

BUSINESS PLAN

2024-2025



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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 2024–25 fiscal year on behalf of the Board of Directors and staff.

The 2024 growing season will mark the Commission's 55th year offering crop insurance to Nova Scotia's agriculture industry and 45th 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.

Every dollar collected in premiums from producers goes back to fund claims. Administration costs of the Commission are funded in partnership by the federal and provincial governments. This structure allows the Commission and staff to focus on providing coverages and making informed decisions based on the needs of our clients.

2023 had a turbulent start with a dry period, followed suddenly by a season of excess moisture that challenged the harvest plans of even the most experienced Nova Scotian farmers. Climate challenges continue to highlight to our industry the need for sound business risk management strategies and programs.

The upcoming fiscal year will be the second year of the Sustainable Canadian Agricultural Partnership, a five year Federal-Provincial-Territorial policy framework which provides the foundation for an AgriInsurance program. The Commission, in turn, determines the coverages and program specifics that respond to the needs of Nova Scotia's unique agriculture industry.

The Commission remains committed to providing adaptive and responsive insurance coverage that helps farmers sustain their operations and continue to grow and innovate. We invite feedback from our farm community and stakeholders and regularly review our offerings within the parameters of the AgriInsurance framework.

On behalf of the Commission and staff, we wish you a successful harvest in 2024-25.

(original signed by)

John Vissers

Chair

(original signed by)

Nicholas Bell

Director, Business Risk Management

About the Nova Scotia Crop and Livestock Insurance Commission

The Commission has delivered business risk management solutions for agriculture in Nova Scotia for more than 55 years under the Crop and Livestock Insurance Act.

Under the oversight of the Minister of Agriculture, the Commission administers crop insurance plans for 16 crop categories, as well as dairy and poultry livestock insurance plans. The Commission has also administered the Canada/Nova Scotia Wildlife Compensation Program since 2008.

The Commission administers these insurance programs as part of a suite of business risk management programs available to the agriculture industry in Nova Scotia under the framework established via the Sustainable Canadian Agricultural Partnership.

The governments of Nova Scotia and Canada each contribute to the administration expenses for crop insurance and wildlife compensation on a 60 per cent federal and 40 per cent provincial basis. Producers are responsible for 100 per cent of the premiums for livestock insurance, while 100 per cent of administration expenses are the responsibility of the Province.

Crop insurance plays a key role in stabilizing business income by providing opportunities to manage or transfer risk. Crop production is particularly risky as natural perils presented by climate and geography cannot easily be controlled or managed. The intended outcome of our programs is to stabilize farm incomes, and by doing so, support the economic growth of the province and the Minister of Agriculture's mandate to support local food consumption in Nova Scotia.

The Commission offers production based, individualized coverage for 16 crop categories. Producers are compensated when their yields fall below their guaranteed production level due to natural perils beyond their control. Key program features are coverage for losses caused by drought, frost, hail, wind, excessive moisture, insect infestation, plant disease, wildlife, winter injury, unavoidable pollination failure, and off-crop due to adverse weather conditions. Coverage is based on clients' individual records with premiums varying according to crop type, coverage level and value of crop. Producers can pick coverage from 70 to 90 per cent of their historical yield, and for most plans, producers can pick between a high, low, or medium price level.

Key Areas of Focus for 2024 – 2025

The Commission recognizes that the changing nature of our climate and economic factors in the agriculture industry require us to adopt a culture of continuous improvement and responsiveness to industry needs. In doing so, the Commission is committed to the following areas of focus to guide our operations over fiscal year 2024 – 25:

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 risk management option for agricultural producers in Nova Scotia, with increased client outreach and new marketing materials.
- Network and collaborate with industry stakeholders, Department of Agriculture staff, financial institutions, accountants, and other farm advisors on the Commission's insurance offerings.
- Improve client access to information through an expanded online presence including a new website and social media.

2. Program Expansion and Enhancements

- Support the Minister of Agriculture's mandate to encourage 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 that supports farmer's long-term sustainability.
- Consult with industry associations and stakeholders to review the effectiveness of existing insurance plans and policies with the aim of improving insurance plans to meet client's changing needs within the AgrilInsurance framework.
- Engage directly with producers on the development of new insurance plans and continuous improvement to current offerings.
- Continue to 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.
- Continue to explore modernization of the Commission's information technology infrastructure.

4. AgrilInsurance Program Priorities

- Review the Commission's administrative processes using a Lean Six Sigma approach and support a culture of continuous improvement.
- Work with actuaries to continue 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 Sustainable Canadian Agricultural Partnership provides for reimbursement of 60 per cent of the administrative costs (includes staffing costs) related to AgrilInsurance and Wildlife Compensation. Insurance premiums are cost shared by producers (~40 per cent), the federal government (~36 per cent), and the provincial government (~24 per cent) and are administered directly by the Commission. The Province provided producers with an additional 10 per cent premium reduction in fiscal years 2021-22 to 2023-24 effectively changing the cost share for producers to ~36 per cent and Province to ~28 per cent. Only the provincial premium contributions are included in Department of Agriculture budget figures.

(see next page for Table 1: Estimate of Income and Fund Balances)

Table 1: Estimate of Income and Fund Balances

	Budget 2023- 2024 (\$ 000)	Forecast * 2023- 2024 (\$ 000)	Budget * 2024-2025 (\$ 000)
Revenues			
Insurance Premiums paid by Clients	1,540	1,782	1,540
Insurance Premiums Contributed - Federal	1,386	1,603	1,386
Wildlife Compensation Payments - Federal	60	106	60
Insurance Premiums - Provincial	924	1,069	924
Wildlife Compensation Payments - Provincial	40	71	40
Interest Income	200	458	394
Total Revenues	4,150	5,089	4,344
Expenses			
Indemnity Claims	3,850	5,621	4,000
Wildlife Compensation Payments	100	177	100
Reinsurance Premiums	-	-	-
Bad Debt Expense	5	5	5
Total Expenses	3,955	5,803	4,105
Net Income from Insurance Activities	195	(714)	239
Reinsurance Advances			
Federal	-	-	-
Provincial	-	-	-
Total Reinsurance Advances	-	-	-
Net Income (Loss)	195	(714)	239
Crop and Livestock Insurance Fund Balance			
Beginning of Year	9,395	8,341	7,627
End of Year	9,590	7,627	7,866
Total Administrative Expenses			
Federal Contributions	684	660	660
Provincial Contributions	456	440	440
Total Administrative Expenses	1,140	1,100	1,100
Net Government Expenditures			
Federal (Premium + Administration)	2,130	2,369	2,106
Provincial (Premium + Administration)	1,420	1,580	1,404
Total Program Expenditures	3,550	3,949	3,510

* as of December 15, 2023