



2021-24 Business Plan

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Executive summary

As an agency of the Government of Ontario, Agricorp's mandate is to deliver programs and services that support Ontario's agri-food industry. Agricorp's vision is to be a versatile, customer-focused organization that works with partners to innovatively deliver programs and services that enhance the vitality of Ontario agriculture.

This three-year business plan outlines the agency's focus on keeping its commitments under federal and provincial agreements and on delivering programs efficiently, with attention to quality and customer service. Over the next three years, Agricorp will continue to work closely with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) by supporting its priorities of ensuring sustainability of agriculture, fostering vibrant rural economies and supporting the growth of Ontario's agri-food sector.

Agency highlights

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

To fulfill its mandate, Agricorp has:

- Been asked to deliver a comprehensive suite of programs and services designed to meet the needs of Ontario's agri-food businesses
- The expertise, capabilities and in-depth knowledge to deliver programs and services effectively and responsibly while providing a reliable, quality customer experience
- The skills, competence and confidence to respond efficiently to industry and program change
- A culture of continuous improvement and collaboration with governments and stakeholders
- A governance model that enables effective stewardship of resources, including risk assessment that informs strategy, robust audit plans and rigorous controls for compliance with legislation and directives
- Transparent reporting practices that ensure performance is monitored and measured, targeted results are achieved and risks are identified and managed.

What we have been working on

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

The agency has realized efficiencies through the creation of streamlined processes and use of technology while implementing cost reduction strategies, without compromising customer service or quality. The focus on making improvements to customer service is evident in the results of the customer satisfaction survey, which has shown very high customer satisfaction scores for the past 10 years.

By standardizing processes and adjusting our organizational structure, the agency strengthened the foundation from which to improve its information technology systems. Federal and provincial investment allowed Agricorp to build systems and improve processes to centralize customer data collection, data storage and financial transactions across programs. This enabled Agricorp to fully support government priorities, such as implementing debt recovery practices and improving online services for Ontario farmers.

With investment from the Ontario and federal governments from 2017 to 2020, Agricorp configured and integrated Guidewire, a modern insurance-based IT system for the Production Insurance program. Implementation began in 2020-21 and will be completed in 2021-22. The new system replaces an obsolete mainframe computer and supports new business processes to enhance the delivery of Production Insurance.

In 2020-21, with investment from the Ontario government, Agricorp replaced the obsolete IT system that supported delivery of the Farm Business Registration program. This removed the risk of system failure and escalating system maintenance costs, and enabled improved digital service delivery.

Working closely with OMAFRA and industry ensures Agricorp keeps programs relevant for Ontario farmers. In recent years, additional Production Insurance coverage has been developed and existing coverage has been enhanced to reflect the needs of the agricultural industry. Programs such as AgriStability and Ontario's Risk Management Program have also been updated.

Agricorp is ready to deliver programs on behalf of the Ontario government. In 2019, Agricorp began delivery of the Farm Property Class Tax Rate Program and the Beef Cattle Financial Protection Program. In 2020, the agency delivered AgriRecovery programs for cattle and hog producers.

Our operating environment

Risk management programs

April 1, 2018, marked the launch of the *Canadian Agricultural Partnership*, a \$3-billion investment by federal, provincial and territorial governments to strengthen the agri-food industry. The *Partnership* replaced the *Growing Forward 2* policy framework and committed governments to a suite of programs that help farmers manage risk.

Based on the *Partnership*, Agricorp has implemented program changes and communicated the changes to farmers. Governments are continuing their review of business risk management programs to assess program effectiveness and their impact on growth and innovation in the agri-food industry.

Fiscal constraint

Governments, including the Ontario government, face the challenge of improving public services while containing or reducing expenditures. These challenges, along with rapid advances in technology and increased accountability and transparency for agencies, have operational impacts on Agricorp.

Operating in a constrained fiscal environment is not new for Agricorp. Recognizing the fiscal climate and current and future business needs and priorities, Agricorp reduced the size of its workforce in 2014 and 2016. The agency simultaneously took steps to redesign processes to reduce work and improve efficiency while maintaining quality and internal controls. This

approach enabled Agricornp to operate efficiently and maintain service levels with no budget increases.

With fiscal constraint a priority for the Ontario government, Agricornp will reduce program administrative costs to help the government achieve its cost reduction goals. This will require careful and prudent management of all expenses including employee costs.

Reduced capacity (staffing levels) will limit Agricornp's ability to respond to urgent, unanticipated and even anticipated government and industry needs. To effectively respond, Agricornp will require sufficient lead time and adequate funding to adjust operations to limit negative impacts on the delivery of programs and to customer services levels. The agency will strive to maintain the current level of customer service. However, there is some risk that the level of customer service will decrease as program administrative funding is reduced.

Plan highlights – the next three years

Agricornp is continuing its strategy of maintaining current service levels and leveraging its expertise and infrastructure to support government priorities.

The agency's three strategic goals continue to be:

- Making it easier to do business with Agricornp by improving processes, structures and systems
- Having efficient and effective operations that continue to provide value for money
- Being ready to deliver additional programs and services that meet the needs of agri-food businesses and government.

This business plan identifies initiatives and their expected outcomes, and outlines performance measures and targets to track progress.

Making it easier to do business with Agricornp means enhancements and change for both Agricornp customers and employees. The agency is focused on improving processes, practices and systems to make it simpler for customers to do business with Agricornp. The goal is to deliver quality customer service through simplified interactions that improve the overall customer experience, reduce the touchpoints required to complete transactions and meet customer needs. This will be achieved by:

- Improving internal structures, processes and capabilities to enhance Agricornp's ability to respond to changing and new program requirements
- Promoting and enhancing self-service options for customers
- Making it easier for customers to get the program information they need

Having efficient and effective operations means delivering programs and services to the agri-food industry on behalf of government, that provide value for money. Agricornp is focused on balancing the needs of customers and government through the prudent use of public funds while supporting the broader government initiative of improving efficiencies in public service delivery to achieve better value for money. The goal is to be an efficient provider of programs and services while continuing to receive consistently high customer service ratings. This will be achieved by:

- Improving and streamlining internal business processes and customer facing processes
- Enhancing the IT systems that support processes
- Completing implementation of the Production Insurance modernization initiative

Being ready to deliver additional programs and services means being flexible and adaptive to the program and service delivery needs of government and industry. Agricorp is focused on leveraging its expertise and infrastructure to support innovation and growth in the agri-food industry through effective program delivery. The goal is to be the delivery agency of choice for agri-food programs and services. This will be achieved by:

- Being publicly accountable
- Having an engaged and adaptive workforce that implements effective business processes and reliable infrastructure
- Building awareness of Agricorp's capabilities for government and industry

Agricorp continues to streamline and improve delivery of programs and services to Ontario's agri-food industry. In an environment of fiscal constraint, and with recent changes to program design and public accountability and transparency, Agricorp has maintained its reputation as the delivery partner of choice. The 2021-24 business plan builds on this solid foundation.

Mandate

Ontario agencies are diverse and are established for a variety of reasons. Operating within a complex environment with many stakeholders, agencies exist in areas where there is substantial public interest or when there is a need for the Ontario 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 government by providing advice on agricultural policy and programs, and ensures public confidence through impartial and autonomous decision making within the programs it delivers.

Agricorp was established in 1997 under the *AgriCorp Act*. The agency'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 by any other Ontario statute, by order of the Lieutenant Governor in Council, or by agreement.

As an agency of the Ontario government, Agricorp delivers programs and services to Ontario's agricultural industry on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). Agricorp is 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.

Ontario's Minister of Agriculture, Food and Rural Affairs issued a mandate letter to Agricorp outlining his expectations of Agricorp for the 2021-22 fiscal year. For a copy of the mandate letter and a summary of how Agricorp plans to meet the Minister's expectations, see Appendix B.

Vision

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

Agricorp's customer-focused vision supports the Ontario government in building a strong and growing economy. It also aligns with OMAFRA's vision of achieving a thriving agri-food industry in Ontario.

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

Mission

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

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

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

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

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

Core qualities

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

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

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

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

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

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

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

Governance

Agricorp is governed by legislation and a Board of Directors that reports to the Ontario Minister of Agriculture, Food and Rural Affairs. By rigorously adhering to regulatory requirements, directives and best management practices, Agricorp ensures sound and consistent governance throughout the organization. Agricorp's collaborative relationship with OMAFRA and the agency's management team enable and support the governance process.

Legislation and directives

Agricorp is a board-governed agency of the Ontario government that was created in 1997 under the authority of the *AgriCorp Act*. The *AgriCorp Act* sets out Agricorp's purpose, powers, mandate, and structure and authorizes Agricorp's Board of Directors to create bylaws detailing the Board's operating policies.

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

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

Board of Directors

Members of Agricorp's Board are leaders in agriculture, business and the community. Members are appointed by the Lieutenant Governor in Council through an Order-in-Council on the recommendation of the Minister. Members are appointed for terms of up to three years, are eligible for reappointment and are responsible for the overall performance of Agricorp. The Board and its committees typically meet quarterly, or as required by business demands, and have an annual planning session.

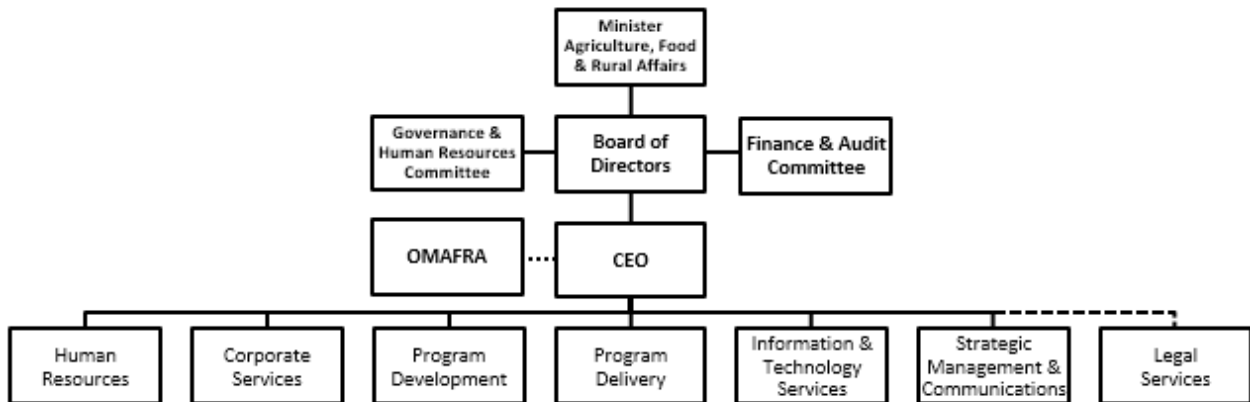
The Board is accountable to the Minister through the Board's Chair. The Board is responsible for setting goals, objectives and the strategic direction for Agricorp, within its mandate, and oversees Agricorp's operations through several accountability mechanisms. These include:

- Board and committee meetings
- Memorandum of understanding
- Program agreements
- Business plan
- Annual report
- Audits
- Financial and performance reporting
- Annual compliance attestation

Relationship with OMAFRA

A memorandum of understanding, based on the framework set out in the Agencies and Appointments Directive, is signed by the Minister and Board Chair, and submitted to the Treasury Board Secretariat. The memorandum clarifies expectations and covers financial, staffing and administrative matters, and reporting requirements. It also defines the relationship between OMAFRA and Agricorp, including the roles and responsibilities of the Minister, Deputy Minister, Board Chair, Board of Directors and Chief Executive Officer of Agricorp.

