Emergency Management
FACTSHEET

BRITISH COLUMBIA | Ministry of Agriculture

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Business Insurance and Risk Management Tools for Agriculture

Agriculture faces many risks. Emergencies and disasters like wildfires, droughts, floods and disease can occur with little warning and these situations could have devastating consequences. Agriculture producers, like all business managers, need to have a comprehensive strategy to manage the risks they face.

It is the farm manager's responsibility to be aware of the risks they are exposed to. They need to proactively manage against those losses. There are numerous approaches to risk management. Various programs are described below that can protect Agriculture businesses against the financial impact of a disaster and help recover from a loss.

Sources of programs include:

- BC Ministry of Agriculture
- Agriculture and Agri-Food Canada (AAFC)
- Private Insurance Providers
- Emergency Management BC (EMBC) under the Disaster Financial Assistance program

This summary is meant to provide general information that may be subject to change. Users should go to the sources referred to in the document for the detailed program information and not rely solely on this summary.

BC Ministry of Agriculture:

BC's Ministry of Agriculture risk management programs can be found at: Agriculture & Seafood Programs

The Ministry administers several programs which provide risk management tools and each program has its own application requirements.

1. Production Insurance (PI) – PI is available for most crop and some plant losses caused by specified naturally occurring perils such as fire, hail, spring frost, excessive rains, floods, droughts, etc. PI coverage varies depending on the crop or plant and choice of coverage purchased. PI does not provide coverage for stored crops or livestock mortality. The key application deadlines are:
   a) **March 31** Strawberry crop (not plants) and Vegetables
   b) **April 30** Grain, Silage Corn and Forage Spring Plantings
   c) **October 31** Grapes, Berries including Strawberry and Blueberry Plants (not Strawberry Crop) and Flower Bulbs
   d) **November 30** Tree Fruits and Perennial Forage Crops

   More information can be found on the web-site or by calling toll-free at 1-888-332-3352.

2. AgriStability (AS) – AS protects producers against declines in their net farming income due to market conditions, production losses or increased costs of production. AgriStability compares a participant's production margin to their reference margin. A payment is made when the margin in the program year falls more than 30% below the reference margin. AS will cover a portion of the additional income decline where hazards increase allowable expenses such as feed costs, or decreased revenue from sales such as livestock, hay or other

crops. **April 30** is the application deadline for new participants for coverage for the program year. More information can be found on the web-site or by calling toll-free at 1-877-343-2767.

3. Agriculture Wildlife Program (AWP) – AWP provides assistance to forage, grain and livestock producers for verified crop and livestock losses due to wildlife. AWP assistance is available for losses to standing forage, separation for excreta contamination, standing grain and predators. **June 15** is the application deadline for coverage for the year. More information can be found on the web-site or by calling toll-free at 1-888-332-3352.

4. AgriRecovery (AR) – AR is a disaster relief framework that allows federal, provincial and territorial governments to work together on a case-by-case basis to assess disasters affecting Canadian farmers and respond with specific programming when assistance is needed beyond existing programs (Agriculture Stability, Agriculture Invest, Agriculture Insurance, CFIA, etc.). Funding implemented under AR is cost-shared on a 60/40 basis with the affected province(s). More information can be found on the web-site or by calling toll-free at 1-888-332-3352.

5. Western Livestock Price Insurance Program (WLPIP) -- Offers protection against an unexpected drop in prices over a defined period of time. Livestock producers can purchase price protection on cattle and hogs in the form of an insurance policy. Coverage is based on a number of market driven factors and can be managed on-line. WLPIP is available in British Columbia, Alberta, Saskatchewan and Manitoba.

Agriculture and Agri-Food Canada:

Agriculture and Agri-Food Canada programs can be found at: http://www.agr.gc.ca/index_e.php.

1. AgriInvest – AI helps producers manage small income declines of less than 15% and provides support for investments to mitigate risks or improve market income. An AI account builds as producers make annual deposits based on a percentage of their Allowable Net Sales and receive matching contributions from federal, provincial, and territorial governments. **September 30** is the application deadline for coverage. If you miss the September 30, deadline, you can still submit the form until December 31. However, the Allowable Net Sales (ANS) used to calculate your maximum matchable deposit will be reduced by 5% for each month (or each part of the month) that your application is submitted late. More information can be found on the web-site or by calling toll-free at 1-866-367-8506.

2. Advance Payments Program (APP) – APP is a federally backed program delivered by producer organizations. It is a financial loan guarantee program that gives producers easier access to credit through cash advances. APP provides producers with a cash advance on the value of their Agriculture products during a specified period. By improving their cash flow throughout the year, the APP helps crop and livestock producers meet their financial obligations and benefit from the best market conditions. More information can be found on the web-site or by calling toll-free at 1-888-346-2511.

Private Insurance Providers:

Farm hazard loss and available compensation from private insurance programs can be found on the Insurance Bureau of Canada web-site at: http://www.ibc.ca/.

The Insurance Bureau of Canada (IBC) is the national industry association representing Canada's private home, car and business insurers. Its member companies represent 90% of the property and casualty insurance market in Canada.

In general, insurance is available for livestock injuries or mortalities, temporary livestock relocations, infrastructure losses (barns, buildings, milking equipment, etc.) and other farm losses. The IBC web-site is a good resource for researching how insurance works, the types of perils that can be covered and the costs of obtaining farm business insurance. The site is also a good resource for assessing the need for private business insurance and searching the web for providers that specialize in farm insurance products.

Disaster Financial Assistance:

Disaster Financial Assistance (DFA) is a funding program that provides financial assistance to help individuals and communities recover from catastrophic events, which have resulted in uninsurable property and infrastructure damage.

Under this program assistance is provided after the area has been declared eligible for Disaster Financial Assistance funding.

DFA is not available for costs or expenses recoverable at law, for which insurance was available or for which provision is made in whole or in part under any other program offered by local, provincial, federal or international governments or agencies.

Information about farm hazard loss and available compensation from DFA for events declared eligible can be found at: Disaster Financial Assistance Guidelines for the Private Sector (pdf)
Disaster Financial Assistance is available to qualifying home owners, residential tenants, small businesses, farm owners, and charitable or volunteer organizations.

Applicants should be aware of the following:

- Financial assistance is provided for each accepted claim at 80 percent of the amount of total eligible damage that exceeds $1,000, to a maximum limit of $300,000.
- Claims may be made in more than one category (e.g., home owner and farm owners).
- A home owner or residential tenant must show that the home is their principal residence. Seasonal or recreational properties, hot tubs, patios, pools, garden tools, landscaping, luxury items (like jewellery, fur coats and collectibles), and recreational items (like bicycles) are not eligible for assistance.
- Small business owners and farm owners must demonstrate it is their primary source of income. Owners of damaged rental property must apply and qualify as a small business.
- Charitable or Volunteer Organizations must provide a benefit of service to the community at large.
- Applications for DFA must be submitted to Emergency Management BC within 90 days of the date that DFA was authorized.

Further information regarding Disaster Financial Assistance may be obtained from:

Emergency Management BC (EMBC)
PO Box 9201 Stn Prov Govt
Victoria, BC V8W 9J1 Phone: 1-888-257-4777 Toll Free
Email: dfa@gov.bc.ca
Website: Disaster Financial Assistance

For more information about emergency preparedness, please contact the Ministry at AgriServiceBC@gov.bc.ca or toll-free: 1-888-221-7141 and visit the BC Ministry of Agriculture website at: Emergency Preparedness