

BRM Comparison Report

US vs Canada

March 2025

Prepared by Grain Farmers of Ontario



Introduction

- This report compares Business Risk Management (BRM) support for grain farmers in Ontario, Canada, and Nebraska, US.
- The analysis focuses on a representative 1,000-acre corn farm in both regions, evaluating program payments under normal and low-yield conditions.
- Our results show that US producers receive significantly higher BRM support.
- The findings highlight the disparities in risk coverage and financial support, emphasizing the need for policy discussions on enhancing Ontario's BRM framework.

Key Result

For a representative 1,000-acre **corn** producer in **Southwestern Ontario** and **Lancaster County, Nebraska**, the difference in BRM programming support between the two regions ranges from **\$86 to \$148** per acre in favor of the US producer.

ON – Program Definitions

Federal & Provincial:

- [Production Insurance](#) (PI)
- [AgriStability](#)
- [AgriInvest](#)

Provincial:

- [Risk Management Program](#) (RMP)



US –Program Definitions

- [Revenue Protection program \(RP\)](#)
- [Supplemental Coverage Option \(SCO\)](#)
- [Enhanced Coverage Option \(ECO\)](#)
- [Price Loss Coverage \(PLC\)](#)
- [Agricultural Risk Coverage \(ARC\)](#)
 - [CO – county](#)
 - [IC – individual coverage](#)
- [American Relief Act Payments \(ARA\)](#)

