

# Saskatchewan Crop Insurance Corporation

## Annual Report for 2020-21

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# Letters of Transmittal



*The Honourable David Marit  
Minister of Agriculture*

July 29, 2021

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for the Saskatchewan Crop Insurance Corporation for the fiscal year ending March 31, 2021.

The Saskatchewan Crop Insurance Corporation continues to work in partnership with industry and the Ministry of Agriculture to provide producers with relevant agricultural business risk management programs they can trust.

Respectfully submitted,

A handwritten signature in black ink that reads "David Marit".

David Marit  
Minister of Agriculture



*Rick Burton  
Deputy Minister of Agriculture*

July 29, 2021

The Honourable David Marit  
Minister of Agriculture

Dear Minister:

I have the honour of submitting the Annual Report of the Saskatchewan Crop Insurance Corporation for the fiscal year ending March 31, 2021.

This report outlines the actions undertaken and results achieved in the delivery of the Crop Insurance, AgriStability, Wildlife Damage Compensation and Livestock Price Insurance programs as part of a business risk management suite to support Saskatchewan producers.

Respectfully submitted,

A handwritten signature in black ink that reads "Rick Burton".

Rick Burton  
Chair of the Board  
Saskatchewan Crop Insurance Corporation

# Role within the Saskatchewan Ministry of Agriculture

The Saskatchewan Crop Insurance Corporation (SCIC) is a provincial Treasury Board Crown Corporation under the portfolio of the Minister of Agriculture.

SCIC has developed strategies that correspond to the goals and direction of the Government of Saskatchewan which aligns with the government goals of economic growth, accountability and support for Saskatchewan families.

The Canadian Agricultural Partnership (CAP) federal-provincial-territorial agreement provided the structure and guiding principles for the programs SCIC delivers. CAP features a business risk management suite consisting of five key components:

- **Crop Insurance (AgriInsurance):** provides insurance against production losses for specified perils;
- **AgriStability:** a margin-based program that provides income support when a producer experiences larger income losses;
- **AgriInvest:** a savings account program for producers that provides flexible coverage for small income declines and supports investments to mitigate risks or improve market income;
- **AgriRecovery:** provides a process to allow governments to respond to disasters by assisting impacted producers with the extraordinary costs of activities undertaken to mitigate the impacts of the event and/or resume production; and
- **AgriRisk:** supports the facilitation of research, development and capacity building of risk management tools.

## Governing Authorities

As joint federal-provincial programs, Crop Insurance and AgriStability are subject to the following acts, regulations and agreements: CAP, *Farm Income Protection Act (federal)*, Canada Production Insurance Regulations (federal), The Saskatchewan Crop Insurance Corporation Act, The Saskatchewan Crop Insurance Corporation Regulations, The Livestock Price Insurance Program Regulations (provincial), Federal-Provincial AgriInsurance Agreement, Operational Document related to the Canadian Agricultural Partnership: Federal-Provincial AgriInsurance Agreement, Income Tax Act (federal), Financial Administration Act (provincial), Federal/Provincial/Territorial Agreement with respect to AgriStability and AgriInvest, AgriStability Program Guidelines (federal/provincial) and Canada-Saskatchewan Bilateral Agreement Implementing the Livestock Price Insurance Program.

The Wildlife Damage Compensation Program is governed under the provincial *Farm Financial Stability Act and Wildlife Damage and Livestock Predation Regulations*.

SCIC has complied with the provisions of these authorities.

## Board of Directors

Under the Saskatchewan Crop Insurance Corporation Act, the Board of Directors is responsible for the overall direction and development of the Crop Insurance and AgriStability programs and is authorized to conduct the affairs of the Corporation.

As of March 31, 2021, the Board members were Rick Burton, Chair and Deputy Minister of the Saskatchewan Ministry of Agriculture; Paul Johnson, Margaret Hansen, Derek Smart and Trent Crozier. All members are either involved in farm operations or have an agricultural background.

## Appeals

SCIC's Provincial Appeal Panel was established to provide fair and efficient resolution to issues where a dispute between a customer and the Corporation exists regarding the Crop Insurance, AgriStability, Livestock Price Insurance or Wildlife Damage Compensation programs. The Appeal Panel is comprised of producers appointed by the Board of Directors to consider and make recommendations on customer concerns.

### Provincial Appeal Panel

As of March 31, 2021, there were seven panel members on the Provincial Appeal Panel. The Chair being Jody Lysyk from Meath Park and Sherri Grant from Val Marie the Vice Chair. The remaining panel members were Rod Edgar from Wolseley, John Ryckman from Gainsborough, Wes Black from Porcupine Plain, Jodie Hetherington from Moose Jaw and Sandra Clark from Assiniboia.

From April 1, 2020, to March 31, 2021, there were 30 Crop Insurance and five AgriStability appeals registered. The Board of Directors granted seven and denied 21 appeals. There were seven appeals withdrawn by the producer or settled by SCIC prior to their hearing dates.

# 2020 -2021 Year in Review

SCIC plays a vital role in the delivery of business risk management programs to Saskatchewan producers on behalf of the Saskatchewan Ministry of Agriculture.

## **Crop Insurance**

The average coverage in 2020-21 was \$224 per acre, compared to \$230 in 2019-20. Premium costs were down significantly with an average producer premium per acre of \$7.40, compared to \$8.61 per acre in 2019-20.

Following consultations with producers and industry organizations, SCIC introduced a number of enhancements for the 2020-21 Crop Insurance Program. Soybean insurance was enhanced with individual coverage, experience discount surcharge, an expanded insurable region and coverage for irrigation added. The vegetable acreage loss program was expanded to include asparagus along with updates to the vegetable crop combinations for the individual baskets of crops. The contract reinstatement period was extended from three years to seven years to recognize producers who previously had good experience under the program. Coverage on organic crops was realigned to reflect the most recent data on yields, premium rates and prices.

The 2020 growing season was generally favourable in most areas of Saskatchewan. Some areas saw dry conditions through the spring and summer months, but crop conditions were generally average or above average throughout the province resulting in above-average yields and below-average Crop Insurance indemnities. Dry spring conditions caused concerns for livestock producers in some areas, as hay and pasture crops were more adversely affected by moisture deficits than were grain crops. Harvest proceeded well and was completed early which resulted in a positive impact on crop quality.

Overall, SCIC insured 30.8 million acres in 2020-21. SCIC's liability was \$6.6 billion which was comparable to the level of liability in 2019-20.

## **AgriStability**

AgriStability is one of the key business risk management programs delivered by SCIC. The Program provides support to producers who experience large income losses, helping to backstop the agriculture industry and supporting the government's growth plan which includes a focus on growing Saskatchewan's agricultural economy.

In 2020-21 producers had an extra two months to enrol in the 2020 program year as the April 30 deadline was extended to July 3, 2020, due to the uncertainty caused by the COVID-19 pandemic. While the pandemic had an impact on livestock producers as packing facilities had to reduce production, the grain and oilseed sector had a very positive year, with good growing conditions and strong prices. As a result the number of producers participating in the program declined slightly in 2020.

AgriStability continued to provide sizeable benefits to customers for the 2018 and 2019 program years. Payments from the 2018 year are the highest since the introduction of the Growing Forward 2 framework agreement with over \$140 million in benefits being issued to Saskatchewan producers. A large amount of the benefits issued in 2018 were for a combination of reduced crop production due to dry conditions and lower prices for crops like durum and lentils. Cattle producers also received benefits in 2018 due to a softening market and increased costs. While processing of 2019 program year files is not yet complete, over \$70 million has been paid to producers offsetting production and quality losses due to a challenging harvest that resulted in a large amount of crop being left out over winter.

The 2018 and 2019 years are the first years under the CAP agreement. With the agreement, the AgriStability calculation changed to address concerns about the Reference Margin Limit, which has had an impact on benefit calculations. The new guidelines ensure the value used to determine a producer's coverage could not be below 70 per cent of their historical reference margin. This new method resulted in more than \$15 million additional dollars paid to Saskatchewan AgriStability participants in 2018 and almost \$6 million in 2019.

A significant enhancement for AgriStability programs was announced in 2021. Federal, provincial and territorial agriculture ministers approved removing the reference margin limit from the AgriStability benefit calculation. The change is retroactive to the 2020 program year and creates an increase in coverage and potential for increased benefits for farming operations previously subject to the reference margin limit. This creates a more equitable program for all farming operations across the province. Saskatchewan's agricultural industry requested this change for several years and producers have until June 30, 2021 to enrol.

## **Livestock Price Insurance Program**

The Livestock Price Insurance Program (LPI), formerly referred to as the Western Livestock Price Insurance Program (WLPIP), enables livestock producers to protect against unexpected price declines, by allowing them to purchase price insurance protection for their cattle and hogs while taking advantage of favourable market conditions, if livestock prices should rise. As of March 31, 2021, a total of 3,685 producers had enrolled to participate in LPI. Over the past year, 18 per cent or approximately 144,744 calves were insured; four per cent or approximately 2,030 feeder cattle were insured; and two per cent or approximately 13,200 fed cattle in the province were insured. No hogs were insured in Saskatchewan. Approximately \$2.5 million was paid to cattle producers through 2020-21 with the majority being paid on the calf program.

## **Wildlife Damage Compensation Program**

The Wildlife Damage Compensation Program consists of three components: crop damage compensation; predation compensation; and prevention. While SCIC administers this Program, financial reporting is included in the financial statements of the Agricultural Stabilization Fund under the Saskatchewan Ministry of Agriculture.

The 2020 crop year saw an early harvest completion resulting in very little overwintered crop and minimal wildlife damage claims for the spring of 2021.

As of March 31, 2021, there were 598 waterfowl claims resulting in \$4.0 million in compensation paid. Big game claims totaled 4,045 with \$33.9 million in compensation paid. There were 2,282 predation claims and \$2.69 million in compensation paid.

Prevention expenditures were \$367,988.

# Saskatchewan Crop Insurance Corporation COVID-19 Response Highlights

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The current challenging climate may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the Corporation's operating results and financial position both in the current year and in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Corporation is not known at this time.

## Overview

The COVID-19 pandemic has challenged government operations during the 2020-21 fiscal year. The expected operations of programs and services may have significantly changed as the Government of Saskatchewan worked quickly to support citizens and businesses. Annual Reports for the 2020-21 fiscal year provide information on the impacts of COVID-19 and recognize the work of the Government of Saskatchewan in responding to the pandemic.

## SCIC COVID-19 Response Highlights

In response to the COVID-19 pandemic, SCIC reacted in the following ways:

- **AgriStability Program Extension**  
Economic uncertainties led to federal, provincial, and territorial governments extending the AgriStability enrolment deadline from April 30 to July 3 for the 2020 program year. The extension supported the agriculture industry by allowing producers more time to assess their risk management approach for the 2020 year. This allowed the Program to help producers manage the impact of current economic disruptions and production challenges.
- **AgriRecovery Livestock Set Aside Program**  
SCIC administered the AgriRecovery Set Aside Program in response to COVID-19 related disruptions in the slaughter industry. This program helped cattle and bison producers hold back market-ready livestock in response to processing delays caused by COVID-19. This Program was available for producers finishing cattle and bison. Saskatchewan cattle and bison producers had until January 19, 2021, to enrol into the AgriRecovery Set Aside Program. The Set Aside Program officially ended on March 31, 2021.
- **Livestock Price Insurance Premium Rebate**  
SCIC administered a Livestock Price Insurance Program premium rebate to help cattle producers manage the impacts of COVID-19 related market disruptions. The provincial government provided 40 per cent of the increased premium costs, dating back to February 25, 2020. The relevance of the Livestock Price Insurance Program premium rebate was reassessed on September 1, 2020, and the Program was extended until December 31, 2020.
- **Crop Insurance Deadline Extension**  
The deadline to apply, reinstate, cancel or make changes to Crop Insurance contracts was extended to April 13, 2020, to support Saskatchewan producers during the uncertain times of COVID-19. Extending the Crop Insurance deadline gave producers more time to prepare and make decisions regarding all aspects of their business, including risk management.
- **Livestock Price Insurance Calf Price Extension**  
Federal and provincial partners extended the Livestock Price Insurance Program calf price insurance deadline from May 28, 2020, to June 18, 2020. COVID-19 introduced an increase in volatility in the cattle markets, impacting premiums and coverage options. The deadline extension provided producers an additional three weeks (nine purchasing days) to monitor premium tables and purchase calf price insurance policies.

# Progress in 2020-2021 SCIC

SCIC continues to improve programs and services in an effort to meet the changing needs of Saskatchewan's producers.

## SCIC Vision

To be the most trusted and relevant agriculture risk management partner in Canada.

## SCIC Mission Statement

We provide an exceptional customer experience to farmers and ranchers through diverse programs and superior service.

