



2023-24 Annual Report

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Introduction

Agricorp is an agency of the Government of Ontario that delivers risk management and business support programs to Ontario's agricultural industry on behalf of the provincial and federal governments. Agricorp was created under the *AgriCorp Act* and is a board-governed agency. As an agency, we have the flexibility, independent decision-making, and robust governance framework to meet the evolving needs of customers, industry, and government.

Agricorp delivers government programs. These programs help protect the livelihood of over 47,000 Ontario farmers against the many risks farm businesses face every day.

Delivering programs to strengthen farm businesses

The agriculture and agri-food industry is a major economic driver in Ontario. It generates \$48.8 billion¹ in gross domestic product and provides 836,000 jobs, more than 11% of all jobs in the province.² Ontario's agricultural industry continues to adapt and grow. Average farm yields increased by 10 to 20 per cent over the past 10 years. Farmers continue to become more efficient and reach more markets while continuing to manage their individual risks.

Governments around the world offer agricultural risk management programs to protect global commodities, food supply, and the agri-business economic engine. Agricorp is proud to deliver these programs to Ontario farmers. Risk management programs help farmers manage risks beyond their control so they can confidently innovate and invest in their businesses.

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and Agriculture and Agri-Food Canada (AAFC) are responsible for program policy, and Agricorp is responsible for program delivery and customer service.

Agricorp delivers government programs that help protect the livelihood of over 47,000 Ontario farmers against the many risks farm businesses face every day. Our employees are skilled professionals who respond when industry and government need us, manage public funds with great care and integrity, and deliver a quality customer experience.

Agricorp helps grow Ontario agriculture. We underwrite \$7 billion in risk each year. The agency was established in 1997, and in our first 25 years, we made \$7.5 billion in payments to farmers when they needed it most. In 2023-24, the programs Agricorp delivers supported the agriculture and food industry with \$390 million in payments.

¹ Ontario Ministry of Agriculture, Food and Rural Affairs Ontario Data Catalogue – [Gross domestic product for agri-food sector, 2007-2022](#), May 2, 2023

² Ontario Ministry of Agriculture, Food and Rural Affairs Ontario Data Catalogue – [Ontario employment in agri-food industry, 2000-2021](#), April 6, 2023

Vision

Excellence in delivery to help grow Ontario agriculture.

Agricorp's vision is focused on the delivery of programs and services for Ontario's agricultural industry. This vision supports the Ontario government in building a stronger provincial economy. It also aligns with OMAFRA's efforts in supporting the growth of the agri-food sector in Ontario.

Mission

We provide financial and risk management programs for the farmers of Ontario and empower employees to deliver a trusted customer experience.

Core qualities

Our core qualities are the guiding principles and fundamental beliefs that help us function together as a team and work toward a common business goal. Core qualities define how we expect everyone at Agricorp to perform as they work toward our vision.

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

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

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

Efficiency – 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.

Professionalism – 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.

Our mandate

Agricorp’s mandate, as outlined in the *AgriCorp Act*, is to:

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

In October 2022, Ontario’s Minister of Agriculture, Food and Rural Affairs sent a letter of direction to Agricorp’s Board Chair setting out the Ontario government’s and the Minister’s expectations of Agricorp. Agricorp’s 2023-26 business plan addresses the expectations for 2023-24 and are reported on below.

Priorities from Ontario’s Minister of Agriculture, Food and Rural Affairs

Minister’s expectations	Agricorp’s results
Continue to prioritize providing a high level of front-line services in line with national comparators, as applicable in the programs the agency delivers, and ensure this is done in a timely manner.	We continue to provide a high level of customer service, achieving a 92% satisfaction score from Ontario farmers in our customer satisfaction survey in January 2023. For details, see Easy to do business with .
Continue to look for ways to reduce burden on the agricultural sector by streamlining application processes and tightening delivery timelines.	We continue to make it easier for customers to do business with us by providing a range of service channel options, including online, paper, phone, email, and face to face. For details, see Easy to do business with .
Implement changes to Business Risk Management program delivery resulting from the Sustainable Canadian Agricultural Partnership (2023-28), as well as supporting commitments made under the agreement.	We implemented changes to Business Risk Management program delivery resulting from the Sustainable Canadian Agricultural Partnership. For example, the AgriStability compensation rate was increased from 70% to 80%, starting with the 2023 program year. For details, see Ready to deliver .
Support the ministry’s efforts as requested in program policy and design, including any changes resulting from federal-provincial-territorial decisions affecting business risk management programs.	We supported the ministry’s efforts as requested in program policy and design for business risk management programs. For example, we worked with the ministry, AAFC, and the Ontario Beekeepers Association on the review of Production Insurance coverage for bees, and we put the business processes and infrastructure in place to provide Targeted Advanced Payments for the AgriStability program. For details, see Ready to deliver .

Minister's expectations	Agricorp's results
<p>Work closely with industry to ensure Production Insurance plans continue to meet their needs – such as the review of the Production Insurance plans for beekeepers – and with the ministry to ensure any Production Insurance plan enhancements are properly prioritized and aligned with government objectives.</p>	<p>We worked closely with industry and the ministry to ensure Production Insurance enhancements, such as increased coverage for canola and onions, and the addition of a catastrophic loss component for bees, were aligned with government objectives and met industry needs. For details, see Ready to deliver.</p>
<p>In concert with the ministry, work to ensure that changes to the Risk Management Program are implemented and delivered to producers efficiently and effectively.</p>	<p>We worked in concert with the ministry on changes for the Risk Management Program, which included implementing the RMP Fund. The changes were effectively delivered to producers. For details, see Efficient and effective.</p>
<p>Support the implementation of the Financial Protection Programs review recommendations, if legislative changes are introduced and passed.</p>	<p>In 2023-24, OMAFRA did not request Agricorp's support to implement Financial Protection Programs review recommendations.</p>
<p>Continue to collaborate with the ministry and program partners to investigate opportunities for regulatory and program delivery changes to improve the client experience, lower delivery costs, and minimize Tax Incentive Adjustments of the Farm Property Class Tax Rate Program</p>	<p>We continue to collaborate with the ministry and program partners to investigate opportunities for regulatory and program delivery changes to improve the client experience, lower delivery costs, and minimize Tax Incentive Adjustments of the Farm Property Class Tax Rate Program. In 2023-24, we simplified and automated the generation of applications, which enabled us to lower delivery costs and issue applications faster. For details, see Efficient and effective.</p>
<p>Strive to bring about digital efficiencies and options to customers, and embrace technology-driven solutions, while recognizing that some may still require alternative traditional interactions.</p>	<p>We continue to investigate, assess, develop, and implement digital services for the programs and services we deliver to the farmers of Ontario, while also providing alternative traditional interactions. These services include online, mobile-friendly, and paper forms, and print and digital advertising. For details, see Easy to do business with.</p>
<p>Continue to deliver programs for all areas of the ministry, such as the Vintners Quality Alliance Wine Support Program, Small Cidery and Small Distillery Programs, Provincial Premises Registry, and the Winery Agri-Tourism COVID-19 Relief Initiative.</p>	<p>In 2023-24, Agricorp delivered a range of programs and services on behalf of the ministry, including the Vintners Quality Alliance Wine Support Program, Small Cidery and Small Distillery Programs, Provincial Premises Registry, and the Winery Agri-Tourism Economic Relief Grant. For details, see Programs and Services.</p>

Government-wide priorities

Government's expectations	Agricorp's results
Competitiveness, sustainability, and expenditure management	
Identifying and pursuing opportunities for revenue generation through partnerships, where appropriate and as directed.	To date, Agricorp has not been directed to identify and pursue opportunities for revenue generation through partnerships.
Identifying efficiencies and savings through innovative practices and/or improved program sustainability.	Agricorp continues to identify and implement innovative practices that provide efficiencies and savings, and improve program sustainability. This includes implementation of a unique reinsurance structure for the Production Insurance Fund, providing substantial cost savings, and automation and simplification of program application and exception processes.
Operate within the ministry's financial allocation to the agency for program and project delivery costs and set this out in Business Plans, while continuing to work with ministry staff to explore opportunities for further delivery efficiencies.	Costs estimates in Agricorp's 2023-26 business plan were within the ministry's financial allocation. In 2023-24, we operated within the ministry's financial allocation for program and project costs, except for the Farm Property Class Tax Rate Program. Costs to administer this program were above allocation. Agricorp continues to collaborate with the ministry on follow-up from the program delivery efficiency review to determine options for additional cost savings.
Complying with applicable directions related to supply chain centralization, including contract harmonisation for planned and pending procurements, accounting practices, and reality interim measures for agency office space.	Agricorp has and will continue to comply with applicable direction related to supply chain centralization, including contract harmonization for planned and pending procurements, accounting practices, and realty interim measures for agency office space.
Leveraging and meeting benchmarked outcomes for compensation strategies and directives.	Agricorp continues to be fiscally prudent in its compensation administration, in line with meeting benchmarked outcomes for compensation strategies and directives.

Government's expectations	Agricorp's results
Transparency and accountability	
Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.	Agricorp has and will continue to abide by government directives and policies while ensuring transparency and accountability in reporting, as evident in our attestation submission of February 2024.
Adhering to accounting standards and practices, and responding to audit findings, where applicable.	Agricorp has and will continue to adhere to accounting standards and practices and to respond to audit findings. For example, Agricorp has responded to all the agency-specific audit findings from the value-for-money audit of Farm Support Programs.
Identifying appropriate skills, knowledge, and experience needed to effectively support the Board's role in agency governance and accountability.	The Agricorp Board has maintained and followed its Skills Matrix for many years, which supports all appointment recommendations to the Minister.
Risk management	
Developing and implementing an effective process for the identification, assessment, and mitigation of agency risks, including any future emergency risks.	Agricorp has developed and implemented effective processes for risk identification, assessment, and mitigation. These processes include both the current and future risks that Agricorp faces. Agricorp collaborates and shares this information with the ministry.
Workforce management	
Optimizing Agricorp's organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, when needed.	Agricorp has optimized, and continues to optimize, organizational capacity to support the best possible service delivery. Agricorp adjusts resources to priority areas when and where they are needed to ensure timely service delivery. For example, during times of high call volumes, claims adjudicators support call centre staff to help reduce call wait times.

Government's expectations	Agricorp's results
Diversity and inclusion	
Developing and encouraging diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist, and diverse workplace.	Agricorp has and will continue to review its people related policies to encourage and support equitable, inclusive, and diverse practices.
Adopting an inclusion engagement process to ensure all voices are heard and inform policies and decision-making.	Agricorp continues to seek feedback from employees through an employee engagement survey to identify concerns or potential concerns regarding diversity, equity, inclusion, and belonging, and develops action plans to address those concerns.
Data collection	
Improving how the agency uses data in decision-making, information sharing, and reporting to inform outcome-based reporting and improve service delivery.	Agricorp has collaborated, and will continue to collaborate, with the ministry and industry to share and use data that enables evidence-based decision-making, informs outcome-based reporting, and improves service delivery.
Explore opportunities to enhance data collection, sharing, and exchange between Agricorp and the ministry to better use data to support decision-making.	Agricorp has and will continue to explore opportunities to enhance data collection, sharing, and exchange between Agricorp and the ministry to better use data to support decision-making. The ministry has access to all program data in Agricorp's data warehouse. In cases where this is not possible, Agricorp provides the raw data to the ministry.
Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.	Agricorp has and will continue to share data with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

Government's expectations	Agricorp's results
Digital delivery and customer service	
Exploring and implementing digitization for online service delivery to ensure customer service standards are met.	Agricorp has and will continue to investigate, assess, develop and implement digital services for the programs and services delivered to the farmers of Ontario, while providing alternative traditional interactions as requested by farmers. For example, Agricorp recently made it easier for cattle farmers and cattle dealers to get the information they need for the Beef Cattle Financial Protection Program.
Using a variety of approaches or tools to ensure delivery in all situations, including pursuing delivery methods that have evolved since COVID-19.	Agricorp provides a range of service channels for its customers, including digital and traditional options. This enables service delivery in all situations. Agricorp has recently added a callback feature in its call centre, giving farmers another service channel option.

Chair's message

Collaborating to help farmers

In my 5 years as the Chair of Agricorp's Board of Directors, I have seen first-hand how Agricorp's collaboration with key stakeholders improves the delivery of programs and services to best meet the needs of farmers. Having seen the agricultural industry through different lenses in my various roles, it's clear how these collaborations do just that.

As an agency of the government, Agricorp is expected to deliver programs and services responsively and quickly, without compromising quality – all while making it easy for farmers. That is why Agricorp's 3 strategic goals are shaped around being ready to deliver, being efficient and effective, and being easy to do business with. Every plan, decision, and action Agricorp makes is focused and organized around these goals.

I often get feedback from stakeholders, industry, and government that Agricorp's focus and organization leads to many positive outcomes for farmers. Here are a few examples of these outcomes.

Over the last year, Agricorp responded to the urgent needs of beekeepers, fruit growers, and wineries by delivering additional government initiatives. We also sharpened processes and focused on continuous improvements to customer services.

As a farmer myself, I know that running a farm business comes with many uncertainties. Agricorp is always working to bring some certainty and stability to farmers so they can count on us and the risk management programs we deliver. But we don't do it alone.

Our strong relationships with industry stakeholders are key to effectively delivering the risk management support that farmers need, when they need it. These relationships help us better understand the unique challenges within different agri-food sectors and allow us to align in the best interest of Ontario agriculture.

I've seen these collaborative relationships get stronger and stronger every year, and I look forward to continuing on this path.

