



Ontario Tender Fruit Producers' Marketing Board

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Items in this newsletter:

- Staffing Changes
- News from Agricorp
 - Production Insurance
 - Self-Directed Risk Management
- 2011 Crop Summary
- PIQ Ontario (Partners in Quality) On Farm Food Safety
- Grower Contact Information Update
- Coming Events

Staffing Changes at the Board

1. **Manager** – Adrian Huisman will be retiring as Manager effective January 31, 2012.
2. **New Manager** – Sarah Marshall, currently the Marketing Director, has been named to the position as Manager effective February 1, 2012.
3. **Marketing Director** – This position will be eliminated effective January 31, 2012.
4. **Marketing & Production Analyst** – Larissa Osborne, the Board's Treasurer and Manager of Grape & Tender Fruit (Ontario) Ltd., has been promoted to this position effective February 1, 2012. This is a new position cost shared with the Ontario Apple Growers. Her duties include the collection and dissemination of all production and marketing intelligence.
5. **Policy Advisor** – Adrian Huisman has been contracted to provide support in an advisory capacity (as required) for 2012.

News From Agricorp – Production Insurance & SDRM

Attached please find the latest update from Agricorp which contains information on both Production Insurance rates and deadlines and the new Self-Directed Risk Management Program (SDRM).

Production Insurance – The 2012 crop year claim prices and premium rates are included in the attachment. Of interest is that the premium rates in most cases have been reduced from 2011 with the exception of those for sweet and tart cherries. The premium rate for hail only coverage for peaches, nectarines and pears has also been reduced and appears to be very attractive. Growers are encouraged to give serious consideration to participating in the future.

SDRM – Most growers have now received their Deposit and Withdrawal Notices. If you have not received yours, you should call Agricorp for an update.

Things to know about the 2012 SDRM Program:

1. To be eligible for the 2012 program growers must be enrolled in AgriStability.
2. Growers will be required to have a Premises Identification Number from OnTrace. PID numbers can be obtained from OnTrace on-line at www.ontrace.ca or by phone 1-888-38-TRACE (8-7223)

Draft guidelines for the 2012 SDRM Program including important dates are attached. More information will be provided as available.

2011 Crop Summary

The 2011 final crop volume summary is attached – See page 3.

PIQ Ontario (Partners in Quality) On Farm Food Safety

The Board's direct involvement in the delivery of the PIQ Program will end after this year. In future, growers and shippers will be required to deal directly with CHC to maintain their CanadaGAP accreditation. The Board will continue to monitor the CHC program and provide any new information as it becomes available. Growers who have not yet implemented the program on their farms can obtain this service in the future by contacting EBiz directly at 1-519-821-9908 or visit their website www.safefood.ca.

Grower Contact Information Updates

Please complete and return the attached Grower Contact Information Update. The purpose of the update is to get more accurate mailing and contact information including email addresses. The current mailing address in a number of cases is still Rural Route numbers. We need to get the proper street address information as well.

Coming Events

- ✓ **OFVGA AGM** – January 10 & 11, 2012 – Crowne Plaza Hotel, Niagara Falls
- ✓ **Ontario Fruit & Vegetable Conference** – February 22 & 23, 2012, Scotia Centre, Niagara Falls
- ✓ **Annual Meetings:**
 - Ruthven – March 26, 2012
 - Simcoe – March 27, 2012
 - Niagara – March 28, 2012

Yours truly,



Adrian Huisman
Manager



Sarah Marshall
Marketing Director

Enclosures

**Fresh & Processing Fruit Sales
2011 Crop Summary - November 2011**

FRESH MARKET (THROUGH DEALERS)						Change
Crop	2007	2008	2009	2010	2011	% +/-
	tons	tons	tons	tons	tons	
Peaches	14737	17850	19400	17300	18115	5%
Pears						
Clapp	84	77	60	52	30	-42%
Other (Flemish & Harrow Type)	44	44	44	69	40	-42%
Bartlett	1362	2400	1650	1732	1330	-23%
Bosc	1159	1330	1256	1067	1015	-5%
Pears Combined	2649	3851	3010	2920	2415	-17%
Plums & Prunes						
Early Golden	65	1500	1420	1140	800	-30%
Shiro	362	500	600	502	300	-40%
Total Yellow Plums	427	2000	2020	1642	1100	-33%
Reds	15	30	30	11	25	127%
Blue Plums & Prunes	494	564	525	518	375	-28%
Plums & Prunes Combined	936	2594	2575	2171	1500	-31%
Grapes						
Coronation	2015	2025	2100	1808	1950	8%
Other Grapes	185	110	100	42	50	19%
Grapes Combined	2200	2135	2200	1850	2000	8%
Sweet Cherries	750	420	380	193	150	-22%
Nectarines	3010	2600	2100	2256	1800	-20%
TOTAL FRESH	24282	29450	29665	26690	25980	-3%
PROCESSING (FINAL)						
Clingstone Peaches	5613	2756	2621	1715	1471	-14%
Bartlett Pears	1529	0	0	0	0	0%
Tart Cherries	7864	6140	6989	6280	2190	-65%
Sweet Cherries	50	80	60	40	34	-15%
TOTAL PROCESSING	15056	8976	9670	8035	3695	-54%
TOTAL COMBINED	39338	38426	39335	34725	29675	-15%



