

**NEWFOUNDLAND AND LABRADOR
CROP INSURANCE AGENCY**

ACTIVITY PLAN

APRIL 1, 2011 - MARCH 31, 2014



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Chairperson's Message

Honourable Shawn Skinner
Minister of Natural Resources
Natural Resources Building
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister:

I am pleased to submit a Performance-Based Activity Plan for the Newfoundland and Labrador Crop Insurance Agency, as a category 3 public body under the *Transparency and Accountability Act*. This Plan covers the period from April 1, 2011 to March 31, 2014.

The Newfoundland and Labrador Crop Insurance Agency recognizes the vision and mission of the Forestry and Agrifoods Agency and is committed to a supporting role by administering a crop insurance program to support vegetable farmers of the province.

The Newfoundland and Labrador Crop Insurance Agency has reviewed all strategic directions from the Minister Responsible for the Forestry and Agrifoods Agency and has prepared this plan to be consistent with direction to support increased forestry, agrifoods and agricultural sustainability and development.

My signature below is on behalf of the Newfoundland and Labrador Crop Insurance Agency and indicative of the Newfoundland and Labrador Crop Insurance Agency's accountability for the preparation of this plan and achievement of its annual objectives.

Respectfully submitted,

A handwritten signature in black ink that reads "C. MacDonald".

Cynthia MacDonald, P. Ag.
Chairperson

Overview

Section 3 (2) of the *Crop Insurance Act*, R.S.N. 1990, c.C-39 provides for the membership of the Newfoundland and Labrador Crop Insurance Agency. The membership of the Agency shall consist of not less than 3 and not more than 7 members to be appointed by the Lieutenant-Governor in Council to hold office at his/her pleasure.

The Agency presently consists of the following Board members:

Cynthia MacDonald – Chairperson, Director of Agriculture Business Development Division, Forestry and Agrifoods Agency, Department of Natural Resources

Gerald Wicks – Provincial Representative, Agriculture Development Officer, Forestry and Agrifoods Agency, Department of Natural Resources

Junior Eveleigh – Producer Representative

Elaine Wells – Producer Representative

The headquarters of the Crop Insurance Agency is in Corner Brook. A branch office for Eastern region field work is located at the Provincial Agriculture Building in St. John's, and this office services all locations east of the Bay D'Espoir highway. There is one other Western region office located in Pynn's Brook, and this office services areas west of the Bay D'Espoir highway and Southern Labrador. An Agriculture Development Officer with the Department of Natural Resources assists producers in the Happy Valley-Goose Bay area.

The Agency operates under the umbrella of the Forestry and Agrifoods Agency with an independent annual budget of approximately \$419,000.00. Since the Newfoundland and Labrador Crop Insurance Agency is part of a National AgriInsurance Program, the administration costs of the program are cost-shared on a 60:40 federal-provincial basis. The annual financial statements of the Crop Insurance Agency are prepared by the Office of the Auditor General of Newfoundland and Labrador.

Two Agricultural Inspectors employed with the Forestry and Agrifoods Agency assist the Crop Insurance Agency with field inspections. Also, the Program Coordinator of the Newfoundland and Labrador Crop Insurance Agency is an employee of the Forestry and Agrifoods Agency.

AgriInsurance premiums are paid on a cost-shared basis with producers paying 40 percent, the federal government paying 36 percent and the provincial government paying 24 percent. These premiums are deposited into a fund from which indemnities are drawn.

In 2010-11 there were 29 producers with 361 acres of produce enrolled in the AgriInsurance program administered by the Crop Insurance Agency. Through this program, \$94,660.00 was paid out by the Agency for crop losses. Also, indemnity payments of \$5,191.00 from the 2009 crop season were approved and paid in fiscal year 2010-11. Indemnity payments were slightly above the ten year average because of reduced crop yields obtained by some of the producers. The weather conditions were unfavourable for growing successful crops which resulted in decreased crop yields during the 2010 crop season.

Mandate

The mandate of the Newfoundland and Labrador Crop Insurance Agency is to establish and carry out a crop insurance plan under the direction, supervision and control of the Minister of Natural Resources. The Agency shall;

- administer plans of crop insurance established under the *Crop Insurance Act* or the regulations,
- fix by order and publish in the Gazette a final date in each year for the receipt of applications for insurance under a plan,
- conduct surveys and research programs relating to insurance and obtain statistics for the purposes of the agency,
- evaluate and determine crop losses and pay claims under a plan,
- enter into agreements with or retain persons for the soliciting and receiving of applications for instance, the collecting of premiums and the adjusting of claims under plans for and on behalf of the agency, and doing of other things on its behalf that the agency considers necessary,
- reinsure with another insurer the risk or a portion of it under a contract,
- require an applicant for crop insurance or an insured person to provide the information, statements and reports that the agency may require.
- exercise powers and perform the duties that are conferred or imposed upon it under the *Crop Insurance Act* or another Act,
- perform the other functions and discharge the other duties that are assigned to it by the Lieutenant-Governor in Council and,
- make the orders and directions that are necessary to enforce the observance of the *Crop Insurance Act*, the regulations or a plan.

