

# SCIC Programs Overview

Agricultural Producers Association of  
Saskatchewan

December 2, 2019



 **CANADIAN  
AGRICULTURAL  
PARTNERSHIP**  
Innovate. Grow. Prosper.

 **CropInsurance**

**AgriStability**

*Western*  
**LPIP**  
  
**LIVESTOCK PRICE INSURANCE PROGRAM**

**Wildlife Damage Compensation Program**

**SCIC**  
SASKATCHEWAN CROP  
INSURANCE CORPORATION 

**Canada** 



## Working With Industry

- To ensure our programs are adapting to meet the needs of today's producers.
- Effective business risk management programs ensure SCIC is *here at every turn!*

# Working With Industry

- SCIC works with industry groups such as:
  - Agriculture Producers Association of Saskatchewan
  - Saskatchewan Association of Rural Municipalities
- Commodity Groups:
  - Saskatchewan Cattlemen’s Association
  - Saskatchewan Stock Growers Association
  - Saskatchewan Forage Council
  - Saskatchewan Barley Commission
  - Winter Cereal Development Commission
  - Saskatchewan Pulse Growers
  - Saskatchewan Beekeepers Association
  - Saskatchewan Vegetable Growers Association
  - And more...

## Crop Insurance Participation

Statistic	2017	2018	2019
Acres	28.3 M	30.0 M	31.0 M
Premium	\$585.5 M	\$613.4 M	\$578.0 M
Liability	\$6.113 B	\$6.307 B	\$6.601 B

Participation in the Crop Insurance program has averaged close to 75 per cent of seeded grain acres in recent years.



## Crop Insurance Enhancements 2019

- Increased coverage under the forage rainfall insurance program.
  - Significantly increased coverage under the forage rainfall insurance program by updating the methodology.
  - Participation increased from 1.5 million acres in 2018 to 2.2 million acres in 2019

## FRIP Experience 2019

- **\$16.8** million indemnity paid
- **82%** of customers received a payment
  - Average payment \$9.02/acre
  - customer premium of \$1.72/acre
- **171/186** stations triggered an indemnity in 2019



## Crop Insurance Enhancements 2019

- Implementation of the corn rainfall insurance program.
  - Producers can purchase a rainfall weather derivative program.
  - Coverage up to \$300 acre plus inclusion of establishment benefit coverage.





## Crop Insurance Enhancements 2019

- Implementation of the corn rainfall insurance program (continued)
  - Total 44,000 corn acres insured under corn weather programs (rainfall and heat units)
  - Approximately \$450,000 paid in 2019 indemnities for the corn rainfall program

