

2019 Enhancements made to Saskatchewan Crop Insurance

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2018 was a reminder that weather is one variable out of the hands of livestock and forage producers. Forage production relies on early spring moisture to keep livestock on pastures longer and ensure adequate winter feeds. 2018 saw close to 10.5 million in indemnities paid out due to a lack of moisture on the Forage Rainfall Insurance Program (FRIP) alone. Producers were faced with many business decisions due to this shortage in feed production.

Recognizing the importance of business risk management for livestock and forage producers, SCIC works closely with producer associations to enhance existing programs. Much of the work focused on comments from producers and resolutions brought forward at various meetings regarding the weather station network and coverage levels available for the Forage Rainfall Insurance Program (FRIP).

For the 2019 growing season, SCIC is pleased to offer 55 additional weather stations for Saskatchewan producers. This expands the existing network of 131 stations to 186 distributed throughout the province. Nearly all agricultural land in the province will be located within 30 kilometers of a station compared to the previous 40 kilometers. These stations are highly monitored and maintained plus, provide the highest quality data. Producers can select whatever weather station they believe best represents their growing conditions, if the station falls within 100 kilometers of the land to be insured.

Forage producers often commented that while FRIP coverage levels matched their cost of grazing, when in a rainfall shortage, these coverage levels did not cover the costs required to replace the feed lost due to lowered production. SCIC reviewed the productive potential of the forage acres and the cost of replacing feed when hay supplies are low. The current scarce forage supply is strongly reflected in this year's coverage.

FRIP has always relied on market pricing. Thus, in this current, short supply year with record high prices and the revised methodology, 2019 coverage levels have significantly increased. Tame grazing coverage increased over three times and native grazing over one and a half times. To give producers options and a way to manage the premium cost, SCIC created three coverage options, low, medium and high per soil zone (see table). Fire insurance is included with all levels of coverage offered.

Corn production in Saskatchewan is increasing, and while highly competitive and productive, corn does carry risk to producers growing it. In 2019, SCIC created a new Corn Rainfall Program (CRP) for all Saskatchewan corn producers, no matter the end use-- grain, silage or grazing. CRP insures against a lack of rainfall, similar to FRIP or Alberta's lack of moisture program. This program utilizes the weather station network and allows producers to select from three monthly weightings (see table) to determine what best suits their growing season needs. In 2018, many areas of the province received adequate heat throughout the growing season but lacked timely rains in August resulting in lower yields than expected. Option three would have been a great fit for last year's growing season.

CRP and Corn Heat Unit (CHU) have four coverage levels a producer can choose from: \$100, \$150, \$200 and \$300 per acre. Corn growers can participate in both CRP and CHU. When doing so, their coverage

will automatically be \$150 per acre. New in 2019, corn acres enrolled in CRP or CHU that fail to establish will automatically be insured at \$90 per acre, subject to an adjustment.

2019 is an exciting year at SCIC for forage and livestock producers in Saskatchewan. The addition of new weather stations, higher coverage options and a new corn rainfall program will be highly beneficial as part of a producer's business risk management strategy. Producers requiring additional information on these enhancements or other program offerings should talk to their local customer service office to discuss their options. For more information please visit www.saskcropinsurance.com or contact Kim McLean at 306-728-0678 or kim.mclean@scic.ca.

Table 1: 2019 Forage Rainfall Insurance Program Coverage Options

Soil	Type	High	Medium	Low
Black	Tame	104	69	35
Dark Brown	Tame	102	68	34
Brown	Tame	63	42	21
Black	Native	31	21	10
Dark Brown	Native	26	17	9
Brown	Native	17	11	6

Table 2: Monthly Corn Rainfall Program Weighting Options

	May	June	July	August	Total
Option 1	20%	40%	40%	0%	100%
Option 2	15%	35%	35%	15%	100%
Option 3	0%	20%	40%	40%	100%