

## 1.0 Aggregate Analysis

The analysis aggregates the possible impact of the transitional GRIP for the three Prairie provinces. The Prairie region was chosen as it has the potential to be most affected by this program. Also, at this point, insufficient detail was available to make an accurate evaluation of the impact on the eastern provinces. The analysis was performed on the basis of several assumptions:

- crop acreage was established by the number of seeded acres and by crop type as of the 1989–90 crop year;
- target prices for the 1991–92 crop year were estimated at \$4.15, \$2.15, and \$6.50 for wheat, barley and canola respectively;
- yields were estimated based on the 10–year provincial average;
- farmer GRIP premiums were estimated at eight percent of the revenue coverage level; and
- 100 percent participation rate.

The analysis calculates the target level of coverage, the expected premiums and the expected payouts for three different situations:

- i) currently forecasted prices and average long–term yields;
- ii) ten percent higher prices and average yields; and
- iii) expected prices and ten percent lower yields.

The results are summarized in Table 4.16.