



An agency of the Government of Ontario

2017-20 Business Plan

Table of contents

| | |
|-------------------------------------------------------------|-----------|
| Executive summary | i |
| Mandate | 1 |
| Governance | 3 |
| Risk assessment and management plan | 5 |
| Overview of programs | 6 |
| Environmental scan | 8 |
| Strategic direction | 12 |
| Implementation plan | 16 |
| Performance measures | 18 |
| Resources required | 20 |
| Appendix A: Communication of the business plan | 28 |
| Appendix B: Programs and services | 29 |
| Appendix C: Mandate letter and response | 35 |

Executive summary

As an agency of the Government of Ontario, Agricorp's mandate is to deliver programs and services that help Ontario producers manage their agricultural risk. Agricorp's vision is "To be a versatile, customer-focused organization that works with partners to innovatively deliver programs and services that enhance the vitality of Ontario agriculture." This three-year business plan outlines the agency's focus on keeping its commitments under federal and provincial agreements and on delivering programs efficiently, with attention to quality and customer service.

Agency highlights

Agricorp's core business is delivering business risk management programs to Ontario's producers in the agri-food industry on behalf of the provincial government. The agency also delivers services to support the industry on behalf of producer organizations. In doing so, Agricorp's ongoing challenge is to carefully balance the delivery of programs in a manner that both meets and manages producer expectations, while maintaining effective and efficient operations that are aligned with government expectations and priorities.

To deliver on its mandate, Agricorp has:

- A comprehensive suite of business risk management programs designed to meet the needs of Ontario producers
- A culture of continuous improvement and collaboration with governments and stakeholders
- A governance model that enables effective stewardship of government resources, including processes and structures that include a risk assessment that informs strategy, robust audit plans, and rigorous controls for compliance with legislation and directives
- The expertise, capabilities and in-depth knowledge to deliver programs and services effectively and responsibly
- The skills, competence and confidence to respond efficiently to industry and program change
- Transparent reporting practices that ensure performance is monitored and measured, targeted results are achieved, and risks are identified and managed.

What we have been working on

Agricorp has been implementing a strategy focused on incremental improvements to customer service and delivery efficiency for several years. Operating in an environment of fiscal constraint, the organization has been transforming its delivery through measured steps over time.

The agency has realized efficiencies through the creation of more streamlined processes and better use of technology while implementing cost reduction strategies, without compromising customer service or quality. The focus on making improvements to customer service is evident in the results of the annual customer satisfaction survey. From 2008 to 2011, the agency's customer satisfaction ratings steadily increased, and for the past six years, 2012 to 2017, Agricorp has maintained high customer satisfaction scores.

By standardizing processes and aligning our organizational structure to support these processes, the agency strengthened the foundation from which to improve its information technology systems. Federal and provincial funding from 2012 to 2014 allowed Agricorp to implement phase one of a multi-phased system replacement strategy, the agency's IT Renewal Plan. Phase one enabled Agricorp to fully support government priorities such as implementing

new debt recovery practices, efficiently delivering programs as part of the Ontario Wine and Grape Strategy, and improving online services for Ontario producers.

Since 2014, Agricorp has continued to make incremental improvements to business processes and foundational IT systems, such as improving the interface between program administrative and financial systems. The agency has also been proactively planning to replace its Production Insurance administrative systems. As part of the IT Renewal Plan, and in collaboration with OMAFRA, Agricorp has developed a business case. Through a request for proposal (RFP) process a vendor has been selected that can supply a new administrative system. Agricorp is now working to develop a detailed and costed implementation plan which will be reviewed by OMAFRA and AAFC once completed.

In recent years, discretionary program changes have been reduced, and communications with industry reflected these expectations. The number of industry requests for program enhancements continues to exceed Agricorp's capacity. Priority items have been implemented. Agricorp has also improved how it works with OMAFRA through our coordinated response to mandated program changes and the introduction of new programs. Agricorp is ready to deliver additional programs and will continue to focus on high priority program enhancements and mandated program changes to existing programs over the next three years.

Our environment

The *Growing Forward 2* policy framework, in place until March 2018, is the foundation for government agricultural programs and services. It commits governments to a suite of stable programs that help producers manage risk. Federal, provincial and territorial governments are currently working together to develop the next agricultural policy framework, which will begin in April 2018. Agricorp continues to support both the provincial and federal governments as they prepare for the next policy framework.

Governments face challenges to improve public services while also containing or reducing expenditures. The Ontario government is committed to a balanced budget by 2017-18 while implementing initiatives to transform public service delivery by providing better, smarter and faster public services. These initiatives and variables, such as rapid changes in technology and increased accountability and transparency for agencies, have significant operational impacts on Agricorp.

Recognizing the fiscal climate and current and future business needs and priorities, Agricorp reduced the size of its workforce in 2014 and 2016, while simultaneously taking steps to redesign processes to reduce work and improve efficiency while maintaining an acceptable level of quality. This approach was part of a multi-year plan to enable Agricorp to continue to operate efficiently and maintain service levels with no budget increases. To date, the agency has been successful in maintaining current quality and customer service levels, but there has been significant loss of capacity and flexibility to respond quickly to government and industry needs and initiatives.

In 2015-16, the provincial portion of Agricorp's administrative funding was reduced by three per cent. This reduction triggered a parallel decrease in federal funding. The agency received similar funding for 2016-17 and forecasts comparable funding for the next three years, with no upward adjustments for inflation.

Through careful management of priorities, Agricorp has successfully designed and implemented new business processes and foundational IT systems. The agency improved customer service levels while operating with fixed funding – and more recently with reduced funding – while

offsetting inflationary cost pressures. Further reductions for the agency would result in significant operational impacts and affect services to customers.

Plan highlights – the next three years

Agricorp is implementing a strategy to maintain current levels of service and leverage its expertise and infrastructure to support government priorities.

Agricorp's three strategic themes are:

- Making it easier to do business with Agricorp by improving processes, structures and systems
- Efficient and effective operations that continue to demonstrate value for money
- Ready to deliver additional programs and services that meet the needs of producers and government.

The business plan outlines initiatives, expected outcomes, and performance measures and targets to track progress on implementing this strategy.

Making it easier to do business with Agricorp means enhancements and change for both Agricorp customers and staff. The agency is focused on improving processes, practices and systems to make it simpler for customers and their agents to do business with Agricorp. The goal is to deliver a quality customer experience through simplified, successful interactions that improve the overall customer experience, reduce the touch-points required to complete tasks, and meet customer needs.

This will be achieved by improving existing internal structures, processes and capabilities to enhance Agricorp's ability to respond to changing and new program requirements; implementing a comprehensive insurance and agricultural business knowledge program for staff; and by promoting and enhancing self-service options for customers.

Agricorp will continue to advance the efficient and effective delivery of programs and services. The agency is focused on balancing the needs of customers and government through the prudent use of public funds while supporting the broader government initiative of improving efficiencies in public service delivery to achieve better value for money. The goal is to be an efficient provider of programs and services by improving both internal and customer facing processes and the IT systems that support them, while continuing to receive consistently high customer service ratings.

This will be achieved by investment for implementing phase two of the IT Renewal Plan, the Production Insurance business process and system renewal initiative. This work will enhance efficiency by modernizing work flows and using alternative approaches for program delivery. The agency will also continue to examine costs with inflationary pressures for continued cost containment and savings.

Agricorp is committed to delivering programs and services on behalf of the provincial government. The agency is focused on leveraging its expertise and infrastructure to support the government's priority outcome of a supportive and dynamic business environment through effective program delivery. The goal is to be the delivery agency of choice for agricultural business programs.

This will be achieved by being publicly accountable and having an engaged and adaptive workforce that implements effective business processes and reliable infrastructure, while building awareness of Agricorp's capabilities in government and industry. It involves working with OMAFRA to assess new opportunities for the delivery of government programs and services and implementing enhancements to existing programs.

In closing

Agricorp continues to transform its delivery of programs and services to Ontario producers through measured steps over time. In an environment of fiscal constraint and with recent changes to program design and public accountability and transparency, Agricorp has maintained its reputation as the delivery agency of choice. The 2017-20 business plan builds on this solid foundation.

Mandate

Ontario agencies are diverse, operate in a complex environment with many stakeholders, and are established for a variety of reasons. They are created and continue to exist when there is substantial public interest in or need for the provincial government to play a role in the delivery of a service or function.

There is a significant public interest in a viable and sustainable agricultural industry and in shared federal-provincial responsibility. Agricorp was created to deliver programs and services to the agricultural industry. As an agency, it has organizational and resource flexibility to adapt to the needs of industry and government. Under the governance of an experienced and knowledgeable board of directors, agency staff focus on efficient and effective program delivery while being accountable to the Minister of Agriculture, Food and Rural Affairs. Agricorp supports government by providing advice on agricultural policy and programs, and ensures public confidence through impartial and autonomous decisions within the programs it delivers.

Agricorp was established in 1997 by the provincial government under the authority of the *AgriCorp Act, 1996*. The agency's legislative mandate, as outlined in the *AgriCorp Act, 1996* is to:

- Administer crop insurance plans under the *Agricultural Products Insurance Act, 1996*, and perform duties conferred on it by that Act;
- Perform other duties conferred by any other Ontario statute, by order of the lieutenant governor in Council, or by agreement.

As an agency of the Ontario government, Agricorp delivers business risk management programs to Ontario's agricultural industry on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). Agricorp is responsible to the Ontario government to deliver programs while maintaining the highest standards for fiscal responsibility, transparency, accountability, risk management and customer service.

In the fall of 2016, Ontario's Minister of Agriculture, Food and Rural Affairs issued a mandate letter to Agricorp outlining his expectation of Agricorp for the 2017-18 fiscal year. Refer to Appendix C for a copy of the mandate letter and a summary of how Agricorp plans to meet the Minister's expectations.