Agricorp's governance structure



Enterprise risk management

Agricorp takes an integrated approach to risk management. This approach promotes a continuous, proactive and systematic process to understand, manage and communicate risk from an organization-wide perspective, in a cohesive and consistent manner. Guided by generally accepted risk management frameworks, this approach supports strategic decision-making that contributes to the achievement of objectives. It provides the foundation for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization.

Agricorp's risk management process includes systematic procedures to identify, assess, respond to, communicate and monitor organizational risks. Results from this process are aggregated at the corporate level and communicated through an established governance structure. In addition to strategic and operational risks, Agricorp identifies and assesses emerging risks.

Strategic risk is the risk of loss resulting from the inability to adequately plan or implement an appropriate business strategy or from the inability to adapt to change in the external business, political or regulatory environment.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems failures, human performance failures or external events.

Emerging risk is new risk or familiar risk that becomes more apparent in new or unfamiliar conditions. Emerging risk can be strategic or operational.

Emerging risk processes facilitate the ongoing identification, assessment and monitoring of risk. They include ongoing discussion and evaluation of potential emerging risks with senior business and functional management (i.e., the Enterprise Risk Assessment Committee). The Enterprise Risk Assessment Committee is responsible for identifying, assessing, monitoring and reporting on emerging risks to senior management and the Board of Directors on a regular basis.

The Board oversees Agricorp's culture of integrity and ethics, strategic planning, risk management and corporate governance. The Board's Finance and Audit Committee is responsible for assessing whether risk acceptance and control decisions made throughout the organization are appropriate. They also review and approve the agency's risk management plan and audit plans, receive and review audit reports, and review how management responds to and acts on audit recommendations.

Management is responsible for managing risk and has established risk management strategies and monitoring practices. The approach to risk management includes a "three lines of defence" governance model that segregates duties between risk-taking activities, risk monitoring and risk oversight. The governance model establishes appropriate accountability for those who assume risk versus those who oversee risk.

To ensure stakeholder involvement in Agricorp's risk management process, Agricorp engages with OMAFRA as part of an annual corporate risk assessment process. This process is an integral part of the accountability mechanisms that are in place between Agricorp and OMAFRA. Throughout the year, Agricorp monitors and reports on these risks to OMAFRA.

Overview of programs

Overview

Agricorp's primary focus is to deliver programs and services to help Ontario's farm businesses manage risks, innovate and stay competitive. Agricorp delivers business risk management programs and business support programs and provides services for government and industry groups.

Agricorp delivers three main programs: AgriStability, Production Insurance and the Risk Management Program (RMP). AgriStability and Production Insurance are part of the suite of programs under the *Canadian Agricultural Partnership*, a federal-provincial-territorial agreement which is in place through to March 2023. Program costs are funded by the federal and Ontario governments on a 60:40 basis. RMP is funded by the Ontario government.

Agricorp is responsible to the Ontario government for administering these programs while maintaining high standards for fiscal responsibility, transparency, accountability, risk management and customer service. An operational agreement signed by the Deputy Minister and Agricorp's CEO sets out the general operational conditions, expectations, roles and responsibilities of OMAFRA and Agricorp. The operational agreement sets the foundation for program agreements that define specific terms of delivery for each program, such as funding, deliverables, performance measures, data sharing, and reporting.

In 2020-21, Agricorp delivered programs and services to more than 44,000 Ontario farm businesses.

Main programs

AgriStability

AgriStability is a business risk management program that provides support when producers have large declines in net income caused by adverse market conditions, production loss or increased costs of production. If a producer's program year margin falls below 70 per cent of their average historical reference margin, AgriStability helps to offset the difference.

For the 2019 program year, 10,000 producers participated in the program. To date, Agricorp has processed \$34.8 million in claim payments for 760 customers who incurred losses. For the 2020 AgriStability program year, Agricorp has underwritten 9,800 producers and has delivered \$15.5 million in interim payments.

Production Insurance

Production Insurance is a business risk management program that compensates Ontario producers for yield reductions and production losses caused by insured perils such as adverse weather, disease, wildlife and pests. Production Insurance provides effective coverage for 100 commodities in Ontario. Producers may choose from a variety of coverage types, coverage levels and claim price options. Payments are triggered when an insured peril causes the harvested yield to fall below a guaranteed production level or a predetermined threshold.

For the 2020 crop year, Agricorp insured 14,150 producers, with coverage for more than 5.3 million acres and \$3.9 billion in liability. To date, there are 7,800 claim payments totalling \$115.2 million.

Risk Management Program

RMP is designed to help Ontario producers offset financial losses caused by low commodity prices and rising production costs. The program offers six plans for producers of grains and oilseeds, livestock (cattle, hog, sheep and veal) and edible horticulture. For most plans, RMP works like insurance as producer premiums are based on a choice of coverage levels and options. Payments are triggered if the commodity's average market price falls below the average cost to produce the commodity, within the chosen coverage level. For the self-directed risk management (SDRM) plan for edible horticulture, the producer deposits funds into an SDRM account based on their allowable net sales. Government contributions are deposited into the account and may equal up to 100 per cent of the producer's deposit. The producer may withdraw funds from the account to offset financial losses.

To ensure the equitable distribution of funding across all plans throughout the year, Agricorp uses interim payment rates until final claim amounts are known. For the 2019 program year, Agricorp underwrote more than 9,300 producers who were enrolled in one or more of the six RMP plans. Payments totalled \$96 million.

Other government programs

Agricorp delivers other government programs that support Ontario's agriculture and food producers in growing their businesses, creating jobs and innovating. These programs include:

- Farm Business Registration
- Farm Property Class Tax Rate Program
- Provincial Premises Registry
- Grain Financial Protection Program
- Beef Cattle Financial Protection Program

For the full list of programs, see Appendix A.

Services that support the agricultural industry

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

- Data management for the Ontario Apple Growers
- Mapping services for the Ontario Ginseng Growers Association
- Financial analysis for the Dairy Farmers of Ontario
- Secretariat services for the Grain Financial Protection Board
- Financial services for the Farmer's Risk Management Premium Fund

For the full list of services, see Appendix A.

Environmental scan

This environmental scan describes the environment in which Agricorp operates. It identifies trends, events and issues that can present risks and opportunities for the agency. This allows Agricorp to proactively assess and respond to changes in its internal and external environment.

As an agency of the Ontario government, the priorities and policies of government have a direct effect on Agricorp. Changes and trends in agriculture affect Agricorp's delivery of programs and services. This environmental scan highlights these influences and effects.

External environment

Ontario agriculture

The province of Ontario has millions of acres of productive farmland, a rich diversity in foods produced, and an agri-food industry that is a major contributor to Ontario's economy. It currently generates \$47.3 billion a year in gross domestic product and sustains 861,000 jobs – about one in every nine jobs in the province. In 2019, Ontario agri-food exports rose to \$16.6 billion, up 4.0 per cent from the previous year.

2016 Census of Agriculture

In May 2016, Statistics Canada completed a Census of Population and a Census of Agriculture. Every five years, the Census of Agriculture provides a statistical portrait of Canada's agricultural industry and its farm operators and families. Although the census is national, a portion of the data is available at a provincial level.

One quarter of all Canadian farms are in Ontario. The 2016 census counted 49,600 farms in Ontario. This is a drop of 4.5 per cent since 2011. The total area that Ontario farmers have stewardship over (e.g., cropland, pasture, woodlands, wetlands, and farm buildings) decreased by 2.5 per cent to 12.3 million acres. Cropland increased by 1.0 per cent to 9.0 million acres since 2011 as less productive land (e.g., pasture) was converted to cropland.

Average farm size grew slightly from 244 acres in 2011 to 249 acres in 2016. The majority of farms are less than 240 acres and represent just 30 per cent of the acres farmed. The largest 10 per cent of farms operate 46 per cent of the acres farmed. These trends are similar to previous censuses where the number of farms decreased, but farms grew in size and income.

Ontario has the highest number of soybean (2.8 million) and grain corn (2.2 million) acres in Canada. However, there has been a significant increase in corn and soybean acres in western Canada in the last five years. The three largest Ontario field crops, soybeans, corn and winter wheat account for 6.0 million acres.

Greenhouse acreage grew by 17.7 per cent since 2011, to 3,500 acres in 2016. Ontario has two thirds of the greenhouse vegetable area in Canada. Ontario also has 50.1 per cent of Canada's field vegetable production with 135,500 acres. Ontario's field vegetable acreage grew by 4.5 per cent despite a decrease in tomato acres, which was driven by a decrease in tomato processing capacity. The total area for fruit, berries and nuts decreased by 2.9 per cent to 51,000 acres in 2016, driven mainly by a decline in peach acres due to a lack of processing facilities.

Cropland in hay fell from 23.3 per cent in 2011 to 19.1 per cent in 2016. This aligns with an 8.1 per cent decrease in the number of beef cattle and a 1.9 per cent decrease in the number of dairy cows. Although the number for dairy cows decreased, milk production increased 9.9 per cent as production per cow improved. Ontario has the second largest number of pigs in

Canada at 3.5 million, up from 3.1 million in 2011. For 2016, the sheep herd declined 8.8 per cent and the poultry flock increased 6.0 per cent, compared to 2011.

The value of Ontario farmland has been increasing since 1988. The average value of Ontario farmland increased 6.7 per cent in 2019, following gains of 12.4, 6.6, 4.4, 9.4 and 3.6 per cent from 2014 to 2018.

The proportion of Ontario farm operators 55 years and older increased from 49 to 55 per cent from 2011 to 2016, while the proportion of operators under 35 years increased from 8.2 to 9.4 per cent. These trends are similar to the national farm operator age group trends.

Younger farmers are more likely than older farmers to use technology such as computers, smartphones and automation on the farm. Also, large farms with sales of more than \$1.0 million per year tend to invest more in technology than smaller farms do. Greenhouse and livestock sectors are investing in automation while grain and oilseed farms are investing in data and mapping technology. A 2017 survey of agricultural service providers in Ontario found that the major barrier to adopting precision agriculture was the high initial investment cost.

The majority of Ontario's farm businesses are managed by two or more people, with the majority of these being multi-generational farms. The business structure of farms is changing. From 2011 to 2016, the percentage of incorporated farm businesses in Ontario rose from 16.8 to 22.0. Nationally, the percentage of incorporated farm businesses is 25.1. In 1971, only 2.2 per cent of farms were incorporated.

