

Ontario Risk Management Program for Grain and Oilseed Producers



Handbook

Revised February 2008



This handbook provides details about the Ontario Risk Management Program for Grain and Oilseed Producers (RMP). Agricorp administers RMP in Ontario on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), and administers Production Insurance (PI), and AgriStability on behalf of OMAFRA and the federal government. For more information or assistance, please refer to:

- Agricorp's toll free number at **1-888-247-4999**
- Agricorp's fax line at **519-826-4118**
- Agricorp's website at **www.agricorp.com**
- Agricorp's email services at **contact@agricorp.com**
- The Production Insurance *Contract of Insurance*
- The *CAIS Handbook*.



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1.0 Risk Management Program (RMP) Overview

The Risk Management Program is a three-year price support program designed to help Ontario grain and oilseed producers offset losses caused by low commodity prices. Funded partly by producers through premiums, payments are triggered when prices for grains and oilseeds fall below a specific support price, which is based on a cost of production formula.

RMP was designed in consultation with representatives of the grain and oilseed sector and the Ontario Federation of Agriculture as part of the risk management package offered to Ontario producers. RMP joins Production Insurance (PI) and AgriStability as one more component of an effective risk management package. The three-year pilot program was officially launched in August 2007. Once enrolled, producers must also participate in both the AgriStability and PI programs.

Ontario will fund its traditional 40 percent share for RMP.

2.0 Production Insurance (PI)

Production Insurance is a business risk management program that protects Ontario producers from yield reductions and crop losses caused by adverse weather and other insured perils.

PI is intended to stabilize producers' cash flow in unsuccessful years by providing a plan-specific production guarantee with claim payments paid in the year of the loss.

For more information about PI, call Agricorp toll free at **1-888-247-4999** or visit www.agricorp.com.

3.0 AgriStability

AgriStability provides Canadian agricultural producers with a long-term, whole farm risk management tool that protects against declines in farm income.

Starting with the 2007 program year, the coverage previously provided by the Canadian Agricultural Income Stabilization (CAIS) program is now available through two programs: AgriStability provides coverage when your production margin drops to less than 85 percent of your reference margin and AgrilInvest replaces the coverage under CAIS for margin declines of 15 percent or less. In Ontario, AgriStability is delivered by Agricorp and AgrilInvest is delivered by the federal government.

For more information about AgriStability, call Agricorp toll free at **1-877-838-5144** or visit www.agricorp.com. AgriStability participants can also visit www.mycais.on.ca to submit forms and view both AgriStability and CAIS reports.

4.0 How RMP, PI, and AgriStability Work Together

RMP, PI, and AgriStability work together to create an effective risk management program for Ontario grain and oilseed producers. Each program addresses different risks:

- RMP helps producers offset losses caused by low grain and oilseed prices.
- Production Insurance protects specifically against yield reductions caused by adverse weather and other insured perils.
- AgriStability provides coverage when your production margin drops to less than 85 percent of your reference margin.

By participating in all three programs, producers take full advantage of the protection available from government risk management programs.

RMP payments count as an advance on the provincial portion of a producer's AgriStability benefit for the corresponding program year. If the RMP payment is greater than the AgriStability benefit, the participant will keep the excess.

Depending on weather and/or market conditions, a grain and oilseed producer could receive an AgriStability benefit, a PI claim, and/or an RMP payment in a given year.

5.0 Definitions

AgriStability: The AgriStability program and any successor margin-based programs. AgriStability starts in the 2007 program year. See also, CAIS.

AgriStability Fee: The annual fee that a producer must pay to secure coverage under AgriStability/CAIS .

Average Farm Yield: The average farm yield as defined for a participant by the Production Insurance program.

CAIS: The Canadian Agricultural Income Stabilization program and any successor margin-based programs. CAIS is effective for the 2003 to 2006 program years. See also, AgriStability.

Cost of Production: The estimated cost of producing a grain and oilseed crop for a crop year as reported to the Canada Revenue Agency (CRA).

Coverage Level: The percentage coverage of the cost of production of a grain and oilseed crop, chosen by a participant as offered through the program for each crop year.

