

SCHEDULE C

FORAGE PRODUCTION PLAN

This Schedule C, Forage Production Plan forms an integral part of the PRODUCTION INSURANCE AGREEMENT and as such contains supplementary information specific to insurance of forage crops.

<i>DATE</i>	<i>TOPIC</i>	<i>REQUIREMENTS and/or EFFECT</i>
	Insurable Crop Group	Forage
	Insurable Crop(s)	Pasture, Green Manure, Hay, Silage and Forage Seed
	April 01 to March 31	Crop Year
April 30	Application deadline	
	Required deposit	15 – 50% as per Subsection 13(2)
	Perils insured against	Drought and excessive moisture as per Section 8
	Approved varieties	Varieties approved in Publication 100 or those approved by the Corporation.
	Coverage Levels	90% of Unit Price offered or selected
	Coverage Period	Begins when the application date Forage Basic coverage June 01 to September 30 Forage Plus : Quality coverage ends : Silage - June 05 to June 30 Hay - July 10 to July 25 Forage Seed - August 05 to August 30 Production coverage ends with the final harvest dates for the proxi crops for hay and silage and on August 30 for forage seed..
June 10	Final planting date for spring sown forage crops	Acreage planted after June 10 will not be eligible for Stage I establishment coverage.
	1. Forage Basic Indemnity Rate: Basic Disaster Drought Coverage (weather derivative)	Insured Value (IV) \$90 * 90% = \$81 Indemnity: 25% - if 25 or more consecutive days with <5 mm. total daily rainfall. AND <16 days with >5 mm. total daily rainfall 50% - if 30 or more consecutive days with < 5 mm. total daily rainfall AND <13 days with >5 mm. total daily rainfall 75% - if 35 or more consecutive days with < 5 mm. total daily rainfall AND <10 days with >5 mm. total daily rainfall
	Forage Basic Indemnity Rate: (b) Stage 1 indemnity for spring planted forage stands (30 days after planting)	Insured Value (IV) \$90 * 90% = \$81 Maximum indemnity: >50% grass 20% of basic IV >50% clover 25% of basic IV >50% alfalfa 30% of basic IV For insurance purposes crops planted for Forage Seed shall be covered as grass under Stage I.

<p>2. Forage Plus Indemnity Rate: (a) Quality Coverage Excessive Rain during ideal harvest period (weather derivative)</p> <p>Final harvest date for hay and silage covered under the Quality Coverage shall be August 15. Acres that are not harvested with at least one cut by this date shall be removed from the Quality Coverage and shall NOT qualify for an Indemnity payment.</p> <p>Final harvest date for stands of forage seed shall be August 30</p>	<p>Coverage Period: Silage - June 05 to June 30 Hay - July 10 to July 25 Forage Seed - August 5 to August 30 Unit Value \$150 - \$300 per acre (producer declared) Insured Value (IV) = declared Unit Value * 90%</p> <p>Indemnity:</p> <ol style="list-style-type: none"> 10% of the Insured Value - if three out of any five consecutive days in the coverage period has daily total rainfall of 5 mm. or more. 20% of the Insured Value - if a second trigger occurs; where an additional three out of any five consecutive days in the coverage period has daily total rainfall of 5 mm. or more. (must be a subsequent or a different five day period from that stated in the first trigger) 30% of the Insured Value - if a third trigger occurs; where an additional three out of any five consecutive days in the coverage period has daily total rainfall of 5 mm. or more. (must be a subsequent or a different five day period from that stated in the first or second triggers)
<p>2. Forage Plus Indemnity Rate: (b) Production Coverage Additional yield coverage for high value forage or forage seed (proxy crops)</p>	<p>Proxy crops - Barley — for one cut hay or silage Feed Wheat — for multiple cut hay, silage or stands of forage seed</p> <p>Insured Value (IV) = declared Unit Value * 90%</p> <p>Indemnity: IV * 90% - (weighted average actual yield/ weighted average probable yield) for 5 closest CI Clients x (Insured Value of Forage Plus Plan - Insured Value of Forage Basic Plan (\$81))</p>
<p>Appeal Period</p>	<p>30 days after the receipt of an indemnity</p>
<p>March 31</p>	<p>Final date to appeal indemnity calculations or non payment of indemnities</p>

1. This plan shall be reviewed each year and adjusted or cancelled according to a decision by the Board of the Corporation.
2. The plan is designed to offer basic (drought) disaster coverage for forage crops, and offers additional coverage for quality and production losses to hay silage and forage seed crops insured under the Forage Plus option.

Forage Production Plan:

An application for the Forage Plan will consist of a signed application form, the required deposit and a detailed list of all fields to be insured. The detailed list of all fields shall include the location of each field, the size of each field (in acres or hectares) and the forage crop to be grown on the field. This list of fields will form the Final Acreage Report for the Forage Plan. No additions or deletions of fields will be allowed after the application deadline. (April 30) Fields identified on the Final Acreage Report shall be subject to inspection by the Corporation and if more that one producer claims a single field, the Corporation will remove this acreage from all contracts of insurance.

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- (a) Pastureland is that land on which a forage crop is grown and is intended for grazing of livestock.
- (b) Green manure land is that land on which a forage crop is grown for at least 100 days and on which the forage crop is to be plowed down as a green manure crop.
- (c) Hay and Silage land is land on which a forage crop is grown and from which a forage crop is harvested as livestock feed. Final harvest date is August 15 of the crop year.
- (d) Acres grown for forage seed is that land on which a forage crop is grown and from which a seed crop is to be harvested.