Trade

Ontario and Canadian farmers depend on healthy and stable global markets as many agricultural products are export dependant. Over the last 30 years, Canadian agriculture and food exports have experienced growth. Canada is the fifth-largest exporter of agricultural and agri-food products, with about half of everything Canada produces being exported.

Canada has recently completed trade agreements with the European Union, countries in the Asia-Pacific region, Mexico and the United States, but lacks trade deals with two of the largest markets, India and China. Trade tensions in recent years have affected agricultural markets and highlighted the risks of over-dependence on only having a few export markets. Despite recent trade agreements, market access issues such as the increasing use of tariffs and non-tariff barriers have disrupted and impeded the export of Canadian agricultural products.

Overall, trade tensions create price volatility and suppress Canadian exports, as many exporters and foreign buyers wait to see if prices will stabilize. There have been several periods of price volatility in agricultural commodity markets in the last 30 years. Once volatility subsided and prices returned to levels more in line with averages, growth in Canadian exports continued to flourish.

Agricultural production and supply chains

The COVID-19 global pandemic has disrupted agricultural, food, and bio-product supply chains in Ontario, Canada and the global marketplace. This includes supply chains that supply inputs to farmers and the supply chains needed to transport, store and process agricultural products. Access to labour to grow and harvest many horticultural crops has also been reduced and complicated by the additional protocols required when hiring and managing employees. With the pandemic expected to affect Ontario for the next year or two, farmers will need to continue to manage and mitigate additional risks relating to supply chains and labour.

Medium term outlook for Canadian agriculture

Continued growth in the Canadian agricultural sector is expected over the next decade, although at a more modest pace than in the previous decade because of a relatively low Canadian dollar, economic growth in developing economies, and population growth in Canada and the rest of the world. World population is expected to grow by one per cent each year, adding 900 million people over the next decade.

For crops, especially oilseed crops, production and exports are expected to increase. Production gains are expected through yield increases, as marginal growth is forecast in acreage. Grain price increases are expected to be modest, based on factors such as a levelling off of biofuel production and slow growth in livestock feed requirements.

After declining from their peak in 2014, cattle and hog prices are projected to see more stable ranges over the next decade as herds expand as animals are held back for breeding stock. Supply-managed sectors (i.e., dairy, poultry and eggs) are projected to grow only modestly based on increases in population and per capita consumption, and increased access to the Canadian market for foreign products.

Environment

Ontario farmers are investing in renewable energy. In 2015, 10.4 per cent of Ontario farms had renewable energy-producing systems compared to 5.3 per cent nationally. Of the 5,180 farms in Ontario with renewable energy-producing systems, 85.5 per cent have solar panels and 0.6 per cent have biodigesters.

Soil and water health are important to farmers, government and consumers. To monitor, maintain and improve soil and water health, farmers, industry and government are investing in programs such as:

- The Canada-Ontario Environmental Farm Plan
- The 4R Nutrient Stewardship program (the right fertilizer at the right rate, the right time and in the right place)
- The Lake Erie Agriculture Demonstrating Sustainability (LEADS) program (action to reduce the risk of nutrient loss on farm)
- Updates to Ontario's soil maps

Farmers in Ontario regularly face challenging weather that can lead to difficult planting, growing and harvesting conditions that can cause yield or quality losses in their crops and livestock. Government-funded business risk management programs can provide financial compensation to producers after a loss has occurred.

To prevent or limit the adverse effects weather can have on their crops and livestock, farmers are developing risk mitigation plans and investing in tools and technology. Investment in tools and technology is meant to prevent losses from occurring, not to compensate for a loss after it occurs. Many producers are investing in tools and technology to reduce the impact of adverse weather, especially for high-value crops.

Globalization, a changing climate, and growth in international trade and travel are shifting disease and pest risks for Ontario's farmers. Diseases and pests are spreading more quickly, changes in climate are altering their geographic ranges, and trade and travel are bringing new pests and diseases into Ontario. In recent years, Ontario farmers have had to manage and control many new diseases and pests, while governments around the world work to slow the spread. The most recent example of a disease that is spreading globally is African swine fever, a fatal virus affecting pigs, which has recently spread from China to Asia, Africa and Europe.

Ontario government

Through OMAFRA, the Ontario government supports the province's agri-food industry, enforces and improves food safety, and strengthens Ontario's rural communities. Providing business supports to farmers and agri-food businesses and ensuring the sustainability of agriculture supports the Ontario government's priority of job creation and growth.

Fiscal challenges and COVID-19 global pandemic

In 2019, the province of Ontario faced financial challenges including a significant annual deficit and a high level of debt. Priorities of the Ontario government included balancing the annual budget by 2023-24, while pursuing a debt-reduction strategy and strengthening fiscal transparency and accountability measures.

In March of 2020, the COVID-19 global pandemic was declared. The pandemic has had devastating health consequences and caused a global recession. For 2020-21, the Ontario government is projecting a deficit of \$38.5 billion, and forecasting deficits of \$33.1 billion in 2021-22 and \$28.2 billion in 2022-23. While the current amount of spending is needed to get through the pandemic, the government also recognizes that this level of spending is not sustainable over the long term.

Knowing that Ontario will be facing this pandemic for some time, the provincial government has developed a three-part plan to protect and support Ontarians through the pandemic and to invest in a foundation that will enable a strong recovery fuelled by economic growth. Although the Ontario government's main priority is to protect people's health and support their economic well-being during the pandemic, other government priorities are still important. These include building critical infrastructure, growing the agri-food sector, modernizing government through digital service delivery, making front-line services more convenient, reliable and accessible, and reducing unnecessary red tape for businesses.

Open for business and burden reduction

The Ontario government is committed to creating the right conditions to make Ontario open for business. It is working towards establishing a business environment that will help grow the economy while creating and protecting jobs. Actions to achieve this include improving economic competitiveness and advancing Ontario's economic interests at home and abroad. Actions are also being taken to create a modern regulatory system to lower the costs of doing business and simplifying processes to make it easier for businesses to comply, while ensuring public health and safety.

Digital services for Ontarians

The Ontario government is adopting digital practices and technologies to deliver simpler, faster, and better services to Ontarians. Leveraging the culture and practices of the internet era, along with modern tools will enable more efficient and effective delivery of front-line services.

Federal government

Mandate letter

In December 2019, the Prime Minister provided each federal Minister with a [mandate letter](#) outlining priorities. In January 2021, each federal Minister received a [supplementary](#) mandate letter. The Minister of Agriculture and Agri-Food will continue to support the agricultural sector with policy and financial tools. This will allow the agricultural sector to remain a leader in job creation and innovation and meet its global export growth potential.

Priorities include:

- A review of risk management programs, with a focus on AgriStability
- Measures to facilitate the intergenerational transfer of farms
- Identifying additional tools to help agriculture and agri-food businesses export their products and diversify into global markets
- Developing additional capacity to respond to export protectionism against Canadian agricultural products
- Leading government-wide efforts to strengthen local, sustainable and value-added food supply chains in Canada
- Supporting the efforts of farmers and ranchers to reduce emissions and build resilience as key partners in the fight against climate change.

Federal-provincial-territorial agreements

Canadian Agricultural Partnership

In July 2017, federal, provincial and territorial ministers of agriculture agreed on the *Canadian Agricultural Partnership*, which is in place from April 2018 to March 2023. The *Partnership* is a five-year, \$3-billion investment by federal, provincial and territorial governments to strengthen the agriculture and agri-food sector. It focuses on six priority areas:

- Science, research and innovation
- Markets and trade
- Environmental sustainability and climate change
- Value-added agriculture and agri-food processing
- Public trust
- Risk management

Under the *Partnership*, business risk management programs will continue to help producers manage significant risks that threaten the viability of their farms and are beyond their capacity to manage. Based on the agreement, changes were made to the AgriStability and AgriInvest programs for the 2018 program year.

In 2018, governments and industry completed a review of business risk management programs. The review assessed program impact on growth and innovation and on the ability of programs to respond to market risk, with a specific focus on AgriStability.

In 2019, ministers discussed options for changes to AgriStability to ensure equitable treatment and to simplify the program. Ministers recognized that the risks facing producers have changed, particularly with respect to climate and international trade, and that current programs need to evolve to meet producer needs. In December 2019, ministers announced changes to AgriStability for the 2020 program year, including the launch of a cash reference margin pilot to make applying for support easier.

In 2020, federal, provincial and territorial ministers continued to review and discuss options for improvements to business risk management programs. When ministers met in November, the federal government tabled options for short-term improvements to AgriStability. Although no consensus was reached, the provinces and territories continue to consider the federal government's proposal.

Internal environment

Managing change

As a government-funded agency, changes based on government policy and industry needs are often required. Agricorp's challenge is to manage the uncertainty of the degree of change. Agricorp has been able to manage change over the years, as priorities, policy and industry needs evolved. The year 2021 and beyond will be no different.

Administrative funding

In alignment with the Ontario government's fiscal constraints, Agricorp remains committed to prudent fiscal management while providing trusted and transparent delivery of programs and services. With no growth in administrative funding for government programs, a key objective of Agricorp is efficient and effective operations. Through a continuous review process, Agricorp will continue to identify and implement program and service delivery efficiencies.

Workforce

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

Based on the most recent employee engagement survey from October 2018, Agricorp employees continue to have a high level of overall engagement. Satisfaction with working conditions, resources, and managers remain high. Satisfaction with communications increased considerably. Performance management is an area where employees identified a need for more clarity and understanding with regards to performance management processes and linkages to compensation.

Agricorp aligns its compensation policy with the expectations of and direction from the Ontario government. Agricorp completes an annual compensation review to stay competitive in the marketplace and to remain aligned with Ontario government direction.

COVID-19 global pandemic response

In mid-March 2020, Agricorp implemented its business continuity plan and most employees began working remotely. Although the pandemic has impacted short-term costs and productivity, the agency has successfully transitioned the delivery of all programs and services to this remote working environment, maintaining customer service levels and achieving program milestones, while progressing major strategic initiatives. Through proactive, focused customer service and communications, customers have been encouraged to do more program transactions online.

Agricorp is developing a return to office plan based on direction from public health and government. Key considerations and principles for the planning include the health and safety of employees, continued deliver of programs, service to our customers, and flexibility to adapt to changes before, during and after a return to the office.

Business processes and information technology systems

Agricorp is continuing to improve its business processes and IT systems. While maintaining existing IT systems, the agency built systems and improved processes to centralize customer data collection, data storage and financial transactions across programs. Agricorp is now replacing outdated IT systems for the Production Insurance and Farm Business Registration programs. This work removes the risk of failure of obsolete IT systems, helps avoid escalating system maintenance costs, and will enable continued efficiency, accuracy and integrity in program delivery.