Crop Year: The year in which the Ontario growing season for a single crop of each grain or oilseed crop ends.

Forward Contract Price: The price posted by a dealer for delivery of grain at a specific future date.

Grain and Oilseed Crop: An Ontario grown crop of black beans, buckwheat, canola, cranberry beans, faba beans, farm-fed grain crops (including but not limited to corn silage), field peas, flax, Japan/other beans, kidney beans, millet, mustard, popping and grain corn, rye, seed corn, sorghum, soybeans, spelt, spring grain (oats, barley, and mixed grain), spring wheat, sunflowers, triticale, white beans, hard red winter wheat, soft red winter wheat, and soft white winter wheat.

Historical Market Price: The most recent 10-year average of market prices.

Market Price: The average price for a grain and oilseed crop in a given six- or twelve-month pricing period for either future delivery or post-harvest spot prices.

Production Insurance (PI): The Production Insurance program of Ontario and any successor programs delivered by Agricorp.

Premium: The amount of money a participant is required to pay for a specific coverage level for a specific grain and oilseed crop for a crop year.

Spot Cash Price: The price posted by a dealer for immediate delivery.

Support Level: The cost of production for a grain and oilseed crop for a crop year, multiplied by the coverage level chosen by a participant as offered through the program for each crop year.

6.0 Eligibility

To participate in RMP, producers must:

1. Grow at least one of the following grain and oilseed crops:

Major Crops	Minor Crops
Black beans	Buckwheat
Canola	Faba Beans
Corn (grain corn and farm-fed)	Field peas
Cranberry beans	Flax
Hard red winter wheat	Millet
Japan/other beans	Mustard
Kidney beans	Rye (for harvest as grain)
Soft red winter wheat	Seed and popping corn
Soft white winter wheat	Sorghum
Soybeans	Spelt
Spring grain (oats, barley and mixed grain)	Sunflowers
Spring wheat	Triticale
White beans	

Note: Farm-fed crops are eligible. Crops grown for plow-down are excluded.

Crops are classified as major or minor depending on the availability of cost of production and market price data. Typically, major crops are those most commonly grown in Ontario, so significant data is available. Because minor crops are not as commonly grown, less data is available.

Major and minor crops are treated differently with respect to premiums, support prices, and payments. Minor crops are treated using a proxy approach — premiums and payments are assessed as if the grower had planted the same acreage as the major crop that covers the largest area in their county.

Seed and popping corn are exceptions; they are assessed as if grain corn were planted. The popping corn payment will be 2.5 times the grain corn payment.

- 2. Enrol and pay the required RMP premium** for their entire acreage of each grain or oilseed crop grown, for each of the **2007, 2008, and 2009** crop years.

If a participant enrolls one year and decides not to participate in the following year, the participant will not be able to participate for the remainder of the pilot program.

Participants who do not pay all RMP premiums for a crop year will be ineligible for that crop year and any subsequent crop years.

- 3. Secure AgriStability coverage** by paying the AgriStability fee for the program years corresponding to the 2007, 2008, and 2009 crop years.

All partners within a partnership must secure AgriStability coverage. For 2008, landlords who are enrolled in Production Insurance under the Shared Equity Option (SEO) but who don't have allowable income or expenses under the rules of AgriStability do not have to participate in AgriStability for the SEO arrangement to be eligible for RMP. This policy will be reviewed for 2009.

If a participant receives an RMP payment and does not pay the AgriStability fee, the participant will

be required to repay the full amount of the RMP payment received.

- 4. Participate in the PI program**, where available, for each grain and oilseed crop grown by paying all monies and fees required by the PI contract. Any producer whose PI contract is considered void will be ineligible for an RMP payment for all grain and oilseed crops they grow for the crop year in question.

A number of minor crops do not have PI plans available for them. The PI requirement will be waived for any year in which no PI plan exists for a particular crop. The deadline for 2008 winter wheat coverage without winterkill is **May 1, 2008**.

