

Organic growers push for crop insurance improvements

BY JEFFREY CARTER
Ontario Farmer

Organic farmers from across Ontario had several questions – and a suggestion – for two speakers at a grower day hosted by Beechwood Agri-Services in Ailsa Craig on April 11.

Fielding questions concerning crop insurance and the Grain Financial Protection Board program were Agricornp employee Debbie Brander and Henry Van Ankum, a member of the GFPB board of directors.

Brander emphasized the importance of understanding how the GFPB program, which protects farmers in the event of buyer insolvency, works and said anyone who fails to receive a payment in a timely manner shouldn't be complacent.

"I cannot stress enough the importance of calling us," she said.

If a buyer fails to meet its payment deadline for one farmer, others may be in the same situation, Brander said. Better that a call is made before what may be a small problem grows worse and, perhaps, affects other farmers.

The GFPB program, which Agricornp administers and oversees, involves a licensing agreement for buyers and oversight as well. Farmers selling grain should only sell to licensed buyers if they want protection under the program.

Growers should also be aware that there's a program time limit in order to have full coverage under the financial protection system. Upon delivery, they should be paid within 10 trading days or, if the commodity is being stored by the buyer, within five trading days.

Under either scenario, farmers are eligible for 95 per cent of approved claims.

However, when farmers agree to a deferred payment option with a buyer, the level of coverage drops. If the deferral is for one to 45 calendar days, the maximum level of coverage is just 50 per cent and coverage falls further for longer deferral periods to the point that no coverage at all is available through the program.

Deferred payment timelines increase the level of risk exposure, Brander said.

"Do we need to be a provider



Beechwood Agri-Services has built its organic business over the years to become one of Ontario's larger buyers. The company hosted a grower meeting in Ailsa Craig on April 11.

of an operating line to our grain buyers? Sometimes we do that when we agree to these deferred timelines."

Brander advised growers to keep their sales agreement paperwork and, for further program details suggested they visit the Agricornp website.

There is good reason for organic farmers to be interested in the GFPB program, given the failure of Homestead Organics in Eastern Ontario.

Carolyn Young, executive-director of the Organic Council of Ontario, didn't talk about the Homestead situation specifically but said the organic industry, while growing, still faces challenges as its supply-chain develops. This, in part, explains why deferred payment agreements have been part of the industry, she said.

Also discussed at the meeting, although Brander and Van Ankum came to talk about the GRPB program, was production insurance.

While the exact numbers are unknown, it's estimated just 30 per cent of organic growers who are eligible actually subscribe to the program.

The reason may be the level of coverage available. While prices for organic commodities are much higher than the conventional counterparts, producer insurance payouts are based on the conventional numbers.

Dean Tiessen of Essex County, Jeff Yeandle of Oxford and others suggested the higher value of organic crops should be reflected in the coverage provided under production insurance, going as far as to suggest they would be willing to pay a premium over conventional rates.

Young said that there is likely upwards of 45,000 acres of organic production split between corn, soybeans, spelt and wheat in Ontario. Citing a buyer survey that was conducted in 2018, the average price paid for winter wheat was \$13 a bushel, double the price of conventional.

Prices for corn, soybeans and food grade soybeans were even stronger at an average price of \$12, \$25 and \$30 per bushel, respectively. Organic yields, however, were significantly lower, from about 60 to 70 per cent that of the average conventional yields.

A change was made to production insurance in Ontario benefiting organic growers although the change will not be retroactive to 2018 in which corn acres, conventional and organic alike, were damaged by DON (deoxynivalenol).

On March 18 the government announced improvements to the salvage benefit that take into account the higher costs farmers face as DON levels increase, with organic corn now included.

Two appointed to animal care board

Poeme Manigat of Mississauga has been appointed to a two-year term on the Animal Care Review Board. He is an employment standards officer and the Ministry of Labour and Labour and a Jurilinguist Legal Consultant at Law Soci-

ety of Upper Canada. Karen Restoule, who previously worked as director of the Justice Sector and Senior Political Advisor of Legal Affairs with the Chiefs of Ontario, has been appointed to a term that ends Dec. 31.



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