Technical Information Circulars for AgriStability
Negative Margins and Deeming for Crop Insurance

Negative Margins

Negative margins are protected under the AgriStability program. A negative program year margin occurs when your allowable expenses exceed your allowable income after adjustments for changes in inventory valuation, receivables, payables, and purchased inputs.

If your program year margin is negative, you may be eligible to receive benefits. Negative program year margin coverage provides a benefit up to 70 per cent of your margin decline that is below zero.

To qualify for a negative margin coverage, you must have:

- incurred a negative program year margin due to reason beyond your control; and
- followed sound management practices.
- Reference Margin greater than zero in at least two of the three Program Years used in calculating the Reference Margin.

Deemed Crop Insurance Benefit:

Participation in Crop Insurance is not required to receive an AgriStability benefit. However, your negative margin benefit may be reduced if you did not participate in Crop Insurance. If crop insurance was available and you did not insure eligible commodities at 70 per cent, your negative margin benefit will be reduced. SCIC will calculate the indemnity you would have received if you had participated in Crop Insurance. The Crop Insurance premium that you would have paid will be deducted from the indemnity amount to determine your deemed crop insurance benefit.