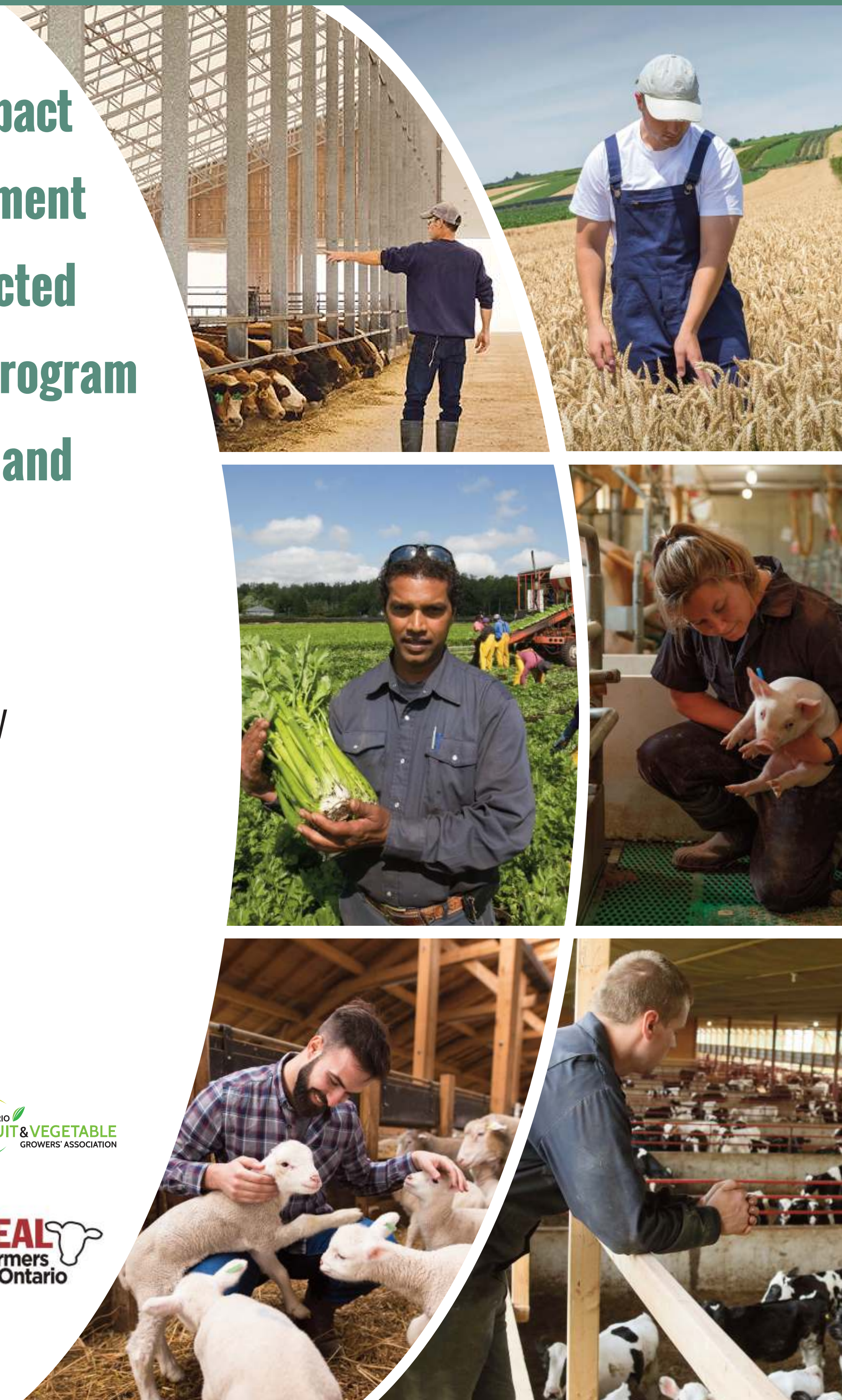
Evaluation of the Impact of the Risk Management Program / Self-Directed Risk Management Program on Ontario Farmers and the Economy

Prepared for the Ontario Agriculture Sustainability Coalition



Submitted by
Harry Cummings & Associates Inc. (Lead Author) &
Agri-Metrics Consulting and Kynetec (Co-Authors)
October 6, 2022

Beef Farmers of Ontario

Grain Farmers of Ontario

Ontario Fruit & Vegetable Growers' Association

Ontario Pork

Ontario Sheep Farmers

Veal Farmers of Ontario

Table of Contents

List of Tables

List of Figures

1.0 Executive Summary

The purpose of the study was to determine the economic impact that the Ontario Risk Management Program (RMP) and the Self Directed Risk Management Program (SDRM) has on individual operations, on farm production in Ontario and the consequent impacts of the program on the broader economy.

Key Findings

The key finding of the study was that every dollar paid through RMP/SDRM increases gross economic output by between **$2.01 and $3.60**.

In 2020 this led to an increase in economic out put of between **$282.6 million and $506.2 million**.

Other keys findings were:

- **43%** of respondents reported a positive impact on jobs which suggests that the program positively impacts approximately **14,620 full-time, 7,310 part-time, and 25,310 seasonal jobs.**
- **33%** of respondents said they would have to adjust employment if RMP/SDRM payments were not received which transferred to a provincial estimate, this would be **3,300 farms.**
- **80%** of respondents saw the support provided as important evidence of provincial support for agriculture translating into **8,000 farmers** provincially.
- **56%** of responding farmers said that the existence of the RMP/SDRM had a positive impact on their mental health.
- **60%** of farmers note removing RMP/SDRM would have a negative impact on their ability to improve technology.
- The major area of the program that requires attention is that the **program does not always pay out calculated benefits in full** due to funding caps.
- **Costs have increased substantially** and farmers stated *"Challenging and volatile market conditions mean that RMP/SDRM will continue to be underfunded"*
- Farmers view RMP/SDRM as a **sign of Provincial government support for agriculture** and they appreciate it.
- **Young farmers / new farmers** find RMP/SDRM a very important part of their operation.
- The probability of **financial support from bankers is enhanced** by the presence of RMP/SDRM.

Ontario Agriculture

The agricultural sector in the Province of Ontario is one of the key economic drivers of the provincial economy. In 2021, the six Ontario Agriculture Sustainability Coalition (OASC) commodities accounted for $10.6 billion of the farm cash receipts and contributed to $22.7 billion to Ontario economy's Gross Domestic Product (GDP) in farm products, food manufacturing, and retail.[1] This activity accounts for just under 333,000 jobs in Ontario.[1]

[1] https://data.ontario.ca/dataset/ontario-agri-food-value-chain-by-commodity and https://data.ontario.ca/dataset/ontario-farm-cash-receipts

While market prices are currently strong for some commodities, input prices continue to increase and, in some cases, such as fertilizer (238% increase since May 2020), exceeded the percentage increase of market prices. Interest rates increases, and uncertainty in the global agricultural markets are additional business risks facing Ontario farmers.

The RMP/SDRM Program

RMP/SDRM is a business risk management program that provides partial support when market prices fall below the established support levels based on the cost of producing the insured farm product.

The RMP/SDRM is available to the Ontario Agriculture Sustainability Coalition (OASC) commodity groups which includes the Beef Farmers of Ontario (BFO), Grain Farmers of Ontario (GFO), Ontario Pork (OP), Ontario Sheep Farmers (OSF), Veal Farmers of Ontario (VFO) and Ontario Fruit and Vegetable Growers' Association (OFVGA).

RMP/SDRM is funded by participating farmer premiums and the Ontario Ministry of Agriculture and Rural Affairs (OMAFRA). OMAFRA contributes $150 million per year. RMP/SDRM provides partial financial protection for farmers against downturns in commodity market prices. The program currently is one of the key business risk management programs available to Ontario farmers.

Study Methodology

This study represents a mixed-methods approach to exploring the impact of RMP/SDRM on the Ontario economy. It was deemed particularly important to ensure that farmers' experiences and priorities were heard and incorporated into the study's findings.

A total of seven commodity group representatives participated in the introductory key informant interviews to assess the objectives and perceived outcomes of the program, the participation of farmers, overall reaction to the program, and the priority objectives for the economic assessment were discussed.