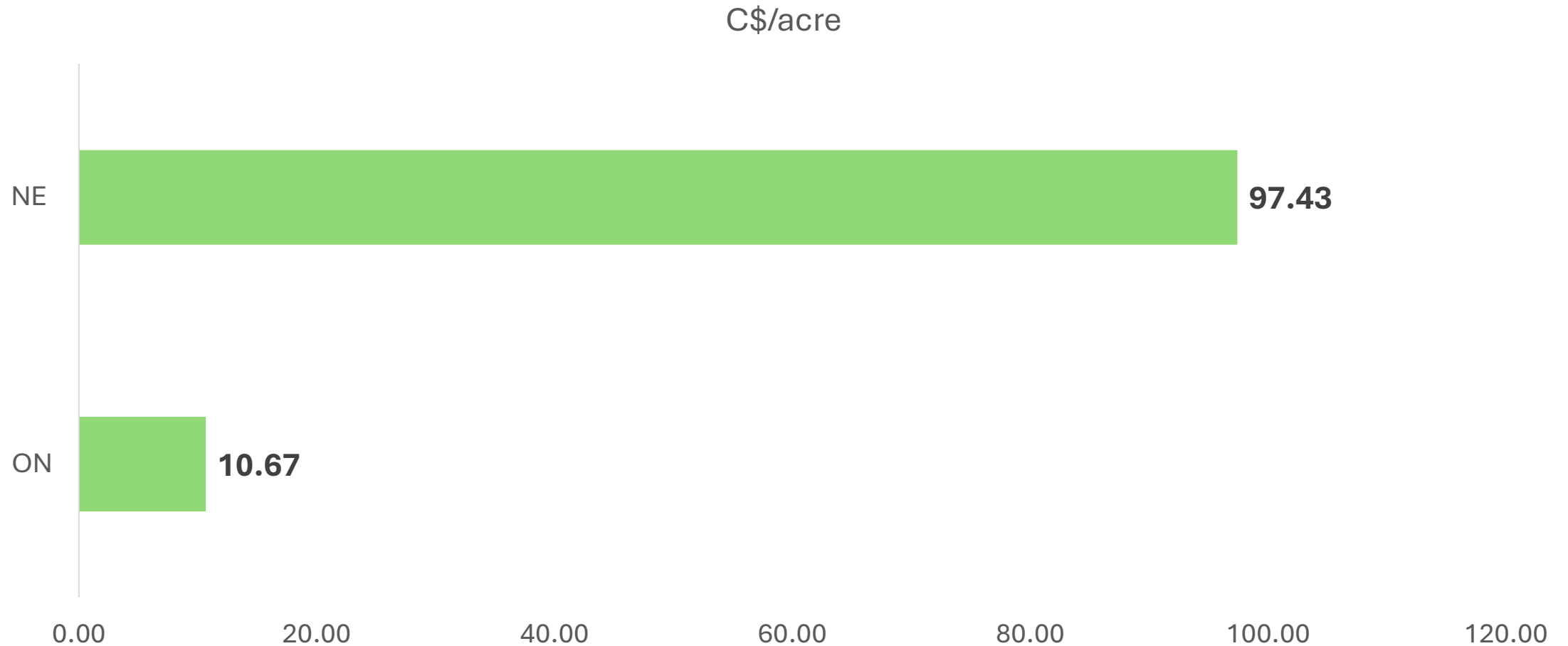
Methodology

We create a BRM participation scenario for a 1,000-acre producer for **all available** programs in Ontario and Nebraska.

- The results are calculated on a per-acre basis.
 - Two scenarios are created: (1) Normal Yield Year and (2) Low Yield Year.
 - The intent is to demonstrate the degree to which programs trigger different outcomes and to highlight the quantitative differences between them.
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- **Ontario:**
 - The [PI](#) and [RMP](#) premiums are obtained from Agricorp.
 - The latest RMP proration factor for the ongoing season (2024/25).
 - AgriStability reference margins from Ontario Ministry of Food & Agriculture (OMAFA).
 - **Nebraska:**
 - RP, SCO and ECO [premiums](#) calculated using Risk Management Agency's (RMA) cost calculator.
 - ARC/PLC effective reference price, benchmark price, county yields from United States Department of Agriculture's (USDA) [program data](#).
 - American Relief Act payments [calculation](#) from Food and Agricultural Policy Research Institute (FAPRI), University of Missouri.

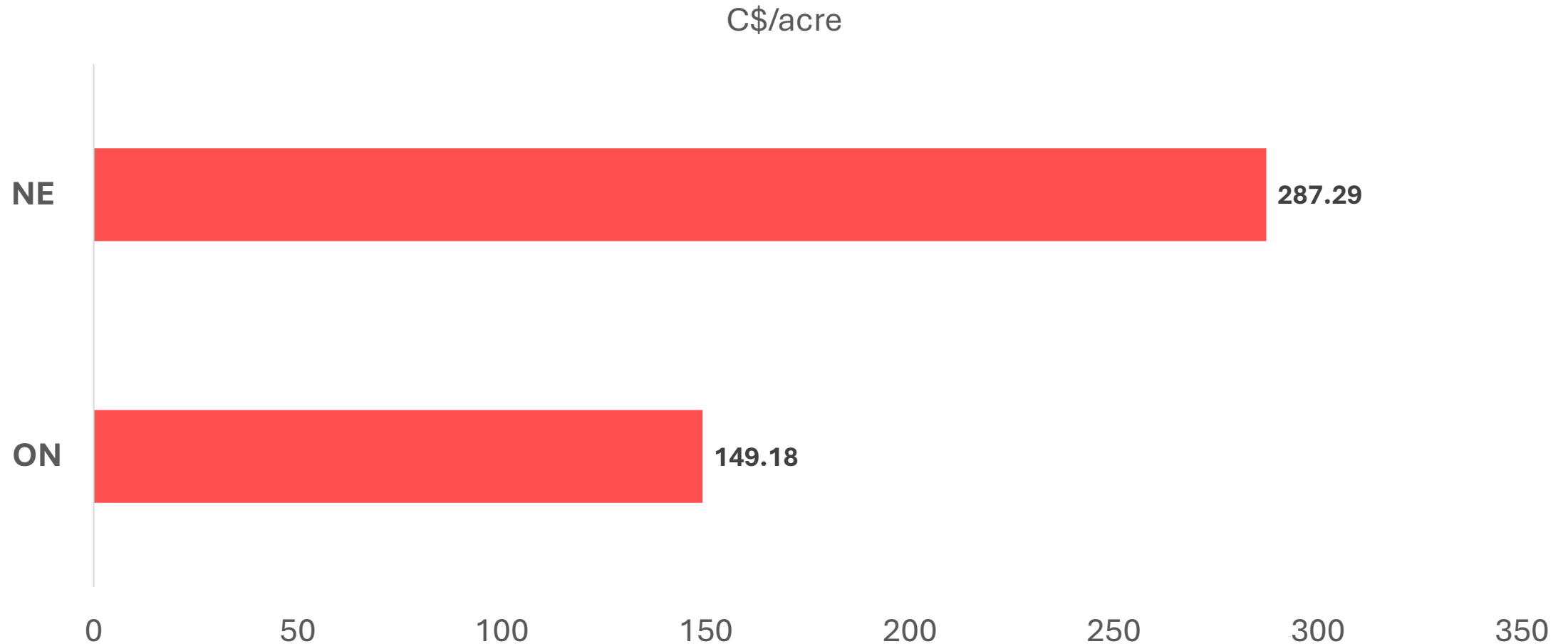
BRM Payments Comparison: Ontario vs Nebraska – 2025