For the Production Insurance program, Agricorp, OMAFRA, and Agriculture and Agri-Food Canada are investing in Guidewire, an insurance-based administrative IT system built on insurance industry best practices. System and business process implementation began in 2020 and will continue throughout 2021.

For the Farm Business Registration (FBR) program, Agricorp, OMAFRA and the accredited farm organizations collaborated in 2019 and 2020 to move FBR delivery to the same IT platform used to deliver the Provincial Premises Registry and the Farm Property Class Tax Rate Program. This leverages existing infrastructure and business processes, and enables improved online functionality for customers.

Ready to deliver programs and services

As an agency of the Ontario government, Agricorp is ready to deliver programs and services on behalf of government and industry groups by leveraging existing infrastructure, business processes and systems, and expertise.

In 2018, Agricorp began providing acreage measurement and verification services for the Berry Growers of Ontario. This is similar to services currently provided to the Ontario Ginseng Growers. In 2019, Agricorp began providing governance, financial and secretariat services for the Livestock Financial Protection Board. These services are similar to the services Agricorp provides to the Grain Financial Protection Board.

In 2019, delivery of the Farm Property Class Tax Rate Program and the Beef Cattle Financial Protection Program transitioned to Agricorp. Delivery of the Beef Cattle Financial Protection Program aligns with Agricorp's delivery of the Grain Financial Protection Program. The Farm Property Class Tax Rate Program aligns with Agricorp's delivery of the Provincial Premises Registry and Farm Business Registration.

To support farmers during the global pandemic and to chart a path to recovery, the Ontario and federal governments announced numerous enhancements and changes to existing programs in 2020. Two new AgriRecovery programs were also announced to help cover the increased costs of feeding market-ready cattle and hogs due to COVID-19 related processing delays. Agricorp successfully implemented all program enhancements and began delivery of the AgriRecovery programs.

Office of the Auditor General of Ontario – Annual Report 2017 and 2019

Value-for-money audit – farm support programs

In 2017, the Office of the Auditor General of Ontario conducted a value-for-money audit of farm support programs. For the audit, the Auditor General analyzed information from Agricorp, OMAFRA, Agriculture and Agri-Food Canada, and the Ontario Soil and Crop Improvement Association. They also completed a survey of Ontario farmers and had discussions with industry stakeholders.

The [audit report](#) issued in December 2017 provided fourteen recommendations for improvement. Six recommendations with eight action items relate directly to Agricorp. In 2018, 2019 and 2020, Agricorp worked on implementing the recommendations. The Auditor General published [follow-up reports](#) in December 2019 and December 2020.

Six of the action items have been addressed. The Auditor General has assessed and closed these items. Agricorp has addressed the seventh action item, but the Auditor General has not yet assessed it. Agricorp is implementing processes to address the final action item.

Strategic direction

As an agency of the Ontario government, Agricorp's mandate is to administer crop insurance plans under the *Agricultural Products Insurance Act* and to perform other duties conferred on it by the Ontario government. The agency's strategic direction is focused on successfully performing these duties while supporting the government's efforts to promote a competitive and productive agri-food industry, resulting in sustainable growth and opportunities for Ontario.

The *Canadian Agricultural Partnership*, a five-year, \$3-billion investment by federal, provincial and territorial governments supports innovation, competitiveness, sustainability and market development and includes a suite of business risk management programs. Federal, provincial and territorial funded programs such as Production Insurance and AgriStability, combined with Ontario specific programs like the Risk Management Program, provide Ontario farmers with a comprehensive set of programs that help manage risks to their farm business. Agricorp's delivery of these and other programs provide a level of financial security and a measure of predictability for Ontario farmers to allow for and promote industry growth.

Governments face challenges to improve public services while containing expenditure growth. After completing program delivery reviews, Agricorp has reduced program administrative costs and improved online self-service options without reducing customer service levels. To identify further efficiencies, Agricorp is examining infrastructure costs and working to improve business processes and IT systems.

Agricorp understands the need to improve and standardize business processes that robust IT systems support. With foundational accounting and customer data systems and processes in place, the agency is modernizing the delivery of Production Insurance. Beginning in 2020 and continuing through 2021, Agricorp will replace obsolete systems with a new IT system that can support the required business capabilities to modernize Production Insurance delivery.

The strategic direction of Agricorp is similar to previous years but has been adjusted to reflect environmental change and the needs of government and industry. The agency will continue to focus on operational efficiency and effectiveness and strive to make it easier for customers and employees to complete their program responsibilities. It will also be ready to deliver programs and services on behalf of the Ontario government.

For a pictorial view of Agricorp's Strategic Framework, see page 20.

Agricorp is easy to do business with

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

Easier for customers

Agricorp has laid the foundation for easy-to-use customer service channels. Customers now have online access to their program information and can conduct business with Agricorp through secure online services. The agency is streamlining processes across programs and is adopting practices and technologies that will deliver simpler, faster and better services to Ontario farmers. This aligns with the Ontario government's Digital First Standard and the *Simpler, Faster, Better Services Act*.

Ontario's agriculture and food businesses are diverse in size, products, management practices, and growing and marketing conditions. Agricorp recognizes this diversity, and the agency is taking a tiered approach to customer service to accommodate the range of customer needs. While easy-to-use, self-service channels are becoming the first point of contact for customers, other service channels such as telephony and face-to-face meetings are available. Where specific support is needed, Agricorp's call centre and other front-line staff can assist customers.

For Ontario's farmers to make effective risk management decisions, they must understand what business risk management programs have to offer and the outcomes they can expect from participating in them. Agricorp will continue to work with governments and industry to build awareness and inform farmers of the programs and services available to them.

Easier for employees

Since Agricorp's inception in 1997, the number of programs and services the agency delivers has increased. In recent years, the agency has made changes to its business practices and improved management of the business. While Agricorp has a good record of accomplishment in managing change, improvements can be made in how the agency coordinates its efforts and expertise across the organization. Agricorp's goal is to ensure that the appropriate structure, capabilities, processes and systems are in place to make it easier for employees to efficiently deliver programs and services, while being responsive to government, industry and customer needs.

Knowledge of the agricultural industry, associated risks, and how Agricorp delivers programs is foundational for Agricorp employees to effectively deliver programs. Agricorp continues to further develop employee knowledge and their understanding of program design to make it easier for employees to deliver a quality customer experience.

Expected outcomes

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

Implementation plan

- Streamline Production Insurance yield reporting for customers.
 - Timeline: through 2021-22
- Enhance Agricorp's online presence to make it easier for customers to complete transactions and to find the information they need.
 - Timeline: through 2023-24

Agricorp has efficient and effective operations

Agricorp is responsible for the development and implementation of all processes, systems and tools needed for the effective and responsible delivery of programs and services. The majority of the agency's resources are engaged in day-to-day program delivery. Remaining resources are focused on implementing new programs and industry-requested or government-mandated program changes, as well as continuing to advance Agricorp's efficient and effective operations. The agency regularly reviews its program delivery model to remain aligned with the size, scope and complexity of the programs it delivers.

Technology plays a critical role in enabling and driving service delivery productivity. In 2020 and 2021, Agricorp is implementing Guidewire, an insurance-based administrative IT system built on insurance best practices. Time to market for Production Insurance coverage enhancements and coverage for new commodities will be reduced, while being more flexible and adaptive, enabling innovative designs. Standard workflows will improve the customer experience, allowing Agricorp to shift from being product-focused to customer-focused.

Delivering similar and related programs like Farm Business Registration, the Provincial Premises Registry and the Farm Property Class Tax Rate Program has enabled effective and efficient delivery by using common business processes and the same IT platform. Further administrative efficiencies will also be gained when the standard workflows and IT system for Production Insurance are used to deliver other insurance-based risk management programs.

Expected outcomes:

- A modern, reusable, insurance-based administration system built on insurance industry best practices for Production Insurance will allow Agricorp to conduct business with its customers, with increased efficiency and sustained quality customer service.
- Use of a risk-based approach provides cost effective, timely and accurate file processing and delivery.
- Streamlined and clarified quality control processes support effective and efficient program and service delivery.
- Efficiencies are realized by using common business processes and IT systems for multiple programs.

Implementation Plan

- Complete the Production Insurance modernization initiative.
 - Timeline: implementation through 2021-22
- Continue to examine operational expenses and implement cost savings.
 - Timeline: through 2023-24
- Assess tools and technology that can be used to support business processes in the field.
 - Timeline: through 2023-24

Agricorp is ready to deliver

The agency will contribute to the Ontario government's efforts to advance Ontario's economic interests. To do this, Agricorp will provide streamlined programs and services that enable a competitive, sustainable and productive agriculture, agri-food and agri-products sector. Being ready to deliver means that Agricorp is flexible and adaptive to the program and service delivery needs of the Ontario government and industry groups. It also means that Agricorp collaborates effectively with government and industry to efficiently implement new programs and services or make changes to existing programs and services by leveraging existing expertise, infrastructure, business processes, and IT systems

From 2015 to 2020, Agricorp delivered six new programs and two new services that support the agricultural industry. In 2018 and 2019, at the request of the Ontario government, Agricorp transitioned delivery of three programs and one service from other service providers. In all cases, Agricorp provided timely and efficient program and service delivery, meeting the needs of government and industry.

Consolidating the delivery of similar programs helps customers better connect with a range of programs and services and reduces delivery costs. The transition of the Provincial Premises Registry to Agricorp in 2018 and the Farm Property Class Tax Rate Program in 2019 enabled Agricorp to align the delivery of these similar programs with the Farm Business Registration program, providing one window access for Ontario farmers and farmland owners.

Agricorp has effectively implemented design changes for many programs. Over the next three years, Agricorp will continue to focus on high priority enhancements with the goal of ensuring that the programs and services delivered today - and in the future - are relevant to the needs of the agricultural industry.

Expected outcomes:

- Programs and services remain relevant to the needs of a competitive, sustainable and productive agricultural industry.
- A flexible and adaptive program delivery approach meets customer and government needs into the future.
- Agricorp is the organization of choice to deliver agri-food programs and services on behalf of the Ontario government.
- Efficiencies are realized through consolidated program and service delivery.