Three focus groups with farmers were held to address issues such as the history of the farm, the size of the farm, the number of years of participation, how the payments were used, how the support related to provincial attitudes toward agriculture, ease of administration of the RMP/SDRM program, future priorities and other issues that arose.

On online survey was conducted and a total of 390 valid responses to the survey were received. Grains and oilseeds were the largest response category with 41 per cent of respondents. This was followed by horticulture, sheep, beef, hogs and veal in that order.

Of survey respondents, 98 per cent were currently enrolled in RMP/SDRM in 2021. To give perspective, 67 per cent had enrolled in 2011 and 43 per cent in 2007.

The study used input-output modelling to estimate economic impact.

Economic Impact Modelling Findings

The report compared a variety of economic impact models to evaluate the economic impacts of RMP/SDRM. The models show total output multipliers ranging from a low of 2.01 using Statistics Canada Input-Output model to 3.6 in the Niagara Agriculture Economic Impact Report. Using these multipliers, the $140.6 million paid to farmers enrolled in RMP/SDRM in 2020 would have led to an increase in economic out put of between $282.6 million and $506.2 million.

Survey and Focus Group Findings

In the focus group discussions (FGD), farmers discussed how important the RMP/SDRM was to their farm operations. Livestock farmers who participated in the FGD said that RMP/SDRM contributed financial and mental health support. They compared RMP/SDRM to employment insurance that provides long-term stability and a backstop if something goes wrong with their farming activities.

Participants made comments such as:

"RMP/SDRM helps us give more hours to our part-time labour."

"Yes, without the funds available, certain equipment repairs or building maintenance would be postponed to be completed when the cashflow becomes available and not when they are truly needed."

"I've actually heard that from others as well, where the Banks appreciate seeing the RMP/SDRM at the bottom line. It certainly makes the account manager happy to know that there's a little bit of a backstop in case of uncertainties."

The grain and horticulture farmers who participated in the FGD also agreed that RMP/SDRM was a very dependable program that is there for them in times of need. Participants in the FGD further said that having RMP/SDRM was important in helping to secure credit from financial institutions. New family members wanting to join the farm business appreciated the presence of RMP/SDRM support. They noted that the banks liked seeing government support on the income statement. Farmers also liked RMP/SDRM as concrete evidence of government support.

Focus group and survey respondents reported they used the payments for key inputs for production of crops, horticulture and livestock. Note that these are immediate demands on farmers and RMP/SDRM is contributing to the operating costs of participating farms. The researchers did focus groups with the farm commodity groups and through those found that many farmers used the RMP/SDRM payments to pursue new and innovative ideas for their farms.

Conclusions

The research completed for this report revealed that RMP/SDRM had a large positive impact on agricultural activity in the province.

The key finding of the study was that every dollar paid through RMP/SDRM increases gross economic output by between $2.01 and $3.60. In 2020 this led to an increase in economic out put of between $282.6 million and $506.2 million.

Ontario's RMP/SDRM is critical to Ontario farmers' sustainability objectives and provides critical income support. The program is well-run, easily accessible to farmers and responds to the need for producers to manage the risks associated with the volatility of market prices and input costs for agricultural commodities.

Our data showed that it directly supports the mental health and financial well-being of producers. Young and new farmers find the RMP/SDRM as an important tool of long-term sustainability.

The data from OMAFRA show that the province has distributed from $79.9 million to $140.6 million to farmers (these numbers are net of producer premiums) between 2017-21. The provincial government raised its annual contribution from $100 to $150 million in 2020. Despite the increase, uncapped RMP/SDRM payments exceeded $150 million in all years from 2017 through 2021 leading to benefits being prorated in many sectors. Additional funding would reduce the frequency that benefits are prorated meaning farmers would most likely increase their adoption rate.

2.0 Introduction

The Ontario Agriculture Sustainability Coalition (OASC) commodity commissioned Harry Cummings and Associates Inc. (HCA), with the assistance of Agri-Metrics Consulting (Rob Gamble) and Kynetec to refresh a study done by HCA in 2015 of the economic impact of the Risk Management Program (RMP). The research was designed to identify impacts of RMP/SDRM, primarily on the economics of agriculture, but also on farmers and farms eligible to participate in RMP/SDRM.

The RMP/SDRM is available to the Ontario Agriculture Sustainability Coalition (OASC) commodity groups including the Beef Farmers of Ontario (BFO), Grain Farmers of Ontario (GFO), Ontario Pork (OP), Ontario Sheep Farmers (OSF), Veal Farmers of Ontario (VFO) and Ontario Fruit and Vegetable Growers' Association (OFVGA).

RMP/SDRM is funded by participating farmer premiums and the Ontario Ministry of Agriculture and Rural Affairs (OMAFRA). OMAFRA contributes $150 million per year. RMP/SDRM provides partial financial protection for farmers against downturns in commodity market prices. The program currently is one of the key business risk management programs available to Ontario farmers.

2.1 Purpose of the Study

This study is dedicated to ensuring that a farmer perspective is included in the assessment of the impact of RMP/SDRM on the Ontario economy. OASC and member commodity groups are interested in:

- advocating for the program,
- demonstrating to the funders that the program is supported and effective,
- indicating that the increased contribution from the Ontario government (increased from $100 million to $150 million) is shown to be effective,
- and advocating for support from the Federal Government.

This study provides evidence to OASC on the impact that the RMP/SDRM program has on individual operations, on farm production in Ontario and the consequent impacts of the program on the broader economy.

2.2 Study Objectives

To the extent possible, this assessment speaks to the broad scope of impacts that can or might be associated with RMP/SDRM in the Province of Ontario. Key objectives of this study include the assessment of:

- the direct and indirect/induced economic impacts of RMP/SDRM on agriculture and the broader economic landscape of the Province of Ontario
- the extent to which RMP/SDRM contributes to sustaining and growing employment in the agriculture sector (including primary and secondary employers)
- the effect of RMP/SDRM on economic stability and confidence in agricultural production
- the extent to which RMP/SDRM influences new/beginning farmers to enter and remain in agriculture
- the role RMP/SDRM has played in farmers' adoption of good stewardship and innovative practices: reducing emissions, improving biodiversity and protecting water quality
- a view of RMP/SDRM in the context of other jurisdictions and its impacts related to agricultural/food imports and exports

3.0 Background

3.1 Agriculture in the Province of Ontario

The agricultural sector in the Province of Ontario is one of the key economic drivers of the provincial economy. In 2021, the six OASC commodities accounted for $10.6 billion of the farm cash receipts and contributed to $22.7 billion to Ontario economy's Gross Domestic Product (GDP) in farm products, food manufacturing, and retail.[2] This activity accounts for just under 333,000 jobs in Ontario.[2] Table 8 in section 5.3 of this report shows the breakdown between commodities.

Agricultural markets, like other primary resource industries (i.e. oil & gas, minerals, forestry) are subject to international market supply and demand. Market price for primary farm products is highly variable, based on the global market conditions.

Inflationary pressures and rising interest rates are also putting significant pressure on operating costs. Both of these trends are and will continue to increase risk for farmers by increasing operating costs and debt servicing obligations which reduces their ability to borrow and maintain or expand operations.

Because of the uncertainty inherent in primary agricultural production government risk management programs have become standard in many jurisdictions. Risk that farmers face include: production risk caused by weather and disease, price risk caused by increasing costs or falling market prices caused by fluctuating markets or trade disruptions, and institutional risk from changes in government policy. Risk management programs help producers manage these risks and provide economic stability and food security.

3.2 Risk Management in the United States

Canadian farmers compete directly with farmers in the United States (US). The US has a comprehensive suite of agricultural business risk management and insurance programs. They are overseen by two agencies from within the Department of Agriculture (USDA): the Risk Management Agency (RMA)[3] and the Farm Services Agency (FSA).[4] The RMA administers the Crop Insurance program for the private insurance companies that sell and service these insurance policies. Products eligible for insurance include grains, oilseeds, livestock, fruits, vegetables, and nuts. The RMA offers 17 different policies under the Crop Insurance program, including coverage for income/revenue protection, loss of gross margin, and risk protection against price declines.