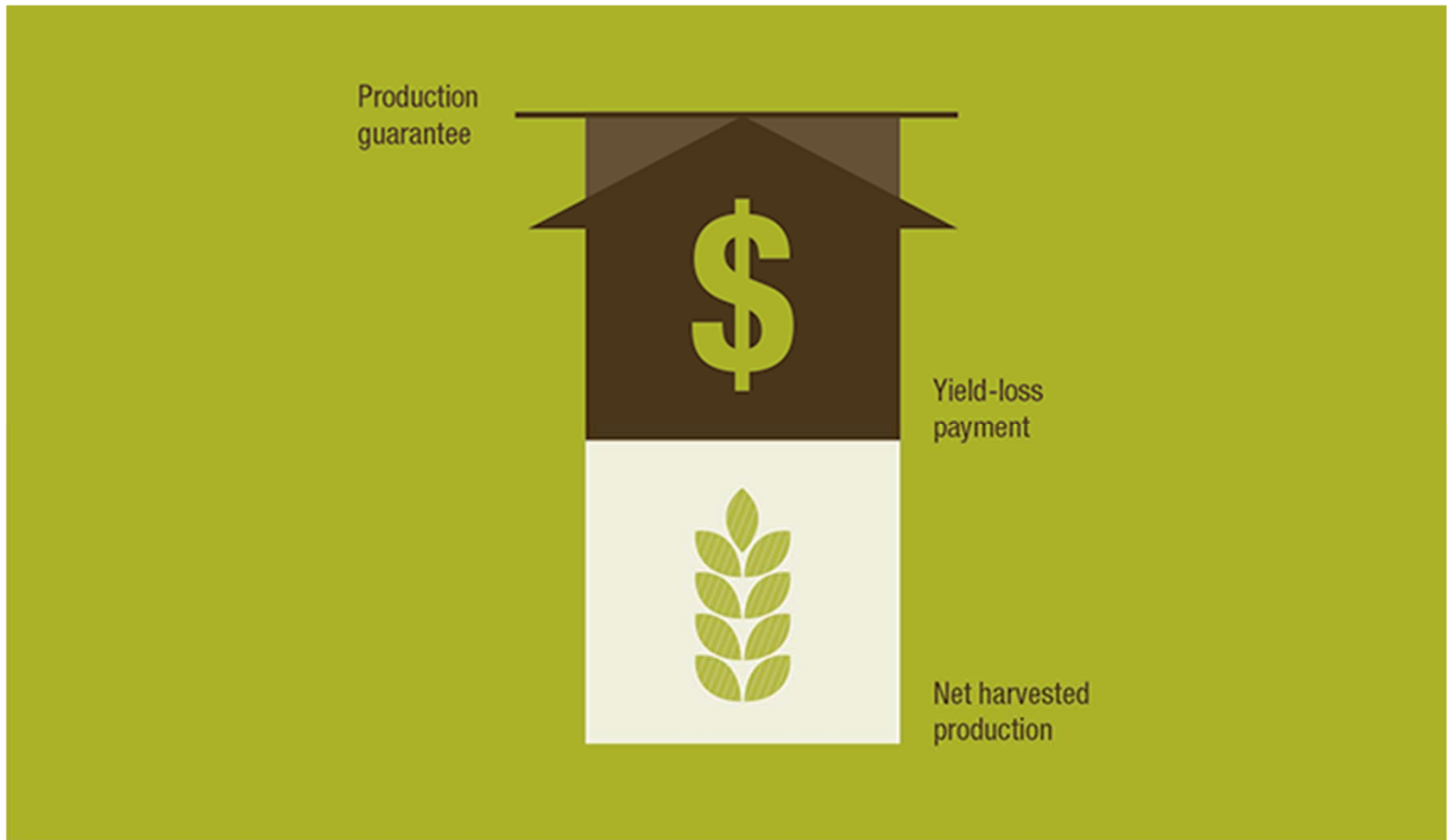


## Crop Insurance Enhancements 2019

- In addition, SCIC added a significant number of new weather stations to improve the accuracy of weather-based insurance programs (55 new stations bringing the total to 186).



# Claim Process





Yield loss, quality loss or both.

We have you **covered.**





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SCIC provides coverage for both quality and yield loss on insured crops.

How SCIC will calculate your quality payment:

**1 PRODUCTION GUARANTEE**  
We cover you for a percentage of your long-term individual yield at harvest.

$$\text{LONG-TERM INDIVIDUAL YIELD} \times \text{ACRES} \times \% \text{ COVERAGE} = \text{PRODUCTION GUARANTEE}$$

**2 QUALITY FACTOR**  
We divide the value of the harvested production by the base grade price for the insured crop to determine the quality factor.

$$\text{HARVESTED GRADE PRICE} \div \text{BASE GRADE PRICE} = \text{QUALITY FACTOR}$$

EXAMPLE	
100 ac	
x	25 bu/ac
x	70%
=	1750 bu
<hr/>	
\$2.50/bu	
+	\$5.00/bu
=	0.50



## Slide 13

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**DDS21** This is only half of the quality example. I think you may want the rest?

Dobko, Denise SCIC, 2019-11-26

**HKS2** The second slide has been restored to complete the example..

Hayward, Keith SCIC, 2019-11-26

**3 IMPACT OF QUALITY LOSS**

We base the adjustment of your production on your quality factor.

HARVESTED BUSHELS × QUALITY FACTOR = HARVESTED PRODUCTION



1000 bu  
×  
0.50  
=  
500 bu

**4 ELIGIBLE COMPENSATION**

You claim the difference between your production guarantee and actual harvested production.

PRODUCTION GUARANTEE − HARVESTED PRODUCTION = ELIGIBLE COMPENSATION



1750 bu  
−  
500 bu  
=  
1250 bu

**5 PAYMENT**

We will cover you for eligible crop loss.

ELIGIBLE COMPENSATION × INSURED RATE =



1250 bu  
×  
\$5.50/bu  
=  
\$6,875.00



## Harvest 2019

- The 2019 harvest has been another challenging season for Saskatchewan producers.
- SCIC understands the difficult conditions faced by many of our customers.





