

# Saskatchewan Crop Insurance Corporation

## Annual Report for 2022-23

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# Letters of Transmittal



*The Honourable David Marit  
Minister of Agriculture*

July 28, 2023

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, 2023.

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 28, 2023

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, 2023.

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's strategic plan supports the Government of Saskatchewan's Growth Plan 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 framework 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: Canadian Agricultural Partnership, *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 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, 2023, the Board members were Rick Burton, Chair and Deputy Minister of the Saskatchewan Ministry of Agriculture, Paul Johnson, Vice-Chair and Assistant Deputy Minister of the Saskatchewan Ministry of Agriculture, Margaret Rigetti from Moose Jaw, Derek Smart from Ebenezer and Trent Crozier from Regina. 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, 2023, there were six panel members on the Provincial Appeal Panel, with Jody Lysyk from Meath Park as the Chair and Sherri Grant from Val Marie as the Vice Chair. The remaining panel members were Rod Edgar from Wolseley, John Ryckman from Gainsborough, Jodie Hetherington from Moose Jaw, and Sandra Clark from Assiniboia. There remained one member vacancy on the Provincial Appeal Panel.

From April 1, 2022, to March 31, 2023, there were 21 Crop Insurance appeals registered. The Board of Directors granted two and denied nine appeals. There were two appeals withdrawn by the producer or settled by SCIC prior to their hearing dates and eight appeals remained, pending a hearing scheduled in April of 2023. The Provincial Appeal Panel did not receive any Provincial Appeal requests for the AgriStability and Livestock Price Insurance Programs in the 2022/2023 fiscal year.

# 2022-2023 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 for 2022-23 was a record \$405 per acre, compared to \$273 in 2021-22. This increased coverage was a result of higher commodity prices and increased yield coverage. The average producer premium was \$12.05 per acre, compared to \$8.59 in 2021.

Enhancements were made to the Forage and Corn Rainfall Insurance Programs to help address the impacts of extreme heat events, such as those experienced in 2021. For every day in a month reaching 31 degrees Celsius or higher, one millimeter of rainfall is deducted from that month's actual total rainfall, before comparing to historical normal for each individual weather station. This deduction better represents the moisture available to the plant and recognizes the impact of extreme heat on forage and corn yields.

Although the 2022 growing season saw better moisture levels for areas in the central to eastern side of the province, the western region, especially the southwest, experienced hot and dry conditions like those seen in 2021. These conditions resulted in significant crop losses and claims for grain producers and impacts to forage production in those affected areas.

There were 35.7 million acres insured in the Crop Insurance Program in 2022-23. The liability set a new record in the province's history, reaching \$14.0 billion, surpassing the previous year's record level of \$8.5 billion. The high provincial liability level and challenging conditions on the western half of the province resulted in over \$1.4 billion in indemnities paid in the 2022-23 year.

## AgriStability

AgriStability is one of the key business risk management programs delivered by the Saskatchewan Crop Insurance Corporation (SCIC). The program is cost effective and provides support to producers who experience large margin declines, helping to backstop the agriculture industry and supporting the government's growth plan which includes a focus on growing Saskatchewan's agricultural economy.

In July 2022, the AgriStability program was improved when federal, provincial, and territorial Ministers of Agriculture agreed to increase the compensation rate from 70 per cent to 80 per cent. This change will take effect for the 2023 program year, meaning benefits paid to producers will be at 80 per cent of their eligible margin decline up from 70 per cent.

The new five-year policy framework, the Sustainable Canadian Agriculture Partnership (Sustainable CAP), begins in April 2023. As directed by Ministers, work is underway to determine if enhancements to the AgriStability Program can be implemented at some point during the framework agreement. Consideration is being given to changes that improve the timeliness, predictability, and simplicity of the Program.

In March 2021, Federal and Provincial Agriculture Ministers agreed to remove the reference margin limit (RML) from the AgriStability benefit calculation. Removal of the RML is significant as it makes the program simpler, more equitable and for those previously impacted by the RML, it increases both the number of clients qualifying for benefits and the amount of benefits paid. Removal of RML from the benefit calculation was retroactive to the 2020 program year.

As of March 31, 2023, for the 2020 and 2021 program years, SCIC has paid over \$126 million in AgriStability benefits to Saskatchewan producers. Of that \$23.7 million is directly related to the removal of the RML.

AgriStability has continued to provide sizeable benefits to Saskatchewan farmers and ranchers. Over the last five years the AgriStability program has provided over \$446 million to Saskatchewan farmers and ranchers. During that time, it has helped to offset losses that were caused by lower production due to drought conditions, increased expenses, drops in the cattle market, quality losses due to unharvested crop and price declines for crops like lentils and durum.

The deadline to enrol in AgriStability was extended in 2022 to June 30th to provide producers more time to enrol due to market disruptions, increased expenses, and production challenges.

Over the years enrolment in AgriStability has been slowly declining. In 2022, 9,907 producers paid their fee to participate in the program. This is down from the 10,418 who paid their fee to participate in 2021; however, to better reflect program participation in Saskatchewan, rather than using the number of fees paid to measure participation, SCIC measures how much of Saskatchewan's annual farm cash receipts are reported by AgriStability participants. Using this measure, coverage and participation in AgriStability has remained steady over the last few years, as the farm cash receipts reported by AgriStability participants has been approximately 51 per cent of the total provincial farm cash receipts.

## Livestock Price Insurance Program

The Livestock Price Insurance Program enables livestock producers to protect against unexpected price declines. By purchasing price insurance protection for their cattle and hogs, livestock producers can take advantage of favourable market conditions, if livestock prices should rise. As of March 31, 2023, a total of 3,787 producers had enrolled to participate in Livestock Price Insurance. Over the past year, 3.7 per cent or approximately 29,557 calves were insured and four per cent or approximately 31,720 feeder cattle were insured. Over three per cent or approximately 3,095 fed cattle in the province were insured. No hogs were insured in Saskatchewan. Approximately \$1,300 was paid to cattle producers through 2022-23 with the majority being paid on the feeder program.

**Wildlife Damage Compensation Program**

The Wildlife Damage Compensation Program consists of: 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 2022 crop year saw an average harvest completion across the province resulting in very little overwintered crop, with a moderate increase in the value of waterfowl and big game damage claims compared to the prior year. Producers continued to experience an increase of big game losses to stacked forage over winter due to extreme cold weather, deep snow and challenges with increases in wildlife numbers.

Prevention expenditures were \$637,017.

As of March 31, 2023, there were 392 waterfowl claims resulting in \$1.9 million in compensation paid, 2,412 big game claims with \$25.8 million in compensation paid and 2,296 predation claims with \$3 million in compensation paid.

# Progress in 2022-2023 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
- Innovative Thinking
- Leadership at All Levels
- Teamwork and Community

## Government Goals



## SCIC Goal - Exceptional customer service.

### Strategies -

- Develop and implement a customer service strategy
- Work in partnership with Saskatchewan farmers, ranchers, industry and stakeholders to enhance programming

### Key Actions

- Improve customer touchpoints.
- Align resources and capabilities with customer needs.
- Develop opportunities to provide support for the livestock industry.
- Formalize an engagement framework.
- Respond to industry needs and trends through differentiated and relevant programming.

## Performance Measure Results

	Targets			
	2022-23	2023-24	2024-25	2025-26
Customer Experience Index	A 9 or 10 out of 10 is achieved 80% of the time	A 9 or 10 out of 10 is achieved 85% of the time	A 9 or 10 out of 10 is achieved 90% of the time	A 9 or 10 out of 10 is achieved 90% of the time
In 2022, across all experiences, 83 per cent of survey responses across all benchmarks had a rating of 9 or 10 out of ten. In 2021, 86 per cent of responses were a 9 or 10.				
Per cent of calves insured through the Livestock Price Insurance Program	25%	25%	25%	25%
The per cent of calves insured in the Livestock Insurance Program in 2022 is four per cent compared to 2.4 per cent in 2021.				
The total amount of Farm Cash Receipts* from AgriStability participants, compared to the total provincial Farm Cash Receipts	52%	52%	52%	52%
The 2021 Farm Cash Receipts represented by participants in the 2021 program year is currently 46 per cent (as of March 31), down from 51 per cent in 2020. The 2021 program year is still in progress.				