Normal Yield Year



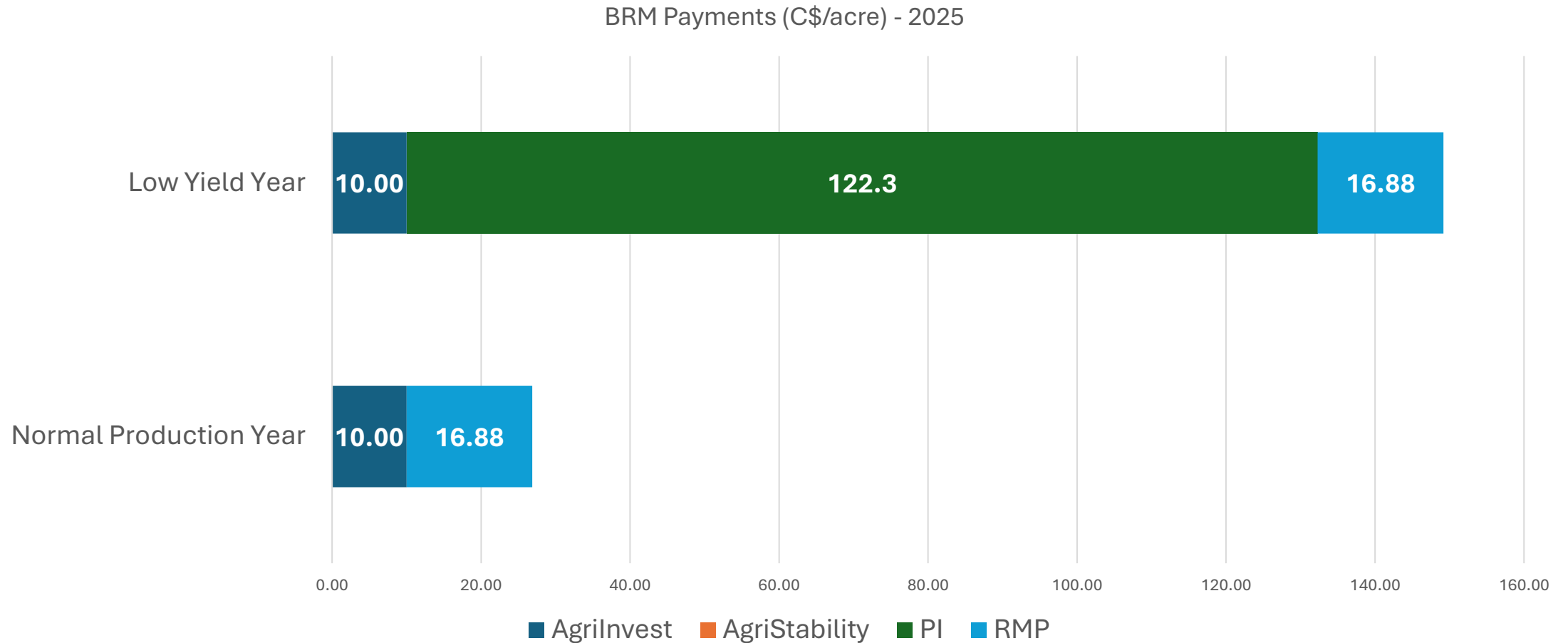
BRM Payments Comparison: ON vs NE – 2025

