

Canada-Alberta
AgriInsurance Products

**SILAGE/GREENFEED
INSURING AGREEMENT
BARLEY PROXY**

For 2024 Annual Crops

TABLE OF CONTENTS – SIILAGE/GREENFEED INSURING AGREEMENT – BARLEY PROXY

ARTICLE 1. DEFINITIONS	3
ARTICLE 2. SPECIFICATIONS	5
2.01 Dollar Coverage	5
2.02 Irrigation Coverage	5
2.03 Pricing	6
2.04 Premium	6
2.05 Election and Renewal	7
ARTICLE 3. CONDITIONS	7
3.01 Crops Used as Pasture	7
3.02 Restrictions	7
ARTICLE 4. REPORTING DEADLINES	8
ARTICLE 5. INSURED ACRES	9
5.01 Insured Acres Details	9
ARTICLE 6. LAND REPORT	9
6.01 Land Report Details	9
ARTICLE 7. STATEMENT OF COVERAGE AND PREMIUM	10
7.01 Statement of Coverage and Premium Details	10
ARTICLE 8. CLAIMS	10
8.01 Claim Deadlines and Notice of Loss	10
8.02 Statement of Loss and Inspection	11
8.03 Service of Documents	11
8.04 Deferrals	11
ARTICLE 9. INDEMNITY	11
9.01 Calculation of Indemnity	11

SILAGE/GREENFEED INSURING AGREEMENT – BARLEY PROXY

AFSC will indemnify the Insured against damage caused by Designated Perils to the Insured Feedgrains in the Proxy Area for the Insured's Silage Greenfeed crops pursuant to this Insuring Agreement. This Insuring Agreement incorporates by reference, and is subject to, the Terms and Conditions and Benefits. The definitions in the Terms and Conditions will apply unless the same term is otherwise defined in this Insuring Agreement.

Silage Greenfeed Insurance is an area-based program that provides an alternative for silage crops and does not require pre-harvest or post harvest inspections. Since individual production does not trigger the loss, the list of crops that can be insured as silage under an area-based approach can be expanded from those eligible under a production-based program.

ARTICLE 1. DEFINITIONS

“Insurable Crop” means the following crops intended for Silage, Greenfeed or swath grazing: Barley, Cocktail Crops, Silage Corn, Faba Beans, Green/Other Field Peas, Yellow Field Peas, Lupines, Millet, Cereal Mixture, Oilseed Mixture, Pulse Mixture, Oats, Fall Rye, Spring Rye, Annual Ryegrass, Italian Ryegrass, Sorghum, Sorghum-Sudan Grass, Spring Triticale, Winter Triticale, Feed Turnips, Canada Northern Hard Red Wheat, Canada Prairie Spring Wheat, Canada Western Special Purpose Wheat, Durum Wheat, Extra Strong Red Spring Wheat, Hard Red Spring Wheat, Hard Red Winter Wheat, or Soft White Spring Wheat.

“Cocktail Crops” means an Insurable Crop that:

- a. is comprised of a minimum of three different crop types;
- b. the Primary Crop is an Insurable Crop under this Insuring Agreement, excluding Cereal Mix, Cocktail Crop or Oilseed Mix;
- c. the Primary Crop is 35 percent or more of the Cocktail Crop's total plant stand; and
- d. no single crop type, that is not an Insurable Crop, composes more than 20 percent of the Cocktail Crop's total plant stand.

“Designated Peril” The Designated Perils listed under Article 1 of the Terms and Conditions do not apply to this Insuring Agreement. Rather it is based on the Adjusted Production, excluding grade loss, of the Insured Feedgrains in the Proxy Area.

“Dollar Coverage per Acre” means 80 percent of the Township Normal Yield for barley multiplied by the Spring Insurance Price.

“Insured Feedgrains” means the following crops used to determine Proxy Area Adjusted Production: barley, mixed grain, oats, spring rye and spring triticale.



“Payment Rate” means the rate of compensation at which the Insured is indemnified, as determined by AFSC.

“Primary Crop” means the largest single crop type or variety in a stand of multiple crop types or varieties.

“Proxy Area” means the township where the Insured Crop is located if there are six or more clients with Insured Feedgrains in the Cereal and Oilseed Crops Insuring Agreement and/or the Pedigreed Crops Insuring Agreement in that township, otherwise the size of the Proxy Area will be increased by adding all adjacent townships until there are a minimum of six Insured Feedgrain clients.