I would like to thank Minister Thompson for the ongoing support of the agricultural industry. The Minister's direction and input, including meeting with the Board to discuss important topics that affect the industry, has been valuable. Thank you to Agricorp's Board members, the senior management team, and all employees for your hard work and commitment to excellence in delivery to help grow Ontario agriculture.

Jason Verkaik
Chair

Governance

Agricorp is governed by legislation and directives that guide Ontario agencies in the delivery of services to the public. The *AgriCorp Act* outlines our objects, duties, powers, and structure. As an agency of the provincial government, we deliver programs and services to the agricultural industry on behalf of OMAFRA. We are accountable to the Ontario Minister of Agriculture, Food and Rural Affairs to deliver programs while maintaining high standards for fiscal responsibility, transparency, accountability, risk management, and customer service.

We regularly review and refine our governance practices, adapting and strengthening policies and procedures as required to ensure they remain effective. Robust governance and oversight ensure objectives are realized, resources are well managed, and the interests of stakeholders are protected and reflected in key decisions.

Why an agency?

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

There is significant public interest in the shared federal-provincial sphere of fostering a robust and sustainable agricultural industry. 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 employees focus on efficient and effective program delivery while being accountable to the Ontario Minister of Agriculture, Food and Rural Affairs. Agricorp supports the government by providing advice on agricultural policy and programs and ensures public confidence through impartial and autonomous decisions within the programs it delivers.

Reporting structure

Agricorp's Board of Directors and staff work collaboratively with OMAFRA. Our CEO reports to the Board of Directors and the Board Chair reports to the Minister. The Board and its committees play a central role in translating government direction and expectations into strategy. They provide direction, oversight, and advice to the CEO. OMAFRA staff monitor Agricorp's governance and advise the Minister, as outlined in the Agencies and Appointments Directive and other applicable directives.

Memorandum of understanding

A memorandum of understanding (MOU) defines the relationship between the Minister and Agricorp's Board Chair and clarifies expectations and reporting requirements. The MOU establishes the accountability relationships between the Minister and the Chair on behalf of Agricorp. The MOU also outlines the roles and responsibilities of the Board of Directors, Chair, CEO, Minister, and Deputy Minister. This effective and collaborative governance framework ensures the timely exchange of information to support better decision-making, clearly documented accountabilities, and streamlined delivery agreements.

Ethical standards

Agricorp is committed to maintaining the highest ethical standards. We follow best practices essential to operating ethically and responsibly. Daily activities by all staff are guided by the high standards of conduct defined in legislation, directives, our mission statement, and corporate policies and procedures.

Code of Ethics, Oath of Office, and Oath of Allegiance

Agricorp has a comprehensive *Code of Ethics and Professional Conduct* that outlines the standards of ethical behaviour that Agricorp expects of its employees and Board members. All employees receive training and, along with Board members, sign an acknowledgement agreeing to abide by this code. The *Oath of Office* and *Oath of Allegiance* for new employees reinforce the serious obligations and responsibilities they have as employees of a government agency.

Government directives

Agricorp must comply with provincial government directives that guide agencies in the delivery of services to the public. The Agencies and Appointments Directive (AAD) sets out the accountability framework within which Agricorp operates. Each year, Agricorp's Board Chair and CEO attest to meeting AAD requirements and the requirements of other directives, legislation, and policies. Directives fall under 3 broad categories:

- **Business planning and financial management:** Includes directives on delegation of authority, financial transactions, and travel, meal, and hospitality expenditures.
- **Accountability and governance:** Includes directives on procurement, internal audit, and transparency.
- **Information and information technology management:** Includes directives on records management, privacy, and freedom of information.

In 2023-24, Agricorp met the obligations and timelines under the AAD and completed attestation, with no exceptions. We published our MOU and quarterly expenses for the Board and Senior Management Team on our website, demonstrating our commitment to transparency and accountability.

Board responsibilities

The Board of Directors follows best practices in corporate governance, including continuous development and training, succession planning, self-assessment, regular in-camera sessions, and strategic planning. The Agricorp by-law provides guidelines for Board governance and documents the roles and responsibilities of the Chair, Board members, and committees. These roles and responsibilities include fiduciary and operational oversight, strategic planning, risk management and controls, legal and ethical conduct, ongoing education and evaluation, and liaison with OMAFRA.

Board committees

Two Board committees provide oversight and advice to the Board.

The Finance and Audit Committee:

- Develops the annual internal audit plan, and reviews audit reports and how management responds to audit recommendations
- Monitors how management evaluates, plans, and responds to business and emerging risks
- Oversees Agricorp's investment policies for the Production Insurance Fund and the Risk Management Program Fund
- Oversees the financial reporting process and internal controls
- Reviews and recommends Board approval of Agricorp's audited financial statements
- Oversees Agricorp's investment management activities, which includes periodic reviews of investment policy and ensuring all regulatory requirements are met
- Reviews the annual financial statement audit plan as presented by the Auditor General of Ontario and meets annually with staff from the Office of the Auditor General of Ontario

The Governance and Human Resources Committee:

- Reviews and recommends any changes to Agricorp's mandate and role, including reviewing and recommending the MOU between the Chair and the Minister and annually reviewing and updating corporate governance documents
- Reviews and recommends updates to Board member orientation and ongoing training and development of all Board members
- Provides advice on criteria and potential candidates for appointment to the Board and monitors and recommends training and development programs for directors
- Monitors and recommends improvements to the annual assessment of Board effectiveness, including committees and individual directors
- Reviews and updates role descriptions for the Chair, Vice-Chair, Board members, and CEO

Board of Directors

The Board comprises a minimum of 5 members appointed by the Lieutenant Governor in Council through an Order in Council, as recommended by the Minister of Agriculture, Food and Rural Affairs.

Board members are appointed for terms of up to 3 years and may be reappointed. They are agricultural, business, and community leaders who bring a broad range of experience and invaluable expertise to the organization's oversight.

Appointees receive per diem remuneration, based on their role, as outlined in the Agencies and Appointments Directive. In 2023-24, Agricorp's Board of Directors consisted of the following members:

Jason Verkaik, Chair

(York Region)

Term: March 21, 2019 – March 20, 2025

2023-24 Remuneration: \$5,432.18

Jason is owner, operator, and president of Carron Farms Ltd., in Holland Marsh. Jason's extensive industry and board experience includes serving as chair and vice-chair of the Ontario Fruit and Vegetable Growers' Association and as a director on the Ontario Produce Marketing Association's Board of Directors. Jason is a graduate of the Ivey Business School's Agricultural Leadership Course and holds an Agricultural Business diploma from the University of Guelph's Ridgetown Campus.

Johanna Chevalier, Vice-chair

(Halton Region)

Term: August 10, 2023 – August 9, 2026

2023-24 Remuneration: \$529.92

Johanna has an extensive background in board and committee work that covers a wide range of sectors, including farming, community safety and well-being, and diversity. She currently represents the Halton Region on the Niagara Escarpment Commission. She is a former Peel Council member and former Town of Caledon Council member. Johanna also serves the communities of Halton and Peel as a volunteer for Credit Valley Conservation Foundation, Peel Anti-Human Trafficking SPT, Burlington Minor Football Association, Golden Horseshoe Food and Farming Alliance, and Volta Research. Johanna works as a consultant in the private sector and resides in Halton Region where she is raising four teenagers and enjoying the view of the lake.

Dan Veldman, Vice-chair

(Oxford County)

Term: January 31, 2019 – July 15, 2023

2023-24 Remuneration: \$609.04

Dan is president of Veldman Grain Farm Limited and operates his farm business together with his family in Embro. He attended Fanshawe College for Farm Business Management. A first generation egg producer, Dan currently serves as a board member of the Egg Farmers of Ontario and is a former member of the Poultry Insurance Exchange.

John Core

(Guelph)

Term: October 22, 2014 – October 25, 2026

2023-24 Remuneration: \$1,285.20

John is a former CEO of the Canadian Dairy Commission and former chair of the Dairy Farmers of Ontario. His community involvement includes serving as a board member of Guelph General Hospital Foundation and serving as a member of the Ontario Agricultural Hall of Fame Association board of directors for 2015-16. John holds a Master of Science degree and Bachelor of Science degree in agriculture from the University of Guelph.

John Kikkert

(Niagara Region)

Term: February 28, 2019 – February 27, 2025

2023-24 Remuneration: \$0

John is a chicken and turkey producer and owner of Parkview Poultry in Smithville. He has held many different roles for the past 10 years on the Christian Farmers Federation of Ontario's executive board, including president, and is now serving as a director. His extensive board experience includes serving on the boards of the Chicken Farmers of Ontario, Turkey Farmers of Ontario, and the Ontario Farm Animal Council. John was chair of the Ontario Agricultural Hall of Fame and now serves as the organization's past president. He holds a diploma in Agriculture from the University of Guelph.

Derek Mendez

(Perth County)

Term: December 31, 2018 – December 30, 2024

2023-24 Remuneration: \$725.76

Derek held several management positions in the Container Port and Energy sectors in Trinidad before migrating with his family to Canada in 2010. He is currently the Vice President at Molesworth Farm Supply Ltd. He served as chair and co-chair on multiple community boards in the municipality of North Perth. He is also a board director on a number of agriculture boards including the Animal Nutrition Association of Canada (ANAC) and the Feed Section Committee of the Ontario Agri-Business Association (OABA). Derek holds a Bachelor of Science degree in Management Studies from the University of the West Indies, a master's certificate in Business Analysis from York University, and a postgraduate diploma in Port Planning and Management from the University of New Orleans.

Dominic Morrissey

(Pickering - Uxbridge)

Term: July 31, 2019 – July 10, 2025

2023-24 Remuneration: \$1,273.44

Dominic currently works in the manufacturing and procurement sector as a business development executive. Previously he worked for the Canadian Federation of Independent Business for ten years, gathering issues that affected the agricultural industry and shepherding them to the appropriate agencies to be addressed. He also ran his own production company for 25 years. Dominic is past president of the Horse Guards Polo Club and has also sat as a board member on the Advisory Council of Equine Guelph. Dominic now lives outside of Uxbridge with his family and an assortment of retired horses and rescue animals.

Greg Vanden Bosch

(Dundas Country)

Term: March 22, 2022 – March 21, 2025

2023-24 Remuneration: \$819.84

Greg is a partner in Vanden Bosch Farms and a senior partner in Vanden Bosch Elevators Inc. based in Chesterville. He is also a former director and chair of the Grain Section Committee of the Ontario Agri Business Association. He graduated from the University of Guelph's Ridgetown Campus in 1988. Greg attended the Advanced Leadership Program (Class 4) and the Executive Program for Agricultural Producers in 1995.

Joanne Vanderheyden

(Strathroy-Caradoc)

Term: April 9, 2020 – April 8, 2025

2023-24 Remuneration: \$1,021.44

Joanne is a past president of the Federation of Canadian Municipalities. She has a solid background in board and committee work and has considerable knowledge in financial reporting and strategic planning. She also spent 22 years as a service representative at the Libro Credit Union. Joanne earned her BA from Western University and served on Western's Board of Governors.

Tammy Young

(Cargill)

Term: April 7, 2022 – April 6, 2025

2023-24 Remuneration: \$950.88

Tammy is owner and operator of Les Young Farms Limited and operates her farm business together with her family in Cargill. She is also a Grain Merchandising Consultant for White Commercial Corp. where she assists several grain elevator owners in their management and marketing across the province. Tammy currently serves as Second Vice President of the Bruce County Federation of Agriculture and District 10 delegate for Grain Farmers of Ontario. She is also a certified grain merchant.

CEO's message

Responding to the needs of Ontario's farmers

Agricorp's mission is to provide financial and risk management programs for the farmers of Ontario and empower employees to deliver a trusted customer experience. And, that's exactly what we did this year.

Farmers face many challenges every year, and we know how important it is for them to have a reliable risk management plan. Agricorp was ready to deliver 15 programs in 2023-24. While most of these are the continuous risk management programs that we deliver, there were a few programs intended to manage specific economic and industry risks.

Overall, many farmers experienced higher than average yields last year. However, some have had financial losses due to things like weather, market conditions, and costs. Agricorp delivered \$390 million dollars in timely program payments to support farmers when they needed it the most.

Last fall, we efficiently and effectively completed delivery of multiple government initiatives that responded to current and recent industry challenges. These included AgriRecovery for grape growers, AgriRecovery for beekeepers, and the Winery Agri-Tourism Economic Relief Grant.

In November, we started delivering the Growing Future Opportunities Initiative for fruit growers, a joint venture of the Canadian and Ontario governments. The funding is intended to help apple, tender fruit, table grape, and wine grape growers plant varieties that will improve quality, production, and marketability.

In response to government direction, we completed the work to implement the increased compensation rate for the 2023 AgriStability program year, so we're ready to deliver. We also put the infrastructure in place to be ready to deliver Targeted Advanced Payments efficiently and effectively. These payments would support farmers who are dealing with events that negatively impact an entire region, industry, or sector.

To make it easier for farmers to do business with us, we are always making improvements to how we deliver programs. Over the last year, we made it easier for customers to pay premiums and fees through their bank, implemented a callback feature for customers, and put a faster and easier claim process into effect. For full details on these and other continuous improvements, read the Management Discussion and Analysis section.

As a service provider, our people mean everything to our success. When employees are empowered, they are accountable, they grow, they are motivated, and we build trust and encourage creative solutions in the workplace. It's so important that we put it in our mission statement.

We welcome and continue to attract new employees by understanding the labour market, making sure we bring in the right people to serve the needs of Ontario's agricultural industry. We do this by using different mediums to attract new employees, including online job boards, social media, and targeted advertising. We recently posted a new video on our website to attract potential candidates and help them see what we are all about.