Between 2018 and 2021, the US government made historically large payments to producers. In 2018, 2019 and 2020, large payments were made through the Market Facilitation Program for farmers impacted by the trade dispute with China. In 2020 the total direct payment to farmers was $45.6 billion. Most of these payments were made through the Coronavirus Food Assistance Program and other supplemental and ad hoc payments.

---

[2] https://data.ontario.ca/dataset/ontario-agri-food-value-chain-by-commodity and https://data.ontario.ca/dataset/ontario-farm-cash-receipts

[3] https://www.rma.usda.gov/en

[4] https://www.fsa.usda.gov/

Table 1 shows the detailed breakdown by program.

Table 1:US Federal Government Direct Farm Program Payments 2017-2022f

	data in $1,000's of dollars					
United States	**2017**	**2018**	**2019**	**2020**	**2021F**	**2022F**
Direct government payments	**11,531,611**	**13,669,010**	**22,447,200**	**45,687,724**	**27,138,887**	**11,682,219**
Price Loss Coverage (PLC)	3,213,642	2,064,825	1,945,080	4,952,921	2,109,300	279,000
Agriculture Risk Coverage (ARC)	3,797,083	1,109,009	710,107	1,268,776	121,800	5,100
Loan deficiency payments	8,459	-515	6,780	20,949	3,292	1,608
Marketing loan gains	3,440	0	695	78,374	1,335	282
Conservation	3,824,171	3,986,516	3,830,392	3,814,693	3,915,192	4,200,000
Biomass Crop Assistance Program (BCAP)	1,236	236	83	54	0	0
Supplemental and ad hoc disaster assistance	679,465	915,566	1,447,919	31,544,448	19,762,578	6,177,635
USDA pandemic assistance	NA	NA	NA	23,527,864	7,796,549	3,404,402
Non-USDA pandemic assistance	NA	NA	NA	5,983,498	8,728,158	0
Other supplemental and ad hoc disaster assistance	NA	NA	NA	2,033,086	3,237,871	2,773,233
Market Facilitation Program	NA	5,127,345	14,202,517	3,781,689	83,894	0

Figure 1 shows the total per year of these payments and Figure 2 below show the total payments by program for the 2017-2022 years.

Figure 1: Total US Direct Farm Payments by year 2017-2022F

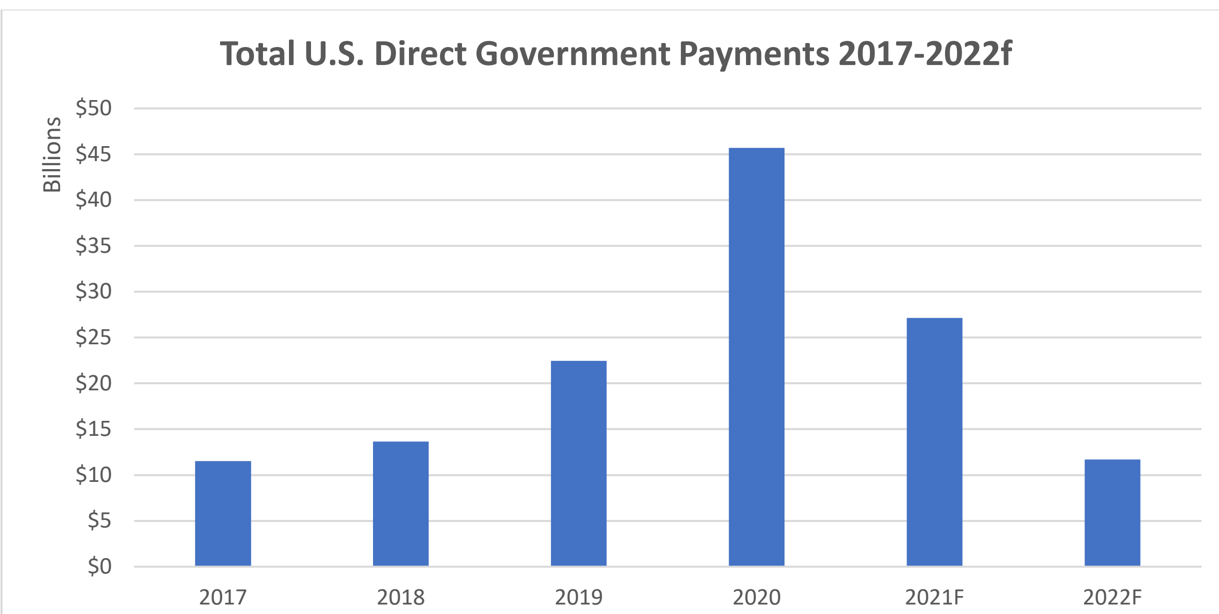


Figure 2: Major US Program Direct Payments 2017-2022f by Program

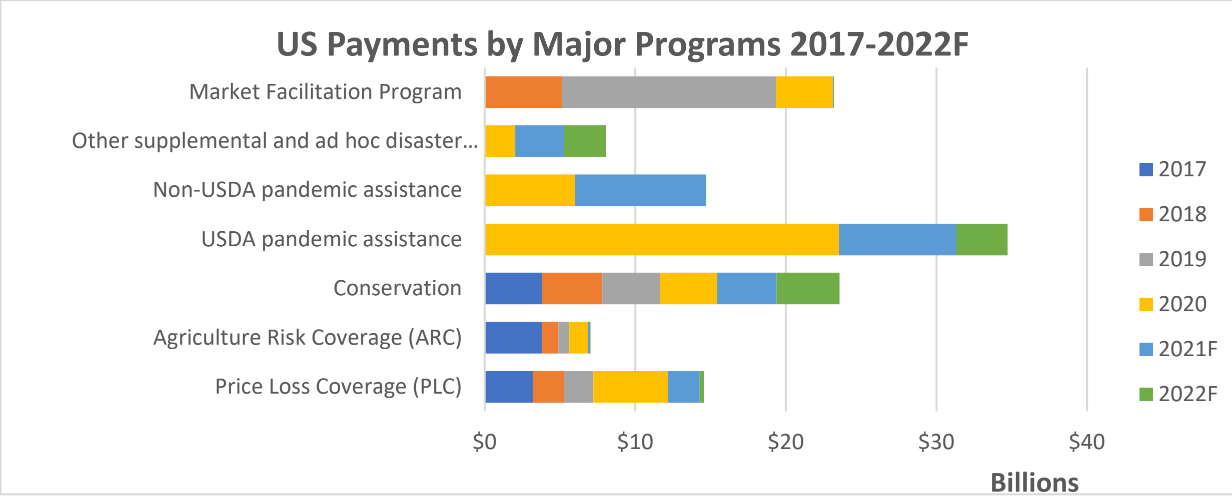
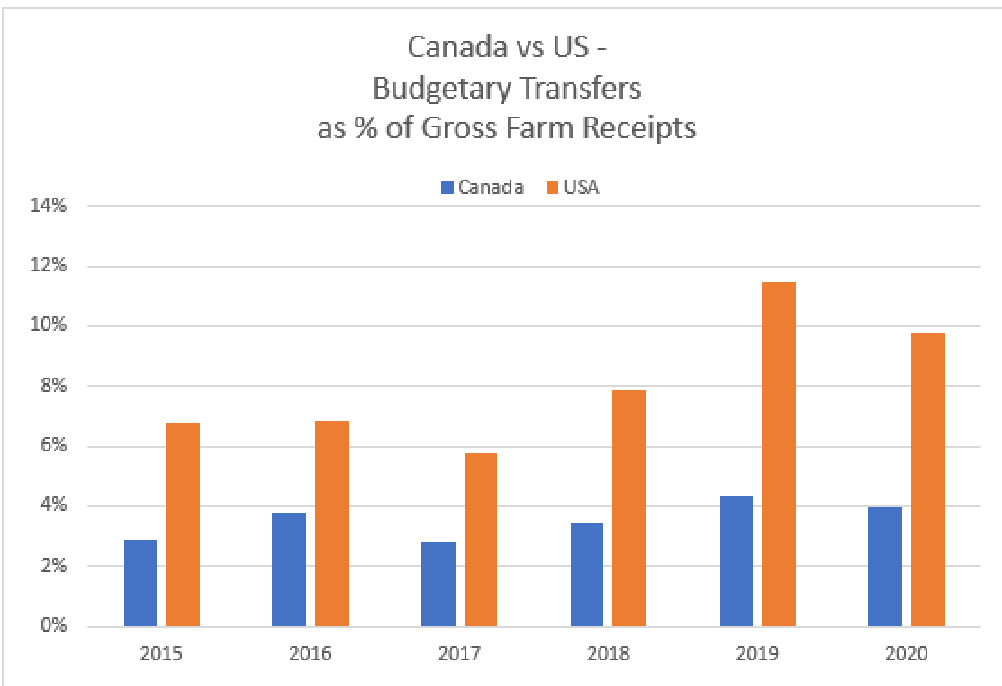


Figure 3 provides some perspective on the level of support payments in Canada and the United States. From 2015 to 2020 government support represented on average 8% of U.S. gross farm receipts compared to only 4% in Canada.[5]

Figure 3: Farm Support as a % of Gross Farm Receipts Canada vs USA



[5] OECD Producer Support Estimates, OECD database June 2022

3.3 Risk Management in Canada

Canada

The federal, provincial and territorial (FPT) governments acknowledge the importance of the agricultural sector in Canada by investing in five-year agreements to support sector growth, competitiveness, and sustainability.