## SCIC Values:

- Accountability to Ourselves and Others
- Focus on the Producer
- Leadership at All Levels
- Innovative Thinking
- Teamwork and Community

## Government Goals



Strategic Priority - Focus on the Producer

## SCIC Goal - Provide exceptional customer service.

## Strategy - Improve the customer's experience.

## Key Actions

- Develop a customer service strategy.
- Enhance customer relationships.

## Performance Measure Results

	Targets			
	2020/21	2021/22	2022/23	2023/24
Customer Experience Index	90%	90%	90%	90%
In 2020, a customer satisfaction rating of 9 or 10 out of ten was achieved 76 per cent of the time. In 2019, 72 per cent of the responses were 9 or 10 out of 10.				
Crop Insurance claim turnaround time (claim registered to authorized)	30 days	30 days	30 days	30 days
The average time between a post-harvest claim being registered at a customer service office to the time the inspection was completed, and an indemnity paid was 36 days. This compares to 43 days in 2019-20.				
AgriStability file turnaround time (percentage of files completed in 75 days)	75%	75%	75%	75%
AgriStability processing completed 44 per cent of files in 75 days. This compares to 56 per cent in the previous year.				
CropConnect statistics (percentage of total Crop Insurance contracts)	30%	35%	40%	40%
Stats to end of March 2021, 30 per cent of Crop Insurance contract holders activated a CropConnect user account. For the period ending March 31, 2020, there was 27.7 per cent of active Crop Insurance customers enrolled in CropConnect.				
AgConnect statistics (percentage of AgriStability applications)	70%	75%	75%	75%
For the 2019 Program year, 63 per cent of applications were submitted through AgConnect. In the 2018 Program year, 64 per cent of files were submitted through AgConnect.				



**Goal - Provide effective business risk management programming that meets the needs of producers and industry.**

**Strategy - Work in partnership with Saskatchewan farmers, ranchers, industry and stakeholders to optimize programs and services.**

### Key Actions and Results

- Develop and implement a consultation strategy.
- Review and optimize programs to ensure they are relevant to farmers and ranchers.
- Provide leadership for the Livestock Price Insurance Program strategy implementation to improve program success.
- Participate in the Business Risk Management Program review and ensure Saskatchewan's interests are represented.

### Performance Measures

	Targets			
	2020/21	2021/22	2022/23	2023/24
Acres insured in the Crop Insurance Program, measured by the percentage of insured acres compared to seeded acres for annual crops and long-term trends.	75%	75%	75%	75%
In 2020, the percentage of annual crops insured under the Saskatchewan Crop Insurance Program was 75.5 per cent. This compares to 76.4 per cent in 2019.				
The total amount of farm cash receipts* from AgriStability participants, compared to the total provincial Farm Cash Receipts.	60%	65%	65%	65%
The 2019 farm cash receipts represented by participants in the 2019 program year was 52 per cent. This is up slightly from the 2018 percentage of 51 per cent.				
Per cent of calves insured through the Livestock Price Insurance Program.	25%	25%	25%	25%
In 2020, 19 per cent of the marketable calves were insured through the Livestock Price Insurance Program. This compares to 17 per cent in 2018.				

*\*Farm cash receipts represent the cash income received from the sale of agricultural commodities, as well as direct Program payments made to support or subsidize the agricultural sector.*

### Strategic Priority - Accountability

**Goal - Provide effective and efficient program and resource management.**

**Strategy - Develop and maintain sustainable business risk management programming.**

### Key Actions and Results

- Evaluate reinsurance options and other mechanisms for long-term premium rate stability.
- Optimize programs to align with a changing regulatory framework.

### Performance Measures

	Targets			
	2020/21	2021/22	2022/23	2023/24
Long-term sustainable loss ratio (indemnity to premium)	1	1	1	1
<b>Response:</b> The average long-term sustainability ratio for the 20-year period of 2000 to 2021 is 0.72, down slightly from last year's 20-year value of 0.735.				



## Goal - Provide effective and efficient program and resource management.

### Strategy - Improve operational efficiencies.

#### Key Actions and Results

- Plan, commit and execute on strategic priorities.
- Provide secure, reliable and scalable IT infrastructure.
- Modernize technology capabilities and digital services.
- Develop a compliance risk strategy.
- Develop and implement an effective Business Continuity Plan to ensure recovery from incidents that may impact SCIC's business.

#### Performance Measures

	Targets			
	2020/21	2021/22	2022/23	2023/24
Crop Insurance administration cost per acre**	\$1.01/acre	\$1.00/acre	\$.99/acre	TBD
The administration cost per acre for the 2020 crop year was \$0.91. This compares to \$0.97 for the 2019 crop year.				
AgriStability administration cost per file***	\$829	\$804	\$780	TBD
The AgriStability administration cost per file for 2019-20 was \$1,347 this compares to a cost per file of \$1,347 in 2018-19.				

*\*\*This measure includes seeded acres of all crops, forage and any acres reported as unseeded. Previously unseeded acres were not included in the calculation. However, administering this feature of the program does cost money; therefore, the change is being made to be a more accurate and reflective measure of administering the Crop Insurance Program.*

*\*\*\* This measurement includes all program files worked on during the fiscal period. Previously the calculation only included files that were completed and issued a Calculation of Benefits Statement. During processing, there are a number of files that are worked on and closed without being eligible to receive a final statement. This revised calculation is a more accurate and reflective measure of the processing costs of all files during the administration of the AgriStability Program.*

# 2020-2021 Financial Summary

The 2020-21 financial statements begin on page 14 of this report and the following provides an explanation of the variances between the budget and actual results. Additional financial information can be found in the Government of Saskatchewan Public Accounts located at <https://publications.saskatchewan.ca/#/categories/893>

	(in thousands of \$)				Notes	Threshold 10%
	2019-20 Actual	2020-21 Budget	2020-21 Actual	2020-21 Variance		
<b>Crop Insurance (AgriInsurance)</b>						
Premiums	\$ 576,222	\$ 551,595	\$ 546,859	\$ (4,736)		-0.86%
Reinsurance premiums expense	(22,307)	(24,000)	(20,537)	3,463	1	-14.43%
Indemnities	(259,923)	(471,615)	(188,185)	283,430	2	-60.10%
Other	36,422	42,250	7,281	(34,969)	3	-82.77%
Income (loss) from insurance program	\$ 330,414	\$ 98,230	\$ 345,418	\$ 247,188		
<b>AgriStability</b>						
Fees and other income	\$ 13,480	\$ 11,200	\$ 14,915	\$ 3,715	4	33.17%
Contribution from the Government of Saskatchewan - Ministry of Agriculture	32,377	19,980	23,484	3,504	5	17.54%
Contribution from the Government of Canada	48,566	23,250	35,226	11,976	5	51.51%
Indemnities and other	(94,423)	(54,430)	(73,625)	(19,195)	5	35.27%
Income from AgriStability program	\$ -	\$ -	\$ -	\$ -		
<b>Livestock Price Insurance Program</b>						
Premiums and reinsurance recovery	\$ 6,902	\$ 3,900	\$ 13,134	\$ 9,234	6	236.77%
Indemnities and reinsurance expense	(7,699)	(3,900)	(14,336)	(10,436)	6	267.59%
Other income (expense)	56	-	73	73	6	100.00%
Income (loss) from LPI	\$ (741)	\$ -	\$ (1,129)	\$ (1,129)		
<b>Program Delivery - administration expenses net of other administration revenue</b>						
Crop Insurance	\$ 29,632	\$ 31,084	\$ 27,398	\$ (3,686)	7	-11.86%
AgriStability	\$ 17,795	\$ 20,170	\$ 18,261	\$ (1,909)		-9.46%
Livestock Price Insurance Program	\$ 803	\$ 1,027	\$ 864	\$ (163)	8	-15.87%

\* Variance analysis is based on a threshold is >10%.

## Notes:

1. Reinsurance premiums were lower than budget due to lower actual insured acres and actual liability.
2. Indemnities were \$283 million lower than budget as the harvest conditions were favorable along with yields and quality being within or above average.
3. Other income is lower than budget due to a significant decrease in interest rates.
4. The actual AgriStability enrolment fees and other income earned were higher than budget as the dollar value of enrolment fee per participant has increased.
5. The AgriStability indemnities are higher than budget due to the additional funding required to include the removal of Reference Margin Limit. With a slight increase in benefits and higher enrolment fees, the funding required from the Province and Canada are adjusted accordingly.
6. The premiums collected for the Livestock Price Insurance Program are slightly higher than budget by \$3.3 million, however, the biggest change was due to reinsurance recoveries of \$5.9 million. " The reinsurance recoveries were triggered by the high value of losses paid out for the prior year policies. The indemnities paid were \$7.6 million higher than budget as market prices were volatile during the settlement period resulting in higher than anticipated claims. The reinsurance expense was also higher by \$2.8 million due to the increase in indemnities. Other income includes interest earned on the surplus held by Agriculture Financial Services Corporation (AFSC).
7. Crop Insurance Program delivery costs were lower than budget due to lower salaries resulting from vacancy management. Expenses such as travel and training costs were significantly less resulting from COVID-19 restrictions.
8. The Livestock Price Insurance Program costs were lower than budget due to reduced salaries and lower operating costs for the program.

# Management's Report

## Responsibility for Financial Statements

The financial statements of SCIC are the responsibility of management and are prepared in accordance with Canadian public sector accounting standards applied on the basis consistent with that of the preceding year. Management has applied its best judgment where estimates are required using all information available to March 31, 2021. Other financial information in the annual report is consistent with that provided in these financial statements.

SCIC's accounting system and systems of internal control are maintained to provide reasonable assurance that transactions are properly authorized and recorded, that assets are properly safeguarded and that the financial information is relevant and reliable.

SCIC's external auditor, KPMG LLP, has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.

The Board of Directors of SCIC is responsible for overseeing management's performance of its financial responsibilities and has reviewed and approved these financial statements.



Jeff Morrow  
Acting President and Chief Executive Officer



Brad Schultz  
Vice President, Finance and Compliance

May 18, 2021

# Independent Auditors' Report

To the Members of the Legislative Assembly Province of Saskatchewan

## ***Opinion***

We have audited the financial statements of Saskatchewan Crop Insurance Corporation ("the Entity") which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies, and the schedules of program operations and accumulated surplus and program administration expenditures

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for KPMG LLP, featuring the letters "KPMG" in a bold, sans-serif font, followed by "LLP" in a smaller, similar font. A horizontal line is drawn below the text.

Chartered Professional Accountants

Regina, Canada  
May 18, 2021

# Saskatchewan Crop Insurance Corporation

## Statement of Financial Position

**As at March 31, 2021, with comparative figures for 2020**

(in thousands)

	2021	2020
<b>Financial Assets</b>		
Cash (Note 2)	\$ 18,024	\$ 15,523
Investments (Note 3)	12,500	10,000
Due from the Government of Saskatchewan General Revenue Fund (Note 4)	2,636,444	2,278,193
Accrued interest and other receivables	1,615	12,499
Due from producers (Note 11)	10,616	18,651
Due from the Government of Saskatchewan - Ministry of Agriculture (Note 5)	36,958	56,894
Due from the Government of Canada (Note 6)	56,314	90,826
Due from the Alberta Agriculture Financial Services Corporation (Note 7)	921	1,648
Due from Crop Reinsurance Fund of Saskatchewan	2	6
	<u>2,773,394</u>	<u>2,484,240</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,629	3,872
Due to the Government of Saskatchewan - Ministry of Agriculture (Note 8)	5,677	-
Deferred indemnities payable	719	1,422
Indemnities payable (Note 9)	85,175	145,130
	<u>96,200</u>	<u>150,424</u>
<b>Net Financial Assets</b>	<u>2,677,194</u>	<u>2,333,816</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 10)	1,958	905
Prepaid expenses	1,474	1,459
	<u>3,432</u>	<u>2,364</u>
<b>Accumulated Surplus</b>	<u>\$ 2,680,626</u>	<u>\$ 2,336,180</u>

Contractual Rights (Note 16).

Contractual obligations and contingencies (Note 17).

See accompanying notes to financial statements.