We are committed to collaborating with OMAFRA, and I thank them for their partnership and support in delivering the priorities set out by the Minister. It is through the dedication of our employees, the advice and support of our senior management team and board, and the collaboration with industry stakeholders that we are able to meet the needs of Ontario's agricultural industry. Our success is rooted in these relationships.

As we head into another year, we will continue to support the farmers of Ontario and work towards excellence in delivery to help grow Ontario agriculture. We remain focused on our goals of easy to do business with, efficient and effective operations, and ready to deliver.

Doug LaRose
Chief Executive Officer

Programs

Ontario is one of the most diverse agricultural regions in Canada, producing more than 200 commodities on 11.8 million acres of agricultural land.¹ Agriculture is a key economic driver in the province, but it is also prone to many risks.

Farmers are adept at using the latest management practices and technology to help them minimize risks and maximize production. While they can take measures to reduce some of the risks associated with weather, disease, and insect infestation, other risks are beyond their control, such as market prices and production costs. As well as affecting crop yields, weather can also affect market supply and demand. To help mitigate all of these risks, Agricorp delivers many programs. Our 3 main programs are AgriStability, Production Insurance, and Ontario's Risk Management Program (RMP).

AgriStability and Production Insurance are part of the suite of national business risk management programs offered under the federal-provincial-territorial Sustainable Canadian Agricultural Partnership. RMP is funded by the Government of Ontario.

Farmers see value in the programs, which is why more than 20,000 farm businesses are enrolled in AgriStability, Production Insurance, and RMP. The majority of customers agree that these programs help stabilize their income, give them the confidence they need to innovate and invest in business improvements, and help them work with lenders to secure the financing needed to operate and grow their businesses.

¹ Statistics Canada, Census of Agriculture, 2021 – [Ontario is an agricultural powerhouse that leads in many farming categories](#)

Different programs cover different risks

Each program covers different types of risks, from weather events to rising production costs and market volatility. Participation in all 3 programs ensures farmers have maximum coverage and long-term stability.

Program summary at a glance

Program	Participation	Payments	Risks covered and benefits
AgriStability	<ul style="list-style-type: none"> • 8,500 farmers • \$2.3 billion in reference margin 	\$77.8 million in 2023-24 (for multiple program years)	Unexpected large income declines <ul style="list-style-type: none"> • Protects eligible farm income as a whole instead of 1 commodity at a time • Affordable (\$315 fee for every \$100,000 of reference margin)
Production Insurance	<ul style="list-style-type: none"> • 14,000 farmers • \$4.9 billion in liability 	\$117.5 million in 2023-24 (for multiple program years)	Low yields and production loss caused by insured perils <ul style="list-style-type: none"> • Coverage based on a guaranteed level of production • Choice of coverages for more than 100 commodities
Risk Management Program	<ul style="list-style-type: none"> • Grains and Oilseeds – 5,630 farmers • Livestock – 1,680 farmers • Horticulture – 1,600 farmers 	\$162.7 million in 2023-24 (for multiple program years)	Fluctuating commodity prices and general farm losses or expenses <ul style="list-style-type: none"> • Covers losses caused by fluctuating commodity prices and production costs • Includes sector-specific plans for cattle, hogs, sheep, veal, grains and oilseeds, and edible horticulture

AgriStability

AgriStability provides whole farm coverage that is designed to cover large declines in net income caused by production loss, increased costs, or market conditions. If a farmer's program year margin falls below 70% of their average historical reference margin, AgriStability helps to offset the difference.

AgriStability is funded by the federal and provincial governments and by producer fees. AgriStability claims are typically processed in the following calendar year after the tax year ends. In the 2023-24 fiscal year, Agricorp primarily processed AgriStability files for the 2022 program year and interim payments for the 2023 program year.

AgriStability highlights

In response to market disruptions and production challenges, the Government of Ontario increased the compensation rate from 70% to 80% for the provincial portion of AgriStability payments. These top-up payments are for the 2020, 2021, and 2022 program years. They are automatic, so farmers receive top-up payments at the same time as their AgriStability payment.

Starting with the 2023 program year, the federal and provincial ministers agreed to increase the AgriStability rate from 70% to 80%. The government of Ontario supports this increase, having provided the provincial portion since the 2020 program year. The increased compensation rate is automatic, so farmers do not need to complete any additional steps for their 2023 AgriStability files.

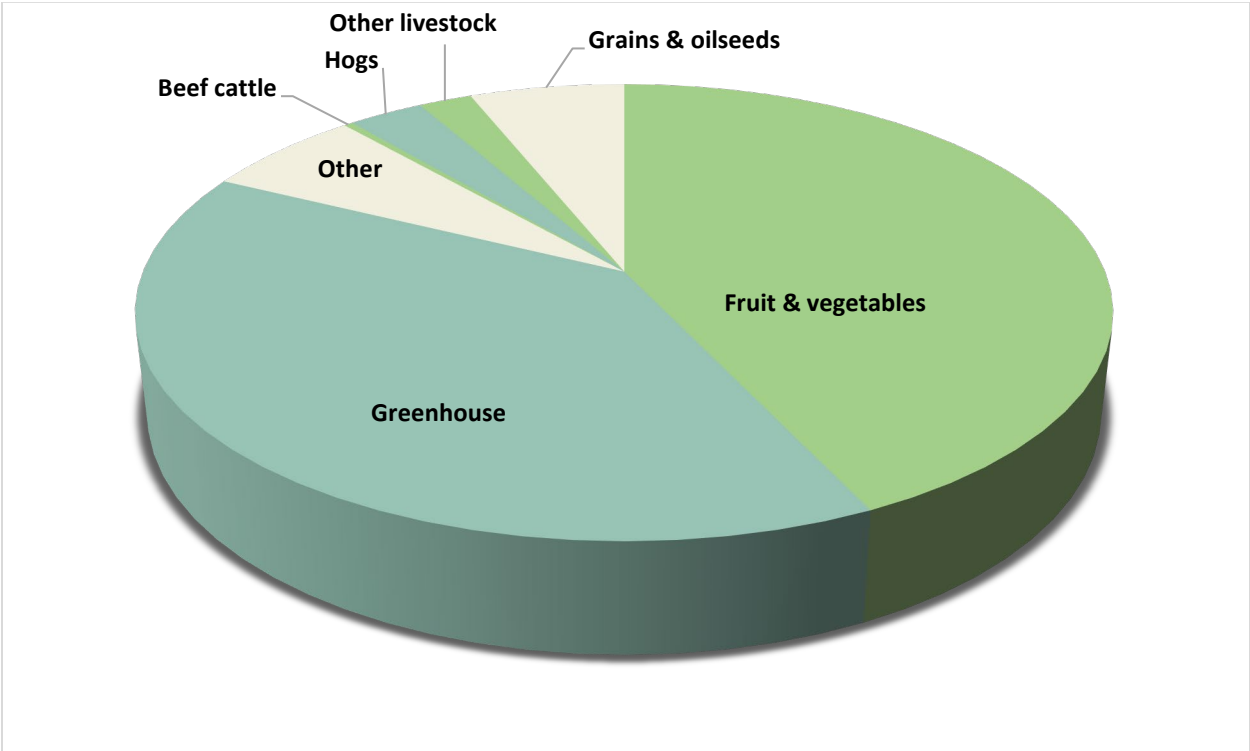
Farmers who experience financial distress can apply for interim payments following completion of 6 months of their fiscal year. Interim payments are 50% of a farmer's estimated final payment.

Fruit and vegetable growers and greenhouse producers experienced declines due to lower market returns. Fruit and vegetable growers triggered \$25.4 million and greenhouse producers triggered \$23.2 million in AgriStability payments, making up the largest share of AgriStability payments for 2022.

AgriStability by the numbers

- **8,500** participants in the 2022 program year
- **\$2.3 billion** in reference margin (farming income less expenses)
- **\$59.1 million** for all 2022 program payments to date
- **\$2.7 million** in 2023 interim payments for farmers in financial distress
- **71%** of customers are satisfied or very satisfied with the delivery of AgriStability
- **65%** of customers agree that AgriStability stabilizes farm income

2022 AgriStability payments by sector



Sector	Payments (millions)
Fruit & vegetables	\$25.4
Greenhouse	\$23.2
Other	\$3.8
Beef cattle	\$0.2
Hogs	\$1.8
Other livestock	\$1.2
Grains & oilseeds	\$3.5
Total	\$59.1

Production Insurance

Production Insurance is designed to cover yield reductions and production losses caused by factors beyond a farmer's control, including adverse weather, disease, pests, wildlife, and other uncontrollable natural perils. Coverage is available for over 100 commodities.

For production loss coverage, farmers receive a payment after harvest when an insured peril causes their total yield to fall below their guaranteed level of production. For other coverages, farmers may receive payments for things like inability to plant, tree and vine loss, and excess or insufficient rainfall.

Production Insurance highlights

The 2023 crop year was generally a good year, with farmers getting the majority of their crops planted in favourable conditions. Some areas saw heavy rainfall in the spring and the Production Insurance program paid \$14.4 million in replant claims this year. This was in line with 2022, which saw \$15.9 million in replant claims. Good planting conditions saw a reduction in unseeded acreage claims this year with \$0.7 million paid to farmers. This is much lower than in 2022 where \$7.0 million was paid. The province received consistent rainfall from June to August, which allowed for good crop growth. Lower heat units did delay maturity in some crops, pushing out harvest into late fall.

The number of acres insured this year was slightly higher at 5.4 million. This is similar to 2022, where 5.3 million acres were insured, and represents an increase over the previous 5-year average of 5.2 million acres.

The majority of grain crops did well this year. Almost every county in the province saw yields for corn above the 10-year average. The average corn yield in 2023 was 202 bushels per acre, much higher than the 10-year average of 184 bushels. For soybeans, the average yield was 53 bushels per acre, which is above the 10-year average of 48 bushels. While the majority of grain crops did well this year, some pockets of the province experienced wet and severe weather events which impacted harvest.

Heavy rains late in the season produced wet growing conditions. Processing and fresh market vegetable farmers were especially impacted and many struggled with high disease pressure and high levels of rot in the field. These poor conditions impacted harvest with reduced yields, and \$4.2 million in claims for disease and precipitation were paid.

For 2023, total claims were lower than premiums and contributions collected.

Ensuring the sustainability of the Production Insurance program

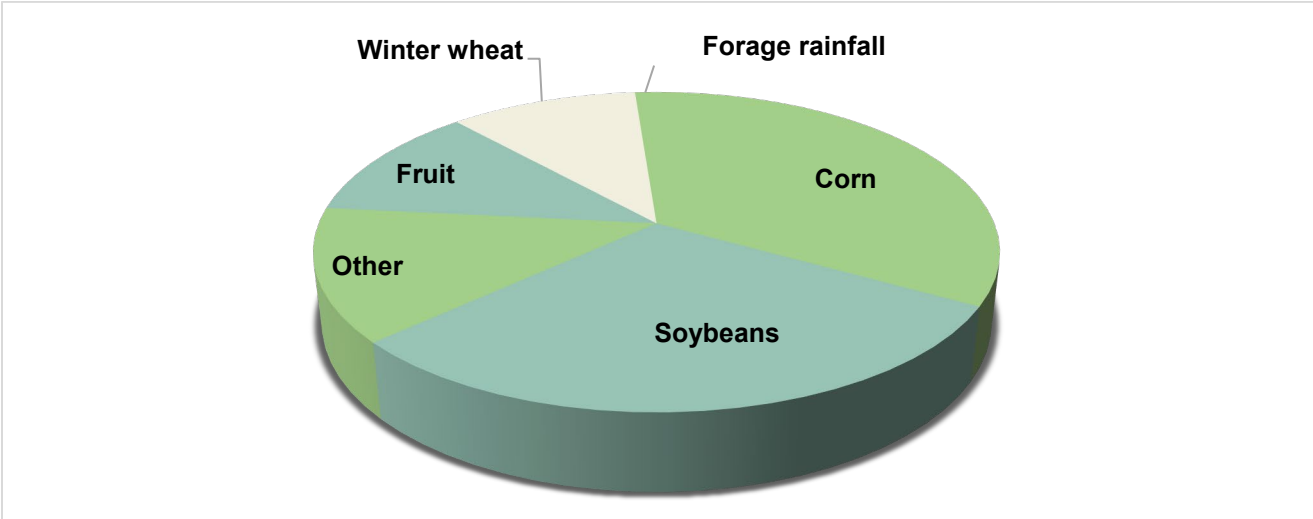
Production Insurance participants are compensated for production losses through claim payments from the Production Insurance Fund. Agricorp has a comprehensive risk management strategy to manage the fund and the financial risk of the Production Insurance program. This strategy includes a premium rate setting methodology that is actuarially certified according to national certification guidelines and approved by Agriculture and Agri-Food Canada. It includes solid underwriting methodologies and claim processes, and a risk-based reinsurance strategy. It provides customers with reliable coverage and stable premiums, while ensuring an adequate reserve of funds for long-term program sustainability. The fund consists of premiums from customers and contributions from the Canadian and Ontario governments, along with investment earnings.

The fund balance was \$915.2 million on March 31, 2023. The fund balance plus reinsurance in 2023 covered liability of \$4.9 billion. On March 31, 2024, the fund was \$1,047.6 million. Agricorp targets a fund balance of 12% of liability. Since the fund balance exceeded 12% of liability, customers and governments received the added benefit of an 8.6% reduction in premiums and contributions for 2023.