In 2018 the most recent agreement, called *Canadian Agricultural Partnership (CAP),*[6] was launched. The stated goal of this $3 billion five-year (2018-2023) investment by FPT governments is to strengthen and grow Canada's agriculture and agri-food sector. The CAP included:

- $2 billion in FPT cost-shared strategic initiatives
- $1 billion for federal activities and programs

Under the CAP funding, the provinces, territories, and the Government of Canada offer a suite of farm business risk management (BRM) tools for farmers, including Production Insurance, AgriStability, and AgriInvest. These programs are typically funded through a 60 per cent /40 per cent cost-share agreement between the Government of Canada and the provinces/territories along with producer paid premiums.

Table 2 below shows the average direct government payments made between 2016 and 2021 by federal and provincial governments.

Table 2: Average Direct Government Payments to Farmers, Canada and the Provinces, 2016 – 2021 ($millions)[7]

Average Direct Government Payments to Farmers, Canada and the Provinces, 2016 - 2021 ($ million)								
Payments enhancing receipts	**Atlantic**	**Que**	**Ont**	**Man**	**Sask**	**Alta**	**BC**	**Canada**
AgriInvest	5.4	33.9	44.4	32.9	86.8	64.2	7.5	**275.0**
AgriStability	25.6	32.7	55.0	44.8	86.5	105.5	15.3	**365.4**
AgriRecovery	2.6	5.3	1.0	1.5	31.5	34.9	2.0	**78.9**
Provincial Stabilization Programs Net Payments	-	127.9	80.7	-	-	-	-	**208.6**
Crop Insurance Net Payments	21.9	66.7	86.8	39.6	287.7	436.6	12.9	**952.1**
Dairy Direct Payment Program (DDPP)	7.8	49.9	40.9	5.9	4.2	12.2	12.2	**133.0**
Other Payments	3.2	94.9	29.4	16.1	120.9	89.9	4.8	**388.2**
Total Net Payments	66.4	411.4	337.5	113.4	516.1	686.9	56.5	**2,188.8**
Total Net Direct Payments and Rebates	66.8	419.7	341.0	148.0	516.2	689.8	62.0	**2,242.9**
Total Producer Premiums	13.9	72.2	81.4	106.9	304.0	333.2	7.5	**919.0**

[6] https://agriculture.canada.ca/en/about-our-department/key-departmental-initiatives/canadian-agricultural-partnership
[7] https://data.ontario.ca/dataset/direct-government-payments-to-farmers

Quebec

The Province of Quebec has several provincial only programs that provide additional financial support to farmers beyond the existing Federal and Provincial funding. These include the Farm Income Stabilization Insurance (ASRA) program, Agri-Quebec Plus and Agri- Quebec. The 2016 -2021 average net provincial government payments made to farmers in Quebec was $420 million (compared to $341 million for the Ontario farmers).[8]

The **Farm Income Stabilization Insurance (ASRA)**[9] program is a product that protects against market and production cost fluctuations.

- ASRA pays compensation when the average selling price is lower than the stabilized income. The stabilized income is based on the production cost of specialized farm businesses.
- ASRA covers cereals and canola (oats, wheat for human and for animal consumption and barley), cow calf, feeder and slaughter cattle, grain-fed veal cattle, hogs, lambs and piglets.
- ASRA is a companion program to AgriStability. Participation in AgriStability is not mandatory but compensation for any operation that does not participate in the AgriStability program will be reduced by 40 per cent.

The **Agri-Québec Plus program**[10] offers complementary financial support to Québec's farm businesses that:

- Participate in the AgriStability program
- Have a net annual income of under $50,000
- Work in sectors where the products are not covered or associated with the Farm Income Stabilization Insurance (ASRA) program or are not supply-managed
- The coverage offered is 85 per cent and is complementary to Agri-Stability coverage

The **Agri-Québec program**[11] is a top up to the FPT AgriInvest program. Producers can make an annual deposit into their account based on a percentage of their allowable net sales (ANS). In turn, they receive a matching contribution from the Quebec government. Table 3 below shows the per cent contribution at the various ANS ranges.

Table 3: Allowable Net Sales and Payments Quebec for Agri- Quebec

	ANS range	ANS	%	Max Payment
Level 1	0-1.5 M	$ 1,500,000	3.2%	$ 48,000
Level 2	1.6-2.5 M	$ 1,000,000	2.0%	$ 20,000
Level 3	2.6 - 5 M	$ 2,500,000	1.5%	$ 37,500
Level 4	> 5 M	$ 1,000,000	1.0%	$ 10,000
Total		**$ 6,000,000**		**$ 115,500**

8 http://www.omafra.gov.on.ca/english/stats/finance/index.html
9 https://www.fadq.qc.ca/en/stabilization-insurance/description/
10 https://www.fadq.qc.ca/en/agri-quebec-plus/description/
11 https://www.fadq.qc.ca/en/agri-quebec/description/

3.4 Risk Management in Ontario

Ontario farmers have access to the full suite of CAP programming, including production insurance, AgriStability and AgriInvest. As stated, the government portion of program costs are typically funded 60/40 per cent by the Federal and Provincial governments. Producers also pay premiums for production insurance and AgriStability.

The Risk Management Program (RMP) is a provincially funded program. The program – which also includes the Self-directed Risk Management Program (SDRM) for edible horticulture - is the result of a collaborative effort between industry representatives and the provincial government. The federal government does not participate in RMP/SDRM and as a result the Ontario government only funds 40% of the program, which means only 40 per cent of the uncapped liability[12] is covered. However, 40% of the uncapped liability often exceeds the program funding which requires the payments to be prorated or reduced to match the amount of funding available.

In addition, RMP/SDRM payments from the program are considered to be advance payments for the AgriStability program, meaning that if the AgriStability program triggers a payment RMP/SDRM payments can reduce the AgriStability support.

3.5 History of RMP/SDRM

RMP/SDRM started as a pilot project in 2007 between the grain and oilseed sector and the Ontario Ministry of Agriculture and Rural Affairs (OMAFRA).

In 2009, following ongoing collaboration with the Ontario government, the Ontario Agricultural Sustainability Coalition (OASC) was formed to help design and implement a permanent risk management insurance program (RMP) for the respective commodity sectors in partnership with the Ontario government. Members included the leaders and staff of five commodity organizations: Beef Farmers of Ontario (BFO), Grain Farmers of Ontario (GFO), Ontario Pork (OP), Ontario Sheep Farmers (OSF), and Veal Farmers of Ontario (VFO).

The Self-Directed Risk Management Program (SDRM) was simultaneously being developed for edible horticulture products, including fruits, vegetables, herbs and spices, mushrooms, nuts, honey and maple products under the leadership of the Ontario Fruit and Vegetable Growers' Association (OFVGA), and in partnership with OMAFRA. The RMP/SDRM program is inclusive of SDRM, however, SDRM uses a different mechanism than the RMP model.

