

**NEWFOUNDLAND AND LABRADOR
CROP INSURANCE AGENCY**

ACTIVITY PLAN

APRIL 1, 2008 - MARCH 31, 2011



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Chairperson's Message

June 15, 2008

Honourable Kathy Dunderdale
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, 2008 to March 31, 2011.

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 agriculture development and diversification.

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 the achievement of its annual objective.

Respectfully submitted,

A handwritten signature in blue 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

Gary Greenslade – Vice-Chairperson, Inspection Manager, Canadian Food Inspection Agency

Vacant – Provincial Representative

Junior Eveleigh – Producer Representative

Elaine Wells – Producer Representative

The headquarters of the 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 Agricultural Representative 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 \$250,000.00. Since the Newfoundland and Labrador Crop Insurance Agency is part of a National Crop Insurance 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.

Four Agricultural Inspectors employed with the Forestry and Agrifoods Agency assist the Crop Insurance Agency with field inspections. Also, the Secretary/Manager of the Newfoundland and Labrador Crop Insurance Agency is an employee of the Forestry and Agrifoods Agency.

Production insurance 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 2007-08 there were 25 producers with 549 acres of produce enrolled in the production insurance program administered by the Crop Insurance Agency. Through this program,

\$214,305.00 was paid out by the Crop Insurance Agency for crop losses. Also, indemnity payments of \$9508.09 from the 2006 crop season were approved and paid in fiscal year 2007-08. 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 2007 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 the 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 the 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 Departmental 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 Departmental legislation and policies.

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

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

Primary Clients

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

Line 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.

Applications and contracts from producers for production insurance are received by the deadline of April 30 each year. Production insurance 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 which is payable to the Newfoundland and Labrador Crop Insurance Agency by September 30 each year.

The production insurance 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 crop insurance 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.

Vision

Through the production insurance program, the Newfoundland and Labrador Crop Insurance Agency protects investments in crop production. By easing the financial burden in times of crop loss, the production insurance 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 facilitating opportunities for agricultural and agrifoods resource development and diversification by administering the production insurance program, thereby helping protect farmers from financial insolvency. 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, 2011, the Forestry and Agrifoods Agency will have: implemented programs necessary to sustain the province’s forest ecosystems; identified and facilitated further opportunities for sustainable agriculture and agrifoods resource development; and optimized the benefits received from these resources.”

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, 2008 to March 31, 2011.

Objective

In consideration of the strategic direction of the Minister of Natural Resources to work toward increased forestry, agrifoods and agriculture development and diversification 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, 2008 to March 31, 2011. The objective below applies to each year covered by this plan and will be reported on in relevant annual reports.

Issue 1: Administered the Production Insurance Program

Objective: The Newfoundland and Labrador Crop Insurance Agency will have processed applications for crop insurance under the Crop Insurance Act.

Measure: Processed applications

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

Appendix A: Strategic Directions

The Newfoundland and Labrador Crop Insurance Agency considered the Strategic Directions of the Minister Responsible for the Forestry and Agrifoods Agency in preparation of its April 1, 2008 to March 31, 2011 Activity Plan.

The focus of the Newfoundland and Labrador Crop Insurance Agency is on the support of primary agricultural production. Easing the financial burden in times of crop loss, through the insurance program, will help ensure resources are available for future generations and will help ensure prospects for future development.

The following excerpt from the Forestry and Agrifoods Agency Strategic Plan 2008-11 is relevant to the Newfoundland and Labrador Crop Insurance Agency in the development of its activity plan. For a full list of the Strategic Directions of the Minister Responsible for the Forestry and Agrifoods Agency, please contact the Forestry and Agrifoods Agency.

1. Title: Forestry, Agrifoods and Agriculture development and diversification.

Outcome: Increased Forestry, Agrifoods and Agriculture development and diversification.

This outcome supports the policy direction of Government and requires systemic intervention by the Newfoundland and Labrador Crop Insurance Agency in the following areas:

Strategic Direction Component (Focus Area)	This direction is ...	
	addressed in the entity's Activity Plan	not applicable
Access to farm capital		√
Primary agriculture production	√	
Value added and secondary production		√
Agriculture development and promotion		√
Research and development		√
Agricultural land development		√
Forest sector competitiveness		√