An agency of the Government of Ontario

Management's responsibility for financial reporting

Management of Agricorp is responsible for the integrity, consistency, objectivity and reliability of the financial statements. These financial statements were prepared in accordance with Canadian public sector accounting standards, and management has exercised its judgement and made best estimates where appropriate, particularly when the transactions affecting the current accounting period cannot be finalized with certainty until future periods. Estimates and assumptions are based on historical experience, current conditions and various other assumptions believed to be reasonable in the circumstances.

In discharging its responsibility for the integrity and fairness of the financial statements, management is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the financial records are relevant, reliable and accurate, and that assets are properly accounted for and safeguarded. 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 oversees management's responsibilities for financial reporting through a Finance and Audit Committee, which is composed entirely of independent directors. The Finance and Audit Committee meets regularly to oversee the financial activities of Agricorp, reviews our financial statements and recommends them to the Board for approval.

The Office of the Auditor General, appointed by our legislation, has audited the financial statements in accordance with Canadian generally accepted auditing standards, as stated in their Independent Auditor's Report. 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 Office of the Auditor General has full and unrestricted access to the Finance and Audit Committee to discuss their audit and related findings.

Original signed by

Doug LaRose
Chief Executive Officer

Original signed by

Becky Philpott
Chief Financial Officer

June 17, 2026

Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

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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, 2026, and the statements of operations and changes in 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, 2026, 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 2026 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 2026 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.

Toronto, Ontario
June 17, 2026

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Agricorp

Statement of financial position

As at March 31, 2026

(Thousands of dollars)	General Fund	Production Insurance Fund	Risk Management Program Fund	2026	2025
ASSETS					
Current assets					
Cash	$ 8,026	$ 48,013	$ 20,264	$ 76,303	$ 99,681
Short-term investments (note 5)	3,918	450,066	88,024	542,008	646,559
Accounts receivable (note 6, note 15)	1,952	20,438	2,392	24,782	37,490
Funds under administration (note 3)	24,083	-	-	24,083	29,320
Prepaid expenses	1,247	-	-	1,247	1,290
Total current assets	**39,226**	**518,517**	**110,680**	**668,423**	**814,340**
Long-term investments (note 5)	-	634,094	-	634,094	502,622
Capital assets (note 7)	513	-	-	513	1,671
Total assets	**$ 39,739**	**$ 1,152,611**	**$ 110,680**	**$ 1,303,030**	**$ 1,318,633**
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities (note 15)	5,862	324	2,961	9,147	5,587
Funds under administration (note 3)	24,083	-	-	24,083	29,320
Unearned premiums	-	23,088	-	23,088	26,706
Deferred contributions (note 8)	1,247	-	-	1,247	1,290
Provision for claims	-	13,800	46,340	60,140	57,497
Total current liabilities	**31,192**	**37,212**	**49,301**	**117,705**	**120,400**
Deferred capital contributions (note 8)	513	-	-	513	1,671
Total liabilities	**31,705**	**37,212**	**49,301**	**118,218**	**122,071**
Fund balances					
Unrestricted funds	8,034	-	-	8,034	7,722
Restricted funds	-	1,115,399	61,379	1,176,778	1,188,679
Accumulated remeasurement gains	-	-	-	-	161
Total fund balances	8,034	1,115,399	61,379	1,184,812	1,196,562
Total liabilities and fund balances	**$ 39,739**	**$ 1,152,611**	**$ 110,680**	**$ 1,303,030**	**$ 1,318,633**