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Un organisme du gouvernement de l'Ontario

Agricorp programs for tender fruit producers

Renewing Production Insurance for grapes

You will receive your renewal package outlining your coverage options and deposit amount for 2012 shortly. Be sure to review your responsibilities and the coverage shown on your renewal notice. Your coverage will reflect the coverage you chose last year, unless you contact us by December 20, 2011 to change your coverage options.

How to participate

If this is your first time applying, contact Agricorp at 1-888-247-4999 by December 20, 2011. An Agricorp representative will visit you to review your coverage and claim price options and help you complete your application.

2012 Production Insurance deadlines for fruit crops	
Action required	Deadline
Last day to cancel your 2012 insurance contract	December 20, 2011
Apply for coverage or change your coverage selection	
Pay your premium deposit (non-refundable)*	
Declare assignment of indemnity	
Pay balance of your premium	May 1, 2012

*Your premium deposit is 25 per cent of an estimated underwritten value at the time of application. An Agricorp adjuster will determine this value with you. Final premium is calculated in the spring.

2012 rates for tender fruit								
Tender fruit	Customer premium rates by coverage level				Claim price options			
	80%		75%				70%	
Peaches and nectarines	Multi-peril	4.22%	Multi-peril	3.71%	Multi-peril	3.25%	N/A	Fresh: \$0.46/lb Processing: \$0.17/lb Nectarines: \$0.51/lb
	Hail only	0.68%	Hail only	0.60%	Hail only	0.53%		
Pears	Multi-peril	7.29%	Multi-peril	6.49%	Multi-peril	5.76%	N/A	Option 1: \$0.41/lb Option 2: \$0.21/lb
	Hail only	0.37%	Hail only	0.33%	Hail only	0.29%		
Plums	9.31%		8.10%		6.70%		N/A	\$0.65/lb
Sour cherries	6.43%		5.92%		5.47%		N/A	\$0.20/lb or \$0.25/lb or \$0.30/lb
Sweet cherries	9.45%		8.79%		8.08%		7.56%	Fresh: \$0.70/lb Processing: \$0.37/lb

AgriStability protects producers from large declines in farming income

If you are an Ontario grower, you need to know about AgriStability. The program protects producers from large declines in their farming income due to market conditions, production loss or increased costs of production. Your allowable income and expenses for all the commodities you produce are used to calculate your margins, protecting the income of your whole farm.

Fees due by December 31

If you have not paid your 2011 AgriStability fee, you must pay the fee by the December 31, 2011 deadline to be eligible for a benefit. A late penalty will be added to your fee.

Interim payments available

If you are experiencing financial pressure you can apply to receive an interim AgriStability payment before you complete your fiscal year. An interim payment is half your estimated 2011 AgriStability benefit. To apply, download an Interim payment application at agricorp.com or contact Agricorp for a printed application.

How to participate

To sign up for 2012 AgriStability, send your completed 2012 New participant form to Agricorp by April 30, 2012. You can download a 2012 New participant form at agricorp.com or contact Agricorp for a printed form.

Self-directed risk management plan available for grape growers

The self-directed risk management (SDRM) plan for edible horticulture is part of the new Risk Management Program to help producers manage risks beyond their control, like fluctuating costs and market prices. Under this plan, Ontario producers of edible horticulture commodities can establish an account with Agricorp and receive matching government contributions to help cover risks to farm business.

How to participate

Participant packages were mailed to eligible producers in the fall. The deadline to submit a deposit request is February 1, 2012 or 90 days after the date on the deposit notice.

Ontario Self-Directed Risk Management Program For Edible Horticulture Farmers Guidelines

Ontario Ministry of Agriculture, Food
and Rural Affairs

Effective for the 2012 Program

DEFINITIONS

For the purposes of these Guidelines, the terms below shall have the following meaning:

“Agricorp” means Agricorp, a Crown Agency without share capital established under the *Agricorp Act* S.O. 1996, c.17, Schedule A, as amended;

“Agricorp Database” means the business information received from *Farmers* and other contributing sources that are used by *Agricorp* to administer and deliver programs as per program agreements with the *Ministry*. Examples of sources of information include, but are not limited to: applications through the *AgriStability*, *Production Insurance*, *RMP* and other required program application and reporting processes, T1163 information received from *Farmer’s* Canada Revenue Agency tax filing;

“*AgriStability*” means the program:

- a) Established by Canada and Ontario under the agreement entitled “*Growing Forward: A Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Business Products Policy*” and includes any successor to it, and
- b) Implemented into Ontario law pursuant to Order-in-Council 200/2011;

and includes the predecessor Canadian Agricultural Income Stabilization (CAIS) program;

