



## Revamped forage insurance offers flexibility and affordability

Forages are vital to the sustainability of Manitoba's livestock operations, and just like other annual crops, need to be considered for insurance for losses, according to Henry Nelson, vice-chair of the Manitoba Forage and Grassland Association.

The trouble is that many producers are reluctant to insure their forages because they believe they'll never have a failure. Nelson says this mindset needs to change.

"With forages, the risk is as high or higher than other annual crops," he says. "Forages have the capacity to use lots of moisture and yields can be tremendous when they have the right amount. However, in many cases, the yield range is greater than other crops and they can fail if there's too much moisture or not enough."

### Revamped forage insurance

Forage producers have had access to quality insurance programs in the past, but the Manitoba Agricultural Services Corporation (MASC) completely revamped its forage insurance package, creating flexible and affordable plans with an array of coverage options. According to Craig Thomson, vice-president, insurance operations for MASC, the company went back to the drawing board to redesign and roll out the new forage insurance on the advice of Manitoba producers and associations.

"The most common concern about our old forage program was that coverage was too low and premiums too high. We took that to heart and made it our

mandate to build a more affordable and broader forage insurance program," Thomson says. "We achieved that and, since rolling it out earlier this year, we've seen a 50 per cent increase in forage-insured acres across the province."

### Basic and select hay insurance

At the heart of the new insurance program are two packages, basic hay insurance and select hay insurance. The basic hay package extends lower cost, whole-farm forage insurance—80 per cent coverage on probable yield with high dollar and low dollar value options—to cover winterfeed supplies against designated losses.

The select hay choice offers coverage to producers for production shortfalls or quality loss due to designated perils (individual crops can be insured separately at coverage levels of 70 or 80 per cent of probable yields). The coverage also includes production and quality guarantees on alfalfa, alfalfa grass mixtures, tame grasses, clover and coarse hay.

As Rheel Bernard, MASC's manager, insurance sales and service (north), says, the corporation upgraded the program in certain places to ensure coverage where none had existed before.

"For example, producers insuring alfalfa under select hay insurance can choose the enhanced quality option, which insures for a higher relative feed value," he says.

Forage insurance is provided through AgrilInsurance, a federal-provincial-territorial Business Risk Management Program supported through *Growing Forward 2* and administered by MASC.

**You can find more information about MASC's updated forage insurance program at the corporation's website, [masc.mb.ca](http://masc.mb.ca).** ■

## Manage your risk against severe market volatility and disaster situations

*Growing Forward 2's* Business Risk Management (BRM) programs are available to farmers as a means of protection from loss in the case of a plunge in market prices or disaster situations. The government share of these programs is funded 60 per cent federally and 40 per cent provincially. See below for a list of changes to BRM's recently revamped core programs:

### AgrilInsurance:

Changes to Forage Insurance create a more individualized type of protection, specific to the needs of producers. Participants can choose Select Hay Insurance, which insures against quality and production shortfalls individually for five types of hay (with no offsetting), or Basic Hay Insurance that provides whole-farm forage insurance for all five hay types at a lower cost (with offsetting).

The new Harvest Flood Option covers inability to harvest coarse hay due to excess moisture. Also at no extra cost, is the Hay Disaster Benefit, which provides additional compensation when there is a severe province-wide production loss.

### AgriStability:

This program supports producers who experience a margin decline of more than 30 per cent from their historical, or reference margin, regardless of whether it was caused by a production loss, a decline in market prices, or higher input costs. Starting in 2013, the reference margin is limited to the lower of your historical reference margin or the average allowable expenses in the years used to calculate the reference margin. As well, payments will now be based on a single level of government support (70 per cent).

### AgrilInvest:

This program acts like a savings account to help producers manage small income declines.

Starting with the 2013 program year, participants can deposit up to 100 per cent of their Allowable Net Sales annually, with the first 1 per cent matched by governments. The limit on matching government contributions is \$15,000 per year.

### AgriRecovery – 2014 Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative:

AgriRecovery is an federal-provincial-territorial disaster relief framework intended to work together with the core BRM programs to help agricultural producers recover from natural disasters. This year new assistance programs were introduced for livestock producers who have a forage shortfall situation caused by excess moisture.

Forage Shortfall Assistance is available to producers in the Lake Manitoba, Lake Winnipegosis and Lake St. Martin areas and provides assistance if producers have a forage shortfall situation because of high water levels in those lakes.

Transportation Assistance is available for those who have to incur extraordinary transportation costs to supply feed for breeding stock or to move breeding stock to a new feed source. ■