On behalf of the Board:



Chairperson



Vice-Chairperson

# Saskatchewan Crop Insurance Corporation

## Statement of Operations and Accumulated Surplus

**For the year ended March 31, 2021, with  
comparative figures for 2020**

(in thousands)

	<b>Budget (Note 1 (k))</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>			
Premiums from producers - Crop Insurance	\$ 220,638	\$ 217,997	\$ 231,034
Premiums from producers - Livestock Price Insurance Program	3,900	7,228	4,027
Enrolment fees - AgriStability	11,000	14,817	13,239
Government transfers			
Contribution from the Government of Saskatchewan - Ministry of Agriculture	152,363	155,387	170,755
Contribution from the Government of Canada	221,824	232,185	255,376
Reinsurance recoveries - Livestock Price Insurance Program	-	5,906	2,875
Investment and other income	43,200	5,552	38,158
	<u>652,925</u>	<u>639,072</u>	<u>715,464</u>
<b>Expenses</b>			
Indemnities	528,645	272,034	359,631
Reinsurance premiums			
Private reinsurance expense (Note 13)	25,300	24,623	24,661
Crop Reinsurance Fund of Canada for Saskatchewan (Note 14)	-	13	9
Crop Reinsurance Fund of Saskatchewan (Note 14)	-	9	6
Bad debts (recovery)	750	(1,896)	1,484
	<u>554,695</u>	<u>294,783</u>	<u>385,791</u>
Income from operations, before administration revenue and expenses	<u>98,230</u>	<u>344,289</u>	<u>329,673</u>
<b>Administration revenue</b>			
Government of Saskatchewan operating grant	52,280	46,680	48,200
Other administration revenue	1,626	1,374	1,705
	<u>53,906</u>	<u>48,054</u>	<u>49,905</u>
Administration expenses (Schedule 2)	<u>53,907</u>	<u>47,897</u>	<u>49,935</u>
Annual surplus	98,229	344,446	329,643
Accumulated surplus, beginning of year	2,336,180	2,336,180	2,006,537
Accumulated surplus, end of year	<u>\$ 2,434,409</u>	<u>\$ 2,680,626</u>	<u>\$ 2,336,180</u>

See Statement of Program Operations and Accumulated Surplus (Schedule 1)

See accompanying notes to financial statements.



# Saskatchewan Crop Insurance Corporation

## Statement of Change in Net Financial Assets

**For the year ended March 31, 2021, with  
comparative figures for 2020**

(in thousands)

	<b>Budget (Note 1 (k))</b>	<b>2021</b>	<b>2020</b>
Annual surplus	\$ 98,229	\$ 344,446	\$ 329,643
Acquisition of tangible capital assets	(937)	(1,879)	(701)
Amortization of tangible capital assets	937	826	708
	98,229	343,393	329,650
Acquisition of prepaid expenses	-	(1,474)	(1,459)
Use of prepaid expenses	-	1,459	1,088
	98,229	343,378	329,279
Change in net financial assets	98,229	343,378	329,279
Net financial assets, beginning of year	2,333,816	2,333,816	2,004,537
Net financial assets, end of year	<u>\$ 2,432,045</u>	<u>\$ 2,677,194</u>	<u>\$ 2,333,816</u>

See accompanying notes to financial statements.

# Saskatchewan Crop Insurance Corporation

## Statement of Cash Flows

**For the year ended March 31, 2021, with comparative figures for 2020**

(in thousands)

	2021	2020
<b>Cash Provided by (Used in):</b>		
Operating Activities:		
Annual surplus	\$ 344,446	\$ 329,643
Item not affecting cash:		
Amortization	826	708
Change in non-cash operating items:		
Decrease (increase) in accrued interest and other receivables	10,884	(2,588)
Decrease (increase) in due from producers	8,035	(3,851)
Decrease in due from the Government of Saskatchewan - Ministry of Agriculture	19,936	15,230
Decrease in due from the Government of Canada	34,512	23,054
Decrease in due from the Alberta Agriculture Financial Services Corporation	727	1,718
Decrease (increase) in reinsurance premium receivable from Crop Reinsurance Fund of Saskatchewan	4	(11)
Increase in prepaid expenses	(15)	(371)
Increase (decrease) in accounts payable and accrued liabilities	757	(6,256)
Increase in due to the Government of Saskatchewan - Ministry of Agriculture	5,677	-
Decrease in deferred indemnities payable	(703)	(73)
Decrease in indemnities payable	(59,955)	(37,554)
	<u>365,131</u>	<u>319,649</u>
Capital Activities:		
Purchase of tangible assets	(1,879)	(701)
Increase in cash and cash equivalents	363,252	318,948
Cash and cash equivalents, beginning of year	2,303,716	1,984,768
Cash and cash equivalents, end of year	<u>\$ 2,666,968</u>	<u>\$ 2,303,716</u>
Represented by:		
Cash	\$ 18,024	\$ 15,523
Investments	12,500	10,000
Due from Government of Saskatchewan General Revenue Fund	2,636,444	2,278,193
	<u>\$ 2,666,968</u>	<u>\$ 2,303,716</u>
Supplemental cash flow information:		
Cash interest income received	\$ 14,945	\$ 37,239

See accompanying notes to financial statements.

# Saskatchewan Crop Insurance Corporation

## Statement of Program Operations and Accumulated Surplus

### (Schedule 1)

For the year ended March 31, 2021 with comparative figures for 2020 (in thousands)			
	Budget (Note 1 (k))	Crop Insurance Program	
		2021	2020
<b>Revenue</b>			
Premiums from producers	\$ 220,638	\$ 217,997	\$ 231,034
Enrolment fees - AgriStability	-	-	-
Government transfers			
From the Government of Saskatchewan - Ministry of Agriculture	132,383	131,903	138,378
From the Government of Canada	198,574	196,959	206,810
Reinsurance recoveries	-	-	-
Investment and other income	43,000	5,381	37,861
	594,595	552,240	614,083
<b>Expenses</b>			
Indemnities	471,615	188,185	259,923
Reinsurance premiums			
Private reinsurance expense (Note 13)	24,000	20,515	22,292
Crop Reinsurance Fund of Canada for Saskatchewan (Note 14)	-	13	9
Crop Reinsurance Fund of Saskatchewan (Note 14)	-	9	6
Bad debts (recovery)	750	(1,900)	1,439
	496,365	206,822	283,669
Income (loss) from operations, before administration revenue and expenses	98,230	345,418	330,414
<b>Administration revenue</b>			
Government of Saskatchewan operating grant	30,993	27,493	28,675
Other administration revenue	771	586	804
	31,764	28,079	29,479
Administration expenses (Schedule 2)	31,855	27,984	30,436
Annual surplus (deficit)	98,139	345,513	329,457
Accumulated surplus, beginning of year	2,317,647	2,317,647	1,988,190
Accumulated surplus, end of year	\$ 2,415,786	\$ 2,663,160	\$ 2,317,647

See accompanying notes to financial statements.

Livestock Price Insurance Program			AgriStability Program			Total		
Budget (Note 1(k))	2021	2020	Budget (Note 1(k))	2021	2020	Budget (Note 1(k))	2021	2020
\$ 3,900	\$ 7,228	\$ 4,027	\$	\$	\$	\$ 224,538	\$ 225,225	\$ 235,061
-	-	-	11,000	14,817	13,239	11,000	14,817	13,239
-	-	-	19,980	23,484	32,377	152,363	155,387	170,755
-	-	-	23,250	35,226	48,566	221,824	232,185	255,376
-	5,906	2,875	-	-	-	-	5,906	2,875
-	73	56	200	98	241	43,200	5,552	38,158
3,900	13,207	6,958	54,430	73,625	94,423	652,925	639,072	715,464
2,600	10,228	5,330	54,430	73,621	94,378	528,645	272,034	359,631
1,300	4,108	2,369	-	-	-	25,300	24,623	24,661
-	-	-	-	-	-	-	13	9
-	-	-	-	-	-	-	9	6
-	-	-	-	4	45	750	(1,896)	1,484
3,900	14,336	7,699	54,430	73,625	94,423	554,695	294,783	385,791
-	(1,129)	(741)	-	-	-	98,230	344,289	329,673
1,125	865	1,125	20,162	18,322	18,400	52,280	46,680	48,200
5	6	21	850	782	880	1,626	1,374	1,705
1,130	871	1,146	21,012	19,104	19,280	53,906	48,054	49,905
1,032	870	824	21,020	19,043	18,675	53,907	47,897	49,935
98	(1,128)	(419)	(8)	61	605	98,229	344,446	329,643
3,388	3,388	3,807	15,145	15,145	14,540	2,336,180	2,336,180	2,006,537
\$ 3,486	\$ 2,260	\$ 3,388	\$ 15,137	\$ 15,206	\$ 15,145	\$ 2,434,409	\$ 2,680,626	\$ 2,336,180

## Saskatchewan Crop Insurance Corporation Program Administration Expenses (Schedule 2)

For year ended March 31, 2021 with comparative figures for 2020 (in thousands)	Crop Insurance Program		
	Budget (Note 1(k))	2021	2020
Salaries and benefits	\$ 19,884	\$ 18,035	\$ 19,239
Professional services	3,212	2,817	2,853
Operating expense	2,696	2,397	2,566
Information and technology	1,714	1,411	1,366
Travel expense	2,534	1,942	2,921
Communications	606	497	586
Amortization expense	495	456	378
Human resources	440	223	353
Office supplies	192	117	130
Equipment expense	74	74	30
Facilities expense	8	15	14
Total Program Administration Expenses	\$ 31,855	\$ 27,984	\$ 30,436

See accompanying notes to financial statements.

Livestock Price Insurance Program			AgriStability Program			Total		
Budget (Note 1(k))	2021	2020	Budget (Note 1(k))	2021	2020	Budget (Note 1(k))	2021	2020
\$ 242	\$ 224	\$ 226	\$ 13,667	\$ 12,139	\$ 11,127	\$ 33,793	\$ 30,398	\$ 30,592
18	2	2	2,326	2,663	3,087	5,556	5,482	5,942
548	469	394	2,058	1,937	2,028	5,302	4,803	4,988
32	26	24	1,614	1,355	1,283	3,360	2,792	2,673
29	-	18	167	33	182	2,730	1,975	3,121
160	148	158	310	303	312	1,076	948	1,056
-	-	-	442	370	330	937	826	708
1	-	1	336	156	248	777	379	602
1	1	1	80	50	49	273	168	180
1	-	-	12	21	18	87	95	48
-	-	-	8	16	11	16	31	25
\$ 1,032	\$ 870	\$ 824	\$ 21,020	\$ 19,043	\$ 18,675	\$ 53,907	\$ 47,897	\$ 49,935

# Saskatchewan Crop Insurance Corporation

## Notes to the Financial Statements

March 31, 2021

The Saskatchewan Crop Insurance Corporation (the “Corporation”), was established under the *Crown Corporations Act* and operates under the authority of *The Saskatchewan Crop Insurance Corporation Act*. Within guidelines in the Act, the Corporation will administer the Saskatchewan Crop Insurance Fund and the Agricultural Income Stabilization Fund (“AgriStability”). Information on the individual funds are included in the Schedules within these financial statements. The Corporation is a Crown Corporation that is accountable to the Treasury Board.

The *Canadian Agricultural Partnership (CAP): A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy* requires that reinsurance funds be established by the Government of Canada and the Government of Saskatchewan. These reinsurance funds receive reinsurance premiums from the Corporation and, under certain circumstances, pay reinsurance benefits to the Corporation.

Crop Insurance rates and reinsurance premiums are set such that the Crop Insurance Program is actuarially sound over the long term. Any indemnities receivable, in excess of assets of the Crop Reinsurance Fund of Saskatchewan, will be recovered through future reinsurance premiums paid by the Corporation. If these future reinsurance premiums are insufficient to pay reinsurance benefits and repay this receivable, the Government of Saskatchewan General Revenue Fund is required to fund any deficiency.

The Crop Reinsurance Fund of Saskatchewan is administered by the Corporation. The operations, assets and liabilities of this reinsurance fund are reported in separate financial statements as required by CAP.

AgriStability was established as a continuation of the Canadian Agricultural Income Stabilization (CAIS) program. This program provides agricultural producers with protection against declines in Production Margin (as defined in the AgriStability Program Guidelines). Participants must enrol in the program and pay administration and enrolment fees based on a reference margin based on the individual participant’s Production Margin for specified prior years. A program benefit is paid to the participant when the participant’s current Production Margin falls below the set reference margin.

The Corporation delivers Livestock Price Insurance (LPI), formerly referred to as Western Livestock Price Insurance Program (WLPIP), for Saskatchewan producers. LPI is a risk management tool that provides producers with protection against an unexpected drop in prices of certain categories of livestock over a defined period of time. The Government of Alberta’s Agriculture Financial Services Corporation (AFSC) is the central administering agency of the program providing premium calculations, establishing forward prices, collecting market data to settle claims and providing technological support for the operating system. AFSC’s administrative expenses are shared by the participating provinces with the Corporation paying 22 per cent of the cost. The Corporation provides all customer support for Saskatchewan producers.

In addition, on behalf of the Ministry of Agriculture and the Saskatchewan Agricultural Stabilization Fund, the Corporation administers the Wildlife Damage Compensation fund. The financial statements of the Saskatchewan Agricultural Stabilization Fund are reported separately.

As a crown entity, the Corporation is not subject to federal or provincial income tax, or federal goods and services tax.

### COVID-19 Impact Assessment

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The current challenging climate may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the Corporation’s operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Corporation is not known at this time.

### 1. Significant accounting policies:

The financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (“PSAB”) and published by Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

#### (a) Basis of accounting:

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (b) Government transfers:

Government transfers are without stipulations restricting their use and are recognized in the financial statements as revenues in the period in which the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.