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board

Original signed by

Johanna Chevalier
Acting Board Chair

Original signed by

Dominic Morrissey
Finance and Audit Committee Chair

Agricorp

Statement of operations and changes in fund balances

Year ended March 31, 2026

(Thousands of dollars)	General Fund	Production Insurance Fund	Risk Management Program Fund	2026	2025
Revenue					
Government contributions - provincial (note 9, note 15)	$ 19,825	$ 37,712	$ 134,624	$ 192,161	$ 181,322
Government contributions - federal (note 9)	18,934	56,568	-	75,502	93,023
Premiums from producers	-	66,288	38,874	105,162	121,380
Consulting and other services	1,679	-	-	1,679	1,696
Investment income	342	48,415	2,683	51,440	61,015
Total revenues	**40,780**	**208,983**	**176,181**	**425,944**	**458,436**
Expenses					
Claims	-	266,436	120,730	387,166	285,711
Reinsurance (note 10)	-	9,899	-	9,899	17,779
Administration (note 11, note 12, note 15)	40,468	-	-	40,468	41,710
Total expenses	**40,468**	**276,335**	**120,730**	**437,533**	**345,200**
Excess of revenue over expenses (expenses over revenue)	**312**	**(67,352)**	**55,451**	**(11,589)**	**113,236**
Fund balances, beginning of year	7,722	1,182,751	5,928	1,196,401	1,083,165
Fund balances, end of year	**$ 8,034**	**$ 1,115,399**	**$ 61,379**	**$ 1,184,812**	**$ 1,196,401**

The accompanying notes are an integral part of these financial statements.

Agricorp

Statement of remeasurement gains and losses

Year ended March 31, 2026

(Thousands of dollars)		2026		2025
Accumulated remeasurement gains (losses), beginning of year	**$**	**161**	**$**	**(250)**
Unrealized gains (losses) on investments		(161)		411
Accumulated remeasurement gains, end of year	**$**	**-**	**$**	**161**

The accompanying notes are integral part of these financial statements.

Agricorp

Statement of cash flows

Year ended March 31, 2026

(Thousands of dollars)	General Fund	Production Insurance Fund	Risk Management Program Fund	2026	2025
Cash flows from operating activities					
Excess of revenue over expenses (expenses over revenue)	$ 312	$ (67,352)	$ 55,451	$ (11,589)	$ 113,236
Adjustments for non-cash items					
Interest income	(123)	(42,636)	(1,385)	(44,144)	(52,878)
Interest received	-	37,336	461	37,797	37,402
Amortization of capital assets	(1,515)	-	-	(1,515)	(2,771)
Recognition of previously deferred capital contributions	1,515	-	-	1,515	2,771
Changes in working capital items					
(Increase) decrease in accounts receivable	(320)	13,238	(210)	12,708	(6,294)
(Increase) decrease in prepaid expenses	43	-	-	43	(106)
Increase (decrease) accounts payable and accrued liabilities	2,599	111	850	3,560	(2,104)
Increase(decrease) in unearned premiums	-	(3,618)	-	(3,618)	7,412
Increase (decrease) in deferred contributions	(43)	-	-	(43)	94
Increase (decrease) in provision for claims	-	12,200	(9,557)	2,643	(82,088)
Net cash flows from (used in) operating activities	**2,468**	**(50,721)**	**45,610**	**(2,643)**	**14,674**
Cash flows from financing activities					
Receipt of government contributions for capital assets (note 8)	357	-	-	357	386
Net cash flows from financing activities	**357**	**-**	**-**	**357**	**386**
Cash flows from investing activities					
Purchases of investments	-	(345,000)	(102,550)	(447,550)	(607,500)
Proceeds of investments	-	371,000	55,815	426,815	556,962
Net cash flows from (used in) investing activities	**-**	**26,000**	**(46,735)**	**(20,735)**	**(50,538)**
Cash flows from capital activities					
Acquisition of capital assets	(357)	-	-	(357)	(386)
Net cash flows from (used in) capital activities	**(357)**	**-**	**-**	**(357)**	**(386)**
Net increase (decrease) in cash	2,468	(24,721)	(1,125)	(23,378)	(35,864)
Cash, beginning of year	5,558	72,734	21,389	99,681	135,545
Cash, end of year	**$ 8,026**	**$ 48,013**	**$ 20,264**	**$ 76,303**	**$ 99,681**

The accompanying notes are an integral part of these financial statements.

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 administer plans of crop insurance under the *Agricultural Products Insurance Act, 1996* and deliver government business risk management programs to Ontario's agriculture industry on behalf of the Ministry of Agriculture, Food and Agribusiness ("OMAFA"). 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 pursuant to a Minister's Order 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 OMAFA 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 presented as funds under administration on the statement of financial position.

b) Other Activities

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 OMAFA in accordance with their respective program delivery agreements.

