

INDIVIDUAL CROP INSURANCE

This coverage summary in no way takes precedence over the provisions of the program or of any policy of La Financière agricole.



Cereals, Grain Corn and High-Protein Crops - 2009 (Crops Cultivated for Seed)

Individual crop insurance offers you personalized coverage, tailored to the needs of your farming enterprise. It is based on your farm's production volume.

INSURABLE CROPS

- Barley
- Oats
- Soybeans
- Wheat

RISKS COVERED

- Drought
- Excessive wind, rain, humidity and heat
- Floods
- Frost
- Hail
- Hurricanes, tornados
- Snow
- Uncontrollable insects and diseases
- Wild animals against which there is no adequate means of protection, with the exception of the waterfowl provided for through the damage compensation program under the Canada-Québec agreement on production insurance.

PROTECTION OFFERED

Benefit options: 60%, 70%, 80% or 80% with abandonment or 85% of the total insurable yield.

Deductible: 40%, 30%, 20% or 15% according to the benefit option chosen.

$$\text{Total insurable yield} = \text{Probable yield} \times \text{Number of insurable units}$$

Probable yield: based on your farm, expressed in kilograms per hectare using Canadian genealogical grade 1 and 2 seeds at 15% moisture with screenings.

End of coverage: at harvest completion or, at the latest, on the final date that coverage is offered:

- barley, oats, wheat October 10 except for the Service Centres of Alma, Amos, Caplan, Lévis, Québec, Rimouski and Rivière-du-Loup whose coverage date ends on October 25.
- soybeans
(zones not exceeding 2600 CHUs) October 25
(zones of 2600 CHUs or over) November 1

FINANCING OF THE PREMIUM

The premium for the Crop Insurance Program financed by the governments and the participant varies according to the different benefit options.

Benefit option	Contribution		
	Governments	Participant	
60%	84%	16%	
70%	70%	30%	
80%	60%	40%	
80% with abandonment	Barley	59,4 %	40,6 %
	Wheat	53,7 %	46,3 %
	Oats	54,6 %	45,4 %
	Soybeans	58,6 %	41,4 %
85%	60%	40%	

The governments cost-share in a proportion of 60% for Canada and 40% for Québec.

FINANCING OF THE ADMINISTRATIVE COSTS

The costs inherent in administering the Crop Insurance Program are shared in a proportion of 60% by the Government of Canada and 40% by the Government of Québec.

ENROLMENT

Enrolment deadline: April 30.

Minimum area: 4 hectares per crop.

Seeds: Seed used must be a Canada pedigreed grade (Foundation, Registered or Certified) and have been subject to valid registration for Québec.

Seeding cut-off dates:

wheat June 1 except for the Service Centres of Alma, Amos, Caplan, Lévis, Québec, Rimouski and Rivière-du-Loup whose seeding deadline is June 5.

barley, oats June 15

- soybeans (zones not exceeding 2600 CHUs) June 10
- soybeans (zones of 2600 CHUs or over) June 15

Specific terms: provide La Financière agricole with production reports from the Canadian Seed Growers Association or the Canadian Food Inspection Agency:

- crop inspection and membership applications to the Association
- crop inspection report
- notification of refusal subsequent to inspection
- crop certificate
- germination certificate
- nonconformity declaration

Farming methods:

- Produce cereals and soybeans according to a cultivation plan complying with the Guide to Farming Standards Approved by La Financière agricole 2009.
- Present a cultivation plan when the participant's farming methods differ from those in the Guide to Farming Standards Approved by La Financière agricole.

Ecoconditionality measures:

- In accordance with the Agricultural Operations Regulation (AOR), La Financière agricole excludes from insurable areas those on which it is prohibited to cultivate land. This measure may concern in particular areas that have been deforested and used for agricultural purposes while on the territory of one of the municipalities listed in the AOR.
- In accordance with the Protection Policy for Lakeshores, Riverbanks, Littoral Zones and Floodplains, La Financière agricole excludes from insurable areas cultivated areas within a three-metre strip of vegetation with respect to riverbanks.

CHANGES TO CERTIFICATE

La Financière agricole must be informed of any changes to your agricultural program that could modify your insurance certificate.

Deadline for changes: **August 1.**

NOTICE OF DAMAGE

When damage occurs to insured crops, you must notify La Financière agricole immediately.

In the event of fusariose, the presence of vomitoxins must be confirmed by a quantitative ELISA test or a semi-quantitative ELISA test (reveal for DON) on a sample representative of a lot not exceeding 50 tonnes in a silo or 30 tonnes in a truck. Notices of damage in such cases are not receivable for grain with a moisture rate greater than 14% when the analysis is done over a month after the harvest. A second appraisal could be made.

Minimum period for notice of damage: **2 working days** before harvesting begins so that an appraisal can be made while **the crop is still standing.**

Deadline: **January 31 of the following year** when the crop is not from Canada pedigreed Class I or II grade seeds.

Failure to report damage within the prescribed time limits may lead to the loss of your right to compensation.

COMPENSATION

➤ EXTRA COVERAGE:

When weather conditions prevent seeding, compensation is provided for expenses incurred not salvaged as another crop and according to compensation rates in effect.

Minimum area: **1 hectare (undivided).**

➤ EMERGENCY MEASURES:

Emergency measures authorized by La Financière agricole, carried out with the aim of mitigating or avoiding a drop in yield.

Compensation is established based on rates in effect for emergency measures.

➤ ABANDONMENT:

Offered only for the benefit option of 80% with abandonment.

Abandonment may be authorized at any time in the season provided that a representative from La Financière agricole is able to appraise the damage before harvesting begins.

Damage severely affecting a part or all of the crop is compensated as follows:

$$\text{Indemnity} = 80\% \text{ of the insurable yield of the area affected} \times \text{Unit price}$$

Minimum area: **entire field or 4 undivided hectares.**

The yields observed must be less than the following yields:

- barley, oats and wheat: 675 kg/ha
- soybeans: 525 kg/ha

Salvage value and nonincurred expenses: deducted from compensation, if any.

➤ DROP IN YIELD:

When damage causes a loss greater than the deductible listed on the certificate.

$$\text{Indemnity} = ((\text{Total insurable yield} \times \text{Benefit option}) - \text{Actual yield}) \times \text{Unit price}$$

Salvage value and nonincurred expenses: deducted from compensation, if any.

➤ DOWNGRADING:

When, according to the Canadian Seed Association, seeds are not grade I or II or, according to the Régie des marchés agricoles et alimentaires du Québec, are downgraded to "sample" or "feed wheat" for wheat for human consumption and the insured value listed on the certificate is not reached, compensation is calculated as follows:

$$\text{Indemnity} = \text{Total insured value} - \text{Monetary value of the total crop}$$

AGRISTABILITY AND AGRIINVEST

By participating in crop insurance, you also benefit from full protection under the AgriStability and AgriInvest Programs.

APPLICATION FOR REVIEW

Any request for a review of a decision rendered regarding a participant's insurance file must be made in writing and sent to the Service Centre in charge of the participant's file or delivered in person to a representative of La Financière agricole within ninety (90) days from the date of the decision in question. Furthermore, this request must explain the motives behind the application for a review. However, the conditions, parameters of the programs and the results of the collective appraisals made for crop insurance cannot be subject to a request for a review.