#### (c) Financial assets and liabilities:

Financial assets and liabilities of the Corporation include cash, investments, due from the Government of Saskatchewan General



Revenue Fund, accrued interest and other receivables, due from producers, due from (to) the Government of Saskatchewan – Ministry of Agriculture, due from the Government of Canada, due from Alberta Agriculture Financial Services Corporation, due from Crop Reinsurance Fund of Saskatchewan, accounts payable and accrued liabilities, deferred indemnities payable and indemnities payable.

Cash and investments are recorded by the Corporation at fair value. All other financial assets and liabilities are recorded at amortized cost.

(d) Investments:

Investments are short term in nature and are recorded at fair value. The fair value of investments is based on cost, which approximates fair value due to the immediate or short-term nature of these financial instruments.

(e) Investment earnings:

The Corporation recognizes interest as earned and investment gains and losses when realized.

Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Interest is generally receivable on a semi-annual basis.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(g) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Equipment	5
Leasehold improvements	5
Computer equipment	3
Computer software and system development	3

(h) Indemnities payable:

Indemnities payable represents estimates of the total cost of outstanding claims at the year-end date. Measurement of the indemnities payable is uncertain as all of the necessary information for reported claims is not always available as of year-end and therefore estimates are made for the value of these claims. As a result, indemnities payable is selected from a range of possible outcomes and actual results may differ materially from those estimates.

(i) Premium revenue recognition:

Crop Insurance is a cost-shared program. Premium revenues are shared for 2021 and 2020 as follows:

	Producers Percentage	Federal Gov't Percentage	Provincial Gov't Percentage
Comprehensive coverage	40.0	36.0	24.0
Weather derivatives	40.0	36.0	24.0
Enhanced irrigation coverage	40.0	20.0	40.0

Premiums, including the producer and federal and provincial governments' contributions, are recognized as revenue when invoiced to producers.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include the determination of indemnities payable, the corresponding contributions and receivables from the Government of Saskatchewan–Ministry of Agriculture and the Government of Canada and the allowance for doubtful accounts receivable. Actual results could differ materially from these estimates.

(k) Budget figures:

The budget results and budget amounts have been derived from the budget approved by the Board on March 6, 2020.

(l) The Public Sector Accounting Board has issued the following standards and amendments that are not yet in effect and have not been applied in preparing these financial statements:

*PS 3280 Asset Retirement Obligation (effective April 1, 2022)*, a new standard will provide guidance on principles for recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets from productive use; and

PS 3400 Revenue (effective April 1, 2023) will provide guidance for recognition, measurement and presentation of revenues common to government other than tax revenues and government transfers.

The Corporation plans to adopt the new standards in the fiscal year in which it becomes effective. Management is currently analyzing the impact that these new standards will have on the financial statements.

(m) The Statement of Remeasurement gains/losses has not been included as there are no transactions to report for the current year.

## 2. Cash

	(in thousands)	
	2021	2020
Cash	\$ 18,024	\$ 15,523
Total	\$ 18,024	\$ 15,523

The bank account savings rate pays interest monthly and is calculated on the daily closing balance at an effective annual rate of 0.45 per cent (2020 – 1.40 per cent).

## 3. Investments:

The Corporation's investments are in fixed rate GIC's with \$5,000,000 maturing on June 22, 2021 earning an effective interest rate of 1.12 per cent, \$2,500,000 maturing on September 14, 2021 earning an effective interest rate of 0.85 per cent, \$2,500,000 maturing on December 1, 2021 earning an effective interest rate of 0.80 per cent, and \$2,500,000 maturing on March 3, 2022 earning an effective interest rate of 0.66%. (2020 - average interest rate 2.26)

## 4. Due from the Government of Saskatchewan General Revenue Fund:

The Corporation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Interest is earned on these funds at the government's thirty day borrowing rate and is based on the Corporation's average daily account balance. Interest is paid by the Government of Saskatchewan General Revenue Fund to the Corporation on a quarterly basis. During the current year, the average rate was 0.19 per cent (2020 – 1.72 per cent).

## 5. Due from the Government of Saskatchewan – Ministry of Agriculture:

The receivable balance is comprised of the following:

	(in thousands)	
	2021	2020
Crop Insurance premiums	\$ 9,505	\$ 15,131
AgriStability contributions	27,453	41,763
Total	\$ 36,958	\$ 56,894

## 6. Due from the Government of Canada:

The receivable balance is comprised of the following:

	(in thousands)	
	2021	2020
Crop Insurance premiums	\$ 15,057	\$ 28,180
AgriStability contributions	41,180	62,646
Livestock initiatives	77	-
Total	\$ 56,314	\$ 90,826

## 7. Due from the Alberta Agriculture Financial Services Corporation:

The Government of Alberta's Agriculture Financial Services Corporation (AFSC) is the central administering agent for LPI. This amount represents the premiums collected from Saskatchewan producers for the program, plus interest earned less indemnities and reinsurance paid. The changes for the year are as follows:

	(in thousands)	
	2021	2020
Balance, beginning of year	\$ 1,648	\$ 3,366
Total premiums collected	7,646	3,060
Interest earned on funds	57	46
Reinsurance recovery on program	5,906	2,875
Less reinsurance premiums	(4,108)	(2,369)
Less indemnities paid	(10,228)	(5,330)
Balance, end of year	\$ 921	\$ 1,648

## 8. Due to the Government of Saskatchewan – Ministry of Agriculture:

The payable balance is comprised of the following:

	(in thousands)	
	2021	2020
Administration funding - return of operating grant	\$ 5,677	\$ -
Total	\$ 5,677	\$ -

#### 9. Indemnities payable:

The following is a reconciliation of the Crop Insurance and AgriStability indemnities payable:

	(in thousands)	
	2021	2020
<b>Crop Insurance indemnities payable:</b>		
Balance, beginning of the year	\$ 26,570	\$ 19,866
Provision for current year claims	165,712	268,300
Claims paid during the current year	(209,949)	(253,219)
Prior years' claim cost experience higher (lower) than expected	22,473	(8,377)
Balance, end of year	\$ 4,806	\$ 26,570
<b>AgriStability indemnities payable:</b>		
Balance, beginning of year	\$ 118,560	\$ 162,818
Provision for current year	49,465	113,864
Benefits paid during the current year	(111,812)	(138,636)
Prior years' claim cost experience higher (lower) than expected	24,156	(19,486)
Balance, end of year	\$ 80,369	\$ 118,560
Total indemnities payable	\$ 85,175	\$ 145,130

Crop Insurance indemnities payable have been estimated based on the number of claims outstanding at March 31, 2021. The number of claims is then multiplied by an average rate based on the crop type and acres outstanding.

AgriStability indemnities payable have been estimated using economic models which consider the number of program participants, estimated reference margins, estimated claim year margins based on projected forecast commodity prices, crop yields, inventory changes and forecast changes in eligible income and expenses on an aggregate basis for different sectors of the agricultural industry. Based on the above key assumptions and using a statistical model for projections, the estimated provision for current year claims is in the range of \$36,808,151 to \$62,121,725 (2020-\$75,797,302 to \$151,929,938). Estimated indemnities for prior claim years are based on potential payments for claims not yet processed. AgriStability indemnities payable are subject to measurement uncertainty.

As the assumptions used to estimate Crop Insurance and AgriStability indemnities payable may change over time, it is possible that such changes could cause a material change to these payables and the corresponding contributions and receivables from the Government of Saskatchewan-Ministry of Agriculture and Government of Canada.

#### 10. Tangible capital assets:

	(in thousands)				
2021	Equipment	Leasehold improvements	Computer software and system dev	Computer equipment	Total
<b>Cost</b>					
Balance, beginning of year	\$ 2,408	\$ 9,412	\$ 12,045	\$ 9,215	\$ 33,080
Additions	239	96	992*	552	1,879
Disposals	(366)	-	-	(196)	(562)
<b>Balance, end of year</b>	<b>\$ 2,281</b>	<b>\$ 9,508</b>	<b>\$ 13,037</b>	<b>\$ 9,571</b>	<b>\$ 34,397</b>
<b>Accumulated Amortization</b>					
Balance, beginning of year	\$ 2,254	\$ 9,299	\$ 11,980	\$ 8,642	\$ 32,175
Disposals	(366)	-	-	(196)	(562)
Amortization expense	92	78	40	616	826
<b>Balance, end of year</b>	<b>\$ 1,980</b>	<b>\$ 9,377</b>	<b>\$ 12,020</b>	<b>\$ 9,062</b>	<b>\$ 32,439</b>
<b>Net book value, end of year</b>	<b>\$ 301</b>	<b>\$ 131</b>	<b>\$ 1,017</b>	<b>\$ 509</b>	<b>\$ 1,958</b>

\*The amount of \$983 was capitalized for system development and is a contract in progress. Amortization was not calculated for this year.

					(in thousands)
2020	Equipment	Leasehold improvements	Computer software and sys dev	Computer equipment	Total
<b>Cost</b>					
Balance, beginning of year	\$ 2,231	\$ 9,391	\$ 11,962	\$ 8,900	\$ 32,484
Additions	177	21	83	420	701
Disposals	-	-	-	(105)	(105)
<b>Balance, end of year</b>	<b>\$ 2,408</b>	<b>\$ 9,412</b>	<b>\$ 12,045</b>	<b>\$ 9,215</b>	<b>\$ 33,080</b>
<b>Accumulated Amortization</b>					
Balance, beginning of year	2,211	9,240	\$ 11,927	\$ 8,194	\$ 31,572
Disposals	-	-	-	(105)	(105)
Amortization expense	43	59	53	553	708
<b>Balance, end of year</b>	<b>\$ 2,254</b>	<b>\$ 9,299</b>	<b>\$ 11,980</b>	<b>\$ 8,642</b>	<b>\$ 32,175</b>
<b>Net book value, end of year</b>	<b>\$ 154</b>	<b>\$ 113</b>	<b>\$ 65</b>	<b>\$ 573</b>	<b>\$ 905</b>

# 11. Financial risk management:

The nature of the Corporation's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk and foreign exchange risk) and liquidity risk.

Significant financial risks are related to the Corporation's investments. These financial risks are managed by investing in short-term investments which reduce the risk of market fluctuations.

## Credit risk

The Corporation's credit risk arises primarily from two distinct sources: accounts receivable (from its customers and reinsurers) and its cash. The maximum credit risk to which it is exposed at March 31, 2021 is limited to the carrying value of the financial assets summarized as follows:

	2021	2020
Cash	\$ 18,024	\$ 15,523
Investments	12,500	10,000
Accrued interest and other receivables	1,615	12,499
Due from producers	10,616	18,651
Due from the Government of Saskatchewan - Ministry of Agriculture	36,958	56,894
Due from the Government of Canada	56,314	90,826
Due from the Alberta Agriculture Financial Services Corporation	921	1,648
Due from Crop Reinsurance Fund of Saskatchewan	2	6
<b>Total</b>	<b>\$ 136,950</b>	<b>\$ 206,047</b>

The breakdown of producer receivables is as follows:

	2021	2020
Less than one year	\$ 8,224	\$ 18,608
Greater than one year	8,984	8,925
	17,208	27,533
Allowance for doubtful accounts	(6,592)	(8,882)
<b>Total</b>	<b>\$ 10,616</b>	<b>\$ 18,651</b>

Provisions for credit losses are maintained in an allowance account and regularly reviewed by the Corporation. Amounts are written off once reasonable collection efforts have been exhausted. Details of the allowance account are as follows:

	2021	2020
Allowance for doubtful accounts, beginning of year	\$ 8,882	\$ 9,448
Accounts written off	-	-
Current period provision	(2,290)	(566)
<b>Allowance for doubtful accounts, end of year</b>	<b>\$ 6,592</b>	<b>\$ 8,882</b>

## **Market risk**

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest rate risk is managed by investing primarily in short term investments. The Corporation is not subject to risks related to foreign exchange or equity prices.

## **Liquidity risk**

Liquidity risk is the risk that the Corporation is unable to meet its financial obligations as they become due. Cash resources are managed on a daily basis based on anticipated cash flows. The majority of financial liabilities, excluding certain unpaid claims liabilities, are short-term in nature, due within one year. The Corporation generally maintains positive overall cash flows through cash generated from operations, as well as cash generated from its investing activities.

The primary liquidity risk relates to its liability for insurance claims. Insurance claims are funded firstly with current year premiums collected, which normally exceeds cash requirements. In addition, the insurance program surplus funds are retained in such a way that cash is available to pay claims as needed. The Corporation also carries private sector reinsurance for Crop Insurance and the Livestock Price Insurance Program, providing significant protection against catastrophic losses. If all of the above are exhausted, the Crop Insurance program has a reinsurance agreement with the Government of Canada and the Government of Saskatchewan to provide additional funding for claim payments. The Corporation also has the ability to borrow funds from the Government of Saskatchewan to meet short-term cash flow needs.

