

## Report prepared for Peace River Agricultural Development Fund

### **Title of Project: Business Risk Management Consultation 2005**

**Report Title:** Annual Report  
**Report Covering Period** April 1, 2005 to March 31, 2006  
**Organization(s):** BC Grain Producers Association  
**Contact Person:** Jim Smolik  
**Address:** Box 161, Dawson Creek, BC, V1G 4H3  
**Telephone:** 250-782-8686 **Fax:** 250-782:8690  
**Email:** bcgpa-c@pris.bc.ca

### **Objectives:**

- To actively participate in the development and improvement of risk management tools and communicate the results back to producers.
  - Represent the grain & oilseed producers on Safety Nets Advisory Committee in program development by the Ag Risk Management Branch.
  - Represent the BCGPA on the BC Agriculture Council (BCAC) and forward relevant information to BC producers
  - Travel to Grain Growers of Canada meetings to represent BC Grain Producers.

### **Accomplishments:**

Throughout this past year the BCGPA has participated in several Provincial and National meetings. We have representatives on the:

- Provincial Safety Nets Advisory Committee (PSNAC)
- Production Insurance sub-committee of PSNAC
- BC Production Insurance Committee
- National Safety Nets Advisory Committee (NSNAC)

Through these committee's we have, and will continue to identify, and work toward policy changes that will address the shortcomings of the current suite of programs for the Grains and Oilseed industry.

### **Production Insurance**

There are important changes to Production Insurance for the 2006 crop year. The Agriculture Policy Framework (APF) agreement has changed the name from Crop Insurance to the broader term Production Insurance. As well other changes needed to be made in order to reflect the Federal Governments requirements in regard to definitions and Federal/Provincial cost share arrangements. The BCGPA was invited to participate on the PSNAC Production Insurance sub-committee to develop the template that would address these issues. Given that maintaining the old Basic Plus program was not a viable option,

all producer groups requested that a similar “disaster level coverage” be retained. With thanks to Lonny Steward and staff this objective was achieved, as well as the expansion of coverage options available, and the reduction of premium costs when you choose the 70% and 80% levels. In addition the Ministry has also developed a “Grain Basket” option this year. This option provides coverage at a much lower cost than insuring each crop separately, with production between crops being offsetting. Example: low production in one crop can be offset by production in another. As in the past, each farm and situation is unique, with local Ministry staff available to explain all the options available.

## **CAIS Program**

There currently remains a Production Insurance (PI) linkage to the CAIS program. For commodities that can purchase PI, and in relation to a CAIS negative margin claim, you will be deemed to carry 70 x 100 coverage. If you carry a level of insurance less than 70 x 100, the difference will be deducted from your claim. The positive margin linkage is currently being reviewed due to the fact that four variations now exist in Canada. Any change to the current linkage will encompass the following 3 principles:

- Encourage long term participation in PI;
- Participation shall not have a detrimental impact on participation on PI;
- There shall not be any double indemnification as a result of participating in both programs.

In response to alternatives to deposits the government has decided to allow producers to withdraw all of their funds in CAIS accounts. If however, an alternative can't be agreed on by governments, the deposit will remain, with a deadline to deposit your 1/3 by March 31, 2006. Other issues currently under discussion are a more proactive advance system under CAIS, administrative improvements, inventory valuation, reference margins, and the already mentioned PI/CAIS linkage.

## **Association with BC Agriculture Council:**

We continue to maintain membership in the BCAC, through this association and regarding safety nets, our director represents the BCAC at the National Safety Nets Advisory Committee and also participates with BCAC at the Provincial Safety Nets Advisory Committee.

## **Affiliations with Grain Growers of Canada:**

We continue to maintain direct affiliation and communication with the GGC and specific to safety nets, participate on the Farm Income Working Group. Our association with the GGC allows the BCGPA directors to have input into submissions to the Federal Minister of Agriculture, Select Standing Committees on Agriculture, National Safety Nets Advisory Committee and the BRM Technical Working Group. Our representative, Jim Smolik, is currently the president of the GGC. This affiliation has also allowed us to send an observer to the WTO talks in Hong Kong.