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%
Insured acres in 2022 increased sharply to approximately 85 per cent, following the extensive drought and yield losses in 2021. Insured acres was 73 per cent in 2021.				

\*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.

## Goal - Long-term resiliency.

### Strategies -

- **Improve operational efficiencies**
- **Ensure Saskatchewan's interests are represented at FPT framework development**

### Key Actions

- Implement Compliance Risk plan.
- Develop business process maps for key processes.
- Develop action plans in response to and prepare proposals for FPT framework negotiations.
- Evaluate reinsurance options and other mechanisms for long-term premium rate stability..

### Performance Measures

	Targets			
	2022-23	2023-24	2024-25	2025-26
Long-term sustainable loss ratio (Indemnity to premium)	1	1	1	1
The average long-term sustainability ratio for the 20-year period of 2002 – 2021 is 0.904 with the impact of the 2021-2022 losses.				
Crop insurance administration cost per acre*	\$0.96/acre	\$0.96/acre	\$0.96/acre	\$0.96/acre
Crop insurance administration cost per acre is \$0.96 per acre compared to compared to \$1.01 for the 2021 crop year.				
AgriStability administration cost per file**	\$1200	\$1200	\$1200	\$1200
AgriStability administration cost per file is \$1,170.02 compared to \$1,385.22 for the 2020-21.				
AgriStability file turnaround time (percentage of files completed in 75 days)	75%	75%	75%	75%
AgriStability processing completed 40 per cent of files in 75 days. This compares to 62 per cent in the previous year				
Crop Insurance claim turnaround time (claim registered to authorized)	30 days	30 days	30 days	30 days
As of March 31, 2023, there were 12,283 2022 post-harvest claims paid within an average timeframe of 36 days.***				
Reduction in the number of appeals	36	33	30	28
There were 21 Provincial Appeal requests received in 2022-23 compared to 35 in 2021-22.				

\*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.

\*\*\*A claim advance payment process was part of regular claims processing in 2022. This advance ensured that producers had timely access to partial claim indemnities, while SCIC worked to gather necessary information to finalize the claims.



## Goal - Producer focused services backed by secure, reliable and adaptable resources.

### Strategy -

- Design and deliver services that meet the changing needs of our customers.

### Key Actions

- Conduct an organizational change readiness assessment.
- Develop a security roadmap to articulate actions and activities to improve the security maturity level.

### Performance Measures

	Targets			
	2022-23	2023-24	2024-25	2025-26
The percentage of uptime of top five business applications.* In 2022, the uptime is 99.964 per cent.*	99.950%	99.950%	99.950%	99.950%

\* This measures the stability and availability of our top 5 business applications (SCiConnect, AgConnect, CropConnect, CropSystem, Ceres). It speaks to the reliability of the current and future services. This is a new measure for 2022.

# 2022-2023 Financial Summary

The 2022-23 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
	2021-22 Actual	2022-23 Budget	2022-23 Actual	2022-23 Variance		10%
<b>Crop Insurance (AgrilInsurance)</b>						
Premiums	\$ 681,842	\$ 881,100	\$ 1,092,873	\$ 211,773	<sup>1</sup>	24.04%
Private Reinsurance recovery	424,627	-	-	-		0.00%
Reinsurance premiums expense	(25,370)	(36,429)	(41,608)	(5,179)	<sup>2</sup>	14.22%
Indemnities	(2,553,423)	(679,478)	(1,439,755)	(760,277)	<sup>3</sup>	111.89%
Other	5,723	2,630	32,706	30,076	<sup>4</sup>	1143.57%
Income (loss) from insurance program	\$ (1,466,601)	\$ (167,823)	\$ (355,784)	\$ (523,607)		
<b>AgriStability</b>						
Fees and other income	\$ 13,352	\$ 12,100	\$ 15,000	\$ 2,900	<sup>5</sup>	23.97%
Contribution from the Government of Saskatchewan - Ministry of Agriculture	29,862	24,665	24,353	(312)	<sup>5</sup>	-1.26%
Contribution from the Government of Canada	44,794	29,738	36,530	6,792	<sup>5</sup>	22.84%
Indemnities and other	(88,008)	(66,503)	(75,883)	(9,380)	<sup>5</sup>	14.10%
Income from AgriStability program	\$ -	\$ -	\$ -	\$ -		
<b>Livestock Price Insurance (LPI)</b>						
Premiums and other income	\$ 2,506	\$ 3,900	\$ 3,034	\$ (866)	<sup>6</sup>	-22.21%
Reinsurance recovery	427	-	258	258	<sup>6</sup>	100.00%
Indemnities	(1,595)	(1,600)	(1,042)	558	<sup>6</sup>	-34.88%
Reinsurance expense	(777)	(2,300)	(1,114)	1,186	<sup>6</sup>	-51.57%
Income (loss) from LPI	\$ 561	\$ -	\$ 1,136	\$ 878		
<b>Program Delivery - administration expenses net of other administration revenue</b>						
Crop Insurance	\$ 32,905	\$ 35,984	\$ 35,501	\$ (483)		-1.34%
AgriStability	\$ 15,963	\$ 17,900	\$ 16,573	\$ (1,327)		-7.41%
Livestock Price Insurance Program	\$ 721	\$ 1,041	\$ 704	\$ (337)	<sup>7</sup>	-32.37%

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

- Actual Crop Insurance premiums increased by \$211.77M compared to budget. The increase is a result of using Agriculture and Agri-Food Canada's (AAFC) January 2022 prices compared to December 2021 prices in budget. Actual insured acres were 35.70M compared to a budget of 33.80M. Total Crop Insurance liability increased from budget of \$11.32B to \$14.03B.
- Private reinsurance premiums are higher than budget by \$5.17M. The increase in premiums is due to the increase in liability.
- Actual Crop Insurance indemnities was \$1.44B and increased \$760.28M from budget. The budget was based on a 10 year average percentage of indemnity to total liability (I/L ratio) which was 6.06 per cent of \$11.32B liability. The increase in indemnity is a result of higher commodity prices which pushed up liability to \$14.0B and drought conditions across the western side of the province resulting in an actual I/L ratio of 10 per cent.
- Interest earned is higher than budget by \$30.08M. The budgeted interest rate was 0.25 per cent and actual rate earned was 2.89 per cent which resulted in a significant increase.
- The AgriStability enrolment fees received from producers is higher than budget by \$2.90M. The AgriStability indemnities are slightly higher than budget by \$9.38 M due to the updated market prices in both the cattle sector and the grains and oilseeds which in turn affects the margins used to calculate benefits. With the increase in benefits, and collection of enrolment fees, the funding from the Province and Canada are also adjusted.
- Producer premiums were lower at \$3.03M compared to budget at \$3.90M. Participation in the program remained low as the cattle market was relatively stable. The indemnities and reinsurance paid out for this program were also lower than budget as the cattle market was relatively stable this year.
- The administration costs for the LPI program are significantly less than budget due to lower costs of operating the program due to lower participation.

# 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, 2023. 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 25, 2023

# Independent Auditor's 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, 2023
- 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.

(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, 2023, 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's 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 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.

## **Auditor's 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 auditor's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

The image shows the handwritten signature of KPMG LLP in black ink. The letters are bold and slanted, with a horizontal line underneath the signature.