## **12. Pension plans:**

The Corporation's employees participate in the Public Service Superannuation Plan, a multi-employer defined benefit pension plan, or the Public Employee's Pension Plan, a multiemployer defined contribution pension plan. Pension costs of \$1,938,284 (2020 \$1,877,997) are included in salaries and benefits and comprise the cost of employer contributions for current service of employees during the year.

The Corporation's liability is limited to the required contributions.

## **13. Private reinsurance expense:**

### **Crop Insurance**

In addition to the financial protection provided by federal-provincial reinsurance funds, the Corporation entered into a one year agreement with private sector reinsurers for the 2020 crop year. The agreement will cover indemnities that exceed 23 per cent of the liability to a maximum coverage of \$363 million. The total liability for 2020-21 is \$6.5 billion resulting in a net premium cost after premium rebate of \$20,515,241 (2020 - \$22,291,604).

### **Livestock Price Insurance Program**

Alberta's Agriculture Financial Services Corporation (AFSC) administers this program on behalf of the Corporation. AFSC entered into a private reinsurance agreement for the 2020-21 year. The Corporation's share is \$4,107,284 (2020 - \$2,369,163).

This expense consists of two types of coverage:

- a) For stop loss reinsurance, whereby reinsuring companies assumed 100 per cent of the losses between 200 per cent to 500 per cent of gross net written premiums, the Corporation's share of reinsurance premiums were \$1,314,781 (2020 - \$583,712).
- b) For a separate quota share reinsurance agreement whereby the reinsurer assumed 48.25 per cent of all losses incurred, the Corporation's share of total reinsurance premiums, net of commission rebates were \$2,792,502 (2020 - \$1,785,451).

The reinsurer's share of losses is \$5,905,583 (2020 - \$2,874,697) is recorded as reinsurance recoveries on the financial statements.

## **14. Crop Reinsurance Funds:**

In accordance with the terms of the reinsurance agreement between the Government of Canada and the Province of Saskatchewan, the two levels of government maintain separate reinsurance accounts. The Corporation pays reinsurance premium to the Crop Reinsurance Fund of Canada for Saskatchewan and to the Crop Reinsurance Fund of Saskatchewan, based on the amount of premiums collected and the cumulative financial balance of the Crop Insurance Program.

When indemnities paid to the insured producers exceed the funds retained by the Corporation, after accounting for private sector reinsurance recoveries, transfers are made from the reinsurance funds to the Corporation. Interest is not credited or charged to the respective reinsurance funds by the Government of Canada or the Province of Saskatchewan. The balances in the Crop Reinsurance Fund of Canada for Saskatchewan and the Crop Reinsurance Fund of Saskatchewan are held by the Government of Canada and the Province of Saskatchewan, respectively.

The federal and provincial reinsurance program is an agreement on how to share the financing of any deficits in the Crop Insurance program.

Current year contributions to the individual funds for prior year premiums collected during the year are as follows:

	(in thousands)	
	2021	2020
Crop Reinsurance Fund of Canada for Saskatchewan	\$ 13	\$ 9
Crop Reinsurance Fund of Saskatchewan	9	6

The financial statements of the Crop Reinsurance Fund of Saskatchewan are presented separately.

#### 15. Related party transactions:

Included in these financial statements are transactions with various Saskatchewan crown corporations, ministries and agencies, boards and commissions related to the Corporation by virtue of common control exercised by the Government of Saskatchewan, as well as key management personnel of the Corporation and their close family members and any entities controlled by, or under shared control of, any of these individuals, collectively referred to as “related parties”.

These transactions are conducted in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed by the related parties. These transactions are not significant to the Corporation’s operations or financial position except as described below:

	(in thousands)	
	2021	2020
Administration expenses:		
Services provided by Ministry of SaskBuilds and Procurement	\$ 3,887	\$ 4,058
Services provided by Sask Tel CMR	762	1,004
Services provided by Public Employees Benefits Agency	631	628
Services provided by Saskatchewan Workers Compensation Board	287	270
Services provided by Ministry of Finance – self-assessed PST	201	297
Services provided by other related parties	193	357
Accounts payable (receivable) and accrued liabilities as at March 31, 2021		
Ministry of SaskBuilds and Procurement	\$ 341	\$ 91
Ministry of Finance	30	51
Public Employees Benefits Agency	49	54
SaskTel CMR	-	(43)
Other related parties	86	46
Revenue:		
Saskatchewan Agricultural Stabilization Fund	\$ 373	\$ 399
Other related parties	50	50

The expenses disclosed above have been included under administration expenses in the statement of operations and accumulated surplus.

#### 16. Contractual Rights:

(a) Under the Canadian Agricultural Partnership (CAP): *A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-based Products Policy*, the Federal and Provincial governments will provide funding for the following agricultural programs until March 31, 2023:

i) The Crop Insurance program which is administered by the Corporation for the Province of Saskatchewan on a cost-sharing basis as follows:

	Producer	Federal	Provincial
Crop insurance – Comprehensive production loss coverage	40%	36%	24%
Crop insurance – High cost production loss coverage	40%	20%	40%

Revenue of the Corporation from this program is determined based on insurance contracts executed by the producers and can significantly fluctuate on a yearly basis depending on the number of acres insured, crop type and coverage levels. As a result, the expected revenue of the Corporation cannot be reasonably estimated and therefore is not disclosed in these financial statements.

ii) The AgriStability program which is also administered by the Corporation for the Province of Saskatchewan on a cost-sharing basis as follows:

	Producer	Federal	Provincial
AgriStability	-	60%	40%

Revenue of the Corporation from this program is determined based on the enrolment of the producer on an annual basis. As participation is optional, revenues can fluctuate significantly on a yearly basis.

(b) The Corporation has entered into a reinsurance contract with Willis Re for the 2021-22 fiscal year. A contractual right exists as there could be revenue received if the conditions of the contract in Note 13 are met. The revenue cannot be reasonably estimated at this time and therefore is not disclosed in these financial statements.

## **17. Contractual obligations and contingencies:**

### *Contractual obligations:*

The Corporation is committed to the Saskatchewan Ministry of SaskBuilds and Procurement, a related crown entity, for several leases for office space with annual payments of \$3,283,495. The leases are currently renewable on an annual basis.

Subsequent to March 31, 2021, the Corporation is also committed to other corporations for the purchase of weather data and the lease of equipment for weather stations around Saskatchewan. Minimum payments of \$795,000 are expected for the next fiscal year.

The Corporation entered into a reinsurance contract with Willis Re for the 2021-22 fiscal year. The Corporation is committed for the crop aggregate excess of loss reinsurance contract for 2021-22. The contract cost is in the range of \$25.5 million to a maximum \$28.0 million per year based on a projected liability of \$7.85 billion. The contract covers indemnities that exceeds 23 per cent of the liability to a maximum of \$431.6 million.

Subsequent to March 31, 2021, the Corporation entered into an agreement with Deloitte Inc. to provide system integrator services in support of the Corporation's Enterprise Business Modernization project which includes the implementation of the Oracle Cloud solution. The contract will end in 2021-22 fiscal year at an estimated cost of \$6,860,000.

### *Contingencies:*

Pursuant to the *Canadian Agricultural Partnership (CAP); A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-based Products Policy* in the event the agreement is terminated and no new agreement is entered into, all tangible capital assets funded under the agreement shall be disposed of and the proceeds shall be shared by the Government of Saskatchewan - Ministry of Agriculture and the Government of Canada. As of March 31, 2021, all tangible capital assets owned by the Corporation have been funded by this agreement.

Various legal actions for additional crop insurance indemnity payments have been initiated against the Corporation. Presently, the Corporation is actively defending these cases. While the outcome of these claims cannot be determined, management is of the opinion that the result of these actions will not have a material impact on the Corporation's financial position.

## **18. Comparative information**

Certain comparative information has been reclassified to conform to the current year's presentation.



# Crop Reinsurance Fund of Saskatchewan

## Independent Auditors' Report

To the Members of the Legislative Assembly, Province of Saskatchewan

### **Opinion**

We have audited the financial statements of Crop Reinsurance Fund of Saskatchewan ("the Entity") which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations and changes in accumulated surplus for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for KPMG LLP, featuring the letters "KPMG" in a bold, sans-serif font, followed by "LLP" in a smaller, italicized font. A horizontal line is drawn below the text.

Chartered Professional Accountants

Regina, Canada  
May 18, 2021

# Crop Reinsurance Fund of Saskatchewan

## Statement of Financial Position

### As of March 31, 2021, with comparative figures for 2020

(in thousands)

	2021	2020
<b>Financial Assets</b>		
Due from Government of Saskatchewan General Revenue Fund (Note 2)	\$ 165,914	\$ 165,909
	<u>\$ 165,914</u>	<u>\$ 165,909</u>
<b>Liabilities</b>		
Due to Saskatchewan Crop Insurance Corporation	2	6
<b>Accumulated Surplus</b>	<u>\$ 165,912</u>	<u>\$ 165,903</u>

See accompanying notes to financial statements.

On behalf of the Board:



Chairperson



Vice-Chairperson

# Crop Reinsurance Fund of Saskatchewan

## Statement of Operations and Changes in Accumulated Surplus

### For the year ended March 31, 2021, with comparative figures for 2020

(in thousands)

	2021	2020
<b>Revenue</b>		
Reinsurance premium ceded from the Saskatchewan Crop Insurance Corporation	\$ 9	\$ 6
Annual surplus	<u>9</u>	<u>6</u>
<b>Accumulated Surplus, beginning of year</b>	165,903	165,897
<b>Accumulated Surplus, end of year</b>	<u>\$ 165,912</u>	<u>\$ 165,903</u>

See accompanying notes to financial statements.

# Crop Reinsurance Fund of Saskatchewan

## Notes to Financial Statements

March 31, 2021

The *Canadian Agricultural Partnership (CAP): A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy* replaced *Growing Forward 2: A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy* and provides for the establishment of two reinsurance funds:

- a) The Crop Reinsurance Fund of Saskatchewan (the Fund) which is administered by the Government of Saskatchewan, and
- b) The Crop Reinsurance Fund of Canada for Saskatchewan which is administered by the Government of Canada.

### COVID-19 Impact Assessment

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The current challenging climate may lead to adverse changes in cash flows and working capital levels, which may also have a direct impact on the Fund's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Fund is not known at this time.

### 1. Significant accounting policies:

The financial statements of the Crop Reinsurance Fund of Saskatchewan have been prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") and published by Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Fund are as follows:

#### *Reinsurance premium ceded from the Saskatchewan Crop Insurance Corporation:*

Under the terms of the agreement referred to above, the Saskatchewan Crop Insurance Corporation is required to pay reinsurance premiums to the reinsurance funds based on premiums received during the insurance year.

#### *Liability for claim payments from the reinsurance funds:*

Under the terms of the agreement referred to above, payments are required from the reinsurance funds if indemnities which were required to be paid in an insurance year exceeded the aggregate of:

- a) The premium receipts for the year less reinsurance premiums ceded, and
- b) The net assets of the Saskatchewan Crop Insurance Corporation's Crop Insurance Fund.

To the extent that payments are required out of the reinsurance funds, the Crop Reinsurance Fund of Saskatchewan is responsible for an amount not exceeding 2.50 per cent (2020 - 2.50 per cent) of the total liability under policies in force in the insurance year. However, the Crop Reinsurance Fund of Saskatchewan is not required to pay this amount if it has made a payment in previous years and the payment that has not yet been recovered from its operations exceeds 16.67 per cent of the total liability of the policies in force for the current year.

The balance of indemnities that exceed the net assets in the Saskatchewan Crop Insurance Corporation are shared 75 per cent by the Crop Reinsurance Fund of Canada for Saskatchewan and 25 per cent by the Crop Reinsurance Fund of Saskatchewan.

Crop insurance rates and reinsurance premiums are set such that the Crop Insurance Program is actuarially sound over the long term. Any indemnities payable to the Saskatchewan Crop Insurance Corporation, in excess of assets within the Crop Reinsurance Fund of Saskatchewan, will be recovered through future reinsurance premiums paid by the Saskatchewan Crop Insurance Corporation. If these future reinsurance premiums are insufficient to allow the Crop Reinsurance Fund of Saskatchewan to repay this payable, the Government of Saskatchewan is required to fund any deficiency.

#### *Indemnities payable to Saskatchewan Crop Insurance Corporation:*

This includes estimates of the total cost of outstanding claims at the year-end date. Measurement of the indemnities payable is uncertain as all of the necessary information for reported claims is not always available as of the year-end and therefore estimates are made as to the value of these claims.

As a result, indemnities payable are selected from a range of possible outcomes and actual results may differ materially from the estimate.

*Use of estimates:*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ materially from those estimated.

**2. Due from the Government of Saskatchewan General Revenue Fund:**

The Crop Reinsurance Fund bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Interest is not allocated to the Crop Reinsurance Fund.

**3. Statement of cash flows:**

A statement of cash flows has not been prepared as a separate statement would not provide additional, useful information.

