



# **2025**

# **National Agriculture Risk Management**

# **Forum**

## **Summary Report**

March 2025

# Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>6</b>
<b>PLENARY PRESENTATION 1 .....</b>	<b>7</b>
PURPOSE OF THE CURRENT FORUM AND OVERVIEW OF WORK TO DATE	
<b>Key Messages: .....</b>	<b>7</b>
<b>PLENARY PRESENTATION 2.....</b>	<b>8</b>
UNDERSTANDING THE RISK LANDSCAPE FARMERS ARE FACING: PERSPECTIVE FROM THE CANADIAN FEDERATION OF AGRICULTURE	
<b>Key Messages: .....</b>	<b>8</b>
<b>PLENARY PRESENTATION 3.....</b>	<b>9</b>
UNDERSTANDING THE TOOLS AVAILABLE TO MANAGE FARM RISK	
<b>Key Messages .....</b>	<b>10</b>
<b>DISCUSSION SESSION 1 .....</b>	<b>11</b>
COMPREHENSIVE AND PROACTIVE RISK MANAGEMENT	
<b>Summary of Points Raised during the Discussion .....</b>	<b>11</b>
<b>PLENARY PRESENTATION 4.....</b>	<b>15</b>
RESULTS FROM THE REALAGRISTUDIES RISK MANAGEMENT SURVEY: UNDERSTANDING PRODUCERS' RISK MANAGEMENT ACTIVITIES, PREFERENCES AND NEEDS	
<b>Key Messages .....</b>	<b>15</b>
<b>DISCUSSION SESSION 2 .....</b>	<b>17</b>
SUPPORTS NEEDED TO HELP KEY PLAYERS IN AGRICULTURE MANAGE RISK	
<b>Summary of Points Raised during the Discussion .....</b>	<b>17</b>
<b>DISCUSSION SESSION 3 .....</b>	<b>19</b>
HOW TO HELP THE SECTOR IMPLEMENT COMPREHENSIVE RISK MANAGEMENT PLANS	
<b>Summary of Points Raised during the Discussion .....</b>	<b>19</b>
<b>KEY MESSAGES FROM THE FORUM .....</b>	<b>21</b>
<b>RECOMMENDATIONS FROM THE FORUM.....</b>	<b>23</b>
<b>CONCLUDING REMARKS .....</b>	<b>24</b>
<b>ANNEX A - FORUM PARTICIPANTS.....</b>	<b>26</b>
<b>ANNEX B – FORUM AGENDA .....</b>	<b>27</b>

# EXECUTIVE SUMMARY

Agriculture has been rated one of the riskiest and least prepared industries in the world. As demonstrated through recurring and more severe weather events and market volatility, as well as recent geo-political events and trade disputes between Canada and its trading partners, Canada's farmers continue to face increasing volatility and risks from a broad range of sources. Unfortunately, most farms in Canada do not have a formalized risk management plan, and many rely on reactive programs to minimize the losses brought by these risks. This highlights the need for innovative strategies and collaborative solutions, both in the short and long term to help farmers remain prosperous and competitive in an increasingly complex and evolving risk landscape.

A National Agriculture Risk Management Forum was held in Ottawa on February 10, 2025. The Forum was hosted by Farm Management Canada in partnership with the Canadian Agri-Food Policy Institute (CAPI) and gathered a diverse cross-section of members of the agricultural community including farmers, farm advisors, industry associations, lenders, insurers, and private industry service providers to share insights and ideas, and carve out a path towards making meaningful progress in improving Canada's approach to managing farm risk.

The 2025 Forum was designed to continue to expand on the recommendations established during previous Forums, which had outlined a framework to encourage farmers, key industry service providers and governments to drive the application of a comprehensive approach to managing risk, and proactive measures to mitigate risks faced by Canadian farmers. The 2025 Forum focused on understanding the evolving risk landscape for Canada's farmers, assessing the approaches, programs and tools available to mitigate and manage these risks, and determine the roles that various sector players, including farmers, can play in the face of emerging challenges and increasing uncertainty.

The Forum included a combination of presentations from the hosts and invited guests, breakout discussions, and group discussion, where participants were asked the following key questions:

1. What needs to happen to create a more comprehensive and proactive approach to managing farm risk in Canada?
2. What can key players in the industry, including farmers, business advisors, lenders, and insurers, do to help farmers work towards having comprehensive and proactive risk management plans?
3. What would help industry service providers be more effective in helping farmers adopt comprehensive and proactive risk management strategies?

The discussions held during the Forum are summarized in this report, which contains key recommendations sector players including governments, industry, and farmers. A list of 2025 Forum participants can be found in Annex A. The 2025 Forum agenda can be found in Annex B.