Chartered Professional Accountants

Regina, Canada

May 25, 2023

# Saskatchewan Crop Insurance Corporation

## Statement of Financial Position

**As at March 31, 2023, with comparative figures for 2022**

(in thousands)


	2023	2022
<b>Financial Assets</b>		
Cash (Note 2)	\$ 13,905	\$ 11,949
Investments (Note 3)	10,000	10,000
Due from the Government of Saskatchewan General Revenue Fund (Note 4)	848,046	1,242,744
Accrued interest and other receivables	11,945	20,069
Due from producers (Note 11)	9,153	3,363
Due from the Government of Saskatchewan - Ministry of Agriculture (Note 5)	40,356	37,960
Due from the Government of Canada (Note 6)	61,393	56,704
Due from the Alberta Agriculture Financial Services Corporation (Note 7)	2,478	1,631
Due from Crop Reinsurance Fund of Saskatchewan	7	6
	997,283	1,384,426
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,900	3,795
Due to the Government of Saskatchewan - Ministry of Agriculture (Note 8)	-	260
Deferred indemnities payable	22,472	34,969
Indemnities payable (Note 9)	115,333	137,476
	141,705	176,500
<b>Net Financial Assets</b>	855,578	1,207,926
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 10)	8,418	9,557
Prepaid expenses	1,714	1,821
	10,132	11,378
Accumulated Surplus	\$ 865,710	\$ 1,219,304

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, 2023, with  
comparative figures for 2022**

(in thousands)

	Budget 2023 (Note 1 (m))	Actual 2023	Actual 2022
<b>Revenue</b>			
Premiums from producers - Crop Insurance	\$ 352,440	\$ 437,521	\$ 272,085
Premiums from producers - Livestock Price Insurance (LPI)	3,900	2,807	2,462
Enrolment fees - AgriStability	12,000	14,789	13,271
Government transfers			
Contribution from the Government of Saskatchewan - Ministry of Agriculture	289,961	341,577	248,616
Contribution from the Government of Canada	346,934	428,490	290,104
Reinsurance recoveries (Note 13)	-	258	425,054
Investment income	3,898	35,535	4,745
Other fees and income	1,265	1,897	953
	<u>1,010,398</u>	<u>1,262,874</u>	<u>1,257,290</u>
<b>Expenses</b>			
Crop Insurance Program	753,376	1,519,968	2,610,932
Livestock Price Insurance Program	4,953	2,893	3,093
AgriStability Program	85,339	93,607	104,587
	<u>843,668</u>	<u>1,616,468</u>	<u>2,718,612</u>
Annual surplus (deficit)	166,730	(353,594)	(1,461,322)
Accumulated surplus, beginning of year	1,219,304	1,219,304	2,680,626
Accumulated surplus, end of year	<u>\$ 1,386,034</u>	<u>\$ 865,710</u>	<u>\$ 1,219,304</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, 2023, with  
comparative figures for 2022

(in thousands)

	Budget 2023 (Note 1 (m))	Actual 2023	Actual 2022
Annual surplus (deficit)	\$ 166,730	\$ (353,594)	\$ (1,461,322)
Acquisition of tangible capital assets	(565)	(189)	(8,270)
Amortization of tangible capital assets	1,657	1,328	671
	167,822	(352,455)	(1,468,921)
Acquisition of prepaid expenses	-	(1,714)	(1,821)
Use of prepaid expenses	-	1,821	1,474
Change in net financial assets	167,822	(352,348)	(1,469,268)
Net financial assets, beginning of year	1,207,926	1,207,926	2,677,194
Net financial assets, end of year	<u>\$ 1,375,748</u>	<u>\$ 855,578</u>	<u>\$ 1,207,926</u>

See accompanying notes to financial statements.



# Saskatchewan Crop Insurance Corporation

## Statement of Cash Flows

For the year ended March 31, 2023, with comparative figures for 2022

(in thousands)

	Actual 2023	Actual 2022
<b>Cash Provided by (Used in):</b>		
Operating Activities:		
Annual deficit	\$ (353,594)	\$ (1,461,322)
Item not affecting cash:		
Amortization	1,328	671
Change in non-cash operating items:		
Decrease (increase) in accrued interest and other receivables	8,124	(18,454)
(Increase) decrease in due from producers	(5,790)	7,253
Increase in due from the Government of Saskatchewan - Ministry of Agriculture	(2,396)	(1,002)
Increase in due from the Government of Canada	(4,689)	(390)
Increase in due from Alberta Agriculture Financial Services Corporation	(847)	(710)
Increase in due from Crop Reinsurance Fund of Saskatchewan	(1)	(4)
Decrease (increase) in prepaid expenses	107	(347)
Increase (decrease) in accounts payable and accrued liabilities	105	(23)
Decrease in due to the Government of Saskatchewan - Ministry of Agriculture	(260)	(5,417)
(Decrease) increase in deferred indemnities payable	(12,497)	34,250
(Decrease) increase in indemnities payable	(22,143)	51,490
	<u>(392,553)</u>	<u>(1,394,005)</u>
Capital Activities:		
Purchase of tangible assets	(189)	(8,270)
	<u>(392,742)</u>	<u>(1,402,275)</u>
Decrease in cash and cash equivalents	(392,742)	(1,402,275)
Cash and cash equivalents, beginning of year	1,264,693	2,666,968
<b>Cash and cash equivalents, end of year</b>	<b>\$ 871,951</b>	<b>\$ 1,264,693</b>
Represented by:		
Cash	\$ 13,905	\$ 11,949
Investments	10,000	10,000
Due from the Government of Saskatchewan General Revenue Fund	848,046	1,242,744
	<u>\$ 871,951</u>	<u>\$ 1,264,693</u>
Supplemental cash flow information		
Cash interest income received	\$ 25,901	\$ 4,356

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, 2023 with comparative figures for 2022

(in thousands)

	Crop Insurance Program		
	Budget 2023 (Note 1 (m))	Actual 2023	Actual 2022
<b>Revenue</b>			
Premiums from producers and Enrolment fees	\$ 352,440	\$ 437,521	\$ 272,085
Contribution			
From the Government of Saskatchewan - Ministry of Agriculture	211,464	263,392	164,447
From the Government of Saskatchewan - Operating grant	35,096	35,176	35,808
From the Government of Canada	317,196	391,960	245,310
Reinsurance recoveries (Note 13)	-	-	424,627
Investment income	3,550	34,640	4,557
Other administration revenue	565	1,170	400
	<u>920,311</u>	<u>1,163,859</u>	<u>1,147,234</u>
<b>Expenses</b>			
Indemnities	679,478	1,439,755	2,553,423
Reinsurance Premiums (recoveries)			
Private reinsurance expense (Note 13)	36,429	41,599	25,365
Crop Reinsurance Fund of Canada for Saskatchewan (Note 14)	-	5	3
Crop Reinsurance Fund of Saskatchewan (Note 14)	-	4	2
Bad Debts (recovery)	750	1,759	(1,166)
Administration expenses (Schedule 2)	36,719	36,846	33,305
	<u>753,376</u>	<u>1,519,968</u>	<u>2,610,932</u>
Annual surplus (deficit)	166,935	(356,109)	(1,463,698)
Accumulated surplus, beginning of year	1,199,462	1,199,462	2,663,160
Accumulated surplus, end of year	<u>\$ 1,366,397</u>	<u>\$ 843,353</u>	<u>\$ 1,199,462</u>

See accompanying notes to financial statements.

Livestock Price Insurance Program			AgriStability Program			Total		
Budget 2023 (Note 1 (m))	Actual 2023	Actual 2022	Budget 2023 (Note 1 (m))	Actual 2023	Actual 2022	Budget 2023 (Note 1 (m))	Actual 2023	Actual 2022
\$ 3,900	\$ 2,807	\$ 2,462	\$ 12,000	\$ 14,789	\$ 13,271	\$ 368,340	\$ 455,117	\$ 287,818
-	-	-	24,665	24,353	29,862	236,129	287,745	194,309
1,125	1,045	715	17,611	17,611	17,784	53,832	53,832	54,307
-	-	-	29,738	36,530	44,794	346,934	428,490	290,104
-	258	427	-	-	-	-	258	425,054
12	260	44	336	635	144	3,898	35,535	4,745
-	-	-	700	727	553	1,265	1,897	953
5,037	4,370	3,648	85,050	94,645	106,408	1,010,398	1,262,874	1,257,290
1,600	1,042	1,595	66,503	75,913	87,882	747,581	1,516,710	2,642,900
2,300	1,114	777	-	-	-	38,729	42,713	26,142
-	-	-	-	-	-	-	5	3
-	-	-	-	-	-	-	4	2
-	-	-	-	(30)	126	750	1,729	(1,040)
1,053	737	721	18,836	17,724	16,579	56,608	55,307	50,605
4,953	2,893	3,093	85,339	93,607	104,587	843,668	1,616,468	2,718,612
84	1,477	555	(289)	1,038	1,821	166,730	(353,594)	(1,461,322)
2,815	2,815	2,260	17,027	17,027	15,206	1,219,304	1,219,304	2,680,626
\$ 2,899	\$ 4,292	\$ 2,815	\$ 16,738	\$ 18,065	\$ 17,027	\$ 1,386,034	\$ 865,710	\$ 1,219,304

# Saskatchewan Crop Insurance Corporation

## Program Administration Expenses

### Schedule 2

For year ended March 31, 2023 with comparative figures for 2022 (in thousands)	Crop Insurance Program		
	Budget 2023 (Note 1(m))	Actual 2023	Actual 2022
Salaries and benefits	\$ 22,153	\$ 20,608	\$ 19,565
Professional services	4,444	5,739	4,427
Operating expenses	3,216	3,436	3,367
Information and technology	1,903	2,161	1,987
Travel expense	2,582	2,708	2,452
Amortization expense	1,018	821	393
Communications	734	722	670
Human resources	434	471	266
Office supplies	235	180	178
Total Administration Expenses	\$ 36,719	\$ 36,846	\$ 33,305

See accompanying notes to financial statements.

