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Update on recovery of outstanding balances

May 10, 2013

Last year, Agricorp announced a change in its practice for recovering overpayments. Overpayments occur when customers receive more money than they are eligible to receive under the business risk management programs we deliver. They may occur as a result of incomplete program applications, processing errors, changes to farm operations or the nature of programs that provide advance payments for producers in financial distress. To date, more than 70 per cent of producers with overpayments have paid their outstanding balance or committed to a repayment plan.

Agricorp's debt recovery practice

Prior to last April, Agricorp recovered overpayments from future program benefits until the balances owing were paid in full. Effective April 2012, Agricorp changed its practice for recovering monies owing in two important ways:

- The practice of recovering monies owing from future program payments continued; however, customers were required to establish a plan with Agricorp to repay any balance owing within three years.
- The waiver of interest granted to Agricorp accounts in the past continued until December 31, 2012; however, interest charges would apply effective January 1, 2013, at a rate set quarterly by the Ministry of Finance.

Effective January 2013, producers with an overpayment started receiving monthly statements to keep them informed about their balance owing and any interest charges that have accrued.

Flexible repayment options

Producers can choose from a number of flexible repayment options. They have three years to repay the balance and can choose any number of instalments that work for their operation and business cycle. They can continue to apply future program payments to their outstanding balance, as they have always done. If circumstances change, producers can request a change to their repayment plan. Producers experiencing financial distress can request to keep a greater portion of their program benefit, rather than applying the full amount to their balance owing. Agricorp is not authorized to negotiate debt amounts.

Debt recovery for government

Agricorp is a government agency and is governed by the *Financial Administration Act*. According to the *Limitations Act, 2002*, there is no limitation period on the overpayments Agricorp is responsible to collect. In 2013, an application was filed to the court, asking for an interpretation of the limitation period under the *Limitations Act, 2002*.

Commitment to customer service

Every effort is made to ensure proper stewardship of government funds while being sensitive to the needs of customers. Each and every farm business we deal with is unique, diverse and complex. As a result, we have a dedicated team in place to respond to producer questions about their repayment options on a case-by-case basis. We also respect a producer's right to assign a delegate, such as an agent or legal counsel, and will work directly with producers or with their chosen delegates.

Agricorp operates with the utmost integrity in delivering programs, and this includes diligent adherence to thorough processes. It is very important that we treat all farmers fairly in both the disbursement and collection of funds.

Producers who have financial concerns are encouraged to contact Agricorp to discuss their repayment options.

Producers who disagree with a decision about their file and would like to request a review can follow our standard escalation process by calling Angela Carson, manager of Program Quality Assurance & Performance Standards, at 1-888-247-4999, extension 3691.

Producers who feel that Agricorp acted in an unprofessional or unethical manner in handling their account can send a confidential email to our ethics team at ethics@agricorp.com and a senior manager will personally follow up.