

Part VII - Fresh Market Vegetables – Acreage Loss Insuring Agreement

A. General

This Part applies to the following four crop groupings: root vegetables, fruit vegetables, leafy vegetables and other vegetables. Multiple crops are covered under each of the four crop groupings.

1. Root Vegetables: carrots, celeriac, French shallots, garlic, green onions, leeks, parsnips, radishes, red beets, rutabagas, Spanish onions, sweet potatoes, turnips, and yellow onions, all as defined in this Part.
2. Leafy Vegetables: bok choy, broccoli, Brussels sprouts, cauliflower, celery, Chinese cabbage, gai lan, kale, lettuce, mesclun, mustard greens, spinach, summer cabbage, winter cabbage, and yu choy all as defined in this Part.
3. Fruit Vegetables: cucumbers, eggplant, melons, peppers, pumpkins, squash, tomatoes, watermelon, and zucchini, all as defined in this Part.
4. Other Vegetables: broad beans, green and wax beans, green peas and sweet corn, all as defined in this Part.

Agricorp agrees to pay the indemnities set out in this Part for loss of or damage to an insured crop caused by an insured peril, in accordance with the provisions of this Part and any Production Insurance Document applicable to the insured crop.

The limits on the amounts payable under this Part are shown in the Application as approved by Agricorp, or the confirmation of insurance, or the Renewal Notice applicable to the insured crop.

Except as specifically provided otherwise, the provisions of Part I of this document apply to this Part. Where there is any conflict between the provisions of Part I and the provisions specifically set out in this Part, or between the provisions of Part I and the provisions of any Production Insurance Document to which this Part applies, this Part or the Production Insurance Document, as the case may be, take precedence.

Where there is any conflict between a provision in this Part and a provision in a Production Insurance Document to which this Part applies, the provisions in this Part take precedence.

Subject to the conditions for eligibility under section C of this Part, all acres of insurable crop must be offered to Agricorp for insurance in order for this Part to apply.

All acres of an insurable crop must be insured in either an average farm yield basis plan or a fresh market vegetable acreage loss plan. A single insurable crop cannot be insured in more than one plan.

Except where provided otherwise, the insurance provided by this Part shall be in force for the crop year in respect of which it is made, and shall continue in force for each crop year thereafter until it is cancelled or terminated in accordance with the terms of the Contract. The insurance provided by this Part is subject to such additional conditions or limitations as may be set out in the applicable Production Insurance Document.

B. Definitions

In this Part:

- “abandonment threshold” means the value established by Agricorp based on economic profitability that is used to determine if abandonment is warranted.
- “broad beans” means all varieties of broad beans grown for the fresh market.
- “bok choy” means all varieties of bok choy grown for the fresh market.
- “broccoli” means all varieties of broccoli grown for the fresh market or processing.
- “Brussels sprouts” means all varieties of Brussels sprouts grown for the fresh market.
- “carrots” means all varieties of carrots grown for the fresh market.
- “cauliflower” means all varieties of cauliflower including brocoflower grown for the fresh market or processing.
- “celeriac” means all varieties of celeriac grown for the fresh market.
- “celery” means all varieties of celery grown for the fresh market or for processing.
- “Chinese cabbage” means all varieties of Chinese cabbage grown for the fresh market.
- “Crop class” means a subcategory of a crop that Agricorp defines by agronomic attributes or cultural practices.
- “crop grouping” means a crop grouping that is described in one of the numbered paragraphs following the first paragraph of clause A (General).
- “cucumbers” means all varieties of cucumbers grown for the fresh market.
- “earned premium” means the portion of a premium the Insured did not pay for which Agricorp has already provided protection.
- “eggplant” means all varieties of eggplant grown for the fresh market.

“equivalency factor” means the yield conversion used by Agricorp to reduce the sample yield to reflect the value received.

“farm” means a section(s) of land composed of one or more fields that is distinguished by physical or municipal locations.

“field” means a unit of land that is physically separated by a road, driveway, windbreak fence or other visible or distinguishable land feature.

“French shallots” means all varieties of French shallots grown for the fresh market.

“fresh” means crops grown for sale as fresh market produce.

“gai lan” means all varieties of gai lan grown for the fresh market.

“garlic” means all varieties of garlic grown for the fresh market (*Allium sativum*).

“grading standard” means the standard used by Agricorp outlining the acceptable appearance and quality of the crop for marketing.