OASC identified three key principles for the program: bankability, predictability, and sustainability. Negotiations with the Ontario government ultimately resulted in the launch of RMP/SDRM for a broad range of commodities (grains and oilseeds, beef, veal, sheep, hogs, edible horticulture) in 2011.

The program has evolved over the years:

- 2011 – the first full year of the program, farmer premiums were waived for farmers to incentivize uptake and promotion of the program.

[12] The uncapped liability is calculated by subtracting the market price from the support price. Only 40% of this difference is covered by the RMP program. If the market price is higher than the support price no liability exists.

- 2012 - RMP/SDRM registered farmers were required to pay premiums (or matchable contributions in the case of SDRM).
- 2013 - the Ontario government capped the provincial contribution to the program at $100 million annually.
- 2013 - OASC negotiated with OMAFRA to develop the Farmer's Risk Management Premium Fund (FRMPF), which held all farmer premiums. This fund was producer-run and topped up RMP payments in years when RMP payments alone did not cover the full support price calculated by the program. The formation of the FRMPF prevented farmer premiums from returning to the provincial treasury in years when the liability was lower than the program funding.
- 2015 - the requirement for producers in RMP/SDRM to be enrolled in AgriStability was removed.
- 2015 - OASC commissioned a study to measure the economic impacts of RMP.
- 2020 - the Ontario government increased its contribution to RMP/SDRM by $50 million, bringing the total to $150 million.
- 2021- the Farmer's Risk Management Premium Fund was wound up, and a new RMP/SDRM Fund was created by OMAFRA to hold all farmers' premiums and government contributions. This fund is managed by Agricorp.
- 2022 - OASC commissioned this study to reassess the economic impacts of RMP/SDRM to the Ontario economy.

3.6 How RMP/SDRM works

Agricorp is the public agency responsible for the delivery of RMP/SDRM. This is a brief summary of how RMP/SDRM works; more details can be found on Agricorp's website.[13]

RMP/SDRM provides partial support when market prices fall below the established support levels based on the cost of producing the insured farm product.

Calculation of support levels or target price is based on the commodities' cost of production and is developed by OMAFRA. Support level price calculations are undertaken at different frequencies for different commodities. For grains and oilseeds, market prices are calculated twice a year. Cost of production is determined through a sample of approximately 300 grains and oilseeds producers taken from Agricorp's producer database for farmers registered in AgriStability and Production Insurance.

For livestock farmers, market prices are calculated on a semi-annual or weekly basis, depending on the insured commodity. The cost of production for livestock is calculated from a sample of livestock producers taken from Agricorp's database for livestock producers registered in AgriStability. It takes into account current costs of livestock purchases, feed, transportation, veterinarian care, labour, and other input costs. Cost of production calculations for grains and oilseeds and livestock exclude producers with production costs that are in the highest 30 per cent of all producers.

Farmers can choose coverage levels of 80, 90, 95 or 100 per cent of the target price. Enrolment premium rates are determined by OMAFRA for each commodity and coverage level. Premiums paid by producers are placed into the RMP/SDRM Agricorp fund along with the provincial government's share.

[13] https://www.agricorp.com/en-ca/Programs/RMP/Pages/Overview.aspx

A payment from RMP is triggered when the average market price for a commodity is below the identified target price over the course of a given period as calculated by OMAFRA. Producers are eligible for a payment of up to 40 per cent of the difference between the target price and the market price for products sold over the course of the period (according to their selected support level).

Grains and oilseeds have two payment periods annually – a pre-harvest payment and a post-harvest payment. For livestock producers, payments are issued twice per year for the cow-calf category of cattle and for sheep. Payments are issued three times per year for feedlot and backgrounder cattle and all hog categories. For veal producers, payments are issued three times per year. All payment deadlines and schedules are available on the Agricorp website.

The self-directed risk management (SDRM) program for edible horticulture has a distinct mechanism from the RMP program. It allows a producer who grows an eligible commodity to establish an account with Agricorp to help mitigate risk associated with farm business.

The producer makes a deposit into their SDRM account with Agricorp, and the Ontario government will make a matching contribution, up to the maximum indicated on the deposit notice issued to the producer annually. The producer may then withdraw funds from their SDRM account to cover risks to the producer's farm business. The government's contribution is based on a farm's allowable net sales and is prorated in a similar manner as the RMP program when the uncapped liability for the program exceeds the available program budget for the year.

If the liability or claims for any commodity within the program exceeds the available budget for the program year plus any unused funding from previous years, then the calculated payments are prorated, and producers receive a portion of the calculated payments. Table 4 and figure 4 below shows the difference between the uncapped claims - that is, what the program calculates as the total difference between the support price and the market price, or in the case of SDRM, between the producers' matchable deposits and the program's matching deposits - and the RMP/SDRM funding available to grain and oilseed, livestock, and edible horticulture producers enrolled in the program. The actual program payments per year (shown in Table 7) differ from the funding allotment because the administration costs and the payments from the Farmers Risk Management Premium Fund are included in the Table 7 numbers.

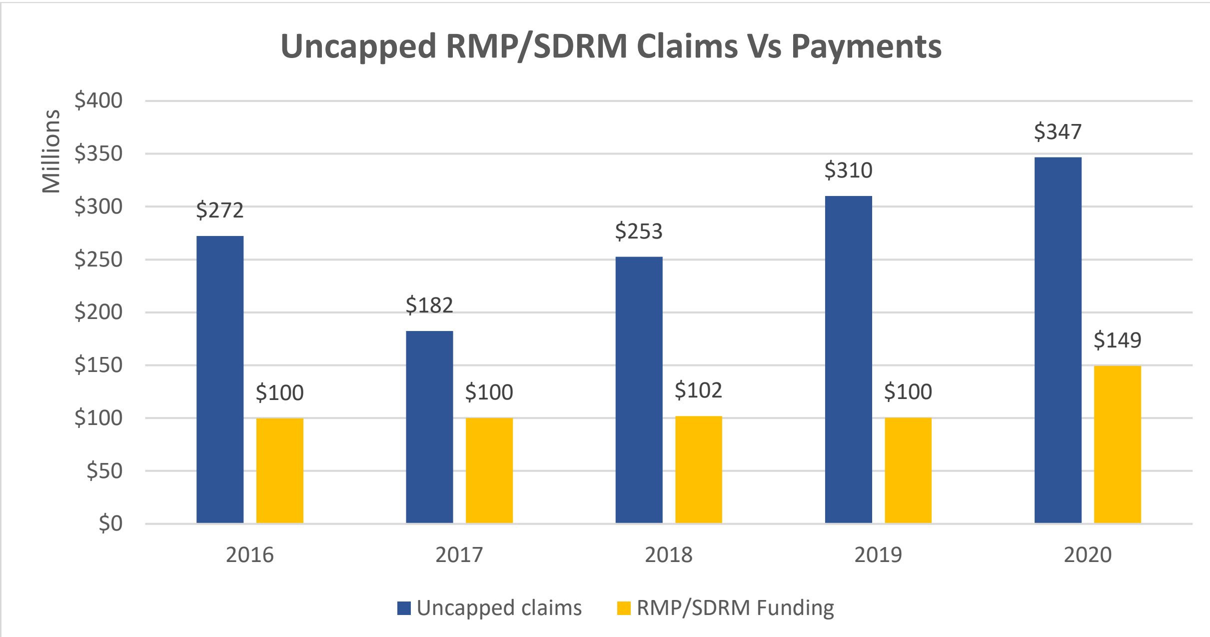
Table 4: RMP/SDRM Uncapped claims and RMP/SDRM funding per year ($ millions)[14]

Year	Uncapped claims	RMP/SDRM Funding	Funding Shortfall	% of Claims Covered by RMP/SDRM
2016	$272,190,000	$99,830,000	$172,360,000	37%
2017	$182,400,000	$99,990,000	$82,410,000	55%
2018	$252,550,000	$101,950,000	$150,600,000	40%
2019	$310,210,000	$100,410,000	$209,800,000	32%
2020	$346,650,000	$149,360,000	$197,290,000	43%

[14] OASC Summary RMP/SDRM data supplied by Agricorp

On average for the 2016 - 2020 years the RMP/SDRM program funding covered only 40.4% of the uncapped claims for participating producers.