Forum was the kick-off event to a series of discussions that will culminate at CAPI's October 2025 Conference: Canadian Agri-Food in a Risky World.

# RECOMMENDATIONS FROM THE FORUM

## **1. Risk Management ROI Analysis**

- Conduct a comprehensive review and SWOT analysis of risk management programs, resources and tools available to farmers, covering proactive and reactive risk management, and including information on their uptake and impact.
- Conduct a comprehensive review of farm risk management research underway, identifying gaps and opportunities. Examine existing studies and literature to identify the benefits and return on investment of key risk management practices that are an essential part of comprehensive risk management plans to build the case for such an approach.
- Promote existing risk management resources and tools to the farming community.

## **2. National Risk Management Education Strategy**

- Create a National Risk Management Education and Communication Strategy to explain and promote proactive versus reactive risk management and comprehensive risk management and risk management tools and resources available to farmers.
- Create information resources to educate farmers about the government BRM suite.

## **3. Comprehensive Risk Management Training and Education for Farm Advisors**

- Provide training and information for farm advisors and other key industry players that offer advisory support and expertise to farmers so they may either direct farmers to the appropriate tools and resources or provide comprehensive risk management support.

## **4. Continued Financial Literacy and Risk Management Training**

- Coordinate and expand farm financial literacy and risk management training and support for farmers to help inform management decisions.

## **5. Incentivized Proactive Risk Management**

- Examine ways to incentivise comprehensive risk assessments and risk planning for farmers, as well as the implementation of key risk mitigation practices identified during the assessment and planning process.

## **6. Farm Data Standardization and Benchmarking Review**

- Accelerate the National Farm Income Data Harmonization project to create a national farm income database to support and improve cost of production analysis, benchmarking, and risk management efficiency and effectiveness.
- Examine and educate the sector on new tools and resources to facilitate the collection, analysis, and comparison of real-time farm data.

## **7. National Risk Management Task Force**

- Examine opportunities to set up a collaborative Task Force, bringing together industry and government experts to support the development of best practices in risk management, risk management education, and policy development.
- Examine opportunities for more direct involvement from farmers and other key players in policy development relating to risk management in agriculture.

## **IN SUMMARY**

By acting on the recommendations in this report, we can foster a more resilient and sustainable agricultural sector that is well-equipped to navigate the uncertainties of the future, instilling confidence in farmers regarding their risk mitigation practices and in the safety nets they rely on.

# INTRODUCTION

Unlike many other industries, agriculture faces a wide array of risk, from weather events to human resource issues, and from trade disputes to fluctuating markets. It has been rated one of the riskiest and least prepared industries in the world. This highlights the need for effective risk management strategies on Canadian farms. Unfortunately, most farms in Canada do not currently have a formalized written risk management plan, and many rely on reactive programs to minimize their risks.

Comprehensive risk management encompasses a broad scope of activities, approaches and strategies farm managers can use to mitigate the negative impacts of risk and seize opportunities presented by uncertainty and change. It's about being proactive through the application of risk mitigation strategies and safety nets to reduce known risks, while ensuring that the right supports are in place to respond to emerging risks unforeseen events.

The 2025 National Agriculture Risk Management Forum was held on February 10<sup>th</sup>. The Forum was hosted by Farm Management Canada in partnership with the Canadian Agri-Food Policy Institute (CAPI) and gathered a diverse cross-section of members of the agricultural community including farmers, farm advisors, industry associations, lenders, insurers, and private industry service providers to share insights and ideas, and carve out a path towards making meaningful progress in improving Canada's approach to managing farm risk.

The objective of the Forum was to better understand the risk landscape for Canada's farmers, the tools available to mitigate and manage risk, and the roles and responsibilities of various sector players, including farmers, in the face of emerging challenges and increasing uncertainty.

The 2025 Forum was designed to continue to expand on the recommendations established during previous Forums, which had outlined a framework to encourage farmers, key industry service providers and governments to drive the application of a comprehensive approach to managing risk and proactive measures to mitigate risks faced by Canadian farmers. The Forum focused on understanding the evolving risk landscape for Canada's farmers, assessing the approaches, programs and tools available to mitigate and manage these risks, and determine the roles that various sector players, including farmers, can play in the face of emerging challenges and increasing uncertainty.

The Forum included a combination of presentations from the hosts and invited guests, breakout discussions, and group discussion, where participants were asked the following key questions:

1. What needs to happen to create a more comprehensive and proactive approach to managing farm risk in Canada?
2. What can key players in the industry, including farmers, business advisors, lenders, and insurers, do to help farmers work towards having comprehensive and proactive risk management plans?
3. What would help industry service providers be more effective in helping farmers adopt comprehensive and proactive risk management strategies?

