



Understanding Payments (Forage Rainfall Plan – Excess Rainfall Option)

Feature Sheet

The information in this document applies to the excess rainfall option of the forage rainfall plan.

How your coverage choices affect payments

The excess rainfall option uses rainfall as an indicator of forage quality. This option covers quality losses due to rainfall during harvest or over-maturity as a result of being unable to harvest. Rainfall-based plans are used across North America to estimate hay and pasture yields and offer producers a simple and easy way to insure their forage.

When you enrol in the excess rainfall option, your coverage choices are used by Agricorp to determine if you are eligible for a payment. These choices include:

- **Harvest period:** Select the 10-day harvest period when you would typically harvest your first cut. We use the rainfall data from within your 10-day harvest period to determine if you are eligible for a payment. For your Production Insurance coverage, you choose one of the five harvest periods. Your production practices will continue to follow best management practices to determine when you actually harvest your crop.
- **Rainfall threshold:** Sign up for a 5 mm or 7 mm threshold.
 - If your chosen harvest period does not have a window of five consecutive harvest days with a combined rainfall below your chosen threshold, you will receive a payment.
 - The 5 mm threshold option provides more coverage: you need less rainfall to trigger a payment.
- **Rainfall station(s):** Select up to three rainfall stations from your own or adjacent geographic townships based on where your forage is grown.
- **Coverage amount:** Select a coverage amount. Agricorp adjusters are available to help you determine the maximum value of your hay acreage. Hay acreage can be valued from \$100 up to \$640 per acre. You can choose a total coverage amount up to the maximum value of your hay acreage to reflect your business needs.

▶ Make sure you're covered

Assessing the value of your forage is an important element in the forage rainfall plan. While valuing your forage and choosing your coverage amount, consider the compensation you would need to cover costs like:

- Replacing forage in a shortage
- Buying alternate feed in a shortage

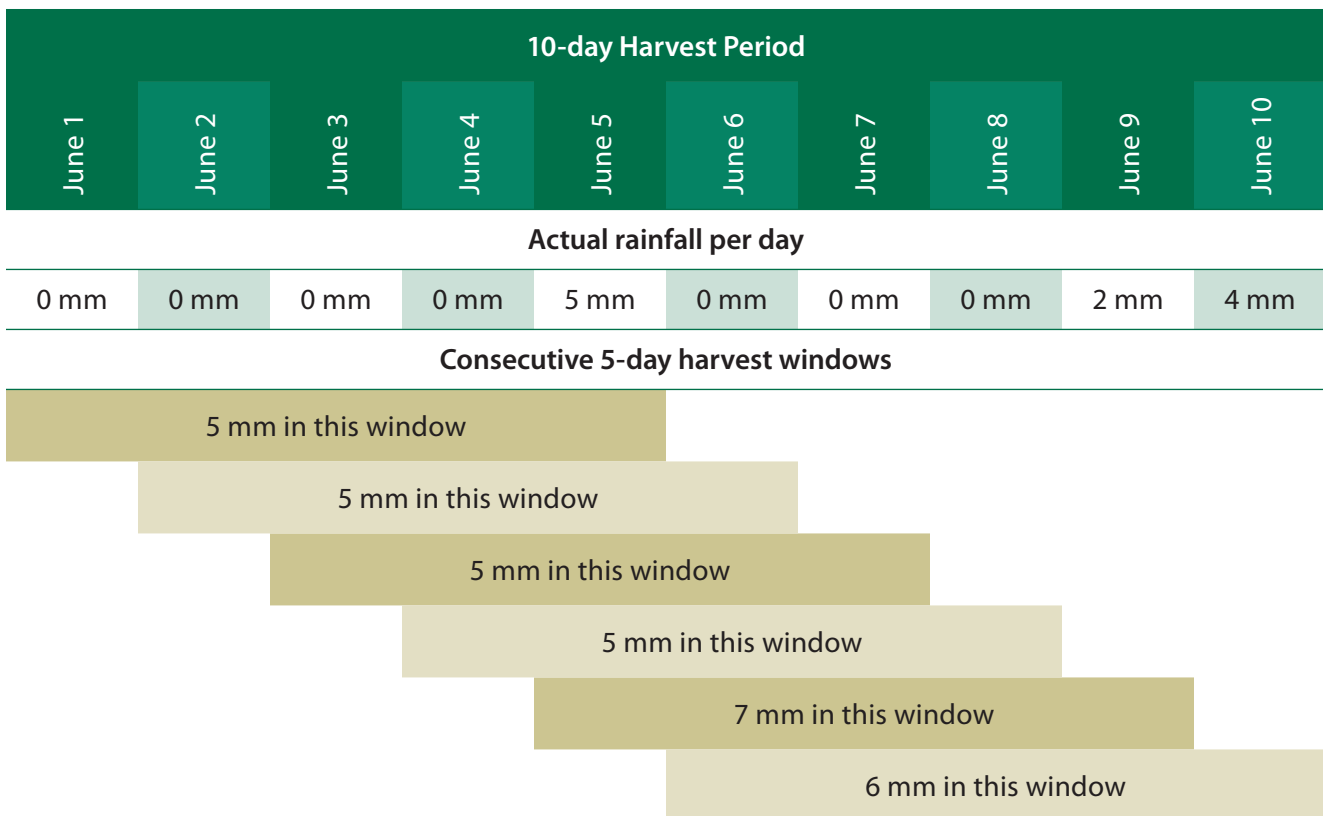
To see how your coverage amount affects your payment, see “Comparing coverage choices” on page 3.

Understanding your payment

Example scenario

- You have 100 acres of improved tillable land.
- You value your forage at \$500/acre, therefore, you can choose a coverage amount up to \$50,000.
- You make the following coverage choices:
 - Coverage amount of \$30,000
 - 5 mm rainfall threshold
 - Harvest period from June 1 – 10
- At the end of your harvest period, Agricorp reviews the rainfall in your 10-day harvest window and concludes that you are eligible for a payment (see table below).

Sample rainfall data



Because your selected harvest period did not have five consecutive harvest days with rainfall below 5 mm, you will receive a payment.

How a payment is determined

Step 1: A third party collects the rainfall data

The rainfall data is collected from around the province by a professional weather service and is available on agricorp.com.

Step 2: Agricorp determines if you are eligible for a payment

Agricorp will review each of the possible five day harvest windows. If your chosen harvest period does not have five consecutive harvest days, with a combined rainfall below your chosen threshold, you will receive a payment.

Step 3: Agricorp calculates your payment

$$\text{Payment} = 35\% \times \text{coverage amount}$$

- ▶ Payments are 35 per cent of your coverage amount, to reflect typical first cut losses.

Comparing coverage choices

	\$30,000 chosen coverage amount	\$50,000 chosen coverage amount
Premium = Chosen coverage amount × premium rate* <small>(*premium rates are included in your renewal package and are available on agricorp.com)</small>	Premium = \$30,000 × 3.96%* Premium = \$1,188	Premium = \$50,000 × 3.96%* Premium = \$1,980
Payment = 35% × Chosen coverage amount	Payment = 35% × \$30,000	Payment = 35% × \$50,000
	\$10,500 payment	\$17,500 payment

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: General Terms*. For details on the collection of information and treatment of records, refer to Section E of the *General Terms*.

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