Core Values and Guiding Principles

The Newfoundland and Labrador Crop Insurance Agency performs its duties within the core values and guiding principles established by the Forestry and Agrifoods Agency:

Integrity - Each individual will be honest, dependable, fair, credible and trustworthy. They will openly acknowledge mistakes, seek to correct them and learn from them.

Respect and Professionalism - Each individual will apply legislation and policies equitably and will serve the Department's client groups to the fullest extent possible in a timely manner.

Collaboration - Each individual will seek the opinions and ideas of others in the application of legislation and policies.

Innovation - Each individual will demonstrate initiative and flexibility in responding to challenges and change.

Safety – Each employee views the personal safety of themselves and co-workers on the highest regard and will promote workplace safety at all times.

Productive – Each employee will maximize their productivity and efficiency in carrying out their duties.

Continuous Improvement - Each employee will develop their strengths, improve their knowledge, increase their potential and achieve personal growth through continuous education.

Timely – Each employee will conduct their duties in a timely manner and meet all established deadlines.

Primary Clients

The primary clients of the Newfoundland and Labrador Crop Insurance Agency are vegetable producers with eligible crops in Newfoundland and Labrador.

Lines of Business

The sole line of business of the Newfoundland and Labrador Crop Insurance Agency is the delivery of crop insurance to the vegetable producers of the province who produce the crops eligible for insurance. Eligible crops include potato, turnip, cabbage, carrot, beet, and parsnip.

Applications and contracts from producers for AgriInsurance are received by the deadline of April 30 each year. AgriInsurance field staff of the Forestry and Agrifoods Agency

visit each producer's farm to inspect the conditions of the fields before planting, measure the seeded acreages and create field maps using Global Positioning System equipment. The acreages for the producer's crops are used to calculate the premiums, guaranteed production and coverage. Producers are sent an invoice for their share of the premiums and are payable to the Agency by October 31 each year.

The AgriInsurance field staff with the Forestry and Agrifoods Agency complete crop inspections on all the vegetable fields during the crop season and provide advice and assistance to producers on proper cropping procedures and techniques. During harvesting season, all the yields are determined through test dig analysis and compared to the set levels of guaranteed production for each individual crop. All files in a potential claim position are presented to the Crop Insurance Agency Board at an annual meeting. The Board makes an assessment of the potential loss and eligibility for compensation under the AgriInsurance program and renders a decision. The decision of the Board is communicated to the producers and any claim payments are processed. The producers have the right to appeal the decision of the Board and may do so by sending a written letter to the Chairperson. All appeals are reviewed by an arbitrator and those final and binding decisions are forwarded to the producer.

Research of new insurance plans is also conducted by AgriInsurance staff. Data collection, analysis, and policy formulation around new plans occur when a request is submitted from industry. Federal counterparts also review new plans as they must approve them for cost-sharing before they are offered to producers. A new plan would insure crops other than those currently covered and may have different policy guidelines and indemnity triggers than are currently in place.

Vision

Through the AgriInsurance program, the Newfoundland and Labrador Crop Insurance Agency protects investments in crop production. By easing the financial burden in times of crop loss, the AgriInsurance program helps ensure resources are available for future generations and helps ensure prospects for future development. It contributes to the vision of the Department of Natural Resources, stated as follows:

“The vision of the Department of Natural Resources is a province that realizes the full benefit from the sustainable development of its natural resources.”

Mission

The mission statement is the priority focus area of a public body over its planning cycle.

It represents the key longer term result that the public body and the responsible minister will work towards to achieve a component of government's Strategic Directions. The statement also identifies the measures and indicators that will assist a public body and the public in monitoring and evaluating success.

The Newfoundland and Labrador Crop Insurance Agency has determined that an applicable mission statement would be unduly repetitive of its mandate. It has opted to forgo development of a mission statement at this time.

