Production Insurance

Information sheet

Grains and Oilseeds

Determining average farm yields

Agricorp calculates an average farm yield (AFY) that is used as a benchmark to determine if your actual production is below average for Production Insurance purposes.

AFY for existing plan participants

Your AFY is calculated using up to the past 10 years of your actual reported yields.

AFY for new plan participants

If you are new to the plan, each crop is assigned an underwritten five-year AFY that is based on:

- Soil type
- Drainage
- Township Averages
- Provincial Averages
- Historical data
- Management experience and practices

Each year that you participate in the plan, your actual yield replaces an underwritten yield until your AFY is composed entirely of your own actual yields.

Yield Adjustment factor

*applies to canola, corn, hard red, soft red and soft white winter wheat, and soybeans

YEAR	ACTUAL YIELD (BU/ACRE)	ADJUSTMENT FACTOR	ADJUSTED YIELD (BU/ACRE)
2014	35.00	1.0	35.00
2013	60.00	1.0	60.00
2012	50.00	1.0	50.00
2011	40.00	1.0	40.00
2010	32.00*	N/A	32.00
Average yield =	**43.40**	**Average adjusted yield =**	**43.40****

Note: Adjustment Factoring to AFY has not been applied 2010 - 2014.

* Underwritten value

** Buffering still needs to be applied to establish AFY

Your historical yields are adjusted to reflect changes in practices or technology over time. An adjustment factor is applied to your actual yields for each individual crop. Underwritten yields are not factored.

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Yield Buffering

Unusually high and low yields are adjusted (buffered) to stabilize and lessen the impact of extreme yields on your AFY. Buffering is applied after the yield adjustment factor.

- If your actual yield is above the **upper** threshold (130 per cent of your AFY), the yield is buffered two-thirds of the way down to the **upper** threshold.
- If your actual yield is below the **lower** threshold (70 per cent of your AFY), the yield is buffered two-thirds of the way up to the **lower** threshold.

Example of yield buffering and impacts on AFY

If a soybean producer has a zero yield in 2014, Agricorp buffers their 2014 yield to lessen the impact on their 2015 AFY. Because the producers actual yield is below the lower threshold (70 per cent of their AFY), below is how the buffered yield would be calculated.

Lower threshold	= 70% x 2015 actual AFY (10-year average of actual yields) = 70% x 28.1 bu/ac = 19.67 bu/ac
Difference between threshold and 2014 actual yield	= 19.67 bu/ac – 0 bu/ac = 19.67 bu/ac
Buffering adjustment	= Difference between lower threshold and actual yield x ²/₃ = 19.67 bu/ac x ²/₃ = 13.11 bu/ac
Buffered yield	= Actual yield + buffering adjustment = 0 bu/ac + 13.11 bu/ac = 13.11 bu/ac

YEAR	ACTUAL YIELD BU/AC	BUFFERED YIELD BU/AC	ACTUAL AFY BU/AC	BUFFERED AFY BU/AC
2005	32	32	N/A	N/A
2006	32	32		
2007	29	29		
2008	31	31		
2009	33	33		
2010	30	30		
2011	32	32		
2012	31	31		
2013	31	31		
2014	0	13.11	31.1	31.1
2015	N/A	N/A	28.1	29.4

In this example, buffering the zero yield in 2014 resulted in a 5.5 per cent decrease in the producer's 2015 AFY. Without buffering, their 2015 AFY would have decreased by 9.6 per cent.

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