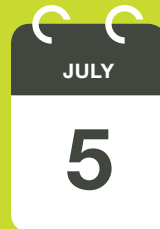
Deadline to apply, reinstate, cancel or make changes to your current year Crop Insurance contract, including all crops to be insured and coverage levels. Report any land you have added to or deleted from your contract, or any additional forage acres. Customers who want insurance for this year must make arrangements for payment of outstanding balances from the previous year by March 31.



Deadline to seed greenfeed crops insured as forage. Establishment and gopher damage claims on greenfeed must be submitted by this date.



Deadline for a Seeded Acreage Report declaring seeded acres.



Deadline to report seeded greenfeed acres.



Deadline for Forage Declaration form.  
Deadline for reporting a claim.  
Deadline to request an extension of insurance on unharvested acres.

\*Forage claims will not be accepted after November 15. If you have any unharvested acres as of September 30, you must request an extension of insurance. An extension of insurance will only be granted to November 15. There is no insurance coverage after November 15.

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# The Forage Program

SCIC has a program for producers who grow forages for seed, sale or feed. Regardless of your operation, SCIC has several options to meet your forage insurance needs.

Forage crops insurable under this program include:

- tame hay
- dehydrated alfalfa
- sweetclover
- greenfeed

Other options for forage acres under this program include an Establishment, Restoration and Forage Diversification Option and Timothy Hay Program.

Forage used for grazing acres can be insured under the Forage Rainfall Insurance Program.

Seed producers also have insurance options:

- Alfalfa seed may be insured under a specific yield-loss option.
- Red clover, rye grass, millet and other forage seed crops are eligible for the Diversification Option.
- Coverage for establishment losses when the Forage Establishment Benefit Option is selected in the year of seeding.
- Restoration coverage for flooded acres.

**To determine your best insurance option, contact your local SCIC office or visit us online at [www.saskcropinsurance.com](http://www.saskcropinsurance.com).**



# Insured Prices

The insured price is the forecast price a commodity will sell for during the crop year as determined by SCIC.

The values are used in calculating your total coverage, premium and insurance claims.

SCIC provides different pricing options to fit your risk management budget: Low, Base, Variable and In-Season.

The Low Price Option allows customers to insure at 85 per cent of the base price (reducing both premiums and coverage) without lowering the guaranteed yield.



# Prices

The Variable and In-Season Price Options can help manage price fluctuations that occur throughout and after the growing season.

## VARIABLE PRICE OPTION

The Variable Price Option is available for producers who want an insured price that better reflects the value of the current year's hay crop. A market survey is completed in September to determine the final insured price.

Under this option, there is no cap on the maximum value for the forage insurance price. If the market price

for hay rises over the course of the year, producers selecting this option will see the full price increase for their forage claim. The final price for a crop can decrease by a maximum of 50 per cent in relation to the base price for the crop if the final price decreases.

The premium is based on the historical relationship between the base price forecasts in the spring and the actual market prices in the fall. The premium costs are

## Variable Price Option

September price surveys are used to reflect market conditions of the current year's hay crop.



Uses actual market prices



Higher or lower \$ coverage



Premium certainty



In relation to base price

UNLIMITED

50%

known in March regardless of the direction the prices will move in the fall. Premiums will be higher to mitigate the risk of price uncertainty. The dollar guarantee will still change based on the fall market survey.

### **IN-SEASON PRICE OPTION**

The In-Season Price Option is similar in concept to the Variable Price Option; however, the final price considers a wider time frame. The In-Season Price Option provides a six-month (September to February) average of current market conditions, yet sets premium values up front, giving premium certainty to producers.

Under this option, there is no cap on the maximum value for the forage insurance price. If the market price for hay rises over the course of the year, producers selecting this option will see the full price increase for their forage claim. The final price for a crop can decrease by a maximum of 50 per cent in relation to the base price for the crop if the final price decreases.

An interim payment will be made when the claim is processed. Final payment will be issued after prices are finalized in February following the year of selection.

## **In-Season Price Option**

**Current season** crop price averages are used and premiums are **set up front**.



Uses actual six-month average prices



Higher or lower \$ coverage



Premium certainty



In relation to base price

# Coverage Levels and Premiums

## *PREMIUM AND COST SHARING*

SCIC sets premium rates to recover losses (claims paid) over the long-term and to maintain a sustainable program by paying off program debt and building a reasonable reserve. The methodology used by SCIC to calculate premium rates and yields must be certified by an actuary and approved by Agriculture and Agri-Food Canada every five years.