- 5. Participate in marketing and/or financial planning courses** as required by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The long-term vision of the Risk Management Program as developed by industry is to encourage producers to embrace a continuous learning approach. Requirements to participate in education sessions on a regular basis will help producers to enhance their marketing and financial decision-making capacity. In the 2008 and 2009 program years, OMAFRA, in co-operation with industry, will develop and publicize a list of approved courses that will satisfy RMP course requirements. In the future, RMP participants will be asked to complete training on an annual basis. Organizations that would like to provide approved training opportunities will be invited to approach the ministry with their proposals. This future requirement will not affect payments for 2007 or 2008.

7.0 How to Participate

Participants who enrolled in 2007 will be automatically enrolled for 2008 at the 100 percent coverage level. Producers can change their coverage level or enrol as new participants for 2008 by calling Agricorp toll free at **1 888-247-4999** by **May 1, 2008**.

8.0 Timelines

Timelines for the 2008 RMP pilot program:

April 1, 2008 – Deadline to cancel coverage for the 2008 RMP program year

April 30, 2008 – Deadline to pay 2007 AgriStability fee and to enrol as new AgriStability participant for 2008

May 1, 2008 – Deadline to apply for PI coverage for spring seeded grain and oilseed crops and winter wheat without winterkill. Also deadline to apply for RMP, and select or change RMP coverage level for the 2008 program year

June 30, 2008 – Deadline to submit 2007 AgriStability forms

June 30, 2008 – Deadline to report acreage for 2008 (for PI and RMP)

July 10, 2008 – Deadline to pay premiums for 2008 crop year (for PI and RMP)

September 1, 2008 – Deadline to report winter wheat yields (for PI and RMP)

October 31, 2008 – Deadline to report spring grain, canola, mustard, and spring wheat yields (for PI and RMP)

November/December 2008 – Pre-harvest 2008 RMP payments are issued

December 15, 2008 – Deadline to report yields for corn, soybeans, white beans,

sunflowers, and all coloured beans (for PI and RMP)

May/June 2009 – Post-harvest 2008 RMP payments are issued.

9.0 Cost of Production Methodology

The cost of production methodology was developed in consultation with representatives of the grain and oilseed industry and the Ontario Federation of Agriculture. The cost of production calculation is based on the following details:

- Farm sample
- Cost data
- Production data
- Cost allocation for seed, fertilizer, drying and storage, labour, and other costs
- Per unit cost of production
- Highest cost producers
- Average cost of production.

Farm Sample

Farms will be included if they:

- Participated in CAIS and PI for 2004, 2005, and/or 2006
- Earned at least 90 percent of their CAIS allowable income from the sale of grains and oilseeds
- Submitted all required income and inventory information to CAIS in 2004, 2005, and/or 2006

- Grew a total of at least 300 acres of grains and oilseeds. This may be adjusted, depending on sample size, to achieve an average acreage of approximately 700 acres in each of the years. This average acreage is consistent with that used by Quebec in determining cost of production for the Farm Income Stabilization Insurance Program.

Cost Data

The cost of production calculation will use expense information from the CAIS database, including: seed purchases of spring grain, coloured beans, canola, seed corn, soybean, white beans, and wheat; containers and twine; fertilizer and lime; pesticides; insurance premiums; veterinary fees; minerals and salts; machinery repair; machinery fuel; advertising and marketing costs; building and fence repair; contract work; electricity; freight and trucking; heating fuel; other insurance; memberships; office expenses; legal fees; hired labour; motor vehicle expenses; small tools; soil testing; storage and drying; licences; telephone; machinery lease; land clearing; interest; property tax; rent; and capital cost allowance (CCA).

Each expense will be extracted from the **T1163** database of income tax information filed to the Canada Revenue Agency. As well, corresponding changes in accounts payable and purchased inputs will be extracted.

Production Data

From the PI database, the cost of production calculation will use acreage, total production, and yield data for canola, coloured beans, corn, soybeans, spring grain, spring wheat, white beans, and winter wheat.

Seed

Actual seed purchases will be used as outlined by the producer on his/her AgriStability form. AgriStability only requires the farmer to report wheat seed purchases. Since winter and spring wheat seed costs are approximately the same per acre, the reported wheat seed purchases will be allocated based on acreage.