“green and wax beans” means all varieties of green and wax (yellow) beans grown for the fresh market.

“green onions” means all varieties of green onions grown for the fresh market.

“green peas” means all varieties of green peas grown for the fresh market.

“high density vegetables” means vegetables specified by Agricorp for which the planting density meets or exceeds the densities specified by Agricorp.

“insurable value” means the dollar value chosen by the customer as unit per acre.

“kale” means all varieties of kale grown for the fresh market.

“leeks” means all varieties of leeks grown for the fresh market.

“lettuce” means all varieties of lettuce excluding radicchio grown for the fresh market.

“market standard” means the standard accepted between the Insured and a buyer outlining the acceptable appearance and quality of the crop.

“melons” means all varieties of melons (*Cucumis melo*) grown for the fresh market.

“mesclun” means all varieties of mesclun grown for the fresh market.

“mustard greens” means all varieties of mustard greens grown for the fresh market.

“non-incurred costs” are costs included in the calculation of the insurable value and abandonment threshold at rates determined by Agricorp, but are not expended by the Insured.

“parsnips” means all varieties of parsnips grown for the fresh market.

“peppers” means all varieties of peppers grown for the fresh market and processing. Cherry, habanero, serrano, red chili and Thai hot type peppers are not eligible for insurance under the Peppers, specialty – processing crop class.

“processing” means canning, dehydrating, drying, freezing, pickling or processing with sugar or sulphur dioxide or any other chemical or by heat, and combining or mixing one or more processing crops.

“pumpkins” means all varieties of pumpkins excluding mini pumpkins and giant pumpkins grown for the fresh market and processing.

“radishes” means all varieties of radishes grown for the fresh market.

“red beets” means all varieties of red beets grown for the fresh market.

“rutabagas” means all varieties of rutabagas grown for the fresh market.

“sample yield” means the yield of an insured crop as determined by Agricorp based on sampling of the crop by Agricorp in the field and the application by Agricorp of grading standards.

“Spanish onions” means all varieties of Spanish onions grown for the fresh market.

“spinach” means all varieties of spinach grown for the fresh market.

“squash” means all varieties of squash grown for the fresh market.

“storage” means storage facility with a climate control system suitable for the crops being stored.

“sweet corn” means all varieties of sweet corn grown for the fresh market.

“sweet potatoes” means all varieties of sweet potatoes grown for the fresh market.

“summer cabbage” means all varieties of cabbage with 90 days to maturity or less, grown for the fresh market.

“transplant” means vegetative plant material that has been removed from its original place of production, transported, and replanted for crop production.

“tomatoes” means all varieties of tomatoes excluding grape and cherry tomatoes grown for the fresh market.

“total insurable value” means the total value of the Insured’s acreage as calculated as the product of the insurable value and the number of acres by crop.

“turnips” means all varieties of turnips grown for the fresh market.

“watermelon” means all varieties of watermelon (*Citrullus lanatus*) grown for the fresh market.

“windrow” means harvested crops arranged in a row for the purpose of maturation and drying according to good management practices.

"winter cabbage" means all varieties of cabbage with greater than 90 days to maturity grown for the fresh market.

"yellow onions" means all varieties of yellow and red onions grown for the fresh market.

"Yu choy" means all varieties of yu choy grown for the fresh market.

"zucchini" means all varieties of zucchini grown for the fresh market.

C. Conditions for Eligibility

In addition to any other applicable provisions in the Contract, an Applicant or Insured must satisfy the following requirements to be eligible for insurance for a insurable crop under this Part,

- a. A crop class of less than two acres is not eligible for insurance under this Part.
- b. Subject to clause a, an Applicant or Insured who offers an insurable crop for insurance under this Part, shall
 - (i) offer for insurance all acres of that crop for insurance under this Part; and
 - (ii) offer all acres of each other crop in the same crop grouping for insurance under this Part.
- c. Despite subclause b, an Applicant or Insured may offer a single insurable crop in a crop grouping for insurance under this Part, if the single crop is at least ten acres, the Applicant or Insured offers all acres of the crop for insurance and does not offer any other crops in the same crop grouping for insurance under this Part.
- d. All acreage of crops that are insured or offered for insurance under this Part must be planted or seeded by the planting deadlines specified by Agricorp. Acreage that is seeded or planted with a crop before Agricorp confirms in writing that the crop is insured under this Part, is seeded or planted at the sole risk of the Applicant or Insured, and Agricorp is under no obligation to provide insurance coverage for the crop.