Production Insurance by the numbers

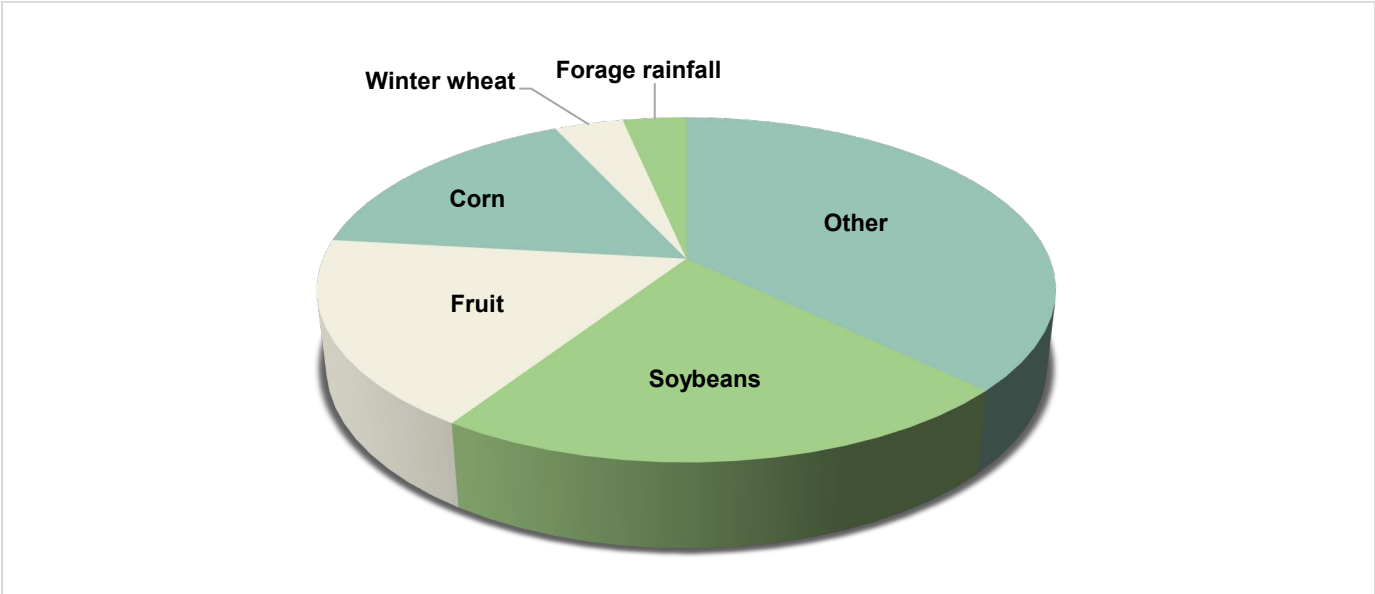
- **14,000** participants in the 2023 program
- **5.4 million** acres and **\$4.9 billion** in liability
- **\$105.7 million** in total claims paid for the 2023 program year, including:
 - **\$54.7 million** for production loss claims
 - **\$0.7 million** for unseeded acreage claims
 - **\$14.5 million** for replant claims
 - **\$35.8 million** for other claims
- **93%** of customers are satisfied or very satisfied with the delivery of Production Insurance
- **87%** of customers agree that Production Insurance stabilizes farm income

2023 Production Insurance liability by crop



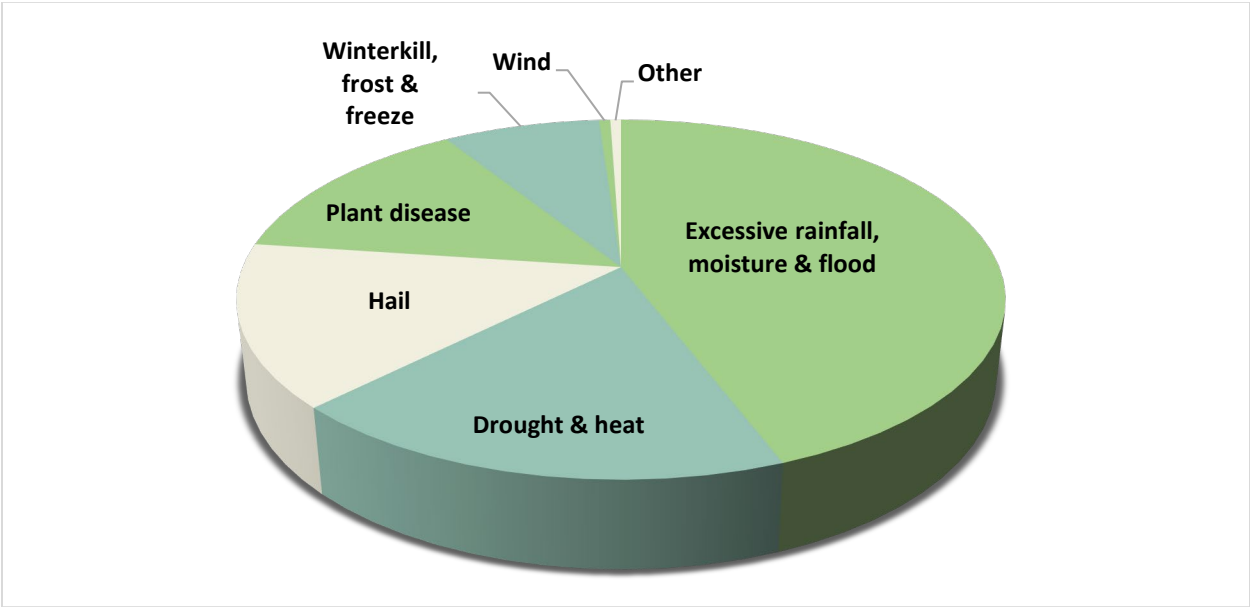
Crop	Liability (million)
Corn	\$1,639.4
Soybeans	\$1,483.8
Other	\$664.2
Fruit	\$577.3
Winter wheat	\$519.9
Forage rainfall	\$59.2
Total	\$4,943.8

2023 Production Insurance claims by crop



Crop	Claim amount (million)
Other	\$39.3
Soybeans	\$23.3
Fruit	\$18.6
Corn	\$17.2
Winter wheat	\$3.8
Forage rainfall	\$3.5
Total	\$105.7

2023 Production Insurance claims by peril



Peril	Claim amount (million)
Excessive rainfall, moisture & flood	\$46.5
Drought & heat	\$19.4
Hail	\$15.5
Plant disease	\$14.7
Winterkill, frost & freeze	\$8.3
Wind	\$0.7
Other	\$0.6
Total	\$105.7

Risk Management Program

Ontario's Risk Management Program (RMP) is designed to help farmers manage risks beyond their control, such as fluctuating costs and market prices. It includes coverage for cattle, hogs, sheep, veal, grains and oilseeds, and edible horticulture.

RMP for livestock and RMP: Grains and Oilseeds payments are made if the average market price for a commodity falls below its support level. The self-directed risk management (SDRM) plan for edible horticulture allows participants to deposit a percentage of their allowable net sales into an SDRM account and the provincial government contributes to the account. Farmers can withdraw funds from the account to offset financial losses.

RMP is funded by Ontario government contributions and premiums paid by farmers. In 2020, the Ontario government contribution increased from \$100 million to \$150 million.

Starting with the 2021 program year, an RMP fund was implemented to hold government contributions and farmer premiums for RMP: Grains and Oilseeds and RMP for livestock. This makes the program more like insurance. The fund is used for program payments and any remaining funds are rolled over to the next year. Edible horticulture is not included in the RMP fund. The plan for edible horticulture allows a farmer who grows an edible horticultural crop to withdraw funds from their SDRM account to help mitigate risks to their business.

RMP highlights

In 2023, market prices decreased, resulting in pre-harvest payments for the majority of crops. Payments were of higher value, and for more crops than in the previous 2 years. Post-harvest payments will be issued in the spring of 2024. In the livestock sector, farmers also saw lower prices for livestock and this price drop, combined with high feed prices, resulted in payments being issued.

RMP by the numbers

- **8,910** endorsements in 2023
- **\$162.7 million** in program payments paid in 2023-24 under all 6 plans (covers multiple program years):
 - **\$75.1 million** in livestock payments
 - **\$54.4 million** in grains and oilseeds payments
 - **\$33.2 million** in government funds deposited into SDRM accounts
- **84%** of customers are satisfied or very satisfied with the delivery of RMP
- **82%** of customers agree that RMP stabilizes farm income

Appeals processes

Agricorp takes great care to ensure we are accurate and thorough in underwriting coverage, processing claims, and managing customer files. Nonetheless, when a customer disagrees with a decision, we make every effort to resolve the issue using clear, consistent procedures.

AgriStability and RMP

Agricorp processes close to 18,000 AgriStability and RMP files each year. In 2023-24, Agricorp received two customer requests for review by the Business Risk Management Review Committee (BRMRC).

Customers who disagree with a decision made by Agricorp about their AgriStability or RMP file can contact us to request an internal review. We conduct an internal review to determine that the file was adjudicated in accordance with program guidelines and consistently with other files. If the customer is not satisfied with the results of the internal review, they can request a review by BRMRC, an advisory agency of the provincial government that is separate from Agricorp, with members appointed by the Minister. The BRMRC hears requests for review and makes non-binding recommendations to Agricorp. As the program administrator, Agricorp is accountable for applying all program rules consistently and for making all decisions related to these programs. As such, Agricorp may accept the BRMRC's non-binding recommendations in full or in part, or it may decline them.

Production Insurance

This year, Agricorp underwrote 14,000 customers, processed more than 5,300 claims, and received one customer request for an internal review.

Customers who disagree with a decision made by Agricorp about their Production Insurance claim or about their eligibility for Production Insurance coverage can contact us to request an internal review. If the results of that review are unsatisfactory, customers can appeal to the Agriculture, Food and Rural Affairs Appeal Tribunal, which is an adjudicative tribunal of the provincial government. This independent body makes final, binding decisions on disputes between Agricorp and Production Insurance customers.

Farm Business Registration

In 2023, 44,100 farm businesses registered.

Under the Farm Business Registration (FBR) program, Ontario farmers who gross \$7,000 or more in farm income annually are required to register their farm businesses. By registering, farm businesses are eligible for other government programs, such as the Farm Property Class Tax Rate Program and the Ontario Wildlife Damage Compensation Program. Registered farm businesses also obtain membership in 1 of 3 accredited farm organizations (AFOs): the Christian Farmers Federation of Ontario, the National Farmers Union – Ontario, or the Ontario Federation of Agriculture. AFOs fund Agricorp’s administrative costs for the program.

Farm Property Class Tax Rate Program

For the 2024 property tax year, 166,000 properties were eligible for the program.

Under the Farm Property Class Tax Rate Program, Agricorp, the Municipal Property Assessment Corporation (MPAC), and municipalities work together to administer the program. MPAC assesses properties as farmland and determines the value. Agricorp processes applications and verifies program eligibility. Municipalities apply their farm property class tax rate to eligible properties and collect their taxes. The Ontario government funds Agricorp’s administrative costs for the program.

Agricorp started delivering the Farm Property Class Tax Rate Program in 2019. Program eligibility is determined annually.

Provincial Premises Registry

As of March 31, 2024, there were 59,000 registrations.

The Provincial Premises Registry (PPR) allows Ontario farmers to register parcels of land that are associated with agri-food activities, such as crop and livestock production and food processing. The registry supports traceability, enabling governments and industry to respond swiftly to incidents that could affect the agri-food sector, such as weather disasters, animal or plant disease outbreaks, or contaminated food. It also supports emergency preparedness and rapid identification of agri-food locations. Agricorp delivers PPR on behalf of OMAFRA. The Ontario government funds the registry.

Grain Financial Protection Program

In 2023-24, Agricorp licensed 263 dealers and 359 elevator operators in Ontario.

The Grain Financial Protection Program covers financial losses if licensed dealers and elevator operators do not meet their payment or storage obligations to farmers or owners of grain corn, soybeans, canola, and wheat. Farmers or owners may submit a claim to the Grain Financial Protection Board to cover a portion of their losses. Agricorp is responsible for the licensing and inspection components of the Grain Financial Protection Program. Administrative program costs are paid by farmers through their checkoff fees and by dealers and elevator operators through their licensing fees. The Grain Financial Protection Board manages the 4 insurance funds and determines if a claim should be paid.

Beef Cattle Financial Protection Program

In 2023-24, there were 132 licensed dealers.

The Beef Cattle Financial Protection Program covers financial losses if licensed dealers do not meet their payment obligations to Ontario beef cattle sellers. Cattle sellers may submit a claim to the Livestock Financial Protection Board (LFPB) to cover a portion of their losses. Agricorp is responsible for the licensing and inspection components of the Beef Cattle Financial Protection Program. Administrative program costs are paid by cattle sellers through their checkoff fees and by dealers through their licensing fees. The LFPB manages the Fund for Livestock Producers and determines if a claim should be paid.

Vintners Quality Alliance Wine Support Program

In 2023-24, Agricorp issued program payments of \$10.0 million to 96 Ontario wineries.

The Vintners Quality Alliance (VQA) Wine Support Program supports Ontario wineries in increasing their competitiveness and innovation while growing the sale of Ontario VQA wines at the Liquor Control Board of Ontario. The program provides grants to help wineries invest in growing their VQA wine businesses, including export and tourism development activities. The program is funded by the Ontario government.

Small Cider Program

In 2023-24, Agricorp issued program payments of \$2.4 million to 59 cideries.

The Small Cider Program provides eligible Ontario cideries with financial support to help grow their operations. Payments are based on sales of alcoholic cider. The program is funded by the Ontario government.

Small Distillery Program

In 2023-24 Agricorp issued program payments of \$2.4 million to 39 distilleries.

The Small Distillery Program provides eligible Ontario distilleries with financial support to help grow their operations. Payments are based on sales of spirits. The program is funded by the Ontario government.