Implementation plan

- Based on the transition plan, implement additional delivery responsibilities for the Beef Cattle Financial Protection Program.
 - Timeline: through 2022-23
- Identify and assess opportunities for delivery of government programs and services, in collaboration with OMAFRA.
 - Timeline: through 2023-24
- Investigate, design and implement required product enhancements.
 - Timeline: through 2023-24

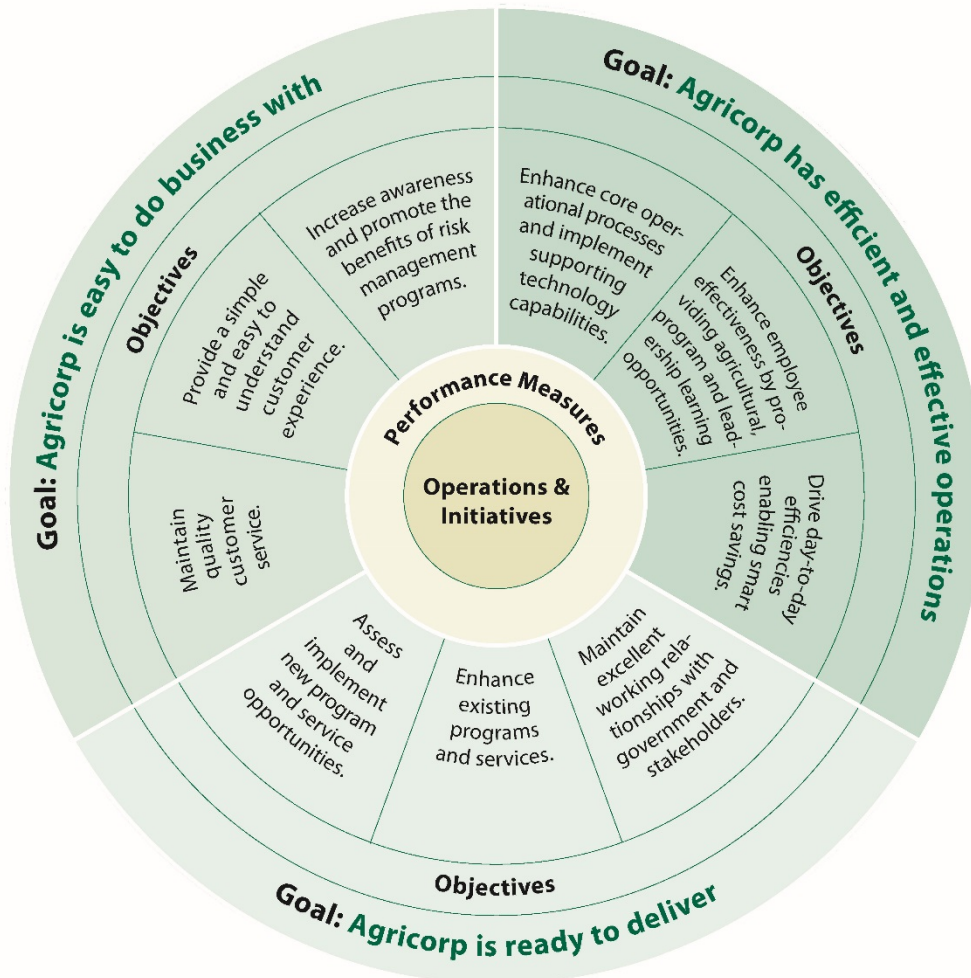
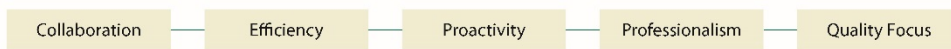


Agricorp's Strategic Framework

An Illustrative Overview

<p>Mandate: As outlined in the <i>AgriCorp Act, 1996</i>, to administer Production Insurance under the <i>Agricultural Products Insurance Act, 1996</i>, and to perform the duties conferred on it by that Act, any other Act of Ontario, or the Ontario government.</p>	<p>Vision: To be a versatile, customer-focused organization that works with partners to innovatively deliver programs and services that enhance the vitality of Ontario agriculture.</p>	<p>Mission: We connect producers with programs. Delivery is our strength. Customers are our priority. Our people are the foundation of our success. We are publicly accountable.</p>
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Core Qualities



Performance measures

Performance measures have been identified for demonstrating Agricornp’s operational effectiveness and accountability to government. These measures also demonstrate the level of satisfaction Ontario farmers have with Agricornp.

The performance measures are a mix of outputs and outcomes for the programs and services Agricornp provides to Ontario farmers on behalf of the Ontario government. The agency uses a more comprehensive set of measures internally and these detailed measures are reported quarterly to Agricornp’s Board of Directors.

For fiscal 2021-22, Agricornp will strive to further achieve administrative efficiencies to reduce provincially funded program administrative costs. In doing so, Agricornp will balance the need to find cost savings with the ability to maintain the current level of customer service. There is some risk that the level of customer service will decrease as program administrative funding is reduced.

Outcome-based performance measures

Performance measure	Target	Past performance
Customer satisfaction with quality of service, as measured by a customer satisfaction survey.	Achieve a consistently high overall customer service rating equal to the previous three-year average.	2020-21 survey – 91% 2018-19 survey – 92% 2017-18 survey – 93%
Customer satisfaction with program delivery as measured annually by a customer satisfaction survey.	Production Insurance – Achieve a rating equal to the previous three-year average.	2020-21 survey – 94% 2018-19 survey – 92% 2017-18 survey – 92%
	AgriStability – Achieve a rating equal to the previous three-year average.	2020-21 survey – 75% 2018-19 survey – 71% 2017-18 survey – 78%
	Risk Management Program – Achieve a rating equal to the previous three-year average.	2020-21 survey – 84% 2018-19 survey – 84% 2017-18 survey – 81%

Output based performance measures

Performance measure	Target	Past performance
Program processing timeline targets are met.	95% of AgriStability files processed by December 15, 2021.	2019-20 – 95% by March 6, 2020 2018-19 – 95% by December 14, 2018 2017-18 – 95% by December 14, 2017
	90% of Production Insurance claims paid within 30 calendar days of receipt of all required information.	2019-20 – 94% 2018-19 – 93% 2017-18 – 93%
	95% of Risk Management Program payments made within 60 days of receipt of all required information.	2019 RMP: G&O – 99% 2019 RMP for livestock – 99% 2019 SDRM – 96% 2018 RMP: G&O – 99% 2018 RMP for livestock – 99% 2018 SDRM – 98% 2017 RMP: G&O – 99% 2017 RMP for livestock – 99% 2017 SDRM – 96%
Public accountability and good governance, as demonstrated through regular reporting and effective financial stewardship and control.	Annual Chair and CEO attestation, as required, of compliance with applicable legislation, directives and policies.	2019-20 – April 16, 2020 2018-19 – March 5, 2019 2017-18 – March 29, 2018
	Three-year business plan submitted to the Minister one month prior to the start of the fiscal year.	2020-23 – February 28, 2020 2019-22 – June 19, 2019 2018-21 – March 1, 2018
	Sound and balanced operational performance and financial reports provided to ministry quarterly.	2019-20 – financial reports provided by April 15, July 15, October 15 and January 15. 2019-20 – monthly operational and quarterly performance reports provided regularly.
	Annual report is submitted to the Minister within 90 days of receipt of audited financial statements from the Auditor General.	2019-20 report – 78 days 2018-19 report – 41 days 2017-18 report – 34 days
	Comprehensive audit control framework in place and monitored by Agricorp's Board of Directors.	2019-20 – completed 2018-19 – completed 2017-18 – completed
Accuracy of administrative cost forecasting at the end the third quarter.	Forecast is ≤ 1.5% of actuals at year end.	2019-20 – 0.4% 2018-19 – 1.0% 2017-18 – 0.5%

Planning assumptions

This business plan is developed based on direction provided to Agricorp from the Ontario and federal governments. It is based on known and projected administrative funding amounts from government and other organizations Agricorp provides services to. If planning assumptions change during the implementation of the 2021-24 business plan, the plan will be adjusted accordingly.

General

Agricorp will continue to have a strong and trusting relationship with OMAFRA, AAFC and stakeholder groups.

Agricorp will continue to align its priorities with the priorities of the provincial government.

COVID-19 global pandemic

The COVID-19 pandemic will continue to affect Agricorp operations through fiscal 2021-22 and 2022-23.

Many factors that affect or influence the work of Agricorp have changed or are new because of the pandemic. These include, but are not limited to, staff working remotely, new or modified processes, changes in how staff communicate and work together, and new operational costs. These factors influence many things at Agricorp including employee capacity and engagement, and organizational culture.

Financial

Governments (i.e., federal and Ontario) will run deficits in fiscal 2020-21, 2021-22 and 2022-23 due to the COVID-19 pandemic.

For fiscal 2021-22, program administrative funding provided to Agricorp by the federal and Ontario governments for program and service delivery will remain consistent with 2020-21 funding levels. Funding increases are not expected.

Cost savings and efficient program delivery are a priority for the Ontario government. Agricorp will continue to seek cost savings for its program administrative budget.

When Agricorp undertakes program change or delivers new programs, administrative funding will be provided. When programs or services are discontinued, Agricorp's budget will be reduced, subject to adjustments for program and service wind-down costs.

Customer service and performance measures

Agricorp has received excellent customer service ratings since 2010. The agency will seek to maintain the current level of customer service.

Each year, Agricorp meets the majority of its program and service delivery performance measures. The agency will seek to continue to meet program and service delivery performance measures.

Agricorp will continue to balance the level of customer service it provides and the achievement of performance measures with administrative funding, resource capacity and the amount of program change. If available funding or resource capacity decreases, or the amount of program change increases, there is risk that the level of customer service will decrease and performance measures will not be met.

Investments for modernization and program change

Production Insurance

Implementation of new Production Insurance business processes and the new IT system (Guidewire) will continue through fiscal 2021-22. Implementation will be accomplished with existing resources and staff.

In collaboration with OMAFRA and stakeholder groups, Agricorp will continue to investigate and design enhancements to Production Insurance but will limit enhancement implementation until the new Production Insurance business processes and IT system are implemented.

Farm Business Registration

In January 2021, Agricorp will implement new business processes and a new IT system for delivery of the Farm Business Registration program.

Risk Management Program

When the Production Insurance program moves off the mainframe system and onto the new Guidewire system, RMP: Grains and Oilseeds will be the only program remaining on the mainframe.

RMP: Grains and Oilseeds will move off the mainframe and onto a new IT system, to enable more effective implementation of program enhancements and to improve delivery efficiency.

To better support farmers in managing risk, the Ontario government will announce updates to the Risk Management Program for the 2021 or 2022 program year.

Programs and services

All programs and services will have average transactional volumes (i.e., claim frequency and severity, underwriting, incoming telephone calls, inspections) over the next three years.

Agricorp and OMAFRA will continue to identify and assess additional programs Agricorp could deliver on behalf of the Ontario government. Agricorp needs appropriate lead time to enable successful sourcing of resources to deliver a new program or service.

Reviews by government are in progress for financial protection programs, AgriStability, and the Risk Management Program. Based on government priorities, changes to the design and delivery of these program may occur over the next three years. These changes may affect Agricorp's ability to fully implement this business plan.

In recent years, transactional volumes for AgriStability have decreased. This has reduced administrative costs for AgriStability. Costs for AgriStability will continue to reflect transactional volumes, file complexity and risk, and the effort required to implement program enhancements. Future administrative costs will fluctuate based on these factors.

Administrative costs for Production Insurance have increased in recent years. This trend is driven by crop year challenges and costs that increase with aging operational infrastructure. Implementation of new business processes and IT system in 2021-22 is required to change this trend and drive efficiencies.