As it was in the previous Forum, to increase the openness of discussions, the Chatham House Rule was applied.

The following report summarizes key messages, discussion points and recommendations derived from the 2025 National Agriculture Risk Management Forum. A list of Forum participants can be found In Annex A, and the Forum agenda can be found in Annex B.

## PLENARY PRESENTATION 1

### PURPOSE OF THE CURRENT FORUM, OVERVIEW OF WORK TO DATE.

**Presenter:** Heather Watson, Executive Director, Farm Management Canada

**Focus:** To provide background information on previous Forums, recommendations, and work to date, explain the focus and rationale for the 2025 Forum, and describe comprehensive risk management and its benefits for agriculture.

#### Key Messages:

1. **Forum Objective:** The objective of the 2025 Forum was to better understand the risk landscape for Canada's farmers from an industry perspective, the tools and resources available to mitigate and manage risk, and the roles and responsibilities of various sector players, including farmers, in the face of emerging challenges and increasing uncertainty.
2. **Format:** The day was broken into three discussion sessions, preceded by presentations from industry experts. To increase the openness of discussions, the Chatham House Rule was applied.
3. **Work to Date:** Key initiatives included the AgriRisk Initiatives Program Project Showcase & Discussion, creation of the Comprehensive Guide to Managing Risk in Agriculture, creation of the National Risk Management Advisory Committee, launch of the AgriShield Risk Assessment and Planning Platform, creation of financial literacy and risk management training programming for farmers and advisors, support for comprehensive risk management post-secondary curriculum development, and hosting and reporting on previous National Risk Management Forums including recommendations.
4. **Today's Focus:**
  - Understand the risk landscape facing farmers.
  - Identify available tools and resources.
  - Evaluate if current efforts are sufficient to manage farm risk.
  - Determine additional needs and recommended actions to ensure the availability of the right tools and support.

5. **Main Types of Risks:** Risks are categorized into production (weather, pests, disease), people (hired labour, family, health, safety), finance (investments, money management), business environment (consumers, governments), management (farm transition, operations, technology), and markets (sourcing, selling, trade).
6. **Mental Health & Farmers:** Top stressors include unpredictability of the agricultural sector, financial pressures, and workload pressures. Women and young farmers report higher levels of stress, compounded by family and farm team harmony and farm transition planning.
7. **Benefits of Planning:** Farmers who prepare and follow a written plan are more profitable, better at prioritizing, more confident in decision-making, better at effective communication with the family and farm team, and report greater peace of mind.

## PLENARY PRESENTATION 2

### UNDERSTANDING THE RISK LANDSCAPE FARMERS ARE FACING: PERSPECTIVE FROM THE CANADIAN FEDERATION OF AGRICULTURE

**Presenter:** Scott Ross, Executive Director, Canadian Federation of Agriculture

**Focus:** To provide participants with an understanding of the risk landscape facing Canadian farmers from a policy and regulatory development perspective.

#### Key Messages:

1. **Political Challenges:** The political landscape in Ottawa is highly volatile, with uncertainty surrounding the current government's momentum amid tariff disputes and the opposition's potential rise to power. This unpredictability affects planning, including the impact of policies like the carbon tax on agricultural operations.
2. **Legislative Challenges and Opportunities:** The rapid increase in Private Members' Bills has created significant uncertainty. Some bills are beneficial, while others are problematic. The Senate's unpredictable influence further complicates the legislative environment. Many proposed changes have unintended, yet detrimental consequences for farmers.
3. **Policy and Regulatory Changes and Compliance Costs:** Farmers face new national and international regulatory requirements, leading to confusion and uncertainty about compliance. Examples include new "greenwashing" provisions, shifting land use policies, and capital gains rules, which impact agricultural planning and operations.
4. **Tariff Impositions:** The threat of tariffs, such as the potential 25% US tariffs on Canadian products, has disrupted the previously stable Canada-US relationship. This threat alone is



altering farmer behavior, particularly in highly integrated and perishable sectors like greenhouse and ornamental products.