Vision

Agricorp's vision is to be a versatile, customer-focused organization that works with partners to innovatively deliver programs and services that enhance the vitality of Ontario agriculture.

Agricorp's customer-focused vision supports the Ontario government's agenda of building a strong and growing economy and achieving a balanced budget by 2017-18, and aligns with OMAFRA's vision of achieving a thriving Ontario agricultural, agri-food and agri-based products industry.

The two largest programs Agricorp delivers, AgriStability and Production Insurance, are cost-shared by the federal and provincial governments. Agricorp also delivers the Risk Management Program on behalf of the province. These programs help Ontario producers manage risks associated with operating a farm business, such as adverse weather and fluctuating input costs and market prices.

Mission

We connect producers with programs. We partner to deliver risk management programs that are responsive to the changing needs of agriculture.

Delivery is our strength. We focus on efficient and effective delivery of programs with quality, integrity, and transparency.

Customers are our priority. We want to deliver consistently professional services and programs that provide security today while helping our customers manage their risks in the future.

Our people are the foundation of our success. Collaboration and continuous improvement harness our many strengths for a common focus.

We are publicly accountable. Through the prudent expenditure of public funds, we deliver programs on behalf of our agricultural and government partners with consistency, openness, and dependability.

Core qualities

Agricorp promotes five core qualities to guide employees' daily activities and help them achieve the organization's vision and mission.

Agricorp's employee recognition program, High Five, formally and informally recognizes staff who demonstrate one or more of the five core qualities in the workplace. It promotes a "recognition culture" at Agricorp by emphasizing the importance of acknowledging the efforts and accomplishments of all employees. Agricorp wants its employees to be:

Proactive – we are always looking for opportunities to improve. We act in advance to deal with expected difficulties.

Collaborative – we work together to foster a shared vision. We support and encourage each other.

Quality-focused – we take pride in our work. We do the right things the right way, to the highest possible standard.

Efficient – we work effectively with a minimum of waste, expense, or unnecessary effort. We look for ways to do our jobs as easily and as quickly as possible, without compromising quality.

Professional – we meet our commitments and do our jobs with integrity. We strive to earn the trust of others through our actions, the quality of our work, and our attitude.

Governance

Agricorp is governed through legislation, a board of directors that reports to the Minister of Agriculture, Food and Rural Affairs, a collaborative relationship with OMAFRA and through day-to-day management. By rigorously adhering to regulatory requirements and best management practices, Agricorp ensures sound and consistent governance throughout the organization.

Legislation and directives

Agricorp is a provincial Crown corporation created in 1997 under the authority of the *AgriCorp Act, 1996* and is classified as a board-governed agency. The Act outlines Agricorp's purpose, powers, mandate, and structure and authorizes Agricorp's board of directors to create bylaws detailing the board's operating policies.

As a board-governed agency, Agricorp has the financial and operating authority to carry on business and conduct operations in support of its mandate. Agricorp's board of directors is accountable to the minister for the achievement of Agricorp's mandate. The agency is responsible for the judicious use of public resources, follows leading governance practices, and is guided by the highest standards of conduct.

Agricorp must comply with provincial government directives that guide agencies in the delivery of services to the public. The Agencies and Appointments Directive (AAD) provides the accountability framework within which Agricorp operates.

Board of directors

Agricorp's board members are leaders in agriculture, business and community. Members are appointed by the lieutenant governor through an order-in-council on the recommendation of the Minister of Agriculture, Food and Rural Affairs. Members serve terms of up to three years and are responsible for the overall performance of Agricorp. The board and its committees typically meet quarterly, or as required by business demands, and have an annual strategic planning session.

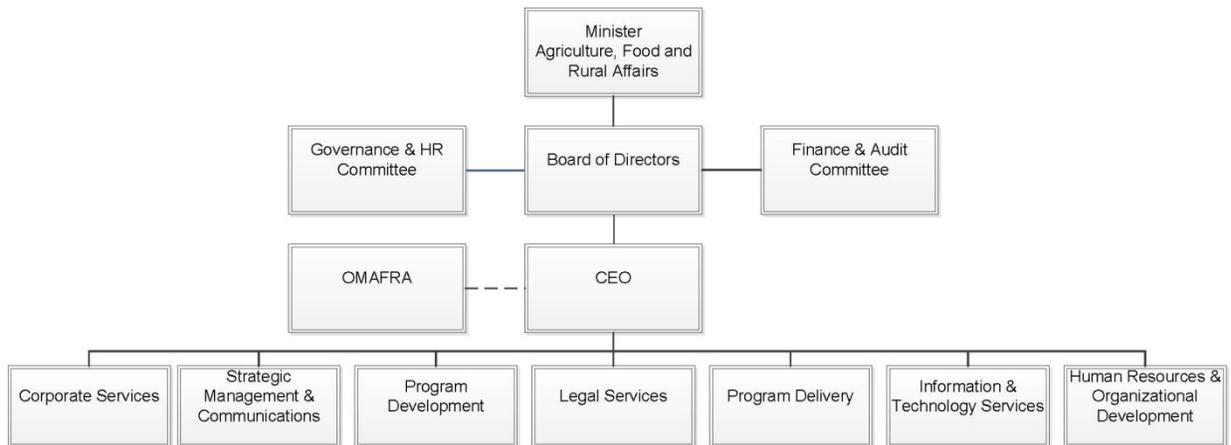
The board of directors is accountable to the minister, through the board's chair, for setting goals, objectives and the strategic direction for Agricorp, within its mandate. The board oversees Agricorp's operations through several accountability mechanisms, including:

- Memorandum of understanding
- Program agreements
- Strategic plan
- Annual report
- Audits
- Financial and performance reporting
- Annual compliance attestation

Relationship with OMAFRA

A memorandum of understanding, based on the AAD, signed by the minister and board chair and submitted to Treasury Board Secretariat, clarifies expectations and covers financial, staffing and administrative matters, and reporting requirements. It also defines the relationship between OMAFRA and Agricorp, including the roles and responsibilities of the minister, the deputy minister, the chair of the board, the board of directors and the chief executive officer of Agricorp.

Agricorp's governance structure



Risk assessment and management plan

Agricorp takes a comprehensive approach to identifying risks, assessing exposures and opportunities, and developing appropriate action plans so that risks are managed in a way that enables the agency to meet its objectives. The agency has processes and structures in place to implement its Risk Management Framework. Implementation requires engagement from its board of directors, Agricorp management and staff, and OMAFRA.

The Finance and Audit Committee (FAC) of the board of directors provides oversight and monitoring of the Risk Management Framework. The committee is responsible for assessing whether risk acceptance and control decisions made throughout the organization are appropriate, reviewing and approving the agency's risk management plan and audit plans, receiving and reviewing audit reports, and reviewing how management responds to and acts on audit recommendations.

Agricorp's Enterprise Risk Assessment Committee (ERAC), a sub-committee of the senior management team, coordinates audit activities with the federal and provincial governments and through Agricorp's own internal audit program. It is responsible to develop and recommend a three-year rolling audit plan and a risk management plan to FAC annually. ERAC's mandate is to foster a risk-based approach to the delivery of programs and services and the management of risk reviews, audit plans and audit activity.

The agency has a well-established risk assessment program that includes a suite of scheduled internal and external audits to ensure compliance with legislative and program agreements. The risk assessment program is reviewed and monitored regularly to ensure all levels of organizational risk are identified and proper controls are in place to mitigate them.

Agricorp has developed, and continues to monitor and enhance, risk management plans, policies, and practices. Its board of directors and management have prepared and implemented a series of robust risk management strategies that monitor ongoing program delivery, workforce, communication, financial, and reputational risks, as well as the organization's business objectives.

In collaboration with OMAFRA, Agricorp annually develops a Risk Assessment and Management Plan, which includes actions Agricorp will undertake to reduce, mitigate and fully understand these risks. The Risk Assessment and Management Plan is an integral part of the accountability mechanisms in place between Agricorp and OMAFRA. The plan is developed early in Agricorp's planning cycle, as it is used to inform the development of the agency's business plan and OMAFRA's planning process. Throughout the year Agricorp monitors and reports on these risks to its board of directors and to OMAFRA.

Overview of programs

Overview

Agricorp's primary focus is to deliver programs and services to help Ontario producers manage the business and agricultural risks they face every day. Agricorp delivers a suite of risk management programs and provides services for government and industry groups.

The three main programs that Agricorp delivers are AgriStability, Production Insurance and the Risk Management Program (RMP). AgriStability and Production Insurance are part of the suite of programs established under the federal-provincial-territorial *Growing Forward 2* agricultural policy framework. The costs are funded by the federal and provincial government on a 60:40 basis. RMP is funded by the Ontario government. Agricorp is responsible to the provincial government to administer these programs while maintaining the highest standards for fiscal responsibility, transparency, accountability, risk management and customer service. In 2016-17, Agricorp delivered business risk management programs to more than 43,300 Ontario producers.

Agricorp's goal is to provide predictable, consistent and quality customer service while continuing to earn the confidence and trust of Ontario's agricultural producers.

Major programs

AgriStability

AgriStability is a business risk management program that helps producers with severe farming income losses caused by adverse market conditions, production loss or increased costs of production. If a producer's program year margin falls below 70 per cent of their average historical reference margin, AgriStability helps to offset the difference. The program is available to producers of all agricultural commodities.

To date, Agricorp has processed \$61.3 million in claim payments for the 2015 program year for more than 1,580 customers who incurred losses. For the 2016 AgriStability program year, Agricorp has underwritten more than 12,610 producers and has delivered \$1.6 million in interim payments.

Production Insurance

Production Insurance is a business risk management program that compensates Ontario producers for yield reductions and production losses caused by adverse weather and other insured perils, such as disease, wildlife and insect infestations. Production Insurance provides effective coverage for 100 commercially grown crops in Ontario. Producers may choose from a variety of plans, and coverage is available on a total-yield, dollar-value, or acreage-loss basis. Payments are triggered when an insured peril causes the harvested yield to fall below guaranteed production levels or predetermined thresholds.