Consultations on any part of transition funding, as well as assisting in information workshops.

**Extension and demonstration:**

1. Circulation of information as it becomes available to BCGPA directors, via e-mail or faxes
2. Relevant information posted on our website, reports or news releases by other sources as they become available.
3. Participate in Provincial stakeholder info sessions, consultation of industry
4. Presentations at the BCGPA AGM (Jim Smolik, Chair; Lonny Steward, MAL PI)
5. Interviews with media (paper\radio) to update on Safety Nets Developments

**Web resources:**

[www.agr.ca/caisprogram](http://www.agr.ca/caisprogram) - CAIS website

<b>Finances:</b>	<b>Budget</b>	<b>Actual</b>
<b>Income</b>	\$10,165.00	\$5,628.36
<b>Expenses</b>	\$10,165.00	\$5,628.36

**Variances from original work plan schedule or budget:**

The associated parties paid some of the travel costs that were associated with the meetings.

**Summary comments, conclusions:**

We are pleased to have a very dedicated chair on this committee that continues to have input into the development of new era Safety Nets & Business Risk Management strategies for the grain farmer under the new Agriculture Policy Framework.

**Attachments:** Budget vs. Actual Financial statement attached  
Meeting Summary for “in Kind” contribution  
Newspaper article  
BCPGA Members Update Fall/Winter

**Project Title: Finances for Business Risk Management Liaison 2005-PRAD Report**

Income	Description	Budget	Actual
	"In Kind" Contribution	\$ 2,540.00	\$ 1,407.09
Directors time	local 4Meet\6hrs@\$25\hr	\$ 600.00	
	prov 4Meet\2.5days@\$200\day	\$ 2,000.00	
	nat 3Meet\6days@200\day	\$ 3,600.00	
Applicants cash contribution		\$ 2,540.00	\$ 1,407.09
<b>PRAD I</b>		\$ 5,080.00	\$ 2,814.18
	<b>Total</b>	\$ 10,160.00	\$ 5,628.36

Expenses			
	Travel to Meetings & Conferences	\$ 3,800.00	\$ 3,056.80
Local meetings	4 meetings	\$ 200.00	
Provincial meetings	4 trips	\$ 1,500.00	
National meetings	3 trips	\$ 2,100.00	
Communications\ Speakers	GGC & other	\$ 2,300.00	\$ 700.60
Directors time		\$ 2,540.00	\$ 1,407.09
Bookkeeping, telephone, fax, sundry		\$ 1,525.00	\$ 463.87
		\$ 10,165.00	\$ 5,628.36

in kind capped at 25% of project value

**BC Grain Producer Assoc**  
**Safety Nets & BRM 2005-06 Project Income Summary 01/04/2005 to 31/03/2006**

	<u>Revenue</u>	<u>Expense</u>
4010 Levy Council	10,922.09	
4050 PRAD !	2,814.18	
5610 Accounting & Legal		160.00
5620 Project Mgmt. & Facilitation		115.00
5621 Communiation & Affiliations		20.00
5624 Membership Mail out		193.93
5625 Memberships(other assoc)		9,515.00
5626 Travel & Milage		2,456.05
5627 Meal Allowance (Industry Meetings)		516.66
5631 Meeting Room Rent&Catering		84.09
5645 Bookkeeping & Secretarial		248.75
5651 Miscellaneous Expenses		11.00
5653 Equipment Rent		71.67
5654 Tel\Fax\Net\Web		39.12
5662 Directors Communication Allowance		300.00
5690 Interest & Bank Charges		5.00
	<u>13,736.27</u>	<u>13,736.27</u>
<b>REVENUE minus EXPENSE</b>	<b>0.00</b>	