## Help for Delayed Harvest? Yes!

- The normal date when coverage for grain crops ends is November 15.
- However, many producers experiencing harvest delays received an **Extension of Insurance** for 2019.
- This means that insurance coverage is extended until harvest is complete (until spring 2020).



## Grading Fall 2019

- An issue with grading wheat samples for the 2019 crop is the use of Falling Numbers by grain companies to determine discounts.
- SCIC does not use the Falling Number in grading as it is not currently an official grading factor listed in the Canada Grain Regulations or Official Guide.



## Grading Fall 2019

- However, the Canadian Grain Commission's (CGC) visually assessed sprouted and severely sprouted official grading factors act as proxies for Falling Number value.
- SCIC recognizes sprouting for grading purposes and for quality compensation as per CGC grading factors.



## Wildlife Damage Compensation

- With many crops still out, wildlife damage may be an issue this winter.
- The Wildlife Damage Compensation Program is available to all Saskatchewan producers. Producers do not have to be a Crop Insurance customer to be eligible to submit a compensation claim.

## Western Livestock Price Insurance Program

**The Western Livestock Price Insurance Program (WLPIP) is a risk management tool, available to cattle and hog producers across Western Canada. Tailored products for every aspect of the beef production chain and for hog price protection.**

- A market driven product
- A simple and easy to use risk management tool
- Coverage based on current market conditions

Having a tool available to help protect against the “unknowns” of the market and associated price volatility can assist cattle and hog producers in being more profitable.

## Slide 20

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**DDS22** Why italics now? I wouldn't change the font

Dobko, Denise SCIC, 2019-11-26

**HKS3** Italics have been removed.

Hayward, Keith SCIC, 2019-11-26

## WLPIP Summary 2019

- 3,323 Producers enrolled in program
- Since program launch in 2014, WLPIP has provided \$18.5M in indemnities to our Saskatchewan Producers
- Thus far in 2019, the Fed and Feeder program have had the largest payouts compared to years previous.
- 2019 has had indemnities paid out on all WLPIP cattle programs. To date, payouts by program are as follows;
  - \$859k Fed
  - \$1.4M Feeder
  - \$2.9M calf



## WLPIP Summary 2019

- Trade issues, weather and slaughter plant disruptions have been a few factors that negatively impacted the cattle markets.
- Our most popular program is the calf program and participation over the past few years has ranged from 15-22%.
- As of Sept 30<sup>th</sup> SCIC had a \$2.3M surplus in premiums collected.