For the 2016 crop year, Agricorp underwrote more than 14,250 producers in Production Insurance, representing 5.1 million acres and \$3.1 billion in liability. Claim verification resulted in more than \$125 million in payments to more than 7,750 producers who had yield reductions and crop losses.

Risk Management Program

The Risk Management Program (RMP) is designed to help Ontario producers offset financial losses caused by low commodity prices and rising production costs. The program offers six plans for producers of grains and oilseeds, livestock (cattle, hog, sheep and veal) and edible horticulture. For most plans, RMP works like insurance and producer premiums are based on a choice of coverage levels and options. Payments are triggered if the commodity's average market price falls below the average cost to produce the commodity and the chosen coverage level. For the edible horticulture plan, the producer deposits funds in a self-directed account to receive a matching government contribution. The producer may withdraw funds to offset financial losses.

For each program year, \$100 million is available for claim payments and administrative costs. To ensure the equitable distribution of funding across all plans throughout the year, interim payment rates are used until final claim amounts are known.

For the 2015 program year, Agricorp underwrote nearly 10,000 producers who were enrolled in one or more of the six plans and used the \$100 million in available funding.

Other government programs

Agricorp delivers other government programs that benefit producers by ensuring the overall financial health and security of specific agricultural sectors.

For a detailed description of all programs delivered by Agricorp, such as Farm Business Registration and the Marketing and Vineyard Improvement Program, see Appendix B.

Services that support the agricultural industry

Agricorp provides services to industry and government to support and enable a competitive, productive and sustainable agri-food sector. These services include:

- Data management for the Ontario Apple Growers, the Grape Growers of Ontario and the Ontario Tender Fruit Growers
- Mapping services for the Ontario Ginseng Growers Association
- Financial analysis for the Dairy Farmers of Ontario
- Secretariat and financial support services for the Grain Financial Protection Board
- Payment management for the Farmer's Risk Management Premium Fund

For a detailed description of the services Agricorp provides to industry and government, see Appendix B.

Environmental scan

The environmental scan describes the business environment in which Agricorp operates. It identifies key trends, events and issues that present risks and opportunities to the agency. This allows Agricorp to be proactive in assessing and responding to changes in its internal and external environment.

Agricorp is an agency of the Ontario government, and as such, the priorities and policies of government have a significant influence – and at times a direct effect – on Agricorp. This environmental scan highlights many of these influences and effects.

External environment

Ontario's political landscape

With the re-election of the Liberal leadership in June 2014, Ontario experienced a shift from a minority to a majority government. Now mid-way through their term, the Ontario government continues to focus on growing the economy, creating jobs and balancing the budget by 2017-18. In September 2016, the Premier reissued mandate letters to each minister outlining their priorities including economic growth, job creation and achieving a balanced budget which is fundamental to building a strong future for Ontario.

In the fall of 2016, the Minister of Agriculture, Food and Rural Affairs issued a mandate letter to Agricorp outlining his expectation of Agricorp for the 2017-18 fiscal year. For a copy of the mandate letter and a summary of how Agricorp plans to meet the minister's expectations, see Appendix C.

A balanced budget

The 2016 budget reinforced the commitment to eliminating the deficit by 2017-18 while building Ontario up through priority investments that create jobs, expand opportunity and secure prosperity for all Ontarians. The 2016 budget continued to look for ways to transform programs, manage compensation costs, ensure fair taxation and realize the value of provincial assets.

Open for Business

Delivering better products and services, while reducing red tape, continues to be a part of the provincial government's plan to create a more competitive environment for businesses. Ontario's Open for Business initiative remains a priority and is focused on creating faster, smarter and more streamlined government-to-business services. This initiative is a key part of the government's commitment to make the province more attractive to business while continuing to protect the public interest. For the agri-food industry, Open for Business focuses on creating a regulatory, client-centered environment that supports economic success and makes it easier for producers and industry to do business.

Open Data

Ontario's Open Data initiative is about creating a more open and transparent government for the people of Ontario. Open data means sharing government data online and providing information to help Ontarians better understand how government works. Open data provides Ontarians with more opportunities to weigh in on government decision making to help improve programs, policies and services.

Red Tape Challenge

The Red Tape Challenge was launched in the spring of 2016 as part of Ontario's Open Government Initiative and is focused on creating a more transparent, accessible and collaborative government. The province will work with six sectors over the next two years, to

analyze ideas, prioritize changes that that will save businesses the most time and money, and research best practices in other areas. In the summer of 2016, consultations were held with the food processing industry and the final report will be available in the spring of 2017.

Program Review, Renewal and Transformation

Ontario's Transforming Public Services strategy, which began in 2012, is advancing a number of initiatives focused on reducing the rate of spending, reducing program spending and consolidating business support programs. As part of this strategy, Ontario ministries undertook a number of agency reviews in 2013 to identify savings and increase efficiency, including a joint ministry-agency review of Agricorp completed in early 2014.

In 2014, the provincial government introduced Program Review, Renewal and Transformation (PRRT), a new approach to planning and budgeting. PRRT is about more than saving money. It is a continuous planning approach focused on improving outcomes for government programs and services to ensure they are effective, efficient and sustainable. OMAFRA and Agricorp are actively reviewing programs to consider alternative delivery options.

Growing the agri-food sector

In 2013, the premier introduced an Agri-Food Challenge which challenged the province's agri-food industry to double its growth rate and create 120,000 jobs by 2020. To meet this challenge, the sector is identifying growth opportunities, leveraging its strengths to develop domestic and foreign markets, and collaborating with government. The Agri-Food Growth Steering Committee continues to provide advice to the minister, which includes recommendations such as having the Ontario government and industry work together to champion the importance of food processing as a priority for the next federal-provincial-territorial agricultural policy framework.

The province has thousands of hectares of productive farmland, a rich diversity in foods produced, and an agri-food sector that is a major player in Ontario's economy. It currently generates \$36 billion a year in gross domestic product and sustains 790,000 jobs – about one in every nine jobs in the province.

In 2016, the Ontario agri-food industry increased exports by 12.9 per cent and jobs by 0.8 per cent over 2015 levels.

Ontario Ministry of Agriculture, Food and Rural Affairs

OMAFRA continues to strive to be a global leader unleashing the potential of Ontario's rural and agri-food systems. Protecting and assuring the agri-food system, providing stewardship of Ontario's capacity to produce food, and fostering the economic development of the sector and rural Ontario all make OMAFRA unique.

Agricultural industry

Most sectors of the agricultural industry are at risk from weather and climate, and are they experiencing more variability and extremes in daily and seasonal weather patterns. This makes agricultural production more challenging, affecting product supply and demand, as well as commodity prices. Agricultural demographics continue to change, with a declining number of farms and increases in the average farm size, combined with an aging farmer population.

The current agricultural policy framework reinforces the commitment of federal, provincial and territorial governments to innovation, competitiveness and marketing, and to the continuation of business risk management programs, providing some stability to the sector.

Provincial-only programs also support the agricultural industry. The Ontario government has an ongoing commitment to provide programs and services to Ontario producers, such as the Risk

Management Program, the Grain Financial Protection Program, Farm Business Registration, and the Farm Property Class Tax Rate Program.

Technology

Technological advances continue to provide the industry with the competitive edge it requires to be successful. The industry continues to invest in precision agriculture, automation and access to “big data.” Advances in these areas help producers realize increased efficiencies and profitability. In the fall of 2016, the University of Guelph received \$76.6 million in research funding to start a digital revolution in food and agriculture. By improving high-tech information systems, producers will be able to produce enough food for a growing population while continuing to sustain ecosystems

Environmental impacts

In May 2016, Ontario passed the *Climate Change Mitigation and Low-Carbon Economy Act*. Under this new legislation money raised from Ontario’s cap and trade program will be deposited into a new Greenhouse Gas Reduction Account. Agriculture has been identified as a key sector producing six per cent of the provinces total greenhouse gas emissions. The province has committed to spending up to \$8.3 billion on a range of programs to encourage people and companies to switch to more energy-efficient systems, and help the agriculture and industrial sectors adopt low-carbon technologies.

Federal mandate

A majority Liberal government was elected in October 2015 and the prime minister has provided each minister with a mandate letter outlining their priorities. The overarching goal for the Minister of Agriculture and Agri-Food is to support the agricultural sector in being more innovative, safer and stronger and a leader in job creation through policy and financial tools. Priorities include helping the sector with water management, research and innovation, food safety, and getting product to market.

The current agricultural policy framework *Growing Forward 2* expires in 2018. Federal, provincial and territorial ministers of agriculture are working towards making sure that Canada’s agricultural sector advances, grows and prospers and that it continues to be a cornerstone for the economy and for Canadians. Agricorp continues to support both the provincial and federal governments as they prepare for the next policy framework.

Internal environment

Managing change

As a government funded agency, there is always potential for change based on government policy and industry needs. The challenge is in managing the uncertainty of the degree of change. Agricorp has been able to manage change over the years, as priorities, policy and industry needs evolved. 2017 and beyond will be no different.

Administrative funding

In alignment with the Government of Ontario’s fiscal restraint, Agricorp remains committed to prudent fiscal management while providing trusted and transparent delivery of programs and services. With no growth in administrative funding for government programs, Agricorp is finding cost savings and identifying further efficiencies in program and service delivery.

For several years, Agricorp has found cost savings to offset inflationary cost increases and will continue to look for efficiencies and cost savings in 2017 and future years. The agency

anticipates a flat-line budget for 2017-18 and subsequent years, with no budget increases for inflation.

Workforce environment

Agricorp's skilled and knowledgeable workforce enables the agency to respond quickly and effectively to the changing needs of the agricultural industry and governments while maintaining quality customer service. At the same time, program changes and the need to find better, smarter and faster ways to manage the day-to-day work continue to challenge Agricorp's workforce.