Figure 4: RMP/SDRM uncapped claims vs the RMP/SDRM funding to Grain and Oilseed, Livestock and Edible Horticulture



4.0 Methodology

4.1 Assessment Design

This study represents a mixed-methods approach to exploring the impact of RMP/SDRM on the Ontario economy. It was deemed particularly important to ensure that farmers' experiences and priorities were heard and incorporated into the study's findings. The methods/data sources for this study were as follows:

- Literature/document review
- Discovery and validation focus groups
- Farmer's questionnaire/survey
- OASC staff and farmer interviews
- Ontario agricultural data - Statistics Canada/OMAFRA
- RMP/SDRM participant data – OMAFRA

The methods used have provided a diverse set of data through which to validate the results.

4.2 Data Collection

The study was initiated through key informant interview discussions with OASC representatives to establish a foundation for data collection. A total of seven commodity group representatives participated in the introductory key informant interviews. The objectives and perceived outcomes of the program, the participation of farmers, overall reaction to the program, and the priority objectives for the economic assessment were discussed.

Focus groups were held with three groups of farmers: livestock, crop and fruit/vegetable farmers. A total of 18 farmers participated in these focus groups.

The focus groups addressed issues such as the history of the farm, the size of the farm, the number of years of participation, how the payments were used, how the support related to provincial attitudes toward agriculture, ease of administration of the RMP/SDRM program, future priorities and other issues that arose.

Meetings were arranged with OMAFRA, and data from OMAFRA, Agricorp, and Statistics Canada were analyzed for purposes of the project.

A survey of all producer participants from each of the 6 commodity groups was initiated. A copy of the survey used is attached to this report.

The survey, designed by HCA, Agri-Metrics Consulting (Rob Gamble) and Kynetec, was distributed to producers from each commodity group organization. It was placed on a survey platform managed by Kynetec. Email invitations to the survey were sent by each of the commodity groups. Kynetec monitored survey responses and provided feedback to each commodity group organization.

4.3 Analysis

The broad mixed-method data collection approach used in this assessment served as an important source of validation for the findings of this assessment. The producer perspective on the program impacts has been established and reinforced through both the quantitative survey and the qualitative interviews/focus groups. The convergence of these data sources was analysed through the lens of their direct relationship with the broader economy and the priorities for agriculture established by OMAFRA and by producers including: stability/viability, stewardship/innovation, bankability, and sustainability.

Data collected through OASC, OMAFRA and Agricorp served as the foundation of the economic modelling and the discussion of the economic impacts of RMP/SDRM on the provincial scale. The modelling presents the scope of agricultural production that is covered under RMP/SDRM. It further discusses the direct and indirect/induced impact of the actual dollars spent by Ontario on the provincial GDP and gross outputs (modelling is based upon the input output calculations provided by Statistics Canada).[15]

Program findings and economic impacts will ultimately be discussed to present evidence that reflects the real and speculative effects that RMP/SDRM has upon agriculture and economic activity in the Province of Ontario.

4.4 Limitations

Producers representing all of the relevant commodity groups participated in the survey. However, participation in the survey was voluntary and the response rates varied across the commodity groups.

[15] https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610011301

Similarly, participation in the focus groups varied by commodity groups. It also has to be acknowledged that each commodity group has different numbers of participants

However, the aggregate results of the survey, focus groups, and key informant interviews do provide a valuable reflection of the program gaps, and well as the importance and impact that RMP/SDRM has on farm operations and the broader economy in Ontario. The results of this study should therefore provide excellent data points that policymakers and commodity sector representatives can and should utilize in program discussions despite the noted limitations.

5.0 Results

5.1 Quantitative Findings

5.1.1 Respondent Profile

A total of 390 valid responses to the survey were received. Grains and oilseeds were the largest response category with 41 per cent of respondents. This was followed by horticulture, sheep, beef, hogs and veal in that order.

Of survey respondents, 98 per cent were currently enrolled in RMP/SDRM in 2021. To give perspective, 67 per cent had enrolled in 2011 and 43 per cent in 2007.

The average farm in Ontario is 249 acres. The average size of grain and oil seed operations responding to the survey was 788 acres. Respondents from fruit farms averaged 135 acres and farms growing field vegetables averaged 350 acres.

For those responding to the survey age question (n=377), the two largest cohorts were 60-69 years (34 per cent) of age and 50-59 (18 per cent).

Respondents came from 43 distinct regions/communities across Ontario

Table 5: Commodity and Number of Survey Respondents

Primary Commodity	Number of Respondents	Per cent
Grain and Oilseeds	160	41
Horticulture	82	21
Sheep	56	14
Beef	55	13
Hogs	25	6
Veal	12	3
Total	**390**	**100**

5.1.2. Farm Employment

Of survey respondents, 30 per cent reported they were able to increase/retain employees because of RMP/SDRM. Of 166 respondents who replied to the question, 43 per cent reported a positive impact on jobs.

With respect to impact on jobs, 34 per cent reported that hours per week would be reduced without RMP/SDRM. Similarly, 27 per cent of respondents would reduce full time jobs without RMP/SDRM.

Farm Employment Impact

- ✓ 30 per cent of respondents reported they were able to increase/retain employees because of RMP/SDRM.
- ✓ 43 per cent reported a positive impact on jobs.
- ✓ 34 per cent reported that hours per week would be reduced without RMP/SDRM.
- ✓ 27 per cent of respondents would reduce full time jobs without RMP/SDRM.

Individuals responding to the survey indicated the following:

"Yes, we would probably have less hired help."

"We are able to have a bit more help which had allowed us to expand our operation and still be able to have a bit of free time for family without burning ourselves out."

"RMP/SDRM helps us give more hours to our part-time labour."

5.1.3. Farm Expenditures

This section identifies the expenditures that were supported by RMP/SDRM.

The most frequently mentioned expenditures (for 44 to 59 per cent of participants) were for specific purchase of inputs for the growing of crops including fertilizer, herbicides, fuel, equipment repairs and seeds. This was reflective of the importance of grains and oilseeds producers in the survey responses and RMP/SDRM.

Following this were wages for employees, and farm equipment purchases.

The results of the survey show that 59 per cent of respondents reported that the most important expenditures were for fertilizer and lime. A very specific input, again reflecting the importance of grains and oilseeds in RMP/SDRM participation.

The next most important expenditures were herbicides (48 per cent), fuel (47 per cent), repairs 46 per cent and seeds and plants 44 per cent.

Some sectors had uniquely high rankings for other costs such as labour for the edible horticulture sector and feed costs for livestock.

5.1.4. RMP/SDRM Impacts as Reported by Questionnaire Respondents

Producers were asked what the impact on their operation would have been had RMP/SDRM not been available to them.

During the past 2 years, the COVID-19 pandemic has been a major factor. Respondents (20 per cent) reported that RMP/SDRM made them more resilient. In addition, respondents (35 per cent) reported that RMP/SDRM contributed to improved mental health and well being.

The results are summarized in Table 6. Figure 5 shows what producers reported as the impact on farm activities if RMP/SDRM was not available.

Table 6: Reported Impact on Production if RMP/SDRM Was Not Available

Comment	Percent
Would consider leaving the industry	21.8
Would likely downsize	14.5
Would face more risk and less stability	25.0
Would sacrifice maintenance, expansion and farm improvements	24.2
Would have to rely on supplementary income	4.8
Nothing/minimal impact	4.8
Other	4.8
Total N= 124	

Nearly half of the respondents indicated that they would have postponed at least one expenditure without RMP/SDRM, the most common being building/infrastructure (14 per cent) and equipment purchases (13 per cent).

