



An agency of the Government of Ontario

AgriStability resources for agents

These resources were developed by Agricorp to support agents as they consult with their clients on AgriStability.

We will let you know if this package is updated.

For more information, contact Agricorp or visit agricorp.com/agents.

Contact us

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Box 3660 Stn. Central
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agricorp.com

Version française disponible.
Accessible formats available.

**Agricorp,
an agency of the
government of Ontario**

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. 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.



Rates, Dates and Updates

2023 Information Sheet

Why choose AgriStability?

Things like market uncertainties, rising input costs, and disasters can hurt your farm business.

AgriStability:

- Is an **affordable** part of your risk management plans, costing just \$315 for every \$100,000 of reference margin
- Helps with **cash flow** when unexpected disasters happen
- **Helps protect** your farm business if you have a large decline in net income
- Can be used to **leverage financing**

Reminder

Interim payments available

If you are an Ontario producer enrolled in AgriStability and have completed 6 months of your fiscal year, you can apply for an interim payment prior to your fiscal year-end.

Interim payments provide a portion of a producer's estimated final payment.

In the 2022 program year, Ontario farmers received more than \$7 million in AgriStability interim payments, providing cash flow when it was needed most.

If your projected income has declined substantially, please visit agricorp.com to download an *Interim Payment Application* form that you can complete and submit to Agricorp.

Updates

Compensation rate increases to 80%

More support for the same affordable fee

The federal, provincial, and territorial (FPT) ministers of agriculture reached an agreement in principle for the Sustainable Canadian Agricultural Partnership at their annual meeting in Saskatoon, Saskatchewan in July 2022.

To enhance economic sustainability, ministers agreed to improve business risk management programs. This includes raising the AgriStability compensation rate from 70% to 80% – an increase Ontario supports, having provided the provincial portion since 2020.

There is no action required by customers. Agricorp will apply the increased compensation rate to payments, starting with the 2023 program year.

What is the compensation rate?

The compensation rate is used to calculate your payment if you are in a claim situation. A 10% increase to the compensation rate means a higher payment when you need it most. To see what this improvement means for your business, read the *Understanding the AgriStability compensation rate* feature sheet in your renewal package or on agricorp.com.

Dates

Last day to...

April 30, 2023

- Submit the 2023 AgriStability *New Participant Form* to Agricorp
- Cancel 2023 coverage (coverage automatically continues each year unless you choose to cancel it)
- Pay 2023 fee to Agricorp

December 31, 2023

- Pay 2023 fee (with 20% increase) to Agricorp to keep coverage current

June 15, 2024

- Submit 2023 *T1163* (for individuals) to the Canada Revenue Agency

June 30, 2024

- Submit 2023 *Statement A* (for corporations, trusts and special individuals) to Agricorp
- Submit 2023 *Year-end Report and Claim Form* to Agricorp

December 31, 2024

- Report your 2023 farm income to the Canada Revenue Agency

Any changes to these deadlines will be posted on agricorp.com.

Did you know?

There are many helpful resources on agricorp.com to make it easier to participate in AgriStability, including:

- ▶ Forms you can download and submit online that have built-in checks to make it easier for you to provide the right information
- ▶ News stories to help you make decisions about AgriStability
- ▶ Resources and guides
- ▶ Fair Market Values