Low Yield Year*



* This comparison is based on using ARC-CO in NE, results for ARC-IC and PLC lead to a slightly lower \$/acre return

ON: BRM Payments Breakdown* – 2025



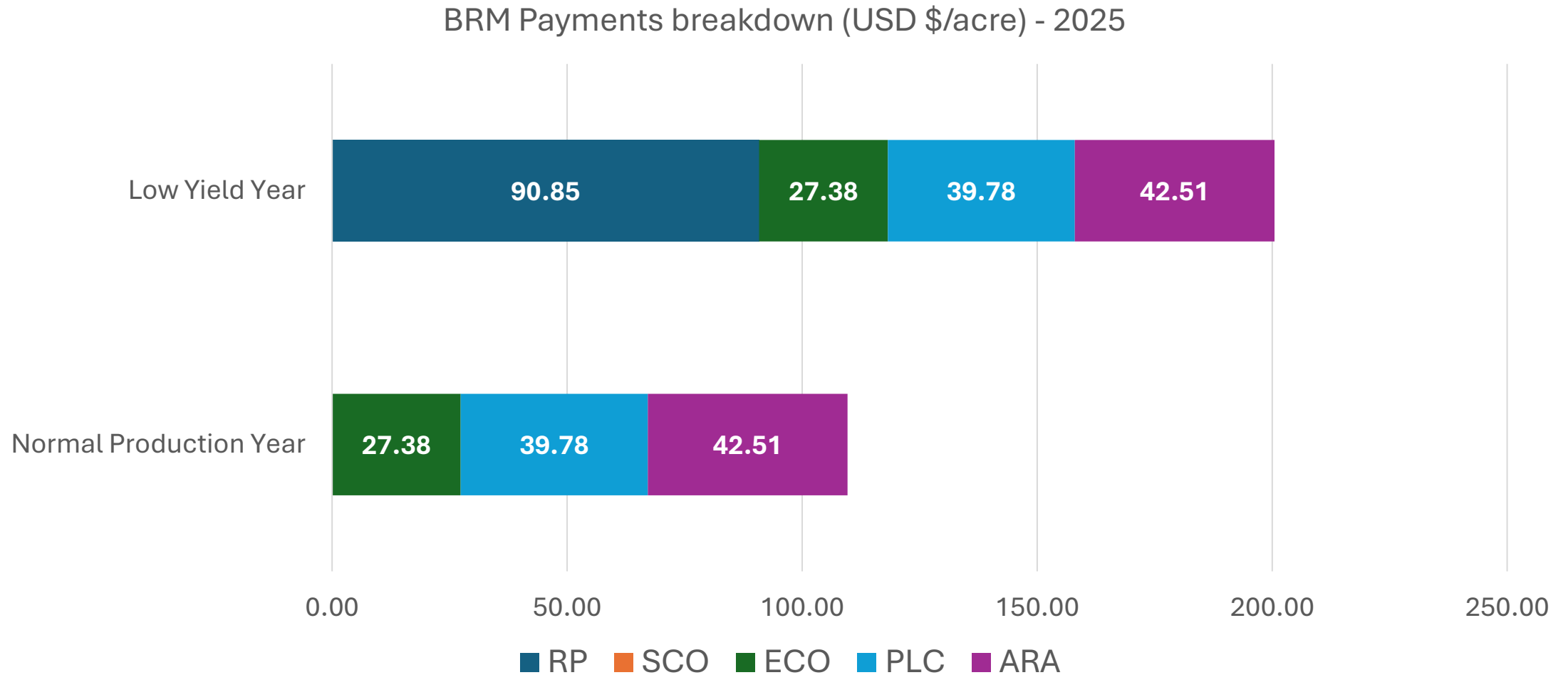
**RMP calculations are done based on available program funding, which was depleted after the 2023-24 growing season.*