The Corporation shall compile weather data from all weather stations and shall calculate all indemnity payments. Indemnity payments shall include a calculation of the benefits paid and a summary of the weather records that triggered that payment. The insured shall have 30 days to appeal the indemnity following the receipt of an indemnity payment. Those insured clients not receiving an indemnity payment shall have until March 31 to appeal a decision of the Corporation.

The insured shall not be required to file a Proof of Loss nor a Production Summary. No Production to Count shall be recorded. However, a database, which includes the details of the insurance contract shall be maintained so discounts or surcharges can be determined. Criteria for discounts and surcharges shall be those stated in Section 14, of the regulations.

For the Forage Basic and Forage Plus – Quality Coverage options, indemnities will be paid based on the lack of rainfall or excessive moisture recorded by weather stations situated in O’Leary, Tyne Valley, Kensington, Tryon, Johnston’s River, Harrington, Dover, New Glasgow, South Hampton and Souris or from any additional station(s) added by the Corporation, prior to the coverage period. An insured’s fields will be covered by the weather station chosen by the producer and/or the one closest to the farm operation. Indemnities are made based on weather records from the station identified for coverage.

FORAGE BASIC:

The Forage Basic Option provides basic disaster (drought) coverage for pasture, green manure, hay, silage and stands grown for forage seed. An Insured Value of (\$90 * 90%) \$81 is offered for each acre insured under the plan. Weather records will determine the lack of rainfall and expected losses will be paid at 25%, 50% or 75% of the Insured Value. The coverage period for the Forage Basic Option is the period from June 1 until September 30 (122 days). In order for forage stands to be eligible for coverage, they must be in production at least 100 of the 122-day coverage period or until September 10 of the crop year.

Establishment coverage is offered for those forage stands established in the spring of the insured year and included in the contract of insurance. This is protection against drought, excessive rain and diseases within the Stage I loss period (30 days after establishment) for establishing forage stands. Crops and indemnity payment for Stage I establishment losses are those stated in Section 1(b) above.

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Total indemnity payments made for drought and Stage I establishment losses in the Forage Basic Plan cannot exceed the total Insured Value (\$81 per acre) for the Forage Basic plan.

FORAGE PLUS:

The Forage Plus Option is separate and added coverage to the Forage Basic Option and provides additional protection to hay and silage crops and to stands grown for forage seed. Only hay, silage and stands grown for forage seed can be insured under the Forage Plus plan and acres can only be insured under one plan. Hay, silage and forage seed crops can be insured at a higher Unit Value. (\$150-\$300 per acre) Higher unit values are selected by the insured and should reflect the higher value of the forage crop insured. The Forage PLUS option will provide additional protection for lost quality and yields. The Insured Value for this option shall be the declared or chosen Unit price * 90%. The insured value selected by the insured under the Forage Plus Option must be at least \$135 per acre (\$150 * 90%) and cannot exceed \$270 per acre (\$300 * 90%). In order to qualify for coverage offered in the Forage PLUS plan, ALL insured acres of hay and silage must be harvested as livestock feed and have at least one crop removed from the field as livestock feed before August 15 of the crop year. Acres found not to be harvested before August 15 shall not be eligible for indemnity payments under the Forage PLUS plan. Acres grown and insured as forage seed must be harvested by August 30 in order to qualify for an indemnity payment. All acres not harvested by August 15 (hay and silage) or August 31 (forage seed) will be removed from the indemnity calculations and premiums charges on these acres shall be deemed as earned and shall not be refunded.

There are two types of coverage offered in this plan:

(a) Quality Coverage:

Hay, silage and forage seed crops, insured in the Forage Plus Plan will be covered for quality losses resulting from **TOO MUCH rain** during the optimum harvest period. Losses will be expected to have occurred when 5mm or more of rain falls three days out of any five consecutive day period, during the optimum harvest period identified. Indemnity payments will be made based on rainfall records recorded by the assigned weather station and indemnity payments will be those identified in section 2(a) above.

(b) Production Coverage:

Hay, silage and forage seed crops, insured in the Forage Plus Plan will receive additional yield protection; over and above that offered in the Forage Basic Plan. Yield losses will be calculated through proxy crops — single cut hay and silage will be proxied against barley and multi-cut hay and silage and forage seed will be proxied against feed wheat. In both cases, the five nearest insurable wheat or barley crops will be assigned to the forage insurance contract by the Corporation. The actual yields from the wheat and barley proxies will be compared to the guaranteed yield for the same five insurable crops and a weighted average calculation made to determine if the grain crops yielded less or more than the amount guaranteed

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When the weighted average actual yield for either crop is below the guaranteed yield, it is expected that forage yields will have declined similar to the proxy crops.

Indemnity payments will be calculated at (90% of the decline in the proxy crops yields * Insured Value of the Forage Plus crop LESS insured value of the Forage Basic coverage)

Total indemnity payments made in the Forage Plus Plan (both Quality Coverage and Production Coverage) cannot exceed the maximum value of the crops insured; \$135 to \$270 per acre (\$150 * 90% to \$300 * 90%) LESS the insured value of the Forage Basic plan (\$81).