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

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") which sets out generally accepted accounting principles for government not-for-profit organizations in Canada as recommended by the Chartered Professional Accountants of Canada ("CPA Canada"). Agricorp has chosen to use Sections PS 4200 to PS 4270 for Government Not-For-Profit Organizations. The significant accounting policies used to prepare these statements are summarized below.

a) Basis of presentation

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.

b) Measurement uncertainty

The preparation of financial statements 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 as well as the reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of estimates include the carrying amounts of accounts receivable, accounts payable and accrued liabilities, unearned premiums and deferred contributions, and 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.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. By their nature, estimates are subject to measurement uncertainty. Therefore, actual results may differ materially from the estimates.

c) Revenue recognition

i. Government contributions and premiums from producers

Agricorp accounts for government contributions using the deferral method of accounting.

Within the General Fund, government contributions are recognized as revenue when the related administrative expenses occur on a cost recovery basis.

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 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.

Government contributions externally restricted for the purchase of capital assets are recorded as deferred capital contributions and are amortized into revenue on the same basis and at rates corresponding to those of the related capital assets.

ii. Consulting and other services

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.

iii. Investment income

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

d) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when Agricorp becomes a party to the contractual provisions of the instrument. All financial instruments are assigned to one of two measurement categories at initial recognition – either fair value or cost/amortized cost. Financial assets and liabilities measured at cost/amortized cost are initially recognized at acquisition cost, including transaction costs that are directly attributable to the acquisition or issuance. Cash, accounts receivable, GICs and accounts payable and accrued liabilities are all measured at amortized cost and short and long term investments, except for GICs, are all measured at fair value.

Financial assets at amortized cost are subject to impairment. At each financial statement date, Agricorp assesses financial assets to determine whether there is any objective evidence of impairment. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and changes in fund balances.

Financial assets and liabilities at fair value are remeasured at their fair value at the end of each reporting period. 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 changes in fund balances. Investments include cash equivalents, Guaranteed Investment Certificates (“GICs”) and bonds. Cash equivalents and GICs are recorded at cost plus accrued interest.

Fair value measurements are categorized into the following levels within a fair value hierarchy, based on the market observability of the valuation inputs used in measuring the 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.

e) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization begins when capital assets are available for use. Capital assets are amortized on a straight-line basis 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

f) 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

Agricorp is a participating employer in the Public Service Pension Plan, which is a multi-employer defined benefit plan that is solely sponsored by the Province of Ontario. When benefits are provided to eligible employees through a multi-employer defined benefit plan, each entity participating in the plan, other than the sponsoring entity, is required to follow the standards for defined contribution plans. The Province of Ontario 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. As a result, Agricorp recognizes an expense equal to the amount of required contributions provided for employees' services rendered during the period. Any outstanding contributions are recognized as a liability in the statement of financial position.

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. An estimate is made for the portion expected to be paid in any given year based on a 5 year historical average.

3. 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 OMAFA for producers in Ontario and cover joint federal-provincial 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, 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 11).

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

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.

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) Vintners Quality Alliance Wine Support Program (VQA-WSP)

The 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 (LCBO). The Program provides grants to help wineries invest in growing their VQA wine business, including tourism development activities. This program is fully funded by the provincial government.

d) Ontario Grape Support Program (OnGSP)

The Ontario Grape Support Program encourages wineries to use more Ontario-grown grapes in their production of International Domestic Blend (IDB) and 100% Ontario non-VQA wines. Wineries receive funding based on eligible 100% Ontario non-VQA and IDB wine sales volume. This program is fully funded by the provincial government.

e) Other programs

Agricorp administers other programs on behalf of OMAFA, the federal government and industry groups, some of which are in the process of being wound down. Included in Administration expenses (see note 11) are costs associated with the delivery of other programs in accordance with individual program delivery agreements. 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:

(Thousands of dollars)	Opening balance 2026	Funding, federal government	Funding, provincial government	Other	Payments	Closing balance 2026
AgriStability	$ 17,579	$ 53,541	$ 22,105	$ (3,635)	$ (79,459)	$ 10,131
RMP–SDRM	9,560	-	38,484	3,005	(39,073)	11,976
VQA-WSP	-	-	125,398	-	(125,172)	226
OnGSP	-	-	31,000	19	(30,301)	718
Other programs	2,181	-	6,549	8	(7,706)	1,032
Total	**$ 29,320**	**$ 53,541**	**$ 223,536**	**$ (603)**	**$ (281,711)**	**$ 24,083**