5. **Market Access Uncertainty Post-NAFTA (CUSMA):** The review and renegotiation of the Free Trade Agreement introduces uncertainty. While the agreement provided structure and rules, the destabilizing approach of the current administration poses risks to supply management and market access.
6. **Export Market Volatility:** The concentration of export markets is a concern, necessitating diversification. Trade disputes, such as those with China, have led to restrictions on Canadian canola exports, causing significant revenue losses for farmers dependent on international markets.
7. **Principles of Good Government Relations:**
  - Play the Long Game: Focus on long-term and continuous engagement with government officials, policymakers, and legislators, including international partners.
  - Build and Maintain Relationships: Engage with government officials even when there is no specific "ask" to build trust and credibility.
  - Focus on Core Priorities: Maintain consistency and coherence in messaging by linking to core priorities.
  - Stay Informed: Conduct systematic environmental scanning, maintain regular contact with partners, and monitor legislative developments.
  - Provide Value: Ground policy recommendations in data-driven evidence to add value and strengthen relationships.
  - Seek Early Engagement and Consensus Building: Engage members and strategic partners early and continuously to build coalitions and leverage collective influence.
  - Focus on Education and Awareness: Educate policymakers about the mission, values, and experiences of producers to ensure their concerns and the implications of new policy and legislation are understood.
  - Ensure Alignment Between Communications and Advocacy: Align lobbying and advocacy activities across multiple industry players, channels, including legislative committees and social media.

## PLENARY PRESENTATION 3

### UNDERSTANDING THE TOOLS AVAILABLE TO MANAGE FARM RISK

**Presenter:** Mathieu Lipari, Senior Manager, Ag Risk Management Resources, MNP

**Focus:** To provide an overview of risk management strategies and tools, including security nets available through government Business Risk Management (BRM) programs and insurance, and the fundamentals of proactive and comprehensive risk management.

## Key Messages:

### 1. **Overview of the Comprehensive Approach to Risk Management:**

Comprehensive risk management is a step-by-step approach towards the development of a strategic risk management plan covers all aspects of managing a business including people, finance, markets, production, the business environment, and business management. It culminates in the development of a strategic risk management plan, which includes proactive measures to minimize the frequency, likelihood and/or impact of risks.

The process includes:

- Identifying risks on the farm
- Assessing and prioritizing those risks
- Building a plan to mitigate and manage those risks
- Assigning specific actions to specific people within a timeline to implement the plan
- Regularly review and adjust the plan based on progress and performance analysis

### 2. **Risk Assessment Factors:** To build a comprehensive risk management plan, farmers must assess and prioritize all their risks based on the following factors:

- Frequency/Likelihood: How often the risk occurs or the odds of occurrence
- Impact: Consequences for the farm, farmer, farm team, and family
- Preparedness: Practices in place to mitigate and manage the risk

Tools like Farm Management Canada's AgriShield platform help guide farmers through this process.

### 3. **Risk Management Continuum:** Risk management spans from proactive on-farm management strategies to reactive government BRM and private insurance programs. Both approaches are an important part of a continuum that ensures that risks are both proactively mitigated through the application of best practices and the impact of these risks are reduced through government BRM programs or private insurance.

### 4. **Four Approaches to Risk Mitigation:** Once risks have been identified and assessed, one or multiple approaches must be selected to determine a course of action:

- Risk Retention: Keeping the risk without taking action
- Risk Avoidance: Changing practices to avoid the risk
- Risk Reduction: Decreasing the frequency, likelihood, or impact of the risk
- Risk Transfer: Sharing the risk with others through insurance or other means

It is important to understand risk tolerance varies between individuals, as will their preference for some risk management approaches over others.

### 5. **Examples of Best Practices for Risk Management:** Business skills development (ex. financial literacy), planning (strategic, business, and transition planning), scenario

forecasting and contingency planning, standard operating procedures (SOPs), diversifying inputs, markets and revenue sources, performance measurement and evaluation, professional advisory support, and insurance.

6. **BRM Programs:** Key programs include AgriStability, AgriInvest, AgriRecovery, and various provincially funded crop or production insurance programs. These programs provide diverse types of coverage and support for income stabilization, production loss, and extraordinary losses. However, these programs are considered reactionary to help recover from loss. Proactive risk management can mitigate the chance of loss before it happens.
7. **Key Takeaways:**
  - Risk should be managed proactively and comprehensively
  - Producer education and support are crucial
  - Risk management cannot rely solely on BRM/insurance programs, but these should be part of the comprehensive risk management plan

## DISCUSSION SESSION 1

### COMPREHENSIVE AND PROACTIVE RISK MANAGEMENT

**Focus:** To discuss proactive and comprehensive risk management in agriculture with the objective of identifying ways to improve its adoption and improve risk planning in the sector.

#### Questions Posed to Workshop Participants:

- What needs to happen to create a more comprehensive and proactive approach to managing farm risk in Canada?
- How can we more effectively recognize and manage those risks within our control?
- Who needs to be involved?

#### Summary of Points Raised during the Discussion:

The first discussion outlined a number of challenges that farmers and the sector at large face in creating and implementing comprehensive risk management plans that apply a proactive approach to managing farm risk.