Winery Agri-Tourism Economic Relief Grant

In 2023-24, Agricorp issued program payments of \$8.6 million.

This program provides financial support to wineries and cideries to help them continue to grow their operations, create new jobs, and attract more visitors to rural Ontario. The program is funded by the Ontario government.

Canada-Ontario Overwinter Bee Colony Loss Replacement Initiative

In 2023-24, Agricorp issued program payments of \$2.3 million to 76 applicants.

This program provides financial assistance to beekeepers for the purchase of colonies to restock after extraordinary losses of colonies during the winter of 2021-22. The program is funded by the Canadian and Ontario governments.

Canada-Ontario Grapevine Winter Injury Initiative

In 2023-24, Agricorp issued program payments of \$6.4 million to 195 applicants.

This program provides financial assistance to grape farmers for the replacement of grapevines and to offset trunk renewal costs associated with extraordinary vine death and damage incurred during the winter of 2021-22. The program is funded by the Canadian and Ontario governments.

Growing Future Opportunities Initiative

This program will provide funding to Ontario apple, tender fruit, table grape, and wine grape farmers. The funding will allow growers to plant new varieties of fruit that will improve quality, production, and marketability. The funding is available under the Sustainable Canadian Agricultural Partnership.

In 2023-24, farmers began to apply for funding to plant new varieties. Payments will be issued after the new varieties are planted.

Services

Leveraging our people, systems, data, and infrastructure, Agricornp provides a number of services to industry and commodity groups to support and enable an innovative, competitive, and sustainable agri-food sector.

Data management services

In partnership with the Grape Growers of Ontario, Ontario Fresh Grape Growers, Ontario Apple Growers, and Ontario Tender Fruit Growers, Agricornp uses web-based data management services and GPS technology to measure and map vineyards and orchards and to collect agronomic information. Agricornp uses this information to support the delivery of programs to the fruit industry. Industry uses this information to effectively implement their own initiatives, including research, marketing, food safety, and production management.

Financial, secretariat, and communication services

Agricornp provides a variety of services and support to the Grain Financial Protection Board, Livestock Financial Protection Board, Dairy Farmers of Ontario, and OMAFRA.

Grain Financial Protection Board

Agricornp provides governance, secretariat, and financial services to the Grain Financial Protection Board, a board-governed agency that administers 4 grain funds established under the *Farm Products Payments Act*. Their mandate is to administer funds, investigate claims, grant or refuse claim payments, and recover money they are entitled to. Agricornp supports claim adjudication and processes checkoff fees received through reporting, investment, and annual audit support. To support the Board in their administration of the grain funds, we coordinate and support board meetings; facilitate board appointments; develop process and issues documents; and develop and coordinate all board governance materials.

Livestock Financial Protection Board

We provide governance, secretariat, and financial services to the Livestock Financial Protection Board, a board-governed agency that manages the Fund for Livestock Producers under the *Farm Products Payments Act*. Their mandate is to administer the fund, investigate claims, grant or refuse claim payments, and recover money they are entitled to. Agricornp supports claim adjudication and processes checkoff fees received through reporting, investment, and annual audit support. To support the Livestock Financial Protection Board in their administration of the fund, we coordinate and support board meetings; facilitate board appointments; develop process and issues documents; and develop and coordinate all board governance materials.

Dairy Farmers of Ontario

Under contract with the Dairy Farmers of Ontario (DFO), Agricornp helps protect the financial interests of milk farmers by analyzing quarterly and annual financial statements and reviewing and updating DFO's required security from the 71 dairy processors that own 89 processing plants in Ontario. Agricornp also assists with the credit verification process for new dairy processors wanting to purchase milk from DFO. Dairy processors purchase \$2.95 billion worth of milk from Ontario's 3,213 dairy farmers annually.

OMAFRA

Under contract with OMAFRA, Agricornp provides a telephony infrastructure platform for OMAFRA's Agriculture Information Contact Centre.

Mapping and verification services

Agricorp provides a variety of mapping, measurement, and verification services to commodity groups in support of industry-led initiatives.

Ontario Ginseng Growers' Association

In 2023-24, we mapped 1,310 acres for 187 ginseng gardens.

Agricorp measures, maps, and provides acreage information for newly planted ginseng gardens. This information is used by the Ontario Ginseng Growers' Association to support research, understanding, and innovation.

Berry Growers of Ontario

In 2023-24, we mapped 305 acres for 22 farmers.

We measure, map, and provide acreage information for strawberries, blueberries, and raspberries. This information is used by the Berry Growers of Ontario to collect fees, gain market intelligence, develop strategic marketing plans, and identify research and development opportunities.

Management discussion and analysis

Governments, including the Ontario government, have faced the challenges of improving public services while containing or reducing expenses. Agricorp is no exception to these challenges and has worked hard to be fiscally responsible while providing and improving services to the farmers of Ontario.

Overall growing conditions were favourable for most farmers in 2023. Weather in the spring was variable for planting with some areas receiving excess rainfall while others were quite dry. Most of the province had good growing conditions throughout the summer, but wet weather in the fall caused harvesting challenges. Vegetable farmers managed significant disease pressure and rot. Soybean and corn harvest was delayed due to the wet conditions, but many farmers still had above average yields.

In response to recent industry challenges, Agricorp delivered several government initiatives in 2023. These included AgriRecovery programs for grape farmers and beekeepers and the Winery Agri-Tourism Economic Relief Grant for wineries and cideries. We also put the business processes and infrastructure in place to provide Targeted Advanced Payments for the AgriStability program, if we are asked to deliver these in the future. We are ready to deliver when the need arises.

Throughout the year, we made improvements to make it easier for farmers to do business with us. We improved online payment options to make it easier for farmers to pay program fees and premiums. We added a callback feature to our call center, to reduce the time farmers wait to speak to us. And we improved claim processing to make it faster and easier.

Strong business planning

Strong agricultural support requires strong business planning to ensure we are ready to provide customers with the service they need to grow their farm businesses.

We start with a robust business plan supported by timely, transparent reporting. The Board of Directors and Senior Management Team develop the plan in collaboration with our government partners. Our planning process draws on our understanding of the current agricultural industry, a detailed risk assessment, government expectations, and our customers' needs.

The business plan articulates our strategic direction and priorities for a 3-year period. It includes clear performance metrics for our daily operations that align with nationally established performance standards. The plan is updated annually and submitted for approval to the Minister of Agriculture, Food and Rural Affairs. Once the plan is approved by the Minister, it is posted on our website. We report on our progress to OMAFRA and industry stakeholders throughout the year. The Board also submits an annual report to the Minister. Once the Minister approves the report, it is tabled in the Ontario Legislature and then published on agricorp.com. Timely and transparent planning and reporting ensure all stakeholders are well informed about how we are delivering on our commitments.

We empower our employees to provide a trusted customer experience. Positive results from our employee engagement survey and our customer satisfaction survey highlight our success in achieving our goals. Our staff feel a deep sense of pride in the ability to serve the agricultural sector, and our customers appreciate their commitment to the industry. These two things in combination with strong business planning and good relations with stakeholders and federal and provincial partners help to support a strong agricultural industry.

Financial analysis for 2023-24

The following table shows administrative expenses by program and the variances between the estimate in our 2023-26 business plan and actual costs. Estimated and actual costs are presented on a cash basis.

Funding for Strategic Investments is in addition to regular funding for program administrative costs. These investments enable Agricorp to implement program change, customer service enhancements, and IT system upgrades.

Uncommitted represents work that has been identified as a priority by Agricorp and OMAFRA, but funding for the work was not yet approved when the 2023-26 business plan was submitted to the Ontario Minister of Agriculture, Food and Rural Affairs. Funding for this work may or may not be approved in-year.

Committed represents work where the funding has been approved. Funding in the Estimate column was approved prior to business plan submission. Funding in the Actual column was approved prior to or during fiscal 2023-24.

Actual spending versus estimate - variance table

Administrative expenses by program (in thousands of dollars)	Estimate	Actual	Variance under (over)
AgriStability	10,030	10,149	(119)
Production Insurance	19,370	19,789	(419)
Risk Management Program	5,560	4,850	710
Other programs and services	3,260	4,679	(1,419)
Total Expenses	\$ 38,220	\$ 39,467	\$ (1,247)
Administrative expenses funding			
Federal funding	17,640	18,102	(462)
Ontario funding	18,600	19,777	(1,177)
Fee revenue	1,980	1,588	392
Total Funding	\$ 38,220	\$ 39,467	\$ (1,247)
Funding surplus (deficit)	\$ -	\$ -	\$ -
Strategic Investments			
Committed	-	1,193	(1,193)
Uncommitted	2,500	-	2,500

Note: Throughout the year, various strategic investments were agreed upon and funded accordingly by our funding partners. Funding for committed strategic investments have been provided by Federal, Ontario, Fee revenue or a combination of these funding sources and reflected in Other programs and services expense.

2023-26 Business plan

Agricorp's 2023-26 business plan focused on three goals:

- Agricorp is easy to do business with
- Agricorp has efficient and effective operations
- Agricorp is ready to deliver

In 2023-24, Agricorp made steady progress on all 3 goals through work on strategic initiatives, including the following:

- Implemented higher Production Insurance coverage levels for canola and onions, and updated insurable values for leafy vegetables
- Implemented changes under the Sustainable Canadian Agricultural Partnership to increase the compensation rate for AgriStability
- Worked closely with the provincial government to deliver the Growing Future Opportunities Initiative
- Made it easier for customers to pay fees and premiums using online banking
- Implemented capabilities to provide Towards Increased Profits reports to Ontario farmers
- Laid the groundwork for improvements to agricorp.com, and enhancements to digital transactions for customers

The following pages show how Agricorp has made progress on its 3 strategic goals.

Ready to deliver

Agricorp receives regular requests from government and industry to deliver new programs and services and to update existing ones. Our employees are ready with the most up to date information to deliver new programs when asked to. We have the infrastructure in place to administer new and existing programs. Our employees and systems are ready to support the agricultural industry quickly when needed.

Working with government and industry

Agricorp continued to work with the federal and provincial governments on enhancements to existing programs as well as on the introduction of new programs. We supported governments and industry with the review of Production Insurance coverage for bees and with the review of coverage for apples. We work closely with OMAFRA, Agriculture and Agri-Food Canada and industry to find solutions and implement enhancements that help farmers reduce risk.

With the introduction of the Sustainable Canadian Agricultural Partnership, we worked closely with OMAFRA to investigate and assess options for changes to the AgriStability program. The compensation rate was increased for AgriStability for the 2023 program year. We implemented the changes quickly to ensure farmers had access to the increased compensation rate for the same affordable price.

This year we collaborated with OMAFRA on enhancements to the Provincial Premises Registry database. These changes will improve national and provincial traceability systems and emergency response management for agriculture and food businesses.

Highlights: 2023-24

Increased the compensation rate for 2023 AgriStability from 70% to 80%

Adjusted the enrollment date for Production Insurance coverage for bees to allow beekeepers more time to make coverage decisions

Added a catastrophic loss component to Production Insurance for bees

People, processes, and systems

As a service provider, our people mean everything to our success. Having empowered employees allows us to build trust and creativity in the workplace. Employees have access to training, job shadowing, internal and external courses, and cross-departmental development opportunities.

Our employees know our processes and systems well and use them to ensure a trusted customer experience – whether they are delivering an existing program or preparing to deliver a new program. With the introduction of new programs, our employees leverage our existing processes and adapt our current systems to ensure they can effectively deliver.

This year, Agricorp began delivering Towards Increasing Profits reports, and employees quickly leveraged our existing processes to accommodate the delivery of the new service.

Highlights: 2023-24

Educated staff to be able to assist customers in distress

Generated 19,500 Towards Increasing Profits reports

Being prepared so customers do not have to wait

When a difficult winter negatively impacted grape farmers and commercial beekeepers, Agricorp was ready to help with the delivery of two AgriRecovery programs. When the programs were announced, Agricorp responded quickly, and the Canada-Ontario Bee Colony Loss Replacement Initiative and the Canada-Ontario Grapevine Winter Injury Initiative were available for customers within months of the announcements.

Similarly, Agricorp was ready to assist wineries and cideries with the Winery Agri-Tourism Economic Relief Grant. Leveraging existing processes and systems from a similar program enabled us to distribute funds quickly, encouraging job growth and increased visitors to rural Ontario. In the fall, the Growing Future Opportunities Initiative was announced and, once again, we could leverage existing processes to respond quickly.

Highlights: 2023-24

\$2.3 million was issued to 76 beekeepers

\$6.4 million was issued to 195 grape farmers

\$8.4 million was issued to wineries and cideries

Planning for the future

We are continually planning. This year, considerable work was conducted to plan for enhancements to agricorp.com and to improve the digital services available to Ontario farmers who do business with us. With OMAFRA we are improving the Provincial Premises Registry database to make sure it meets emergency management and traceability system requirements. These enhancements will position us well to meet both industry and government needs in the future.

Agricorp has processes and procedures in place to quickly distribute program payments as needed when unforeseeable circumstances cause significant losses. Significant work was completed this year for Agricorp to be ready to deliver Targeted Advance Payments for AgriStability if the Ontario Minister of Agriculture, Food and Rural Affairs determines there is a significant industry need.

Efficient and effective

We take pride in our ability to operate efficiently and effectively. Continuously improving and streamlining processes is important to us. It is part of our regular work to look for ways to improve efficiencies and reduce costs. Meeting customer needs with responsive, high-quality service, helpful information, and timely program payments are our objectives.