**4. Statement of remeasurement gains/losses**

A statement of remeasurement gains/losses has not been prepared as a separate statement would not provide additional, useful information.

**5. Fair value of financial assets:**

The fair value of the due from Government of Saskatchewan General Revenue Fund and the reinsurance premium receivable from Saskatchewan Crop Insurance Corporation approximate their carrying values due to their short-term nature.

**6. Contractual Rights:**

The *Canadian Agricultural Partnership (CAP) on Agriculture, Agri-Food and Agri-based Products Policy* is effective from April 1, 2018 and will remain in effect until March 31, 2023.

The Fund shall remain in effect as long as the AgriInsurance component of the agreement is in effect.

The premium ceded to this Fund is based on the cumulative balance of the crop insurance fund administered by Saskatchewan Crop Insurance Corporation, the Fund and the Crop Reinsurance Fund of Canada for Saskatchewan as of the end of the previous year. As the current cumulative balance is more than 100 per cent of the annual premiums from the previous fiscal year, there are no premiums required to be ceded.

**7. Accounting Standards not in effect:**

The Public Sector Accounting Board has issued the following standards and amendments that are not yet in effect and have not been applied in preparing these financial statements:

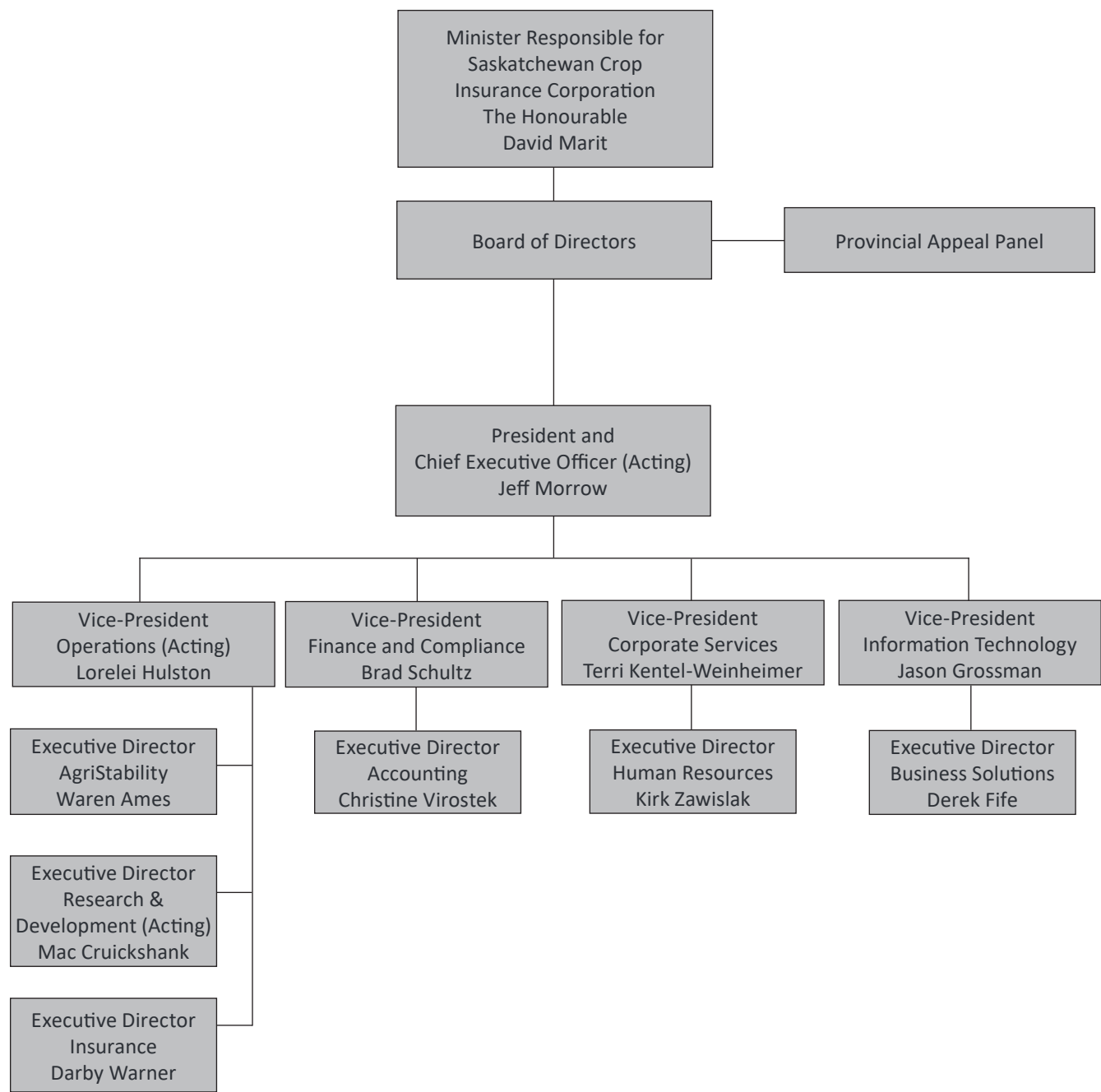
*PS 3280 Asset Retirement Obligation (effective April 1, 2022)*, a new standard will provide guidance on principles for recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets from productive use; and

*PS 3400 Revenue (effective April 1, 2023)* will provide guidance for recognition, measurement and presentation of revenues common to government other than tax revenues and government transfers;

The Fund plans to adopt the new standards in the fiscal year in which it becomes effective. Management is currently analyzing the impact that these new standards will have on the financial statements.

# Appendices

## Appendix 1: Organizational Chart as of March 31, 2021



## Appendix 2: AgriStability Program

### Statistical Highlights As of March 31, 2021 (1)

	2019	2018	2017	2016	2015
<b>Financial</b>					
Total Payments	\$ 70.6 M	\$ 140.2 M	\$ 80.1 M	\$ 81.1 M	\$ 33.8 M
Total Fees Received	\$ 14.1 M	\$ 12.6 M	\$ 12.5 M	\$ 12.6 M	\$ 12.6 M
<b>Applications</b>					
Applications Received	10,279	10,086	10,712	11,855	13,012
Applications Processed	8,756	10,086	10,712	11,855	13,012
Applications Receiving Payment	1,476	1,594	1,348	1,539	947
<b>Participants</b>					
Total Paying Program Fees	11,360	10,996	11,869	13,369	15,013
Percentage of Total Farm Cash Receipts participating in AgriStability (2)	52%	50%	53%	53%	53%

(1) The statistics presented do not represent final values for each program year.

(2) AgriStability participants are those that have submitted their application and program forms, paid the program fee and have been processed. Participants with gross operating revenues of less than \$10,000 have been excluded.



## Appendix 3: Crop Insurance Program

### Statistical Highlights

	2020	2019	2018	2017	2016
<b>Financial</b>					
Total Premium (P)	\$ 547.0 M	\$ 576.0 M	\$ 612.0 M	\$ 585.0 M	\$ 632.0 M
Total Indemnities (I)	\$ 188.0 M	\$ 260.0 M	\$ 265.0 M	\$ 198.0 M	\$ 650.0 M
Net Loss Ratio (I/P)	.34	.45	.43	.34	1.03
<b>Liability</b>					
Total Insured Value	\$ 6.6 B	\$ 6.6 B	\$ 6.3 B	\$ 6.1 B	\$ 6.4 B
<b>Insured Acres</b>					
Annual Grain Crops					
• Multi-Peril Insurance	28.1 M	28.3 M	28.0 M	27.0 M	27.4 M
• Ratio of Insured to Seeded Acres	75%	75%	76%	73%	75%
Perennial Forage Crops					
• Multi-Peril Insurance	0.4 M	0.4 M	0.4 M	0.3 M	0.4 M
• Forage Rainfall Insurance Program	2.3 M	2.2 M	1.5 M	1.0 M	1.3 M
• Corn Heat Unit Program	7,316	8,527	14,230	8,795	11,915
• Corn Rainfall Program	16,593	27,931			
<b>Insured Contracts</b>					
All Programs	18,013	18,453	18,990	19,230	19,877
<b>Distribution of Acres by Coverage Level</b> (expressed as a per cent of average yield)					
50% and Winterkill	10%	9%	10%	13%	13%
60%	7%	7%	7%	9%	8%
70%	37%	36%	36%	35%	35%
80%	46%	48%	47%	43%	44%
Weighted Average	72%	72%	72%	71%	71%
<b>Claims Registered*</b>					
Unseeded Acreage	560	59	670	2,683	1,656
Establishment	964	1,711	1,552	1,424	1,285
Pre-Harvest	1,288	3,049	2,052	1,318	2,290
Post-Harvest	5,550	8,783	8,523	7,496	11,225
Wildlife - Waterfowl**	386	1,500	1,571	1,316	3,090
Wildlife - Big Game**	2,856	5,093	2,344	1,555	2,951
<b>Total Claims Registered</b>	<b>11,604</b>	<b>20,195</b>	<b>16,712</b>	<b>15,792</b>	<b>22,497</b>

\*Not all registered claims result in an inspection and/or payable loss.

\*\*Wildlife Claims include all claim types.

## Crop Insurance Overview

The Crop Insurance Program assists producers in managing their operations' production risk against natural hazards over the crop year. The following is a summary of the Crop Insurance Program that was available to producers from April 1, 2020, to March 31, 2021.

Visit [www.scic.ca](http://www.scic.ca) for more information.

### Establishment Benefit

The Establishment Benefit is a component of the core multi-peril contract of insurance. It covers crops that fail to adequately establish or suffer significant damage due to insurable causes on or before June 20.

Establishment Benefit		
Crop Year	# of Claims Paid	Indemnity Paid
2016	860	\$ 5,590,805
2017	808	\$ 9,011,175
2018	946	\$ 7,129,065
2019	923	\$ 12,389,710
2020	602	\$ 5,877,705
* This is for the grains program only.		

### Gopher Damage Feature

During the establishment period, customers have two options for acres damaged by gophers: an Establishment Benefit or the Gopher Damage Feature. This feature provides \$50 per acre for acres destroyed by gophers on or before June 20.

Gopher Damage Feature		
Crop Year	# of Claims Paid	Indemnity Paid
2016	18	\$ 16,400
2017	35	\$ 39,050
2018	21	\$ 9,750
2019	29	\$ 59,300
2020	21	\$ 31,400

### Unseeded Acreage

The Unseeded Acreage feature is included with multi-peril insurance coverage and all insured producers have this protection for land that is too wet to seed. Acres normally seeded and remain unseeded on June 20 are eligible for a claim, subject to a five per cent deductible on each quarter of land with acres too wet to seed. Customers may select \$50, \$70, \$85 or \$100 per acre coverage.

Unseeded Acreage		
Crop Year	# of Claims Paid	Indemnity Paid
2016	1,253	\$ 3,860,003
2017	2,139	\$ 27,168,120
2018	433	\$ 2,795,790
2019	24	\$ 37,645
2020	432	\$ 2,719,020

## Irrigation Coverage

Coverage is higher and premium rates are lower for irrigated crops than for dryland crops, reflecting the higher average yields and reduced risk.

Irrigation Option Historical Participation	
Year	Insured Acres
2016	48,023
2017	46,808
2018	48,933
2019	58,076
2020	61,430

### Organic Option

Organic coverage for production losses is available for certified organic producers. Organic prices are set higher than commercial crops based on markets; yields are reduced and premium rates are higher to reflect increased risk.

Organic Crop Option Historical Participation	
Year	Insured Acres
2016	214,337
2017	222,206
2018	303,341
2019	307,902
2020	308,518

### Diversification Option

The Diversification Option is available for crops and varieties not insurable under the core multi-peril insurance program.

Diversification Option Historical Participation	
Year	Insured Acres
2016	17,091
2017	16,278
2018	28,014
2019	25,492
2020	20,165

### Pedigreed Seed Option

Pedigreed Seed Crops provide a higher price option and a quality adjustment if the germination for the seed produced is below certified seed standards.

Pedigreed Crop Option Historical Participation	
Year	Insured Acres
2016	155,372
2017	142,546
2018	154,799
2019	145,972
2020	148,344

## Crop Averaging Program

Customers who select the Crop Averaging Program at 50, 60, 70 or 80 per cent, choose to group all eligible crops together and receive higher coverage compared to insuring each crop separately, for the same premium.

Crop Averaging Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	102	359	352,740	\$ 104,434,785	27	\$ 8,758,844	\$ 4,262,501	0.49
2017	204	679	579,963	\$ 153,264,842	79	\$ 10,699,499	\$ 12,934,418	1.21
2018	322	1,160	1,080,861	\$ 277,318,996	129	\$ 20,416,455	\$ 7,285,169	0.36
2019	385	1,446	1,446,933	\$ 368,826,316	120	\$ 24,797,770	\$ 13,168,247	0.53
2020	385	1,490	1,564,333	\$ 406,920,693	55	\$ 25,447,732	\$ 6,273,059	0.25

## Vegetable Insurance Program

Vegetable insurance is an acreage loss insurance program; individual production is not measured. Indemnities are paid for acres damaged to the extent that the customer agrees to destroy those acres.