# Is AgriStability Still Relevant?

*The numbers speak for themselves.*



## What is AgriStability?

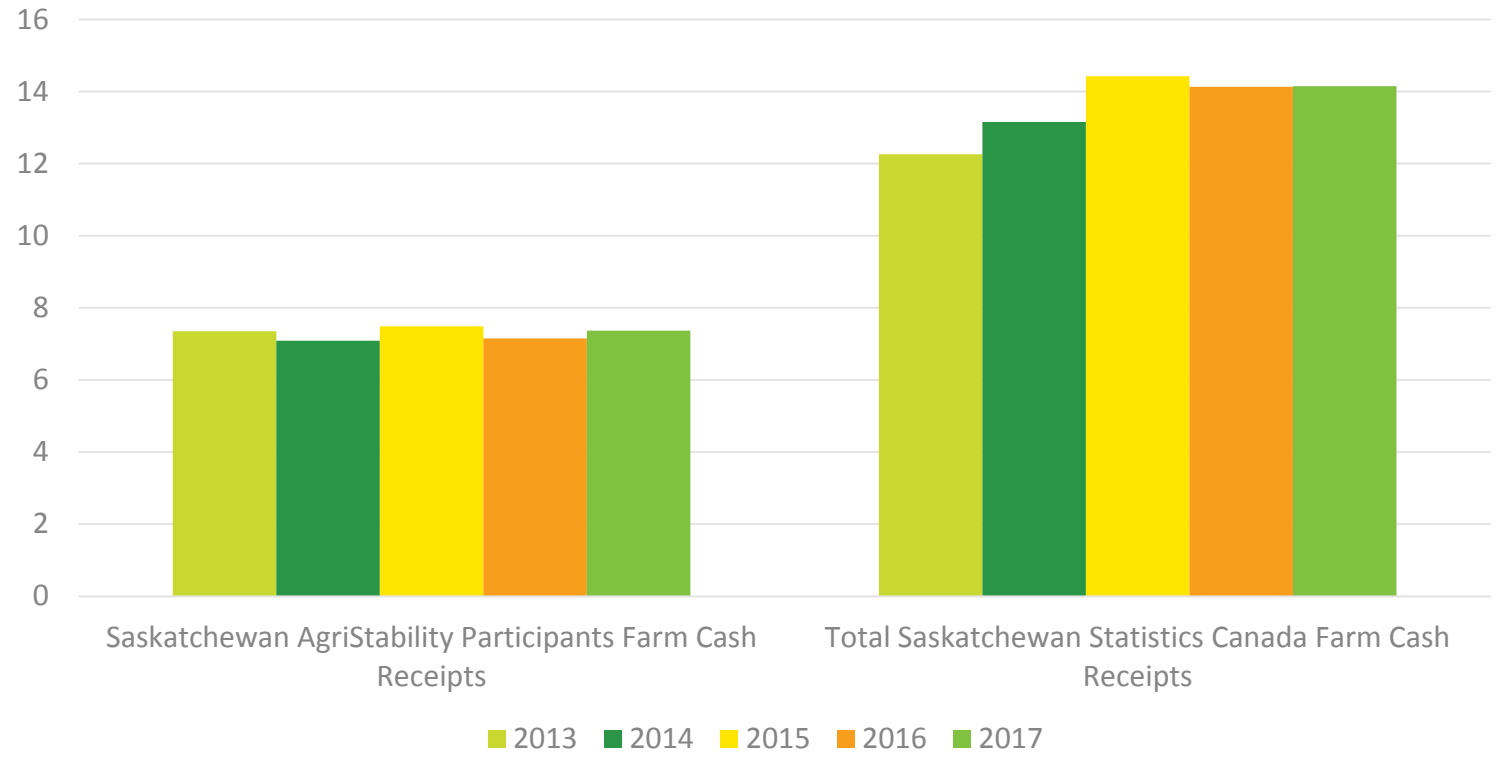
AgriStability is an affordable, low-cost Business Risk Management (BRM) program offering:

- Protection for the whole farming operation
- Financial support to help offset large margin declines
- Personalized coverage based on the farm's history
- Program information accessible anytime, anywhere with AgConnect