“Proxy Area Adjusted Production” means the same as Adjusted Production in the Terms and Conditions but excludes grade relative to Designated Grade and is represented by the sum of production in the Proxy Area for Insured Feedgrains in the Cereal and Oilseeds Insuring Agreement and/or the Pedigreed Crops Insuring Agreement, separately for dryland and irrigated land.

“Proxy Area Coverage” means the Coverage for the Proxy Area based on the sum of each Insured Feedgrains Final Individual Normal Yield for the Insured, calculated at the 80 percent Coverage Level, multiplied by their respective insured acres in the Cereal and Oilseed Insuring Agreement and/or the Pedigreed Crops Insuring Agreement, separately for dryland and irrigated land.

ARTICLE 2. SPECIFICATIONS

Insurable Crops	Designated Grade	End Uses Silage Greenfeed (S/G)	Insurable under Dryland (Dry) Irrigated (Irr)	Reseeding Benefit (\$ per acre) Minimum 10 acre blocks	Seeding Deadline Crops seeded after this date are not insurable
Barley, Oats, Fall & Spring Rye, Spring & Winter Triticale, all Wheats	N/A	S/G	Dry; Irr	40	June 20
Faba Beans	N/A	S/G	Dry; Irr	50	June 20
Green/Other & Yellow Field Peas	N/A	S/G	Dry; Irr	60	June 20
Oilseed Mixture	N/A	S/G	Dry; Irr	85	June 20
Cocktail Crops, Silage Corn, Lupines, Millet, Annual Ryegrass, Italian Ryegrass, Sorghum-Sudan Grass	N/A	S/G	Dry; Irr	N/A	June 20

2.01 Dollar Coverage

- a. In the case of Silage Corn, the Dollar Coverage per Acre is increased by \$85.

2.02 Irrigation Coverage

- a. Insurable Crop(s) grown on irrigated land are eligible for separate Coverage if:
 - i. those crops are declared as irrigated;
 - ii. there is an adequate source of water;
 - iii. the Insured has reliable irrigation equipment;
 - iv. adequate irrigation water is applied on a timely basis; and
 - v. the Insured maintains an up-to-date log showing the dates and approximate amounts of rainfall and irrigation water applied to each Insured Crop.
- b. AFSC may reclassify the Insured Crop as grown on Stubble or Summerfallow on dryland if:
 - i. the Insured fails to fulfill all or part of the conditions in subsection a. above; or
 - ii. drought is considered by AFSC to be a contributing cause of loss.
- c. Irrigated acres are insured separately from dryland acres of the same crop:
 - i. acres must be identified as irrigated or dryland on the Land Report.

2.03 Pricing

- a. **Spring Insurance Price:** In the spring, AFSC forecasts expected crop prices for the coming Crop Year, and for this Insuring Agreement, it is equal to the Spring Insurance Price for Barley (1 CW).
- b. **Fall Market Price:** In the fall, AFSC reviews the pricing using specific methodologies, as described in the table below, to determine whether the crop's Fall Market Price is substantially lower or higher than the Spring Insurance Price and sets Fall Prices accordingly.
- c. **Variable Price Benefit:** is offered to protect against price fluctuations between the Spring Insurance Price and the Fall Price. Refer to the Benefits document for information.

The Variable Price Benefit triggers when the Fall Price of an eligible crop increases by a minimum of 10% above the Spring Insurance Price, and compensates when the Policy has received an Indemnity.

Market Price Methodology Table

In the event that price information originating from published Fall Market Price methodology for an Insurable Crop(s) is not available or stops being available during the Fall Market Price period, at its best discretion, AFSC maintains the right to develop and implement an alternate price methodology for Fall Market Price determination to replace or augment pricing for that crop(s) in that year.

Insurable Crop * (Grade)	The methodology being used to calculate the Fall Market Price for each crop is indicated below. It is intended to reflect the fall Alberta price for the crop being insured.
Silage Greenfeed	Fall Market Price is the Fall Market Price for Barley (1 CW), expressed in \$/kg.
Barley (1 CW)	Fall Market Price will be determined as the simple average of the weekly average price for Feed Barley in the N ALTA Region during the month of October, expressed in \$/kg, as published on Price and Data Quotes (PDQ) website of Alberta Grains.