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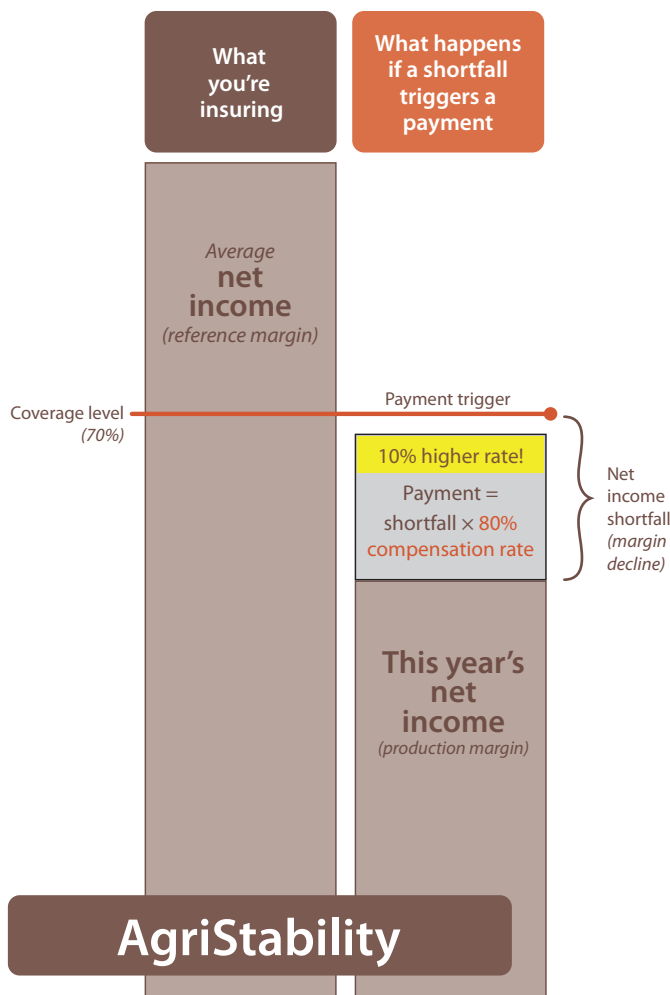
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Understanding the AgriStability compensation rate

Feature Sheet

What does the 10% increase in the compensation rate mean for you?



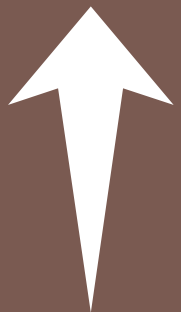
To understand the effects of a 10% increase to the compensation rate, it's important to first understand how payments are calculated.

It's simpler than you might think. At the end of the day, it works just like other insurance products you buy. You insure something valuable, you have a coverage level or deductible, and you get a payment if you have a loss that triggers one.

If you have a loss that triggers a payment, the payment is calculated using a payment rate. That rate has a different name depending on what you're insuring. For Production Insurance it's called a *claim price*. For AgriStability, it's called a *compensation rate*.

New rate!

The AgriStability compensation rate has gone up by 10%, from 70% to 80%!



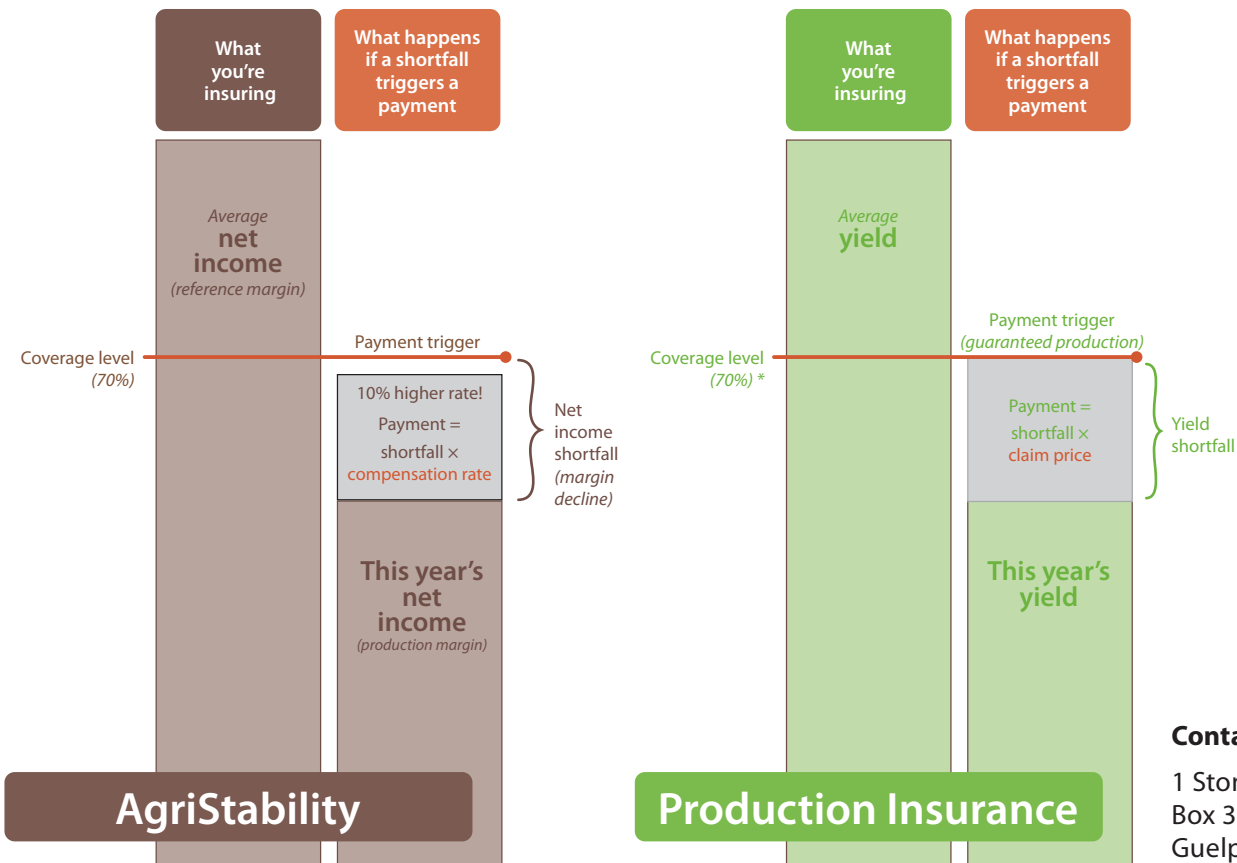
Still costs you only \$315 for every \$100,000 of reference margin

