

Crop Insurance Act

agreements and commenced the operation of programs which they considered suitable for their own particular needs.

Hon. members will recall also that in 1964 my immediate predecessor introduced a bill to amend the Crop Insurance Act to make it possible under agreements with the provinces to provide for Canada to reinsure 75 per cent of the amount by which indemnities paid in any year exceeded the amount of premium income for that year and reserves and a deductible amount equal to 2½ per cent of the total face value of policies of insurance in effect in that year. Under this provision of the act, the provinces of Manitoba, Saskatchewan, and Alberta have entered into reinsurance agreements.

With reinsurance provided, the provinces were able to proceed with the expansion of their programs more quickly than would have been the case without this additional backing provided by the federal government.

Hon. members will possibly be interested to know that in 1965, 8,610 Manitoba farmers purchased insurance coverage totalling \$18,680,730 and the latest statistics provided by the province indicate that the total premiums collected, including the 20 per cent share paid by Canada, was \$1,608,612. The amount of the indemnities paid is reported by the province to be \$380,000.

In Prince Edward Island, 267 farmers purchased \$440,859 worth of coverage with the total premiums being \$16,762 and the indemnities paid \$45,593.

In Saskatchewan, 3,172 farmers purchased \$4,565,700 worth of coverage for their crops, premiums paid being \$369,091 and indemnities \$120,853.

Alberta commenced the operation of a crop insurance scheme in 1965 and sold insurance in three test areas in which approximately 50 per cent of the insurable farmers participated in the scheme. Provincial officials advise that 1,312 farmers purchased coverage totalling \$3,231,858, with the total premiums, including the federal share, being \$290,723 and the total indemnities \$480,080.

The maximum level of coverage provided under the original act was limited to 60 per cent of the long-term average yield of a crop in any area. One of the reasons that crop insurance was not considered more generally acceptable was that in some of the provinces, the yields do not vary to the degree that they do, for instance in the prairie provinces, and it was contended by farmers, farm organizations, and provincial governments, that yields

very seldom, if ever, fell below 60 per cent of the long-term average.

In addition to contending that yields seldom fall below 60 per cent of the long-term averages, it was also contended that 60 per cent of the long-term average yield did not always cover the farmer's investment in a crop.

During the past year the federal government was approached by several provinces requesting that Canada contribute toward the cost of emergency programs designed to assist farmers who had suffered extensive crop losses during the year. In agreeing to participate in a number of such programs, the government indicated that such participation would be provided for on the understanding that the provinces concerned would give serious consideration to the introduction of crop insurance which would provide protection against similar losses in future years.

Shortly after being appointed as the Minister of Agriculture, I arranged a conference at which my officials met with officials from all the provinces and at which the provincial people were invited to indicate what changes in the act were essentially necessary if the provinces were to provide useful insurance programs.

• (9:40 p.m.)

As a result of our continued study of the problems involved and the experience gained since 1959, I now propose a number of amendments which are designed to make the Crop Insurance Act more useful to our farmers and to the provinces.

While I will discuss the amendments in detail on second reading of the bill, I would indicate now in a general way the proposed amendments contained in the bill which will be made available to hon. members shortly. Probably the most important amendment is one which will permit the maximum coverage provided for any crop in any area, under an agreement with a province, to be raised from 60 to 80 per cent of the average yield. This amendment will also permit the establishment of the average yield on the basis of a single farm experience. In this latter connection, I would point out that statistics are not immediately available in many areas with respect to the yield history of individual farms but where it is possible, it is considered that a desirable objective is to provide coverage on the basis of what might be termed the normally expected yield of a crop on any farm.

[Mr. Greene.]