Based on the most recent employee engagement survey, Agricorp employees continue to have a high level of overall engagement, general satisfaction and commitment to the organization. Improvements were noted in the satisfaction with communication between senior management and employees. The sharing of best practices across Agricorp is an area where employees would like to see improvements.

Agricorp continues to align its compensation policy with the expectations of the provincial government for continued restraint in public sector compensation. Agricorp completed a compensation review in 2016 and adjustments were incorporated to ensure Agricorp's compensation remains competitive and aligned with provincial government expectations.

Technology and innovation

Advancing technology and finding innovative solutions has been a strategic initiative of Agricorp for several years, and the agency now has the foundation in place for the future. While stabilizing and maintaining existing IT systems, the agency also built systems and processes to centralize customer data collection, data storage and financial transactions across all programs.

Agricorp continues to work with the federal and provincial governments to further advance its Information Technology Renewal Plan. The agency is working with OMAFRA to secure investment to replace its legacy Production Insurance administrative systems which are outdated and cannot take advantage of current innovations in digital technology. System replacement will enable continued efficiency, accuracy and integrity in program delivery.

Through a request for proposal (RFP) process, Agricorp has selected of a vendor that specializes in standard insurance industry solutions. By leveraging standard industry workflows and the vendor's system functionality, the agency is building a detailed implementation plan to share with OMAFRA and Agriculture and Agri-Food Canada, prior to the investment being approved. As today's agricultural industry continues to embrace the convenience of technology, Agricorp is advancing key strategic initiatives and developing the tools to provide customers with efficient and convenient online services for 2017 and beyond.

Strategic direction

As an agency of the provincial government, Agricorp's mandate is to administer crop insurance plans under the *Agricultural Products Insurance Act, 1996* and to perform other duties conferred on it by the Ontario government. The agency's strategic direction is centered on successfully performing these duties while supporting the government's efforts to promote competitive and productive agriculture, food and bio-products sectors, with economic growth and opportunities for rural Ontario.

The premier has challenged the agricultural industry to double its annual growth rate and create 120,000 jobs by the year 2020. The *Growing Forward 2 (GF2)* agricultural policy framework supports innovation, competitiveness and market development, and includes a suite of business risk management programs. GF2's federal-provincial funded programs such as Production Insurance and AgriStability, combined with provincial programs, such as the Risk Management Program (RMP), provide Ontario farmers with a suite of programs to help manage risk. Agricorp's delivery of these programs provides a level of financial security and a measure of predictability for Ontario farmers to grow the agricultural industry.

Governments face challenges to improve public services while containing expenditure growth. Fiscal constraint and relevant programs are two key drivers for Agricorp. After completing program delivery reviews, Agricorp reduced program administrative costs and improved online self-service without reducing customer service levels. To identify further efficiencies, Agricorp is examining infrastructure costs and improving information technology systems and business processes.

Agricorp understands the need to document and standardize business processes that are supported by robust information technology systems. With foundational accounting and customer data systems and processes in place, we are working to replace program-specific information technology systems to gain further efficiencies and improve customer service.

The strategic direction of Agricorp is similar to previous years but has been adjusted to reflect environmental change and the needs of government and industry. The agency will continue to focus on operational efficiency and effectiveness, strive to make it easier for customers and staff to complete their program responsibilities and be ready to deliver relevant programs on behalf of the provincial government. The strategy is described below.

Agricorp is easy to do business with

Making it easier to do business with Agricorp is important for both its customers and its staff. Customers rely on technology to remain productive and competitive. They want and expect Agricorp to provide them with convenient and easy-to-use self-service channels. To accomplish this, Agricorp staff need the knowledge, capabilities, business processes and structure to enable a straightforward and efficient customer experience.

Easier for customers

Agricorp has laid the foundation for customer self-service channels. Customers now have online access to their program information and can conduct business with Agricorp through a secure web portal. The agency is streamlining processes across programs, is encouraging customers to use less expensive channels and is expanding online services so customers will select digital transactions by default. Accelerating the development of transactional services and moving them online, aligns with the provincial government's e-services strategy, will result in a more efficient self-service experience for customers, and will achieve some administrative cost savings.

Ontario's farm businesses are diverse in livestock type, crop and size as well as management practices and growing conditions. Agricorp recognizes this diversity and will take a tiered approach to customer service to accommodate the range of farm businesses. While easy-to-use, self-service channels will become the first point of contact for more customers, other service channels, such as telephony and face-to-face, will still be available. Where specific support is needed, customers will be assisted by the call centre or by other specialized staff.

To enable effective risk management decision making, producers must understand business risk management programs and the outcomes they can expect from participating in them. Agricorp will continue to work with governments and industry to build awareness and inform producers of business risk management programs.

Easier for staff

Since its inception in 1997, Agricorp has experienced significant program and organizational growth. In recent years, the agency has made changes to its business practices and improved management of the business. While Agricorp has had a good track record of managing change, there is room to be more effective in how the agency coordinates its efforts and expertise across the organization. The goal is to ensure the appropriate structure, processes and capabilities are in place to further enable the agency to efficiently deliver changing programs while being responsive to government and industry needs.

Knowledge of the business of farming, associated risks, and how Agricorp delivers programs is foundational for Agricorp staff. Building on employees' foundational knowledge and their understanding of program design will assist employees in delivering quality customer service while taking into account the perspective of the farm operation.

Expected outcomes:

- Customers interact with knowledgeable and skilled staff that understand their farm business, their risks and how programs help manage these risks.
- Knowledgeable producers make informed business risk management decisions.
- Easy to use self-service channels are the preferred point of contact for customers to do business with Agricorp.
- The customer experience for farmers and business partners is aligned with Agricorp's customer service direction, government expectations and the fiscal environment.

Agricorp has efficient and effective operations

Agricorp is responsible for the development and implementation of all processes, systems and tools needed for effective and responsible delivery of programs and services. The majority of the agency's resources are engaged in day-to-day program delivery. The remainder are focused on implementing industry-requested or government-mandated program changes and on continuing to advance Agricorp's efficient and effective operations. The agency regularly reviews its program delivery model to remain aligned to the size, scope and complexity of the programs it delivers. Compared to similar providers, Agricorp is a low-cost provider of programs and services and has achieved consistently high ratings for customer service over the past seven years.

Technology plays a critical role in enabling and driving service delivery productivity. Agricorp's IT Renewal Plan takes a fiscally responsible approach by dividing the strategy into phases. While Agricorp has made significant progress by stabilizing program delivery systems, implementing a customer relationship management tool, developing a common system to manage accounting functions, and creating a secure web portal for customers, continued investment is required.

Funding for phase one of Agricorp's IT Renewal Plan ended in 2014. Agricorp is working with governments to secure funding for its Production Insurance business process and system renewal initiative. This investment will enable the agency to remain efficient and to more effectively implement program design changes, providing long-term benefits to government and industry.

Mandated design changes to AgriStability have reduced the number and size of payments, and program participation continues to decrease incrementally as some producers see less value in this risk management program. A review of customer-facing and internal business processes enabled Agricorp to adjust its delivery model to more proportionally correspond to the redesigned program and to fit within fiscal limitations. Adjustments to Production Insurance business processes, combined with the replacement of Production Insurance administrative systems, will enable further opportunities to lower administrative costs and to implement a multi-program service delivery model to better serve Ontario farmers.

Expected outcomes:

- New Production Insurance business processes and a modern information technology system enable a fundamental change in how Agricorp conducts business with its customers, with increased internal efficiency and sustained quality customer service.
- Use of a risk-based approach provides cost effective, timely and accurate file processing and delivery.
- Streamlined and clarified quality control processes support effective and efficient program and service delivery.
- Systems and processes have a multi-program customer orientation to support customer, government and industry needs.

Agricorp is ready to deliver

Being ready to deliver means that Agricorp is flexible and adaptive to the program delivery needs of the provincial government. The agency will contribute to the provincial government's Open for Business initiative of providing more streamlined government-to-business services, which will enable competitive and productive agriculture, food and bio-products sectors.

Agricorp has worked with OMAFRA in a few focused program areas to reduce the burden on producers for items such as duplicate reporting and multiple contacts across programs. Consolidating the delivery of similar programs will help producers better connect with a range of programs and services, reduce annual program delivery costs, and ultimately support OMAFRA in fostering a competitive, productive and sustainable agri-food industry.

Relevant risk management programs provide producers with the tools they need to manage risks and the confidence to make investments and to be innovative. Producers who participate in risk management programs have a level of financial security that gives confidence to other businesses they deal with, such as financial institutions and input suppliers. Relevant risk management programs also reduce the need for governments to fund ad hoc programs.

Agricorp has effectively implemented design changes for RMP, FBR, AgriStability and Production Insurance, meeting government expectations. Over the next three years, Agricorp will continue to focus on high priority enhancements, including investigating options for expanding Production Insurance. Our goal is to ensure that the programs and services delivered today - and in the future - are relevant to the changing needs of the agricultural industry.

Expected outcomes:

- Enhanced programs and services remain relevant to the changing needs of a competitive and productive agricultural industry.
- Flexible and adaptive program delivery approach meets future customer and government needs.
- Agricorp is the delivery agent of choice for agricultural business programs in Ontario.
- Efficiencies are realized through consolidated program delivery.

Implementation plan

Recognizing current fiscal limitations, Agricorp's actions are focused on continuous improvement of programs and services, while supporting the broader government initiative of improving efficiencies in public service delivery to achieve better value for money. Implementation is focused on improvements to core businesses that will support the agency in maintaining a high level of service to customers and government, while maintaining programs that are relevant for producers today and in the future.

Agricorp is easy to do business with

Making it easier to do business with Agricorp means enhancements and change for both Agricorp customers and staff. We are focused on improving processes, practices and systems to make it simpler for customers and their agents to do business with us. Our goal is to deliver a quality customer experience through simplified, successful interactions that: improve the overall customer experience, reduce the touch-points required to complete tasks, and meet customer needs.