Drying and Storage

Electricity, heating fuel, and storage and drying costs will be allocated on an 80:10:10 basis between corn, soybeans, and wheat.

Labour

Hired labour costs will be included as outlined on the AgriStability form. Family labour costs will be removed and replaced by a salary to the producer that is equal to 90 percent of the average earnings for an Ontario equipment operator, based on information from Statistics Canada. The labour costs will be allocated across crops based on the relative cost per acre of labour between the crops listed and the crop mix of the operation. The relative labour cost per acre will be based on information taken from the Quebec Farm Income Stabilization Insurance (ASRA) crop budgets.

Other Costs

The following costs will be allocated across crops based on the relative cost per acre between the crops listed and the crop mix of the operation:

- Fertilizer ¹
- Capital Cost Allowance ²
- Machinery Fuel ²
- Machinery Repairs ²

1. The relative cost per acre for Fertilizer will be based on information taken from OMAFRA crop budgets.
2. The relative cost per acre for Capital Cost Allowance, Machinery Fuel, and Machinery Repairs will be based on information taken from the Quebec ASRA crop budgets.

All other costs will be allocated based on acreage.

Average Cost of Production

The average cost of production for 2004, 2005, and 2006 has been calculated and indexed forward to represent 2008 using the Eastern Canada Farm Input Price Index (FIPI). In this calculation, the 2004-2006 average is treated as 2005 and indexed for 2006, 2007, and 2008 changes in the FIPI.

In future years, the average cost of production will continue to be calculated using the most recent three years of CAIS or AgriStability data available, with resulting averages indexed forward from the middle year using the Eastern Canada FIPI.

Major Crop	2008 Cost of Production
Black beans	\$0.3078/lb
Canola	\$0.1840/lb
Cranberry beans	\$0.4349/lb
Grain corn	\$4.29/bu
Hard red winter wheat	\$4.71/bu
Japan/other beans	\$0.4349/lb
Kidney beans	\$0.4349/lb
Soft red winter wheat	\$4.51/bu
Soft white winter wheat	\$4.61/bu
Soybeans	\$9.19/bu
Spring grain	\$0.0850/lb
Spring wheat	\$5.91/bu
White beans	\$0.3078/lb

10.0 Coverage and Support Levels

RMP coverage levels will be rolled over based on the participant's previous year's coverage levels. For 2008, all participants will have 100 percent coverage for all crops. A participant may change their coverage level for 2008 by calling Agricorp by **May 1, 2008**. Participants may choose different coverage levels for different crops.

Four coverage levels are available for each grain and oilseed crop: 100, 95, 90, or 85 percent of the cost of production.

Coverage levels under RMP are not tied to PI coverage levels.

Major Crop	2008 Support Level for 100% Coverage	2008 Support Level for 95% Coverage	2008 Support Level for 90% Coverage	2008 Support Level for 80% Coverage
Black beans	\$0.3078/lb	\$0.2924/lb	\$0.2770/lb	\$0.2616/lb
Canola	\$0.1840/lb	\$0.1748/lb	\$0.1656/lb	\$0.1564/lb
Corn	\$4.29/bu	\$4.08/bu	\$3.86/bu	\$3.65/bu
Cranberry beans	\$0.4349/lb	\$0.4132/lb	\$0.3914/lb	\$0.3697/lb
Hard red winter wheat	\$4.71/bu	\$4.47/bu	\$4.23/bu	\$4.00/bu
Japan/other beans	\$0.4349/lb	\$0.4132/lb	\$0.3914/lb	\$0.3697/lb
Kidney beans	\$0.4349/lb	\$0.4132/lb	\$0.3914/lb	\$0.3697/lb
Soft red winter wheat	\$4.51/bu	\$4.28/bu	\$4.05/bu	\$3.83/bu
Soft white winter wheat	\$4.61/bu	\$4.37/bu	\$4.14/bu	\$3.91/bu
Soybeans	\$9.19/bu	\$8.73/bu	\$8.27/bu	\$7.81/bu
Spring grain	\$0.0850/lb	\$0.0808/lb	\$0.0765/lb	\$0.0723/lb
Spring wheat	\$5.91/bu	\$5.61/bu	\$5.32/bu	\$5.02/bu
White beans	\$0.3078/lb	\$0.2924/lb	\$0.2770/lb	\$0.2616/lb