Making programs more efficient for farmers

We proactively review programs regularly and make changes when needed to ensure we can efficiently deliver effective programs to farmers. When difficult overwintering conditions impacted grape farmers, Agricorp worked with governments and industry to enhance the Production Insurance plan for grapes with yield buffering. This change stabilizes coverage for grape farmers when they have significantly high or low yields.

In response to requests from industry, coverage levels for canola and onions were also increased, providing more protection for farmers. Insurable values and abandonment thresholds were also updated for leafy vegetables. The overall result is an average 40% increase in coverage for customers.

Highlights: 2023-24

A Production Insurance coverage level of 90% was added for canola.

A Production Insurance coverage level of 90% was added for onions

Automation of processes

By reviewing our workflows, we can find ways to implement automation strategies that reduce manual work and provide a more consistent experience for our customers. This year, we were able to implement several automated processes. We leveraged the functionality in the Production Insurance administration system and were able to automate parts of the claim process. We also shifted some of our system testing from a manual process to an automated process. This shift allowed staff to spend more time testing more complex situations.

We simplified and automated the generation of applications for the Farm Property Class Tax Rate Program, resulting in issuing applications more quickly and efficiently when there is an ownership change to a property.

Highlights: 2023-24

Reduced testing for online acreage reporting system, from 2 days to 3 hours

Reduced test time for data management system, from 7 days to 8 hours

Keeping data secure

Keeping our customers' data secure is a top priority for Agricorp. Over the past year, we have proactively monitored and mitigated security threats using various industry-leading security products along with continued staff training and awareness.

Cyber-attack methods are continually evolving, and accordingly, Agricorp evaluates, procures, and implements advanced security products and tools to safeguard assets. One such product provides a comprehensive view of Agricorp's network traffic before it reaches our corporate servers. This product has the ability to stop malicious traffic based on evolving suspicious behavioral characteristics.

Agricorp staff undergo regular threat identification training exercises. Agricorp also proactively applies security software patches, as recommended by software providers.

Highlights: 2023-24

All customer data remained protected with zero successful cyber attacks

Email phishing tests are regularly conducted

Annual IT systems intrusion testing is conducted on all internet-facing infrastructure and related components

Effective management of program funds

Agricorp manages program funds used to make payments for the programs we administer. We diligently review investments regularly and ensure that our investment policies align with agency boards and government requirements. Keeping these investments safe and secure is of utmost importance.

For example, Agricorp has a comprehensive risk management strategy to manage the Production Insurance fund and the financial risk of the Production Insurance program. The fund consists of premiums from customers and contributions from the Canadian and Ontario governments, along with investment earnings. The fund is used to pay claims. Agricorp purchases reinsurance from third-party organizations around the world. Our reinsurance contract includes flexible components to reflect the change in liability (value) of crops covered between the contract agreement date and date of final liability determination. As a result, the purchase of reinsurance is right-sized to final liability, making it cost effective, and it appropriately mitigates the year's catastrophic loss risk.

Highlights: 2023-24

Manage and administer \$1.6 billion in program funds

\$770 million in reinsurance coverage to mitigate catastrophic loss risk to the Production Insurance fund

We have engaged employees

Agricorp's skilled and knowledgeable workforce allows us to respond to the changing needs of the agricultural industry and governments while maintaining quality customer service. Supporting an elevated level of employee engagement in an environment of continual change is a key priority.

A key part of Agricorp's value to government, farmers, and stakeholders comes from our experienced and knowledgeable employees. Learning and development opportunities continued to be a focus this year, and were key drivers of success in motivating, engaging, and keeping our employees connected to our vision, mission, and values.

Highlights: 2023-24

Agricorp employees are very engaged, with a high response rate of 88% on the employee engagement survey

Agricorp employees have a great sense of pride in their ability to service the agricultural sector

85% of employees feel they have understanding and accommodating leaders

Easy to do business with

As a customer-focused organization, making it easy for farmers to do business with us is important. This means offering a choice of service channels. This year, customers connected with us by phone, online, and through farm shows and meetings. We focused on effective communications and customer outreach to make sure customers understood how programs work and what the best options were for their farm businesses.

Convenient customer service channels

We look for ways to make it easier for customers to conduct business with us. We want to ensure that customers can reach us in a way they feel comfortable with, whether that is using electronic methods or more traditional methods, such as by phone or in person. Customers can choose to report acres online or by phone, mail, or fax. Payments to farmers can be issued either through direct deposit or by cheque. Fees for programs can be paid online, by cheque, or through telephone banking. When customers want to reach us, they can call or email.

This year, we introduced a new callback feature so customers could maintain their spot in the queue without having to stay on the phone line. We also enhanced our email routing service, ensuring our end-to-end process was customer focused, agile, and streamlined. It also ensured that processes were consistent across all programs managing emails. Whichever way customers want to conduct business with us, we are making sure that we are available for them.

Highlights: 2023-24

8,500 customers have signed up for direct deposit

32,000 emails received annually

For the 2023 crop year, the number of customers who reported their acreage online increased by 8%

Keeping customers informed

We continue to stay connected with industry stakeholders and farmers through multiple service channels. We attend in-person meetings and farm shows while continuing to leverage our website, agricorp.com. This year we introduced new videos which provided clear and concise information on the AgriStability program. We also added a resource to the webpage dedicated to accountants and bookkeepers who support farmers. The new resource is a tool to help support conversations with farmers. It explains how AgriStability works, provides example scenarios, and includes links to estimators. Accountants and bookkeepers appreciate the new tool, and we have seen an increase in traffic to our website as a result.

The latest news is posted on agricorp.com. Program coverage and program changes are communicated directly to customers via email, news stories, and updated program content on our website. We also used our regular monthly advertisements in farm media to reach customers.

We continued with our digital advertising to enhance our online presence as another way to help customers find the information they need. Digital advertising casts a wider geographic net, and one click brings the customer directly to our website.

Highlights: 2023-24

We attended 121 stakeholder meetings to listen and respond to customer needs

When compared to industry benchmarks, we experience close to twice the level of interest in our digital ads

We have seen a two-fold increase in traffic to AgriStability webpages since posting additional AgriStability resources

What our customers think

Overall satisfaction with Agricorp remains exceptionally high. Our call centre's strongest attributes of being competent and friendly continue to be acknowledged in the feedback we receive from our customers.

98% of our customers surveyed are satisfied with the call centre

We had record attendance at farm show booths, exceeding our previous records by 12%

Looking ahead

Agricorp's performance has been strong, reliable, and consistent. Looking ahead, we will continue to focus on improving efficiency and quality – ensuring customers have the support they need when they need it.

We recognize the value of the agricultural sector, and we fully support the Ontarians who work in this industry. Our commitment to our customers and to a thriving agricultural sector means we will always work hard to help strengthen Ontario agriculture.

2023-24 Performance measures and results

Targets	Results
Achieve a consistently high overall customer service rating that is equal to or greater than the previous 3-year average of 92%.	In the 2023 customer satisfaction survey, Agricorp's overall customer service performance rating was 92%.
Achieve a customer satisfaction rating for the delivery of Production Insurance that is equal to or greater than the previous 3-year average of 92%.	In the 2023 customer satisfaction survey, Agricorp's rating for the delivery of Production Insurance was 93%.
Achieve a customer satisfaction rating for the delivery of AgriStability that is equal to or greater than the previous 3-year average of 75%.	In the 2023 customer satisfaction survey, Agricorp's rating for the delivery of AgriStability was 71%. Agricorp will continue to provide quality customer service in line with national comparators and in alignment with government expectations for the AgriStability program. Agricorp will continue to leverage a variety of service delivery approaches and tools to enable service delivery in all situations.
Achieve a customer satisfaction rating for the delivery of Risk Management Program (RMP) that is equal to or greater than the previous 3-year average of 83%.	In the 2023 customer satisfaction survey, Agricorp's rating for the delivery of RMP was 84%.
Process 95% of the 2022 AgriStability files by December 15, 2023.	Agricorp processed 59% of the 2022 AgriStability files by December 15, 2023. In 2023-24, payment files were prioritized while some adjudication staff were shifted from claims processing to supporting the two new AgriRecovery initiatives and the Growing Future Opportunities Initiative. This enabled Agricorp to continue to deliver timely payments to farmers in need. Staff were also shifted to support the call center during times of high call volume.
Process 90% of Production Insurance claims within 30 calendar days of receiving of all required information.	Agricorp processed 90% of Production Insurance claims within 30 calendar days.
Process 95% of RMP payments within 60 days of receiving of all required information.	Agricorp processed 98% of RMP payments within 60 days.

Targets	Results
Complete the annual Chair and CEO Agency Attestation, as required, for compliance with applicable legislation, directives, and policies.	Agricorp completed the Chair and CEO Agency Attestation for 2023-24 by February 21, 2024, as required by the Ontario government and in compliance with the Agencies and Appointments Directive.
Submit a 3-year business plan to the Minister by March 1, 2024.	Agricorp's 2024-27 business plan was submitted to the Minister on March 1, 2024.
Provide sound and balanced operational performance and financial reports to OMAFRA quarterly.	Operational and financial reports were provided to OMAFRA on a monthly and quarterly basis.
Submit an annual report to the Minister within 90 days of receipt of audited financial statements from the Auditor General.	Agricorp's 2022-23 annual report was submitted to the Minister 43 days after receiving audited financial statements from the Auditor General.
Ensure that a comprehensive audit control framework is monitored annually by Agricorp's Board of Directors.	The annual audit control framework was developed, implemented, and monitored.
Ensure the administrative cost forecast at the end of the third quarter is within 1.5% of year-end actuals, for all programs and services delivered.	Agricorp's administrative cost forecast at the end of the third quarter was within 1.0% of year-end actuals, for all programs and services delivered.



An agency of the Government of Ontario

Management's responsibility for financial reporting

The accompanying financial statements have been prepared by management. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. Management is responsible for the accuracy, integrity and objectivity of the information contained in the financial statements.

The financial statements include some amounts, such as provisions for claims that are necessarily based on management's best estimates and which have been made using careful judgment.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. The systems include formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board meets regularly to oversee the financial activities of Agricorp and annually reviews the financial statements.

These financial statements have been audited by the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian Public Sector Accounting Standards. The Independent Auditor's Report, which appears on the following page, outlines the scope of the Auditor General's examination and opinion.

Original signed by

Doug LaRose
Chief Executive Officer

Original signed by

Becky Philpott
Chief Financial Officer

June 19, 2024



INDEPENDENT AUDITOR'S REPORT

To Agricorp

Opinion

I have audited the financial statements of Agricorp, which comprise the statement of financial position as at March 31, 2024, and the statements of operations and fund balances, remeasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Agricorp as at March 31, 2024, and the results of its operations, its remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Agricorp in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and my auditor's report thereon, in Agricorp's 2024 Annual Report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I obtained the 2024 Annual Report prior to the date of this auditor's report. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact in this auditor's report. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Agricorp's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Agricorp either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Agricorp's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Agricorp's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Agricorp's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Agricorp to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Agricorp

Statement of financial position

As at March 31, 2024

(In thousands of dollars)	General Fund	Production Insurance Fund	Management Program Fund	Risk 2024	Restated (note 2) 2023
Current assets					
Cash	\$ 8,209	\$ 98,651	\$ 28,685	\$ 135,545	\$ 126,816
Short term investments (note 7)	1,177	480,575	129,586	611,338	697,578
Accounts receivable (note 6)	2,486	26,719	1,991	31,196	25,057
Funds under administration (note 4)	26,551	-	-	26,551	19,949
Prepaid expenses	1,184	-	-	1,184	1,137
Total current assets	39,607	605,945	160,262	805,814	870,537
Long term investments (note 7)	-	471,418	-	471,418	253,760
Capital assets (note 8)	4,056	-	-	4,056	6,769
Total assets	\$ 43,663	\$ 1,077,363	\$ 160,262	\$ 1,281,288	\$ 1,131,066
Current liabilities					
Accounts payable and accrued liabilities	4,723	842	2,126	7,691	9,152
Funds under administration (note 4)	26,551	-	-	26,551	19,949
Unearned premiums	-	19,294	-	19,294	25,314
Deferred contributions (note 11)	1,196	-	-	1,196	1,155
Provision for claims	-	9,900	129,685	139,585	16,183
Total current liabilities	32,470	30,036	131,811	194,317	71,753
Deferred contributions - capital assets (note 11)	4,056	-	-	4,056	6,769
Total liabilities	36,526	30,036	131,811	198,373	78,522
Fund balances					
Unrestricted funds	7,137	-	-	7,137	6,394
Restricted funds	-	1,047,577	28,451	1,076,028	1,046,404
Accumulated remeasurement gains (losses)	-	(250)	-	(250)	(254)
Total liabilities and fund balances	\$ 43,663	\$ 1,077,363	\$ 160,262	\$ 1,281,288	\$ 1,131,066

Commitments and contingencies (note 14)

See accompanying notes to financial statements

Approved on behalf of the Board

Original signed by

Johanna Chevalier on behalf of Jason Verkaik
Board Chair

Original signed by

Dominic Morrissey
Finance and Audit Committee Chair

Agricorp

Statement of operations and fund balances

Year ended March 31, 2024

(In thousands of dollars)	General Fund	Production Insurance Fund	Risk Management Program Fund	2024	Restated (note 2) 2023
Revenue					
Funding – provincial government (notes 10 and 15)	\$ 20,839	\$ 52,852	\$ 111,457	\$ 185,148	\$ 183,495
Funding – federal government (note 10)	19,760	79,234	-	98,994	95,026
Premiums from producers	-	92,545	32,739	125,284	113,305
Consulting and other services	1,639	-	-	1,639	1,911
Investment income	561	42,153	9,542	52,256	27,983
Total revenue	42,799	266,784	153,738	463,321	421,720
Expenses					
Claims	-	112,763	256,467	369,230	276,951
Reinsurance (note 12)	-	21,687	-	21,687	27,656
Administration (notes 13 and 17)	42,056	-	-	42,056	39,644
Bad debts (recovery)	-	(20)	-	(20)	38
Total expenses	42,056	134,430	256,467	432,953	344,289
Excess of revenue over expenses	743	132,354	(102,729)	30,368	77,431
Fund balances, beginning of year	6,394	915,223	131,180	1,052,797	975,367
Fund balances, end of year	\$ 7,137	\$ 1,047,577	\$ 28,451	\$ 1,083,165	\$ 1,052,798