Organic Vegetables

To be eligible for organic coverage, the Applicant or Insured must be certified with respect to the land on which the crop is grown by an accredited certification body in the current crop year. A copy of the certification must be provided to Agricorp.

Applicants or Insureds who do not meet the organic conditions may insure their crops at the production values and abandonment thresholds for conventional crops.

High-Density Vegetables

High-density crops must meet or exceed the planting densities specified by Agricorp to be eligible for coverage as high density vegetables.

D. Insured Perils

Except where otherwise provided, the insurance provided by this Part applies only during the period from seeding or planting in the field until harvest. Loss or damage due to storage conditions, howsoever caused, is not insured; nor is loss or damage due to a shortage of labour or shortage or failure of machinery.

Subject to the exceptions noted below, the insured peril options and the insured perils that apply to the crop groupings under this Part are:

Multi-peril coverage option

Drought (note: drought is not an insured peril for Spanish onions), snow, hail, tornado, excessive rainfall, frost, freeze, wildlife from which there is no adequate means of protection available, high winds, excessive moisture, excessive heat, insect infestation and plant diseases from which there is no adequate means of protection (note: infestation or epidemic due to insects or plant diseases from which there is no adequate means of protection are not insured perils for double cropped zucchini), flooding caused by nature and constituting an exceptional event.

Hail only coverage option:

Hail.

Frost only coverage option:

Frost.

Hail and Frost only coverage option:

Hail and frost.

E. General Conditions

An Applicant or Insured must establish, to the satisfaction of Agricorp, that good farm management practices were followed including site selection and crop rotation. Agricorp reserves the right to deny any section of land not suitable for vegetable production or in which good farm management practices were not followed.

All double-cropped acreage must be reported to Agricorp.

Coverage is terminated at the harvest of the crop or the final date for harvest as specified by Agricorp, whichever comes first.

An Applicant or Insured must provide Agricorp with the following information by May 1 of the crop year:

- intended crops to be planted, estimated acreage and intended planting and harvest dates
- farm diagram outlining location of fields
- market standard of crop(s) to be sold
- any changes to information since previous insured crop year

Grading Standards

The Insured may request a change in grading standards at the time of renewal. Changes are subject to Agricorp approval. Changes must be agreed to prior to May 1 of the year of coverage.

F. Final Acreage Reporting

The Insured shall report to Agricorp in each crop year the final acreage planted, in the manner specified by Agricorp immediately following completion of seeding or planting and not later than the date specified by Agricorp.

For fruit vegetables, other vegetables, root vegetables (except radishes), Brussels sprouts, cauliflower (seeded), celery, kale, and summer and winter cabbage the final reporting deadline for planted acreage is the earlier of the completion of planting or July 15 of the given crop year.

For broccoli, cauliflower (transplanted), Chinese cabbage, lettuce, the final reporting deadline for planted acreage is the earlier of the completion of planting or August 15 of the given crop year.

For bok choy, gai lan, mesclun, mustard greens, baby spinach, spinach, yu choy and radishes, the final reporting deadline for planted acreage is the earlier of the completion of planting or September 15 of the given crop year.

At the time of acreage reporting, the Insured must provide Agricorp with the following information:

- Crop and variety planted
- Final planting date
- Row width and plant spacing
- Targeted harvest date

In the case that the Insured does not provide Agricorp with the final acreage planted, Agricorp will determine the Insured's Final Acreage Report and premium will be invoiced accordingly.

G. Premium and Cancellation

In the case that the Insured fails to pay their invoice by the due date, coverage will be cancelled. Agricorp will determine the amount of earned premium according to the time the policy was in place. The earliest planting deadline for the intended crop(s) or May 1, which ever is later, is deemed the start of coverage.

Any debt arising from an Insured's earned premium will be set-off against any federal or provincial agricultural program Agricorp administers, provided such set-off is authorized by law.

To enrol in a Fresh Market Vegetable – Acreage Loss plan in a subsequent year, the Insured must:

- a. Pay any outstanding earned premium balance from previous year(s)
- b. Pay an estimated premium for the current year as determined by Agricorp based on intended acreage. Final premium will be calculated after planted acres are reported. Any difference will be invoiced or refunded.