Debate ensued as to what constitutes a “proactive” approach in risk management. Some considered purchasing insurance as proactive risk mitigation since the purchase is made before an event has actually occurred. Others considered proactive risk management as reducing the possibility of risk, whereby purchasing insurance does not mitigate the risk, i.e. reduce the likelihood of an incident, but rather mitigates the impact once the incident has occurred to help minimize loss.

Likewise, the concept of comprehensive risk management stimulated discussion and debate. Some felt comprehensive insurance coverage provided a comprehensive risk management plan. In reality,

comprehensive risk management can only be attained through the identification of all relevant risks for the farm, the assessment and prioritization of these risks, and the application of risk management strategies and practices, which include insurance and government BRM programs, but also include activities that can be implemented directly by farmers to protect themselves against risks (i.e. wearing safety equipment, training staff, having a farm transition plan, diversifying production and markets, strategic planning, hedging, etc.).

A number of participants questioned the very existence of proactive risk management in agriculture. This discussion was couched in the fundamental belief that planning ahead is futile because so many factors are outside of the farmers' control. Events occurring in recent years, including the global pandemic (COVID-19), policy changes like the tax treatment of capital gains, and the recent threat of tariffs have created doubt regarding the effectiveness of risk management planning. Is there a point to investing time, effort, and finances in planning for risks when unforeseen events can put a farm's viability at risk, despite the best planning efforts? It is important to differentiate between risks that are unforeseen and those that are predictable. By focusing on the frequency and likelihood of different risks, farmers can better prepare and allocate resources accordingly. Qualified advisors are essential in this process, as they can provide the expertise needed to implement effective risk management strategies based on the frequency and likelihood of events, and the potential impact on farm businesses.

Another obstacle for farmers related to the lack of proof regarding return on investment for proactive and comprehensive risk management. Farmers often face thin profit margins, making it difficult to invest their limited resources in practices where the return on investment (ROI) is unknown or unclear. Proof of the effectiveness of many proactive risk management practices is limited. For example, hedging or forward contracts have been widely used to mitigate market risk, but there is limited proof to demonstrate that those who have used these practices in the past have been more successful and profitable than those who have not. The same can be said for irrigation or drainage, which are perceived as effective risk mitigation practices against drought or flooding, respectively, but the ROI is not assured for all farms, and some may be better off occasionally losing a crop during a disaster year than investing in these practices.

While there is some limited and mostly anecdotal data on the return on investment (ROI) for proactive risk management practices, it is crucial to build on the body of evidence that demonstrates the correlation between the application of proactive risk management and increased margins to encourage farmers to spend the necessary time and resources on these practices. For now, industry members acting in an advisory capacity to assist farmers should ensure farmers understand the benefits and importance of proactive risk management practices to address the constant volatility of the sector, such as fluctuating market conditions and climate. This necessitates a collaborative approach to address these challenges effectively.

There is an overall lack of awareness about risk management best practices and BRM coverage options. Farmers need reliable sources of information to ensure they can make decisions to ensure they are adequately covered and understand the best practices for managing risk. The lack of expertise in these areas within the advisory sector, especially when it comes to certain BRM programs like AgriStability, or even the application of the comprehensive risk management approach, is another barrier to the implementation of sound risk management plans. Farmers need

to be able to access accurate information pertaining to insurance and business risk management (BRM) programs to better understand how they can be used, and to use them within the context of a comprehensive approach to managing farm risk.

Encouraging farmers to become better risk managers on their own involves providing information, education, and combating misinformation. In countries where several types of coverage are not offered, farmers often have to adopt practices that make them better managers, such as managing cash flow effectively, to succeed without a robust safety net. In Canada, many farms may rely solely on government support programs and insurance for risk management. However, these tools are designed to mitigate the impact of risk after the fact and do nothing to help prevent or mitigate the likelihood of risk.

Effective communication and dissemination of information are crucial, but so is the collection of information to track progress and predict performance and impact accurately. A data-driven dashboard can help farmers understand how programs impact farms and drive decisions on the farm as well as policy decisions. Extension services could play a role in this, both to inform farmers and to collect data to drive decision making. Tools like AgriShield can be used by advisors to support farmers in their risk management strategies.

Sector-specific risk assessments can help identify how risks vary by sector, and dashboards should be tailored to different sectors. Policies, training, and support for risk management would ideally need to be sector-specific and possibly region-specific to take into account the most prominent risks for each sector and region. Service providers can also play a role in providing sector-specific information that will help producers to mitigate risk.