2.04 Premium

- a. **Minimum Premium:** There is a minimum \$25 of total Premium required per insurance Policy.
- b. **Rates:** Premium rates are set annually and reflect AFSC's risk of future losses. For the Barley Proxy option, premium rates are based on the Risk Area's production losses of Insured Feedgrains under Crop Insurance. The Insured's Premium is calculated by multiplying the Dollar Coverage per Acre by the Insured's share of the premium rate and applying any applicable discounts.
- c. **Cost Share:** Federal and provincial governments support AgrilInsurance programs by paying all administration expenses and sharing premium costs with the Insured.
- d. **Adjustments & Discounts:**

Continuous Participation Discount	2%	Applies after the first insurance year unless the Insured does not have an active Policy or losses for one year then will be zeroed and needs to be earned again
Early Payment Discount	2%	Applied to Premium payments received by AFSC the later of June 25 or within 15 days of each versions billing date

2.05 Election and Renewal

- a. **Application:** New clients must apply for insurance on or before April 30 and AFSC will evaluate eligibility for insurance. Producers are required to demonstrate their legal, financial and operational independence, and can contact AFSC for application documents.
- b. **Renewal Process:** Insurance remains in effect from year to year therefore an Insured who elected Silage Greenfeed Insurance in the previous year will be automatically renewed based upon the previous year's information. Personalized renewal notices are available in March. The Insured is responsible to review the information and if changes are required, complete a change request form online or return the form to an AFSC insurance representative by mail, fax, email, in person, or request changes by phone, by April 30.
- c. **Declared Acres:** are the total number of acres seeded and those intended to be seeded to Silage and Greenfeed Crops, including crops intended to be combined, whether the acres are to be insured or uninsured.
- d. **Hail Endorsement:** offers spot-loss coverage and may be elected with Silage Greenfeed Insurance by April 30. Refer to the Hail Endorsement Insuring Agreement for additional information.
- e. **Auto-Elect Straight Hail Insurance:** may be elected with Silage Greenfeed Insurance by April 30. When elected, a two percent premium discount will be applied on the Straight Hail Statement of Coverage and Premium.

**Straight Hail Insurance can be purchased on a field by field basis until July 31.
Refer to the Straight Hail Contract of Insurance for additional information.**

ARTICLE 3. CONDITIONS

3.01 Crops Used as Pasture

- a. If an Insured Crop intended for Silage or Greenfeed is pastured, then the insurance Coverage and Premium will remain in effect.

3.02 Restrictions

- a. The Unharvested Acreage Benefit is not available under this Insuring Agreement.

ARTICLE 4. REPORTING DEADLINES

If a reporting deadline date falls on a weekend, the deadline will be extended to the next Business Day.

Last Date to complete the task	Task	Additional information
April 30	Apply for, make changes to, cancel Silage Greenfeed Insurance	Elected options include: <ul style="list-style-type: none"> • Hail Endorsement • Declared Acres • Auto-Elect Straight Hail Insurance
June 1	Amend Declared Acres	With written proof of land purchased, rented, or sold between May 1 and May 31.
June 20	<ul style="list-style-type: none"> • File Land Report • Complete work for Reseeding Benefit • Report acres for Unseeded Acreage Benefit 	<ul style="list-style-type: none"> • See Land Report section for requirements when filing your Land Report • Refer to the Benefits document for information on Reseeding Benefit and Unseeded Acreage Benefit
June 25	File Land Report with late filing fee	Failure to file by this deadline results in breach of Contract and the Insured being unable to participate in any AFSC insurance programs for current and following year. <ul style="list-style-type: none"> • See Land Report section for additional information
December 31	Pay any current year's outstanding accounts	To avoid negatively affecting your credit and to avoid a cash-up-front on Premium for the following insurance year. Insureds can contact their AFSC branch office to make payment arrangements.

Other Important Deadlines

Document or Incident	Task	Additional Information
Statement of Coverage and Premium (billing)	Review your billing to ensure it is accurate and complete. Report any errors and omissions within 15 calendar days of receipt.	AFSC reserves the right to deny additional liability when information contained on the billing reflects what was reported.
Re-Inspection	For a reseeded or unseeded claim, request re-inspection within seven days of the inspection.	See Claims section for additional information.