“*ANS*” means the allowable net sales and is determined by deducting the total *Eligible Commodities* purchased from the total *Eligible Commodities* sold by a *Participant* in the taxation year ending no later than three (3) months prior to the start of the *Program Year* and no sooner than fifteen (15) months prior to the start of the *Program Year*;

“*BRMRC*” means the Business Risk Management Review Committee, established under an Order-in-Council pursuant to the Royal Prerogative;

“*BRMRC OIC*” means Order-in-Council 1310/2011;

“*Business Day*” means any working day, Monday to Friday inclusive, but excluding statutory and other holidays on which the Government of Ontario has elected to be closed for business;

“*Deposit Notice*” means a notice sent to *Farmers* outlining their *ANS* and the *Farmers’* eligible *Matchable Deposit* limit for the *Program Year*;

“*Deposit Request*” means the form to be completed and submitted by *Participants* to establish a *Program Account* with *Agricorp*;

“*Eligible Commodity*” means an edible horticultural crop/product as set out in Schedule 1 of these *Guidelines* and which is produced by a *Participant* and sold during the taxation year ending no later than three (3) months prior to the start of the *Program Year* and no sooner than fifteen (15) months prior to the start of the *Program Year*;

“*Farmer*” means a *Person* engaged in the production of one or more *Eligible Commodities* within Ontario;

“*Funds*” includes a *Participant’s Matchable Deposit* and the *Minister’s Matching Deposit* that is being held in the name of the *Participant* by the *Minister* or *Agricorp*;

“*Guidelines*” mean these *Guidelines*, as may be amended from time to time;

“*Matchable Deposit*” means deposits made under this *Program* by a *Participant*, up to an established maximum based on a percentage of the *Participant’s ANS*;

“*Matching Deposit*” means the matching deposit made by the *Minister* in accordance with the terms and conditions of the *Program* after the *Participant* has made a *Matchable Deposit* into a *Program Account*;

“*Minister*” means the Minister of Agriculture, Food and Rural Affairs or any such other *Minister* who may be designated from time to time as the responsible *Minister* in relation to this *Program* in accordance with the *Executive Council Act*;

“*Ministry*” means the Ministry of Agriculture, Food and Rural Affairs or such other *Ministry* that has been designated as being responsible for this *Program*;

“OIC” means Order in Council 1311/2011;

“Participant” means a *Farmer* who participates in the Program;

“Person” for the purposes of these *Guidelines*, includes an individual, sole proprietorship, unincorporated association, corporation, trust, cooperative, communal organization, partnership, limited partnership, and estate;

“Premises” means a parcel of land defined by a legal land description or, in its absence, by geographical coordinates, on which animals, plants or food are grown, kept, assembled or disposed;

“Premises Identification / Premises ID” means the assignment of one unique Premises Identification Number based on national standards to a single land parcel that has been registered, characterized and validated;

“Production Insurance (PI)” means insurance offered under the *Crop Insurance Act (Ontario), 1996, SO 1996, c 17, Sch C* and includes any successor programs;

“Program” means this Self-Directed Risk Management Program for Edible Horticulture Farmers;

“Program Account” means an account established by *Agricorp* in the name of a *Participant* under the *Program* in which the *Participant’s Matchable Deposit* and the *Minister’s Matching Deposit* shall be deposited into;

“Program Year” means the current fiscal year for the *Ministry*;

“Reference Committee” means the committee composed of representatives from the *Ministry*, *Agricorp* and industry that acts as a forum for industry input regarding the *Program*;

“Risk Management Programs (RMP)” means the set of programs including the following: Risk Management Program for Cattle Farmers, Risk Management Program for Grain and Oilseed Farmers, Risk Management Program for Hog Farmers, Risk Management Program for Sheep Farmers, Risk Management Program for Veal Calf Farmers, and the Self-Directed Risk Management Program for Edible Horticulture Farmers;

“Self-Declared Risk” means a risk that the *Participant* feels may affect the viability of the business which includes but is not limited to a reduction in income or an identified need to invest in risk management tools for the farm operation; and

“SDRM Withdrawal Request” means the form used to make a *Self-Declared Risk* and withdraw *Program Account Funds* to help address that *Self-Declared Risk*.

1. PURPOSE OF PROGRAM

1.1 Purpose

This *Program* will provide Ontario’s traditional forty percent (40%) of agricultural business risk management program payments in a manner that will enable *Participants* to manage their business in a volatile environment.

2. TERM OF PROGRAM

2.1 Term

This *Program* begins as of July 1, 2011.