Participants felt the current trade situation presents an opportunity to do things right when it comes to risk management, as change is often spurred by a crisis event. From both a policy and on-farm practice perspective, the current situation should be used to conduct a comprehensive risk assessment to identify the way forward to ensure the sustainability and prosperity of Canadian farms, and to encourage farmers to create a proactive and comprehensive risk management approach to withstand future risk events. Government support and BRM programs can provide a solid foundation for these risk management plans. However, governments should also encourage farms to apply complementary proactive risk management practices, perhaps by offering incentives, to ensure long-term risk mitigation.

From a government support perspective, one of the primary challenges for producers is the delay in receiving payments from BRM programs, especially programs like AgriStability that are meant to provide financial support during times of difficulty but it can take over a year to receive a payment. This issue can significantly impact cash flow and financial stability, causing many farms to question the value of the programs.

And while farms are finding better ways to manage risk through various means like vertical integration and diversification resulting in increased revenue and improved margins, they are penalized in terms of insurance and government support coverage as a result of programs based on whole-farm analysis. Farms should be encouraged to adopt proactive risk management practices, without the fear of being left to fend for themselves when things take a turn for the worst.

Bringing agricultural concerns into spaces that are not centered on agriculture, but that play a role in that space, is also important. Accountants and other advisors need to understand the full scope of risk and risk management options including programs, tools, and practices.

Policy and regulatory environment concerns now often rank higher than weather events for the farming community. Farmers need a voice at the policy table. Looking at other jurisdictions like Europe, where policymakers regulate for growth and not just risk, can provide valuable insights. There is a need for balanced regulation that supports both growth and risk management, rather than aiming for zero risk.

Outside of Agriculture and Agri-Food Canada (AAFC), agricultural concerns are largely overlooked and undervalued. This needs to change. An agricultural lens is required when making policy decisions that have an effect on farming, for example policymakers working in environment and health.

A national strategy is needed to recognize agriculture's importance beyond GDP, including food security. Past initiatives like the Barton Report highlighted growth potential, but delays and crises like COVID-19 stalled progress. Progress will be further delayed if we continue to react to risk rather than putting proactive measures in place to mitigate and manage risk.

**Key Takeaways:**

The need to further refine and educate the sector on risk management terminology including proactive, reactive, and comprehensive risk management and the strategies and practices they entail.

The need to build on the body of evidence that demonstrates the correlation between the application of proactive risk management and benefits to farmers and the sector to encourage spending the necessary time and resources on these practices.

The need to further educate farmers and service providers on the risk management tools available including BRM programs and their intended use and benefits.

The need to differentiate between unforeseen and predictable risks, and the risk management strategies and programs available to support both.

The need to review government policy to incentivise rather than penalize farms who manage risk through diversification and provide more timely BRM payments to farmers.

The opportunity to use the current tariff and trade situation to assess proactive and reactive risk management strategies and identify gaps and opportunities to manage through the current situation and future events.

The need to apply an agricultural lens and involve farmers in all government policy and legislation discussions to avoid unintentional and negative impacts for the agricultural sector, and especially farmers.

# PLENARY PRESENTATION 4

## RESULTS FROM THE REALAGRISTUDIES RISK MANAGEMENT SURVEY: UNDERSTANDING PRODUCERS' RISK MANAGEMENT ACTIVITIES, PREFERENCES AND NEEDS

**Presenter:** Tyler McCann, Managing Director, Canadian Agri-Food Policy Institute

**Focus:** To summarize and interpret the results of recent studies aimed at understanding producers risk management activities, their preferred risk management coverage, and their risk management needs.

**Key Messages:**

**1. Objectives of CAPI's BRM Work:**

- Create conditions for evolving Canada's approach to risk management in agriculture, including changes to business risk management (BRM) programs.
- Increase awareness of the costs, strengths, and weaknesses of existing BRM programs.
- Engage a broader audience on BRM issues.
- Advance policy solutions for the next Federal-Provincial-Territorial (FPT) agreement.

**2. Government Support for Agriculture:**

- Canada ranks in the middle among countries for government support to agriculture, measured as a percentage of gross farm receipts.

**3. Program Payments and Farm Income:**

- Program payments and insurance proceeds contribute significantly to net cash farm income.
- Payments as a percentage of net cash income have varied over the years.

**4. Farm Revenue from Program Payments:**

- Various programs, including AgriStability, AgriInvest, AgriRecovery, and crop insurance, contribute to farm revenue.
- The cost of support through these programs is increasing, doubling over the past 5 years alone.

**5. Top Risks Identified in the 2024 Agri-Food Risk Report:**

- Policy and regulatory environment 61%
- Extreme weather events (drought, floods, wildfires) 52%
- Trade barriers and protectionism 50%

**6. Confidence in Policy Framework:**

- Confidence in the current policy framework to mitigate risks varies among different groups, with farmers generally much less confident compared to government and civil society.

