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Managing farming risks in challenging times

By Sara Wood, Vice President, Ontario Federation of Agriculture

There are few things that Canadians talk about more than the weather, and that's even more true of farmers. Whether it's too wet or dry, too hot or cold, a late season frost or storms that bring damaging wind or hail – those of us who farm are focused on what happens outdoors.

That's because more than almost anything else, weather directly impacts our farming businesses, our communities and our food supply, and those impacts are expected to continue as extreme weather events become more common.

In recent years, there have been several extreme weather events that have significantly impacted agricultural production. The billion-dollar derecho storm of 2022, with its severe winds and hail and the devastating drought in northwestern Ontario in 2021 are examples of the growing challenges posed by climate change.

These events not only damage crops and infrastructure but also disrupt the entire supply chain of agricultural production, posing a significant threat to both the economy and food security.

But the challenges also come from less dramatic events, such as too much wet weather in the spring that prevents us from planting crops, a late spring frost during blossom season that keeps fruit from forming or a wet fall that delays harvest.

These are all things that are beyond our control, as are global trade disruptions, supply chain challenges and rising costs, and tools to help us manage these risks are critical to the global food supply and our ability to feed ourselves.

Ontario's agriculture sector is currently supported by a series of Business Risk Management (BRM) programs that are designed to help minimize the impacts of the diverse risks farmers face.

AgriStability offers protection against significant income declines suffered by a farming business as a whole.

Production insurance, by comparison, is available for specific crops and provides coverage in case of crop loss or if we couldn't produce as much as we anticipated due to weather.

Rye has been a welcome addition to this program in 2024, and we thank members from the Prescott Federation of Agriculture for initiating the advocacy to have that crop added.

As well, OFA is working with Ontario's maple syrup producers to advocate for a production insurance program that would help mitigate weather-related disasters and other common risks maple syrup producers face.

These programs are jointly funded by the federal and provincial governments and producers participate by paying premiums, just as we do for car or home insurance, or example.

The majority of agriculture products grown in Ontario are eligible under the Advanced Payments Program to help with production costs for crops, fruit and vegetables, livestock, bees, honey and maple syrup, with a portion of that loan available interest-free.

In Ontario, we also have access to the Risk Management Program (RMP) for livestock and grain farmers and the Self-Directed Risk-Management (SDRM) for horticulture. These two programs are funded by the Ontario government and farmers participate in them to manage the risks associated with fluctuating commodity prices and rising production costs.

My family and I farm in southwestern Ontario near Stratford where we raise broiler chickens and grow wheat, corn, soybeans and cover crops, and for us, these programs are valuable tools to help us manage things beyond our control.

I'm also a Vice President with the Ontario Federation of Agriculture, and risk management programs are an important priority for our members too. That's why the OFA continues to advocate for changes to these programs so that they keep up with rising costs and the changing economic landscape, as well as evolving risks like climate change.

We've been asking, for example, for a permanent increase in the interest-free loan portion of the Advanced Payments Program to \$350,000.

We've also been asking for the AgriStability program payment trigger to be restored to its previous level, which means a loss doesn't have to be as severe



before farmers can access a payment, and for greater flexibility in the program rules to ensure more farmers can benefit from the protection the program offers.

Provincially, OFA and our partners in the Ontario Agriculture Sustainability Coalition – Beef Farmers of Ontario, Grain Farmers of Ontario, Ontario Pork, Ontario Sheep Farmers, Veal Farmers of Ontario and the Ontario Fruit and Vegetable Growers’ Association – have been urging the provincial government to increase its annual funding of RMP and SDRM by \$100 million.

All of these changes are to help keep pace with rising production costs, instability cause by economic turbulence and global events, and growing challenges posed by the changing climate.

Above all, they are an ongoing commitment to maintaining our ability to grow food right here at home in ways that are both economically and environmentally sustainable.

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