Premium dollars are not used to pay for program administration. The full cost of program administration is cost-shared by the federal and provincial governments. Premium rates are updated annually on a crop and risk-zone basis. Risk-zone rates are based on the claim payment history from 1973 to the present, specific to each crop and risk zone. There is a one-year lag in the information used. The dollar-per-acre premium is calculated using a combination of the premium rate, the risk zone long-term average yield, the selected coverage level (50, 60, 70, 80 per cent), the insured price and the customer's experience discount or surcharge. The premium rate itself is only one factor in the dollar-per-acre premium to the customer. Premium is only charged on the actual acres seeded and selected to insure. You may endorse all crops and if you do not grow them, premium is not charged.

## *PREMIUM DISCOUNTS AND SURCHARGES*

Premium discounts and surcharges acknowledge risk differences between customers, reducing premiums for customers without a history of repeated claims.

Experience discounts and surcharges are calculated using an individual's history of losses as compared to area losses. SCIC calculates premium discounts and surcharges by comparing the individual claim to the total premium (after experience discount or surcharge) paid by the producer and governments. When an increase in the number or size of losses is experienced, the discount, if present, is reduced or the surcharge is increased.

The following crops and programs are excluded from all experience discount and surcharge calculations: camelina, dryland dry beans, honey, khorasan wheat, soybeans, vegetables, wild rice, timothy hay, the Forage Diversification Option, Forage Rainfall Insurance Program, Corn Heat Unit Program, Establishment Benefit, Unseeded Acreage and Gopher Damage claims.



## Premium Discounts and Surcharges

How your individual claim history affects discount/surcharge:

The number of credits or debits earned will be added to the previous balance. Partial credits are rounded down. Accumulated credits or debits must achieve a complete step before the discount or surcharge is adjusted.

The maximum number of both debits and credits a customer can accumulate is 16. Customers with 16 credits cannot lose their 50 per cent discount based on one or two years' indemnity. There is a one-year lag in the calculation. New contract holders will remain at zero following their first year of coverage due to this lag.

Indemnity	Comparison to Area	Debits/ Credits	Surcharges/ Discounts (%)
Greater than 200% of total net annual premium (2 debits)	Highest risk customers – among the highest 10% of indemnity paid relative to premium among claimants (1 debit)	-10 to -16	-50
		-9	-40
		-8	-33
Greater than 100% but less than or equal to 200% of total net annual premium (1 debit)	High risk customers – among the next highest 10% of indemnity paid relative to premium among claimants (0.5 debit)	-7	-26
		-6	-20
		-5	-15
Greater than 20% but less than or equal to 100% of total net annual premium (no change)	Average risk customer (no change)	-4	-11
		-3	-8
		-2	0
Less than or equal to 20% of total net annual premium. (Cumulative premium paid by the producer and governments) (0.5 credit)	Low risk customers – have no claim in a risk area where 60% of customers have received indemnity (1 credit)	0	5
		1	6
		2	8
No claim (1 credit)	Lowest risk customers – have no claim in a risk area where 70% of customers have received indemnity (2 credits)	3	11
		4	15
		5	20
		6	26
		7	33
		8	40
		9	50
		10 to 16	50

$$\text{Indemnity Debit/Credit} + \text{Area Comparison Debit/Credit} + \text{Current Debits/Credits} = \text{Total Debits/Credits} \rightarrow \text{\% Discount/Surcharge}$$

# Crops

## *TAME HAY*

Yield-loss coverage is available on established tame perennial crops grown for forage including:

- alfalfa
- alfalfa/grass
- grass
- red clover

## *DEHYDRATED ALFALFA*

Established alfalfa acres contracted to participating Saskatchewan plants are eligible for yield-loss coverage.

## *SWEETCLOVER*

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

## *GREENFEED*

This insurance protects the following annual cereal crops grown for greenfeed:

- wheat (all types, including durum)
- barley
- oats
- triticale
- fall and spring rye

Acres baled or grown for silage are provided yield-loss coverage.