(Thousands of dollars)	Opening balance 2025	Funding, federal government	Funding, provincial government	Other	Payments	Closing balance 2025
AgriStability	$ 15,198	$ 56,777	$ 25,714	$ (1,108)	$ (79,002)	$ 17,579
RMP–SDRM	8,727	-	36,082	230	(35,479)	9,560
VQA - WSP	16	-	41,810	-	(41,826)	-
Other programs	2,610	(35)	14,478	(8)	(14,864)	2,181
Total	**$ 26,551**	**$ 56,742**	**$ 118,084**	**$ (886)**	**$ (171,171)**	**$ 29,320**

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

4. Additional activities

Included in Administration expenses (see note 11) are costs associated with the delivery of several other activities in accordance with individual delivery agreements. Additional activities include:

a) *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. PPR is administered on behalf of OMAFA.

b) Farm Property Class Tax Rate Program (FPCTRP)

Under FPCTRP, eligible farm properties pay a reduced property tax rate for their acreage. Agricorp 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 OMAFA. 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.

5. Investments

a) Portfolio profile

(Thousands of dollars)	Measurement basis	2026	2025
Short-term			
Cash equivalents	Amortized cost	$ 321,814	$ 266,868
Guaranteed investment certificates	Amortized cost	220,194	353,688
Bonds	Fair value	-	26,003
Total short-term		**542,008**	**646,559**
Long-term			
Guaranteed investment certificates	Amortized cost	634,094	502,622
Total long-term		**634,094**	**502,622**
Total investments		**$ 1,176,102**	**$1,149,181**

All long-term investments mature within 1-5 years.

b) Fair value hierarchy

(Thousands of dollars)	Level	2026	2025
Cash equivalents	1	$ 321,814	$ 266,868
Bonds	2	-	26,003
Guaranteed investment certificates	2	854,288	856,310
Total investments		**$1,176,102**	**$1,149,181**

During the year ended March 31, 2026, there were no transfers of investments between Level 1 and Level 2.

6. Accounts receivable

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

(Thousands of dollars)	2026	2025
Contributions due from federal government	$ 8,108	$ 9,368
Contributions due from provincial government	6,391	6,567
Premiums due from producers	9,786	11,116
Other receivables	497	10,439
Total accounts receivable	**$ 24,782**	**$ 37,490**

Amounts due from the federal and provincial governments are generally receivable within 90 days. There are no amounts due from reinsurers in Other receivables (2025 - $9,891) (see note 10).

7. Capital assets

(Thousands of dollars)	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Furniture and fixtures	$ 857	$ 857	$ -	$ -
Computer hardware	4,865	4,378	487	416
Leasehold improvements	988	962	26	35
Computer software	12,574	12,574	-	-
Customized software	12,196	12,196	-	1,220
Total	**$ 31,480**	**$ 30,967**	**$ 513**	**$ 1,671**

8. 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 Government contributions – provincial and federal in the statement of operations and changes in fund balances.

The nature and amount of changes in these balances are as follows:

(Thousands of dollars)	Opening Balance 2026	Contributions	Recognized	Closing Balance 2026
Short-term				
Deferred contributions	$ 1,290	$ 2,478	$ (2,521)	$ 1,247
Long-term				
Deferred capital contributions	1,671	357	(1,515)	513
Total deferred contributions	**$ 2,961**	**$ 2,835**	**$ (4,036)**	**$ 1,760**

(Thousands of dollars)	Opening Balance 2025	Contributions	Recognized	Closing Balance 2025
Short-term				
Deferred contributions	$ 1,196	$ 2,652	$ (2,558)	$ 1,290
Long-term				
Deferred capital contributions	4,056	386	(2,771)	1,671
Total deferred contributions	**$ 5,252**	**$ 3,038**	**$ (5,329)**	**$ 2,961**

9. Government contributions

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 Risk Management Program Fund, RMP-SDRM, VQA-WSP, OnGSP, other programs and other activities (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.

c) Risk Management Program Fund

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

10. Reinsurance expense

Agricorp uses reinsurance in the normal course of Production Insurance operations to manage its risk exposure. Coverage involving several reinsurance companies was purchased for the 2025 production year. Under the terms of the 2025 production year agreement, the reinsuring companies would assume losses between 20% and 26% on $4.9 billion (2024 production year – 17% - 26% on $4.6 billion) of insured liability. As actual claims were less than the minimum threshold of $986 million (2024 production year – $757 million), there was no reinsurance recovery for the 2025 production year (2024 - no recovery).