See accompanying notes to financial statements

Agricorp

Statement of rereasurement gains and losses

Year ended March 31, 2024

<u>(In thousands of dollars)</u>	<u>2024</u>	<u>2023</u>
Accumulated rereasurement gains (losses), beginning of year	\$ (254)	\$ -
Unrealized gains (losses) on investments	4	(254)
Accumulated rereasurement losses, end of year	\$ (250)	\$ (254)

See accompanying notes to financial statements

Agricorp

Statement of cash flows

Year ended March 31, 2024

(In thousands of dollars)	General Fund	Production Insurance Fund	Risk Management Program Fund	2024	Restated (note 2) 2023
Operating activities					
Excess of revenue over expenses	\$ 743	\$ 132,354	\$ (102,729)	\$ 30,368	\$ 77,431
Items not requiring an outlay of cash					
(Increase) decrease in accrued interest	(64)	(34,373)	(7,280)	(41,717)	(19,360)
Amortization of capital assets	(2,776)	-	-	(2,776)	(2,831)
Amortization of deferred contributions - capital assets	2,776	-	-	2,776	2,831
Changes in non-cash working capital					
Accounts receivable	(529)	(6,668)	1,058	(6,139)	(3,438)
Prepaid expenses	(47)	-	-	(47)	(41)
Accounts payable and accrued liabilities	1,933	(3,439)	45	(1,461)	(770)
Unearned premiums	-	(6,021)	-	(6,021)	5,501
Deferred contributions	41	-	-	41	42
Provision for claims	-	(4,800)	128,202	123,402	(42,381)
Cash provided by operating activities	2,077	77,053	19,296	98,426	16,984
Financing activities					
Increase in deferred contributions - capital assets	63	-	-	63	555
Cash provided by financing activities	63	-	-	63	555
Investing activities					
Purchases of investments	-	(825,000)	(20,000)	(845,000)	(443,069)
Proceeds of investments	-	734,825	20,478	755,303	301,543
Cash provided by (used for) investing activities	-	(90,175)	478	(89,697)	(141,526)
Capital activities					
Purchase of capital assets	(63)	-	-	(63)	(555)
Cash used in capital activities	(63)	-	-	(63)	(555)
Total increase (decrease) in cash	2,077	(13,122)	19,774	8,729	(124,542)
Cash, beginning of year	6,132	111,773	8,911	126,816	251,358
Cash, end of year	\$ 8,209	\$ 98,651	\$ 28,685	\$ 135,545	\$ 126,816

See accompanying notes to financial statements

Agricorp

Notes to the financial statements

Year ended March 31, 2024

1. Nature of operations

The AgriCorp Act, 1996 established Agricorp as a provincial Crown corporation without share capital on January 1, 1997. As an agency of the Ontario government, Agricorp's mandate is to deliver government business risk management programs to Ontario's agriculture industry on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). These programs are as follows:

Production Insurance Fund

Production Insurance was established in 1966 and currently operates pursuant to the *Agricultural Products Insurance Act (Ontario, 1996)*. For over 100 commercially grown crops in Ontario, Production Insurance provides insured producers with financial protection against yield reduction caused by insured perils.

Risk Management Program Fund

The Risk Management Program Fund was established in 2021 for Cattle, Grains and Oilseeds, Hogs, Sheep and Veal components. Ontario's Risk Management Program (RMP) helps producers manage risks beyond their control, like fluctuating costs and market prices using an insurance-like model.

Additional Programs

a) Business Risk Management Programs

These programs, as detailed under note 3, are administered by Agricorp on behalf of OMAFRA and the Government of Canada ("federal government"). The rules regarding payments to customers are determined by the programs and in formal agreements with Agricorp. The funds paid out under these programs flow from either the Government of Ontario ("provincial government") or federal government or both, through Agricorp to qualified applicants, and are held in segregated accounts in funds under administration.

b) Other

Agricorp is responsible for the delivery of Farm Business Registration, the Provincial Premises Registry and the Farm Property Class Tax Rate Program. These programs, as detailed under note 3 and note 4, are administered on behalf of OMAFRA in accordance with their respective program delivery agreements.

As an agency of the Ontario provincial government, Agricorp is exempt from income taxes.

2. Change in accounting policy

On April 1, 2023, Agricorp implemented *Public Sector Accounting Standard Section 3400 Revenue (PS 3400)*, in accordance with the transitional provisions set out in the Standard and the requirements for changes in accounting policies in Public Sector Accounting Standard Section 2120, *Accounting Changes*. The impacts of implementing PS 3400 are described below.

PS 3400 establishes standards on how to account for and report common types of revenues in the public sector that are not addressed in an individual standard in the PSA Handbook. Specifically, PS 3400 differentiates between revenue arising from transactions that include performance obligations ('exchange transactions') and transactions that do not have performance obligations ('non-exchange transactions').

Agricorp adopted that standard on April 1, 2023 and applied the requirements of the standard retroactively with restatement of the prior period.

The impact on Agricorp's revenue streams are as follows:

Agricorp

Notes to the financial statements

Year ended March 31, 2024

Producer premiums for Production Insurance are recognized during the period of insurance for the agricultural product coverage purchased based on the transferred insured risks concluding when the related agricultural products are harvested

Producer premiums for the Risk Management Program are recognized over the period of coverage of the respected programs for the selected products and coverage levels.

Government contributions are recognized as revenue when invoiced based on funding agreement terms.

Agricorp's accounting policies for its revenue streams are disclosed in detail in note 3(d) below. The effect of the change on the prior year financial statements is as follows:

(In thousands of dollars)	As previously reported	Adjustment	Restated April 1, 2022
Accounts receivable	\$ 21,771	\$ (139)	\$ 21,632
Unearned premiums	33,301	(13,476)	19,825
Restricted funds - Production Insurance Fund	893,364	13,336	906,700
Total Fund Balance	962,031	13,336	975,367

(In thousands of dollars)	As previously reported	Adjustment	Restated March 31, 2023
Accounts receivable	\$ 25,149	\$ (92)	\$ 25,057
Unearned premiums	46,351	(21,037)	25,314
Restricted funds - Production Insurance Fund	1,025,459	20,945	1,046,404
Funding - provincial government	181,207	2,288	183,495
Funding - federal government	91,594	3,432	95,026
Premiums from producers	111,462	1,843	113,305
Claims	276,997	(46)	276,951

3. Significant accounting policies

a) Basis of accounting

The financial statements of Agricorp have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (CPA Canada). Agricorp has also elected to apply the section 4200 standards for Government Not-For-Profit Organizations.

Agricorp uses fund accounting whereby the activities in each program are accounted for in separate funds. The General Fund is used to account for all administrative revenues and expenses, as well as for all unsegregated activities. The Production Insurance Fund is used to account for activities specific to the Production Insurance program. The Risk Management Program Fund is used to account for activities specific to the Cattle, Grains and Oilseeds, Hogs, Sheep and Veal components.

Agricorp

Notes to the financial statements

Year ended March 31, 2024

b) Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided for using the straight-line method over the estimated useful life of the assets, with a half-year amortization taken in the year of acquisition and disposition. The estimated useful lives of the assets are as follows:

Furniture and fixtures	4 years
Computer hardware	3 years
Computer software	2 years
Customized software	5 years
Leasehold improvements	5 years

c) Employee future benefits

Agricorp provides defined retirement benefits and other future benefits for substantially all retirees and employees. These future benefits include pension plan and accumulated sick leave.

i) Pension plan

Eligible employees are members of the Public Service Pension Plan (“PSPP”). The PSPP is a multi-employer defined benefit pension plan.

The Province of Ontario, who is the sole sponsor of the PSPP, determines Agricorp’s annual payments to the plan and is responsible for ensuring that the pension fund is financially viable. Any surplus or unfunded liabilities arising from statutory actuarial funding valuations are not assets or obligations of Agricorp. Therefore, Agricorp’s contributions are accounted for as if the PSPP was a defined contribution plan with Agricorp’s contributions being expensed in the period they come due.

ii) Accumulated sick leave

Agricorp provides a non-vested sick leave benefit to all full-time and part-time employees. Employees are granted five days of sick leave per year. Unused sick leave days are eligible to accumulate up to 47 days, which can only be used to supplement the short term disability benefit. Employees are not paid for unused sick leave.

d) Revenue recognition

Agricorp accounts for government contributions using the deferral method of accounting. Government contributions used for the purchase of capital assets are deferred and amortized into revenue on the same basis and at rates corresponding to those of the related capital assets. All other government funding is recognized when the stipulations of the related funding agreement have been met as described below by fund and when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Within the Production Insurance Fund, government contributions are recognized as revenue when Agricorp enters into eligible production insurance contracts and the Producer premium is collected. Producer premiums are recognized during the period of insurance for the agricultural product coverage purchased based on the transferred insured risks concluding when the related agricultural products are harvested. Producer premiums received for coverage beginning April 1 of the following year are classified as unearned premiums on the statement of financial position.

Within the Risk Management Program Fund, government contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Individual producers apply for coverage under the RMP Livestock and RMP Grains and Oilseeds

Agricorp

Notes to the financial statements

Year ended March 31, 2024

programs selecting products and percentages of coverage. Producer premiums are recognized over the period of coverage of the respective programs for the selected products and coverage levels.

Consulting and other services revenue is recognized once the performance obligation is met through the performance of services, collection of the relevant receivable is reasonably assured and persuasive evidence of an arrangement exists.

Investment income is recognized as earned; amounts not yet received are included in the carrying value of investments.

e) Financial instruments

Agricorp's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities.

All financial instruments are recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record investments at fair value. Investments include cash equivalents, Guaranteed Investment Certificates (GICs), term deposits and bonds. Cash equivalents, GICs and term deposits are recorded at cost plus accrued interest, which approximates fair value.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and fund balances. Any unrealized gain or loss on investments is adjusted through the statement of remeasurement gains and losses. When an asset is sold, unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations and fund balances.

Agricorp is required to classify fair value measurements using a fair value hierarchy, which indicates three levels of information that may be used to measure fair value:

Level 1 – unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2 – observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and

Level 3 – unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

f) Use of estimates

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amounts of accounts receivable, capital assets, accounts payable and accrued liabilities, unearned premiums and deferred contributions, and provision for claims. Actual results could differ from those estimates.

g) Provision for claims

The provision for claims liability represents management's estimate of the total cost of Production Insurance claims and RMP Fund benefit claims outstanding at year-end. Measurement of this provision is uncertain as not all of the necessary information for reported claims is always available as of the year-end date and therefore estimates are made as to the value of these claims.

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Notes to the financial statements

Year ended March 31, 2024

4. Funds under administration

Agricorp processes and disburses payments to producers enrolled in agricultural business risk management and other programs. These programs are generally administered on behalf of OMAFRA for producers in the province and cover joint federal-provincial, federal-only and provincial-only programs. Individual program delivery agreements are in place for each program.

Program payments are calculated according to program requirements and the program delivery agreements. Funding is provided by the federal and/or provincial governments and all funds are segregated in accounts under administration by program until payments are processed for the producers.

Funds for these programs are held in accounts with Canadian banks, bankers' acceptance or bank discount notes and all are highly liquid. As Agricorp only administers these programs, no recognition is made for program revenue, expense, receivables or payables. Costs associated with the delivery of these programs are included in Administration expenses (see note 17).

a) AgriStability

The AgriStability program was established to provide agricultural producers with financial protection against large declines in farm margin. To participate, producers must enroll in the program and pay administration and enrollment fees based on their reference margin for specified prior years. Producers are also required to submit an application that includes production data and farming income (or loss) reported for income tax purposes. The program has existed under several federal, provincial and territorial frameworks and is currently under the *Sustainable Canadian Agricultural Partnership*, which came into effect April 2023.

AgriStability is cost shared by the federal and provincial governments at a basis of 60% and 40% respectively.

b) Risk Management Program (RMP)

RMP helps producers offset losses caused by low commodity prices and fluctuating production costs. RMP is fully funded by the provincial government and is an advance against Ontario's share of the AgriStability program thereby reducing the provincial share of AgriStability payments.

The Risk Management Program Fund (the "RMP Fund") for Cattle, Grains and Oilseeds, Hogs, Sheep and Veal components was established pursuant to a Minister's Order to continue the Risk Management Program starting with program year 2021 with both Ontario contributions and Producer Premiums deposited into the RMP Fund. Funds related to pre-2021 program years for Livestock and Grains and Oilseeds continue to be presented as Funds Under Administration until fully disbursed in accordance with the program delivery guidelines for those years. There have been no changes to the Self-Directed Risk Management: Edible Horticulture.

RMP includes the following plans:

RMP: Grains and Oilseeds (RMP-GO)

The plan provides Ontario grain and oilseed producers with commodity-specific price support based on the cost of production. To participate, producers must pay premiums, provide a premises identification number and participate in Production Insurance, if available for their crop.

RMP for livestock (RMP-LS)

RMP for livestock includes individual plans for cattle, hogs, sheep and veal. The plans provide producers with commodity-specific price support based on the cost of production. To participate, producers must pay premiums and provide a premises identification number.