The *Program* shall terminate in the event that there is an insufficient appropriation for any payment that is to be made under the *Program*, or if/when the *Minister* chooses, including if the *Minister* makes a determination to terminate the *Program* based on the request of industry. Where the *Program* is terminated for these reasons, the following rules apply:

- a) The *Minister* shall post a notice on the *Ministry's* website indicating the *Program* has been terminated and the date it was terminated. The *Program* shall be considered terminated as of the date indicated in the notice; and
- b) Any *Matching Deposits* owing under the *Program* for which there is an appropriation shall be paid.

3. ELIGIBILITY CRITERIA

3.1 Criteria

In order to be eligible to make *Matchable Deposits* and withdraw *Program Account Funds*, a *Farmer* must:

- a) abide by all terms, conditions and procedures of the *Program*, including the requirements set out in the *OIC*, the *BRMRC OIC* and these *Guidelines*;
- b) be a *Person* under these *Guidelines*;
- c) participate in the *Program* by the deadline agreed upon by *Agricorp* and the *Ministry*;
- d) participate in this *Program* using a *Ministry* approved *Deposit Notice*, *Deposit Request*, and/or *SDRM Withdrawal Request* forms;
- e) produce an *Eligible Commodity(ies)* listed in Schedule 1;
- f) be a sole proprietor or partner filing a T1163 to Canada Revenue Agency by June 15, 2012 or corporations, trusts and special individuals filing a Statement A to *Agricorp* by June 30, 2012;
- g) have farmed *Eligible Commodity(ies)* for a minimum of six consecutive months in a taxation year ending no later than three (3) months prior to the start of the *Program Year* and no sooner than fifteen (15) months prior to the start of the *Program Year*;
- h) Status Indians who carried on the business of farming on a reserve in Ontario, and did not file returns for income tax purposes, are eligible to participate provided they submit information that would have otherwise been reported for tax purposes based on the requirements of the Income Tax Act, and meet all other *Program* requirements. For *Program* purposes, Status Indians will be deemed to have a December 31 fiscal year-end;
- i) have a minimum *ANS* calculation of \$5,000;
- j) partners must enroll separately and will be treated as the same way as in *AgriStability*;
- k) provide accurate, timely and full information to *Agricorp* when requested;
- l) Not provide false or misleading information to *Agricorp*.

For this 2012 *Program Year*, Participants must participate in the following initiatives:

- *AgriStability*: Participation in *AgriStability* is mandatory for the 2012 *Program Year*;
- *Premises ID*: Participation in *Premises ID* is mandatory for the 2012 *Program Year*;

Note: PI: Participation is voluntary where coverage is available;

Additional Terms and Conditions:

1. A *Farmer* may enter the *Program* for the first time if they meet the above criteria by the *Program* deadlines of any *Program Year*.
2. All *Matchable Deposits* are made by the *Participant* before the *Participant* will be eligible to receive a *Matching Deposit* under the *Program* for the *Program Year*.
3. If a *Participant* is inactive for three (3) consecutive years, *Agricorp* will close their *Program Account* and issue a cheque to the *Participant* for the remaining *Funds* in the *Program Account* within one (1) year.
4. The *Ministry* may require participation in additional initiatives over the life of the *Program* after consultations with the *Reference Committee* and industry as appropriate. Any new *Program* requirements will be included in subsequent *Guidelines* in accordance with section 8.12 of these *Guidelines*.
5. Information obtained through the *Program* will be used for the purposes of any program delivery processes, audit/verification, analysis, evaluation, program development, calculating and delivering *Program* payments subject to the provisions of the Freedom of Information and Protection of Privacy Act.

4. PROGRAM DEADLINES

4.1 Deadline

The deadline to deposit a *Matchable Deposit* into a *Program Account* is the latter of 90 days from the date indicated in the *Deposit Notice* and February 1, 2013.

5. CROPS COVERED UNDER PROGRAM

5.1 Eligible Commodities

All crops identified in Schedule 1 to these *Guidelines* are covered under the *Program*. This crop list is subject to the annual review process in accordance with Section 8.12 of these *Guidelines*.

6. MATCHABLE DEPOSITS & PROGRAM ACCOUNTS

6.1 Matchable Deposits

Under this *Program*, a *Participant* may make *Matchable Deposits* into their *Program Account* based on a percentage of their *ANS*, up to an established maximum as set out in Section 6.3 of these *Guidelines*. These *Matchable Deposits* are matched with a *Matching Deposit* from the Government of Ontario. Both the *Matchable Deposit* and the *Matching Deposit* are held in the *Participant's Program Account* with *Agricorp*.

All *Farmers* that file a T1163 to Canada Revenue Agency by June 15, 2012 or corporations, trusts and special individuals filing a Statement A to *Agricorp* by June 30, 2012 will have a *Deposit Notice* sent to them.

For the 2012 *Program Year* and all subsequent years, *Participants* must send in their *Matchable Deposit* to *Agricorp* in order to receive a *Matching Deposit*.

6.2 Allowable Net Sales

ANS are the net total of a *Participant's* gross sales of *Eligible Crops* less purchase costs of *Eligible Crops*.

