

NEWS RELEASE

Ontario Increasing Provincial Support to AgriStability Program

Province Raises Compensation Rate and Calls for Federal Contribution

June 25, 2021

[Ministry of Agriculture, Food and Rural Affairs](#)

KINCARDINE — The Government of Ontario is taking leadership by announcing a provincial enhancement to the key farm support program AgriStability and calling on the federal government to contribute their share.

Ontario supported the federal government proposal put forward in November to enhance the AgriStability program by removing the Reference Margin Limit (RML) and increasing the compensation rate from 70 per cent to 80 per cent. In March, federal, provincial and territorial ministers agreed to the RML removal but have not reached agreement on the compensation rate.

In a proactive move to support Ontario farmers, the province has made the decision to move ahead with providing the provincial portion of the compensation rate increase, retroactive to the 2020 growing season.

“Ontario farmers can’t wait any longer for improvements to the AgriStability program – so the Ontario government is taking action and also calling on the federal government and other provinces to step up as well,” said Lisa Thompson, Minister of Agriculture, Food and Rural Affairs. “By enhancing the AgriStability program, we can better help those Ontario farmers who have been impacted by large income losses from factors outside of their control.”

Over the last year risk management support for Ontario farmers has increased by approximately \$75 million. The provincial increase to the compensation rate and the combined federal and provincial support annually through the removal of the RML will result in approximately \$25 million in increased support for



Ontario farmers. This is in addition to the \$50 million in additional annual funding for the Risk Management Program that was announced in July 2020.

“As Minister of Agriculture, Food and Rural Affairs I’m committed to supporting our farmers and helping to grow our agri-food sector. Today we’re demonstrating that by increasing the protection for our farmers and calling on the federal government to do the same,” said Thompson.

“Ontario Pork welcomes this important change to AgriStability. Extreme price volatility and processing slowdowns dramatically impacted our industry in 2020,” said John de Bruyn, Chair of Ontario Pork. “This change will help the most affected producers recover. We continue to urge the Federal Minister of Agriculture, Marie-Claude Bibeau to find a way to match these funds.”

“We appreciate the Minister’s willingness to work with the industry to build risk management programs that work for farmers,” said Marc Carere, Chair of Ontario Sheep Farmers. “This is a good first step in that direction and we look forward to continuing the discussions.”

“We appreciate the Ontario government’s continued commitment to improving Business Risk Management programs which help many farmers manage risk and continue to invest in their farms during difficult times,” said Peggy Brekveld, President of Ontario Federation of Agriculture. “By choosing to increase the compensation rate from 70 per cent to 80 per cent on the provincial portion of approved AgriStability claims, more money will be paid out to the producers who need it most.”

“The Ontario Fruit and Vegetable Growers’ Association welcomes the increase to the provincial share of AgriStability’s compensation rate in Ontario. This leadership by the Ontario Government underscores the need to provide support to fruit and vegetable growers who had a very difficult 2020 and are still coping with the ongoing challenges of COVID-19,” said Bill George, Chair of OFVGA. “We call on Minister Bibeau to join Minister Thompson in implementing this policy by funding the traditional federal share of this program change.”

The enhancements to the AgriStability program will help to ensure farmers can access additional support when they needed it in a severe or disaster event. Farm business risk management programs play a vital role in the long-term competitiveness of Ontario’s agricultural sector and its capacity to maintain our food supply.

Quick Facts

- On March 25, 2021, national consensus was reached on the federal government proposed change to remove the AgriStability program's Reference Margin Limit, but not to increase its compensation rate. Changes to the AgriStability program require support of 2/3 of provinces and provinces representing 2/3 of program participation.
- On November 27, 2020 the federal government put forward a proposal to provinces to remove the Reference Margin Limit and increase the compensation rate to 80 per cent which would have resulted in a combined increase in provincial and federal support of \$170 million.
- AgriStability is a business risk management program under the Canadian Agricultural Partnership that protects farmers from large declines in their farming income caused by such factors as market conditions, production losses and increased costs.
- AgriStability is the main national income support program for producers and provides individual support based on a producers' unique operation.
- The Ontario agri-food sector supports more than 860,000 jobs in Ontario and contributes more than \$47.3 billion each year to the province's economy.
- Enhancement of the AgriStability program is one of the government's many initiatives to assist the agriculture sector to meet challenges related to the COVID-19 emergency, including:
 - The \$25.5 million [Agri-food Prevention and Control Innovation Program](#) to help reduce disruptions in business operations and risks of COVID-19 exposure in the workplace;
 - The creation of a \$36.6 million [Enhanced Agri-food Workplace Protection Program](#) which includes \$10 million in 2021-2022 to support the implementation of measures to prevent and control COVID-19 and to address unforeseen worker health and safety issues.
 - The [investment](#) of an additional \$50 million into the Ontario Risk Management Program, one year earlier than originally promised.

Additional Resources

[Agricorp](#)

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