

# Business Risk Management

## **INCOME STABILIZATION PROGRAMS**

Agricultural producers face significant economic and production risks outside of their immediate control. These risks can lead to wide fluctuations in producer income which threatens stability in the agricultural sector and broader economy. APAS believes that effective income stabilization program must be capable of mitigating income losses associated with these risks. APAS supports income stabilization programs that are:

- Compliant with Canada's international trade obligations
- Production neutral in their treatment of farm types
- Reflective of the marketplace in terms of timing of payment and coverage levels
- Simple and transparent in program administration and delivery
- Supportive of proactive forms of risk management, such as mixed farms and other forms of on-farm commodity diversification

## **SELF-ADMINISTERED ACCOUNTS**

APAS believes that investment matching risk management programs like Agri-Invest must be maintained. APAS supports changes to Agri-Invest that would increase government matching contributions and allow producers to withdraw their non-taxable funds first, provided the funds are used for a set of pre-approved industry projects.

## **PRODUCTION INSURANCE**

Crop insurance is a very important tool for Saskatchewan producers in managing production risks. APAS believes the following principles should guide the development and delivery of production insurance programs.

- The administration and delivery of the program should be as simple and transparent as possible for both the Corporation and producers.
- The program must offer affordable and effective options for producers.
- The program must be market neutral
- The program must effectively reflect the costs-of-production
- Sufficient funds must be made available to meet the needs of the program

## **DISASTER PROGRAMS**

APAS supports a targeted disaster program that is adequately funded by the provincial and federal governments. These disasters could be natural (prolonged droughts, wide-scale flooding, frosts) or man-made (trade challenges or trade barriers).

When additional funds are allocated in disaster programming, they should be defined clearly as disaster related and come from outside the existing safety net system. They must also be adequate to address the needs, be delivered in the year needed, and should treat all producers equitably. This should include the deferral of tax liabilities which may be incurred as a result of the forced liquidation of livestock.

## **ADVANCED PAYMENTS**

APAS believes the Advance Payment Program must be maintained to help producers market their products and meet their payment obligations in a timely fashion. APAS supports an increase to the interest-free portion and the overall limit of advanced payments to ensure the program keeps pace with rising production costs. APAS believes that program deadlines should provide flexibility when producers are facing marketing and production delays beyond their control.