Livestock Price Insurance Program			AgriStability Program			Total		
Budget 2023 (Note 1(m))	Actual 2023	Actual 2022	Budget 2023 (Note 1(m))	Actual 2023	Actual 2022	Budget 2023 (Note 1(m))	Actual 2023	Actual 2022
\$ 316	\$ 141	\$ 131	\$ 12,454	\$ 10,870	\$ 10,798	\$ 34,923	\$ 31,619	\$ 30,494
54	12	30	1,939	2,773	2,317	6,437	8,524	6,774
474	379	373	1,615	1,539	1,506	5,305	5,354	5,246
35	34	22	1,115	1,249	1,148	3,053	3,444	3,157
9	14	1	313	143	52	2,904	2,865	2,505
-	-	-	639	507	278	1,657	1,328	671
155	150	159	397	364	298	1,286	1,236	1,127
6	5	2	272	205	122	712	681	390
4	2	3	92	74	60	331	256	241
<u>\$ 1,053</u>	<u>\$ 737</u>	<u>\$ 721</u>	<u>\$ 18,836</u>	<u>\$ 17,724</u>	<u>\$ 16,579</u>	<u>\$ 56,608</u>	<u>\$ 55,307</u>	<u>\$ 50,605</u>

# Saskatchewan Crop Insurance Corporation

## Notes to the Financial Statements

March 31, 2023

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), 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.

### 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 resulting from a 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	3
System development	10

(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 2023 and 2022 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) Reinsurance recovery revenue recognition:

The revenue from reinsurance recovery is recognized in accordance with the agreements made with reinsurers, when the amount is measurable and recoverable.

(K) Asset retirement obligation:

The Corporation has adopted the new standard *PS 3280 Asset Retirement Obligations*. The review of the costs and obligations associated with the retirement of tangible capital assets from productive use was completed and there is no impact on the financial statements.

(l) 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.

(m) Budget figures:

The budget results and budget amounts have been derived from the budget approved by the Board on March 8, 2022.

## Significant accounting policies (continued)

(n) 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 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.

*PS 3160 Public Private Partnerships (P3s) (effective April 1, 2023)* establishes guidance for recognizing, measuring, and disclosing P3 transactions.

*PSG 8 Purchased Intangibles (effective April 1, 2023)* provides recognition guidance for purchased intangible assets. *PS 1000 Financial statement concepts* and *PS 1201 (1200) Financial Statement presentation* have had narrow-scope amendments to accommodate for PSG 8.

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.

(o) 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)	
	2023	2022
Cash	\$ 13,905	\$ 11,949

The bank account savings rate pays interest monthly and is calculated on the daily closing balance at an effective annual rate of 3.13 per cent (2022 – 0.48 per cent).

## 3. Investments:

The Corporation's investments are in fixed rate GIC's with \$2,500,000 maturing on June 23, 2023 earning an effective interest rate of 3.92 per cent, \$2,500,000 maturing on September 16, 2023 earning an effective interest rate of 4.35 per cent, \$2,500,000 maturing on December 4, 2023 earning an effective interest rate of 5.30 per cent, and \$2,500,000 maturing on March 6, 2024 earning an effective interest rate of 5.02 per cent (2022 -average interest rate 0.915 per cent).

## 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 2.89 per cent (2022 – 0.19 per cent).

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

The receivable balance is comprised of the following:

	(in thousands)	
	2023	2022
Crop Insurance premiums	\$ 9,052	\$ 3,320
AgriStability contributions	31,304	34,640
Total	\$ 40,356	\$ 37,960

## 6. Due from the Government of Canada:

The receivable balance is comprised of the following:

	(in thousands)	
	2023	2022
Crop Insurance premiums	\$ 14,409	\$ 4,727
AgriStability contributions	46,984	51,977
Total	\$ 61,393	\$ 56,704



## 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)	
	2023	2022
Balance, beginning of year	\$ 1,631	\$ 921
Total premiums collected	2,518	2,620
Interest earned on funds	228	36
Reinsurance recovery on program	257	426
Less reinsurance premiums	(1,114)	(777)
Less indemnities paid	(1,042)	(1,595)
Balance, end of year	\$ 2,478	\$ 1,631

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

The payable balance is comprised of the following:

	(in thousands)	
	2023	2022
Administration funding - return of operating grant	\$ -	\$ 260
Total	\$ -	\$ 260

## 9. Indemnities payable:

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

	(in thousands)	
	2023	2022
<b>Crop Insurance indemnities payable:</b>		
Balance, beginning of the year	\$ 41,446	\$ 5,611
Provision for current year claims	1,431,997	2,554,448
Claims paid during the current year	(1,448,993)	(2,517,589)
Prior years' claim cost experience higher (lower) than expected	7,758	(1,024)
Balance, end of year	\$ 32,208	\$ 41,446
<b>AgriStability indemnities payable:</b>		
Balance, beginning of year	\$ 96,030	\$ 80,375
Provision for current year	61,950	78,087
Benefits paid during the current year	(88,818)	(72,227)
Prior years' benefit cost experience higher (lower) than expected	13,963	9,795
Balance, end of year	\$ 83,125	\$ 96,030
Total indemnities payable	\$ 115,333	\$ 137,476

Crop Insurance indemnities payable is estimated based on the number of claims outstanding at March 31, 2023. The number of claims is then multiplied by an average rate based on the crop type and acres outstanding.

AgriStability indemnities payable is 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 \$54,053,309 to \$88,060,209 (2022-\$59,390,315 to \$96,782,685). 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)
2023	Equipment	Leasehold improvements	System development and software	Computer equipment	Total
<b>Cost</b>					
Balance, beginning of year	\$ 2,260	\$ 8,830	\$ 18,296	\$ 4,319	\$ 33,705
Additions	117	-	-	72	189
Disposals	-	-	-	-	-
<b>Balance, end of year</b>	<b>\$ 2,377</b>	<b>\$ 8,830</b>	<b>\$ 18,296</b>	<b>\$ 4,391</b>	<b>\$ 33,894</b>
<b>Accumulated Amortization</b>					
Balance, beginning of year	\$ 1,961	\$ 8,520	\$ 9,776	\$ 3,891	\$ 24,148
Disposals	-	-	-	-	-
Amortization expense	107	81	866	274	1,328
<b>Balance, end of year</b>	<b>\$ 2,068</b>	<b>\$ 8,601</b>	<b>\$ 10,642</b>	<b>\$ 4,165</b>	<b>\$ 25,476</b>
<b>Net book value, end of year</b>	<b>\$ 309</b>	<b>\$ 229</b>	<b>\$ 7,654</b>	<b>\$ 226</b>	<b>\$ 8,418</b>

					(in thousands)
2022	Equipment	Leasehold improvements	System development and software	Computer equipment	Total
<b>Cost</b>					
Balance, beginning of year	\$ 2,281	\$ 9,508	\$ 13,037	\$ 9,571	\$ 34,397
Additions	91	257	7,678	244	8,270
Disposals	(112)	(935)	(2,419)	(5,496)	(8,962)
<b>Balance, end of year</b>	<b>\$ 2,260</b>	<b>\$ 8,830</b>	<b>\$ 18,296</b>	<b>\$ 4,319</b>	<b>\$ 33,705</b>
<b>Accumulated Amortization</b>					
Balance, beginning of year	\$ 1,980	\$ 9,377	\$ 12,020	\$ 9,062	\$ 32,439
Disposals	(112)	(935)	(2,419)	(5,496)	(8,962)
Amortization expense	93	78	175	325	671
<b>Balance, end of year</b>	<b>\$ 1,961</b>	<b>\$ 8,520</b>	<b>\$ 9,776</b>	<b>\$ 3,891</b>	<b>\$ 24,148</b>
<b>Net book value, end of year</b>	<b>\$ 299</b>	<b>\$ 310</b>	<b>\$ 8,520</b>	<b>\$ 428</b>	<b>\$ 9,557</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, 2023 is limited to the carrying value of the financial assets summarized as follows:

		(in thousands)	
		2023	2022
Cash		\$ 13,905	\$ 11,949
Investments		10,000	10,000
Accrued interest and other receivables		11,945	20,069
Due from producers		9,153	3,363
Due from the Government of Saskatchewan - Ministry of Agriculture		40,356	37,960
Due from the Government of Canada		61,393	56,704
Due from the Alberta Agriculture Financial Services Corporation		2,478	1,631
Due from Crop Reinsurance Fund of Saskatchewan		7	6
<b>Total</b>		<b>\$ 149,237</b>	<b>\$ 141,682</b>

The breakdown of producer receivables is as follows:

	(in thousands)	
	2023	2022
Less than one year	\$ 8,303	\$ 1,409
Greater than one year	5,997	7,063
	<u>14,300</u>	<u>8,472</u>
Allowance for doubtful accounts	(5,147)	(5,109)
Total	<u>\$ 9,153</u>	<u>\$ 3,363</u>

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:

	(in thousands)	
	2023	2022
Allowance for doubtful accounts, beginning of year	\$ 5,109	\$ 6,592
Current year provision	587	305
Current year (recovery)	(549)	(1,788)
Allowance for doubtful accounts, end of year	<u>\$ 5,147</u>	<u>\$ 5,109</u>

### 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 LPI, 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 \$2,137,261 (2022 - \$2,157,762) 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 a private sector reinsurer for the 2022 crop year. The agreement provides coverage once indemnities exceeds 18 per cent of the total liability to a maximum coverage of \$343.8 million. The total liability for 2022-23 was \$14.03 billion resulting in a net premium cost after premium rebate of \$41.6 million (2022 -\$25.4 million). The indemnities paid did not exceed 18 per cent of the liability so there was no reinsurance recovery to recognize in the current year (2022-\$424.6 million). As of March 31, 2023, there is no reinsurance recovery receivable to report (2022- \$17.6 million).

## 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 2022-23 year. The Corporation's share is \$1,114,137 (2022 - \$776,903).

This expense consists of two types of coverage:

a) For stop loss reinsurance, whereby reinsuring companies assumed 100% of the losses between 200% to 500% of gross net written premiums, the Corporation's share of reinsurance premiums was \$499,680 (2022 - \$229,101).

b) For a separate quota share reinsurance agreement whereby the reinsurer assumed 27.5% of all losses incurred, the Corporation's share of total reinsurance premiums, net of commission rebates was \$614,457 (2022 - \$547,802).

The reinsurer's share of losses of \$257,337 (2022 - \$426,515) 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.

	(in thousands)	
	2023	2022
Crop Reinsurance Fund of Canada for Saskatchewan	\$ 5	\$ 3
Crop Reinsurance Fund of Saskatchewan	4	2

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)	
	2023	2022
Administration expenses:		
Services provided by Ministry of SaskBuilds and Procurement	\$ 4,187	\$ 4,409
Services provided by Sask Tel CMR	805	791
Services provided by Public Employees Benefits Agency	710	599
Services provided by Saskatchewan Workers Compensation Board	313	284
Services provided by Ministry of Finance – self-assessed PST	196	137
Services provided by other related parties	455	67
Accounts payable and accrued liabilities as at March 31, 2023		
Ministry of SaskBuilds and Procurement	\$ 127	\$ 151
Ministry of Finance	29	45
Public Employees Benefits Agency	78	12
SaskTel CMR	10	9
Other related parties	79	7
Revenue:		
Saskatchewan Agricultural Stabilization Fund	\$ 637	\$ 322
Water Security Agency	389	359
Other related parties	191	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 provided funding for the following agricultural programs until March 31, 2023. The *Sustainable Canadian Agricultural Partnership (Sustainable-CAP)* will come into effect on April 1, 2023 and keep these conditions in place until March 31, 2028.

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 - Weather derivatives 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 Gallagher Re Canada Inc. for the 2023-24 fiscal year. A contractual right exists as there could be revenue received if the conditions of the contract in Note 17 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 \$3,283,073. The leases are currently renewable on an annual basis.

The corporation entered a three-year contract to lease equipment beginning November 1st, 2022. In 2022, these lease costs totalled \$338,940. The Corporation is required to make a payment of \$114,156 per year.

The Corporation is also committed to other corporations for the purchase of weather data and the lease of equipment for weather stations around Saskatchewan. The payment for this service will be \$815,000 for the next fiscal year.

The Corporation entered into a private reinsurance contract with Gallagher Re Canada Inc. for the 2023-24 fiscal year. The Corporation is committed for the crop aggregate excess of loss reinsurance contract for the 2023 crop year. The contract cost is in the range of \$40.5 million to a maximum \$44.5 million based on a projected total liability of \$13.8 billion. The contract will provide 1.5 per cent coverage once indemnities exceed 16 per cent of total liability to a maximum of \$228.5 million.

The Corporation has entered into an agreement with Deloitte Inc. to provide consulting and support of the Corporation's Finance and HR Modernization Project. The contract will end on December 31, 2025. The annual cost of the support is estimated to be \$747,552 plus taxes to a maximum contract value of \$2,990,208.

### *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, 2023, all tangible capital assets owned by the Corporation have been funded by this agreement. The *Sustainable Canadian Agricultural Partnership (Sustainable-CAP)* will come into effect on April 1, 2023 and keep these conditions in place until March 31, 2028

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 Auditor's 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, 2023
- 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, 2023, 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 "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's 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 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.

### **Auditor's 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 auditor's 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 large, bold, black, handwritten-style font, followed by 'LLP' in a smaller, similar font. A horizontal line is drawn underneath the text.

Chartered Professional Accountants

Regina, Canada  
May 25, 2023

## Crop Reinsurance Fund of Saskatchewan Statement of Financial Position

### As of March 31, 2023, with comparative figures for 2022

(in thousands)

	2023	2022
<b>Financial Assets</b>		
Due from Government of Saskatchewan General Revenue Fund (Note 2)	\$ 165,925	\$ 165,920
	<u>\$ 165,925</u>	<u>\$ 165,920</u>
<b>Liabilities</b>		
Due to Saskatchewan Crop Insurance Corporation	7	6
<b>Accumulated Surplus</b>	<u>\$ 165,918</u>	<u>\$ 165,914</u>

Contractual rights (Note 6)

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, 2023, with comparative figures for 2021

(in thousands)

	2023	2022
<b>Revenue</b>		
Reinsurance premium ceded from the Saskatchewan Crop Insurance Corporation	\$ 4	\$ 2
Annual surplus	4	2
<b>Accumulated Surplus, beginning of year</b>	165,914	165,912
<b>Accumulated Surplus, end of year</b>	<u>\$ 165,918</u>	<u>\$ 165,914</u>

See accompanying notes to financial statements.



# Crop Reinsurance Fund of Saskatchewan

## Notes to Financial Statements

March 31, 2023

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.

### 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 (2022 - 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.

#### *Asset retirement obligation:*

The Fund has adopted the new standard *PS 3280 Asset Retirement Obligations*. There is no impact to the financial statements.

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

The Crop Reinsurance Fund of Saskatchewan 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/L**

### **osses**

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 approximate its carrying value 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 until March 31, 2023. The *Sustainable Canadian Agricultural Partnership (Sustainable-CAP)* will come into effect on April 1, 2023 and keep these conditions in place until March 31, 2028

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 3400 Asset 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.