US: BRM Payments Breakdown

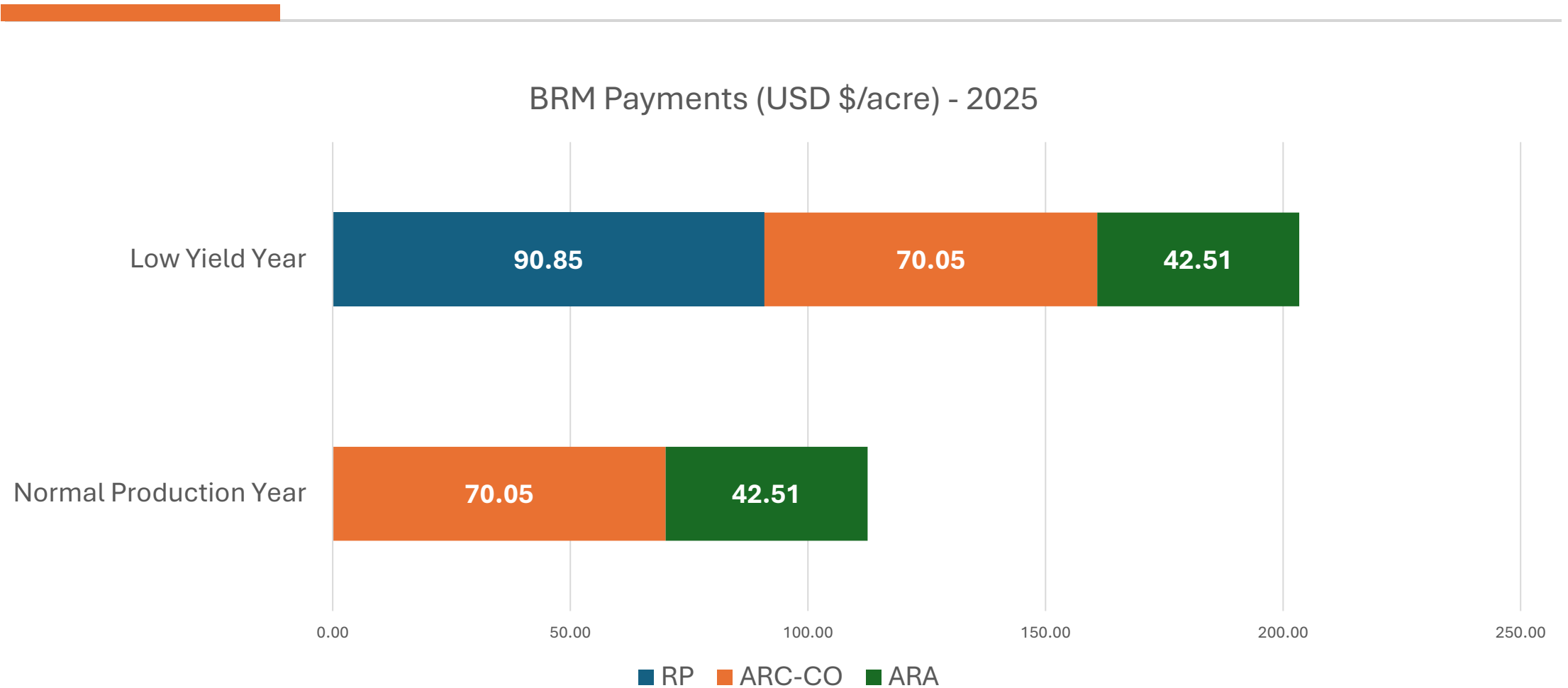
There are three types of BRM funding available for US producers, all at the **Federal Level**.

