

Forage Establishment Insurance Annuals Option

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Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of 4,500 farmers and 20 commodity associations.

During the Manitoba Agricultural Services Corporation's (MASC) 2019 and 2020 program review consultations, provincial commodity associations expressed their interest in the development of insurance options for innovative grazing strategies, polycrops, novel crops and forage establishment. Subsequently, KAP conducted a Polycrop Insurance survey of forage producers between February and April 2021. The survey required forage producers to comment on potential program seeding deadlines, dollar coverage and acre enrollment.

Survey results indicate that producers are interested in an annuals option for polycrops that provides adequate coverage and flexibility. KAP asked respondents about four potential seeding deadlines: June 25, June 30, July 5 and July 10. 50 per cent of respondents preferred a seeding deadline of June 30 and 45 per cent preferred a seeding deadline of either July 5 or July 10. Two respondents suggested that seeding deadlines would be unnecessary, because producers may choose to seed forages throughout the summer to accommodate grazing and feed supplies.

KAP asked respondents to consider dollar value options per acre that consisted of \$40, \$60, \$80 and \$100. Survey results indicate a clear preference towards a higher dollar value option per acre compared to a lower dollar value option. 72 per cent of respondents preferred a per acre dollar value of either \$80 or \$100, while 23 per cent preferred a \$60 value option. One respondent preferred a \$40 value option.

Respondents were also asked how many acres they would insure under the proposed annuals option. Respondents commented that they would be interested in insuring between 60 and 600 acres under MASC's proposal.

KAP advocates for forage insurance improvements that provide adequate coverage levels and accurately reflect market value and land productivity. Current coverage levels in forage insurance are inadequate to provide a settlement that will pay for the market value of a replacement crop. Additionally, the premiums that farmers pay for inadequate coverage levels are a higher cost in some instances than the costs would be for replacement feed should that need arise. The survey results indicate a preference for a higher dollar value option, and KAP recommends MASC consider including a \$100 value option under the proposed annuals option for polycrops.

KAP supports changes to forage insurance programs that offer producers increased coverage and flexibility. Please contact KAP policy analyst Neil Van Overloop at neil.vanoverloop@kap.ca should you have any questions.