Vegetable Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	5	9	112	\$ 252,567	-	\$ 32,926	\$ -	-
2017	4	8	111	\$ 250,061	-	\$ 32,501	\$ -	-
2018	4	9	55	\$ 123,572	1	\$ 15,639	\$ 92,313	5.90
2019	2	5	43	\$ 97,558	1	\$ 13,821	\$ 77,755	5.63
2020	5	10	58	\$ 183,522	1	\$ 28,591	\$ 153,626	5.37

## Honey Production Insurance Program

Beekeepers are offered individual coverage based on 10 years of verifiable production information and can select coverage at 50, 60 or 70 per cent of their average yield.

Honey Production Insurance Program								
Year	Contracts	Endorsements	Hives	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	1	1	316	\$ 59,403	-	\$ 3,501	-	-
2017	-	-	-	\$ -	-	\$ -	-	-
2018	1	1	110	\$ 18,193	-	\$ 454	-	-
2019	-	-	-	\$ -	-	\$ -	-	-
2020	1	1	1,152	\$ 463,793	-	\$ 15,852	-	-

## Bee Mortality Program

Coverage is provided for overwintering losses due to insurable perils such as adverse weather, disease and pest infestations for those registered with the Saskatchewan Beekeepers Development Commission and have a minimum of 100 colonies.

Bee Mortality Program								
Year	Contracts	Endorsements	Hives	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	26	26	19,734	\$ 3,097,965	4	\$ 153,925	\$ 73,125	0.48
2017	23	23	19,564	\$ 3,228,955	16	\$ 130,345	\$ 686,955	5.27
2018	24	24	24,770	\$ 4,150,635	9	\$ 127,070	\$ 392,165	3.09
2019	27	27	29,188	\$ 4,821,600	12	\$ 149,734	\$ 446,798	2.98
2020	31	31	29,446	\$ 4,842,100	-	\$ 166,075	\$ -	-

\* Bee Mortality Claims are payable in the following year of insurance.

## Fruit Tree Program

The Fruit Tree Program provides coverage for the loss of fruit trees due to natural perils.

Fruit Tree Program								
Year	Contracts	Endorsements	Trees	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	3	4	20,291	\$ 118,792	-	\$ 5,917	\$ -	-
2017	3	5	21,224	\$ 116,998	-	\$ 5,829	\$ -	-
2018	2	4	17,600	\$ 168,823	-	\$ 7,066	\$ -	-
2019	3	5	19,236	\$ 227,940	2	\$ 6,921	\$ 47,325	6.84
2020	3	6	17,913	\$ 181,138	-	\$ 5,103	\$ -	-

## Forage Insurance Program

This program provides production loss insurance on tame hay, greenfeed, dehydrated alfalfa, sweetclover and export Timothy hay.

Forage Insurance Program (Multi-Peril) Historical Statistics								
Year	Number of Contracts	Number of Endorsements	Number of Endorsements Receiving Indemnity	Acres Insured	Liability	Total Premium	Indemnity	Loss Ratio
2016	1,455	1,685	218	384,022	\$ 40,884,246	\$ 4,223,130	\$ 2,977,206	0.70
2017	1,162	1,328	470	269,061	\$ 21,379,890	\$ 2,244,337	\$ 3,472,662	1.55
2018	1,417	1,647	613	368,924	\$ 36,273,112	\$ 3,979,664	\$ 5,499,522	1.38
2019	1,670	1,980	556	446,588	\$ 47,333,477	\$ 5,100,797	\$ 6,147,666	1.21
2020	1,448	1,732	428	378,458	\$ 38,943,062	\$ 3,992,771	\$ 4,895,247	1.23
*Includes Forage Diversification.								
** Forage indemnities have been restated to include subsequent indemnities for forage establishment claims paid in the current year.								

## Wild Rice Insurance Program

This program is an area-based insurance program; coverage is based on the region in which a producer harvests. Claims are triggered when a region's reported annual production is less than the average historical production.

Wild Rice Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	38	38	5,253	\$ 136,589	8	\$ 13,513	\$ 12,569	0.93
2017	38	38	5,253	\$ 162,514	38	\$ 18,299	\$ 104,438	5.71
2018	36	36	5,065	\$ 172,089	36	\$ 23,258	\$ 94,406	4.06
2019	37	37	5,386	\$ 188,841	8	\$ 29,815	\$ 1,850	0.06
2020	34	34	4,714	\$ 151,663	34	\$ 24,903	\$ 91,341	3.67

Timothy Hay Program							
Year	Contracts	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2020	2	422	\$ 196,579	-	\$ 14,623	\$ -	-
2011 was the last year acres were insured under the Timothy Hay Program.							

## Weather-Derivative Programs

The Saskatchewan Crop Insurance Corporation has two weather-derivative programs where claims are not based on individual production but on data gathered at selected weather stations. Forage Rainfall Insurance Program protects grazing acres against below-average seasonal precipitation. Corn Heat Unit Program insures feed and grain corn producers against a lack of required heat units over the growing season. Corn Rainfall Program covers lack of moisture in corn acres.

Forage Rainfall Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	824	1,275	1,317,774	\$ 22,704,866	258	\$ 3,227,412	\$ 1,173,068	0.36
2017	712	1,102	1,037,300	\$ 14,737,097	725	\$ 2,014,239	\$ 4,349,768	2.16
2018	898	1,391	1,511,936	\$ 24,798,578	1,119	\$ 3,586,530	\$ 10,475,444	2.92
2019	1,227	1,929	2,188,442	\$ 59,083,250	1,570	\$ 9,432,903	\$ 16,811,441	1.78
2020	1,266	1,986	2,335,983	\$ 62,238,383	1,388	\$ 10,004,249	\$ 19,077,081	1.91

Corn Heat Unit Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2016	61	61	11,915	\$ 2,294,880	-	\$ 200,569	\$ -	-
2017	44	44	8,795	\$ 1,784,960	-	\$ 136,679	\$ -	-
2018	82	82	14,230	\$ 2,761,600	17	\$ 277,857	\$ 79,307	0.29
2019	77	77	8,527	\$ 2,229,800	7	\$ 185,817	\$ 140,100	0.75
2020	69	69	7,316	\$ 2,300,350	42	\$ 197,059	\$ 130,555	0.66

Corn Rainfall Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2019	178	178	27,931	\$ 7,248,700	37	\$ 827,872	\$ 444,978	0.54
2020	113	113	16,593	\$ 4,839,950	57	\$ 548,189	\$ 628,549	1.15

## Historical Premium Cost Sharing and Coverage Levels

Percentage of Acreage by Coverage Level				
Year	50%	60%	70%	80%
2011	16%	10%	38%	36%
2012	17%	10%	39%	34%
2013	16%	9%	39%	36%
2014	17%	10%	38%	35%
2015	15%	9%	38%	38%
2016	13%	8%	35%	44%
2017	13%	9%	35%	43%
2018	10%	7%	36%	47%
2019	9%	7%	36%	48%
2020	10%	7%	37%	46%

Weighted Average Coverage Level	
Year	Average Coverage Level
2011	69%
2012	69%
2013	69%
2014	69%
2015	70%
2016	71%
2017	71%
2018	72%
2019	72%
2020	72%

Historical Premium Cost Sharing																	
Year	Total Premium			Base Premium			Buy-Up Premium			FRIP & ACWBP Premium			High Cost Coverage			Admin Costs	
	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Prod	Fed	Prov	Fed	Prov
1961-66	80.0%	20.0%	0.0%													50%	50%
1967-72	75.0%	25.0%	0.0%													50%	50%
1973-89	50.0%	50.0%	0.0%													0%	100%
1990-96	50.0%	25.0%	25.0% *													50%	50%
1997	42.2%	28.9%	28.9%	20%	40%	40%	60%	20%	20%							50%	50%
1998	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%							50%	50%
1999	39.0%	30.5%	30.5%	20%	40%	40%	50%	25%	25%							50%	50%
2000	29.2%	42.5%	28.3% #	10%	54%	36%	40%	36%	24%							50%	50%
2001	29.7%	35.2%	35.2%	10%	45%	45%	40%	30%	30%							50%	50%
2002	36.8%	27.4%	35.8% +	19%	36%	45%	48%	22%	30%	37%	28%	35%				50%	50%
2003	36.0%	38.4%	25.6%	19%	49%	32%	48%	31%	21%	37%	38%	25%				60%	40%
2004	37.2%	37.7%	25.1%	20%	48%	32%	50%	30%	20%	37%	38%	25%	67%	20%	13% ^	60%	40%
2005	37.8%	37.2%	24.9%	23%	46%	31%	50%	30%	20%	38%	37%	25%	67%	20%	13% ^	60%	40%
2006	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ^	60%	40%
2007	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ^	60%	40%
2008	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ^	60%	40%
2009	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2010	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2011	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2012	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2013	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2014	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2015	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2016	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2017	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2018	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2019	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%
2020	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13%	60%	40%

\* In 1992 only, the provincial government paid 41% per cent, producers 33% per cent, and the federal government 25 per cent of the incremental premium between 70 and 80 per cent coverage.

# For 2000 only, the federal government paid 60 per cent of government premiums

+ Projected Overall cost sharing. Also applied to Forage Rainfall Insurance Program (FRIP) and Annual Crop Weather Based Insurance Program (ACWBP).

^ The cost sharing for high cost coverage is established under the *Growing Forward 2 Agreement*. It applied to the Enhanced Top-Up Option under the Annual Crop Weather Based Insurance Program as the coverage was considered to be above the level provided under the comprehensive cost-sharing provisions of the Agricultural Policy Framework.

~ The Enhanced Irrigation Pilot is High Cost Coverage; however, the provincial government contributes the additional premium reducing the customer premium share to 40 per cent.

## Appendix 4: The Livestock Price Insurance Program (LPI)

### Statistical Highlights As of March 31, 2021

		2020-21	2019-20	2018-19	2017-18	2016-17
<b>Financial</b>						
Total Liability	(L)	\$ 214 M	\$ 223.7 M	\$ 231.5 M	\$ 241.3 M	\$ 164.9 M
Total Premium	(P)	\$ 7.3 M	\$ 4.01 M	\$ 3.75 M	\$ 6.28 M	\$ 4.02 M
Total Indemnities	(I)	\$ 2.46 M	\$ 10.6 M	\$ 2.35 M	\$ 1.07 M	\$ 6.11 M
Net Loss Ratio	(I/P)	0.34	2.64	0.62	0.17	1.52

#### Reinsurance

Reinsurance premium paid	\$ 3.92 M	\$ 2.37 M	\$ 2.20 M	\$ 2.79 M	\$ 0.54 M
Reinsurance recovery	\$ 1.28 M	\$ 6.32 M	\$ 1.29 M	\$ 0.67	\$ 0

#### Participation

Total Producers Enrolled	3,684	3,330	3,100	2,959	2,554
Total Policies Purchased	1,689	1,299	1,695	1,865	1,425

\* LPI indemnities have been restated to include subsequent indemnities for claims paid in the current year as these programs overlap fiscal.

Western Calf Price Insurance Program						
Year	Policies	Liability	Claims	Premium	Indemnity	Loss Ratio
2016-17	1,238	\$ 131,354,728	667	\$ 2,999,109	\$ 6,078,596	2.03
2017-18	1,680	\$ 202,106,420	118	\$ 5,202,672	\$ 405,187	0.08
2018-19	1,467	\$ 180,527,070	1467	\$ 2,731,145	\$ 928,835	0.34
2019-20	1,012	\$ 136,934,188	879	\$ 2,121,926	\$ 2,466,994	0.99
2020-21	1,456	\$ 168,023,236	694	\$ 5,572,280	\$ 2,343,180	0.42

See accompanying notes for calf price insurance participation statistics

Western Feeder Price Insurance Program									
Year	Policies	CWT Insured	Head Insured*	Participation	Liability	Claims	Premium	Indemnity	Loss Ratio
2016-17	131	138,115	16,249	2.2%	\$ 21,356,690	11	\$ 681,767	\$ 30,082	0.04
2017-18	157	167,369	19,690	2.6%	\$ 30,716,454	51	\$ 856,550	\$ 500,651	0.58
2018-19	186	217,622	25,603	3.4%	\$ 39,905,264	186	\$ 847,757	\$ 782,642	0.92
2019-20	195	318,522	37,473	5.0%	\$ 58,695,206	116	\$ 1,288,940	\$ 2,014,533	0.62
2020-21	217	234,976	27,644	3.7%	\$ 42,156,474	15	\$ 1,543,083	\$ 107,329	0.07

\*Head Insured is an estimate of the amount of 850lb feeder animals represented from the CWT insured.

