

INSURANCE

Purpose

- The Enhanced Quality Option provides producers of high quality alfalfa the opportunity to purchase an additional Relative Feed Value (RFV) guarantee for Alfalfa.

Eligibility

- The Enhanced Quality Option is available to Manitoba producers with Alfalfa acres insured under Select Hay Insurance, and have demonstrated that they have produced high quality hay in the past three years.
- Production must be placed into acceptable storage. For example: bales must be wrapped, tarped or shedded.

Coverage

- Producers with Select Hay Insurance can add the Enhanced Quality Option, which allows them to increase their RFV coverage above the Select Hay RFV guarantee of 105.
- **Assigned RFV** for 2020 is 130. Every new producer in 2020 will start with an Assigned RFV of 130. For each claim-free year, a producer's Assigned RFV increases by five points to a maximum of 150. For each claim year, a producer's Assigned RFV decreases by five points to a minimum of 110.
- **RFV Guarantee** is calculated as follows:
$$= (\text{Assigned RFV} - 105) \times 90\% + 105$$
$$= (130 - 105) \times 90\% + 105 = 128 \text{ RFV Guarantee}$$
- **RFV Coverage** is calculated as follows:
$$= (\text{RFV Guarantee} - 105) \times \text{tonnes of Select Hay Alfalfa coverage}$$
- Indemnities are calculated based on a \$1.15 per tonne for each RFV point below the Assigned RFV.

Cost

- The premium cost is shared 40 per cent by the producer, 36 per cent by the Government of Canada and 24 per cent by the Province of Manitoba.

Other Program Details

- The Enhanced Quality Option renews automatically each year unless cancelled by the producer by March 31.
- RFV testing will be done by MASC at no cost to producers.

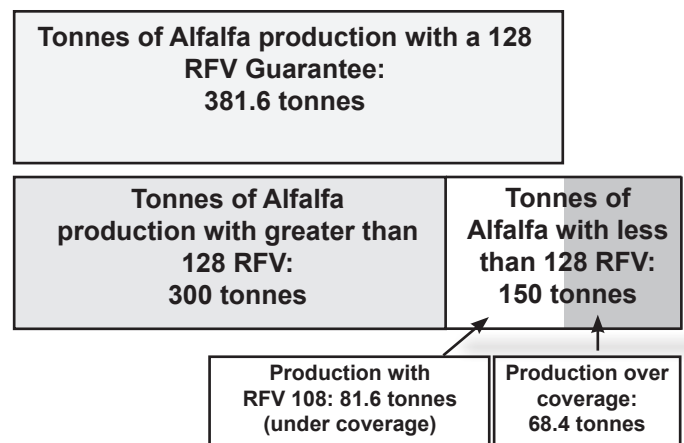


Enhanced Quality Option

Claims

- A producer is entitled to a claim if his Attained RFV is less than his RFV Coverage.
- A producer's Attained RFV will be based on individual lots of Alfalfa, where production with the highest RFV is counted first for claim purposes, and continues until the tonnes accounted for equals tonnes covered under Select Hay Insurance.

Example: A producer insures 240 acres of Alfalfa with a total production coverage of 381.6 tonnes, but actually produces a total of 450 tonnes, of which 300 tonnes exceed the RFV Guarantee of 128, and 150 tonnes with an RFV of 108 (below Guarantee).



RFV Shortfall = 20 points
$$381.6 \text{ t} - 300 \text{ tonnes} = 81.600 \text{ tonnes}$$
$$\times 1.15 \text{ Dollar Value}$$
$$\times 20.0 \text{ RFV Shortfall}$$
$$= \$ 1,876.80 \text{ Indemnity}$$

Important Dates and Deadlines

March 31 is the last day to apply for the Enhanced Quality Option.

September 30 is the last day to register an Enhanced Quality Option claim without penalty.

November 30 is the last day to register an Enhanced Quality Option claim with penalty.

November 30 is the last day to file Harvested Production Reports without penalty.

Note: This information sheet contains general information only and does not form part of the AgrilInsurance Contract between an insured and MASC. In all cases, the AgrilInsurance Contract shall prevail.

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(Version française disponible)



Lending and Insurance Building a strong rural Manitoba

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