

CropAlert Report

Canada Crop Hail

June 14, 2018



SEVERE THUNDERSTORMS AND HAIL DAMAGE IN MANITOBA AND SASKATCHEWAN

Severe thunderstorms traveled east through southeastern Saskatchewan into southwestern and south-central Manitoba during the afternoon and evening of June 14. Large hailstones caused significant property damage and crop damage was reported in Saskatchewan and Manitoba, where some crops are at risk of damage from hail based on their developmental stage.

METEOROLOGICAL SUMMARY

A supercell developed near Estevan, Saskatchewan, where warm, moist air led to favorable conditions for storm development. Baseball-size hail and wind gusts of up to 150 km/h were reported. In addition, Environment Canada confirmed a tornado touchdown near Waskada, Manitoba, later that evening. The storms also caused localized flooding in both Saskatchewan and Manitoba.

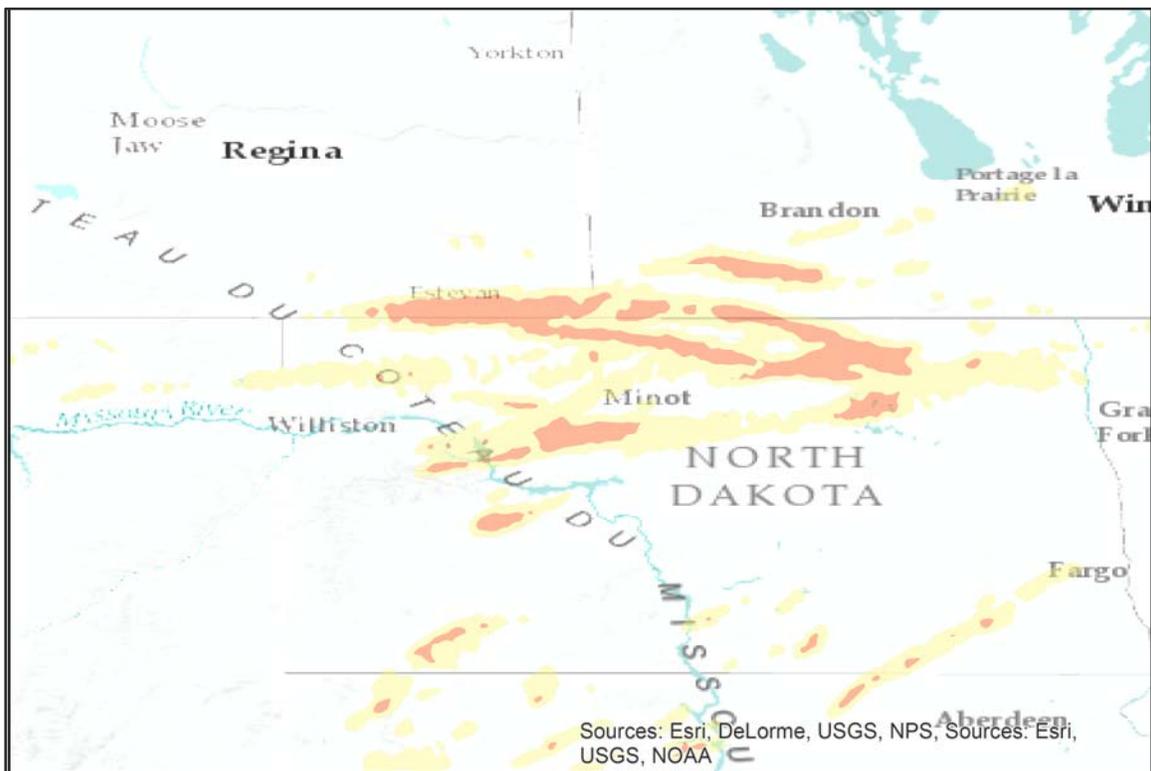


Figure 1. Severe thunderstorm activity on June 14, 2018. Red indicates larger hail and yellow indicates smaller hail. (Data Source: Respond™, a Verisk Insurance Solutions™ product)

CROP DAMAGE REPORT

Significant crop damage was reported in Manitoba in the Minto-Fairfax area, Ninette, and Manitou. Some farmers reported damage to entire fields. While crops can recover from early season hail damage depending on their developmental stage at the time of a storm, some crops in this area may be beyond that point. Much of the wheat in this area has passed the stem elongation stage and is therefore less likely to recover from damage sustained during this storm. Corn is reported to be in the six-leaf stage—the time at which the growing point has begun to emerge from the soil—and may be vulnerable to hail damage.

AIR MODELED CROP HAIL LOSS ESTIMATE

An analysis of the hail event on June 14 using the AIR Crop Hail Model for Canada produced an estimated insured loss for the Canada crop insurance industry of CAD 9–16 million, the majority of which is in southeastern Saskatchewan. Losses are calculated from damage to the insurable crop exposure with crop values assumed to be the maximum insurable value; insured loss is estimated based on a province-level industry market share of the total insurable crop liability. Variations in vulnerability to hail damage as affected by developmental stage are captured in the model damage functions. It is possible that crops just approaching more vulnerable stages may exhibit less damage than estimated. The model only includes spot loss due to hail damage and does not account for reseeding options, which can occur following early season damage. With seeding deadlines occurring during the week following this storm, farmers experiencing significant damage are likely to reseed. One-third of the total claims received by the Manitoba Agricultural Services Corporation (MASC) as of June 18 were for reseeding; the remaining two-thirds were spot loss claims.¹ Reseeding activities will impact the final loss for this storm.

¹ <https://www.manitobacooperator.ca/crops/hail-takes-a-toll-on-southern-manitoba-crops/>

CONTACT US

AIR is the industry-leading provider of agriculture risk modeling solutions and currently offers multiple-peril crop models for the United States and China. AIR's models are used to assess potential gains and losses to crop insurance portfolios, to inform fund designation strategies, and to price risk transfer options for an upcoming growing season. Crop insurers, reinsurers, and financial and agribusiness companies rely on AIR's software and consulting services to manage their agriculture risk. If you would like to learn more about AIR's solutions, please contact Oscar Vergara at overgara@air-worldwide.com.

ABOUT AIR WORLDWIDE

AIR Worldwide (AIR) provides risk modeling solutions that make individuals, businesses, and society more resilient to extreme events. In 1987, AIR Worldwide founded the catastrophe modeling industry and today models the risk from natural catastrophes, terrorism, pandemics, casualty catastrophes, and cyber attacks, globally. Insurance, reinsurance, financial, corporate, and government clients rely on AIR's advanced science, software, and consulting services for catastrophe risk management, insurance-linked securities, site-specific engineering analyses, and agricultural risk management. AIR Worldwide, a Verisk (Nasdaq:VRSK) business, is headquartered in Boston with additional offices in North America, Europe, and Asia. For more information, please visit www.air-worldwide.com.

CONFIDENTIALITY

The contents of this report are solely for the use of the intended recipient and are the property of AIR Worldwide. Further distribution of the report or disclosure of its contents is prohibited.