11.0 Premiums

Premiums for each grain and oilseed crop are based on the difference between the support level and historical market prices. This difference is then multiplied by 12 percent (40 percent of 30 percent)* to reflect the fact that program coverage and payments are limited to the province's traditional share for BRM programs. Starting with the 2008 crop year, the annual premium must be paid before a payment is issued.

The total minimum premium a participant can pay per crop is \$25. For RMP, the minimum premium rate is \$0.01/bu or \$0.0002/lb.

* 40 percent represents the provincial government's normal share of funding in a cost-shared program. The 30 percent factor was proposed by the grain and oilseed industry so that a participant would cover one-third of the total premium.

Major Crop	2008 Premium Rate for 100% Coverage	2008 Premium Rate for 95% Coverage	2008 Premium Rate for 90% Coverage	2008 Premium Rate for 85% Coverage
Black beans	\$0.0070/lb	\$0.0052/lb	\$0.0033/lb	\$0.0015/lb
Canola	\$0.0053/lb	\$0.0042/lb	\$0.0031/lb	\$0.0020/lb
Corn	\$0.12/bu	\$0.09/bu	\$0.07/bu	\$0.04/bu
Cranberry beans	\$0.0177/lb	\$0.0151/lb	\$0.0125/lb	\$0.0099/lb
Hard red winter wheat	\$0.13/bu	\$0.11/bu	\$0.08/bu	\$0.05/bu
Japan/other beans	\$0.0177/lb	\$0.0151/lb	\$0.0125/lb	\$0.0099/lb
Kidney beans	\$0.0177/lb	\$0.0151/lb	\$0.0125/lb	\$0.0099/lb
Soft red winter wheat	\$0.11/bu	\$0.08/bu	\$0.06/bu	\$0.03/bu
Soft white winter wheat	\$0.12/bu	\$0.09/bu	\$0.07/bu	\$0.04/bu
Soybeans	\$0.17/bu	\$0.12/bu	\$0.06/bu	\$0.01/bu
Spring grain	\$0.0034/lb	\$0.0029/lb	\$0.0024/lb	\$0.0019/lb
Spring wheat	\$0.17/bu	\$0.14/bu	\$0.10/bu	\$0.07/bu
White beans	\$0.0070/lb	\$0.0052/lb	\$0.0033/lb	\$0.0015/lb

Example Premium Calculation (Corn)

Average Farm Yield (historical 10-year):
150 bushels per acre
Crop Year Acreage: 100 acres
Chosen Coverage Level: 100%
Support Level: \$4.29 per bushel
Total Premium for corn = Premium
Rate/Unit at Chosen Coverage Level X
Average Farm Yield X Crop Year Acreage
= \$0.12/bu X 150 bu/acre X 100 acres
= \$1,800.00

In this example, the participant will receive a pre-harvest and/or post-harvest payment if the average market price for corn is less than \$4.29 per bushel.

12.0 Payment Calculation

Payments are triggered when the market price for a grain and oilseed crop falls below a chosen support level. Each payment will be based on:

- 50 percent of the participant's average farm yield
- the participant's acreage
- the difference between the support level and the applicable market price.

The payment is equal to (a) × (b) × (c), which is then multiplied by 40 percent to reflect Ontario's share.