H. Indemnities

The minimum acreage eligible for an indemnity is one acre of a crop class. Agricorp shall only be liable to pay an indemnity for losses or damages occurring to the whole of an acre that has all encompassing boundaries.

If loss or damage occurs to an insured crop, the Insured shall not abandon, destroy, reseed or replant or harvest the acreage or use it for another purpose without the prior consent of Agricorp. The Insured shall take all reasonable steps to prevent further damage to the crop and to prevent damage to other crops insured under a Contract until the acreage is released by Agricorp.

If damage occurs to an insured crop, the Insured shall notify Agricorp within two days of the damage event. Each separate area of damage must be reported separately. Failure to notify Agricorp of damage will result in loss of any indemnity under this Contract in respect of such loss or damage.

The cumulative amount of compensation paid for different types of indemnities for one crop cannot exceed the insurable value.

The Insured must keep detailed production records including, but not limited to crop protection records and invoices and must supply those records to Agricorp upon request. Failure to provide any requested production records can result in the loss of any indemnity.

Assessment of damage and determination of sample yields is based on grading standards as determined by Agricorp and outlined in an applicable Production Insurance Document or other grading standards that were proposed by the Insured at the time of renewal and approved by Agricorp .

Agricorp shall not be liable to pay an indemnity for losses or damages to an insured crop due to plant disease more than once during the period comprised of the current and following crop year, where the subject acreage has been double-cropped in the current crop year.

Agricorp shall not be liable to pay an indemnity for losses or damages to an insured crop due to plant disease where the Insured has re-used plastic mulch beds from any previous crop years.

Agricorp shall not be liable to pay an indemnity for losses or damages to an insured crop until a complete and accurate Final Acreage Report is provided to and received by Agricorp including the information listed in section F of this Part and farm diagrams as required at renewal or application.

Special Protection Indemnity

A special protection indemnity may apply when:

- a. Acreage could not be seeded or planted with the intended crop by the final planting date specified by Agricorp due to an insured peril, or

- b. The acreage was seeded or planted, after the final planting date for the intended crop, with a replacement crop, which required different crop protection management and land preparation than the intended crop.

Special protection indemnities are not paid when:

- a. The Insured seeds or plants the intended or replacement crop after the final date for planting as specified by Agricorp;
- b. The Insured seeds or plants a replacement crop before the final date for planting the intended crop as specified by Agricorp;
- c. Seeding could not be completed due to poor drainage, flooding that is predictable or recurrent, a lack of machinery, contract work, soil preparation method (e.g., spring ploughing, direct seeding), or failure to follow good farm management practices;
- d. The Insured did not seed or plant because of previously planned work on the area concerned (e.g. drainage, hay harvest) that could not be completed due to climatic conditions.

To be eligible for an indemnity, either significant amount of acreage for the same crop in the surrounding 20 kilometres must experience the same problem, or an area must be affected by prolonged abnormal weather.

Compensation is equal to the cost of expenses incurred, excluding any harmonized sales tax (HST), to a maximum, as determined and calculated by Agricorp multiplied by the chosen coverage level. The insured must report and pay premium on the intended acres before a Special Protection indemnity can be paid.

Indemnity is paid for:

- a. the actual work done preparing the damaged acreage for unseeded or unplanted acreage, or,
- b. the actual work done preparing the damaged acres not required under good farm management practices for the seeding or planting of the replacement crop.

Only products and work done before the final planting date are eligible for compensation under special protection indemnities. The Insured must provide Agricorp with sales receipts and production records showing products used and work completed.

Application for special protection on unseeded or unplanted acreage ends the insurance coverage for the acreage concerned, with no reimbursement of premium.

Emergency Measures Indemnity

An emergency measures indemnity may apply when emergency work is done to reduce or eliminate crop losses caused by an insured peril. The Insured must provide Agricorp with sales receipts and production records showing products used and work completed.

Compensation equals the cost of the cultural operations carried out and the inputs used to reseed, replant or

salvage the crop, excluding any harmonized sales tax (HST) as calculated by Agricorp. To be eligible for an indemnity, any work must serve the purpose of avoiding or reducing loss of yield and be authorized by Agricorp. Work to destroy the affected crop, by herbicide or machinery, is eligible for compensation when it is deemed appropriate before reseeding. The Insured must report and pay premium on the final planted acres before an Emergency Measures indemnity can be paid.

The maximum amount payable for emergency work is 80% of insurable value, for all chosen coverage levels.

