



AGENDA ITEM

Crop Damage Compensation Rates for 2021

October 28, 2021

BACKGROUND

Yearly, Agriculture Services reviews and adjusts, if warranted, the rates paid by the County for crop damage that occurs during road construction.

The Crop Production Return Rates are based on a five-year average Yield Data (specifically for Lacombe County) published by Agriculture Financial Services Corporation (AFSC) and the Spot Cash Price for commodities in Central Alberta for the last half of October.

Historically Lacombe County has only adjusted Crop Compensation Rates when strong commodity markets demand a fee increase.

ANALYSIS

The set rates for 2020 and recommended rates for 2021 are as follows:

Section 1 – Acquisition of right of way	2020	2021 (Recommendation)
a) for right-of-way with purchase not finalized prior to this crop year as expense for weed control	\$100.00/ac	\$100.00/ac
b) for right-of-way with purchase finalized prior to this crop year:		
Oil Seed/Wheat/Peas/Corn Silage	\$534.00/ac	\$949.87/ac
Grain (other)	\$437.50/ac	\$795.74/ac
Tame Hay or Pasture	\$447.85/ac	\$660.00/ac
Seed Potatoes	\$6,528.12/ac	\$6,528.12/ac

Section 2 – Backsloping**2020****2021**
(Recommendation)

Oil Seed/Wheat/Peas/Corn Silage	\$534.00/ac	\$949.87/ac
Grain (other)	\$437.50/ac	\$795.74/ac
Tame Hay or Pasture	\$447.85/ac	\$660.00/ac
Native Hay or Pasture	\$228.15/ac	\$228.15/ac
Summerfallow	\$100.00/ac	\$100.00/ac
Brush	\$100.00/ac	\$100.00/ac

- a) Where crop received hail prior to the road construction, the preceding rates are to be pro-rated between the summerfallow rate and the respective crop rate based on the percentage of the hail loss

These rates are reviewed annually and can be adjusted to reflect current conditions.

Competitive compensation rates make negotiation on right-of-way acquisition much easier for our Operations Department. (Refer to attached OP(8) Compensation for Road Construction Schedule A)

2021 Expected Returns per Acre

Crop*	2019	2021
Corn Silage	\$303.98	\$454.46
Wheat (HR)	\$250.54	\$801.45
CPS Wheat	\$219.57	\$746.65
Feed Barley	\$305.02	\$611.55
Malt Barley	\$411.60	\$795.74
Feed Oats	\$207.00	\$699.60
Mixed Hay	\$341.00	\$660.00
Seed Potatoes	\$5,616.96	\$6,334.51
Canola	\$442.81	\$949.87
Peas	\$241.82	\$726.66

*Crop prices determined as of October 14, 2021

Wheat, Peas, and Canola – Alberta Grain Commission

Feed Barley and Feed Oats – CorNine Commodities – Lacombe

Malt Barley – Richardson Pioneer - Lacombe

Corn Silage, Seed Potatoes – AFSC – Lacombe
Mixed Hay- Alberta Crop Report- Alberta Ag average yield tonnage
-Online market pricing

BUDGET IMPLICATIONS

Crop compensation damages are job costed to individual projects in the 2022 Operations Budget.

LEGISLATIVE RESPONSIBILITIES

Section 18(1) of the Municipal Government Act – Subject to this or any other Act, a municipality has the direction, control and managements of all roads within the municipality.

Section 201(1)(a) of Municipal Government Act – A Council is responsible for developing and evaluating the policies and programs of the municipality.

RECOMMENDATION

That Council approves the 2021 recommended rates to adjust the Crop Compensation Rates for 2021 as outlined in Policy OP(8) Compensation for Road Construction, Schedule A.

PREPARED BY: Jalene Makus, Agriculture Coordinator



REVIEWED BY: Dion Burlock, Manager of Agriculture and Environmental Services



REVIEWED BY: Keith Boras, Director of Community Services



REVIEWED BY: Tim Timmons, County Manager