ARTICLE 5. INSURED ACRES

5.01 Insured Acres Details

- a. All eligible and seeded acreage of an Insurable Crop (dryland and irrigated), whether the land is owned, rented or crop-shared, grown for the intent of Silage or Greenfeed must be insured. Acres insured under this Insuring Agreement are not insurable under any other crop insurance program, except for applicable Endorsements, or where AFSC has consented in writing.

Cash rent and crop-share landlords are not eligible for insurance as they are not responsible for the agronomic decisions and do not receive the majority of the proceeds from the sale of the crop.

- b. If the Insured intends to combine some of the acres for grain, and manage the remaining acres as Silage, Greenfeed, or swath grazing, they can insure acres of the same Insurable Crop under both Crop Insurance and Silage Greenfeed Insurance.
- c. If AFSC determines acres of an Insured Crop and the crop type and/or acres differ from those reported by the Insured, the following will apply:
 - i. When completing reseed inspections or unseeded inspections or acreage verifications, AFSC will issue a revised Statement of Coverage and Premium based on the crop type and actual number of seeded acres calculated by AFSC and any Indemnity calculation shall be based on the crop type and actual acres determined.
- d. AFSC is not required or in any way obligated to revise or adjust its calculation of insured acres for any preceding year.

ARTICLE 6. LAND REPORT

6.01 Land Report Details

- a. A Land Report must be filed once seeding is finished and no later than June 20.
- b. The Insured must report all annual spring and fall crops on land that is owned, rented, or crop-shared and include the following information for each field:
 - i. legal land description for the location including the part;
 - ii. number of seeded acres or the number of acres intended for Summerfallow in the current year;
 - iii. type of crop seeded;
 - iv. insured end use (e.g. Silage/Greenfeed);
 - v. whether the acres are seeded on Stubble or Summerfallow; and on dryland or irrigated land;
 - vi. seeding date;
 - vii. cropping and tillage practice;
 - viii. report acres too wet to seed by quarter section, including whether fertilizer had been incorporated or not, and if the land is irrigated or not; and
 - ix. summary of insured acres for each crop.

- c. Failure to file a Land Report will result in all insurance Policies being cancelled and restrictions on future year's program participation. Where the Insured fails to file a Land Report by the June 20 deadline AFSC may, in its discretion:
 - i. accept the Land Report, if received by June 25, and assess a late filing fee to be paid by the Insured in full before the start of the next Crop Year;
 - ii. if due to extenuating circumstances, AFSC has the discretion to determine the acreage seeded by the Insured and file a Land Report for the Insured which shall be binding on the Insured; or
 - iii. cancel this Contract or any part thereof for the current Crop Year, in which case the Insured will be unable to participate in any AFSC insurance programs for current and following year with the following exceptions:
 - 1) Livestock Price Insurance can be purchased in the current year; and
 - 2) Straight Hail Insurance can be purchased in the following year.
- d. AFSC reserves the right to reject requests for changes to the Land Report after the June 20 filing deadline.

ARTICLE 7. STATEMENT OF COVERAGE AND PREMIUM

7.01 Statement of Coverage and Premium Details

- a. Information provided by the Insured is used to generate a Statement of Coverage and Premium, which explains Coverage and Premium and states AFSC's Coverage limit.
- b. The Insured should review their Statement of Coverage and Premium carefully to ensure it is complete and accurate. Errors and omissions must be reported to AFSC within 15 calendar days of receipt.
- c. AFSC reserves the right to deny additional Coverage when information contained on the Statement of Coverage and Premium reflects what is reported on the Land Report.

ARTICLE 8. CLAIMS

8.01 Claim Deadlines and Notice of Loss

- a. The Insured is not required to submit a Notice of Loss to initiate a claim for damage caused by Designated Perils to the Insured Feedgrains in the Proxy Area.
- b. For the following claims, the Insured is required to submit a Notice of Loss to initiate a claim and the deadline to initiate a claim are as follows:
 - i. Reseeding Benefit: contact AFSC prior to taking acres intended for reseeding out of production. Refer to Benefits document for information.
 - ii. Unseeded Acreage Benefit: via the Land Report on or before June 20.
- c. If the Insured is late in filing a Notice of Loss AFSC may reject the claim.