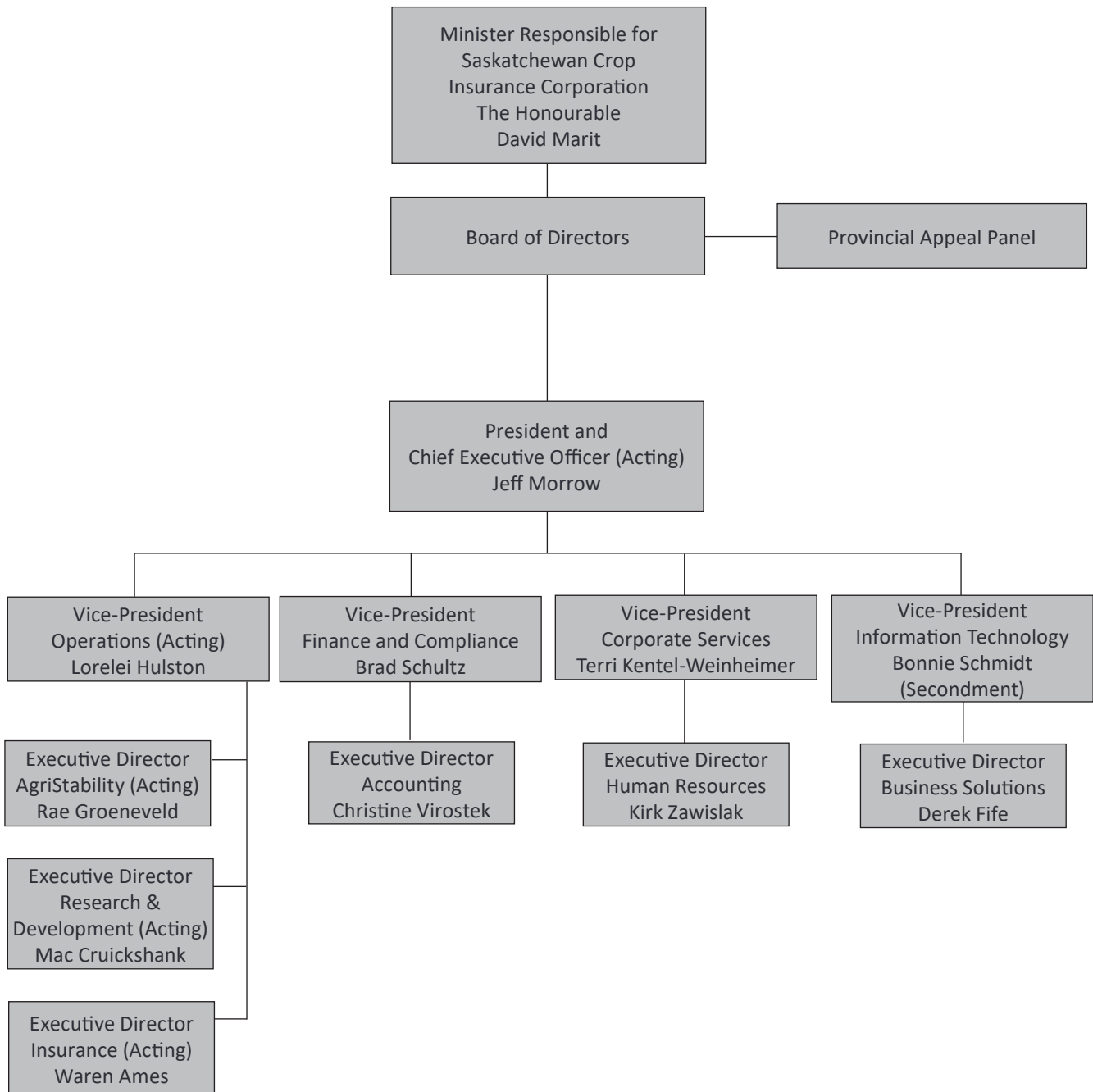
*PS 3160 Public Private Partnerships (P3s) (effective April 1, 2023)* establishes guidance for recognizing, measuring, and disclosing P3 transactions.

*PSG 8 Purchased Intangibles (effective April 1, 2023)* provides recognition guidance for purchased intangible assets. *PS 1000 Financial statement concepts* and *PS 1201 (1200) Financial Statement presentation* have had narrow-scope amendments to accommodate for PSG 8.

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, 2023



## Appendix 2: AgriStability Program

### Statistical Highlights As of March 31, 2023

	2021	2020	2019	2018	2017
<b>Financial</b>					
Total Payments	\$ 63.3 M	\$ 63.5 M	\$ 98.5 M	\$ 143.6 M	\$ 80.1 M
Total Fees Received	\$ 14.3 M	\$ 14.2 M	\$ 14.1 M	\$ 12.7 M	\$ 12.5 M
<b>Applications</b>					
Applications Received	9,002	9,726	10,088	10,087	10,712
Applications Processed	7,885	9,724	10,088	10,087	10,712
Applications Receiving Payment	648	1,068	1,843	1,631	1,349
<b>Participants</b>					
Total Paying Program Fees	10,394	10,673	11,375	11,002	11,876
Percentage of Total Farm Cash Receipts participating in AgriStability (2)	46%	51%	52%	51%	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. The 2021 program year FCR number will continue to change as entry of producer information into our system is finalized.

## Appendix 3: Crop Insurance Program

### Statistical Highlights

	2022	2021	2020	2019	2018
<b>Financial</b>					
Total Premium (P)	\$ 1.1 B	\$ 681.0 M	\$ 547.0 M	\$ 576.0 M	\$ 612.0 M
Total Indemnities (I)	\$ 1.4 B	\$ 2.6 B	\$ 188.0 M	\$ 260.0 M	\$ 265.0 M
Net Loss Ratio (I/P)	1.32	3.75	0.34	0.45	0.43
<b>Liability</b>					
Total Insured Value	\$ 14.0 B	\$ 8.5 B	\$ 6.6 B	\$ 6.6 B	\$ 6.3 B
<b>Insured Acres</b>					
Annual Grain Crops					
• Multi-Peril Insurance	31.4 M	28.8 M	28.1 M	28.3 M	28.0 M
• Ratio of Insured to Seeded Acres	86%	78%	75%	76%	76%
Perennial Forage Crops					
• Multi-Peril Insurance	0.5 M	0.4 M	0.4 M	0.4 M	0.4 M
• Forage Rainfall Insurance Program	4.0 M	3.1 M	2.3 M	2.2 M	1.5 M
• Corn Heat Unit Insurance Program	4,733	5,313	7,316	8,527	14,230
• Corn Rainfall Insurance Program	23,857	21,615	16,593	27,931	-
<b>Insured Contracts</b>					
All Programs	18,244	17,833	18,013	18,453	18,990
<b>Distribution of Acres by Coverage Level</b> (expressed as a per cent of average yield)					
50% and Winterkill	4%	8%	10%	9%	10%
60%	5%	7%	7%	7%	7%
70%	32%	36%	37%	36%	36%
80%	59%	49%	46%	48%	47%
Weighted Average	75%	73%	72%	72%	72%
<b>Claims Registered*</b>					
Unseeded Acreage	1,931	85	560	59	670
Establishment	962	1,523	1,069	1,711	1,552
Pre-Harvest	2,176	5,432	1,288	3,049	2,052
Post-Harvest	14,146	30,105	5,557	8,783	8,523
Wildlife - Waterfowl**	311	247	390	1,500	1,571
Wildlife - Big Game**	4,712	3,699	2,895	5,093	2,344
<b>Total Claims Registered</b>	<b>24,238</b>	<b>41,119</b>	<b>11,699</b>	<b>20,195</b>	<b>16,712</b>

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

\*\*Wildlife Claims include all claim types.

## Crop Insurance Overview

The following is a summary of the Crop Insurance Program that was available to producers from April 1, 2021, to March 31, 2022.

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

### Establishment Benefit

The Establishment Benefit covers crops that fail to establish or suffer significant damage on or before June 20.

Establishment Benefit		
Crop Year	# of Claims Paid	Indemnity Paid
2018	946	\$ 7,129,065
2019	923	\$ 12,389,710
2020	602	\$ 5,877,705
2021	861	\$ 11,419,905
2022	636	\$ 8,211,985

\* This is for the grains program only.

### Gopher Damage Feature

This feature provides \$50 per acre for acres destroyed by gophers on or before June 20, in lieu of an Establishment Benefit.