Initiatives

- Develop and implement a program information and promotional strategy to improve Production Insurance product awareness among producers.
Timeline: 2017-18
- Update the design of agricorp.com to present information by program and enhance the search function to make it easier of find program information.
Timeline: through to 2018-19

Agricorp has efficient and effective operations

Agricorp will continue to advance efficient and effective delivery of programs and services. We are focused on balancing the needs of customers and government through the prudent use of public funds while supporting the broader government initiative of improving efficiencies in public service delivery to achieve better value for money. Our goal is to be a low-cost provider of programs and services by improving both internal and customer facing process and the IT systems that support them, while continuing to receive consistently high customer service ratings.

Initiatives

- Implement program delivery efficiencies by modernizing work flows and using alternative approaches to delivery processes developed in the Production Insurance review.
Timeline: through to 2019-20
- Examine costs with inflationary pressures for continued cost containment and savings.
Timeline: through to 2019-20
- In collaboration with OMAFRA, receive investment for and implement phase two of the IT Renewal Plan, the Production Insurance business process and system renewal initiative.
Timeline: through to 2019-20

Agricorp is ready to deliver

Agricorp is committed to delivering programs and services on behalf of the provincial government. We are focused on leveraging our expertise and infrastructure to support the government's priority outcome of a supportive and dynamic business environment through

effective program delivery. Our goal is to be the delivery agency of choice for agricultural business programs. We will achieve this by being publicly accountable and having an engaged and adaptive workforce that implements effective business processes and reliable infrastructure, while building awareness of Agricorp's capabilities in government and industry.

Initiatives

- Implement enhancements to Production Insurance plans.
Timeline: through to 2019-20
- In collaboration with OMAFRA, assess opportunities relating to the delivery of government programs and services.
Timeline: through to 2019-20
- Develop and implement a comprehensive insurance and agricultural business knowledge program for all employees.
Timeline: through to 2019-20

Performance measures

A core set of balanced performance measures has been identified for the purpose of demonstrating Agricorp's operational effectiveness and accountability to government. These measures demonstrate the agency's effectiveness, efficiency, innovation and level of customer satisfaction. The agency uses a more comprehensive set of measures internally and has the capability to drill down to describe results. These detailed measures are reported quarterly to Agricorp's board of directors.

| Key performance indicator | Target | Past performance |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer satisfaction with quality of service, as measured annually by a customer satisfaction survey. | Achieve a consistently high overall customer service rating equal to the previous three-year average. | 2017 survey - 94% 2016 survey - 92% 2015 survey - 89% |
| Program processing timeline targets are met. | 95% of AgriStability files processed by December 15, 2017. | 2016-17 - 95% by December 7 2015-16 - 95% by November 26 2014-15 - 95% by November 17 |
| | 90% of Production Insurance claims paid within 30 calendar days of receipt of all required information. | 2016-17 - 97.7% 2015-16 - 96.5% 2014-15 - 95.0% |
| | 95% of RMP payments made within 60 days of receipt of all required information. | 2015 RMP: G&O - 99.5% 2015 RMP for livestock - 99.0% 2015 SDRM - 98.6% 2014 RMP: G&O - 98.5% 2014 RMP for livestock - 98.7% 2014 SDRM - 98.0% 2013 RMP: G&O - 98.4% 2013 RMP for livestock - 99.5% 2013 SDRM - 95.5% |
| Customer satisfaction with program delivery as measured annually by a customer satisfaction survey. | Production Insurance - Achieve a rating equal to the previous three-year average. | 2017 survey - 94% 2016 survey - 92% 2015 survey - 95% |
| | AgriStability - Achieve a rating equal to the previous three-year average. | 2017 survey - 72% 2016 survey - 73% 2015 survey - 71% |
| | Risk Management Program - Achieve a rating equal to the previous three-year average. | 2017 survey - 79% 2016 survey - 83% 2015 survey - 75% |

| Key performance indicator | Target | Past performance |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Public accountability and good governance, as demonstrated through regular reporting and effective financial stewardship and control. | Annual Chair and CEO attestation, as required, of compliance with applicable legislation, directives and policies. | 2016-17 - completed April 6, 2016 in compliance with the Agencies and Appointments Directive. |
| | Three-year business plan, including budget and risk management plan, is submitted to the minister. | 2016-19 - February 29, 2016 2015-18 - April 8, 2015 2014-17 - March 11, 2014 |
| | Sound and balanced operational performance and financial reports provided to ministry quarterly. | 2016-17 - financial reports submitted April 15, July 15, October 15 and January 15. |
| | | 2016-17 - operational monthly and interim performance reports provided regularly. |
| | Annual report is submitted to the minister within 120 days of year-end. | 2015-16 report - 118 days 2014-15 report - 120 days 2013-14 report - 119 days |
| | Comprehensive audit control framework in place and monitored by the Agricorp board. | 2016-17 - completed 2015-16 - completed 2014-15 - completed |

Resources required

This section identifies the financial, infrastructure and human resources that will be used by Agricorp to meet its strategic goals and performance measures over the three-year planning horizon. In addition, this section identifies key resource risks and describes how the risks will be managed or mitigated.

Planning assumptions

Plans are established based on a set of assumptions. If the planning assumptions change during the implementation of Agricorp's 2017-20 business plan, the agency will adjust the plan accordingly.

This business plan is developed based on known and projected administrative funding amounts from the provincial and federal governments and producer organizations.

Financial

Given that the Ontario government remains committed and focused on its plan to eliminate the provincial deficit and continues to operate within a framework of fiscal constraint, Agricorp assumes that for fiscal 2017-18 and the two following fiscal years, its provincial-base funding allocation will be the same as it was in 2015-16 and 2016-17. For federal-provincial programs such as Production Insurance, the provincial allocation will be used to determine the federal allocation.

There will be no additional administrative funding for the inflationary cost increases of delivering programs and services. Agricorp will strive to continue to cover inflationary cost increases through efficiency improvements and cost-saving measures.

If new programs are added to Agricorp's delivery suite, additional administrative funding will be provided. If programs are discontinued, the corresponding amount of administrative funding would be removed from the budget, subject to any adjustments for program wind-down costs.

Funding for Agricorp's Production Insurance business process and system renewal initiative, will be a separate investment from the administrative budget for the delivery of programs. Agricorp assumes that multi-year funding for this work, from the provincial and federal governments, will be available starting in 2017-18.

Customer Service

Agricorp has received solid customer service ratings from its customers since 2010. The agency will strive to maintain the current level of customer service over the next three fiscal years, including both time commitments and quality.

Programs

Agricorp will continue to deliver the core programs of Production Insurance, AgriStability, Risk Management Program, Farm Business Registration and the Grain Financial Protection Program for the next three fiscal years. All programs will have normal transactional volumes (e.g. claims, underwriting and within the call centre) for the next three fiscal years.

The *Growing Forward 2* policy framework agreement is in place until March 2018. For 2017-18, Agricorp assumes there will be no material or fundamental changes to the programs it delivers. The next agricultural policy framework is being developed for implementation starting in April 2018. Depending on the final framework agreement, program changes may be required with implementation to commence in fiscal 2018-19.

Agricorp is ready to deliver new programs and services. The agency has the expertise and in-depth knowledge to deliver new programs and services effectively and responsibly, but has limited capacity to implement them quickly. Advanced notice and planning for new programs is critical to effectively use existing resources and to add additional resources as appropriate. The use of existing resources to deliver new programs will have an impact on the delivery of existing programs and services. Agricorp will review these impacts with OMAFRA during the planning stage.

Financial resources

Prudent fiscal management is one of Agricorp's key operating principles. The agency continues to implement efficiency improvements whenever and wherever possible. Recognizing the current economic climate and the increased financial accountability and reporting requirements, Agricorp will continue to focus on achieving and demonstrating results.

The following financial table is based on the known and expected programs and services Agricorp will deliver over the next three years. Funding amounts are based on information available as of January 31, 2017 and were developed based on discussions with OMAFRA.

Expenses and funding

Administrative expenses and funding

| \$ in 000's | Notes | 2016-17 Budget | 2016-17 Forecast * | 2017-18 Estimate | 2018-19 Estimate | 2019-20 Estimate |
|-------------------------------------------|-------|-------------------|-----------------------|---------------------|---------------------|---------------------|
| Administrative expenses by program | | | | | | |
| Agristability | 1 | 13,937 | 12,891 | 13,350 | 13,350 | 13,350 |
| Production Insurance | 2 | 18,964 | 19,539 | 19,640 | 19,640 | 19,640 |
| RMP | 3 | 5,254 | 5,503 | 5,500 | 5,500 | 5,500 |
| All other | 4 | 1,685 | 1,564 | 1,417 | 1,417 | 1,417 |
| Total expenses | | 39,840 | 39,497 | 39,907 | 39,907 | 39,907 |
| Administrative expenses funding | | | | | | |
| Federal funding | 5 | 19,740 | 19,458 | 19,794 | 19,794 | 19,794 |
| Ontario funding | 6 | 13,828 | 13,629 | 13,828 | 13,828 | 13,828 |
| RMP funding (Ontario) | 7 | 5,254 | 5,503 | 5,500 | 5,500 | 5,500 |
| Wine and Grape (Ontario) | 4 | 250 | 152 | - | - | - |
| Other (fee revenue) | 8 | 768 | 755 | 785 | 785 | 785 |
| Total fnding | | 39,840 | 39,497 | 39,907 | 39,907 | 39,907 |
| Funding surplus (deficit) | 9 | - | - | - | - | - |

Assumes Budget is Funding (note: Fed approved Agstab at \$13.9M and PI at \$18.2M +/-10%)

Strategic investments

| | | | | | | |
|-----------------------------------------|----|--|-----|-------|-------|-------|
| Production Insurance system replacement | 10 | | 376 | 3,252 | 3,252 | 2,709 |
|-----------------------------------------|----|--|-----|-------|-------|-------|

* Forecast based on nine months of actual expenses (April to Dec) and best estimate for the remaining three months.