Agricorp will continue to align the experience it provides to customers (i.e., customer experience) with the priorities of the Ontario government (e.g., digital service standard, red tape reduction, and cost savings). Agricorp will be purposeful in designing and implementing service changes to meet the needs of customers, align with government priorities and find program delivery efficiencies.

Having engaged employees at Agricorp is important for ensuring we can meet our program and service delivery commitments and our business plan goals. Employee satisfaction, as confirmed in employee engagement surveys, remains high. Over the next three years, several factors will affect employee engagement, including the COVID-19 pandemic, salary increases limited to one per cent in 2021-22, and significant program and business process changes.

Required resources

This section identifies the resources that will be required for Agricorp to meet its strategic goals and performance measures over the next three years. It also identifies key corporate risks and describes how the risks will be managed or mitigated.

Strategic risks

As an agency of the Ontario government, Agricorp's business plans are subject to risks and uncertainties over which the agency has limited or no control. These include, but are not limited to, changes in government priorities, changes to programs and services, unforeseen changes in transfer payments from the Ontario and federal governments, and risks arising from government policy changes. To manage these risks, Agricorp has developed strong, stable working relationships with the Ontario and federal governments. This enables the timely sharing of information and open discussions of risks, impacts and mitigation strategies.

Similar to other public sector organizations, Agricorp is exposed to reputational risk in how the organization is perceived by its customers, industry stakeholders, employees, governments, and the public. To manage this risk, Agricorp works proactively and collaboratively with government and industry stakeholders and regularly assesses customer and employee satisfaction and takes action on feedback received.

Agricorp has earned a reputation for providing quality customer experiences, as demonstrated by the results of the customer satisfaction survey. However, as customer needs and expectations evolve, Agricorp must continue to evaluate and enrich the customer experience or risk providing a less than desirable customer experience. Effective planning and implementation, will enable Agricorp to continually evolve the customer experience it provides.

Financial resources

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

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

Agricorp's fiscal plan

(\$ in million)	2020-21 Budget	2020-21 Forecast ¹	2021-22 Estimate ²	2022-23 Estimate ²	2023-24 Estimate ²
Administrative expenses by program					
AgriStability	10.0	9.1	10.7	11.1	11.1
Production Insurance	21.6	22.3	20.5	20.3	20.0
RMP	4.9	4.5	5.1	5.1	5.1
Other programs and services ³	3.9	3.7	3.8	3.1	3.4
Total expenses	40.4	39.6	40.1	39.6	39.6
Administrative expenses funding					
Federal ⁴	19.0	18.8	18.7	18.8	18.7
Ontario ⁵	19.9	19.4	19.8	19.3	19.4
Fee revenue ⁶	1.5	1.4	1.6	1.5	1.5
Total funding	40.4	39.6	40.1	39.6	39.6
Funding surplus (deficit)	–	–	–	–	–
Strategic investments					
Committed ⁷	0.6	0.9	–	–	–
Uncommitted ⁸	2.1	–	1.9	1.9	1.9

Notes for expenses and funding

1. Forecasted amounts are based on nine months of actual expenses and best estimates for the remaining three months.
2. Budget discussions for 2021-22, 2022-23, and 2023-24 are underway with the Ontario government. These estimates are subject to those discussions.
3. Other programs and services are administered on behalf of Ontario Ministry of Agriculture, Food and Rural Affairs, Ontario farm organizations and other Ontario agencies.
4. Federal funding is 60 per cent of AgriStability and Production Insurance administrative costs.
5. Ontario funding includes 40 per cent of AgriStability and Production Insurance administrative costs, 100 per cent of RMP administrative costs and some administrative costs for other provincial programs and services.
6. Fee revenue is from programs and services provided to Ontario farm organizations and other Ontario agencies.
7. Investment for development and implementation of a new Farm Business Registration system.
8. Possible future projects for delivered programs.

Capital plan

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

Leasehold improvements

Agricorp has no major leasehold improvements planned.

Production Insurance modernization

Spread over the three fiscal years of 2017-18, 2018-19 and 2019-20, the Ontario and federal governments invested \$10.4 million in Agricorp's Production Insurance modernization initiative. The funds enabled Agricorp to configure and integrate an insurance-based administration system with standard workflows that follow insurance best practices. Implementation began in 2020-21 and will continue throughout 2021-22.

Farm Business Registration program modernization

In 2019-20 and 2020-21, with a \$1.1 million investment from the Ontario government, Agricorp configured and integrated an administrative system and business processes to modernize the delivery of the Farm Business Registration program. Implementation occurred in late 2020-21 and service improvements included a simplified registration process through electronic service delivery.

Financial risks

Administrative funding

Agricorp receives the majority of its administrative funding from the Ontario and federal governments, and through a small number of agreements direct from industry groups that receive Agricorp services. The agency has and will continue to seek efficiencies in the programs and services it delivers, in line with direction provided by the Ontario government.

By finding efficiencies and cost savings, and by adjusting its delivery model and the allocation of resources, Agricorp has been able to stay within its funding allocation while continuing to deliver programs and services that meet the needs of government and industry. However, opportunities for continued fiscal constraint will become more limited and may negatively affect Agricorp's operations, the delivery of programs, and the customer service Agricorp provides.

With reduced capacity, Agricorp's flexibility to respond to urgent, unanticipated and even anticipated government and industry needs becomes limited. To effectively respond to government and industry needs, Agricorp requires sufficient lead time and adequate funding to adjust operations to limit negative impacts on the delivery of programs and services.

Information technology resources

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

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

Technology risks

Renewal of obsolete IT systems

Agricorp's IT systems must support and enable business processes for the effective delivery of programs. Continually maintaining, updating and renewing IT systems mitigates the risk of system failure and avoids escalating costs of deferred system maintenance.

With investment from OMAFRA and Agriculture and Agri-Food Canada, Agricorp configured and integrated Guidewire, an insurance-based administration system, for the Production Insurance program. Implementation began in 2020-21 and will continue throughout 2021-22. The new system will replace an obsolete mainframe computer and associated supporting systems.

In 2020-21, with investment from the Ontario government, Agricorp replaced the obsolete IT system that supported delivery of the Farm Business Registration program. This removed the risk of system failure and escalating system maintenance costs, and enabled improved digital service delivery.

As Agricorp completes implementation of the new Production Insurance system, it will continue to maintain and update its other IT systems. Agricorp has an inventory of IT systems and risks associated with each. The inventory is used to inform current and future system renewal. For example, now that the Production Insurance program has moved off the mainframe computer, the Risk Management Program (RMP) for grains and oilseeds is the only program remaining on this IT system. Agricorp is currently examining options to move RMP: Grains and Oilseeds off the mainframe so this obsolete system can be decommissioned.

The agency continues to engage and collaborate with the Ontario government on options for replacing obsolete IT systems. This will help to keep programs and the program delivery model relevant for the agricultural industry that the programs support.

Human resources

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

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

Employee numbers

Agricorp is a performance-driven organization with an annual business plan, performance measures and individual performance plans that are reviewed annually with all employees. As of December 31, 2020, Agricorp employed 342 full-time equivalents (FTEs). These are made up of 297 permanent FTEs and 45 contract FTEs to support the cyclical trends of delivering programs. The agency tracks current and approved positions, contracts and seasonal FTEs against current business needs and funding amounts.

Human resource risks

Loss of skilled and knowledgeable employees

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

In each of the next three fiscal years, Agricorp will seek to achieve administrative cost savings for the programs and services it delivers. This will require careful and prudent management of all expenses, including employee costs.

Agricorp has a number of single incumbent and technical roles that are critical for operational success. The loss of employees in these roles has a significant negative impact on Agricorp's ability to meet business objectives. To partially mitigate this risk, the agency has business continuity plans in place. However, with continued fiscal constraint, the negative effects of this will continue to grow as Agricorp strives to find cost saving to remain within its funding allocation.

As well, maintaining a lower staffing level, limits Agricorp's ability to respond to government and industry needs without negatively affecting the delivery of programs and services.

Employee compensation

Approximately 80 percent of Agricorp's operating expenses can be attributed to employee costs. Agricorp's compensation strategy is conservative, but it must stay competitive to attract, develop and retain talented people. Agricorp's compensation structure is fiscally prudent, fair and competitive; it is anchored to the 50th percentile of the market and is compliant with the Ontario government's expectations for public sector compensation. Agricorp completes an annual compensation review combined with compensation adjustments as appropriate to reduce the risk of employee salaries being out of alignment with the public sector.

For 2019-20, compensation for all Agricorp employees was frozen and unchanged from 2018-19 to assist with cost reduction objectives. In 2020-21 and for 2021-22, compensation changes will be governed by the *Protecting a Sustainable Public Sector for Future Generations Act*.

Employee engagement

Having engaged and focused employees is critical for ensuring employee actions are in the best interest of the agency. Overall, the results from the 2018 employee engagement survey were positive, with employees providing high ratings in the areas of working conditions and resources, communications, and their manager.