When you look at how AgriStability works, compared to Production Insurance, you can see the similarities.

	AgriStability	Production Insurance
What you insure	Income	Yield
Coverage level	70%	60% – 90% options
Payment rate	Compensation rate	Claim price
Payment	Shortfall × the payment rate	

Can you see how they work the same?

We know AgriStability and Production Insurance have different purposes. One protects you from disastrous income loss. The other protects you from yield loss. But they both share the same insurance basics.



* For illustrative purposes only, the 70% coverage level is used as an example. A range of coverage levels are available for Production Insurance.

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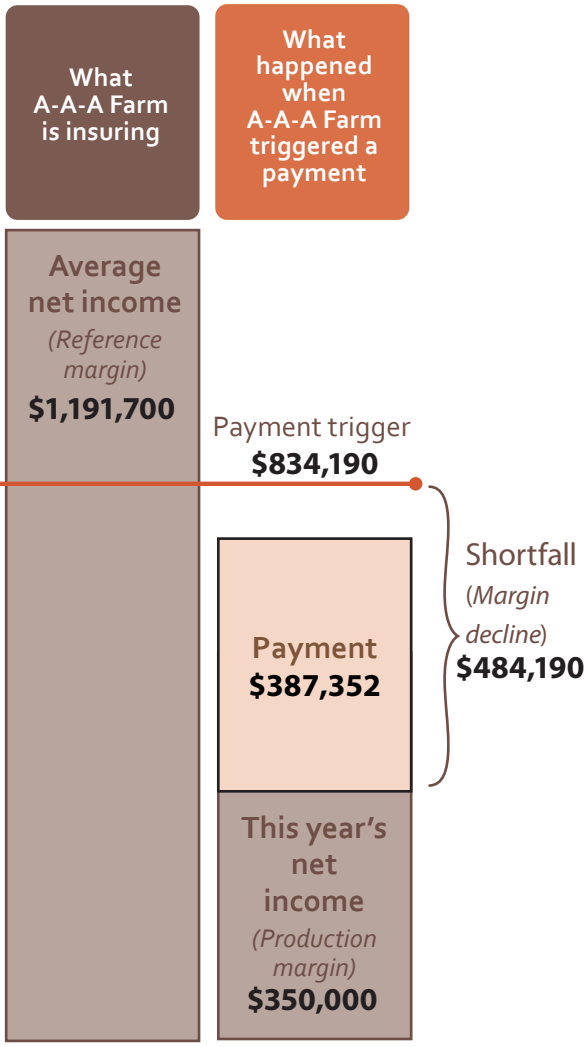
Example – How AgriStability responds

Corn and ginseng operation

Example scenario:
A-A-A Farm has 100 acres of corn and 10 acres of ginseng. This year was challenging because of crop loss due to weather conditions, as well as increased costs. As a result, A-A-A Farm's net income was \$350,000 this year.

Important numbers used in payment calculation

Average net income <i>(Reference margin)</i>	\$1,191,700
Payment trigger	\$834,190
This year's net income <i>(Production margin)</i>	\$350,000
Shortfall <i>(Margin decline)</i>	\$484,190
Payment <i>(Shortfall x 80% compensation rate)</i>	\$387,352



How AgriStability responded:
A-A-A Farm got a payment of \$387,352 when things didn't go well, which allowed them to continue growing crops and helped the farm stay in business.