Example Payment Calculation

Pre-Harvest Pricing Period (Corn)

Average Farm Yield (historical 10-year):
150 bushels per acre
Crop Year Acreage: 100 acres
Chosen Coverage Level: 100%
Support Level: \$4.29 per bushel
Average Market Price: \$3.29 per bushel
Price Differential (between support
level and average market price): \$4.29
- \$3.29 = \$1.00

RMP Payment = Average Farm Yield
x 50% x Crop Year Acreage x Price
Differential x 40% Provincial Share

RMP Payment = 150 x 50% x 100 x \$1.00
x 40%

RMP Payment = \$3,000

Post Harvest Pricing Period (Corn)

Average Farm Yield (historical 10-year):
150 bushels per acre
Crop Year Average: 100 acres
Chosen Coverage Level: 100%
Support Level: \$4.29 per bushel
Average Market Price: \$3.79 per bushel
Price Differential (between support
level and average market price): \$4.29
- \$3.79 = \$0.50

RMP Payment = Average Farm Yield
x 50% x Crop Year Acreage x Price
Differential x 40% Provincial Share

RMP Payment = 150 x 50% x 100 x \$0.50
x 40%

RMP Payment = \$1,500

Total RMP payments for crop year
\$3,000 Pre-harvest pricing period
\$1,500 Post-harvest pricing period

**\$4,500 Total RMP payment for crop
year**

13.0 Payment Caps

An annual cap on the total payment a participant may receive per crop year is \$130,000 per individual, or up to \$390,000 for three individuals in a corporation or partnership.

14.0 Market Price

For each eligible grain and oilseed crop, two payments are calculated for each crop year:

- The first (typically fall) payment will be based on the average of forward contract prices for six months prior to harvest.
- The second (typically spring) payment will be based on the average of cash or spot prices for six months during and after harvest.

The specific months that compose these six-month periods will depend on the harvest date of each crop and are listed in the table below.

14.1 Payment Periods

Major Crop	Spring Pricing Period (First Pricing Period)	Fall Pricing Period (Second Pricing Period)
Black beans	March - August	September – February
Canola	January – June	July – December
Corn	April – September	October – March
Cranberry beans	March – August	September – February
Hard red winter wheat	January – June	July – December
Japan/other beans	March – August	September – February
Kidney beans	March – August	September – February
Soft red winter wheat	January – June	July – December
Soft white winter wheat	January – June	July – December
Soybeans	April – September	October – March
Spring grain	February – July	August – January
Spring wheat	January – June	July – December
White beans	March – August	September – February

14.2 Sources of Forward Contract and Harvest Spot Prices

Major Crop	Forward Contract Price	Harvest Spot Prices
Black beans	Average of monthly prices for delivery at a cross-section of Ontario elevators	Average of monthly prices for delivery at a cross-section of Ontario elevators
Canola	Average of monthly prices for delivery at a cross-section of Ontario elevators	Average of monthly prices for delivery at a cross-section of Ontario elevators
Corn	Daily averages for Chatham delivery	Daily averages for Chatham delivery
Cranberry beans	Average of monthly prices for delivery at a cross-section of Ontario elevators	Average of monthly prices for delivery at a cross-section of Ontario elevators
Hard red winter wheat	Daily averages for Board terminal delivery of Hard Red	Daily averages for Board terminal delivery of Hard Red
Japan/other beans	Average of monthly prices for delivery at a cross-section of Ontario elevators	Average of monthly prices for delivery at a cross-section of Ontario elevators
Kidney beans	Average of monthly prices for delivery at a cross-section of Ontario elevators	Average of monthly prices for delivery at a cross-section of Ontario elevators
Soft red winter wheat	Daily averages for Board terminal delivery of Soft Red	Daily averages for Board terminal delivery of Soft Red
Soft white winter wheat	Daily averages for Board terminal delivery of Soft White	Daily averages for Board terminal delivery of Soft White
Soybeans	Daily averages for Chatham delivery	Daily averages for Chatham delivery
Spring grain	Average of monthly prices for delivery at a cross-section of Ontario elevators of Barley and Oats	Average of monthly prices for delivery at a cross-section of Ontario elevators of Barley and Oats
Spring wheat	Daily averages for Board terminal delivery of Red Spring	Daily averages for Board terminal delivery of Red Spring
White beans	Average of monthly prices for delivery at a cross-section of Ontario elevators	Average of monthly prices for delivery at a cross-section of Ontario elevators

15.0 Acreage and Average Farm Yield

Acreage and average farm yield (AFY) are key components in calculating a participant's RMP payment. As in Production Insurance (PI), your individual AFY is composed of up to ten years of your own actual or underwritten yields and provides insurance coverage specific to your operation. AFY takes into account all aspects of your farming operation, from land base to management practices. If you were previously enrolled in either Production Insurance or the former Market Revenue program, you already have an established AFY.