Example:	Gross sales of <i>Eligible Commodities</i>	\$ 55,000
	less Purchases of <i>Eligible Commodities</i>	<u>- \$5,000</u>
	equals Allowable Net Sales (<i>ANS</i>)	\$ 50,000

Note: **Production Insurance claim payments** for *Eligible Commodity* production will be considered eligible income for *ANS* calculation purposes.

6.3 Deposit Limits

For the 2012 *Program Year* and beyond, the *Matchable Deposit* limit will be two per cent (2%) of *ANS* up to two-million five hundred thousand dollars (\$2,500,000.00), one and one-half per cent (1.5%) of *ANS* between two-million five hundred thousand dollars and one cent (\$2,500,000.01) and five-million dollars (\$5,000,000.00), and one per cent (1%) of *ANS* of five-million dollars and one cent (\$5,000,000.01) and above.

6.4 Frequency of Matchable Deposits

Once per *Program Year* unless an exception (for example; a submission error, etc) is deemed necessary by *Agricorp* in accordance with Section 4.1 of these *Guidelines*.

6.5 Minimum Matchable Deposits

The minimum *ANS* to be eligible to make a *Matchable Deposit* is \$5,000 in a *Program Year*.

If the minimum *ANS* is reached, *Participants* must make a minimum *Matchable Deposit* of one-hundred dollars (\$100) in the *Program Year*.

6.6 Program Accounts

Matchable Deposits and *Matching Deposits* from the *Ministry* will become part of the *Participant's Program Account* held with *Agricorp*.

Program Accounts will be capped at fifty percent (50%) of a rolling five (5) year average of a *Participant's ANS*. *Program Account* caps for new *Participants* will be the current *ANS* calculation working up to the five year rolling average described above.

Matchable Deposits for a *Program Year* cannot exceed the *Matchable Deposit* limit stated on the *Deposit Notice*.

Deposit limits will not be recalculated after the deposit deadline.

Where a *Participant* stops farming and notifies *Agricorp*, their *Program Account* will be closed and *Agricorp* will pay any balance in the *Program Account* to the *Participant*.

All money in the *Program Account* at the time the *Program Account* is closed remains property of the *Participant* (less any funds owed to Her Majesty the Queen in Right of Ontario).

6.7 Interest

No interest shall be paid on any balance in a *Program Account*.

6.8 Withdrawing Funds

Program Account funds can only be withdrawn after triggering with a *Self-Declared Risk*.

Participants are required to complete and submit the *SDRM Withdrawal Request Form* to *Agricorp* for each withdrawal. The *SDRM Withdrawal Request Form* may be submitted with the *Participant's Deposit Request*.

When triggered, *Participants* may withdraw an unlimited amount up to their *Program Account* balance.

6.9 Minimum withdrawal

The minimum withdrawal amount from a *Program Account* is two-hundred dollars (\$200).

6.10 Method of Accounting

Accounting method must be the same as used for *AgriStability*. For those not in *AgriStability*, the accounting method will be as reported for tax purposes.

6.11 Processing and/or Resale of Like Produce

The income and expense associated with the purchase and resale of an *Eligible Commodity* without any further processing are non-allowable. An example is a *Farmer* who purchases produce and simply resells the produce without any processing.

Processing is defined as a changing of state. For example: strawberries to jam.

The income and expense associated with the processing of purchased commodities not produced on the *Participant's* operation are allowable if:

- The *Participant* carries on a bona fide farming operation;
- Activities are related to the *Participant's* other farming activities;
- Activities are undertaken on a small scale; and
- Income from these activities is incidental to the *Participant's* other farming income.

Agricorp will consider the above in determining whether processing income and expense should be considered eligible. This is consistent with *AgriStability* rules.

All *Participant's* files are subject to audit.

6.12 Demonstrating Ownership

To be consistent with Canada Revenue Agency tax filing requirements, in order for commodity income to be considered *Eligible Commodity* income for *Program* purposes, it must only include value that was added while under the *Participant's* control. To be recognized as *Eligible Commodity* income, a commodity sale must meet the following conditions:

- 1) the producer is able to demonstrate ownership of the product at the time of sale through identity preservation and must bear full direct risk for the *Eligible Commodity*; and
- 2) the *Participant* has a separate defined billing or accounting transaction clearly showing the *Eligible Commodity* sales value and any deductions from the *Eligible Commodity* sales value.

6.13 Deceased Participants/Estates

The estates of deceased *Participants* are eligible to participate provided they meet all of the eligibility requirements specified in these guidelines. These requirements may be met through a combination of activities performed by the deceased *Participant* and their estate. The executor/executrix must notify *Agricorp* of the *Participant's* death.

In the case of deceased *Participants*, the filing of more than one income tax return may be involved. The *ANS* for deceased *Participants* will be based on their final return (start of *Program Year* to the date of death), plus any return filed from the date of death to the end of the *Program Year*. If, in addition to the final return, an optional return for the year of death for a deceased *Participant* is filed (such as a return of rights and things), this information must be submitted to *Agricorp*.