Western Fed Price Insurance Program									
Year	Policies	CWT Insured	Head Insured*	Participation	Liability	Claims	Premium	Indemnity	Loss Ratio
2016-17	56	96,269	7,131	7.1%	\$ 12,251,314	-	\$ 334,693	\$ -	-
2017-18	28	60,245	4,463	4.5%	\$ 8,460,628	5	\$ 220,260	\$ 160,640	0.73
2018-19	42	71,908	5,327	5.3%	\$ 11,129,320	42	\$ 171,117	\$ 638,778	4
2019-20	92	178,733	13,239	13.2%	\$ 28,083,542	89	\$ 603,133	\$ 5,869,192	0.37
2020-21	16	28,429	2,030	2.03%	\$ 3,694,172	1	\$ 137,400	\$ 6,611	0.88

\*Head Insured is an estimate of the amount of 1,350lb finished animals represented from the CWT insured.

#### Livestock Price Insurance Program Notes:

1. Statistics are attributed to the program year in which the policy is purchased.
2. Private reinsurance is purchased to protect the Livestock Price Insurance Program against excess losses.
3. The 2020-21 reinsurance is estimated to be \$3.9 million, based on the indemnity of \$2.8 million. The 2019-20 reinsurance recovery was finalized at \$6.3 million, as indemnity paid ended at \$10.55 million.
4. Interest is not included.
5. The Calf Program runs from February to May and spans two fiscal years. It is difficult to get a meaningful measure of cow/calf sector participation by only considering the fiscal year statistics. To measure cow/calf sector participation, we compare the portion of the calf crop insured in the February to May calf sales season to the province's total marketable calf crop. In February to May 2016, approximately 96,000 calves were insured representing 12 per cent of the marketable calf crop. In February to May 2017, approximately 176,000 calves were insured representing 22 per cent of the marketable calf crop. In February to May 2018, approximately 119,000 calves were insured representing 15 per cent of the marketable calf crop. In February to May 2019, approximately 136,000 calves were insured representing 17 per cent of the marketable calf crop. In February to May 2020, approximately 144,744 calves were insured representing 18 per cent of the marketable calf crop.

## Appendix 5: Wildlife Damage Compensation Program

Saskatchewan Crop Insurance Corporation administers the Wildlife Damage Compensation Program under the *Canadian Agriculture Partnership* agreement on behalf of the federal and provincial governments.

Funding for crop and predation losses is cost shared 60 per cent by the federal government and 40 per cent by the provincial government for 80 per cent of the compensation. The remaining 20 per cent has been provided through an increased investment from the Government of Saskatchewan.

Crop Damage				
Fiscal Year	Waterfowl Claims	Waterfowl Comp. Paid	Big Game Claims	Big Game Comp. Paid
2016-17	1,754	\$ 13,361,796	1,216	\$ 5,780,355
2017-18	2,190	\$ 18,800,072	2,237	\$ 11,762,288
2018-19	1,294	\$ 11,055,904	1,586	\$ 8,005,452
2019-20	1,048	\$ 7,585,317	2,106	\$ 12,508,372
2020-21	598	\$ 4,004,362	4,045	\$ 33,901,470
5 Year Average	1,377	\$ 10,961,490	2,238	\$ 14,391,587

Predation Damage		
Fiscal Year	Predation Claims	Predation Comp. Paid
2016-17	2,188	\$ 1,552,747
2017-18	1,138	\$ 1,439,772
2018-19	2,294	\$ 2,462,925
2019-20	2,093	\$ 2,265,812
2020-21	2,282	\$ 2,688,952

As part of the Saskatchewan Crop Insurance Corporation's administration of the Wildlife Damage Compensation Programsupport is provided for preventative measures.

Prevention Programming	
Fiscal Year	Prevention expenditures
2016-17	\$ 487,769
2017-18	\$ 343,668
2018-19	\$ 392,058
2019-20	\$ 448,747
2020-21	\$ 423,307



## Appendix 6: Feral Wild Boar Control Program

Saskatchewan producers and landowners can access support for controlling feral wild boar. SCIC has assumed administration of the Feral Wild Boar Control Program, which was previously administered by the Saskatchewan Association of Rural Municipalities (SARM). The Feral Wild Boar Control Program operates as part of the Wildlife Damage Compensation Program.

The Program provides a way for landowners and rural municipalities (RMs) to have wild boars removed, which pose a threat to the environment, farm operations and to other livestock. SCIC will help coordinate qualified hunters and trappers with RMs and landowners to investigate sightings and take appropriate action to deal with feral wild boar.

When a wild boar sighting occurs, the individual should contact their local SCIC office as soon as possible. SCIC will review the information and determine the next step for responding to the wild boar sighting. There are teams established in the province, made up of experienced hunters and trappers, who have a response protocol in place to act on the complaint. A hunt is conducted, when it has been determined control measures are needed. These hunts have been successful in removing feral wild boar throughout the province.

## Appendix 7: Crop Insurance Participation and Loss Experience

### Annual Grains Crops - Multi-Peril Program Only

Crop Year	Number of Customers	Liability (\$)	Average Customer Liability (\$)	Customer Net Premium (\$)	Total Net Premium (\$)
2011-12	23,612	3,870,361,504	163,915	195,073,854	487,684,626
2012-13	23,017	4,478,123,518	194,557	237,529,746	593,824,216
2013-14	22,428	5,310,808,709	236,794	276,264,904	690,662,225
2014-15	21,247	4,204,365,442	197,880	205,299,300	514,525,712
2015-16	19,953	4,855,998,767	243,372	195,599,274	488,998,503
2016-17	19,247	6,202,848,393	322,276	246,546,059	616,365,301
2017-18	18,546	5,925,569,478	319,507	228,058,310	570,145,751
2018-19	18,126	5,997,404,486	330,873	233,921,233	584,803,168
2019-20	17,361	6,114,155,334	352,178	214,801,434	537,003,536
2020-21	16,878	6,030,296,529	357,287	202,462,513	506,156,366

Crop Year	Average Customer Premium (\$)	Average Customer Rate (%)	Number of Indemnities Paid	Indemnity Amount (\$)	Loss to Premium Ratio (By Year)	Loss to Premium Ratio (Accumulated)
2011-12	8,262	5.0	22,231	470,129,736	0.96	1.01
2012-13	10,320	5.3	23,756	398,342,973	0.67	0.98
2013-14	12,318	5.2	9,510	130,824,530	0.19	0.92
2014-15	9,663	4.9	17,255	311,914,749	0.61	0.90
2015-16	9,803	4.0	12,203	258,960,081	0.53	0.88
2016-17	12,810	4.0	10,084	641,694,410	1.04	0.89
2017-18	12,297	3.8	8,993	176,225,103	0.31	0.86
2018-19	12,905	3.9	7,911	240,710,157	0.41	0.83
2019-20	12,373	3.5	6,545	222,833,983	0.41	0.81
2020-21	11,996	3.4	5,289	155,919,176	0.31	0.79

This does not include Forage Insurance, Wild Rice, Honey, Vegetable, Fruit Tree, Bee Mortality, Crop Averaging Program or Weather Derivative Programs. Premium includes premiums from producers and premium contributions by the Governments of Canada and Saskatchewan.



## Appendix 8: Insured Acres by Crop

	Crop	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
CEREALS	Hard Red Spring	5,240,759	5,618,603	6,245,054	5,638,154	5,139,649	4,463,142	4,782,661	5,747,031	6,344,428	5,514,188
	Durum	2,590,722	3,222,412	3,317,696	2,991,608	3,586,656	3,613,097	2,816,460	3,799,779	3,067,535	3,619,666
	Barley	1,438,496	1,765,002	1,577,322	1,251,642	1,603,483	1,652,799	1,398,999	1,674,070	2,079,388	1,943,759
	Oats	838,341	684,112	1,042,010	710,381	966,055	703,591	836,972	719,176	808,196	910,223
	Fall Rye	21,559	42,119	21,114	21,827	26,389	48,857	20,586	13,499	28,354	33,851
	Extra Strong Red	7,343	5,478	1,793		134	770				
	Hard White Spring	20,031	22,866	28,216	18,369	6,836	6,349	13,963	7,243	7,300	10,872
	Spring Rye	638	1,275	1,510	2,633	3,799	1,517	527	1,107	2,235	1,418
	Triticale	6,022	7,332	9,690	13,784	8,963	10,153	5,609	7,996	12,798	16,240
	Winter Wht	128,693	368,065	200,225	190,604	110,576	115,341	114,523	40,227	31,517	25,661
	Canada Prairie Spring	392,598	542,636	979,497	741,142	510,644	571,410	347,547	388,008	382,646	328,682
	Khorasan Wheat	13,724	30,565	19,423	17,000	16,476	21,557	26,660	11,121	12,640	13,028
OILSEEDS	Flax	373,790	576,775	694,150	995,600	1,077,273	596,909	637,771	491,248	548,693	499,161
	Canola	7,240,986	7,887,330	7,119,165	7,460,473	7,419,867	7,686,223	9,013,388	8,891,115	8,685,714	8,735,908
	Identity Preserved Canola	813,329	1,301,624	1,500,766	1,229,787	1,049,944	1,225,040	1,222,494	1,047,214	921,948	1,034,257
	Sunflowers *	875	7,103	4,992	4,586	7,393	4,573	5,664	6,098	5,802	4,648
	Yellow Mustard	57,913	87,798	72,578	118,191	86,792	145,645	74,002	91,551	79,748	82,490
	Brown Mustard	31,087	44,403	59,114	93,344	39,202	48,957	62,968	100,944	79,075	47,735
	Oriental Mustard	47,228	28,454	19,853	32,032	43,147	72,864	41,952	51,105	28,650	17,896
	Coriander	2,775	4,990	5,462	14,268	14,946	5,428	5,518	3,830	5,926	3,897
	Caraway	3,243	2,038	1,276	741	278	1,550	3,127	3,185	981	337
	Camelina		650	80	1,905	2,558	906	1,977	1,747	1,482	6,245
	Field Peas	1,135,135	1,742,565	1,616,455	1,799,410	1,504,198	1,645,359	1,543,642	1,533,604	1,835,929	1,698,217
	Lentils										
PULSES	Lentils - Large Green	689,120	827,485	517,010	496,298	507,782	724,761	643,972	830,968	649,087	563,960
	Lentils - Other	172,802	274,589	271,248	201,716	217,105	295,207	316,646	395,717	314,785	292,421
	Lentils - Red	912,179	736,384	869,098	1,437,786	1,874,751	3,004,329	1,962,077	1,364,497	1,662,952	2,067,015
	Canary Seed	207,366	269,793	202,527	253,641	291,822	231,514	216,539	146,677	164,495	213,683
	Fababeans	2,969	4,906	4,060	13,266	31,668	39,552	39,291	28,654	40,239	55,715
	Dry Bean Black (Irr)								211		590
	Dry Bean Pinto (Irr)	2,234	4,151	5,826	5,350	3,255	1,679	4,251	2,963	716	2,272
	Dry Bean Other (Irr)	324	262	308	1,655	440	245	820	1,915	2,250	2,021
	Dry Bean Black (Dry)								155	105	330
	Dry Bean Pinto (Dry)									154	145
	Dry Bean Navy (Dry)	180	546		380	80			107		
	Desi Chickpeas	410	2,168	8,503	2,987	419	1,162	2,003	3,603	2,917	2,580
SPECIALTY	Kabuli (Large Seed)	17,819	64,401	50,081	52,936	35,653	75,470	78,228	236,209	224,882	125,172
	Kabuli (Small Seed)	21,996	56,936	27,878	11,989	9,288	16,164	11,290	26,601	21,925	8,327
	Soybean	2,601	28,026	111,892	200,633	199,416	178,285	553,310	289,991	99,156	85,445
	Alfalfa Seed	28,439	23,720	24,466	24,854	29,853	36,275	34,898	30,344	17,954	17,058
	Processing Potato	1,447	1,355	1,181	1,040	989	607	610	747	770	932
	Seed Potato	150	387	86	69	143	198	148	76		
	Diversification	6,623	15,872	19,322	21,707	15,180	17,091	15,278	19,014	25,492	20,165
	Winterkill Acres	103,445	331,169	200,657	168,404	99,431	109,983	102,184	45,160	47,087	35,077
	Wild Rice	18,209	16,242	6,733	6,134	5,241	5,241	5,253	5,065	5,386	4,714
	Grain Corn				11,004	7,512	8,457	8,725	11,314	6,863	3,815
	Hemp Grain					14,513	5,627	18,983	3,983	7,448	1,965
	Total Acres	22,593,600	26,652,587	26,858,317	26,259,330	26,569,799	27,393,884	26,991,516	28,074,869	28,265,648	28,051,781
	Average **	949	1,149	1,189	1,228	1,323	1,413	1,436	1,518	1,588	1,621
	# of Contracts	23,800	23,193	22,584	21,386	20,081	19,390	18,791	18,490	17,796	17,307

\*Sunflower includes sunwheat and sunola

\*\*Average (acres per contract) does not include LFIP contacts

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