

The delivery guarantee is only in effect until Series A acceptance is announced, except for CPSW and CWES wheat.

What is it?

The CWB offers a delivery guarantee for Producer Payment Options (PPO) to give farmers a guideline to determine their tonnage commitment to the programs. The guarantee applies to tonnage signed up under all PPO programs combined.

For Canada Western Red Spring (CWRS), Canada Western Hard White Spring (CWHWS), Canada Prairie Spring Red (CPSR), Canada Western Red Winter (CWRW) and Canada Soft White Spring (CWSWS) wheat, the guarantee is 100 per cent of production offered for delivery until Series A acceptance levels are announced, to a maximum of a producer's total contracted tonnage.

The delivery guarantee is in place until Series A acceptance is announced to give producers security for pricing before delivery opportunities are known. After Series A acceptance levels are announced, there is no delivery guarantee.

The guarantee for Canada Western Extra Strong (CWES) and Canada Prairie Spring White (CPSW) wheat is 100 per cent of production until the sign-up deadline.

How does it work?

If overall acceptance levels are less than the delivery guarantee, the CWB will provide additional delivery opportunity for tonnage committed before Series A acceptance is announced for CWRS, CWHWS, CPSR, CWRW and CWSW wheat.

Series contracts are not available for CWES and CPSW wheat. Tonnage must be offered under Guaranteed Delivery Contracts (GDCs) as they become available.

To be eligible for additional delivery opportunity, you must take advantage of all delivery opportunities during the crop year.

You must also take into consideration deliveries allocated to the pool account to qualify for the delivery guarantee. Any tonnes delivered into the pool will reduce the amount of the delivery guarantee.

Example

A producer signs up a 1 000-tonne FlexPro contract before Series A acceptance and has offered 1 100 tonnes under the Series A contract. Wheat offered and not accepted under Series contracts is automatically rolled to the next available Series. Below are the acceptance levels:

Series	Sign-up tonnage	Acceptance level	Tonnes accepted
A	1 100	60%	660
B	440	80%	352
C	148	0%	0

The producer would not be eligible for the special delivery provision because total acceptance was 1 012 tonnes (660 + 352), which is higher than the 1 000 tonnes contracted under the FlexPro contract.

If the producer had signed up all 1 100 tonnes on a FlexPro contract before Series A acceptance, he or she would be eligible for a special delivery provision of 88 tonnes (1 100 – 1 012).

However, if he or she signed another 100-tonne PPO contract after Series B acceptance, the delivery guarantee would not apply. The producer would have to assign the shortfall to another producer, buy it out or be assessed pricing damages.