



PRINCE EDWARD ISLAND
ÎLE-DU-PRINCE-ÉDOUARD

**AGRICULTURAL INSURANCE ACT
COMMODITY DIVERSIFICATION RISK
PROTECTION PROGRAM REGULATIONS**

PLEASE NOTE

This document, prepared by the *Legislative Counsel Office*, is an office consolidation of this regulation, current to February 1, 2004. It is intended for information and reference purposes only.

This document is *not* the official version of these regulations. The regulations and the amendments printed in the *Royal Gazette* should be consulted on the Prince Edward Island Government web site to determine the authoritative text of these regulations.

For more information concerning the history of these regulations, please see the *Table of Regulations* on the Prince Edward Island Government web site (www.princeedwardisland.ca).

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AGRICULTURAL INSURANCE ACT
Chapter A-8.2

**COMMODITY DIVERSIFICATION RISK PROTECTION PROGRAM
REGULATIONS**

Pursuant to section 16 of the *Agricultural Insurance Act* R.S.P.E.I. 1988, Cap. A-8.2, the Board of the Prince Edward Island Insurance Corporation made the following regulations:

1. Definitions

In these regulations

- (a) “**applicant**” means a farm business and includes sole proprietorships, partnerships, corporations or cooperatives;
- (b) “**CDRP**” means the Commodity Diversification Risk Protection program;
- (c) “**contract**” means a contract for the sale of the commodity;
- (d) “**commodity**” means a commodity set out in section 4;
- (e) “**Fund**” means the CDRP Fund. (EC299/97)

2. Purpose of program

The purpose of this program is to provide protection against the production or market risks, or both, of producing agricultural commodities listed in section 4 during the period required to test if the commodity is suitable for commercial production. (EC299/97)

3. Intention

The CDRP program is intended to be a transitional program for new or developing commodities during the period that the commodity does not qualify or benefit under the *Agricultural Insurance Act* Regulations (EC282/94), the Agricultural Disaster Insurance Program Regulations (EC343/96) or the Net Income Stabilization Account Program. (EC299/97)

4. Eligible commodities

Commodities eligible for participation in the CDRP program are:

- (a) cauliflower.
- (b) broccoli. (EC299/97; 486/99)

5. Proof of loss and appeal provisions

Proof of loss provisions and the appeal provisions set out in the *Agricultural Insurance Act* Regulations apply to a commodity. (EC299/97)

6. Regulations set out in Schedule

The Schedule sets out the regulations applicable to each commodity. (EC299/97)



SCHEDULE A

PART I

Broccoli & Cauliflower

1. This Schedule "A" Broccoli & Cauliflower Supplement forms an integral part of the Commodity Diversification Risk Protection Plan and as such contains supplementary information specific to broccoli and cauliflower production risk protection.
2. This broccoli and cauliflower production risk protection plan will only be offered if the Department of Agriculture and Forestry has allocated funds to support the plan as indicated in these regulations.
3. The applicant must demonstrate that the applicant has a contract for the total production from all acres the applicant intends to plant and agrees to utilize the services of a recognized Crop Scouting Agency.
4. To be eligible for insurance under this plan, the crop must be transplanted in the field between
 - (a) May 1 and July 10 for broccoli; and
 - (b) May 15 and July 31 for cauliflower.
5. Only approved varieties qualify for coverage under this program.
6. Production to count is measured in pounds of leafless head and includes all quantity and grades of product accepted by the processor.
7. Fresh market cauliflower heads and broccoli heads will be converted to pounds of leafless head by a formula based on actual recovery rates as determined by Island Quality Vegetables Inc. in cooperation with the Corporation.
8. The probable yield will be calculated as for Crop Insurance, and the benchmarks for 1999 will be set at
 - (a) 8,000 pounds of head of broccoli per acre for approved broccoli varieties;
 - (b) 12,000 pounds of leafless head per acre for the Fremont cauliflower variety;
 - (c) 10,800 pounds of leafless head per acre for other approved cauliflower varieties.
9. The guarantee will be 70% of the probable yield times the number of eligible acres.
10. Any shortfall in total production guarantee as a result of an area of crop being destroyed within 30 days of transplanting will be compensated for at 2/3 of the unit price per pound of shortfall.
11. Producers must receive written approval prior to destroying any crop acres.
12. Any shortfall in production in addition to the shortfall identified in section 10 will be compensated at the unit price per pound which is:
 - (a) \$0.17 per pound of leafless head for broccoli; and
 - (b) \$0.15 per pound of leafless head for cauliflower.
13.
 - (1) Subject to section 15, participating producers will pay a premium rate of 8.0% of the maximum insured value.
 - (2) The maximum insured value is the guarantee multiplied by the unit price.

14. The producer premium payment must be submitted as part of the program application and applications must be submitted to the Corporation on or before May 31 of the crop year.
15.
 - (1) Maximum eligible acres per applicant is limited to 15 acres of broccoli and 15 acres of cauliflower for growers with less than 3 years experience.
 - (2) Growers who plant more than the eligible acres will receive protection in proportion to the eligible acres.
16. The Department of Agriculture and Forestry will contribute premiums equal to those paid by the producer.
17.
 - (1) Total indemnity payments under the CDRP will be limited to three times the amount of annual premiums collected from producers plus reserves from previous years.
 - (2) The Department of Agriculture and Forestry is responsible for any shortfall in the fund up to the limit set out in subsection (1).
18. If indemnities exceed the limit in section 17, payment will be pro-rated accordingly.
19. Participating producers are required to provide a log on production practices containing the following:
 - (a) variety seeded;
 - (b) transplant survival rate;
 - (c) transplanting dates;
 - (d) type and rate of fertilizer applied;
 - (e) date, rate and pesticide applied;
 - (f) date harvest started;
 - (g) date harvest completed;
 - (h) quantity of product marketed.
20. This plan will be reviewed annually and may be renewed for two additional years of operation with appropriate adjustments as deemed necessary.
21. A Proof of Loss form must be submitted to the Corporation within sixty (60) days of the completion of harvest.
22. The appeal provisions set out in the *Agricultural Insurance Act Regulations (EC282/94)* apply to these regulations with necessary modifications. *(EC299/97;486/99)*

