



News Release

For Immediate Release

July 15, 2008

AUDITOR GENERAL RECOMMENDS CHANGES TO HELP ONTARIO FARMERS

(TORONTO) Auditor General Jim McCarter today delivered a special report requested by the Minister of Agriculture, Food and Rural Affairs on AgriCorp and its delivery of farm support programs.

“Over the past few years, AgriCorp has had difficulty coping with the substantial increase in the number of farm support programs and a doubling of the total payments made to farmers,” McCarter said. “This has affected AgriCorp’s ability to deliver farm support programs in an efficient, effective and transparent manner.”

The audit focused on the largest support program, the Canadian Agricultural Income Stabilization (CAIS) program. The audit found that farmers have difficulty estimating potential payments and understanding how AgriCorp calculates payments. Also, AgriCorp’s turnaround time for processing payments is too long, in part because its computer system is inadequate. There is also little assurance that overpayments are being appropriately recovered, and AgriCorp’s own verification process is detecting a significant number of errors in previous years’ payments.

McCarter made a number of operational recommendations including the need for AgriCorp and the ministry to assess whether farm support programs are achieving their intended purpose.

The Minister also asked for advice on whether AgriCorp should continue to deliver the CAIS program or transfer administration to the federal government.

“Although AgriCorp has challenges to overcome, allowing it to continue to deliver the CAIS program does have two main benefits – potentially lower administrative costs and a greater flexibility to respond to the unique needs of Ontario farmers,” McCarter said.

Created in 1996, AgriCorp is a Crown Agency under the Ministry of Agriculture, Food and Rural Affairs responsible for delivering farm support programs. Last fiscal year, AgriCorp paid out \$468 million to Ontario farmers under various farm-related support programs. These include federal-provincial programs and other Ontario-only initiatives.

The Office of the Auditor General of Ontario is independent of government and its administration. It provides information and advice that assists the Legislative Assembly in holding the government accountable for its spending of public funds.

-30-

For more information, please contact:

Tiina Randoja
Communications
(416) 327-2351

Jim McCarter
Auditor General
(416) 327-1326

To read the special report and for more information on the Office of the Auditor General, visit www.auditor.on.ca.

Copies of the report are available by calling (416) 327-2381.