

# Drought Response Initiative

## Application Two Assessment Instructions

### General Initiative Considerations:

- The **2021 Canada-Saskatchewan Drought Response Initiative** is an AgriRecovery response to help address the extraordinary costs Saskatchewan livestock producers incurred due to the drought of 2021.
- Total extraordinary costs to Saskatchewan livestock producers were estimated to be at least \$285 per female head. AgriRecovery covers 70 per cent of extraordinary costs to a maximum of \$200, issued in two separate payments.
- Producers must complete the Extraordinary Cost Assessment when making a second application under the 2021 Canada-Saskatchewan Drought Response Initiative. If producers are unable to declare \$285 per female animal of extraordinary costs, the second payment will be prorated accordingly.
- The extraordinary cost assessment is a declaration for the second application and will not affect payment one.
- Below are the maximum eligible extraordinary costs per species:

Species	Animal Unit Equivalent	Extraordinary Expense per Head	Maximum Payment 70% Cost/Share
Beef/Dairy/Bison	1	\$285	\$200
Elk	0.5	\$143	\$100
Sheep/Goats	0.2	\$57	\$40

- For partnerships and lease agreements, it is recommended the partner or lessee incurring the extraordinary costs make the application. In most cases, this is the partner or lessee administering animal management.
- One application or claim per animal is permitted. Where the animal has multiple owners, it is recommended a formal agreement be in place prior to making an application or submitting a claim.
- The 2021 Canada-Saskatchewan Drought Response Initiative Terms and Conditions specify that random audits will occur. Producers should be prepared to provide documentation supporting the extraordinary costs claimed.

### Eligible extraordinary expenses include:

- Temporary fencing supplies, purchased water, chemicals to treat water, renting water trucks, water trailers and/or tanks and paid labour to support the extraordinary expenses.
- Purchased feed, transportation costs, all land rented for additional grazing acres or additional feed production.
- Other expenses deemed extraordinary and supported with documentation.

### Ineligible expenses include:

- Infrastructure, personal labour, or permanent farm improvements (ex: dugout, purchased water tanks, purchased trailers, etc.).
- Normal expenses such as fertilizer, seed, chemical and net wrap costs incurred in any given year.
- Normal practices, like pregnancy checking.



## Section Two Considerations:

### Purchased Feed as an Estimated Dollar Amount

- Producers can claim for increased feed costs not normally incurred in a typical year. Please input feed costs that have associated receipts.
  - Only feed costs “above and beyond” normal costs should be provided. Feed purchases must be justifiable.
    - Example: The purchase of extra bales or feed grain/pellets to offset reduced forage due to reduced yields.
  - Producers will not be compensated for increased market prices on existing feed stock. Producers will only be compensated for extra feed purchased due to a feed shortage. A producer cannot claim last year’s hay crop valued at \$50 per bale which is now worth \$100 per bale for feed yields harvested. The purchase of extra feed at an extraordinary market price will be compensated.
- Producers who purchase or rent a re-purposed crop for feed can claim this expense (a receipt or rental agreement in a possible random audit would be sufficient documentation to justify this expense).
- Do not double count expenses declared in Sections Three to Five.

## EXTRAORDINARY COSTS

*may include:*



purchase extra bales due to reduced yields

feed grains/pellets to offset reduced forage/feed consumption

experience grazing implications, such as alternative grazing, water, transportation, temporary fencing, and/or paid labour

experience fuel expense for transportation of animals, feed, water and/or any additional expenses for covering more acres

## Section Three Considerations:

### Grazing Implications from the Drought as an Estimated Dollar Amount

- Producers can claim expenses associated with purchasing or renting re-purposed crop for feed.
- Costs associated with temporary fencing and water are eligible.
- The purchase of additional grain or renting additional crop acres for feed purposes is considered eligible.
- Total extraordinary costs claimed for water delivery are eligible at a maximum of \$2,000 a day.
  - This includes water truck, trailer, water, pumping infrastructure etc.

## Section Four Considerations:

### Transportation/Fuel Cost for Feed, Water or Livestock as an Estimated Dollar Amount

- Consider additional fuel and transportation costs incurred because of the drought.

## Section Five Considerations:

### Other Extraordinary Costs as an Estimated Dollar Amount

- Producers can consider any other out of pocket, extraordinary expense incurred because of the drought. This does not include expenses considered normal practice for industry.
  - Example: Feed processing, additional pasture supplements/grain, carcass removal, straw chaff collection.
  - Producers cannot claim for pregnancy checking, this is considered a normal and good management practice for industry.

The infographic is set against a green background with a circular pattern. It is divided into three vertical columns, each with a title, a list of eligible expenses, and a maximum allowable amount in a dark grey circle at the bottom.

- GRAZING IMPLICATIONS** (with a cow icon):
  - Estimated Dollar Amount
  - Eligible expenses:**
    - purchased or rented repurposed crop for feed
    - temporary fencing, temporary water etc.
    - purchased additional grain or rented additional crop acres for feed
    - temporary water costs including: water truck, trailer, pumping infrastructure
  - Water Delivery Maximum: \$2,000 per day
- TRANSPORTATION COSTS** (with a truck icon):
  - Estimated Dollar Amount
  - Eligible expenses:**
    - transportation costs including: fuel costs and custom hauling
    - transportation of feed
    - transportation of water
    - transportation of livestock
  - Allowable Maximum: \$5.00/km
- EXTRAORDINARY COSTS** (with a dollar sign icon):
  - Estimated Dollar Amount
  - Eligible expenses:**
    - additional costs incurred due to drought
    - feed processing
    - additional pasture supplements/grain
    - carcass removal
    - straw chaff collection
  - Does not include expenses considered industry best practices

## Partial Payment Calculations:

If producers are unable to declare \$285 per female animal of extraordinary costs, the second payment will be prorated, the following is an example:

- December 31, 2021, female head count: 100
- Total extraordinary costs after completing all sections: \$18,000
  - $\$18,000 / 100 \text{ head as of December 31, 2021} = \$180$
  - $100 \text{ head} \times \$180 \text{ per head} \times 70\% \text{ maximum Drought Response Initiative extraordinary cost coverage} = \$12,600$
  - $100 \text{ head as of December 31, 2021} \times \$100 \text{ to account for payment one} = \$10,000$
  - Final Payment:  $\$12,600 - \$10,000 = \$2,600$

### For more information:

Initiative information, including Terms and Conditions and the application forms, can be found at [scic.ca/2021-canada-saskatchewan-drought-response-initiative](https://scic.ca/2021-canada-saskatchewan-drought-response-initiative).

**Producers with questions can call the Drought Response Initiative's dedicated toll-free number at 1-844-723-1211 or directly email [skdri@scic.ca](mailto:skdri@scic.ca).**

*As part of the Canadian Agricultural Partnership agreement (CAP), a total of \$297 million is being provided through AgriRecovery to the province's livestock producers at a 60-40 federal-provincial cost-share.*

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**Apply for the 2021 Canada-Saskatchewan Drought Response Initiative before January 31, 2022.**