All policies that determine the AFY under PI will in turn determine the AFY for RMP. For more information, refer to the Production Insurance *Contract of Insurance*.

16.0 Linkages to AgriStability

RMP payments are counted as an advance on the **provincial portion** of a participant's AgriStability benefit for the corresponding program year. Participants keep the greater of either the RMP payment or provincial AgriStability benefit. In either case, the final statement will show what portion of the payment is attributed to AgriStability and what portion to RMP.

Example 1: RMP payment greater than provincial AgriStability benefit

If the combined RMP payment is **greater than** the provincial portion of the final AgriStability benefit for the

corresponding year, the participant will not receive the provincial portion of the AgriStability benefit. If the RMP payment is greater than the AgriStability benefit, the participant will keep the excess RMP payment.

Calculated Payments	Provincial	Federal	Total
RMP	\$4,500		\$4,500
AgriStability benefit	\$2,000	\$3,000	\$5,000
Cheques to Participant			
RMP cheque			\$4,500
AgriStability cheque			\$3,000
Total			\$7,500

Example 2: RMP payment less than provincial AgriStability benefit

If the combined RMP payment is **less than** the provincial portion of the final AgriStability benefit for the corresponding year, the participant will receive the RMP payment and the remainder of the provincial AgriStability benefit (total provincial AgriStability minus RMP payment).

Calculated Payments	Provincial	Federal	Total
RMP	\$4,500		\$4,500
AgriStability benefit	\$8,000	\$12,000	\$20,000
Cheques to Participant			
RMP cheque			\$4,500
AgriStability cheque [12,000 + (8,000 - 4,500)]			\$15,500
Total			\$20,000

RMP has no impact on the federal portion of AgriStability benefits.

17.0 Recovering RMP Overpayments

Agricorp is required to recover outstanding amounts owed to the Crown. RMP overpayments will be collected from Ontario's share of any future payments made to the participant under the following programs:

- RMP
- AgriStability/CAIS
- Other provincial programs

18.0 Recovering Other Program Overpayments

Overpayments from other provincial programs (for example, previous AgriStability/CAIS advances) will be recovered from RMP payments. For example, if an AgriStability participant received an AgriStability overpayment of \$1,000, the provincial share, \$400, will be deducted from their RMP payment.

19.0 Additional RMP Payment Information

Payments under RMP are considered income for income tax purposes. Agricorp will issue income tax *AGR-1* receipts.

Participants may not assign RMP payments to a third party.

Individual RMP payments of less than \$10 will not be paid out.

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and Agricorp have absolute discretion to refuse or withhold any payments to any participant.

20.0 Unseeded Acreage Benefit (USAB)

The Unseeded Acreage Benefit (USAB) provides compensation if an insured peril other than drought prevents a large number of growers in the participant's area from planting or seeding all or part of their acreage.

A benefit will be paid for each unseeded acre in the case of systematically tile drained land or for more than three unseeded acres in the case of land that is not systematically tile-drained.

RMP USAB payment = unseeded acres X average farm yield of last's year's dominant crop X RMP payment¹ X 40%

¹ RMP payment is 100 percent of the difference between the current market price and your support level for last year's dominant crop.

Unseeded acreage payments are based on the dominant crop grown by the participant in the previous year. The dominant crop will be determined in accordance with priority rules as set out under Production Insurance where, for any reason, there is no dominant crop for the preceding year.

The amount of the USAB will be 100 percent of the payment per acre of land enrolled in RMP.