8.02 Statement of Loss and Inspection

- a. Upon receipt of a claim for loss:
 - i. where AFSC processes a claim, AFSC will serve the Insured with a Statement of Loss.
 - ii. where AFSC's process is to conduct an inspection, following the inspection, AFSC will serve the Insured with a copy of the Inspection Report.
- b. If the calculation of a claim for loss results in no payment, the Statement of Loss will be considered the final Statement of Loss for the claim by the Insured and no further Statement of Loss will be issued by AFSC.

8.03 Service of Documents

- a. Service of the Statement of Loss may be effected on the Insured by:
 - i. personal service;
 - ii. ordinary mail or registered mail, in which case service is deemed to have been effected;
 - 1) seven days from the date of mailing if the document is mailed in Alberta to an address in Alberta, or
 - 2) 14 days from the date of mailing if the document is mailed to an address located outside of Alberta; or
 - iii. by facsimile, email or other electronic means in accordance with AFSC's most recent records for the Insured.
- b. Where there is more than one Insured in respect of the crop loss, service of the Statement of Loss on one of the Insured is deemed to be service on all the Insureds.

8.04 Deferrals

- a. To facilitate tax planning, Insureds can choose in advance to defer Indemnities to the following tax year. There will be no recourse to defer payment once a payment has been issued. Deferred Indemnities will not be applied to outstanding Premiums/balances until the deferred date and interest will continue to accrue.

ARTICLE 9. INDEMNITY

9.01 Calculation of Indemnity

- a. **Stage 1 on or Before June 20** (Refer to the Benefits document)
- b. **Stage 2 on or After June 21**
 - i. An Indemnity shall be calculated separately for dryland and irrigated land as follows:
[Dollar Coverage x Payment Rate]
The maximum Indemnity payable shall be 100% of the Dollar Coverage.
 - ii. Compensation for barley proxy losses is based on the Payment Rate of the Insured Feedgrains under Crop Insurance in the immediate Proxy Area. Payment Rate for the Proxy Area is based on:
 - 1) the total production coverage at the 80 percent level for all Insured Feedgrains in the Proxy Area
 - 2) the total production, excluding grade adjustments, for all Insured Feedgrains in the Proxy Area
 - iii. The Payment Rate for a Proxy Area is the difference between the Proxy Area Adjusted Production and Proxy Area Coverage compared to Proxy Area Coverage, expressed as a percentage. When the Proxy Area Adjusted Production is less than Proxy Area Coverage, and will be calculated as follows:
$$\frac{((\text{Proxy Area Coverage}) - (\text{Proxy Area Adjusted Production}))}{(\text{Proxy Area Coverage})} \times 100\%$$

- iv. If Proxy Area Adjusted Production is not available or insufficient to calculate the Payment Rate, this Contract will cease to be enforceable against AFSC and cease to have any effect against AFSC. AFSC will then return to the Insured all paid Premium, less any applicable discount.
- c. In no case shall the combined Indemnities under any Insuring Agreement (including Hail Endorsement) exceed total Dollar Coverage under this Contract.

Example: Claim Rate Calculation in Proxy Area:

Experience of clients who insured feedgrains under Crop Insurance in the proxy area				
Client	Acres Insured	Coverage (bushels per acre adjusted to 80% coverage level)	Total Yield Coverage (bushels)	Actual Yield Before Grade (bushels)
1	160	52	8,320	5,000
2	640	68	43,520	20,000
3	80	47	3,760	4,000
4	1,200	57	68,400	30,000
5	320	44	14,080	7,000
6	40	52	2,080	1,000
7	150	52	7,800	4,021
Total			147,960	71,021

Assumption: Insured's coverage is \$150 per acre on 200 acres of silage = \$30,000 total coverage

- d. Township claim rate for Insured Feedgrains at 80% coverage
 - = [(Total yield coverage less actual yield before grade)] divided by total yield coverage] times 100 percent
 - = [(147,960 – 71,021) / 147,960] x 100%
 - = 52%
- e. Claim Calculation
 - = Total dollar coverage times township claim rate for Insured Feedgrains at 80% Coverage
 - = \$30,000 x 52%
 - = \$15,600