**7. Confidence in Private Sector:**

- Confidence in the private sector's ability to mitigate risks also varies, with higher confidence in areas like human resources and plant and animal disease management.

**8. Priorities for Government and Private Sector:**

- Government priorities include trade policy/advocacy, climate change adaptation, research and development (R&D), and domestic regulations.
- Private sector priorities focus on R&D and innovation, productivity growth, business investment, competitiveness, and skills development.

**9. Risk Management Perception and Practices:**

- Producers feel there is more risk (68%) or about the same amount (31%) for the coming production year.
- Producers are most confident in managing people risk (25%) compared to financial risk (17%), management risk (15%), production risk (14%), and markets and business environment risk (4%).
- Producers feel private Industry is providing the right amount of support, while government is providing not enough support (for both proactive and reactive risk management)
- Budgeting, forecasting (67%) and marketing strategies (64%) are the most used business and financial risk management practices, while strategic planning and contingency planning are least used (16% and 19%)
- Participating in learning events (62%), consulting with external experts (59%) and hold regular team meetings (43%) are the most common risk management strategies relating to management people, whereas human resource planning is the least used practice (20%)
- Producers feel the role of government is to help farmers manage disaster situations (53%), although some feel the government should ensure farmers are profitable (24%)
- Managing business risks, financial risks, HR risks, and participation in government BRM programs are crucial for effective risk management.

**10. Looking Forward:**

- The Sustainable Canadian Ag Partnership expires in March 2028, with a target for a new Agricultural Policy Framework (APF) by July 2025.
- Significant changes in risk management are needed, including a balance between proactive and reactive programs.
- Questions to be addressed include:
  - Do we have the right balance of proactive vs reactive risk management programs?
  - How do risk management tools compare across Canada?
  - How do risk management tools compare to other countries?
  - What does a SWOT analysis of the existing suite tell us?



- What does the suite cost, and what results do we(?) get?

## DISCUSSION SESSION 2

### SUPPORTS NEEDED TO HELP KEY PLAYERS IN AGRICULTURE MANAGE RISK

**Focus:** To discuss gaps in support for farm risk management to improve key players' ability to help farmers to better manage risk.

#### **Question Posed to Workshop Participants:**

- Looking at the different types of risk farmers are facing and the risk management strategies and practices in place, from your perspective as a farmer, business advisor, lender, insurer, etc. what additional support(s) would personally help you in your work?

#### **Summary of Points Raised during the Discussion:**

A survey conducted by Farm Credit Canada (FCC) and the Canadian Federation of Agriculture (CFA) highlighted that financial and risk management education is one of the top needs for young farmers. Despite the availability of tools, they are often not known about and underutilized. This may be due to a reluctance to disclose difficulties or a lack of awareness about potential benefits. The culture within certain agricultural sectors has historically been resistant to investing time and money into risk management practices.

To change this perception, industry service providers need to adopt a concerted effort towards educating farmers about the effects and benefits of risk management strategies. Participants highlighted the need for a reliable and trusted toolbox that advisors could use to guide farmers towards help and resources for risk management.

While advisors do not need to be experts in all areas, it was noted that they should be trained to direct farmers to the appropriate sources of information and support and have enough information about the tools and resources that are available to help guide farmers to use them.

There is a growing interest in farm business management, but farmers may be reluctant to open up about their challenges due to concerns about motives or privacy. Creating a supportive environment where advisory teams can come together and discuss issues as a group is key. This is often more feasible in farm operations where the farmer acts as the manager and has established mechanisms for team collaboration.

Data collection remains a challenge, with some farmers still relying on paper records. There is a need for easy and efficient ways to collect and utilize data, including financial data. Solution ALEOP is a financial management tool that has been developed in Quebec to automate bookkeeping and provide farmers and advisors with a financial dashboard and analyze risk and opportunity in real-

time. Consolidating and standardizing data collection methods can make the process and data available more universal and accessible for analysis and planning. The agricultural sector mainly consists of two tiers of farmers: larger operations that have access to advisory support and management teams, and smaller farms that must rely on their own internal resources. Larger farms often have teams with access to data and the ability to analyze it, while smaller farms may need external support, which can be costly. Ensuring that data collected through various entities like accounting firms, lenders and governments is used to help inform risk management decisions would ease the burden of data collection and analysis for both larger and smaller farms.

There are also issues with data collected through official channels, like the Census of Agriculture or Statistics Canada as the data often only becomes available for broader use at a much later date, rendering the data much less useful as a way to evaluate or benchmark performance and plan ahead. It can only provide a point of comparison from a historic perspective.