Notes for expenses and funding

1. AgriStability costs are expected to remain comparable to 2016-17 levels.
2. Production Insurance costs are expected to remain comparable to 2016-17 levels, with some development work to improve plans expected each year.
3. RMP costs are expected to remain comparable to 2016-17 levels. Up to \$7.0 million per year is available in future years to cover increased costs in the event of significant changes in transactional volumes or major program changes.
4. All other includes Farm Business Registration (FBR), the Grain Financial Protection Program (GFPP) and Wine and Grape programs (MVIP/VQA Wine Support Program), and services performed for the Farmer's Risk Management Premium Fund (FRMPF), Grain Financial Protection Board (GFPB), and Dairy Farmers of Ontario (DFO), but does not include any additional programs that may be delivered for the ministry in the future.
5. Federal funding is determined as 60 per cent of AgriStability and Production Insurance.
6. Future provincial funding is based on the 2016-17 approved spending envelope.
7. RMP funding is fully provincial and equal to expenses incurred.
8. Other represents fee revenue for programs and services such as FBR and the GFPP, FRMPF and DFO.
9. Overall, 2016-17 forecasted administrative expenses are in line with budget, but there is some pressure at the program level.
10. The Production Insurance system replacement project assumes a 60:40 federal-provincial split. Total budget of \$9.6 million over three years of implementation has been shared with OMAFRA. In 2016-17, the approved funding of \$376,000 is for implementation planning.

Capital plan

Costs for general capital expenditures are incorporated into the overall financial table and are not represented by a specific line item. Other than ongoing computer maintenance, there are minimal capital costs incurred by Agricorp.

Leased vehicle fleet

Each year, Agricorp replaces five to seven vehicles in its leased vehicle fleet of 36 vehicles.

Leasehold improvements

Agricorp has no major leasehold improvements planned.

Production Insurance renewal

Agricorp is seeking investment from the provincial and federal governments for the Production Insurance business process and system renewal initiative. Costs for this work, as developed for the business case, are estimated at \$9.6 million. A portion of this will be capital costs. Approval of funding from OMAFRA and Agriculture and Agri-Food Canada (AAFC) is pending a review of Agricorp's Production Insurance business process and system renewal implementation plan.

Financial resource risks

In 2015-16, Agricorp's provincial base funding allocation decreased by three per cent from 2014-15. This decrease impacted provincially funded programs (e.g., GFPP and FBR) and federal-provincial programs (e.g., Production Insurance and AgriStability). The three per cent reduction in provincial funding for Production Insurance and AgriStability resulted in an additional 4.5 per cent reduction in federal funding. For fiscal 2017-18 and the two following fiscal years, Agricorp anticipates that its provincial base funding allocation will be the same as it was in 2015-16 and 2016-17.

Agricorp's current funding model is a mix of program-specific funding (e.g., RMP and MVIP) and pooled program funding (e.g., AgriStability and Production Insurance). The recent shift from a pooled funding model to a mixed funding model of program-specific and pooled administrative funds constrains Agricorp's functional delivery model, which Agricorp uses to facilitate efficiency.

The functional delivery model approach allows for faster and more effective deployment of resources to the area or program that has the highest priority or operational need. It also provides for a more efficient use of employee resources. While it is understood that the agency needs to continue to meet program accountability and transparency requirements, pooling all provincial administrative funding would help the agency be more efficient and responsive.

To mitigate the risks associated with a constrained fiscal environment, Agricorp has found efficiencies through the creation of more streamlined processes, lowered administrative costs, better use of technology, staff reductions, and ongoing cost avoidance and cost reduction strategies. These efficiencies and cost savings have enabled the agency to stay within its funding allocation while continuing to deliver programs and services that meet the needs of government and industry.

A continuous improvement approach for all programs and services will continue in 2017-18 and future fiscal years. The agency is adjusting its delivery model and resource allocation to ensure that program delivery remains aligned to its funding allocation and the delivery needs of government and producers. Agricorp has significantly constrained non-payroll related costs and will continue with careful vacancy management to stay within the approved funding.

With detailed operational planning and quarterly administrative cost forecasting, Agricorp has improved its ability to work within a constrained fiscal environment and with program-specific funding. Quarterly forecasting also enables Agricorp to keep government informed of administrative costs and assists them in managing funding within and across ministries.

As the delivery agent of agricultural business risk management programs in Ontario, Agricorp works with government and industry groups to keep programs relevant to the changing needs of the agricultural sector. For programs like Production Insurance, this means adjusting, enhancing and adding crop plans as necessary. The addition of a new plan increases ongoing administrative costs for the Production Insurance program. In recent years the additional administrative costs for new plans that are similar to existing plans have been off-set by delivery efficiency improvements, and no additional administrative funding has been required. Flax, oats, barley and adzuki beans are examples of new plans that are similar to existing plans.

Recent changes in provincial legislation have allowed Agricorp to offer insurance for agricultural products for which it has not previously provided insurance. Agricorp now offers insurance for bees, which covers colony losses caused by insured perils during the winter. Since this type of insurance product is different from existing plans, the new administrative costs are greater than those incurred by the recent addition of plans for crops such as flax, oats, barley and adzuki

beans. These new costs put additional pressure on the already constrained funding of the Production Insurance program.

Agricorp had its funding reduced in 2015-16 and has not received funding increases to cover the inflationary cost increases associated with program delivery. To date, the agency has offset cost increases with staff reductions, program delivery model changes, efficiency improvements and cost-saving measures, without reducing the quality of customer service provided. However, Agricorp is nearing the point where it will no longer be able to sustain customer service levels with a flat line budget.

Additional investment by the provincial and federal governments in modern infrastructure and business processes (e.g., Production Insurance business process and system renewal) may enable the agency to continue to offset cost increases in the short term without affecting service levels. However, in the long term, administrative funding increases are required to sustain the current level of customer service Agricorp provides to Ontario farmers. Without administrative funding increases, potential service level impacts could include longer claim processing timelines, increased call centre wait times and reduced call centre hours.

Information technology resources

To successfully deliver programs and services, Agricorp needs to collect, store, process, and provide secure access to customer, financial, and program information. Therefore, Agricorp's information technology resources and infrastructure must effectively support the business processes used to deliver programs.

Agricorp's IT infrastructure is mostly managed in-house and encompasses a wide range of hardware and software components, including eight program delivery systems ranging from a mainframe to client-server to web-based applications. There are also financial and human resource systems. The agency manages informational and transactional websites for both staff and customers and communication infrastructure (e.g. email, telephony) for the call centre and regular business use. A network of hardware and software infrastructure connects staff at three office locations and home offices across the province.

Information technology resource risks

With several information technology systems, multiple office locations and a network of staff across the province, there is a risk of unintentional release of customer information or of Agricorp's IT systems being compromised.

To mitigate this risk, Agricorp has processes in place to maintain the security of customer and program information and security standards for all internal and external documentation (e.g., paper, electronic). This includes training for all staff on procedures relating to confidentiality, disclosure of information and online security. Agricorp limits access to sensitive customer information and has an independent third-party complete an annual security scan which includes intrusion testing.

With several IT systems on outdated platforms, some key business requirements were not being met, such as the ability to link information between programs and provide customers with integrated web services. With the support of OMAFRA and AAFC, Agricorp developed a multi-phase IT Renewal Plan. Recognizing the constrained fiscal environment, Agricorp requested and received funding for phase one, Common Foundations.

From 2012 to 2014, Agricorp developed common customer and accounting data components for use by all program systems. The benefits of this work are being realized. The common customer database is instrumental in implementing cross-program participation requirements.

Common accounting is used to implement new debt recovery practices. As well, customers now have online access to much of their program information and can conduct business with Agricorp through a secure website. The agency is leveraging these common IT components to deliver new programs and to implement additional delivery efficiencies.

However, Agricorp still uses multiple program-specific IT systems to deliver business risk management programs. With a comprehensive system maintenance plan, the systems are stable but lack the required functionality for further cost-effective improvements to program delivery and customer service. With hardware support for the mainframe computer system used to deliver the Production Insurance due to expire, and maintenance costs at risk to increase, Agricorp mitigated the risk in the short term by moving its mainframe computer to a hosted environment.

To mitigate the long-term risks of administering the Production Insurance program on obsolete platforms (i.e. mainframe computer and several related IT systems) and the corresponding risk of decreased availability of resources with the knowledge and skills in obsolete technology, Agricorp has been proactively planning to replace its Production Insurance administrative systems. As part of its IT Renewal Plan and in collaboration with OMAFRA, Agricorp has developed a business case for the replacement of its mainframe computer and associated IT systems. Approval to proceed with a request for proposal (RFP) process was received and a vendor that can supply a new administrative system has been selected. Agricorp is now working with the vendor to develop a detailed, costed implementation plan which will be reviewed by OMAFRA and AAFC once completed. The original business case projected a required investment from the provincial and federal governments of \$9.6 million over three years. The implementation plan will confirm the precise costs.

Replacing the mainframe computer is a priority, as Production Insurance is a cornerstone, long-term business risk management program. The current IT systems do not meet the Ontario government's IT architectural standards, and moving the mainframe computer to a hosted environment is a short-term solution. Replacing the mainframe computer with a more cost-effective, web-based system will enable the agency to implement more efficient business processes, incrementally reduce delivery costs and more effectively respond to government and industry needs. Investment in a new Production Insurance administrative system will enable Agricorp to better serve government and industry, today and in the future.

Human resources

Agricorp's success depends on having a committed and high-performing staff. The agency continues to create and sustain an environment that attracts, retains, motivates and deploys talented employees who can respond quickly to evolving business needs. These efforts provide Agricorp with:

- A professional, knowledgeable and customer-focused workforce that allows Agricorp to respond to changing needs and business opportunities.
- Staff who are accountable for their work and who make timely and prudent decisions to improve operational effectiveness.
- A workforce that executes day-to-day and business objectives effectively, efficiently and with high quality.