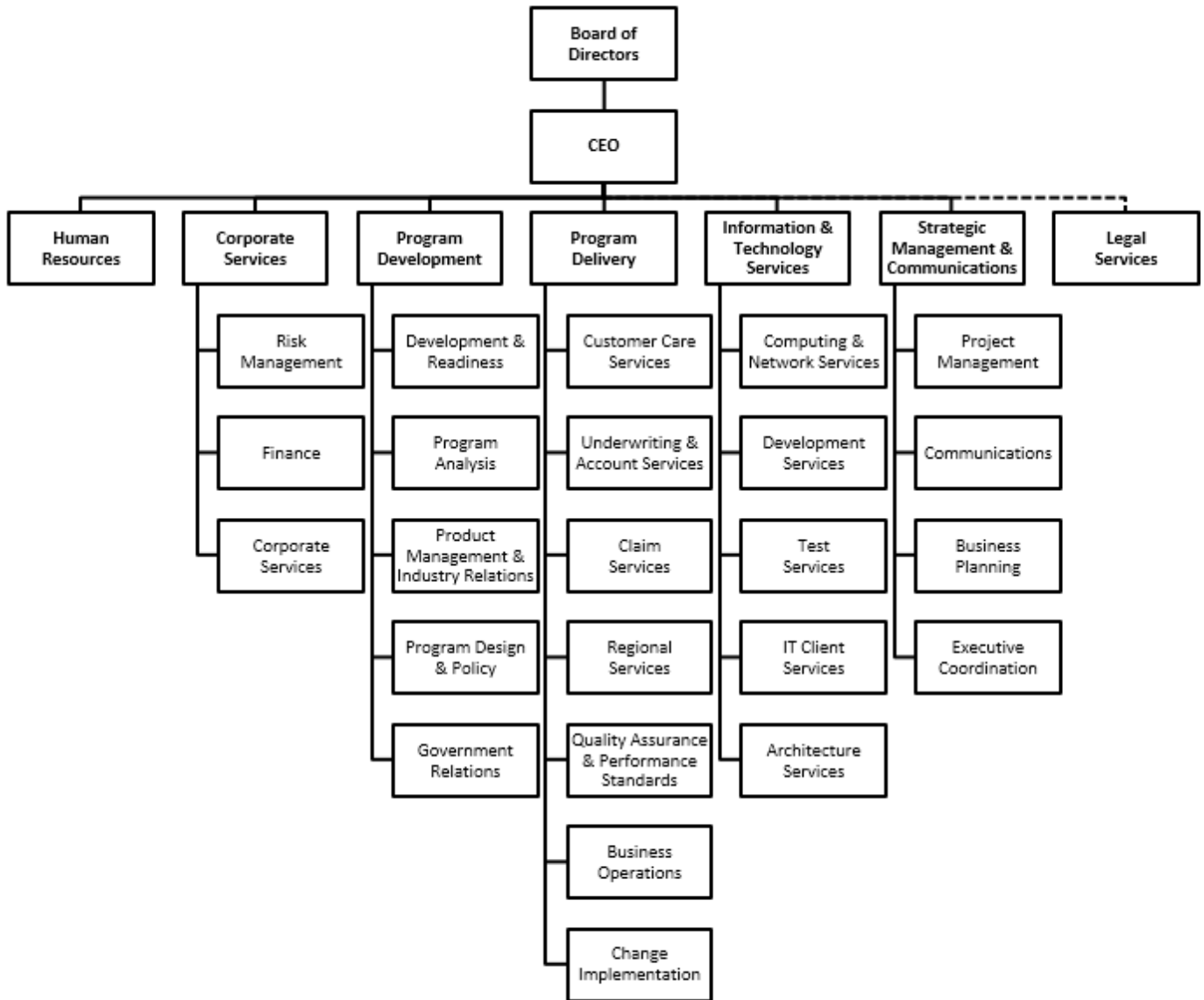
In previous employee engagement surveys, employees gave performance management at Agricorp a low rating. In 2018, Agricorp implemented enhancements to the performance management and assessment process. Although the 2018 survey results were positive, employees seek continued improvement to performance management processes.

Change management

Agricorp employees have experienced significant change in the past and will continue to experience substantial change over the next three years. For example, Agricorp has delivered new programs and services in each of the last five years. In 2020-21, delivery of the Farm Business Registration program changed, as it moved to a platform enabling enhanced electronic service delivery, and most employees worked remotely due to the COVID-19 global pandemic.

In 2020-21 and 2021-22, Agricorp is implementing a new IT system and business processes to modernize delivery of Production Insurance. This initiative includes a comprehensive strategy to support Agricorp employees as they adapt to program and service delivery changes. The change management approach is anchored in readiness, communications, training, and change reinforcement and recognition. This approach is also used to support employees through the other changes occurring at Agricorp.

Agricorp's organizational structure



Communication of the business plan

Background

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

This business plan is informed by the state of the industry, government priorities, relevant policy, the social and environmental context and Agricornp's own measures, such as the customer satisfaction survey and employee engagement survey. The 2021-24 business plan reflects Agricornp's continued focus on customer service and delivery efficiency. Operating in an environment of fiscal constraint, Agricornp is transforming program delivery through measured steps over time.

Objectives

- Agricornp employees understand the 2021-24 business plan, why Agricornp identified these priorities, and how their work contributes to accomplishing goals.
- Government and industry understand the 2021-24 business plan and how it aligns with and supports government and industry priorities.
- Demonstrate commitment to transparency and public accountability with government and industry by highlighting the importance of what we do and how we do it through our strategic direction.
- Support the successful delivery of key initiatives contained in the 2021-24 business plan.

Key messaging

Agricornp's 2021-24 business plan:

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

Tactics

- Through regular and ongoing discussions, inform government and industry of Agricornp's 2021-24 business plan and progress made towards realizing its strategic direction.

Leverage existing internal communication strategies and channels to inform and educate Agricornp employees about the business plan.

Appendix A: Programs and services

Programs

Agricorp delivers programs on behalf of the Ontario government that help Ontario farm businesses manage risk. These programs support and enable an innovative, competitive, productive and sustainable agri-food industry.

Program name	Program description	Length of service	Funding source for claims	Funding source for admin. costs	Program information
Production Insurance	Covers yield reductions and production losses caused by insured perils such as adverse weather, disease, wildlife and pest. Coverage is available for more than 100 commodities. For most commodities, producers receive a payment when an insured peril causes their yield to fall below their guaranteed production.	1997 to present	Production Insurance fund is funded by premiums: <ul style="list-style-type: none"> • Producers pay 40% • Ontario government pays 24% • Federal government pays 36% 	<ul style="list-style-type: none"> • 40% funded by Ontario government • 60% funded by federal government 	2020 program year: ¹ <ul style="list-style-type: none"> • 14,150 enrolled, with 5.3 million acres and \$3.9 billion in liability • 7,800 claim payments for \$115.2 million
AgriStability	Covers large declines in net income caused by adverse market conditions, production losses or increased production costs. If a producer's margin falls below 70 per cent of their recent average, AgriStability helps to offset the difference.	2004 to present	<ul style="list-style-type: none"> • Producer fees • Ontario government pays 40% of balance • Federal government pays 60% of balance 	<ul style="list-style-type: none"> • Producer fees • Ontario government pays 40% of balance • Federal government pays 60% of balance 	2019 program year: ¹ <ul style="list-style-type: none"> • 10,000 enrolled • 760 producers received \$34.8 million in payments

1. As of February 2021

Program name	Program description	Length of service	Funding source for claims	Funding source for admin. costs	Program information
Risk Management Program	RMP: Grains and Oilseeds Helps producers of grains and oilseeds offset losses caused by low commodity prices and rising production costs. Producers pay premiums based on their insured production and chosen coverage level. Payments are made if the crop's market price falls below the support level.	2007 to present	<ul style="list-style-type: none"> Ontario government 	<ul style="list-style-type: none"> Ontario government 	2019 program year: <ul style="list-style-type: none"> 5,560 enrolled \$33.3 million in pre-harvest and post-harvest payments
	RMP for livestock Helps producers of cattle, hogs, sheep and veal offset losses caused by low commodity prices and rising production costs. Producers pay premiums based on their insured production and chosen coverage level. Payments are made if market prices for livestock fall below the support level.	2011 to present	<ul style="list-style-type: none"> Ontario government 	<ul style="list-style-type: none"> Ontario government 	2019 program year: <ul style="list-style-type: none"> 1,750 enrolled \$39.6 million in payments
	SDRM: Edible Horticulture Covers general farm losses and expenses. Producers of edible horticulture crops can deposit a percentage of their allowable net sales into an SDRM account, and the Ontario government contributes to the account.	2004 to 2008 and 2011 to present	<ul style="list-style-type: none"> Producer deposits Ontario government matching funds 	<ul style="list-style-type: none"> Ontario government 	2019 program year: <ul style="list-style-type: none"> 2,000 enrolled \$22.8 million in matching government funds
Farm Business Registration	Requires Ontario producers who gross \$7,000 or more annually to register their farm businesses. By registering, producers may qualify to pay a reduced tax rate on their farmland (e.g., 25 per cent of the municipal residential rate) and are eligible for other government programs, such as the Ontario Wildlife Damage Compensation Program. Registered producers also obtain membership in one of three accredited farm organizations.	2000 to present	N/A	<ul style="list-style-type: none"> Accredited Farm Organizations 	<ul style="list-style-type: none"> 44,200 farm businesses registered

Program name	Program description	Length of service	Funding source for claims	Funding source for admin. costs	Program information
Provincial Premises Registry	Allows Ontario producers to register parcels of land that are associated with agri-food activities, such as crop and livestock production and food processing. The registry enables government 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.	2018 to present	N/A	<ul style="list-style-type: none"> • Ontario government 	<ul style="list-style-type: none"> • 53,000 premises registered
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 confirms eligibility. Municipalities apply their farm property class tax rate to eligible properties. Eligible farmland is taxed at no more than 25 per cent of the residential property tax rate.	2019 to present	N/A	<ul style="list-style-type: none"> • Ontario government 	<ul style="list-style-type: none"> • 169,000 eligible farm properties in Ontario
Grain Financial Protection Program	Covers financial losses if licensed dealers and elevators do not meet their payment or storage obligations to Ontario producers of corn, soybeans, canola and wheat. Producers or owners may submit a claim to the Grain Financial Protection Board to cover a portion of their losses.	1997 to present	<ul style="list-style-type: none"> • Four trust funds funded by producer check-off fees 	<ul style="list-style-type: none"> • Elevator and dealer fees • Grain Financial Protection Board 	<ul style="list-style-type: none"> • 267 dealers and 378 elevator operators • \$3.0 billion in grain sales covered by the program

Program name	Program description	Length of service	Funding source for claims	Funding source for admin. costs	Program information
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. The program is delivered jointly by Agricorp, OMAFRA and LFPB.	2019 to present	<ul style="list-style-type: none"> Trust fund funded by beef cattle seller check-off fees 	<ul style="list-style-type: none"> Dealer fees Livestock Financial Protection Board 	<ul style="list-style-type: none"> 157 licensed dealers
Small Distillery Program	Provides eligible Ontario distilleries with financial support to help grow their operations. Payments are based on sales of spirits.	2017 to present	<ul style="list-style-type: none"> Ontario government 	<ul style="list-style-type: none"> Ontario government 	2020 program year: <ul style="list-style-type: none"> 30 enrolled, with payments totalling \$0.8 million
Small Cidery Program	Provides eligible Ontario cideries with financial support to help grow their operations. Payments are based on sales of alcoholic cider.	2017 to present	<ul style="list-style-type: none"> Ontario government 	<ul style="list-style-type: none"> Ontario government 	2020 program year: <ul style="list-style-type: none"> 67 enrolled, with payments totalling \$1.8 million
Vintners Quality Alliance (VQA) Wine Support Program	Provides Ontario wineries with financial support to increase competitiveness, innovation and promotion of Ontario VQA wines. Payments are based on sales of VQA table wine.	2015 to present	<ul style="list-style-type: none"> Ontario government 	<ul style="list-style-type: none"> Ontario government 	2020 program year: <ul style="list-style-type: none"> 98 enrolled, with payments totalling \$7.5 million
Marketing and Vineyard Improvement Programming	Provides cost-share funding to wine grape growers for eligible vineyard improvements to adapt to ongoing and emerging vineyard challenges and to enable growers to produce quality grapes to meet the growing demands of Ontario wine manufacturers.	2015 to present	<ul style="list-style-type: none"> Ontario government Federal government 	<ul style="list-style-type: none"> Ontario government Federal government 	2020 program year: <ul style="list-style-type: none"> 84 improvement projects enrolled Projects are eligible for up to \$1.6 million in payments

Program name	Program description	Length of service	Funding source for claims	Funding source for admin. costs	Program information
Canada-Ontario COVID-19 2020 Hog Maintenance Feed Initiative	Provides financial assistance to hog farmers affected by temporary processing capacity reductions caused by COVID-19. The program covers the increased costs of feeding market-ready hogs while the farmer kept the hogs on the farm for an additional period of time.	2020	<ul style="list-style-type: none"> • Ontario government • Federal government 	<ul style="list-style-type: none"> • Ontario government • Federal government 	<ul style="list-style-type: none"> • 59 applications accepted with payments totalling \$0.3 million ².
Canada-Ontario COVID-19 AgriRecovery Beef Emergency Feed Maintenance Initiative	Provides financial assistance to cattle farmers affected by temporary processing capacity reductions caused by COVID-19. The program covers the increased costs of feeding market-ready cattle while the farmer kept the cattle on the farm for an additional period of time.	2020	<ul style="list-style-type: none"> • Ontario government • Federal government 	<ul style="list-style-type: none"> • Ontario government • Federal government 	<ul style="list-style-type: none"> • 125 applications accepted in 3 intake periods ².

