



Ontario Federation of Agriculture

Ontario AgriCentre

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Changes to BRM programs, taking effect April 1st 2018

Changes to AgriStability

Reference Margin Limit (RML) Capped

What is the Reference Margin Limit (RML): This was a feature added to AgriStability under Growing Forward 2 (GF2) that limited producers payment trigger to the lower of their reference margin or their allowable expenses. This change severely reduced coverage for producers with low cost structures.

What is changing: RML will be capped and all producers will be guaranteed at least 70% of their reference margin. This will provide increased coverage for those producers whose allowable expenses are below 70% of their reference margin.

OFA's position on RML: OFA's position is that the RML should be eliminated.

AgriStability Late Participation Mechanism

What is changing: A late participation mechanism will be added to allow the province to accept late applications in "situations where there is a significant income decline and a gap in participation." This mechanism will be similar to the AgriRecovery framework, where the Ontario minister of agriculture will be able to request to the federal government that late applications be accepted for the entire province, a specific region of the province or a specific commodity within the province. If the mechanism is put in place, any payments would be reduced by 20%.

Changes to AgrilInvest

Reduction in Allowable Net Sales (ANS) under AgrilInvest

What is changing: The Allowable Net Sales (ANS) under AgrilInvest will be reduced from \$1.5 million to \$1 million. Given the fact that the maximum government matching contribution is 1% of ANS, the maximum government matching contribution under AgrilInvest will be reduced from \$15,000 to \$10,000. This move will impact any larger producers who have an annual ANS greater than \$1 million.

OFA's position on AgrilInvest: This is in direct opposition to OFA's position that the annual maximum government contribution be raised to \$100,000.

Minimum Payments for both AgriStability & AgrilInvest

What is changing: To improve administrative efficiency the minimum payment under AgrilInvest and AgriStability will be increased to \$250.

Business Risk Management Program Review

At the Ministers meeting in July it was announced that “governments will undertake a review of the Business Risk Management Programs to assess program effectiveness and impact on growth and innovation.” At this time the details of the review are unclear. We do know that the review is expected to begin in the fall of 2017 with any recommendations being brought forward for consideration to the Ministers meeting in July 2018. The stated focus will be to improve the timeliness, simplicity and predictability of the current BRM programs while remaining cost neutral.