



NEW STUDY HIGHLIGHTS ECONOMIC IMPACT AND FUNDING SHORTFALL OF ONTARIO'S RISK MANAGEMENT AND SELF-DIRECTED RISK MANAGEMENT PROGRAMS (RMP/SDRM) FOR FARMERS

GUELPH, ON - October 31, 2022 – Today, the Ontario Agriculture Sustainability Coalition (OASC) announced the release of a new study, *Evaluation of the Impact of the Risk Management Program / Self-Directed Risk Management Program on Ontario Farmers and the Economy*, undertaken by Harry Cummings and Associates and Agri-Metrics Consulting. The study examined the economic impact that Ontario's Risk Management Program (RMP) and Self-Directed Risk Management Program (SDRM) have on Ontario farms, farm production and the broader Ontario economy.

Highlights of the study include:

- Every dollar spent on RMP/SDRM leads to \$2.01 - \$3.60 return on investment. In 2020, this led to an increase in economic output of between \$282.6 million and \$506.2 million.
- RMP/SDRM helps support more than 47,000 full-time, part-time, and seasonal jobs.
- More than 95% of participating farmers agree that not having access to this program would negatively impact their farm operations.
- RMP/SDRM support allows farmers to mitigate input cost volatility, and enables many participating farmers to increase their investments in innovation, equipment and labour.
- On average for the 2016 - 2020 years, program funding only covered 40.4% of calculated insurance benefits for participating farmers due to the current funding cap.
- RMP/SDRM is viewed by participating farmers as a particularly important risk management tool for young and beginning farmers, and assists farmers in obtaining financial services from private lenders.

"The results of this study not only confirm the positive impact this important program has on farmers, farm production and economic activity for the province, it also provides strong data to support to OASC's call on the Ontario government to increase its investment into this critical program," says grain farmer and OASC Chair, Brendan Byrne.

The release of the study comes at an important time as many farm sectors struggle to manage the impact of inflationary pressures on the price of farm inputs, debt servicing costs due to rising interest rates and supply chain disruptions due to ongoing pandemic issues, labour shortages and international conflicts. Price increases received by farmers are not keeping pace with historically high production costs. Ultimately, these challenges continue to present significant threats to domestic food production and the viability of Ontario farms.

Fortunately, programs like RMP/SDRM were designed specifically to help farmers mitigate market volatility through targeted coverage that captures changes in market and production costs.

"The study provides a clear signal to policymakers that provincial investment into the RMP/SDRM program is good for farmers, good for taxpayers and good for the Ontario economy. The program funding limitations noted in the report represent one major shortcoming of an otherwise valued and impactful program for Ontario farmers and the broader Ontario economy," says beef producer and OASC Vice-Chair, Jack Chaffe.

"The RMP/SDRM program is critical for growers in Ontario, who are facing a challenging operating environment where input costs are increasing faster than price increases for produce sold. Programs like RMP/SDRM help ensure a stable and reliable domestic food supply for Ontarians but funding needs to keep pace with current need" says vegetable grower and OASC Vice-Chair, Mike Chromczak.

A copy of the study can be accessed [HERE](#).

In 2021, OASC commodities accounted for \$10.6 billion in farm cash receipts and contributed \$22.7 billion to Ontario Gross Domestic Product in farm products, food manufacturing, and retail.¹ This activity accounts for approximately 333,000 jobs in Ontario.¹

¹ <https://data.ontario.ca/dataset/ontario-agri-food-value-chain-by-commodity> and <https://data.ontario.ca/dataset/ontario-farm-cash-receipts>



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*The **Ontario Agriculture Sustainability Coalition (OASC)** is comprised of the Beef Farmers of Ontario, Ontario Fruit and Vegetable Growers' Association, Grain Farmers of Ontario, Ontario Pork, Ontario Sheep Farmers, and the Veal Farmers of Ontario. The coalition was formed in 2009 to develop and implement the Risk Management Program (RMP) in Ontario at the request of the Government of Ontario.*