A beneficiary whose farming operation consists of all or most of the deceased *Participant's* farming operation will be considered as continuing to operate the same farming operation as the deceased. If there is more than one beneficiary, a common business arrangement must be created to carry on the same farming operation as the deceased *Participant* in order to retain the same historical information for the purposes of determining the maximum *Program Account* balance.

Program Accounts of estates will be closed and paid to the estate on receipt of written authorization from the trustee, executor or administrator of the estate. A surviving spouse may be allowed to transfer his/her spouse's account and participation history into his/her own name and continue to participate as if the *Program Account* had always been his/her own. If the surviving spouse already has an account, the two accounts will be merged.

In order to close estate accounts, *Agricorp* may require the executor/executrix to submit the following documentation:

- a written request to close the account signed by the executor/executrix or administrator;
- a certified copy of the probated will or letters of administration/probate; and
- a certified copy of the death certificate.

7. PAYMENTS UNDER THE PROGRAM

7.1 Payment linkage to *AgriStability*

If a *Participant* is enrolled in *AgriStability, Matching Deposits* (the Ontario Government portion only) under the *SDRM Program* will be offset against the Ontario 40% share of the *Participant's AgriStability* benefits in that *Program Year* (For example, 2012 *Matching Deposits* will be an advance on 2012 *AgriStability* benefits). The offset will only be applied to the matching government contributions on actual *Participant* deposits, rather than on the theoretical contribution room for the *Participant*.

The *Participant* will be eligible for *Matching Deposits* regardless whether or not an *AgriStability* benefit is triggered.

For the 2012 *Program Year* and for all future years, the *Matching Deposit* for the *Participant* will be offset against any *AgriStability* payment for that same year.

When a *Participant* is enrolled in multiple *RMPs* corresponding to a single *AgriStability* year, the sum of all *RMP* payments will be offset against that *AgriStability* year.

If the Ontario share of the *AgriStability* payment that is eventually triggered is higher than the sum of the *RMP* payment(s) already received, the *Participant* will receive the incremental Ontario share and full federal share triggered under *AgriStability*. If the Ontario share of the *AgriStability* benefit triggered is less than the sum of the *RMP* payment(s) already received, the *Participant* will receive the full federal share of the *AgriStability* benefit, but will not receive any further Ontario share of the *AgriStability* benefit.

In the event that a *Participant* receives his/her/its/their *AgriStability* benefit prior to receiving their *RMP* payment(s), the *AgriStability* benefit will be paid in full and then the subsequent *RMP* payment(s) will be reduced to reflect the Ontario share of *AgriStability* benefit already received. This requirement also applies to *AgriStability* interim payments.

7.2 Example

RMP payment(s) are greater than Ontario Share of *AgriStability* benefits

Total *AgriStability* benefit: \$5,000

Canada's portion of *AgriStability* benefit = \$3,000 (\$5,000 times 0.60)

Ontario's portion of *AgriStability* benefit = \$2,000 (\$5,000 times 0.40)

RMP payment(s): \$4,500 (e.g. \$2,000 *RMP* Hog, \$2,000 *RMP* G&O, \$500 *SDRM*)

Numerical example where Program payment is greater than Ontario Share of <i>AgriStability</i> benefit				
	Total <i>AgriStability</i> Benefit	60% Canada's Share	40% Ontario's Share	Total Cheque Amount
<i>AgriStability</i> Benefit	\$5,000	\$3,000	\$2,000	
Less: <i>RMP</i> Payment			\$2,000	
<i>AgriStability</i> Cheque		\$3,000	\$0	\$3,000
Savings to Program: Program payment advance on <i>AgriStability</i> benefit = \$2,000				
Cost to Program: Program payment less amount advanced on <i>AgriStability</i> = \$2,500				

Numerical example where RMP payment(s) is less than Provincial AgriStability benefits

Total *AgriStability* benefits: \$20,000

Canada's portion of *AgriStability* benefit = \$12,000 (\$20,000 times 0.60)

Ontario's portion of *AgriStability* Benefit = \$8,000 (\$20,000 times 0.40)
RMP payment(s) from above: \$4,500

Numerical example where Program payment is less than Ontario Share of <i>AgriStability</i> benefits				
	Total <i>AgriStability</i> Benefit	60% Fed Share	40% Prov Share	Total Cheque Amount
<i>AgriStability</i> Benefit	\$20,000	\$12,000	\$8,000	
Less: <i>RMP</i> Payment			\$4,500	
<i>AgriStability</i> Cheque		\$12,000	\$3,500	\$15,500
Savings to Program: Program payment advance on <i>AgriStability</i> benefit = \$4,500				
Cost to Program: Program payment less amount advanced on <i>AgriStability</i> = \$0				

8. GENERAL

8.1 No Legal Entitlement or Right to Payment

Participation in the *Program* does not create a legal entitlement or right to payment.

