



Harvesting for a different end use Grains and Oilseeds

Feature Sheet

The information in this document applies to Production Insurance customers who are considering harvesting their grain and oilseed crops for a different end use than originally intended, such as harvesting early, grazing or chopping as green feed. For grain corn specifically, see the [Harvesting Damaged or Stressed Grain Corn Feature Sheet](#) available on agricorp.com.

How your coverage works

Production Insurance includes options for grain and oilseed crops harvested early for livestock feed or for a different end use than originally intended, regardless of the quality of the crop. Your crop does not need to be damaged for this coverage option to apply.

If you choose to harvest the crop early by grazing it or chopping it as green feed for use on your farm or for another farmer, Agricorp will work with you to establish a representative yield value based on the value of your crop in the field.

This established yield considers any insured perils are covered for claim purposes and will also be used in your average farm yield moving forward, which is the basis of your future coverage. If the crop is severely damaged, Agricorp will work with the customer to determine if a zero yield should be applied to the crop.

Whether the yield is established based on a different end use or even if a zero yield is applied because it has no value as feed, a buffering feature is used on any extreme yields. This means a bad year does not significantly affect your 10-year average farm yield. Read the [Yield Buffering Feature Sheet](#) on agricorp.com for more information.

Any acres you leave in the field to harvest at the end of the growing season will still be covered under Production Insurance. You can receive a claim payment if the yield falls below your guaranteed production.

See the reverse for an example of how Agricorp establishes representative yields.

Before you harvest

If you intend to harvest early for livestock feed or for a different end use, contact Agricorp so we can assign an insurance adjuster. The adjuster will contact you within 48 hours to review your situation and explain how your coverage works.

The sooner we inspect the crop and explain the options, the better. This allows time for you to assess the situation and make any necessary arrangements for your crop.

EXAMPLE

Establishing a representative yield to crop used for a different end use

Example scenario:

- You have 200 acres of spring grain.
- Your 10-year average farm yield (AFY) is 2,100 lbs./ac.
- Your guaranteed production at 80% coverage is 336,000 lbs.
- Dry weather conditions cause poor growth and shortages of livestock feed, so you choose to harvest 100 acres for green feed this year.
- After inspection, you and the Agricorp adjuster determine the expected yield is 20% on the 100 acres used for green feed.
- Your remaining acres to be harvested as spring grain have a yield of 63,000 lbs.
- For this example, the claim price of \$0.1157/lbs. will be used.

In this example, Agricorp's practice for establishing a representative yield would be as follows:

Step 1: Establish representative yield for 100 acres being used as green feed (alternative use)

$$\begin{aligned}\text{Representative yield} &= \text{AFY} \times \text{expected yield percentage} \times \text{acres} \\ &= 2,100 \text{ lbs./ac} \times 20\% \times 100 \text{ acres} \\ &= 42,000 \text{ lbs.}\end{aligned}$$

Step 2: You report a yield of 63,000 lbs. on the remaining 100 acres harvested as spring grain

Step 3: Calculate final total yield on 200 acres

$$\begin{aligned}\text{Final total yield} &= \text{representative yield} + \text{actual spring grain yield} \\ &= 42,000 \text{ lbs.} + 63,000 \text{ lbs.} \\ &= 105,000 \text{ lbs.}\end{aligned}$$

Step 4: Calculate the claim

$$\begin{aligned}\text{Claim} &= \text{guaranteed production} - \text{final total yield} \times \text{fixed claim price} \\ &= (336,000 \text{ lbs.} - 105,000 \text{ lbs.}) \times \$0.1157/\text{lbs.} \\ &= \$26,726.70\end{aligned}$$

In addition, Agricorp will apply a buffering feature so a bad year does not significantly affect your 10-year average farm yield used for future coverage. Buffering helps to stabilize your AFY and lessens the impact of extreme yields. In this example, the yield would be buffered to 1,081.5 lbs./ac instead of the actual yield of 525 lbs./ac. Read the [Yield Buffering Feature Sheet](#) on agricorp.com for more information.

Errors and omissions excepted.

Agricorp reserves the right to make corrections if there are any errors or omissions on this feature sheet. For specific legal obligations of Production Insurance, consult the *Contract of insurance, Terms and conditions*. For details on the collection of information and treatment of records, refer to Part I, Section I of the contract.

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