Gopher Damage Feature		
Crop Year	# of Claims Paid	Indemnity Paid
2018	21	\$ 9,750
2019	29	\$ 59,300
2020	21	\$ 31,400
2021	37	\$ 21,800
2022	5	\$ 3,750

### Unseeded Acreage

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
2018	433	\$ 2,795,790
2019	24	\$ 37,645
2020	432	\$ 2,719,020
2021	52	\$ 506,315
2022	1,692	\$ 9,892,185

## Irrigation Coverage

Coverage is higher and premium rates are lower for irrigated crops than for dryland crops.

Irrigation Option Historical Participation	
Year	Insured Acres
2018	48,933
2019	58,076
2020	61,430
2021	66,404
2022	86,818

### Organic Option

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
2018	303,341
2019	307,902
2020	308,518
2021	285,408
2022	304,028

### 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
2018	28,014
2019	25,492
2020	20,165
2021	13,837
2022	20,417

### 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
2018	154,799
2019	145,972
2020	148,344
2021	144,765
2022	181,451

## Commercial Vegetable Insurance Pilot Program

Coverage is provided for commercial vegetable producers growing pumpkins and cabbage.

Commercial Vegetable Insurance Pilot Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2021	2	3	131	\$ 1,757,586	-	\$ 129,409	\$ -	-
2022	2	3	97	\$ 891,381	-	\$ 95,515	\$ -	-

## Vegetable Basket 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 Basket Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
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
2021	4	6	121	\$ 383,778	1	\$ 27,126	\$ 4,958	0.18
2022	3	6	15	\$ 47,522	-	\$ 9,227	\$ -	-

## 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
2018	1	1	110	\$ 18,193	-	\$ 454	-	-
2019	-	-	-	\$ -	-	\$ -	-	-
2020	1	1	1,152	\$ 463,793	-	\$ 15,852	-	-
2021	2	2	1,493	\$ 451,117	2	\$ 25,411	\$ 164,442	6.47
2022	2	2	1,519	\$ 573,480	1	\$ 34,026	\$ 18,266	0.54

## Bee Mortality Insurance 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 Insurance Program								
Year	Contracts	Endorsements	Hives	Liability	Claims	Premium	Indemnity	Loss Ratio
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	5	\$ 166,075	\$ 150,060	0.90
2021	34	34	37,043	\$ 6,655,725	26	\$ 263,746	\$ 1,586,250	6.01
2022	35	35	34,082	\$ 6,843,000	-	\$ 309,805	\$ -	-

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

## Fruit Tree Insurance Program

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

Fruit Tree Insurance Program								
Year	Contracts	Endorsements	Trees	Liability	Claims	Premium	Indemnity	Loss Ratio
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	\$ -	-
2021	2	4	12,500	\$ 168,750	-	\$ 5,375	\$ -	-
2022	1	2	1,678	\$ 22,653	-	\$ 839	\$ -	-

## 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
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
2021	547	2,164	2,450,584	\$ 766,241,743	426	\$ 49,579,586	\$ 230,122,895	4.64
2022	927	3,505	4,554,500	\$ 2,127,119,564	499	\$ 141,158,574	\$ 336,066,259	2.38

## 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
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	494	378,458	\$ 38,943,062	\$ 3,992,771	\$ 5,343,723	1.34
2021	1,505	1,785	1,163	393,572	\$ 43,306,240	\$ 4,667,188	\$ 16,202,724	3.47
2022	1,717	2,047	641	476,641	\$ 92,168,171	\$ 11,611,593	\$ 14,499,491	1.25

\*Includes Forage Diversification.  
\*\* Forage indemnities have been restated to include subsequent indemnities for forage establishment claims paid in the current year.

Timothy Hay Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
2020	2	2	422	\$ 196,579	-	\$ 14,623	\$ -	-
2021	1	1	179	\$ 90,359	-	\$ 7,568	\$ -	-
2022	1	1	179	\$ 117,141	-	\$ 10,720	\$ -	-

## 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
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
2021	36	36	5,673	\$ 207,928	8	\$ 29,443	\$ 10,358	0.35
2022	36	36	5,673	\$ 221,174	11	\$ 36,301	\$ 21,661	0.60

## Weather-Derivative Programs

The Saskatchewan Crop Insurance Corporation has three 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 Insurance Program insures feed and grain corn producers against a lack of required heat units over the growing season. Corn Rainfall Insurance Program covers lack of moisture in corn acres.

Forage Rainfall Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
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
2021	1,747	2,984	3,108,160	\$ 104,333,755	2,559	\$ 17,100,067	\$ 51,145,444	2.99
2022	2,134	3,637	3,999,794	\$ 216,874,049	2,278	\$ 44,577,409	\$ 43,856,997	0.98

Corn Heat Unit Insurance Program								
Year	Contracts	Endorsements	Acres	Liability	Claims	Premium	Indemnity	Loss Ratio
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
2021	55	55	5,313	\$ 1,625,000	1	\$ 131,315	\$ 3,040	0.02
2022	48	48	4,733	\$ 1,473,975	-	\$ 131,315	\$ -	0.02

Corn Rainfall Insurance 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
2021	139	139	21,615	\$ 6,302,700	116	\$ 684,969	\$ 1,900,443	2.77
2022	136	136	23,857	\$ 7,500,650	52	\$ 1,013,422	\$ 800,751	0.79



## Historical Premium Cost Sharing and Coverage Levels

Percentage of Acreage by Coverage Level				
Year	50%	60%	70%	80%
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%
2021	8%	7%	36%	49%
2022	4%	5%	32%	59%

Weighted Average Coverage Level	
Year	Average Coverage Level
2013	69%
2014	69%
2015	70%
2016	71%
2017	71%
2018	72%
2019	72%
2020	72%
2021	73%
2022	75%

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%	
2021	40.0%	36.0%	24.0%							40%	36%	24%	67%	20%	13% ~	60%	40%	
2022	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, 2023

		2022-23	2021-22	2020-21	2019-20	2018-19
<b>Financial</b>						
Total Liability	(L)	\$ 128 M	\$ 86 M	\$ 214 M	\$ 223.7 M	\$ 231.5 M
Total Premium	(P)	\$ 2.8 M	\$ 2.4 M	\$ 7.3 M	\$ 4.01 M	\$ 3.75 M
Total Indemnities	(I)	\$ 1.0 M	\$ *1.5 M	\$ 2.46 M	\$ 10.6 M	\$ 2.35 M
Net Loss Ratio	(I/P)	0.36	0.63	0.34	2.64	0.62

#### Reinsurance

Reinsurance premium paid	\$ 1.11 M	\$ 0.78 M	\$ 3.92 M	\$ 2.37 M	\$ 2.20 M
Reinsurance recovery	\$ 0.26 M	\$ 0.43 M	\$ 1.28 M	\$ 6.32 M	\$ 1.29 M

#### Participation

Total Producers Enrolled	3,787	3,710	3,684	3,330	3,100
Total Policies Purchased	611	477	1,689	1,299	1,695

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

Calf Price Insurance Program						
Year	Policies	Liability	Claims	Premium	Indemnity	Loss Ratio
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
2021-22	289	\$ 33,236,232	23	\$ 881,462	\$ 42,813	0.49
2022-23	426	\$ 51,914,864	-	\$ 936,032	\$ -	-

See accompanying notes for calf price insurance participation statistics

Feeder Price Insurance Program									
Year	Policies	CWT Insured	Head Insured*	Participation	Liability	Claims	Premium	Indemnity	Loss Ratio
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
2021-22	161	230,391	27,105	3.5%	\$ 47,133,778	53	\$ 1,427,649	\$ 1,002,086	0.70
2022-23	161	269,624	31,720	3.9%	\$ 67,703,690	1	\$ 1,649,974	\$ 1,356	-

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

Fed Price Insurance Program									
Year	Policies	CWT Insured	Head Insured*	Participation	Liability	Claims	Premium	Indemnity	Loss Ratio
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
2021-22	27	35,049	2,596	2.6%	\$ 5,911,638	3	\$ 265,740	\$ 61,211	0.23
2022-23	26	41,786	3,095	3.1%	\$ 8,684,860	0	\$ 220,727	\$ -	-

