

# BUSINESS PLAN

2023-2024



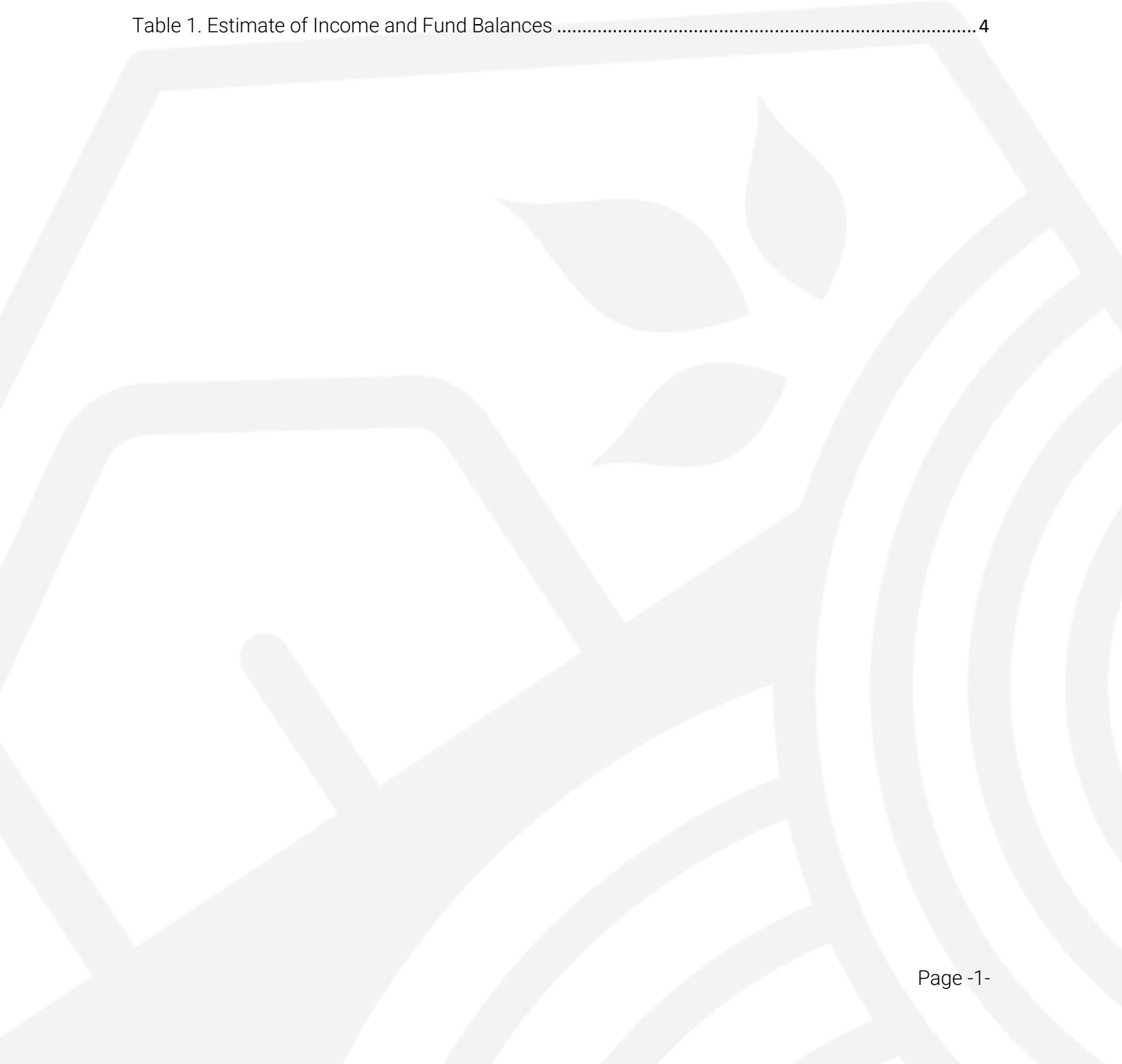
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## Message from the Chair

I am pleased to present the Crop and Livestock Insurance Commission's (Commission) business plan for the 2023–2024 fiscal year on behalf of the Board of Directors and staff. The 2023 growing season will mark the Commission's 55<sup>th</sup> year offering crop insurance to Nova Scotia's agriculture industry and 45<sup>th</sup> year offering livestock insurance. We are proud of our long history of offering crop and livestock insurance products that help reduce the uncontrollable risks associated with the agriculture industry.

Post Tropical Storm Fiona in September 2022 highlighted the need for solid risk management strategies and an ongoing need to build resiliency in the face of climate change. The Commission is committed to reviewing insurance plans through the lens of climate change to ensure products are adaptive and responsive to industry needs.