8.2 Matching Deposits are Taxable

- a) *Matching Deposits* under this *Program* shall be considered as farm income for tax purposes at the time of the *Matching Deposit*; and
- b) *Agricorp* will issue income tax AGR1 receipts.

8.3 *AgriStability* Treatment

Matching Deposits are not considered to be eligible income for *AgriStability* reference margins or production margins.

8.4 Security

Funds cannot be used for security purposes.

8.5 No assignment of *Program Account Funds*

A *Participant* can not assign *Program Account Funds* to a third party.

8.6 *Matching Deposits* must meet certain amount

The minimum *Matching Deposits* under this *Program* is one-hundred dollars (\$100.00).

8.7 Overpayments

Participants will be required to repay any or all *Matching Deposits* received under the *Program* that are not in accordance with the requirements of the *Program* and/or laws of Ontario, within 30 calendar days of being notified by *Agricorp*. Failure to make repayment as required by *Agricorp* creates a debt to Her Majesty the Queen in Right of Ontario. Overpayments and other program debt will be recovered in a manner consistent with the *Ministry's* collections practice and in consideration of applicable Government of Ontario legislation and directives.

8.8 Termination of Participation

Participation in the *Program* will be terminated, and the *Participant* may be required to repay any of the payments received under the *Program*, if the *Participant* in anyway provides false or misleading information whether through negligence, recklessness, or wilful act or omission.

A *Participant* that is removed from the *Program* for the above reasons will be deemed ineligible under the *Program* and cannot participate for the current year plus the next two years.

Application and eligibility in subsequent years is subject to an arms length relationship assessment to confirm that relationships with other entities are arms length as assessed by *Agricorp*.

8.9 Program Wind down

In the event that the *Program* is terminated the following process will apply:

- 1) The *Minister* will post a notice that the *Program* has been or is being terminated on the *Ministry's* website and the date of termination.
- 2) *Agricorp* will provide *Participants* with notice that the *Program* has been terminated and the date of termination.
- 3) *Participants* will apply to *Agricorp* within thirty *Business Days* of receiving notice that the *Program* has been terminated to have their *Program Accounts* closed and any remaining balance in the *Program Account* sent to them.
- 4) *Agricorp* has the authority to close a *Participant's Program Account* where a *Participant* fails to apply to have his/her/its *Program Account* closed within thirty *Business Days* of receiving notice that the *Program* has been terminated. Where *Agricorp* closes a *Participant's Program Account*, *Agricorp* shall forward any remaining balance in the *Program Account* to the *Participant*.

8.10 Service of Documents Under the Program

Documents in relation to any matter touching upon a request for review by the *BRMRC* shall only be served via personal service, regular mail, courier or facsimile.

A document shall be deemed to be sufficiently given or served:

- a) If personally served, on the *Business Day* the document was personally served;
- b) If sent by regular mail, on the fifth (5th) *Business Day* after the day that the document was mailed;
- c) If sent by courier, on the second (2nd) *Business Day* after the day that the document was provided to the courier; or
- d) If sent by facsimile, on the next *Business Day* following the day indicated in the proof of facsimile transmission that the document was sent via facsimile.

The onus of proving whether a document has been sufficiently served shall be on party claiming to have served the document. This point does not apply to the *BRMRC*.

In the event of a postal disruption, regular mail shall not be a means of valid service until the postal disruption has been resolved.

8.11 Review Process

A *Farmer* or *Participant* who disagrees with *Agricorp's* application of the *Program* rules in the processing of and decision-making regarding the *Farmer* or *Participant's* participation must contact *Agricorp* within ninety (90) calendar days from receiving payment or notice to use *Agricorp's* escalation process. Should this process not be satisfactory, a *Farmer* or *Participant* may make a written request to *Agricorp* for a review of the file by the *BRMRC*. Reviews granted in accordance with the *Program* rules will be sent to the *BRMRC*. The *BRMRC* can make non-binding recommendations to *Agricorp* regarding the reviews heard.

The *Farmer* or *Participant's* must provide *Agricorp* with a written request for review within ninety (90) calendar days from the date that the *Farmer* or *Participant* receives *Agricorp's* written decision which is the subject of the request for review before the *BRMRC*.

At a minimum, a *Farmer* or *Participant* shall meet the following process in order to make a request that the *BRMRC* review *Agricorp's* decision under the *Program*:

The request for review must be in writing:

The *Farmer* or *Participant's* written request for review must contain the following:

- a) The nature of the request for review. The request for review must set out the decision that the *Farmer* or *Participant* wants the *BRMRC* to review;
- b) The ground(s) on which the *Farmer* or *Participant* intends to rely upon during the request for review; and
- c) The information and documentation that the *Farmer* or *Participant* will rely upon during the request for review.

The request for review must set out the decision that the *Farmer* or *Participant* wants the *BRMRC* to review.