Included in your greenfeed yield-loss selection is the Greenfeed Establishment Benefit which provides coverage for acres of greenfeed that fail to establish after planting. To be eligible for a greenfeed establishment claim, a minimum of 10 acres or 10 per cent of the total acres seeded to greenfeed, whichever is less, must have failed to establish. Greenfeed that



fails to adequately establish or suffers significant damage due to insurable causes before June 30 is eligible for an establishment benefit.

If you believe it is necessary to reseed or work down a portion of your insured greenfeed crop prior to June 30, contact SCIC immediately. An adjuster must inspect those acres to assess possible eligibility for the establishment benefit. Insurance may be purchased on the reseeded acres even if the crop was not previously selected. If the reseeded crop was previously selected, those acres will continue to be insured.

### **GOPHER DAMAGE**

Crop Insurance includes gopher damage as an insured cause of loss under both the establishment benefit and yield-loss components of the multi-peril program. All crops for which SCIC offers establishment coverage qualify for the Gopher Damage feature.

During the establishment period, customers have two options for acres damaged by gophers:

1. receive an establishment indemnity; or
2. the Gopher Damage feature.

If a customer chooses to file an establishment claim, standard eligibility applies. Any subsequent crop seeded on those acres is eligible for further establishment and yield-loss coverage.

Compensation is provided at \$50 per acre for crop acres destroyed by gophers. Such acres are not eligible for further insurance within the current program year.

**For more information, contact your local SCIC office or visit [www.saskcropinsurance.com](http://www.saskcropinsurance.com).**



# Your Coverage

## *PRODUCTION GUARANTEE*

An SCIC contract guarantees a forage yield based on the long-term individual yield and coverage option selected.

Yield-loss claims are based on the shortfall between the yield guarantee and the actual yield produced. The shortfall in production is paid at the insured price for the crop. For each forage option, the annual yield is based on the combined annual production of all insured acres of all classes of the selected crop.

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

## *INDIVIDUAL COVERAGE*

Forage crops are eligible for individual coverage. Each year you insure, your individual coverage is updated to reflect your production information. Forage producers can update their individual yield history with their own production records. Producers can also volunteer yields when their forage crop is not insured to build their yield database.

## *MANAGEMENT EXPERIENCE TRANSFER*

The Management Experience Transfer (MET) index is used to establish a starting yield for a crop where no individual yield previously exists and more accurately reflects the individual customer's farm management abilities.



Your MET index is greater than 1.0 if your yields are better than the area average; it is less than 1.0 if your yields are lower than the area average. New customers with no previous yield history start with a MET index of 1.0. Once your yields are established, they are updated using your individual annual production information.

### *YIELD CUSHIONING*

Yield cushioning will be applied to:

- greenfeed
- tame hay (alfalfa, alfalfa/grass, grass)
- sweetclover
- dehydrated alfalfa crops

Under yield cushioning, the impact of consecutive poor years will be reduced by limiting the decrease in a producer's yield coverage. When two low yields

occur in consecutive years, the yield in the second year is cushioned to 70 per cent of the customer's average yield.

### *FORAGE RESTORATION*

Forage Restoration compensates a producer's loss of insured acres of established tame hay or alfalfa seed due to prolonged flooding. The coverage is a feature of these yield loss options and does not have to be selected. Producers are eligible for yield loss coverage the year the flooding occurs and will be compensated for damaged forage acres if they are no longer considered established the following spring, as a result of flooding. Compensation is paid at the forage establishment benefit rate per acre. Claims are subject to a five per cent deductible per legal land description.



# Forage Establishment Benefit Option

The Forage Establishment Benefit Option is available to protect newly seeded forage acres intended for hay, grazing or seed production against the risk of an establishment failure. It is a stand-alone option, not linked to yield-loss insurance.

This option must be selected if you want establishment coverage on acres seeded to forage. Forages grown for seed can be insured for establishment insurance through this option. Specific establishment criteria may apply.

## *ELIGIBILITY*

Forage acres seeded between October 15, and June 20, are eligible for the establishment benefit option. Crops seeded during this time and germinating in the spring should be established and ready for harvest the following year. Acres grazed the year of seeding are not eligible for coverage. Any adjustments for establishment losses will not be made until the following year. These

acres must be reported on your Seeded Acreage Report by June 25, of this year.

