



June 29, 2009

Producers to benefit from greater flexibility on 2009 crop insurance

Extra AFSC resources being directed to areas where the need is greatest

Edmonton... Agriculture Financial Services Corporation (AFSC) is working closely with producers to assess the impact of current dry conditions on crops and livestock across the province. Adjusters are being dispatched to the areas most severely affected in order to respond to an increasing volume of claims.

“For the first time AFSC is introducing average area yields to expedite pre-harvest claims in the most severely affected areas,” said George Groeneveld, Minister of Agriculture and Rural Development. “This gives producers the option of having their crops released over the phone without an inspection.”

Payments will be made to producers once AFSC has confirmed the crop has been put to an alternate use. Producers must contact AFSC before putting their crop to an alternate use, such as grazing, silaging or spraying out the crop to conserve moisture and fertilizer reserves.

“The Alberta government recognizes the challenges producers are facing, that’s why we have highly responsive, effective and flexible crop insurance protection in this province,” said Groeneveld. “We’ve learned from the 2002 drought and as a result are implementing these proactive procedures which reflect the full spectrum of producer needs.”

AFSC’s business risk management programs (BRM) are reviewed on an on-going basis to ensure they continue to meet the needs of the agriculture industry. In addition to these programs, producers can also access other provincial programs such as agricultural loans and water management programs that contribute to industry’s long-term sustainability.

For more information on AFSC’s insurance programs visit www.afsc.ca or call 1-888-786-7475.

- 30 -

Backgrounder: Alberta’s Crop Insurance Programs

Media inquiries may be directed to:

Lorelei Hulston, Insurance Manager
Agriculture Financial Services Corporation
403-782-8405
lorelei.hulston@afsc.ca

Ag Media Line
780-422-1005

To call toll-free within Alberta dial 310-0000.



June 29, 2009



Alberta's Crop Insurance Programs

Alberta's 2009 crop insurance programs are being adjusted to provide a more-targeted, efficient and timely response in light of the current dry conditions affecting various areas of the province.

AgrilInsurance

AgrilInsurance, commonly known as crop insurance, is provided by the Agriculture Financial Services Corporation (AFSC), a crown corporation of the Government of Alberta. In addition to AgrilInsurance, AFSC delivers income stabilization programs as well as a range of lending products and services.

Crop insurance helps producers manage risks due to production losses and price fluctuations. AgrilInsurance is provided on a cost-shared basis, which typically is split with producers covering 40 per cent, the federal government covering 36 per cent, and the provincial government covering 24 per cent.

Current Crop Insurance Options

AFSC's AgrilInsurance programs provide producers with the flexibility to put their crops to alternate uses including grazing, silaging or spraying out the crop to conserve moisture and fertilizer reserves. Full coverage began on June 21 for annual crops and when haying is general for hay crops. For 2009, AFSC recently announced haying was considered to be general on June 22. The seeding deadline for acres insured under the Silage/Greenfeed Lack of Moisture plan is July 15.

AFSC reminds producers that acres being put to an alternate use (including grazing or spraying) must be inspected and released by AFSC first. AFSC will subsequently confirm that the acres have been put to the alternate use to ensure that production from those acres is not eventually harvested and counted again in the fall as harvested production. Producers should contact their AFSC District Office five days prior to any alternate use, which allows AFSC to manage their adjusting resources and provide timely client service.

AFSC adjusters will inspect the acres and appraise a yield potential at the time of the inspection. AFSC values the potential production and will not appraise fields at zero production if there is a potential for a harvestable crop.

AFSC has available adjusting resources in all areas of the province, and will continue to monitor the timeliness of the inspections. Alternatives for expediting the process will be implemented if the volume of inspections increases to a point where timeliness can no longer be provided consistently.

Where crop loss is consistent and severe, average yields will be determined on a township level. Claims may be released from the office, without an inspection, if the client accepts the area average appraisal.

If producers plan to harvest their crops, they can submit their Harvested Production Report once harvest is complete. Any production loss can be assessed at that time through a post-harvest claim.

- 30 -

Media inquiries may be directed to:

Lorelei Hulston, Insurance Manager
Agriculture Financial Services Corporation
403-782-8405

lorelei.hulston@afsc.ca

To call toll-free within Alberta dial 310-0000.

Ag Media Line
780-422-1005