Example – How AgriStability responds

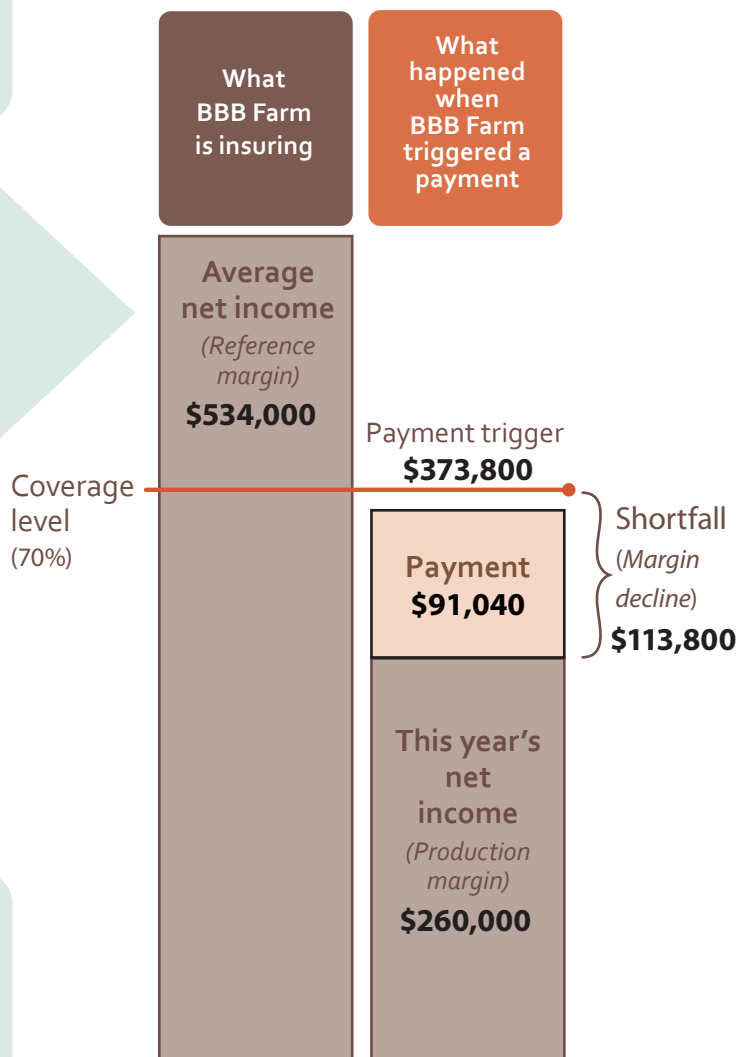
Beef operation

Example scenario:

BBB Farm has 150 head of cattle and 1,000 acres of hay for sale and feed. This year, increased costs for raising cattle led to a big loss of income for the farm. As a result, BBB Farm's net income was \$260,000 this year.

Important numbers used in payment calculation

Average net income <i>(Reference margin)</i>	\$534,000
Payment trigger	\$373,800
This year's net income <i>(Production margin)</i>	\$260,000
Shortfall <i>(Margin decline)</i>	\$113,800
Payment <i>(Shortfall x 80% compensation rate)</i>	\$91,040



How AgriStability responded:

BBB Farm got a payment of \$91,040 when things didn't go well, which allowed them to continue producing cattle and helped the farm stay in business.

