



News Release

For Immediate Release

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Some Farm Support Programs Not Meeting Farmers' Needs: Auditor General

(TORONTO) Only one of Ontario's four main farm-support programs, the Production Insurance program, sufficiently helps farmers manage losses, Auditor General Bonnie Lysyk says in her *2017 Annual Report*, tabled today in the Legislative Assembly.

"Given the importance of Ontario's agricultural sector, it is crucial that all farm-support programs including the other three programs—the Ontario Risk Management Program, AgriStability, and AgriInvest—provide effective and timely assistance to Ontario's 50,000 farms when they need it," Lysyk said after her Report was tabled.

"We found that more could be done to ensure help is there when farmers really need it. However, the Ministry's contingency plans are insufficient to provide support to help farmers recover from major losses because they are not designed to deal with long-term, recurring or market-related crises."

Most farm-support programs are funded jointly by the federal and Ontario governments, and administered largely by Agricorp, a provincial agency. The programs generally operate similar to insurance, with farmers paying premiums and getting payments when their production falls due to disease, bad weather, selling prices of commodities drop, or farm income decreases significantly, for example.

However, the audit found that the \$100-million-a-year Ontario Risk Management Program often pays farmers with little regard to individual need; only half of farmers who received payments between 2011 and 2015 actually reported either a loss or a drop in income in the year they received the payment.

Other findings in the audit include:

- The design of the Ontario Risk Management Program more so benefits larger farms because it bases payments on industry-average production costs, and bigger farms tend to have greater economies of scale, which makes their production costs lower than the average.
- The number of farmers participating in the AgriStability program has decreased by half in the last 10 years, limiting its capacity to provide support because fewer farmers have protection against losses. Farmers have cited insufficient support, delays in payments, and inequities across sectors as reasons for dropping out.
- One of Agricorp's four main IT systems is 25 years old while another is over 10 years old. In the last five years, there have been 31 system-related errors that resulted in farmers either receiving incorrect information about their program participation, or incorrect payments.

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