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Potato Field & Storage Insurance

In 2020 the New Brunswick Agricultural Insurance Commission separated the potato insurance plan into two separate plans, one for field insurance and another for storage insurance.

Field Insurance

The field insurance plan continues to include the production by seed potato variety option, the seed potato decertification clause, late blight spot loss, and also includes the following:

- Coverage ends on December 20th of the crop year and all contracts are closed based on data up to that date.
- Production to Count (PTC) is calculated by crop sales up until December 20th plus stored inventory adjusted for quality.
- Quality adjustments to stored inventory are based on samples taken at harvest and graded to industry standards based on the majority end use for the crop. Other relevant information may also be considered.
- Historical probable yields (2019 & earlier) have been adjusted up by 5.5% to account for storage losses in the old plan. (except for Shepody)
- Premium rates have been reduced to account for the shortened coverage period.

Storage Insurance - Potato Storage Loss Benefit (PSLB)

The storage insurance plan is a rider option that is offered in addition to the field plan. It is extended coverage and only applies to potato inventory grown and insured under the field plan and is restricted to the fully adjusted marketable portion of the insured crop that is in storage after December 20th of the crop year. Details of the plan include:

- Producers must have had potatoes insured in the field plan at 70% or 80% coverage.
- Coverage level options for storage are 70% and 80%.
- Coverage begins on December 21st and ends with the sale of the inventory or August 31st, whichever is earlier.
- The guaranteed inventory is equal to the fully adjusted marketable inventory as of December 21st multiplied by the selected coverage level.
- Insured producers will be required to submit an inventory report at the beginning of each month identifying the marketable inventory remaining in storage.
- Premiums will be charged for each month of storage based on the marketable inventory remaining in storage at the start of the first day of that month. Premiums are charged until all the inventory has been sold or destroyed. The final premium payment for storage is due October 31.

Potato Storage Loss Benefit – Premium Rates

Premium costs per cwt fluctuate by group, coverage level and unit price. For Russet Burbank at the 80% coverage level, the approximate premium costs will be as follows:

- **Table / Processing** (\$18.00/cwt)
 - **Producer Premium = \$0.0107/cwt/month** (*Approximately 1.8 cents/bbl/month*)
- **Seed** (\$23.50/cwt)
 - **Producer Premium = \$0.0139/cwt/month** (*Approximately 2.3 cents/bbl/month*)

Example: New Producer, Russet Burbank, 2023 crop year

Coverage Level = 80%, Unit Price = \$18.00/cwt

Field Insurance Plan

- Probable Yield = 287.96 cwt/ac
- Insured Production = 230.37 cwt/ac (287.96 cwt x 80%)
- Insured Value = \$4146.62/ac (230.37 cwt x \$18.00/cwt)
- **Field Premium = \$82.10/acre**

Potato Storage Loss Benefit (PSLB)

- Stored Inventory = 33,000 cwt
 - Assume 90% marketable, 10% culls (actual numbers will be based on samples taken at harvest)
- Marketable Inventory = 29,700 cwt (33,000 cwt x 90%)
- Guaranteed Inventory = 23,760 cwt (29,700 cwt x 80%)
- Insured value = \$427,680 (23,760 cwt x \$18.00)
- **Producer Premium = \$317.79/month** (29,700 cwt x \$0.0107/cwt/month)

Please contact your local field representative to have the costs calculated for your farm operation and to answer any questions you may have.