



LOW YIELDS FROM EXTREME WEATHER EXPECTED TO TRIGGER SIGNIFICANT CROP INSURANCE PAYMENTS

Agriculture Financial Services Corporation (AFSC) is preparing for significant payouts on pulses and other crops after harvest.

“We’ll really see the benefits of crop insurance this year,” said Jesse Cole, AFSC’s Innovation Supervisor. “Sometimes in good years we get questions like: ‘It hasn’t paid out for two years so why am I in it?’ Crop insurance will really show its value this year.”

AFSC insured 1.8 million acres of pulses in Alberta this year, however, the magnitude of production insurance claims won’t be assessed until the Harvest Production Reports (HPRs) are submitted. HPRs are due November 15, but farmers can submit any time after they complete harvest.

“We encourage producers to submit their HPR as soon as they are done harvest to help get their post-harvest claim processed as soon as possible,” said Daniel Graham, AFSC’s Manager of Insurance Products. “Secondly, we’re asking producers to sign up for AFSC Connect, so that they’re able to fill out their annual HPR online.

“We’re also offering a new direct deposit feature for payments to clients with annual and perennial insurance. Once we hit the approve button, the funds will go into the bank account of the client’s choice; there’s no waiting for the cheque to come in the mail.”

An early harvest was underway at the beginning of August across much of the province, with significant declines occurring for dryland pulses,



Drought conditions were evident in many parts of Alberta this summer.

Graham noted. Irrigated pea yields are down slightly as well.

“We’re anticipating a significant amount of payments this year,” Graham shared. “It’s too early to tell exactly what that will be, but losses could be at a level we haven’t seen in some time. Poor crop conditions are due to a variety of growing conditions – from the spring soil moisture deficit in parts of the province, to the abnormal hot and dry conditions experienced province-wide this summer, to the smoke from B.C. wildfires. These factors have contributed to the poor crop conditions this year.”

Farmers have been bracing for yield losses since the extreme weather started significantly affecting

crops in July and AFSC has been closely monitoring the situation. Throughout the summer, Alberta Pulse Growers (APG) and its crop commission partners in Team Alberta met as often as weekly with officials from Alberta Agriculture & Forestry and AFSC.

“Having open lines of communication between all stakeholders is very important to AFSC,” said Graham. “This helps us to collectively understand the conditions out there, but also helps us understand how our programs will respond to the evolving situation.”

AgriInsurance, AgriStability and AgriRecovery are the business risk management programs AFSC delivers in Alberta.

Cole explained that another benefit of coordination with all parties is clients receive the same information—regardless of whether they contact AFSC, the Ministry or APG.

This August, AFSC inspectors have been out conducting pre-harvest and hail inspections. Pre-harvest inspections are for clients who want to harvest for feed or, for extreme cases, plough the crop down.

“In years when there are a large number of unharvested acres, like 2016, with a lot of claims and a heavier load on adjusting—we’re usually pretty good at expediting claims that are more straightforward and don’t have a lot of ambiguity,” Cole explained.

Graham added: “For example, if you are in a significant claim position and we can’t get to your post-harvest right away, we can provide an advance on your claim.”

AFSC also has a mechanism to compensate producers who have to make claims on crops they would otherwise have sold at this year’s high crop prices.

“Although production losses are an issue this year, prices were really good,” Cole said. “If you have any grain, those prices are very high—peas, canola, barley—it’s all high this year. That contributes to the payout. And the Variable Price Benefit triggers if there’s a significant increase from the spring insurance price to the fall price for crops that are eligible. That’ll tack on quite a bit to those payments.”

Meanwhile, APG is in regular contact with AFSC to ensure that programs keep pace with the types and amounts of pulses grown in the province. The two groups met in August to discuss developments, including creating price visibility for yellow beans.

“It has been hard to find prices for yellow beans in the last few years and that is something we think might be improving with the stability of Alberta markets,” Cole said. “The big push right now is to work with APG to try to get a market price or proxy off another bean crop to bring that coverage up a bit to reflect coverage with what the market is doing. There might be an opportunity to do that now where there wasn’t in the past.”

Cole also mentioned that AFSC received an application for New Crop Insurance Initiative (NCII) coverage on lupins this year. The NCII product offers a home for non-traditional or small-acre crops that don’t currently fit in existing programs. It uses a farmer’s existing coverage on other crops to create the indemnification for the new crop in that program and the coverage is based on costs.



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