



An agency of the Government of Ontario

Banana or Bell Pepper Salvage Benefit

This benefit applies to bell and banana peppers only.

The Production Insurance plan for bell and banana peppers features a salvage benefit to assist growers in removing peppers damaged by hail or by sunscald or blossom end rot caused by drought or heat. Plants will recover and establish new fruit quickly when damaged fruit is removed.

This benefit is applicable if Agricorp determines there is enough growing time left in the season to regenerate new fruit.

The benefit pays growers for wages and related labour costs plus 30 percent, up to a maximum of \$518 per acre. The grower must notify Agricorp immediately after damage occurs. An Agricorp adjuster will inspect the crop to assess the severity of the damage, confirm the cause, and assess a potential yield.

To apply for the Pepper Salvage Benefit, the grower must complete and sign a *Pepper Salvage Benefit Claim* Form and submit it to Agricorp. If the crop is grown under contract with a processor, the grower is encouraged to work with the processor to ensure their industry contract obligations are met.

To qualify for the banana or bell pepper salvage benefit, damage must have occurred:

- on/or before **August 1** for banana-type peppers
- on/or before **August 15** for bell peppers
- on a minimum of one half of an acre

Note: Fungicides must be applied to maintain the plant in accordance with good farm management practices.

This salvage benefit is calculated using the following formula:

Salvage benefit = total labour cost + 30%

The combined value of any salvage and production claims cannot exceed the total liability for the contract.

See example on reverse.

Example

The following example is based on an insured grower who plants 15 acres of bell peppers under contract with a processor. The customer notices damage to his crop due to a hail event on August 4. The customer calls Agricorp to open a damage report for hail.

Scenario 1

An Agricorp adjuster meets with the grower and agrees that the insured is eligible for a salvage benefit on five acres. The processor has given written permission to proceed with the salvage work. The grower employs 16 workers at \$16.55/hour to remove the damaged fruit in four hours.

Salvage benefit	= (Total labour cost) + 30%
	= (16 × \$16.55 × 4) +30%
	= \$1,376.96 (\$275.39/acre)

The customer receives a benefit of \$1,376.96

Scenario 2

An Agricorp adjuster meets with the grower and agrees that the insured is eligible for a salvage benefit on 10 acres. The processor has given written permission to proceed with the salvage work. The grower uses 46 workers and pays them each \$16.55/hour to remove damaged fruit in 10 hours.

Salvage benefit	= (Total labour cost) + 30%
	= (46 × \$16.55 × 10) +30%
	= \$9,896.9 (\$989.69/acre)

Maximum salvage benefit = \$518/acre

Customer receives the maximum benefit of \$518/acre = \$5180.00

For more information, please contact Agricorp at 1-888-247-4999, between 7 a.m. and 5 p.m., Monday to Friday, or visit agricorp.com.