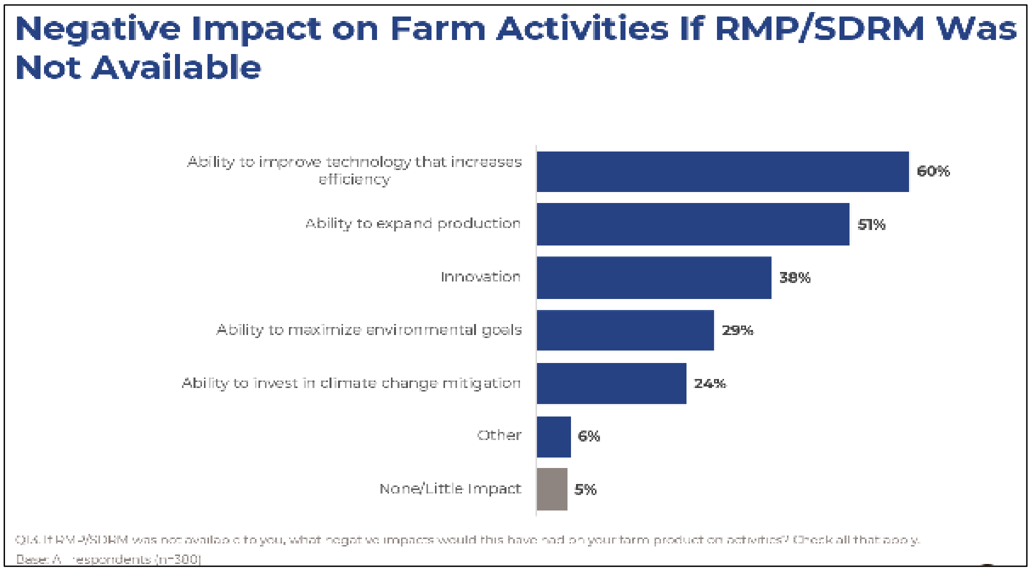
When asked about their ability to maintain employees without RMP/SDRM, 33 per cent indicated they would have to make changes including reduce hours worked, and/or reduce number of full time, part time and casual employees.

95% of farmers responded that there would be negative impacts on their farm if RMP/SDRM were not available. This included 60% of respondents who said removing the program would negatively impact their ability to improve technology.

Farm Business Impact

- ✓ 95% of farmers responded that there would be negative impacts on their farm if RMP/SDRM were not available.
- ✓ 60% said removing the program would negatively impact their ability to improve technology.
- ✓ Nearly half said they would have postponed at least one expenditure such as building/infrastructure (14 per cent) and equipment purchases (13 per cent).

Figure 5: Negative impact on farm activities if RMP/SDRM was not available



Individual comments with respect to constraints on expenditures without RMP/SDRM included:

> "We would have got behind further in our bills without the RMP/SDRM payments. It's really quite impossible to determine what order of expenses should be covered, they all need to be paid. The RMP/SDRM helps to cover some of the losses and the stress associated with being behind. There is not a lot of security in being a price taker, buying all inputs at retail prices and selling into the wholesale market. The RMP/SDRM program helps to provide some security and even out the bumps. We would much rather be profitable all the time and have no need for the RMP/SDRM, but that is not possible in the non-supply managed world."

> "The income from the RMP/SDRM program allows us to stay in the business of feeding cattle. It takes out the volatility of the big swings in the finishing cattle markets. Allows us to keep buying feeder cattle here in Ontario."

"Yes, without the funds available, certain equipment repairs or building maintenance would be postponed to be completed when the cashflow becomes available and not when they are truly needed."

Many farmers (46 per cent) reported that RMP/SDRM supported their ability to innovate. Some of the comments are provided below:

> "Yes we were able to invest some of the RMP/SDRM payment towards a better feed distribution system."

> "Increased vegetable cooling and packaging capacity has allowed us to market directly to major retailers, increasing our profitability."

"Well I was talking about the very modern tillage equipment that we were able to buy. We really couldn't have justified that expense on our size of a business but with the SDRM money we could make the investment. As a result we have better soil conditions to work and we achieve it in one pass with less energy inputs."

With respect to the mental health of farmers, some 382 respondents answered a question where they were asked to rank the impact of RMP/SDRM on their mental health on a 5-pt. scale with five being very positive. The average score was 3.8 out of five, highlighting the critical and perhaps underappreciated mental health impact of the program.

With respect to the importance of RMP/SDRM to new or beginning farmers, 56 per cent of new farmers indicated it was extremely important or very important.

5.1.5. RMP/SDRM Summary Data

The three programs are summarized below, based on data provided by OMAFRA and Agricorp.

For the grains and oil seeds sector, participation ranged from 5547 producers in 2017 to a high of 6047 in 2020. This participation was associated with 2.7 million acres in 2017 and a high of 3.3 million acres in 2020. Producers contributed $9.7 million in premiums in 2017 and a high of $14.4 million in 2020. Payouts for farmers in the grains and oil seeds sector reached $50.8 million in 2020.

Beginning Farmers

- ✓ 56 per cent of new farmers indicated RMP/SDRM was extremely important or very important.

Participation of livestock producers averaged 1750 between 2017 and 2021. Producers paid premiums ranging from $13 million in 2017 to $18 million in 2021. Payments to producers reached a high of $59.5 million in 2020.

For edible horticulture (SDRM), participation from 2017 to 2020 ranged between 1,950 and 2,050 farms. In 2020, participating farms paid $40M in contributions (premiums) and received $73M in gross payments, resulting in $33M of net program payments to SDRM participants for 2020.

5.2 Qualitative Findings

In the focus group discussions (FGD), farmers discussed how important the RMP/SDRM was to their farm operations. Livestock farmers who participated in the FGD said that RMP/SDRM contributed financial and mental health support. They compared RMP/SDRM to employment insurance that provides long-term stability and a backstop if something goes wrong with their farming activities. The grain and horticulture farmers who participated in the FGD also agreed that RMP/SDRM was a very dependable program that is there for them in times of need. Participants in the FGD further said that having RMP/SDRM was important in helping to secure credit from financial institutions. New family members wanting to join the farm business appreciated the presence of RMP/SDRM support. They noted that the banks liked seeing government support on the income statement. Farmers also liked RMP/SDRM as concrete evidence of government support.

Selected quotes from the focus groups are provided below.

"We just bought a farm year ago and the banker, going through our records saw that RMP/SDRM and immediately asked about it, how does that work? And it really reassured the bank manager that, you know, despite what happens to prices, there's a bit of support there. I was amazed how much he really wanted to know what was going on with the program and how reassured he was by having a program like that you were enrolled in. Banks like the fact that there's somebody standing behind you as well."

"I've actually heard that from others as well, where the Banks appreciate seeing the RMP/SDRM at the bottom line. It certainly makes the account manager happy to know that there's a little bit of a backstop in case of uncertainties."

"Our son is a younger guy in his 30s and married with four kids and RMP/SDRM was part of the reason why he felt some confidence in coming to join our farm business because veal is not always that kind of industry one can easily undertake."

Focus group discussion, 2022.

Focus group participants spoke positively about the application process to remain active in the program or receive payments. All FGD participants said that the process is simple and does not require annual subscriptions. The farmers always receive notifications from the RMP/SDRM operations team on time, reminding them of their due premium payable through online banking. Most farmers agreed that RMP/SDRM support greatly assists with cash flow management and in ensuring the timely purchase of farm inputs.

Farmers who participated in the FGDs were asked to speak about how the RMP/SDRM payments support their farm operation, i.e., how they use the RMP/SDRM payments. All farmers agreed that the RMP/SDRM is a marketing risk management tool. To them, whether markets get to fluctuate up or down, farmers, through RMP/SDRM, have an assurance of mitigating that to some extent. Besides using RMP/SDRM support to help mitigate marketing risks associated with fluctuating commodity prices, program support also helps mitigate input cost risks, especially in the spring when farm expenses are high.

Moving forward, some FGD participants suggested setting up the program on a web-based platform with cloud-based applications could help improve accessibility to the program resources and tools. Participants recommended that the web-based platform should have a built-in calculation tool to enable them to keep track of all their production costs on a farm level basis and analyze the value of RMP/SDRM to their farm. In addition, the in-built calculation tool within the online program platform would help them to determine their premium versus the expected support level measured against their own input costs. FGD participants suggested that an increase in funding support for RMP/SDRM from government is needed. They argued that increased government support would strengthen the program by helping to ensure that a greater portion of calculated benefits are provided to program participants, making the program more responsive and effective in times of need. The current funding cap was identified as a major limitation of the current program.

Overall, farmers who participated in the FGD recognized the importance and value of the program even if the current cap handicaps the program's full potential.

5.3 Economic Impact Modelling

The study uses input-output modelling to estimate economic impact[16].