If the Insured does not complete emergency work required by Agricorp, the Insured will not be entitled to an emergency measures or abandonment indemnity related to the cause of damage that makes this emergency work necessary for the acreage concerned.

Work carried out without valid reason or authorization from Agricorp may not be compensated. If an insured crop has been destroyed to carry out this work, the acreage concerned is no longer insured and there is no rebate of premium.

Abandonment Indemnity

An abandonment indemnity may apply where, as a result of an insured peril, the sample yield determined by Agricorp is lower than the abandonment threshold as set out in the applicable Production Insurance Document.

The amount of indemnity payable will be determined in accordance with the provisions of the Contract including, but not limited to, all limitations on insurable acreage or insurable crops, deductibles, and any other restriction on the amount payable, and on the basis of the applicable coverage level.

Compensation is the insured value of the abandonable acreage, less any non-incurred costs, multiplied by the damaged acres and chosen coverage level.

Sample yields determined by Agricorp are compared to the applicable abandonment threshold to determine whether abandonment is authorized. If a sample yield is close to the abandonment threshold, Agricorp may use the harvested yield provided by the Insured to determine if an abandonment indemnity is payable.

Adjustment of abandonment threshold

The abandonment threshold may be adjusted downward for Insureds who demonstrate the ability to produce crops that yield close to the established abandonment threshold. Reasons for abandonment threshold adjustments include but are not limited to:

- Failure to follow good farm management practices;
- Population density lower than average;
- Low potential productivity due to soil or topography.

Losses due to progressive diseases

This section applies to onions, rutabagas, summer and winter cabbage, winter squash, red beets and carrots only. If in the field, the sample yield was higher than the

abandonment threshold and disease identified prior to harvest progressed in storage lowering the harvested yield as determined by Agricorp below the abandonment threshold, an abandonment indemnity may be authorized providing that:

- Notice of the peril and / or damage was provided to Agricorp prior to harvest and the crop was inspected by Agricorp prior to harvest confirming the presence of disease; and,
- The damaged crop is stored separately from the rest of the harvested crop and other damaged fields;
- The Insured has made reasonable efforts to mitigate the damage including, but not limited to, reasonable efforts to sell the damage crop, and
- The Insured must attempt to sell the harvested crop within one month, or in lieu of this, the Insured must provide proof that it was impossible to sell the crop and destruction of the crop will be required;

For damage to crops for which no notice of damage was given when the crop was in the field but a progressive disease is later noted in storage, no abandonment indemnity is payable.

Crops with graded harvest

This section is only applicable to processing cauliflower, processing celery, cucumbers, peppers, carrots and yellow onions, or crops for which a revised grading standard was approved.

If an insured peril decreased the quality of the crop, an equivalency factor may be applied to the sample yield. The equivalency factor is derived by dividing the price received by the Insured, by the market price for Grade No. 1.

Destruction of abandonable fields

Destruction is mandatory before an abandonment indemnity is payable for crops with graded harvest including processing cauliflower, processing celery, cucumbers, peppers, carrots and yellow onions or crops for which a revised grading standard was approved when:

- a. The yield determined by Agricorp is lower than the abandonment threshold for the intended crop grade but the crop meets the marketing standards for a secondary use and the Insured demonstrates
 - i. there is no market for the crop, or
 - ii. it is not practical to harvest the crop for a secondary market; or
- b. The sample yield is lower than the abandonment threshold after Agricorp has applied an equivalency factor

Destruction is mandatory before an abandonment indemnity is payable when there is a disagreement between Agricorp and the Insured over the grading of any crop insured in the fresh market vegetable-acreage loss plan.

Windrow Crops

Abandonment may be authorized if damage occurs while crops are in a windrow provided the windrowing is required for maturation or normal drying for the crop and good farm management practices have been followed. Crops that do not require windrowing for maturation or drying are not insured if there is damage after they are harvested into a windrow for storage purposes. Crops excluded from coverage while in a windrow include, but are not limited to, all crop classes of pumpkins and squash.

I. Specific Crop Conditions

Fruit Vegetables and other multiple harvest crops

Insured must notify Agricorp of intent to harvest a minimum of five days prior to commencement of harvest. Failure to notify Agricorp could result in loss of any potential indemnity.

The Contract of Insurance Terms and Conditions are available by calling 1-888-247-4999 or by visiting www.agricorp.com.
(Version française disponible)