2. As of February 2021

Services

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

Service	Agricorp's role	Length of service	Administrative funding source
Data management services	Manage a web-based agricultural data system that supports the information needs of industry and the delivery of business risk management programs. The system captures detailed land and cropping information, such as location, variety, yield and quality from fruit and vegetable producers. Data is collected once and used by Agricorp, producers, and commodity groups that represent producers.	2005 to present	Grape Growers of Ontario Ontario Apple Growers Ontario Tender Fruit Growers Ontario Fresh Grape Growers
Financial services and communication support	Provide payment management, customer service, communications and reporting services to the Farmer's Risk Management Premium Fund (FRMPF). Producers who participate in RMP plans for grains and oilseeds and livestock pay premiums, which are held in the FRMPF. The industry-managed fund holds the premiums and can supplement program payments in years when producers need it most.	2014 to present	Farmer's Risk Management Premium Fund
Financial analysis	Analyze the financial statements of Ontario's dairy processing plants and collect data and risk scoring for the Dairy Farmers of Ontario.	2002 to present	Dairy Farmers of Ontario
Secretariat services	Provide governance, secretariat and financial services for the Grain Financial Protection Board.	1999 to present	Grain Financial Protection Board
	Provide governance, secretariat and financial services for the Livestock Financial Protection Board.	2019 to present	Livestock Financial Protection Board
Verification and mapping services	Collect agronomic information, acreage verification, mapping services and compliance for the Alternative Land Use Services program, which compensates producers for removing environmentally sensitive land from agricultural production.	2009 to present	ALUS Canada
	Measure and map ginseng acres on behalf of the Ontario Ginseng Growers Association.	2012 to present	Ontario Ginseng Growers
	Measure and verify strawberry, raspberry and blueberry acres on behalf of the Berry Growers of Ontario.	2018 to present	Berry Growers of Ontario

Service	Agricorp's role	Length of service	Administrative funding source
Telephony infrastructure services	Provide the use of Agricorp's telephony infrastructure platform to OMAFRA's Agricultural Information Contact Centre.	2019 to present	Ontario government

Appendix B: Mandate letter and response

The following pages include:

- Agricorp's mandate letter from the Ontario Minister of Agriculture, Food and Rural Affairs. The letter outlines the Minister's expectations of Agricorp for fiscal 2021-22.
- Agricorp's response to the mandate letter.

**Ministry of Agriculture,
Food and Rural Affairs**

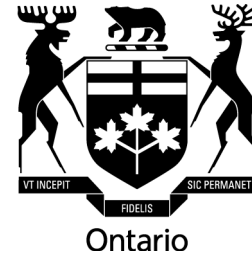
Office of the Minister

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**Ministère de l'Agriculture, de
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Jason Verkaik
Chair, AgriCorp
1 Stone Rd W
Guelph, ON
N1G 4Y2

Dear Mr. Verkaik;

As you begin planning for 2021-22, I am pleased to write to you in your capacity as Chair of the AgriCorp Board of Directors to provide you with a letter setting out expectations and direction for AgriCorp in the year ahead. Pursuant to the requirements of the Agencies and Appointments Directive, this letter sets out my expectations for AgriCorp for the 2021-22 fiscal year.

Ontario's board-governed agencies are vital partners in ensuring the delivery of high-quality services to Ontarians. The work that you and your fellow board members undertake to establish the goals, objectives, and strategic direction for AgriCorp ensures that the agency successfully delivers agricultural programs. It is important that this direction is consistent with government priorities, the agency's mandate, key policies and directives and my directions, where appropriate. I thank you for your willingness to serve.

The COVID-19 outbreak brought challenges that were out of the ordinary for all of us to deal with. AgriCorp demonstrated responsiveness and flexibility in recognizing stakeholder challenges and working with the ministry to develop and implement solutions. Our collective experiences during the pandemic to date have reinforced our need to continually re-examine how both the ministry structures and how AgriCorp delivers our programs. Through these challenges we need to continue to find opportunities for improvement.

.../2

As an Operational Enterprise agency of government, I expect that AgriCorp functions in a way that brings private sector efficiencies to the work of government. This view translates in to every aspect of your agency's processes, from empowering employees to resolve issues as they arise, through to streamlining internal approvals and reducing internal and external red-tape.

As part of the government of Ontario, agencies are expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers. This includes:

1. Competitiveness, Sustainability and Expenditure Management

- operating within your agency's allocations
- identifying and pursuing opportunities for revenue generation as directed, innovative practices, and/or improved program sustainability
- identifying and pursuing efficiencies and savings
- complying with applicable direction related to supply chain centralization, Realty Interim Measures and Agency Office Location Criteria
- continuing to address the recommendations of the Agency Review Task Force

2. Transparency and Accountability

- abiding by applicable government directives and policies and ensuring transparency and accountability in reporting
- adhering to requirements of the Agencies and Appointment Directive, and responding to audit findings, where applicable
- identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability
- setting out performance measurement expectations publicly and clearly and subsequently reporting back on them
- incorporating in the Board's review of senior management's performance the achievement of the agency's performance measures

3. Risk Management

- developing and implementing an effective process for the identification, assessment and mitigation of risks, including planning for and responding to emergency situations such as COVID-19

4. Workforce Management

- optimizing your agency's workforce to enable efficient and effective fulfilment of government priorities, while enhancing customer service standards
- streamlining back office functions to ensure that all available resources are redirected towards the critical front-line services that Ontarians depend upon

5. Data Collection

- improving how the agency uses data in decision-making, information sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery.
- supporting transparency and data sharing with the ministry, as appropriate.

6. Digital Delivery and Customer Service

- exploring and implementing digitization or digital modernization strategies for the provision of services online and continuing to meet and exceed customer service standards through transition
- using a variety of approaches or tools to ensure service delivery in all situations, including COVID-19

In addition to these government-wide priorities, I expect AgriCorp to focus on:

- Continue to prioritize providing a high-level of front-line services, in-line with national comparators as applicable in the programs the agency delivers;
- Continue to look for ways to reduce burden on the agriculture sector by streamlining application processes and tightening delivery timelines;
- 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;
- Work closely with industry to ensure that Production Insurance (PI) plans continue to meet their needs, and with the ministry to ensure any PI plan enhancements are properly prioritized and aligned with government objectives;
- Complete the implementation of both the Production Insurance IT system (AIM) and the Farm Business Registration program IT system;
- In concert with the ministry, work to ensure that changes to the 2021 Risk Management Program are implemented and delivered to producers effectively;
- Update Business Continuity Plans each year and submit to the ministry in Q1.

I look forward to the continued partnership between AgriCorp and the ministry and seeing your delivery and financial targets and results on the above items set out in your Business Plan and reported through your Annual Report.

Through these measures, we can continue to ensure that AgriCorp is continuing to fulfill the agency's legislated mandate.

I thank you and your fellow board members for your continued support, and for your valuable contributions. Should you have any questions/concerns, please feel free to contact David Hagarty, Assistant Deputy Minister, Policy Division.

Sincerely,

Ernie Hardeman
Minister of Agriculture, Food and Rural Affairs



An agency of the Government of Ontario
Un organisme du gouvernement de l'Ontario

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February 26, 2021

The Honourable Ernie Hardeman
Minister of Agriculture, Food and Rural Affairs
77 Grenville Street, 11th Floor
Toronto, ON M5S 1B3

Dear Minister Hardeman:

On behalf of Agricorp's Board of Directors, I am pleased to provide you with Agricorp's 2021-24 business plan. The plan builds on results achieved in 2020-21. It addresses the expectations you set out in your mandate letter to Agricorp and the direction you provided to the board at their meeting in October 2020. The business plan meets the requirements of the Agencies and Appointments Directive and our Memorandum of Understanding.

As an agency, we are aware of and aligned with Ontario government priorities. We act in the best interests of Ontarians by being efficient and effective and by providing value for money.

Agricorp is transparent and accountable, and we will continue to support the government's objectives of competitiveness, sustainability and expenditure management. We continue to improve how we collect and use data for decision-making, most recently in the areas of risk and workforce management when responding to the COVID-19 pandemic. We have business continuity plans in place, and we will continue to provide this information to OMAFRA as requested.

Farmers and farm organizations commend Agricorp staff for providing exceptional customer service. This was especially evident in 2020, as staff supported farmers during this challenging year. In 2021-22, Agricorp will continue to provide a high level of front-line services that is in line with national comparators.

As an agency, we look for ways to reduce burden on the agricultural sector by streamlining application processes, tightening delivery timelines, and improving and expanding the use of digital technology. A leading example of this has been our work with OMAFRA and the Accredited Farm Organizations to implement a simplified registration process and to improve electronic service delivery of the Farm Business Registration program.

Production Insurance is an essential business risk management program. In 2020, we began to implement enhanced business processes and a new information technology system, Guidewire, to better support delivery of this program to 14,000 Ontario farmers. Full implementation in 2021 will further enable Agricorp to offer Production Insurance that is aligned with government priorities and meets the needs of Ontario farmers.

Agricorp will continue to support and work with OMAFRA. As requested, we will provide input for program policy and design and implement changes to Federal-Provincial-Territorial programs and Ontario's Risk Management Program.

Being ready to deliver is a strategic goal and fundamental strength of Agricorp. The agency has people, processes, and technical capabilities that can be leveraged to support the needs of Ontario farmers and government. Agricorp demonstrated these capabilities in 2020-21 by implementing numerous enhancements to existing programs and by successfully delivering AgriRecovery programs for hog and cattle farmers.

The board and I thank you for your continued confidence in us and for providing clear direction and expectations. I, the board and all Agricorp staff look forward to working with you, ministry staff and industry stakeholders over the coming year to build a robust and sustainable agri-food industry.

I would be pleased to answer any questions you may have about Agricorp's 2021-24 business plan.

Sincerely,

Original signed by,

Jason Verkaik
Chair, Agricorp Board of Directors

Encl.