The Newfoundland and Labrador Crop Insurance Agency considered its role in assisting the Forestry and Agrifoods Agency in achieving its mission for the planning period. The Crop Insurance Agency has a role in supporting efforts to strengthen and sustain agricultural and agrifoods industry development by administering the AgriInsurance program, thereby helping protect farmers from financial loss. As such, aspects of the following general statement from the mission of the Forestry and Agrifoods Agency related to agriculture and agrifoods sectors apply to the Crop Insurance Agency.

“By March 31, 2017, Forestry and Agrifoods Agency will have supported programs and services to strengthen and sustain forestry, agriculture and agrifoods industry development in an innovative and economically beneficial manner.”

The Crop Insurance Agency has determined that it has no material impact on achievement of measures and indicators of the Forestry and Agrifoods Agency's mission statement.

The complete mission of the Forestry and Agrifoods Agency is found in its Strategic Plan for the period covering April 1, 2011 to March 31, 2014.

Objective

In consideration of the Strategic Directions of the Minister of Natural Resources to work toward increased forestry, agrifoods and agriculture resource sustainability and industry development over the planning period, as well as the mandate and financial resources of the Newfoundland and Labrador Crop Insurance Agency, the following area has been identified as the key priority of the Agency for the three year period April 1, 2011 to March 31, 2014. The objective below applies to each year covered by this plan and will be reported on in relevant annual reports.

Issue 1: Management and Administration of the AgriInsurance Program

The primary issue of the Newfoundland and Labrador Crop Insurance Agency is to deliver the AgriInsurance plan to the vegetable producers of Newfoundland and Labrador

who choose to participate and to assess the feasibility of offering new insurance plans upon request by industry.

Objective: By March 31, 2012 the Newfoundland and Labrador Crop Insurance Agency will have continued to offer an insurance plan to vegetable producers and assessed the feasibility of covering additional products, as required.

Measure: Offered insurance plan and assessed feasibility of new products, as required

Indicators:

- Registered applications for Crop Insurance
- Issued contracts
- Insured fields measured and inspected
- Test dig and yield calculations completed
- Reviewed all claims
- Decisions communicated to applicants and indemnities paid
- Commenced appeal process when requested by producers
- Assessed feasibility of covering new crop products, upon request, and carried out development work on insurance plans for new crops approved.

Appendix A: Strategic Directions

A Strategic Direction is the articulation of a desired physical, social, or economic outcome that would normally require action by, or involvement of, more than one government entity. They are normally communicated through White Papers, or other major platform documents.

Title: Forestry, Agriculture and Agrifoods Resource Sustainability

The forestry sector is facing unprecedented challenges in the changing global environment. Improved industry competitiveness and environmental stewardship are key strategic components to ensure sustainability of our forestry renewable resources while providing long term benefits to Newfoundland and Labrador.

The agriculture and agrifoods sector is an important component of our economy and must be properly managed to ensure a future supply of agriculture and agrifoods products. Ensuring sustainability of our agriculture renewable resources will provide future economic benefits to the province.

OUTCOME: Enhanced resource management to maintain a globally competitive and sustainable forestry industry and to ensure future agriculture and agrifoods production.

This outcome supports the policy direction of government and will require focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed	
		In the Agency's activity plan	Not applicable
Enhanced resource management to maintain a globally competitive and sustainable forestry industry and to ensure future agriculture and agrifoods production.	Agrifoods Resource Management	X	
	Land Management		X
	Research and Development		X
	Human Resource Development		X
	Resource/Product Safety		X
	Forest Resource Management		X
	Industry Support to Strengthen Global Competitiveness	X	
	Environmental Management System		X

Title: Forestry, Agriculture and Agrifoods Innovation, Promotion and Development

To ensure the continued sustainable development of the industry our forestry sector must improve the ability to compete in a changing global environment. Opportunities to diversify into new products, expand to new markets, increase innovation through research and development and promote the industry through improved public perception will strengthen long term viability of this important renewal resource sector.

Our agriculture and agrifoods sector has an opportunity to expand beyond its current levels of production. Food security is important in a province that imports approximately 90% of its food supply and relies heavily upon a marine transportation system for the transport of our food supply. Opportunities to expand and diversify the agriculture and agrifoods sector will be a vital component of industry development.

OUTCOME: Enhanced forestry, agriculture and agrifoods sectors’ innovation, promotion and development.

This outcome supports the policy direction of government and will require focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed	
		In the Agency’s activity plan	Not applicable
Enhanced forestry, agriculture and agrifoods sectors innovation, promotion and development	Land Development		X
	Agriculture Primary Production	X	
	Agrifoods Secondary Processing		X
	Innovation/Research and Development		X
	Agribusiness Development		X
	Product Diversification		X
	Comprehensive Marketing Strategy		X
	Promotion and Education		X