## *NATIVE FORAGE ESTABLISHMENT*

Establishment protection is available for newly seeded native forages. Only spring-seeded acres planted by June 20 are eligible for the establishment benefit. Applicants will complete a questionnaire regarding a number of agronomic requirements to follow in order to be eligible for full coverage.

## *CLAIMS*

Forage Establishment Benefit claims are subject to a deductible of 15 per cent of the total establishment coverage of alfalfa, alfalfa/grass and grass. Sweetclover and native forage are calculated separately.

## Forage Establishment Benefit Option

The deductible is applied **across total coverage** of alfalfa, grass and alfalfa/grass.



# Forage Diversification Option

The Forage Diversification Option is available for any forage feed crops that are not insurable under the basic forage insurance program.

The program uses barley acres insured in your risk zone as a proxy for both your coverage determination and any claims. This is an area yield program. No adjustments will be made for individual losses on forage diversification acres.

## COVERAGE

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

## PREMIUM

Premiums are calculated based on historical barley coverage and production in each risk zone. Premiums

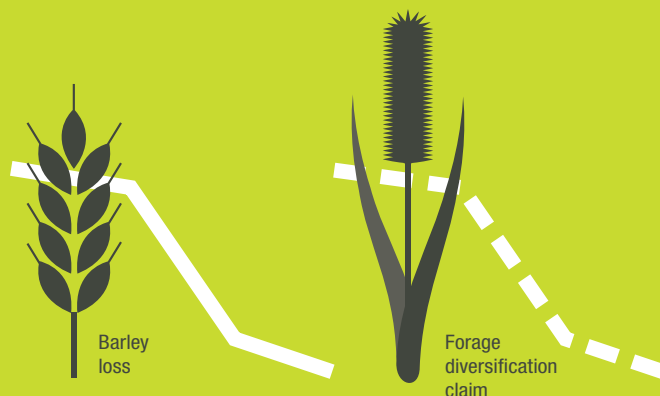
are cost-shared; producers will pay 40 per cent while governments pay 60 per cent. There is no experience discount or surcharge.

## CLAIMS

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

## Forage Diversification Option

Insured barley acres in your risk zone are used as a proxy for your **coverage determination and any claim calculations.**





### **FORAGE PUT TO ANY USE OTHER THAN BALING**

If you plan to put your insured forage crop to a use other than baling, you must immediately contact SCIC to assess losses. If you do not contact SCIC prior to putting the crop to an alternate use, premiums will be charged and your annual yield will be set at your guaranteed level of production.

On acres that are not baled, an SCIC adjuster will collect clippings. This requires five days' notice before the date of normal harvest or before livestock graze the acres. Clippings will be taken:

- If production will be ensiled, loose, stacked or abandoned
- From within enclosures if the acres are to be grazed (it is the customer's responsibility to set up enclosures)

## Timothy Hay Program

The Timothy Hay Program is available on irrigated timothy hay acres intended for export, and mitigates the risk associated with this intensively managed crop. All timothy hay acres intended for insurance must meet the requirements of the program's terms and conditions. Deadline to participate is March 31.

**For full program details, coverage, premiums and prices, contact your local SCIC office or visit us online at [www.saskcropinsurance.com](http://www.saskcropinsurance.com).**



# Reporting Your Forage Information

All newly insured stands of perennial forage or sweetclover must be established before liability is accepted. These acres should be reported by March 31, by contacting your customer service office. Land can be added after the March 31 deadline but the forage crop on those acres must have been endorsed by March 31 to be insurable. All new acres will be inspected.

## *SEEDED ACREAGE REPORT*

You must submit a Seeded Acreage Report declaring seeded acres no later than June 25. Insured greenfeed crops seeded by June 30 are to be reported by July 5. **Forage acres reported after a loss has occurred may be denied liability.**

## *STATEMENT OF INSURANCE*

Once you have reported your seeded acres, you will be sent a Statement of Insurance listing your insured crops, total number of acres, production guarantee, premium, discount or surcharge, and the provincial, federal and producer share of premium.

## *FORAGE DECLARATION*

As with all SCIC yield-loss programs, your insured forage crop annual production is used to calculate claims and update your individual yield guarantees. If you do not provide this information, your annual yield will be set equal to the guaranteed production, thereby reducing future coverage.