11. Administration expense

(Thousands of dollars)	2026	2025
Salaries and benefits (note 12)	$ 32,137	$ 31,923
Equipment and maintenance	3,742	3,886
Amortization	1,515	2,770
Facilities (note 15)	1,196	1,101
Consulting and professional	637	771
Telephone and postage	624	598
Office	384	362
Vehicle and travel	145	179
Other	88	120
Total	**$ 40,468**	**$ 41,710**

12. Pension

Agricorp provides pension benefits for all of its employees through its participation in the Public Service Pension Plan (PSPP), which is a multi-employer defined benefit pension plan that is solely sponsored by the Province of Ontario. The pension benefit formula is based on a member's best five-year average salary and length of service. Pension benefits are indexed to changes in the Consumer Price Index to provide protection against inflation. Plan benefits are funded by contributions from participating employers, employees, the Province, as well as investment earnings. Contributions from members and employers are remitted to the Ontario Pension Board (OPB). There were no significant changes to the plan during the period.

Agricorp's contributions to the PSPP amounted to $2.1 million (2025 – $2.0 million) during the period. Administration expenses on the statement of operations and changes in fund balances include pension expense as part of salaries and benefits.

13. Commitments and contingencies

a) Commitments

Effective April 1, 2024, as a result of a change in legislation arising from the *Reducing Inefficiencies Act 2023*, Agricorp became a user of the Ministry of Infrastructure Ontario's (MOI) General Real Estate Portfolio (GREP). Agricorp is committed to office space for the next two years.

The minimum aggregate costs for these amounts are:

(Thousands of dollars)		Total
2027	$	1,103
2028		1,159
Total	**$**	**2,262**

Agricorp signed an agreement in December 2025 committing to purchase reinsurance through a number of carriers for the 2026 production year. The estimated cost for this agreement is $13.1 million (2025 - $9.8 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.

14. Financial instruments risk management

Agricorp's financial instruments are exposed to certain financial risks including market risk and credit risk. Agricorp's overall risk framework focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on Agricorp's financial performance.

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 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.

b) Interest rate risk

Interest rate risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in market interest rates.

The average return on investments is 4.4% (2025 – 4.96%). 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 $12.7 million (2025 – $13.6 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 one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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. There have been no significant changes from the previous year in the exposure to credit risk or to the policies, procedures and methods used to measure the risk.

Reinsurance

Agricorp is exposed to credit risk on its reinsurance contracts that are placed with reinsurers. Agricorp manages this risk by evaluating the financial condition of each of these reinsurers on a continuous basis. Agricorp places reinsurance with a number of different 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 and corporate 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.

15. Related party transactions

Related parties of Agricorp include the Government of Ontario ministries, agencies, and all other entities subject to common control of the Province of Ontario. Agricorp enters into transactions with these entities in the normal course of business. Related party transactions during the period consisted of the following:

Agricorp rents office space and incurs maintenance charges from the Ministry of Infrastructure for a total cost for the year of $1,210 (2025 - $1,192) included in facilities within administration expenses. As at March 31, 2026, accounts payable and accrued liabilities include $26 (2025 - $109) due to the Ministry of Infrastructure.

Agricorp earned revenue of $37,712 (2025 - $49,245) from OMAFA as their share of the Production Insurance contributions, $134,624 (2025 - $111,229) as Ontario's portion for the Risk Management Program Fund contributions, and $19,825 (2025 - $20,848) for operating funding from OMAFA. As at March 31, 2026, accounts receivable includes $6,391 (2025 - $6,567) due from OMAFA in connection with these programs.

16. Board remuneration and salary disclosure

Total remuneration to members of the Board of Directors was $20,057 (2025 - $8,939). *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 2025: Crown Agencies" listing on the Government of Ontario website: https://www.ontario.ca/public-sector-salary-disclosure/2025/all-sectors-and-seconded-employees/.

17. Comparative figures

During the current year, Agricorp changed its presentation of Interest in the Statement of Cash Flows to provide more relevant information regarding its operating activities. To conform to the current year's presentation, comparative figures for the prior year ended March 31, 2025 have been reclassified. The impact of this reclassification is to separate the change in accrued interest into interest income and interest received.