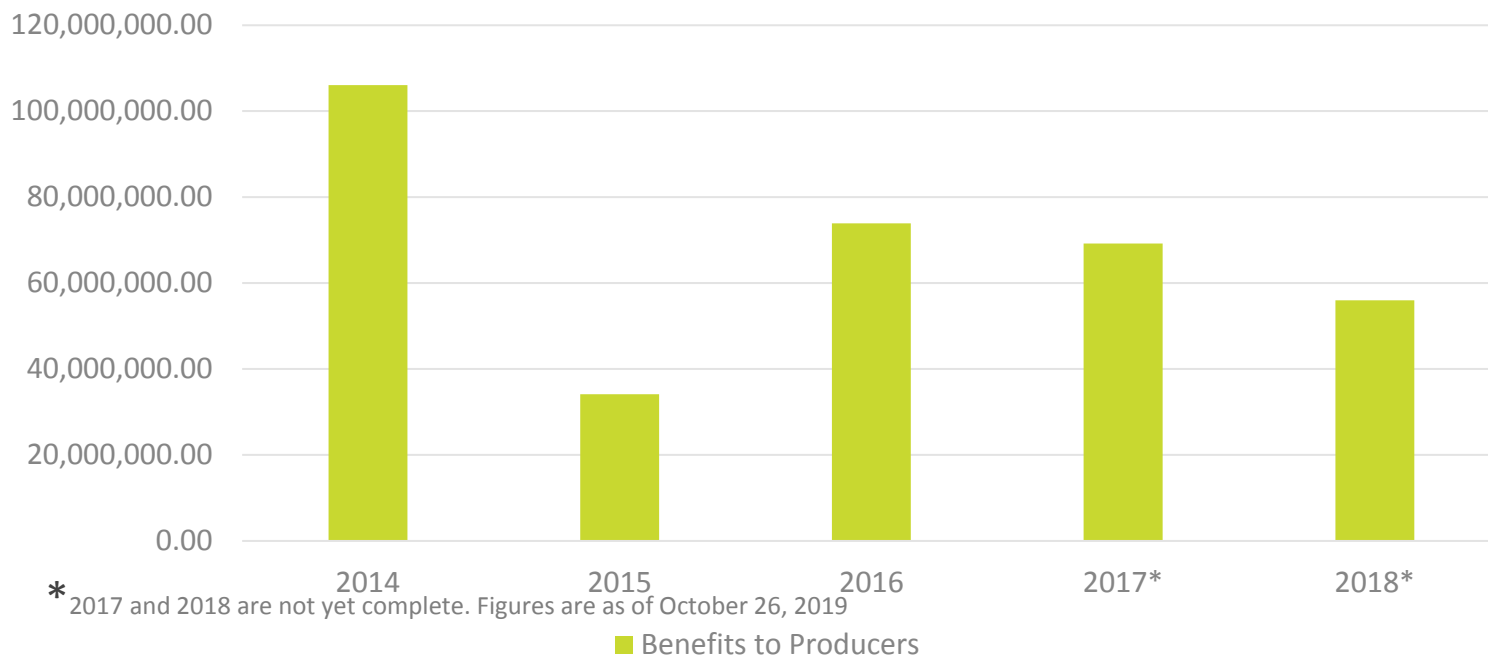


### Saskatchewan Farm Cash Receipts





## Benefits to Saskatchewan Producers





## Who is in AgriStability?

- 97% of Saskatchewan producers enrolled in AgriStability are:
  - Grain and Oilseed Producers,
  - Cattle Producers, and/or
  - Mixed farms with both grain and cattle production





## Enrolment in AgriStability

- The 2019 enrolment deadline was extended to July 2, 2019, due to concerns about market access
- Over 1,300 producers either joined AgriStability for the first time or returned to the program
- Participation has increased for the first time since SCIC began administering AgriStability



## Support for new participants

- SCIC will be reaching out to new producers enrolled in AgriStability
- Sessions will be held across the province during the winter to provide details on what is required to participate
- Support for current customers and those interested in enrolling is available through the AgriStability call centre or at SCIC customer service offices across the province



## Unharvested Acres

- The AgriStability Program can help offset losses from crop left out over winter
- Quality losses and reduced prices due to overwintered crop are included in the AgriStability benefit calculation
- AgriStability will account for the additional cost of harvesting crop in the spring.





## Additional Costs in 2019

- Producers have experienced higher costs in 2019 due to the challenging harvest conditions
- Additional costs such as grain drying, are included in the AgriStability benefit calculation
- AgriStability will also cover spoilage in the bin





# DON'T DELAY

It's time to check and record your fiscal year-end inventory.  
A large part of your AgriStability application contains this information.

Use this card as a guide when collecting your information.  
With your numbers recorded on hand, completing your AgriStability forms online just got easier.

Your file can be processed quicker with these three steps:

- 1 Record your inventory.
- 2 File your income tax.
- 3 Submit your AgriStability forms as soon as your income tax is complete.

Inventory checks should record the following:

Crop Type	Acres	Production	Ending Inventory

Feed Type	Acres	Production	Ending Inventory

Livestock Type (Cows, bred heifers, feeders etc.)	Ending Inventory

Purchased Inputs (Fuel, chemicals, seed, feed, fertilizers etc. Purchased but not used by the end of your fiscal year, with the intent to use it next year.)

Purchased Input Type	Dollar Amount

Accounts Payable	Dollar Amount

Accounts Receivable/Deferrals	Dollar Amount

Use this information to complete your AgriStability forms: [www.saskcropinsurance.com/agristability/forms/](http://www.saskcropinsurance.com/agristability/forms/)

DDS2



## Slide 32

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### **DDS23**

Why is this card cut off? Can we put the whole card up?

Dobko, Denise SCIC, 2019-11-26

### **HKS4**

Full screen version was received from AgriStability and was used to replace the cut off version.

Hayward, Keith SCIC, 2019-11-27




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# SCIC

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**Thank You!**

Call toll free: 1-888-935-0000  
 Visit your local Crop Insurance office  
 Go to: [www.scic.ca](http://www.scic.ca)

  
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