The 2023-2024 year will be the first year of the Sustainable Canadian Agriculture Partnership, a new five-year, Federal/Provincial/Territorial policy framework. With this new agreement in place for the next five years, the Commission will continue to offer AgrilInsurance and is positioned to support the Minister of Agriculture's mandate to increase the amount Nova Scotia consumers spend on locally produced food by providing an effective business risk management tool.

Original Signed by

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John Vissers  
Chair

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Peggy Weatherbee  
Director, Business Risk Management

## Key Areas of Focus for 2023 - 2024

### 1. Customer Service Excellence

- Undertake measures to improve and build on our client services by focusing on client needs.
- Proactively promote and market AgrilInsurance as a key business management option for agricultural producers in Nova Scotia.
- Improve client access to information through an expanded online presence including a new website, text options, and social media.

### 2. Program Expansion and Enhancements

- Support the Minister of Agriculture's mandate of encouraging local food consumption, with the goal of 20% of the money spent on food by Nova Scotians being spent on locally produced food by 2030 by providing an effective business risk management tool.
- Consult with industry groups to review the effectiveness of existing insurance plans and policies with the aim of improving insurance plans to meet client's changing needs.
- Work with industry clients on the development of new insurance plans and options such as including grape vines in addition to grapes and other horticultural crops.
- Engage with industry and actuaries to review and implement revisions to the poultry plan to reduce industry's administrative burden.
- Consult with industry and other Maritime provinces on the feasibility of livestock price insurance products.

### 3. Administrative Priorities

- Invest in the success of our people by identifying areas of potential growth and opportunities for cross training and employee development.
- Recruit new Board members to complement existing members industry expertise and knowledge.
- Review the Commission's administrative and IT processes using a Lean Six Sigma approach.
- Continue to explore the modernization of the information technology infrastructure.

#### 4. Sustainable Canadian Partnership Agreement (SCAP)

- Review the Commission’s administrative and IT processes using a Lean Six Sigma approach.
- Work with industry and actuaries to start developing a premium rate methodology to recognize farming practices that reduce production risks and are beneficial to the environment.
- Engage with actuaries to re-certify the insurance plans offered by the Commission for the next five program years.

## Financials

The Commission budget is included in the budget estimates of the Department of Agriculture. The Canadian Agricultural Partnership provides for reimbursement of 60 percent of the administrative costs (includes staffing costs) related to AgrilInsurance and Wildlife Compensation. Insurance premiums are cost shared by producers (40 percent), the federal government (36 percent), and the provincial government (24 percent) and are administered directly by the Commission. The province provided producers with a 10% premium reduction in 2020-2021, 2021-22 and 2022-2023 effectively changing the cost share for producers to 36 percent and province to 28 percent. Only the provincial premium contributions are included in Department of Agriculture budget figures.

Table 1. Estimate of Income and Fund Balances

	Authority	Forecast	Budget
	2022-23	2022-23	2023-24
	(\$ 000)	(\$ 000)	(\$ 000)
<b>Revenues</b>			
Insurance Premiums paid by Clients	891	1369	1540
Insurance Premiums Contributed by Govt. (Canada)	748	1377	1386
Wildlife Compensation Payments (Canada)	150	66	60

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	Authority	Forecast	Budget
	2022-23	2022-23	2023-24
	(\$ 000)	(\$ 000)	(\$ 000)
Insurance Premiums Contributed by Govt. (Nova Scotia)	491	1063	924
Wildlife Compensation Payments (Nova Scotia)	100	44	40
Interest Income	24	200	200
<b>Total Revenues</b>	<b>2404</b>	<b>4119</b>	<b>4150</b>
<b>Expenses</b>			
Indemnity Claims	2157	2950	3850
Wildlife Compensation Payments	250	110	100
Reinsurance premiums	0	0	0
Bad Debt Expense	5	5	5
<b>Total Expenses</b>	<b>2412</b>	<b>2065</b>	<b>3955</b>
<b>Net Income from Insurance Activities</b>	<b>-8</b>	<b>1054</b>	<b>195</b>
<b>Reinsurance Advances</b>			
Federal	0	0	0
Provincial	0	0	0
<b>Total Reinsurance Advance</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Income</b>	<b>-8</b>	<b>1054</b>	<b>195</b>
<b>Crop and Livestock Insurance Fund Balance</b>			
Beginning of Year	7577	8341	9395
End of Year	7569	9395	9590
<b>Administrative Expenses</b>			
Government Contributions (Canada)	624	684	684
Government Contributions (Nova Scotia)	434	456	456
<b>Total Administrative Expenses</b>	<b>1058</b>	<b>1140</b>	<b>1140</b>

	Authority	Forecast	Budget
	2022-23	2022-23	2023-24
	(\$ 000)	(\$ 000)	(\$ 000)
<b>Net Govt. Expenditure</b>			
Canada (Premium + Administration)	1522	2127	2130
Nova Scotia (Premium + Administration)	1025	1563	1420
<b>Total Program Expenditure</b>	<b>2547</b>	<b>3690</b>	<b>3550</b>