



## Surplus in Saskatchewan Crop Insurance account needs to be recognized

**December 1, 2021 (Regina, SK)** – The Agricultural Producers Association of Saskatchewan (APAS) is concerned about the Government of Saskatchewan’s claim that Saskatchewan Crop Insurance Corporation payments caused the provincial deficit in 2021.

“In 2020, Saskatchewan Crop Insurance Corporation reported a \$2.4 billion surplus accumulated over previous years, plus a sizable surplus in the reinsurance fund,” said APAS Vice President Ian Boxall. “It’s not fair to blame producers for a provincial deficit in a drought year when that surplus gets used up.”

Crop Insurance in Canada is a cost-shared program with premiums shared between the federal and provincial governments and producers. Producers buy coverage from the program and only get paid when they are in a claim position.

“Over the years, producers have worked very hard to reduce risk through our management practices, and we use Crop Insurance as a last resort when we experience production shortfalls beyond our control,” Boxall explains. “Over the last several years, claims have been lower than premiums, which is why a surplus built up over time. If the Crop Insurance surplus had been invested in a dedicated fund like the SGI Auto Fund, then that money would have been readily available for paying Crop Insurance claims.”

Boxall added that the federal and provincial governments are also protected by reinsurance policies that insulate them from the risk of high claim years.

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For more information, please contact:

**Cally Nicholl**

APAS Communications Manager

306.789.5176

[cnicholl@apas.ca](mailto:cnicholl@apas.ca)

**About APAS** – Founded in 2000 by farmers, APAS is Saskatchewan’s democratic, non-partisan agricultural policy and advocacy organization. APAS tackles agriculture’s most important problems and offers practical solutions to provincial and national decision makers.