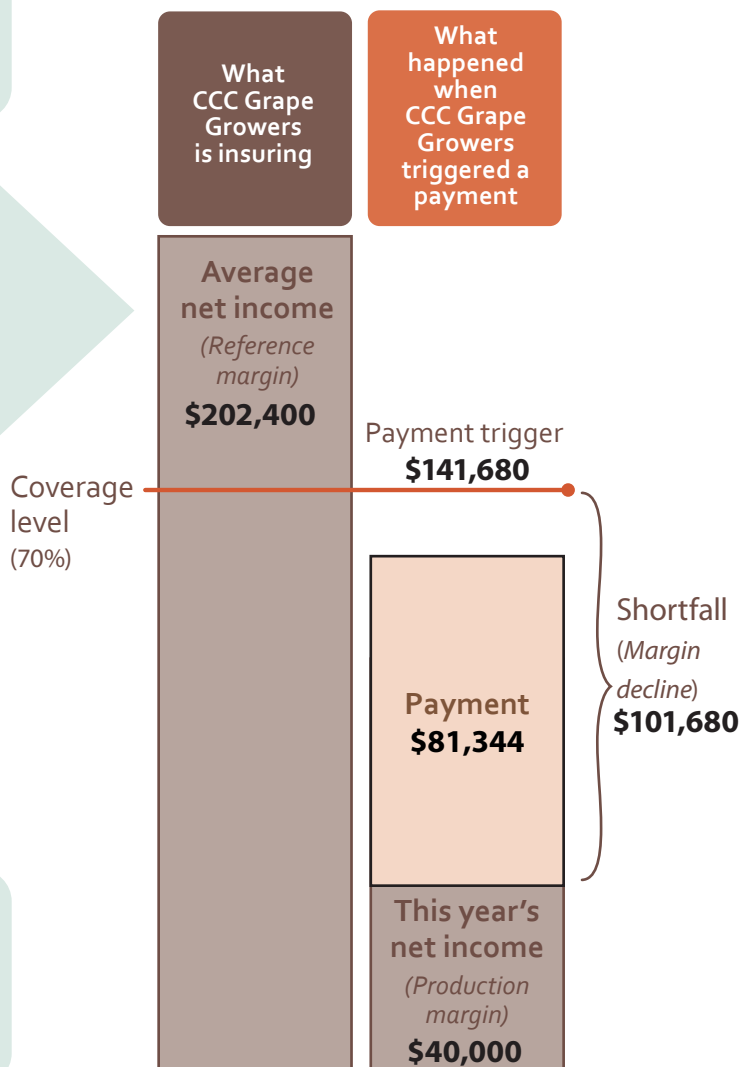
Example – How AgriStability responds Grape operation

Example scenario:

CCC Grape Growers has 50 acres of grapes. This year was challenging for CCC Grape Growers, with lower-quality grapes due to weather conditions and increased costs because of needing to replant damaged vines. As a result, CCC Grape Growers' net income was \$40,000 this year.

Important numbers used in payment calculation

Average net income <i>(Reference margin)</i>	\$202,400
Payment trigger	\$141,680
This year's net income <i>(Production margin)</i>	\$40,000
Shortfall <i>(Margin decline)</i>	\$101,680
Payment <i>(Shortfall x 80% compensation rate)</i>	\$81,344



How AgriStability responded:

CCC Grape Growers got a payment of \$81,344 when things didn't go well, which allowed them to continue producing grapes and helped the operation stay in business.



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AgriStability Quick Estimator

Agriculture and Agri-Food Canada developed an estimator to help farmers understand how the program works and how AgriStability payments are calculated.

The **Quick Estimator** is an easy 1-page calculator to enter information and get an estimated payment.

Search for the AgriStability **Quick Estimator** online or [use it now](#).

Reference Margin ?

Program Year Margin ?

In a partnership? Enter your percentage share % ?

Part of a Whole Farm? Enter your percentage share % ?

Has your farm size increased or decreased by more than 10%?
 v ?

Consultation Questionnaire

For government business risk management programs

Are you getting the most protection out of government programs?

These questions are designed to help you and your agent determine if your operation is getting the most out of government business risk management programs.

Instructions

If yes, check the applicable program box. Note: Boxes that are greyed out do not apply

If no, leave the box unchecked.

Return the completed questionnaire to your agent. Your agent can help make sure you're getting the most out of business risk management programs.

	Production Insurance <i>For yield reductions and production losses</i>	AgriStability <i>For large margin declines</i>	RMP* <i>For fluctuating costs and market prices</i>
Is your crop production protected?	<input type="checkbox"/>	<input type="checkbox"/>	n/a
Is your livestock production protected?	n/a	<input type="checkbox"/>	n/a
Is your business protected from sudden changes in markets and costs?	n/a	<input type="checkbox"/>	<input type="checkbox"/>
Is your whole farm income protected in case of disaster?	n/a	<input type="checkbox"/>	n/a
Do you know how much coverage costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you know how payments work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Ontario's Risk Management Program is available for the cattle, edible horticulture, grains and oilseeds, hog, sheep and veal sectors.