**ISSUE BRIEF: ONTARIO'S BUSINESS RISK MANAGEMENT PROGRAMS Food Security and National Security Imperatives**

**OVERVIEW**

Ontario's Business Risk Management (BRM) programs serve a critical function beyond farm economics: ensuring food and national security. These programs are designed to stabilize farm income during market volatility, environmental disasters, and production challenges, thereby maintaining a reliable domestic food supply. Without robust BRM support, Ontario risks compromising agricultural production capacity, increasing reliance on foreign food imports, and weakening Canada's food sovereignty.

**THE PROGRAMS**

**AgriStability** provides income support when a producer experiences margin declines exceeding 30% of their historical reference margin. The program is cost-shared 60:40 between federal and provincial governments.

**Production Insurance (PI)** protects against yield losses from natural hazards such as drought, flood, and disease. Producers pay premiums subsidized by government to insure specific crops.

**AgriInvest** functions as a producer-government matched savings account (ratio 1:1 up to 1% of allowable net sales, with a limit of $10,000), providing self-managed funds for small income declines or investments to mitigate risks.

**Risk Management Program (RMP)** is Ontario's provincial program designed to support producers facing low prices, particularly grain and oilseed farmers. It provides two payments (pre-harvest and post-harvest) when the average price falls below costs of production for a specific commodity.

**CRITICAL CHALLENGES**

**Program Design Failures:** AgriStability's 70% payment trigger is too low for grain and oilseed producers who frequently experience significant income losses without reaching the threshold. Even extreme income declines fail to trigger support, leaving producers financially exposed during critical periods.

**Inadequate Funding for RMP:** While farmers value the Risk Management Program, chronic underfunding results in partial payouts that fail to cover actual losses. This undermines producer confidence and the program's stabilization objective.

**Cost of Production Disconnect:** Support levels for RMP inadequately reflect true production costs. As input costs rise—particularly for fertilizer, seed, and crop protection products—cost of production calculations lag, creating gaps between support received and losses incurred.

**Federal Non-Participation:** The federal government does not participate in RMP, forcing Ontario to shoulder costs alone and limiting the program's financial capacity and reach.

### COMPETITIVE DISADVANTAGE AND CROSS-BORDER IMPACTS

The United States has recently enhanced its BRM programming and regularly provides ad hoc disaster and market assistance to producers. This creates several compounding problems:

- **Substantial BRM Support Gap:** U.S. producers receive significantly more comprehensive and responsive government support, creating competitive imbalance for Ontario farmers competing in the same continental and global market.
- **Input Cost Inflation:** U.S. ad hoc payments fuel demand for inputs, driving up prices across North American supply chains. Since Ontario producers depend heavily on U.S. suppliers for fertilizer, seed, and crop protection products, they face inflated input costs without equivalent government support to offset them.
- **Erosion of Competitiveness:** Ontario farmers pay more to produce while receiving less government support than their U.S. counterparts, steadily eroding their competitive position and long-term viability.

### FOOD AND NATIONAL SECURITY IMPLICATIONS

Agricultural production is foundational to national sovereignty. Inadequate BRM support threatens:

- Farm viability and risks reducing domestic production capacity.
- Increased dependence on foreign food imports, exposing Canada to supply chain disruptions and geopolitical risks.
- Rural economic decline and loss of agricultural infrastructure.
- Reduced capacity to respond to future food crises or global supply shocks

Ontario crop growers produce 23% of Canada's total farm receipts. Failing to adequately support Ontario agriculture weakens national food security.

### RECOMMENDATIONS

1. Increase AgriStability payment trigger to 85% margin decline for grain producers.
2. Increase Risk Management Program funding to ensure full payout capability.
3. Secure federal participation and cost-sharing in RMP.
4. Modernize cost-of-production calculations to reflect current input realities.
5. Conduct comparative analysis of U.S.-Canada BRM support to address competitive gaps.
6. Establish responsive mechanisms to counteract cross-border input cost inflation impacts.

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**Prepared: February 2026**

Prep an issue brief (1 page) on Ontario's Business Risk Management Programs. Use own knowledge as well. Discuss it from the point of view of food security and national security – that the BRM programs are required and designed so that Ontario and by extension Canada remains food secure. Describe the programs AgriStability, Production Insurance, AgriInvest, and the provincial one (Risk Management Program).

Describe where the challenges are: AgriStability does not trigger for grain producers even under extreme income loss due to lower coverage level (payment trigger for farmers). The Risk Management Program while a program liked by farmers, only partially pays out due to limited funding. Challenges also remain around the design of the support level, with concerns remaining about how the support level does not accurately reflect the true cost of production. Finally, the Federal government does not participate in the program.

Add also that our direct competitor (the U.S) has recently enhanced their BRM programming and frequently provides Ad hoc funding to their producers. Not only does it create a discrepancy in BRM support, but ad hoc funding also fuels input cost inflation and since Ontario producers are dependent on the US for fertilizer, seed and crop protection products, Ontario producer's cost of production increases.