The details surrounding the matter must be verifiable for the review to be upheld. Failure to satisfy a, b and c above within the 90 day deadline will result in the review not being forwarded to the *BRMRC*

The *Farmer* or *Participant* may request that the *BRMRC* consider his/her/its/their request for review in writing or in person;

- a) Where the *Farmer* or *Participant* chooses to have the *BRMRC* consider the request for review in writing, the following shall apply:
 - (i) The *Farmer* or *Participant* may provide the *BRMRC* with brief written submissions,
 - (ii) If the *Farmer* or *Participant* is going to provide the *BRMRC* with written submissions, the written submissions must be provided to the *BRMRC* and *Agricorp* thirty (30) *Business Days* before the day the *BRMRC* is scheduled to consider the *Farmer* or *Participant's* request for review.
- b) Where a *Farmer* or *Participant* chooses to have the *BRMRC* consider the request for review in person, the following shall apply:
 - (i) The *Farmer* or *Participant* may participate in person before the *BRMRC* or via teleconference;
 - (ii) The *Farmer* or *Participant* shall inform the *BRMRC* no later than fifteen (15) *Business Days* before of the day the *BRMRC* is scheduled to consider the *Farmer* or *Participant's* request for review of the manner in which the *Farmer* or *Participant* will participate in the request for review as well as whether the *Farmer* or *Participant* will have a representative, including any support person required to assist the *Farmer* or *Participant* as a result of a *Participant's* disability, assisting the *Farmer* or *Participant*, including the name and occupation of the representative.
 - (iii) Where the *Farmer* or *Participant* chooses to participate in the request for review in person, a *Ministry* representative may be present and *Agricorp* may have an

Agricorp representative present and respond to any questions the *Farmer* or *Participant* or members of the *BRMRC* may ask.

- (iv) The *Farmer* or *Participant* may have a representative assist the *Farmer* or *Participant* during his/her/their presentation to the *BRMRC* and/or answer any questions members of the *BRMRC* may raise with the *Farmer* or *Participant*; and
- (v) If a *Farmer* or *Participant* chooses to have legal representation before the *BRMRC*, the *Ministry* and *Agricorp* may have legal representation before the *BRMRC*;

Agricorp shall forward the *Farmer* or *Participant's* written request for review to the *BRMRC* within fifteen (15) *Business Days* of receiving it.

The *BRMRC* shall respond to the *Farmer* or *Participant's* written request for review in a timely manner after receiving the information from *Agricorp*. When responding to a request for review, the following applies:

- a) The *BRMRC* only has the authority to make non-binding recommendations to *Agricorp* in terms of how *Agricorp* should deal with the *Farmer* or *Participant's* request for review;
- b) Any recommendations that the *BRMRC* provides to *Agricorp* shall be in writing, provide reasons for those recommendations and shall have the support of the majority of members on the panel considering the request for review;
- c) The *BRMRC* does not have the authority to make any recommendations that have the effect of creating any type of exception or exemption to the eligibility criteria or any requirements set out in these *Guidelines* unless the *BRMRC* is dealing with a request for review requesting that a *Farmer* or *Participant* be exempt from a *Program* deadline that was missed as a result of a situation beyond the *Farmer* or *Participant's* control;
- d) *Agricorp* shall receive and shall consider the recommendations from the *BRMRC* when making the final decision regarding a *Farmer* or *Participant's* request for review;
- e) *Agricorp* shall provide written reasons for its decision to the *Farmer* or *Participant*; and
- f) *Agricorp* shall inform the *BRMRC* of its decision after notifying the *Farmer* or *Participant* of its decision.

In the event that the *BRMRC* is unable to act, the *Minister* may select individuals from within the *Ministry* to provide non-binding recommendations on an ad hoc basis to *Agricorp* in relation to a *Farmer* or *Participant's* request for review. Where the *Minister* selects individuals from the *Ministry*, the following shall apply:

- a) Those individuals shall be directors within the *Ministry* who are not responsible or have had any responsibility for the *Program*; and
- b) The process outlined above for how the *BRMRC* is to operate applies, with any necessary modifications.

8.12 Amendments

These *Guidelines* may be amended.

Where these *Guidelines* are amended, the following rules shall apply:

- a) A summary of any amendments to the *Guidelines* will be made available on or through the Ministry's website;
- b) The amendments shall be clearly set out in the amended *Guidelines*;
- c) The amended *Guidelines* shall be made available on or through the *Ministry's* website by February 28 of each calendar year and shall be effective January 1 of each calendar year; and
- d) The amendments shall not have a retroactive effect.

Schedule 1: Eligible Commodities (as defined by CRA 2011 T1163 codes)*

ODE	COMMODITY
60	Apples and by-products
	Fruit
81	Fruit juice (except apple)
83	Grapes
88	Wine (except apple)
	Fruit - Tender
91	Apricots
92	Cherries (sweet, sour)
93	Nectarines
94	Peaches
95	Pears
96	Plums
97	Prunes