In July, you will be mailed a production declaration to report your annual yield. Return this information to SCIC or contact your customer service office by **September 30**, to report your yield. SCIC will verify a percentage of declarations. If you have second-cut production, you must contact SCIC with your production information.

**You can find additional forms at [www.saskcropinsurance.com](http://www.saskcropinsurance.com), and CropConnect customers may submit their production information online.**

## *FILING A CLAIM*

If you are in a claim position, contact your customer service office immediately so an adjuster can be assigned to assess your crop. Claims must be reported by September 30. Your total harvested production information must be submitted before you can register a yield-loss claim. Claims filed between October 1 and November 15 will have indemnities reduced by 25 per cent up to a maximum of \$1000. Forage claims will not be accepted after November 15. If you have any unharvested acres as of September 30, you must request an extension of insurance. An extension of insurance will only be granted to November 15. There is no insurance coverage after November 15.

# Customer Service Offices

## Assiniboia

Box 340  
401 1st Ave. W.  
Assiniboia, SK  
S0H 0B0  
1.888.935.0017

## Davidson

Box 339  
103 Lincoln St.  
Davidson, SK  
S0G 1A0  
1.888.935.0020

## Estevan

Box 1716  
#5-419 Kensington Ave.  
Estevan, SK  
S4A 1C8  
1.888.935.0002

## Humboldt

Geschäft Centre  
Box 660  
1710 8th Ave.  
Humboldt, SK  
S0K 2A0  
1.888.935.0026

## Kindersley

Unit 1120  
608 12th Ave. E.  
Kindersley, SK  
S0L 1S0  
1.888.935.0021

## Leader

Box 387  
#5-111 1st Ave. W.  
Leader, SK  
S0N 1H0  
1.888.935.0011

## Moose Jaw

45 Thatcher Dr. E.  
Moose Jaw, SK  
S6J 1L8  
1.888.935.0012

## Moosomin

Box 889  
709 Carleton St.  
Moosomin, SK  
S0G 3N0  
1.888.935.0005

## North

**Battleford**  
Kramer Place  
#100-1192 102nd St.  
North Battleford, SK  
S9A 1E9  
1.888.935.0028

## Preeceville

Box 800  
239 Hwy. Ave. E.  
Preeceville, SK  
S0A 3B0  
1.888.935.0015

## Prince Albert

Box 3003  
800 Central Ave.  
Prince Albert, SK  
S6V 6G1  
1.888.935.0018

## Raymore

Box 178  
113 Main St.  
Raymore, SK  
S0A 3J0  
1.888.935.0016

## Regina

515 Henderson Dr.  
Regina, SK  
S4N 5X1  
1.888.935.0001

## Rosetown

Box 1000  
124 2nd Ave W.  
Rosetown, SK  
S0L 2V0  
1.888.935.0019

## Saskatoon

3830 Thatcher Ave.  
Saskatoon, SK  
S7R 1A5  
1.888.935.0024

## Shaunavon

Box 1210  
55 3rd Ave. E.  
Shaunavon, SK  
S0N 2M0  
1.888.935.0010

## Swift Current

E.I. Wood Building  
Box 5000  
#102-350 Cheadle St. W.  
Swift Current, SK  
S9H 4G3  
1.888.935.0007

## Tisdale

Box 310  
1105 99th St.  
Tisdale, SK  
S0E 1T0  
1.888.935.0014

## Turtleford

Box 400  
217A Main St.  
Turtleford, SK  
S0M 2Y0  
1.888.935.0030

## Weyburn

Box 2003  
#119-110 Souris Ave. N.E.  
Weyburn, SK  
S4H 2Z8  
1.888.935.0003

## Yorkton

38 5th Ave. N.  
Yorkton, SK  
S3N 0Y8  
1.888.935.0013

Ce livret est aussi disponible en français.



## Contact Information

Saskatchewan Crop Insurance Corporation Head Office  
484 Prince William Drive  
Box 3000  
Melville, SK S0A 2P0

**Email:** [customer.service@scic.gov.sk.ca](mailto:customer.service@scic.gov.sk.ca)

**Phone:** 306.728.7200

**Fax:** 306.728.7202

**Toll Free:** 1.888.935.0000

**Office Hours:**

Monday to Friday, 8 a.m. to 5 p.m.

Closed weekends and statutory holidays.

