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# Business Risk Management Programs grapes and grapevines



# BRM programs available to you

## Business Risk Management (BRM)

There are many factors to deal with beyond your control that can have a serious impact on your crop's production and your income. BRM programs, like AgriStability and Production Insurance, work together to help with those impacts on your farming operation.

- Production Insurance
- AgriStability
- Risk Management –Edible Horticulture (SDRM)
- AgriInvest
- Government Assisted Loan Programs
  - Commodity Loan Program (CLP) delivered by ACC links to PI enrolment
  - Advance Payment Program (APP) delivered by ACC links to PI or AgriStability enrolment

# Production Insurance

Production Insurance helps to protect your farm from yield reductions and crop losses caused by insured perils. Insuring a guarantee (GV & GP) level of production, can compensate you for your low yield, no yield and/or poor quality crop. Grapes are valued by KG as well as by Brix to establish a guaranteed value

## **What am I covered for?**

Loss or damage from insured perils like freeze, frost, hail, and other adverse weather conditions. If a declared yield is less than an insured yield, a claim may be paid.

- Freeze in an insured peril under the grape and grapevine production insurance plans

# How my grapevines are covered separately from my grapes

The grape PI plan has an associated grapevine rider that gives you additional protection if your grapevines die as a result of an insured peril. Grapevine coverage is in addition to your grape coverage and is 100% funded by the governments.

## What am I covered for?

Eligibility criteria is/was used last fall to determine the health of your grapevines based on factors like: free of disease and harmful insects, pre-existing injury and not experiencing harmful stress due to weather.

- Vines must be 2 years old or in their 3<sup>rd</sup> leaf and growers must be enrolled in PI for grapes in the current year (2014)

Perils such as ice damage, tornado, freeze injury, etc, cover your vines on a whole farm basis. If damage exceeds 12.5% of liability a claim may be paid.

# Grapevine Mortality

Mortality occurs when 90% of the grapevine above the ground is dead and does not produce scion growth.

- No opportunity to re-establish as a viable production unit.
- **Block feature** may be applied when 80% or more vines die in a defined area you may choose to remove all vines, claim may be paid for all

## How does my claim payment work?

If your dead vines exceed the liability deductible of 12.5%, have been inspected and removed, an indemnity may be payable.

This is for all categories of grapes, whole farm

<u>Category</u>	<u>2014 claim price/vine</u>
Labrusca	\$13.07
French Hybrid	\$12.93
Vinifera	\$11.75

# Grapevine declining health

## Not dead but in declining health

Death due to freeze injury may not be apparent until the vines have been allowed to proceed through a growing cycle. Vines may be able to produce leaves and grow, but will continue to decline and die when the stored nourishment has been depleted.

If vines are not dead by the end of this growing season, assessing vine health can continue into the next growing season, until August 1, 2015 if two conditions have been met:

- Vines have been identified and documented by adjuster in **this** crop season. Monitored for declining health
- All recommended farm practices have been followed

# Extended Coverage

## **Claim paid in the crop year that damaged occurred:**

- Clearly document the vines in declining health but have not died in this crop season
- In this case, deductible waived for 2015, and additional vines added to the claim until August 1, 2015 (Still part of the 2014 claim)

## **No claim paid in the crop year, but damage is imminent**

- Vines did not die this crop season, coverage may carry over to the next year, August 1, 2015.
- A claim may be paid if the numbers of vines that die exceed the deductible and if all standard criteria is met.

# AgriStability and vine death

AgriStability protects you against large margin declines caused by production loss, increased costs, adverse market conditions, or lost markets.

Your margin includes the allowable income and expenses for all commodities you produce, providing whole-farm coverage

If you had vine death:

- Income from Production Insurance claims is included in your margin
- Expenses associated with removing and replacing vines can be included in your margin
- The associated structural change adjustment (downsize) can be waived until production can be reasonably restored

# AgriStability and deadlines

Enrolment for AgriStability is April 30 yearly

## **2013** program year deadlines:

- June 15, 2013 - submit 2013 T1163 (individuals) to CRA.
- June 30, 2013 - submit statement A (corporations, etc) to Agricorp

## **2014** program year deadlines:

- December 31, 2014 - apply for an interim payment
- December 31, 2014 - pay fee (with penalty)

# Self Directed Risk Management - SDRM

## What is SDRM

help producers manage risks beyond their control, like fluctuating costs and market prices. Under this plan, Ontario producers of edible horticulture commodities can establish an account with Agricorp and receive % of that as government contributions to help cover risks to farm business.

- Your deposit notice will define the maximum contribution
- Maximum contribution is a percentage of your Allowable Net Sales (ANS) as calculated thru AgriStability
- SDRM packages will be mailed to eligible producers this fall, Sept 2014
- The deadline to submit a deposit request for 2014 is February 1, 2015 or 90 days after the date on the deposit notice.

## How to participate

**New** - To participate in 2014 SDRM, you must have enrolled in 2014 AgriStability (April 30, 2014) and have a valid premises ID.

# AgrilInvest

## What is AgrilInvest

In Ontario, AgrilInvest is delivered by [Agriculture and Agri-Food Canada](#) and is a savings account with matching government contributions.

**You can withdraw funds at any time to alleviate risk or make other investments.**

- Each year, you can deposit up to 1.5 percent of your allowable net sales (ANS) into your AgrilInvest account and receive a matching government contribution.
- Production Insurance claims are considered allowable commodities.

AgrilInvest call: 1-866-367-8506

# How do programs work together?

## What is AgriStability?

AgriStability is a whole farm approach that protects against margin loss as a result of market prices, increased costs and/or a production loss.

## What is SDRM

SDRM allows producers to deposit funds into an account where the deposit can be matched by the government to help mitigate risk associated with farm business.

## How do these work with PI?

Your PI claims and premiums are allowable income and expenses for all the commodities you produce and are used to calculate:

- your margins, and your allowable net sales (ANS) for AgriStability
- Uses ANS to determine your deposit amount for SDRM

# Connecting programs

Program	Compensates for...	Due to...
Production Insurance	Yield reduction and crop losses	<ul style="list-style-type: none"> <li>Insured perils</li> </ul>
AgriStability	Large income declines	<ul style="list-style-type: none"> <li>Market condition, production loss, increased costs</li> </ul>
<ul style="list-style-type: none"> <li>Participating in both AgriStability and PI could maximize the benefits of government risk management programs</li> <li>Depending on weather and/or market conditions, in a given year you could receive an AgriStability benefit, a PI claim – or both</li> </ul>		
Program	Can cover...	Calculated based on...
SDRM – edible horticulture	Farm associated risks	<ul style="list-style-type: none"> <li>allowable net sales as established by AgriStability</li> </ul>

# Reporting Damage

With the varying weather conditions throughout the province, Agricorp would like to remind growers to call in any damage to their crops as soon as it occurs.

- Agricorp at 1-888-247-4999.
- Website: [www.agricorp.com](http://www.agricorp.com)

If you have any questions about your PI plan, or to receive a copy of the Contact of Insurance, you can also ask to speak with your PI Adjuster to help you fully understand plan requirements.

**\*\*Please note that adjusters do not have the authority to open damage reports on your behalf.**