\*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 2022-23 reinsurance expense is estimated to be \$1.1 million, based on the forecasted indemnity of \$1.0 million. The 2022-23 reinsurance recovery is expected to be \$0.26 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 June calf sales season to the province's total 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.
  - In February to June 2021, approximately 26,872 calves were insured, representing 3 per cent of the marketable calf crop.
  - In February to June 2022, approximately 29,557 calves were insured, representing 3.7 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
18-19	1,294	\$ 11,055,904	1,586	\$ 8,005,452
19-20	1,048	\$ 7,585,317	2,106	\$ 12,508,372
20-21	598	\$ 4,004,362	4,045	\$ 33,901,470
21-22	178	\$ 1,148,613	2,382	\$ 19,876,337
22-23	252	\$ 1,742,722	3,387	\$ 29,936,825
5 Year Average	674	\$ 5,107,384	2,701	\$ 20,845,691

Predation Damage		
Fiscal Year	Predation Claims	Predation Comp. Paid
2018-19	2,294	\$ 2,462,925
2019-20	2,093	\$ 2,265,812
2020-21	2,282	\$ 2,688,952
2021-22	2,196	\$ 2,300,680
2022-23	2,456	\$ 3,190,726

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

Prevention Programming	
Fiscal Year	Prevention Expenditures
2018-19	\$ 392,058
2019-20	\$ 448,747
2020-21	\$ 423,307
2021-22	\$ 372,185
2022-23	\$ 737,017

## 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 (\$)
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
2021-22	16,496	7,560,110,863	458,300	242,976,504	607,441,299
2022-23	16,453	11,605,408,561	705,367	357,932,357	894,830,845

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)
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
2021-22	14,729	3.2	29,113	2,253,607,287	3.71	0.93
2022-23	21,755	3.1	13,227	1,042,105,564	1.16	0.95

This does not include Forage Insurance, Wild Rice, Honey, Vegetable, Fruit Tree, Bee Mortality, Crop Averaging Program, Weather Derivative Programs or the Spot Loss Hail Option.

Premium includes premiums from producers and premium contributions by the Governments of Canada and Saskatchewan.

## Appendix 8: Insured Acres by Crop

Crop	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
<b>CEREALS</b>	Hard Red Spring	6,245,054	5,638,154	5,139,649	4,463,142	4,782,661	5,747,031	6,344,428	5,514,188	5,070,663	6,707,549
	Durum	3,317,696	2,991,608	3,586,656	3,613,097	2,816,460	3,799,779	3,067,535	3,619,666	3,577,781	4,292,699
	Barley	1,577,322	1,251,642	1,603,483	1,652,799	1,398,999	1,674,070	2,079,388	1,943,759	2,565,767	2,092,412
	Oats	1,042,010	710,381	966,055	703,591	836,972	719,176	808,196	910,223	905,173	1,233,826
	Fall Rye	21,114	21,827	26,389	48,857	20,586	13,499	28,354	33,851	20,321	42,141
	Extra Strong Red	1,793		134	770					500	1,450
	Hard White Spring	28,216	18,369	6,836	6,349	13,963	7,243	7,300	10,872	4,395	8,410
	Spring Rye	1,510	2,633	3,799	1,517	527	1,107	2,235	1,418	1,244	528
	Triticale	9,690	13,784	8,963	10,153	5,609	7,996	12,798	16,240	13,949	14,871
	Winter Wheat	200,225	190,604	110,576	115,341	114,523	40,227	31,517	25,661	25,429	45,750
Canada Prairie Spring	979,497	741,142	510,644	571,410	347,547	388,008	382,646	328,682	362,657	409,174	
Khorasan Wheat	19,423	17,000	16,476	21,557	26,660	11,121	12,640	13,028	20,688	17,670	
<b>OILSEEDS</b>	Flax	694,150	995,600	1,077,273	596,909	637,771	491,248	548,693	499,161	595,479	503,122
	Canola	7,119,165	7,460,473	7,419,867	7,686,223	9,013,388	8,891,115	8,685,714	8,735,908	9,352,346	9,723,997
	Identity Preserved Canola	1,500,766	1,229,787	1,049,944	1,225,040	1,222,494	1,047,214	921,948	1,034,257	1,059,764	933,165
	Sunflowers *	4,992	4,586	7,393	4,573	5,664	6,098	5,802	4,648	1,163	1,577
	Yellow Mustard	72,578	118,191	86,792	145,645	74,002	91,551	79,748	82,490	55,298	127,817
	Brown Mustard	59,114	93,344	39,202	48,957	62,968	100,944	79,075	47,735	56,912	154,476
	Oriental Mustard	19,853	32,032	43,147	72,864	41,952	51,105	28,650	17,896	16,137	45,630
	Coriander	5,462	14,268	14,946	5,428	5,518	3,830	5,926	3,897	4,345	6,178
	Caraway	1,276	741	278	1,550	3,127	3,185	981	337	200	
	Camelina	80	1,905	2,558	906	1,977	1,747	1,482	6,245	1,972	3,351
	Field Peas	1,616,455	1,799,410	1,504,198	1,645,359	1,543,642	1,533,604	1,835,929	1,698,217	1,620,781	1,412,008
	Lentils - Large Green	517,010	496,298	507,782	724,761	643,972	830,968	649,087	563,960	583,248	560,153
	Lentils - Other	271,248	201,716	217,105	295,207	316,646	395,717	314,785	292,421	293,640	323,450
	Lentils - Red	869,098	1,437,786	1,874,751	3,004,329	1,962,077	1,364,497	1,662,952	2,067,015	2,066,719	2,297,036
	Canary Seed	202,527	253,641	291,822	231,514	216,539	146,677	164,495	213,683	240,316	177,999
<b>PULSES</b>	Fababeans	4,060	13,266	31,668	39,552	39,291	28,654	40,239	55,715	42,294	15,932
	Dry Bean Black (Irr)						211		590		
	Dry Bean Pinto (Irr)	5,826	5,350	3,255	1,679	4,251	2,963	716	2,272	1,698	1,683
	Dry Bean Other (Irr)	308	1,655	440	245	820	1,915	2,250	2,021	481	332
	Dry Bean Black (Dry)						155	105	330		
	Dry Bean Pinto (Dry)							154	145		
	Dry Bean Navy (Dry)		380	80			107				
	Desi Chickpeas	8,503	2,987	419	1,162	2,003	3,603	2,917	2,580	4,595	5,495
	Kabuli (Large Seed)	50,081	52,936	35,653	75,470	78,228	236,209	224,882	125,172	94,000	127,400
	Kabuli (Small Seed)	27,878	11,989	9,288	16,164	11,290	26,601	21,925	8,327	6,266	6,622
Soybean	111,892	200,633	199,416	178,285	553,310	289,991	99,156	85,445	36,257	23,329	
<b>SPECIALTY</b>	Alfalfa Seed	24,466	24,854	29,853	36,275	34,898	30,344	17,954	17,058	18,707	23,070
	Processing Potato	1,181	1,040	989	607	610	747	770	932	953	854
	Seed Potato	86	69	143	198	148	76				
	Diversification	19,322	21,707	15,180	17,091	15,278	19,014	25,492	20,165	13,837	20,417
	Winterkill Acres	200,657	168,404	99,431	109,983	102,184	45,160	47,087	35,077	46,956	71,841
	Wild Rice	6,733	6,134	5,241	5,241	5,253	5,065	5,386	4,714	5,673	5,673
	Grain Corn		11,004	7,512	8,457	8,725	11,314	6,863	3,815	1,587	850
	Hemp Grain			14,513	5,627	18,983	3,983	7,448	1,965	3,729	4,065
<b>Total Acres</b>	<b>26,858,317</b>	<b>26,259,330</b>	<b>26,569,799</b>	<b>27,393,884</b>	<b>26,991,516</b>	<b>28,074,869</b>	<b>28,265,648</b>	<b>28,051,781</b>	<b>28,793,920</b>	<b>31,444,002</b>	
<b>Average **</b>	<b>1,189</b>	<b>1,228</b>	<b>1,323</b>	<b>1,413</b>	<b>1,436</b>	<b>1,518</b>	<b>1,588</b>	<b>1,621</b>	<b>1,699</b>	<b>1,823</b>	
<b># of Contracts</b>	<b>22,584</b>	<b>21,386</b>	<b>20,081</b>	<b>19,390</b>	<b>18,791</b>	<b>18,490</b>	<b>17,796</b>	<b>17,307</b>	<b>16,944</b>	<b>17,249</b>	

\*Sunflower includes sunwheat and sunola

\*\*Average (acres per contract) does not include Livestock Feed Insurance Program contracts

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