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RMP - Self-Directed Risk Management: Edible Horticulture (RMP-SDRM)

Under the terms of the plan, producers of edible horticulture deposit a percentage of their allowable net sales into an account, and a contribution is made into the account by the provincial government. Funds can be withdrawn to cover risks to the farm business, such as a reduction in income or other farm-related expenses or losses. To participate, producers must make a deposit into their SDRM account and provide a premises identification number.

c) Winery Agri-Tourism COVID-19 Relief Initiative (Winery Agri-Tourism)

The Winery Agri-Tourism COVID-19 Relief Initiative provides financial support to eligible wineries and cideries whose on-site sales were impacted while provincial measures were in place to stop the spread of COVID-19. Agricorp administers this program on behalf of OMAFRA. This program is fully funded by the provincial government.

d) Other programs

Agricorp administers other programs on behalf of OMAFRA, the federal government and industry groups, some of which are in the process of being wound down. These programs are funded in accordance with their program delivery agreements. Other programs include:

Farm Business Registration (FBR)

In accordance with the *Farm Registration and Organizations Funding Act, 1993*, farm businesses in Ontario whose gross farm income is equal to or greater than \$7,000 are required to register their farm business. In return for the registration, the farm business pays a reduced property tax rate on agricultural land and is granted membership in an accredited farm organization of their choice. Agricorp collects these fees and remits them, less an administrative charge, to the chosen accredited farm organization.

The following summarizes the transactions related to the funds under administration:

(In thousands of dollars)	Opening balance 2024	Funding, federal government	Funding, provincial government	Other	Payments	Closing balance 2024
AgriStability	\$ 11,724	\$ 49,474	\$ 26,711	\$ 1,624	\$ (74,335)	\$ 15,198
RMP-GO	2	-	-	-	-	2
RMP-LS	27	-	-	(26)	-	1
RMP-SDRM	7,397	-	34,758	(221)	(33,207)	8,727
Winery Agri-Tourism	10	-	-	-	(7)	3
Other programs	789	5,240	32,292	(87)	(35,614)	2,620
Total	\$ 19,949	\$ 54,714	\$ 93,761	\$ 1,290	\$ (143,163)	\$ 26,551

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Notes to the financial statements

Year ended March 31, 2024

(In thousands of dollars)	Opening balance 2023	Funding, federal government	Funding, provincial government	Other	Payments	Closing balance 2023
AgriStability	\$ 8,441	\$ 42,053	\$ 22,847	\$ 1,190	\$ (62,807)	\$ 11,724
RMP-GO	235	-	(184)	(43)	(6)	2
RMP-LS	1,890	-	(625)	(1,024)	(214)	27
RMP-SDRM	9,348	-	34,753	1,643	(38,347)	7,397
Winery Agri-Tourism	30	-	8,526	1	(8,547)	10
Other programs	673	14	21,484	120	(21,502)	789
Total	\$ 20,617	\$ 42,067	\$ 86,801	\$ 1,887	\$ (131,423)	\$ 19,949

The Other column in the tables above includes items such as producer fees and premiums, and changes in program receivables and payables.

5. Additional programs

Included in Administration expenses (see note 17) are costs associated with the delivery of several other programs in accordance with individual program delivery agreements. Additional programs include:

Provincial Premises Registry (PPR)

Established in 2008, the PPR registers unique parcels of land in Ontario associated with agri-food activities. The PPR collects information, such as agri-food business locations and activities and emergency contacts, and maintains a current database for access by the Ministry for emergency response and preparedness. As part of the National Agri-Food Traceability System, all provinces are responsible for having a premises registration system in place to enable the swift response to incidents and emergencies that could harm agri-food businesses and consumers. This program is administered on behalf of OMAFRA.

Farm Property Class Tax Rate Program (FPCTRP)

Under FPCTRP, eligible farm properties pay a reduced property tax rate for their acreage. Agricorp delivers the program, completes eligibility assessments for all valued and assessed farm properties, and reports the properties that meet all the requirements to the Municipal Property Assessment Corporation (MPAC) on behalf of OMAFRA. MPAC in turn forwards this information to the local municipalities. The municipality will then tax the properties that meet the requirements at the farm rate.

6. Accounts receivable

Accounts receivable are comprised primarily of amounts due from the federal and provincial governments and from producers.

(In thousands of dollars)	2024	Restated (note 2) 2023
Funding – federal government	\$ 6,345	\$ 7,816
Funding – provincial government	5,719	6,987
Other	19,132	10,274
Sub total	31,196	25,077
Less allowance for doubtful accounts	-	(20)
Total	\$ 31,196	\$ 25,057

Amounts due from the federal and provincial governments are generally receivable within 90 days.

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Notes to the financial statements

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7. Investments

a) Portfolio profile

(In thousands of dollars)	2024	2023
Short-term		
Financial institutions – cash and equivalents	\$ 289,611	\$ 158,082
Financial institutions – guaranteed investment certificates	295,963	539,496
Financial institutions – bonds	25,764	-
Total short-term	611,338	697,578
Long-term		
Financial institutions – guaranteed investment certificates	446,182	203,750
Financial institutions – bonds	25,236	50,010
Total long-term	471,418	253,760

All long-term investments mature within 1-3 years.

b) Fair value hierarchy

(In thousands of dollars)	Level	2024	2023
Cash and equivalents	1	\$ 289,611	\$ 158,082
Bonds	1	51,000	50,010
Guaranteed investment certificates	2	742,145	743,246
Total investments		\$1,082,756	\$ 951,338

There were no transfers of investments between Level 1 and Level 2.

8. Capital assets

(In thousands of dollars)	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture and fixtures	\$ 871	\$ 871	\$ -	\$ -
Computer hardware	4,209	3,833	376	664
Leasehold improvements	966	945	21	6
Computer software	13,081	13,081	-	1
Customized software	12,196	8,537	3,659	6,098
Total	\$ 31,323	\$ 27,267	\$ 4,056	\$ 6,769

9. Financial instruments risk management

a) Market risk

Market risk is the risk that changes in market prices will affect the fair value of reported assets and liabilities. Market factors include three types of risk: interest rate risk, currency risk and equity risk. Agricorp is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

Agricorp operates within investment guidelines constraints set out by legislation that restricts Agricorp's investments to highly liquid, high-grade investments, such as federal and provincial bonds, deposit notes issued by domestic financial institutions and other securities approved by the Minister of Finance.

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Notes to the financial statements

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b) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on Agricorp's financial position, operations and cash flow.

The average return on investments is 4.02% (2023 – 2.87%). Fluctuations in interest rates could have a significant impact on the fair value of the fixed income securities profile. Although investments are generally held to maturity, realized gains or losses could result if actual Production Insurance claim levels differ significantly from expected claims, and liquidation of long-term investments is required to meet obligations. The potential impact to investment values had the prevailing interest rates changed by 50 basis points is estimated at \$13.3 million (2023 – \$9.9 million). There have been no significant changes from the previous year in the exposure to risk or to the policies, procedures and methods used to measure the risk.

c) Credit risk

General

Credit risk is the risk that other parties fail to perform as contracted. Agricorp's exposure to credit risk is principally through balances receivable from the federal and provincial governments and producers as well as through its investment securities.

Reinsurance

Agricorp is exposed to credit risk on the reinsurance contracts that are placed with reinsurers. In order to minimize this risk, Agricorp places reinsurance with a number of different reinsurers and evaluates the financial condition of each of these reinsurers in order to minimize exposure to a significant loss from any one reinsurer in the event of insolvency.

Collectability

Credit risk on balances receivable arises from the possibility that the entities that owe funds to Agricorp may not fulfill their obligation. Collectability is reviewed regularly and an allowance for doubtful accounts is established to recognize the impairment risks identified.

Investments

Credit risk on investment securities arises from Agricorp's positions in term deposits, corporate debt securities and government bonds. Legislation restricts the types of investments Agricorp may hold to high-grade Canadian debt instruments and investments approved by the Minister of Finance, which significantly reduces credit risk.

10. Funding – provincial and federal

a) General Fund

Agricorp provides administration services on a cost recovery basis to process and disburse payments to producers enrolled in agricultural business risk management and other programs. The provincial and federal governments have agreed to share the costs of administering Production Insurance, and AgriStability at the ratio of 60% and 40% respectively. The costs to administer RMP-GO, RMP-LS, RMP-SDRM, VQA-WSP, Winery Agri-Tourism, PPR and FPCTRP are funded by the provincial government.

b) Production Insurance Fund

Premiums from producers represent 40% of the total funding of the Production Insurance program. The federal and provincial governments fund the remaining contributions at a basis of 60% and 40% respectively.

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Notes to the financial statements

Year ended March 31, 2024

c) Risk Management Program Fund

The provincial government funds the Risk Management Program in addition to premiums received by producers.

11. Deferred contributions

Included in the General fund are deferred contributions related to funding received for operating expenses of a future period as well as for funding received for the purchase of capital assets. All contributions recognized in the year are included in Funding – provincial and federal government in the Statement of operations and fund balances. The nature and amount of changes in these balances are as follows.

(In thousands of dollars)	Opening Balance 2024	Contributions	Recognized	Closing Balance 2024
Short-term				
Deferred contributions - operating expenses	\$ 1,155	\$ 2,359	\$ 2,318	\$ 1,196
Long-term				
Deferred contributions - capital assets	6,769	63	2,776	4,056
Total deferred contributions	\$ 7,924	\$ 2,422	\$ 5,094	\$ 5,252

(In thousands of dollars)	Opening Balance 2023	Contributions	Recognized	Closing Balance 2023
Short-term				
Deferred contributions - operating expenses	\$ 1,113	\$ 2,011	\$ 1,969	\$ 1,155
Long-term				
Deferred contributions - capital assets	9,045	555	2,831	6,769
Total deferred contributions	\$ 10,158	\$ 2,566	\$ 4,800	\$ 7,924

12. Reinsurance agreement

Agricorp uses reinsurance in the normal course of Production Insurance operations to manage its risk exposure. Coverage involving a number of reinsurance companies was purchased for the 2023 production year. Under the terms of the 2023 production year agreement, the reinsuring companies would assume losses between 16% and 26% on \$4.9 billion insured liability (2022 production year – 14% - 27% on \$5.5 billion). As actual claims were less than the minimum threshold of \$770 million (2022 production year – \$776 million), there was no reinsurance recovery for the 2023 production year (2022 - no recovery).

13. Pension

The PSPP is a contributory defined benefit plan. The PSPP is funded by contributions from participating employers and members, and by the investment earnings from the Public Service Pension Fund. Contributions from members and employers are remitted to the Ontario Pension Board (OPB).

Contributions to PSPP made during the year by Agricorp amounted to \$2M (2022 - \$1.8M). Administration expenses on the statement of operations and fund balances include pension expense as part of salaries and benefits within administration costs.

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14. Commitments and contingencies

a) Commitments

Agricorp is committed to office space for the next two years. The lease agreement with Ministry of Infrastructure Ontario was mutually terminated on March 31, 2024. Effective April 1, 2024, as a result of a change in legislation arising from the *Reducing Inefficiencies Act 2023*, Agricorp becomes a user of the Ministry of Infrastructure Ontario's (MOI) General Real Estate Portfolio (GREP).

The minimum aggregate costs are:

(In thousands of dollars)	Total
2025	1,121
2026	1,121
Total	\$ 2,242

Agricorp signed an agreement in December 2023 committing to purchase reinsurance through a number of carriers for the 2024 production year. The estimated cost for this agreement is \$27.7 million (2023 - \$32.6 million)

b) Contingencies

During the normal course of business, certain claims or program payments may be denied by Agricorp. As a result, various claims or proceedings have been, or may be, initiated against Agricorp. The disposition of the matters that are pending or asserted is not expected by management to have a material effect on the financial position of Agricorp or on its results of operations.

15. Related party transactions

Agricorp rents office space from the Ministry of Infrastructure Ontario for a total cost for the year of \$ 1.0 million (2023 - \$1.0 million) included in facilities within administration expenses.

Effective March 31, 2024, the lease agreement between Agricorp and the Ministry of Infrastructure Ontario was mutually terminated. Effective April 1, 2024, Agricorp becomes a user of the Ministry of Infrastructure Ontario's (MOI) General Real Estate Portfolio (GREP).

Agricorp earned revenue of \$53 million (2023 - \$51 million) from OMAFRA as their share of the Production Insurance contributions, \$21 million (2023 - \$ 21 million) for operating funding from OMAFRA and \$111 million (2023- \$111 million) from OMAFRA as Ontario's portion for the Risk Management Program Fund contributions.

16. Board remuneration and salary disclosure

Total remuneration to members of the Board of Directors was \$12,648 (2023 - \$9,668). *The Public Sector Salary Disclosure Act, 1996* requires Agricorp to disclose employees paid an annual salary in excess of \$100,000. Complete disclosure for Agricorp is included in the "Public Sector Salary Disclosure 2023: Crown Agencies" listing on the Government of Ontario website: <https://www.ontario.ca/public-sector-salary-disclosure/2023/all-sectors-and-seconded-employees/>.

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17. Administration

(In thousands of dollars)	2024	2023
Salaries and benefits	\$ 31,887	\$ 30,039
Equipment and maintenance	3,782	3,150
Facilities	1,220	1,063
Amortization	2,776	2,831
Consulting and professional	1,027	1,193
Telephone and postage	673	659
Office	361	385
Vehicle and travel	185	175
Other	145	149
Total	\$ 42,056	\$ 39,644

18. Comparative figures

Certain figures have been reclassified to conform to the current year's presentation.

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