Staff numbers

Agricorp is a performance-driven organization with an annual business plan, performance measures and individual performance plans that are reviewed annually with all staff. As of December 31, 2016, Agricorp employed 352 full-time equivalents (FTEs). These are made up of

327 permanent FTEs and 25 contract FTEs, to support the cyclical trends of delivering programs. The agency tracks current and approved positions, contracts and seasonal FTEs against current business needs, funding amounts and prior years' FTEs, to ensure the appropriate balance is achieved.

Human resource risks

In Q4 of 2013-14 and Q4 of 2015-16, the agency reduced its number of FTEs to align staffing levels with program and service delivery needs, business priorities, and the fiscal constraints of its funding allocation. Initially, the reduced number of FTEs enabled savings that were leveraged to improve business processes. More efficient business processes enabled Agricorp to sustain program delivery with a reduced number of FTEs. To manage with the reduced number of FTEs, some work was eliminated through changes in work processes and in how programs were administered. The agency also reorganized and streamlined some functions.

Although Agricorp is ready to deliver programs on behalf of government, this reduced staffing level is limiting Agricorp's ability to respond to emerging government and industry needs without negatively impacting the delivery of existing programs and services. However, Agricorp is working to maintain existing customer service levels and processing targets.

Reduced staffing levels means Agricorp has a number of single incumbent and technical roles that are critical for operational continuity. The sudden loss of one or more of these roles could significantly impact Agricorp's ability to meet business objectives. To mitigate this risk, the agency has business continuity plans in place for senior management roles and is developing plans for single incumbent and technical lead roles. Agricorp also provides ongoing training to management and staff to ensure they have the necessary knowledge and skills for effective and efficient program and service delivery.

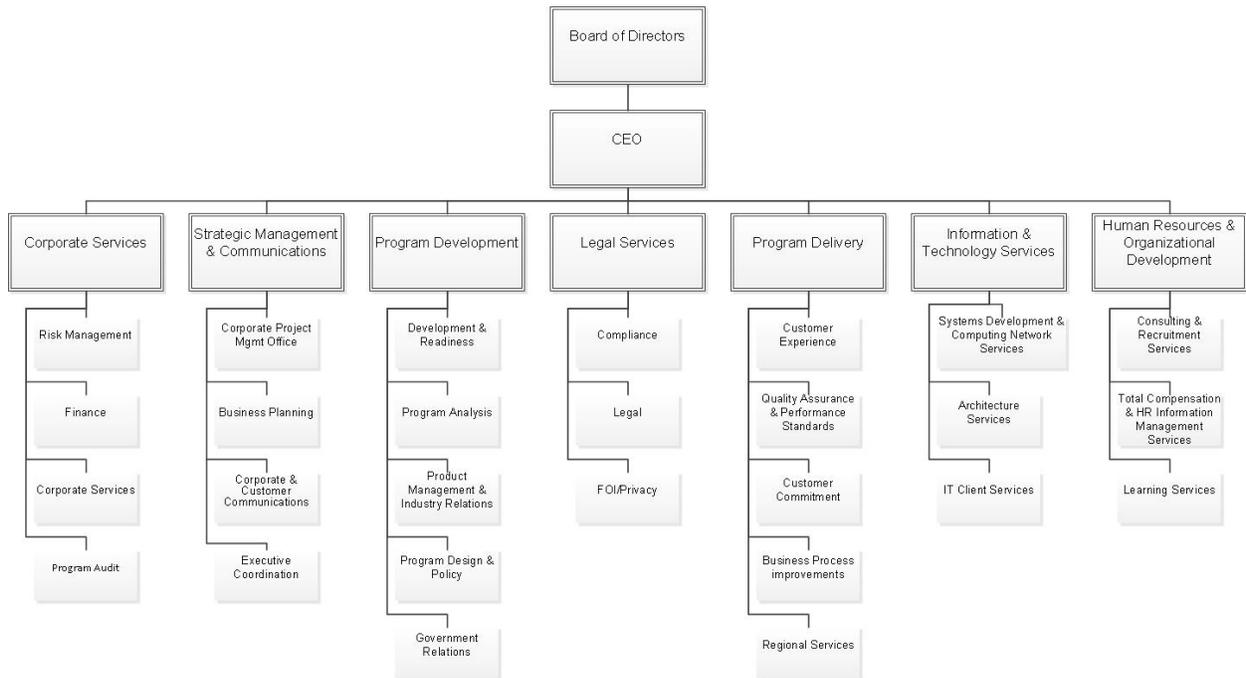
Approximately 80 percent of Agricorp's operating expenses can be attributed to staffing requirements to effectively operate the agency. Agricorp's compensation strategy is conservative, but it must stay competitive to attract, develop and retain talented people while reflecting the financial prudence appropriate for a public entity. Agricorp's compensation structure is intended to be fiscally prudent, fair and competitive, being anchored to the 50th percentile of the market and compliant with the provincial government's expectations for public sector compensation.

Based on third-party benchmarking, with compensation structures unchanged since 2007, the agency's compensation had been in the lower quadrant of the 50th percentile since 2012. This, combined with limits on Ontario public sector compensation, presented risks to attract and retain talented people.

In 2016, Agricorp adjusted its compensation structure to provide compensation that aligns to Ontario public sector. Senior management salary structure remains unchanged and frozen since 2011 based on provincial legislation. Regulation will require executive compensation policy to be developed in 2017. This compensation adjustment and an annual compensation review mitigate the risk of employee salaries being out of alignment with the 50th percentile. If salaries are significantly below the 50th percentile there is risk of not being able to attract and retain talented people.

Employee engagement survey results continue to identify the lack of sharing of best practices across Agricorp as an area of concern for many employees. This lack of sharing of best practices can impede progress in key projects and communication between areas of the organization. To mitigate this risk, Agricorp is gathering more information to better understand the employee's perspective and is continuing work to identify ways for employees to share ideas.

Agricorp's organizational structure



Appendix A: Communication of the business plan

Background

By identifying critical issues and priorities, and by establishing goals, performance measures and initiatives the business plan sets the overall direction for the agency and maps out its future. Based on the plan, Agricorp develops annual operational plans, which segment the strategy into achievable activities and projects for the year. All of the agency's work must tie into the operational plan and, by association, the business plan.

Agricorp's 2017-20 business plan continues the course set for the agency more than a year ago. The state of the industry, government priorities, relevant policy, the social and environmental context, as well as Agricorp's own measurements such as the annual customer satisfaction survey and employee engagement survey, all help inform the business plan.

Objectives

- Ensure that Agricorp staff understand the 2017-20 business plan, why these priorities were identified, and how their work contributes to accomplishing the goals.
- Ensure that government and industry understand the 2017-20 business plan and how it aligns with and supports government and industry priorities.
- Demonstrate Agricorp's commitment to transparency and public accountability with government and industry by highlighting the importance of not only what we do but how we go about doing it through Agricorp's strategic direction.
- Support the successful delivery of key initiatives contained in the 2017-20 business plan.

Key messages

Agricorp's 2017-20 business plan:

- Sets the overall direction for the organization
- Directs the priorities in Agricorp's one-year operational plans by segmenting the overarching strategy into achievable activities and projects for the next year
- Aligns with and supports industry and government priorities for a competitive, productive and sustainable agri-business sector.
- Sets the performance measures and targets against which the board of directors evaluates Agricorp's work at the end of every year.

Tactics

- Through regular and on-going discussions, inform government and industry of Agricorp's 2017-20 business plan and progress made towards realizing its strategic direction.
- Leverage existing internal communication strategies and channels to inform and educate Agricorp staff about the business plan.

Appendix B: Programs and services

Programs

Business risk management programs delivered on behalf of the Ontario government

| Program name | Program description | Length of service | Funding source for claims | Funding source for admin. costs | Program information |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Production Insurance | Production Insurance is a business risk management program that compensates Ontario producers for yield reductions and production losses due to insured perils such as drought, floods and frost. Payments are triggered when the total harvested yield is less than the guaranteed production. There are 86 Production Insurance plans covering more than 100 commodities. | 1997 to present | Insurance fund is funded by premiums (producers pay 40%, provincial government 24%, and federal government 36%) | Government: provincial (40%), federal (60%) | 2016 crop year: 14,250 enrolled, with 5.1 million acres and \$3.1 billion in liability 7,750 payments for \$125.3 million |
| AgriStability | AgriStability is a business risk management program that compensates producers when they have large declines in their net farming income due to market conditions, production loss or increased costs of production. The program is available to producers of all agricultural commodities. Payments are triggered if a producer's program year margin falls below 70 per cent of their average historical reference margin. | 2004 to present | Producer fees with the balance from government (provincial 40%, federal 60%) | Producer fees with the balance from government (provincial 40%, federal 60%) | 2015 program:¹ 14,130 enrolled 1,580 producers received more than \$61.3 million in payments |

