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A GUIDE TO Production Insurance for organics

Production Insurance protects Ontario producers from yield reductions and crop losses caused by factors beyond their control. Things like adverse weather, disease, wildlife and insect infestations.

In most plans, you are guaranteed a level of production, based on the type and level of coverage you choose. Claims are paid when an insured peril causes your yield to fall below your guaranteed production. Coverage is available for more than 90 crops.

Insuring your organic crops

Agricorp has developed specialized **organic plans for soybeans, corn, winter spelt, winter wheat, fresh market carrots and fresh market cabbage**. These plans have claim prices that better reflect the organic market and also typically have higher premium rates than our general plans. Proof of organic certification is required before any claims are paid.

Other crops or crops in transition can still be insured under the general plans. Claim prices and premium rates for the general plans are based on conventional commodity prices and yields.



Production Insurance for common organic crops

Organic crop	Organic coverage	Coverage for acres in transition
Forage		
Hay and pasture	Forage rainfall plan	Forage rainfall plan
Grains and oilseeds		
Corn	Organic corn plan	Corn general plan
Spring grains	Spring grains and spring wheat general plans	Spring grains and spring wheat general plans
Soybeans	Organic soybean option	Soybean general plan
Winter wheat	Organic winter wheat plan	Hard white, hard red, soft red and soft white winter wheat general plans
Winter spelt	Organic winter spelt plan	Not available
Vegetables		
Fresh vegetables	Acreage-loss plans for fresh market carrots and cabbage	Acreage-loss plans, yield-based plans or dollar-value plans

Organic hay and pasture

Agricorp's forage rainfall plan works equally well for organic or conventional producers, because you work with Agricorp to set the value of your hay and pasture. The plan uses rainfall as an indicator of quantity and quality. Rainfall during harvest could cause your hay to mould but waiting to harvest could lower the nutritional value. Of course, insufficient rainfall also causes problems, reducing the amount of hay you can harvest. Rainfall data is collected by a third party at a rainfall collection site close to where you produce your forage.

The forage rainfall plan protects your established forage in two ways:

- Excess rainfall during first cut
- Insufficient rainfall during May, June, July and August

You can apply for one or both options. Total claims for both options cannot exceed your chosen insured value of the forage grown.

Excess rainfall

An option to cover excess rainfall during harvest is being piloted. If you do not have any consecutive five-day windows in your intended harvest period with less rainfall than your chosen threshold, a claim will be paid. Premiums and claims are based on the value of your hay. You can value your forage between \$25 and \$300 per acre based on the varieties grown and your management practices. Coverage is limited to your first cut, and pasture is not insurable.

Insufficient rainfall

Insufficient rainfall coverage protects you if the measured rainfall at your selected rainfall station between May and August is less than 80 per cent of the long-term average rainfall for your area. There are four different coverage options to suit different management needs.

New forage seeding

The new forage seeding plan provides a payment if you have to reseed your newly seeded hay or pasture. Coverage is available for both spring-seeded and summer-seeded new forage seeding crops.



Organic grains and oilseeds

Whether organic or not Agricorp's Production Insurance plans pay a claim if your current year's yield falls below your historical average yield due to an insured peril. Agricorp offers specialized plans for organic corn, soybeans, winter wheat and winter spelt. These plans have claim prices that better reflect the higher values of organic production. Organic plans are not available for edible beans, spring grain, spring wheat and sunflowers, but you can still insure them under one of our general plans.

Organic vegetables

Agricorp offers production coverage for many fresh and processing vegetables. Similar to the grain and oilseed crop plans, these plans compare your actual yield to your average farm yield to determine whether a claim is payable. Agricorp also offers acreage-loss plans for fresh vegetables, which covers major losses experienced at the field level. Losses are compared against a predetermined abandonment threshold, which is based on the crop yield required to meet the production cost for a typical field of that crop. If your yield is below the threshold, a claim may be paid. Unique features of this plan include the provision for salvaging damaged crop, coverage of multiple plantings and claims for as little as one acre. Customized abandonment thresholds have been established for organic fresh market carrots and fresh market cabbage.

When a crop is damaged

If you think that you have damage, call us right away. For claim purposes, you will need to have all supporting evidence and documentation such as photos and farm management records to support your claim.

The amount of the claim depends on the claim price, which is set by Agricorp. For most crop plans, the claim price is based on the conventional market, so it may not reflect the higher value of organic commodities. However, rates and premiums for the specialized organic plans reflect the organic market.

Claims are only payable if damage is caused by an insured peril. A list of insured perils for each plan is available on agricorp.com.

What about weeds?

Although weeds are a challenge to organic production, they are not an insured peril in Production Insurance. Like other uninsured perils, yield losses due to excess weed pressure may be deducted from your claim.

Record-keeping requirements

You will need to report your final planted acreage, pay your premium and declare your harvested yield. If damage occurs, you have to notify us immediately so that appropriate action can be taken. Failure to report damage and other information on time may jeopardize your coverage.

We expect you to follow good farm management practices at all times. Be sure to keep supporting evidence and documentation of your claim and of your adherence to good farm management practices, such as photos and farm management records.

For specialized organic plans or rates, you must provide a current copy of your certification to Agricorp before a claim can be paid. If your land fails to attain or loses certification, the insured price will revert to the conventional price, but the organic premium and yield will remain unchanged.



How to sign up for Production Insurance

Each plan has specific application and reporting deadlines. Please visit agricorp.com for exact dates.

When you apply, Agricorp will work with you to determine your average historical farm yield and your coverage details. Your average farm yield is based on either your actual reported yields or assigned values depending on your management and production.

You choose what level of coverage you need and your coverage choices affect the premium you pay.

You must plant your crop by the planting deadline outlined by Agricorp. If you don't get your fall seeded crop in by the deadline, you can still apply for coverage without winterkill in the spring.

Other programs

Production Insurance is part of the suite of programs available under Growing Forward. You may want to learn more about how AgrilInvest, AgriStability and the Risk Management Program can help you manage the risks of growing organic crops.

AgrilInvest

AgrilInvest is a savings account delivered in Ontario by Agriculture and Agri-Food Canada with matching government contributions. You can withdraw funds at any time to alleviate risk or make other investments.

AgriStability

AgriStability protects your farm against margin declines greater than 15 per cent. Producers of any agricultural commodity can participate, and any kind of loss directly related to production and marketing is covered. The program compares your production margin (net income this year) to your reference margin (the average of your recent production margins). If your production margin falls below 85 per cent of your reference margin, you trigger an AgriStability payment.

Participating in both AgriStability and Production Insurance lets you maximize the benefits of government risk management programs available to you:

- If participating in Production Insurance reduces the government share of your AgriStability benefit, you may recover up to 100 per cent of your Production Insurance premium.
- Production Insurance claim payments count as income in calculating your AgriStability reference margin.
- Depending on weather and/or market conditions, in a given year you could receive an AgriStability benefit, a Production Insurance claim – or both.

Risk Management Program

Ontario's Risk Management Program (RMP) helps producers manage risks beyond their control, like fluctuating costs and market prices. The program is available for the edible horticulture, grain and oilseed, cattle, hog, sheep and veal sectors.

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