Key terms in this approach are defined below.

GROSS OUTPUT IMPACT: Gross output impact is the impact of the total value of goods and services produced by agriculture.

DIRECT IMPACT: The direct impact refers to the impacts that come from the input requirements of agriculture, in this case farm gate receipts.

INDIRECT IMPACT: The indirect impacts refer to the input requirements of those industries that respond to the needs of agriculture.

INDUCED IMPACT: The induced impacts refer to those impacts coming from the personal consumption expenditures stimulated by the wages and salaries paid by all industries impacted by agriculture (direct and indirect).

GROSS DOMESTIC PRODUCT (GDP) IMPACT: The GDP impact refers to the impact on the total value of goods produced.

In general, the report cites several references to analysis done by other researchers as evidence that our approach is valid. The Statistics Canada source is the most recent and is the one these authors used as the most relevant and authoritative.

As a way to measure the economic contribution of RMP/SDRM to Ontario agriculture we start with the net payments received by farmers. Table 7 shows the program payments by years for the RMP/SDRM program. One of the most important years for the program was 2020. In that year net government payments to participants were $140.6 million.

The Statistics Canada Input-Output Data for Crop and Animal products in Ontario shows a total output multiplier of 2.01[17] in 2018 ($140.6 million X 2.01) or gross output of $282.6 million.

Table 7: RMP and SDRM payments by program year 2016-2021

Program year producer payments ($M)	2016	2017	2018	2019	2020	2021
RMP gov't payments + FRMPF* payments + SDRM matching deposits – producer premiums	$101.8	$95.3	$93.1	$91.3	$140.6	$79.9

**Farmers Risk Management Premium Fund*

We assume that one dollar in net payments to farmers through RMP/SDRM leads to one dollar in farm receipts. This is based on farmers using RMP/SDRM to invest in their business to increased revenues. We also use The Niagara Agriculture Economic Impact Report as one of the references to assist in this

[16] For a description of input-output modelling see: http://www.mtr-treim.com/

[17] Statistics Canada. Table 36-10-0113-01 Input-output multipliers, provincial and territorial, summary level

analysis. The Niagara impact study shows that for one dollar increase in gross farm receipts there was 3.6 dollars increase in gross output. This suggests that for $140.6 million in increase in gross farm receipts there would be $506.2 million increase in gross output.[18] The same report shows that the GDP impact would be a multiplier of 1.68 moving the increase in gross receipts ($140.6 million) to $236.2 million increase in GDP.

As a second reference for the impact assessment, we refer to the Dollars and Sense report[19]. That report suggests that for every dollar in cash receipts in agriculture there is $1.16 impact on GDP. In addition, using input-output approaches, the report shows that for each one dollar in expenditure there are $2.24 in economic activity or Gross Output. In 2020, for net RMP/SDRM payments there would be ($140.6 million X 2.24) or $314.9 million in economic activity.

Finally in Table 8, below OMAFRA has suggested that for each dollar in farm gate receipts, there is $1.95 in GDP using chained 2012 dollars.

Table 8: Farm Cash Receipts, and GDP and Employment of the Ontario Agri-food Value Chain (Farm, Food Manufacturing, and Retail) by Commodity

Commodity	Farm Cash Receipts from Farming Operations, Ontario ($ millions)	Gross Domestic Product (millions of chained 2012 dollars)	Employment
Grains & Oilseed	4,551	11,420	139,271
Cattle and Veal	1,406	2,651	51,552
Hogs	1,706	2,851	49,596
Sheep	100	207	3,594
Edible Horticulture (SDRM)	2,817	5,560	88,787
Total	**10,580**	**22,687**	**332,802**

6.0 Conclusions

Ontario's RMP/SDRM is critical to Ontario farmers' sustainability objectives and provides critical income support. The program is especially important in the current era of high inflation and global food security pressures, when Canadian farmers are being required to produce more food in the face of high input costs. The program is well-run, easily accessible to farmers and responds to the need for producers to manage the risks associated with the volatility of market prices and input costs for agricultural commodities. Our data also showed that it directly supports the mental health and financial well-being of producers. Young and new farmers find the RMP/SDRM as an important tool of long-term sustainability.

The data from OMAFRA show that the province has distributed from $79.9 million to $140.6 million to farmers (these numbers are net of producer premiums) between 2017-21. The provincial government raised its annual contribution from $100 to $150 million in 2020. Despite the increase, uncapped RMP/SDRM payments exceeded $150 million in all years from 2017 through 2021 leading to benefits

[18] Niagara Agriculture Economic Impact (niagararegion.ca) (p. 5)
[19] https://www.greenbelt.ca/dollars_and_sense_opportunities_2015

being prorated in many sectors. Additional funding would reduce the frequency that benefits are prorated meaning farmers would most likely increase their adoption rate.

The research completed for this report revealed that RMP/SDRM had a large positive impact on agricultural activity in the province.

The report compared a variety of economic impact models to evaluate the economic impacts of RMP/SDRM. The models show total output multipliers ranging from a low of 2.01 using Statistics Canada Input-Output model to 3.6 in Niagara Agriculture Economic Impact Report. Using these multipliers, the $140.6 million paid to farmers enrolled in RMP/SDRM in 2020 would have led to an increase in economic out put of between $282.6 million and $506.2 million.

The work done for this report showed that approximately ten thousand farms participated in RMP/SDRM. This represented approximately 21 per cent of Ontario farms. It is projected that the participating farms produce 80+ per cent of the agricultural commodities.

Focus group and survey respondents reported they used the payments for key inputs for production of crops, horticulture and livestock. Note that these are immediate demands on farmers and RMP/SDRM is contributing to the operating costs of participating farms. The researchers did focus groups with the farm commodity groups and through those found that many farmers used the RMP/SDRM payments to pursue new and innovative ideas for their farms.

Key Metrics

- On average the farmers participating in the program supported 3.4 full time jobs, 1.7 part time jobs and 5.9 seasonal jobs.
- Of those participating in the survey, 43 per cent reported a positive impact on jobs. With approximately 10,000 farms participating in RMP/SDRM, it suggests that approximately 14,620 full time, 7,310 part time and 25,310 seasonal jobs are positively impacted by the program.
- Respondents (33 per cent) indicated they would have to adjust employment if RMP/SDRM payments were not received. Transferred to a provincial estimate this would be 3,300 farms.
- All of those involved complimented Agricorp on the ease with which the RMP/SDRM application was completed.
- Of the farmers participating, 80% saw the support provided as important evidence of provincial support for agriculture translating into 8,000 farmers provincially.
- 56% of responding farmers said that the existence of the RMP/SDRM had a positive impact on their mental health.
- 60% of farmers note removing RMP/SDRM would have a negative impact on their ability to improve technology.

Respondents also emphasized the following benefits: bankers increased their support for loan applications with RMP/SDRM in the application, farmers saw the program as evidence of the support of agriculture by government, farmers were able to adopt innovations with the assistance of RMP/SDRM payments.

In general respondents reported their support for RMP/SDRM and 80 per cent indicated that RMP/SDRM was positive evidence of Provincial Government support for agriculture. The program was complimented for its simplicity for the farmer when compared to AgriStability. Farmers would like to see the financial limits removed and the full participation of the Federal Government.

Highlights

- Every dollar paid through RMP/SDRM increases gross economic output by between $2.01 and $3.60.
- Market uncertainty abounds - Inflation and geo-political events are current threats
- Costs have increased substantially. "Challenging and volatile market conditions mean that RMP/SDRM will continue to be underfunded"
- The program is well run and easily accessible to farmers
- The program provides support for producers' mental health and financial well being
- The major area of the program that requires attention is that the program does not always pay out calculated benefits in full due to funding caps.
- Farmers view RMP/SDRM as a sign of Provincial government support for agriculture and they appreciate it.
- Young farmers / new farmers find RMP/SDRM a very important part of their operation.
- The probability of financial support from bankers is enhanced by the presence of RMP/SDRM

The Ontario Agriculture Sustainability Coalition consists of:
Beef Farmers of Ontario, Grain Farmers of Ontario, Ontario Fruit and Vegetable Growers' Association, Ontario Pork, Ontario Sheep Farmers, and Veal Farmers of Ontario.