¹ As of January 31, 2017

| Program name | Program description | Length of service | Funding source for claims | Funding source for admin. costs | Program information |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------------------|---------------------------------|------------------------------------------------------------------------------------------------------------------|
| Risk Management Program | <p>RMP: Grains and Oilseeds</p> <p>Helps producers of grains and oilseeds offset losses caused by low commodity prices and rising production costs. Producers pay an annual premium, and payments are made if the crop's market price falls below the annual support level. The support level is based on the industry average cost of producing a crop.</p> | 2007 to present | Provincial government | Provincial government | <p>2015 program:</p> <p>5,570 enrolled</p> <p>\$33.3 million in pre harvest and post-harvest payments</p> |
| | <p>RMP for livestock</p> <p>Helps producers of cattle, hogs, sheep and veal offset losses caused by low commodity prices and fluctuating production costs. Producers pay premiums based on their insured production and chosen coverage level. Payments are made if the market prices for enrolled livestock fall below the support level.</p> | 2011 to present | Provincial government | Provincial government | <p>2015 program:</p> <p>1,850 enrolled</p> <p>\$39.9 million in payments</p> |
| | <p>SDRM: Edible Horticulture</p> <p>Helps producers of an edible horticulture crops mitigate farm business risk by establishing a self-directed risk management account with Agricorp. Producers deposit a percentage of their allowable net sales and request a matching government contribution. Funds may be withdrawn to cover a reduction in income, or other farm-related expenses or losses.</p> | 2004 to 2008 and 2011 to present | Producer deposits and provincial government matching funds | Provincial government | <p>2015 program</p> <p>2,085 enrolled</p> <p>\$20.4 million in matching government funds</p> |

| Program name | Program description | Length of service | Funding source for claims | Funding source for admin. costs | Program information |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Farm Business Registration | Farm businesses that gross \$7,000 or more in farm income are required to register their business with Agricorp, pay a registration fee, and choose a farm organization they wish to join. In addition to managing the collection and disbursement of registration fees, Agricorp collects farm product data which OMAFRA uses for the Farm Property Class Tax Rate Program and for policy analysis and program development purposes. | 2000 to present | n/a | Producer fees and provincial government. | 2016 program 43,875 farm businesses registered |
| Grain Financial Protection Program | Protects the financial interests of Ontario producers of grain corn, soybeans, canola, and wheat who sell their grain to licensed dealers or who store their grain at licensed elevators. Agricorp performs annual financial analysis of dealers and inspects dealer premises and elevators to ensure compliance with the <i>Grains Act</i> . | 1997 to present | Four trust funds are funded by producer check-off fees | Elevator and dealer fees, provincial government, and Grain Financial Protection Board | 2015-16: 276 dealers and 359 elevator operators \$2.9 billion in grain sales covered by the program. |
| Marketing and Vineyard Improvement Program | Provides grape growers with funds to help with the costs of improvements for the production of wine grapes. Participants can receive up to 35 per cent of their improvement expenses. Applications are accepted on a first-come, first-served basis within an established intake period. All improvement work must be completed within a defined timeframe. | 2015 to present | Provincial government | Provincial government | 2016-17 36 improvement projects enrolled |

| Program name | Program description | Length of service | Funding source for claims | Funding source for admin. costs | Program information |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------|---------------------------------|---------------------------------------------------------------------|
| Vintners Quality Alliance Wine Support Program | Helps increase the sale of Ontario wines in and out of province and enhance the marketing of Ontario wine regions as tourist destinations. The program is part of the Ontario government's five-year Wine and Grape Strategy and will run for 2015-16 and 2016-17. The program provides grants to help wineries invest in growing their VQA wine business, including export and tourism development activities. | 2015 to present | Provincial government | Provincial government | 2016-17 93 enrolled, with payments totaling \$7.0 million |

Services

Unique or specialized third-party services provided to government or industry

Agricorp provides services to industry and commodity groups to support and enable an innovative, competitive, productive and sustainable agri-food sector. Many of these services also support the successful delivery of government programs and are therefore of benefit to the industry group, Agricorp and the provincial government. For each service provided, Agricorp has an agreement in place that outlines the roles and responsibilities of both parties.

| Service | Agricorp's role | Length of service | Administrative funding source |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------------------------|
| Data management services | Manage a web-based agricultural data system that supports the information needs of industry and the delivery of business risk management programs. The system captures detailed land and cropping information such as location, variety, yield and quality from fruit and vegetable producers. Data is collected once and used by Agricorp, producers and commodity groups that represent producers. | 2005 to present | Grape Growers of Ontario Ontario Apple Growers Ontario Tender Fruit Growers |
| Financial Services and Communication Support | Provide payment management, customer service, communications and reporting services to the Farmer's Risk Management Premium Fund (FRMPF). Producers who participate in RMP plans for grains and oilseeds, and livestock pay premiums held in the FRMPF. The industry-managed fund holds the premiums and can supplement program payments in years when producers need it most. | 2014 to present | Farmer's Risk Management Premium Fund |
| Financial analysis | Analyze the financial statements of Ontario's 51 dairy processing plants and collect data and risk scoring for the Dairy Farmers of Ontario. | 2002 to present | Dairy Farmers of Ontario |
| Secretariat services | Provide governance, secretariat and financial support services for the Grain Financial Protection Board. | 1999 to present | Grain Financial Protection Board |
| | Provide secretariat support for the Business Risk Management Review Committee, including scheduling panel meetings and hearings, managing freedom of information requests, and providing French language and communication services. Prior to 2013, service was provided to the Ontario AgriStability Review Committee and the National CAIS Committee–Ontario sub-committee. | 2004 to present | Federal and provincial governments |

| Service | Agricorp's role | Length of service | Administrative funding source |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------|
| Verification and mapping services | Collect agronomic information, acreage verification, mapping services and compliance for the Alternative Land Use Services program, which compensates producers for removing environmentally sensitive land from agricultural production. | 2009 to present | Delta Waterfowl Foundation |
| | Measure and map ginseng acres on behalf of Ontario Ginseng Growers Association. | 2012 to present | Ontario Ginseng Growers Association |

Appendix C: Mandate letter and response

The following four pages include:

1. Agricorp's mandate letter from the Ontario Minister of Agriculture, Food and Rural Affairs. The letter outlines the Minister's expectations of Agricorp for fiscal 2017-18.
2. Agricorp's response to the mandate letter.



Office of the Minister

77 Grenville Street, 11th Floor
Toronto, Ontario M7A 1B3
Tel: (416) 326-3074
Fax: (416) 326-3083

Bureau du ministre

77, rue Grenville, 11^e étage
Toronto (Ontario) M7A 1B3
Tél. : (416) 326-3074
Télec. : (416) 326-3083

Murray Porteous
Chair, Agricorp
1 Stone Road, West
Box 3660, Stn Central
Guelph, Ontario
N1H 8M4

Dear Mr. Porteous:

I am pleased to write to you in your capacity as Chair of Agricorp. Pursuant to the requirements of the Agencies and Appointments Directive (AAD), this letter sets out my expectations for Agricorp for the 2017-18 fiscal year.

Ontario's board-governed agencies are vital partners in ensuring the delivery of high quality services to Ontarians. The people of Ontario depend on you to provide leadership to Agricorp's board, management and staff. Together with your fellow board members, the people of Ontario rely on you to establish the goals, objectives, and strategic direction for Agricorp consistent with Agricorp's mandate, government policies, and my directions where appropriate. I thank you for your willingness to serve.

As you plan for the 2017-18 fiscal year, I expect Agricorp to focus on the below items and look forward to seeing these addressed in the agency's annual business plan:

- Continued support of Ontario farmers by way of delivery of business risk management programs in an effective and timely manner. Especially given the current fiscal environment, I expect you to continue to identify opportunities for efficiencies and cost savings.
- Continuous improvement of its systems and processes to make everyday life easier for Ontario farmers. This is consistent with the government's initiatives to enhance the delivery of public services through the use of technology, as referenced in the 2016 Budget.
- Agricorp has done an excellent job in achieving an overall high customer satisfaction rating. I encourage you to keep up the good work and efforts to maintain the current customer satisfaction levels.

.../2

- The Ontario government has set a target that, by 2019, women make up at least 40 per cent of all appointments to every provincial board and agency. I am pleased that Agricorp is already meeting this important target. It will be critical that we work together to maintain this target going forward.
- Continue the excellent work in meeting all AAD provisions and requirements.

I look forward to the continued partnership between Agricorp and OMAFRA, and to hearing about your progress on these commitments in your agency's annual report.

Sincerely,

Jeff Leal

Minister of Agriculture, Food and Rural Affairs

February 27, 2017

The Honourable Jeff Leal
Minister of Agriculture, Food and Rural Affairs
77 Grenville Street, 11th Floor
Toronto, ON M7A 1B3

Dear Minister Leal:

On behalf of Agricorp's board of directors, I am pleased to provide you with Agricorp's 2017-20 business plan. The plan builds on the results achieved in 2016-17 and addresses the expectations you set out in your mandate letter to Agricorp. The business plan meets the requirements of the Agencies and Appointments Directive and our Memorandum of Understanding.

In fiscal 2017-18, Agricorp will continue to support Ontario farmers with effective and timely delivery of business risk management programs like Production Insurance and the Risk Management Program. We will also work with OMAFRA to assess options for delivering other government programs and will help the Ontario government meet its fiscal targets by identifying opportunities for efficiencies and cost savings.

In recent years, the agency has improved its business processes and systems for program delivery. These improvements are indeed making it easier for Ontario farmers to interact with Agricorp as reflected in the high customer satisfaction ratings we receive each year. Agricorp will continue to support provincial government initiatives to enhance the delivery of public services through the use of technology by implementing new business processes and a new information technology system for the delivery of Production Insurance. This work will also bolster efforts to maintain high customer satisfaction ratings from Ontario farmers.

Agricorp applauds the Ontario government's gender diversity targets to ensure more women have the opportunity to reach top leadership positions at provincial agencies and other government organizations. Women currently make up more than 40 per cent of Agricorp's board of directors and I will continue to work collaboratively with Ontario's Public Appointments Secretariat to maintain this target through future appointments.

Agricorp has and will continue to support the provincial government's Open Government initiative by meeting agency accountability and transparency requirements.

Thank you for providing clear direction and expectations for the coming fiscal year. I, the board and all Agricorp employees look forward to working with you, ministry staff and

industry stakeholders over the coming year to strengthen Ontario's dynamic agri-food industry.

Sincerely,

Murray Porteous
Chair, Agricorp Board of Directors

c.: Greg Meredith, Deputy Minister
Phil Malcolmson, Assistant Deputy Minister
Doug LaRose, Chief Executive Officer, Agricorp

Encl.