- Crop Insurance, specifically RP:
 - Add on programs include: SCO and ECO.
- Title I Commodity Programs: PLC and ARC.
 - A producer participating in PLC cannot participate in ARC and vice-versa.
 - SCO and ECO programs are only available if PLC is selected.
- Ad-hoc funding:
 - Most recent: American Relief Act funding.

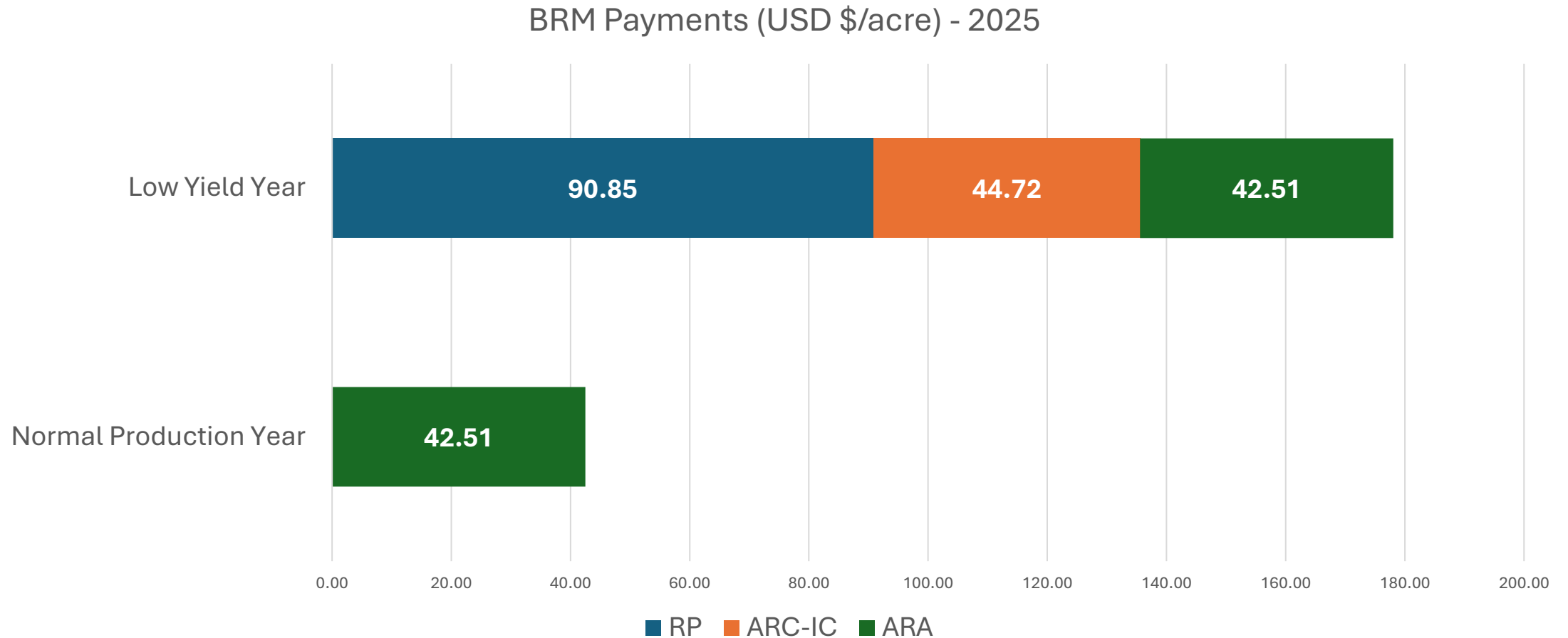
NE: BRM Payments Breakdown – 2025 (PLC Option)



NE: BRM Payments Breakdown – 2025 (ARC-CO Option)



NE: BRM Payments Breakdown – 2025 (ARC-IC Option)





Conclusion

- US BRM programming will outperform Ontario's given that there is a high likelihood of programs such as ARC triggering this year.
- While RMP is more likely to trigger than PLC in US, it is heavily prorated. Therefore, in the event that PLC does trigger it outperforms RMP.
- In a low yield scenario, US programming is superior due to Revenue Protection, which provides a higher return than Production Insurance.