Priority Table for USAB

1. Corn
2. Soybeans
3. White beans
4. Japan/other beans
5. Kidney beans
6. Cranberry beans
7. Black beans
8. Spring grain
9. Canola
10. Sunflowers
11. Spring wheat
12. Mustard

21.0 Terms of the Program

21.1 Consequences of Non-Compliance and Misconduct

If a participant does not comply with RMP, PI, or AgriStability requirements (for example, fails to pay premiums), he or she

will be removed from the program for the remaining term of the three-year program and will be ineligible to receive further RMP payments.

Participants will be required to refund any or all payments received under RMP that are not in accordance with the eligibility requirements set out in the application material and this Handbook, and/or laws of Ontario, within 30 calendar days of the notice being provided to them by Agricornp. Failure to make repayment as required by Agricornp creates a debt owing to the Crown in Right of Ontario that can be offset against any money the Crown owes to the participant.

The RMP contract will be void for all crops enrolled in the program if a participant in any way:

- Gives false information
- Breaches a provision of any of the PI, CAIS, AgriStability, or RMP contracts
- Commits a fraud.

21.2 Bankruptcy or Death of a Participant

The contract terminates at the end of the crop year in which the participant dies, becomes insolvent, or makes an authorized assignment in bankruptcy.

21.3 Farm Sale

If a participant sells all of the farming operation, the contract is immediately terminated. If only part of the farming operation is sold, that portion of the contract is immediately terminated and the unsold portion remains active.

21.4 Participant's Information

Information collected under RMP is collected and used by Agricorp to administer the program on behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). Information collected may be used and disclosed for the purpose of administering, auditing, and evaluating the program. This includes sharing information with OMAFRA. Social Insurance Numbers (SIN) and Business Information Numbers (BIN) are collected and used by Agricorp only for the purpose of making payments under this program and will be shared with the Canada Revenue Agency (CRA) for the purpose of issuing tax receipts for payments. Questions about the collection of this information can be directed to Agricorp's FOI-Privacy Coordinator, Box 3660, Stn. Central, Guelph, ON N1H 8M4, **1-888-247-4999**.

Take note: Any information supplied further to the RMP may be disclosed by OMAFRA or Agricorp where they are obligated to do so under the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, by an order of a court or tribunal, or pursuant to a legal proceeding.

21.5 Retaining Records

A participant should retain all invoices and records relating to seeding, planting, or production for a period of six years. These invoices and records must be made available to Agricorp in the event of an investigation or to determine any matter relating to RMP.

21.6 Right of Access

When a producer becomes enrolled under RMP, Agricorp has an immediate and continuing right of access to the participant's production records and seeded acreage and delivery information records held by third parties, including commodity boards, associations and organizations, grain elevators, and processors.

Agricorp will also have a right of reasonable entry to all lands or storage facilities used, owned, or leased by the participant, or otherwise under the control and direction of the participant, in order to survey, audit, inspect, estimate, and examine the participant's:

- Eligible crops
- Inventory and production
- Carryover production
- Storage facilities
- Acreage used for production before, during, or after production
- Other information that is or should be in the participant's records.

22.0 Dispute Resolution Process

If Agricornp and a producer disagree on whether the producer qualifies for RMP, either party may dispute the matter to Agricornp's Issues Review Committee.

When there is a disagreement on any matter arising out of the calculation of a payment under RMP, any party with an interest may dispute the matter. Agricornp has established a dispute resolution process to guide a participant through this period of disagreement. Issues of disagreement should be directed to:

Agricornp's Issues Review Committee
% IRC Coordinator
1 Stone Road West
Box 3660 Stn. Central
Guelph, ON N1H 8M4

A participant must dispute a matter within one year of receiving a payment or notice from Agricornp.

23.0 Contact Information for Agricornp

Contact Agricornp

Monday through Friday, 7 a.m. to 5 p.m.

Phone: **1-888-247-4999**

Fax: **519-826-4118**

Email: **contact@agricorp.com**

Mailing Address:

Agricornp

1 Stone Road West
Box 3660 Stn. Central
Guelph ON N1H 8M4

www.agricorp.com

No liability to the Crown: Her Majesty the Queen in right of Ontario is not liable to the applicant, his or her agent, employees or associates for any damage, injury, claim or loss whatsoever and regardless of cause, arising out of RMP and participation in RMP.