Training and education on financial matters are still lacking, and there is a need for more collaborative training efforts to provide all farm managers, from all sizes of operations, with at least the basic knowledge required to make management decisions based on their farm financials.

Access to cost of production (CoP) and other benchmarking data is vital for both farmers and those who provide expert advice to them. Efforts to consolidate and expand benchmarking models can provide valuable insights. Small investments in data management and sector-specific connections can yield significant benefits, motivating farmers to engage in these practices. Standardization of data collection and reporting is a significant challenge, particularly for international comparisons but even on a national, commodity-specific, provincial, or regional scale. Farmers need benchmarks that are relevant and understandable, which requires standardizing data collection methods and then translating them into practical insights. Farm Management Canada is working with the Canadian Federation of Agriculture and Statistics Canada to help create a national farm income database and benchmarking capacity by harmonizing farm income tax forms within the Canadian Revenue Agency and Agriculture and Agri-Food.

Government support programs (i.e. BRM) should be designed to be producer-friendly and be shown to provide tangible benefits, even for those who do not participate directly. For example, whole farm carbon accounting initiatives should align activities to provide useful insights and benchmarks for all producers.

### **Key Takeaways:**

The need to promote existing risk management tools and training opportunities to farmers and advisors to guide clients towards the tools and learning opportunities.

The opportunity to create a Risk Management Toolbox for advisors to use with their clients.

The opportunity to promote the use of Solution ALEOP outside of Quebec to help farmers automate their bookkeeping and financial management alongside their advisors.

The need to expedite the farm income tax data harmonization project to create a national farm income database and annual benchmarking report for farmers across Canada.

The need for advisors to work together in supporting farm clients and sharing industry insights and best practices.

The need to make government programs (e.g. BRM) more producer friendly and reliable.

## DISCUSSION SESSION 3

### HOW TO HELP THE SECTOR IMPLEMENT COMPREHENSIVE RISK MANAGEMENT PLANS

**Focus:** To discuss the way forward towards the increased adoption of comprehensive risk management plans in the agricultural sector, which include proactive and reactive risk management components.

#### Questions Posed to Workshop Participants:

- What can we do to help farmers work towards having comprehensive risk management plans?
- What should the path forward look like?
- Who's responsible?
- What are the steps to lead us there?

#### Summary of Points Raised during the Discussion:

Farmers often struggle to find the right information and need better networks to connect with experts in various fields. This would help them create comprehensive plans and encourage collaboration among advisors. Farmers often lack awareness of available programs and tools, facing information overload from numerous sources. These Forums can help inform the sector regarding the various risk management efforts taking place, and government representatives should be included in discussions.

Collaboration across provinces and with federal representatives is crucial in order to improve the suite of Business Risk Management (BRM) products. Technology plays an important role in this, especially in data collection and analysis, helping provinces and territories working together to address the deficit in risk management tools and practices. Producers would benefit from management-related tools that are easy to use and help track data for insurance purposes. The current approach to BRM needs more options and choices for producers.

There is a psychological aspect to decision-making, which is teaching the next generation to make gut decisions and reactively respond to, rather than proactively prepare for crises. Financial

literacy is essential to understand risks and make informed decisions, especially during unexpected events like tariffs.

Communication and support at the farm level are crucial. Policies should consider the differences between large and small agricultural operations, recognizing various sector and regional needs and their value chains.

Connectivity between advisors is essential to help support producers. Some private groups have developed their own risk management teams to help clients, but communication and knowledge transfer are lacking. More knowledge transfer to advisors is needed, especially those who are new to agriculture.

Some sectors of agriculture are satisfied with the BRM suite, though minor changes are welcomed.

The agricultural sector's contribution to the economy and employment is often overlooked, and all policies should include an agricultural lens to mitigate risks. Policy should always consider agriculture and consult with key players in the sector, including farmers and advisors, to avoid unintended consequences.

Crises, like the current economic and trade crisis, should prompt necessary actions, although some solutions will only be effective in the long-term and should have started earlier. Government is currently listening, recognizing the changing risks due to geopolitical policies and trade. Canada needs to reinvest and establish itself, starting at the individual farm business level.

Risk management involves avoidance, transfer, retention, and reduction, with proactive and reactive options to support planning and decision-making. This needs to be driven in part by governments and policy, and the current context provides an opportunity to act.

# KEY MESSAGES FROM THE FORUM

## Challenges in Implementing Comprehensive Risk Management:

- Lack of Understanding: There is much confusion around the concepts of proactive, reactive and comprehensive risk management in agriculture. Farmers and advisors are not aware of the risk management strategies and tools available and how best to implement them, including the BRM programs.
- Challenges in Demonstrating the Benefits of Comprehensive Risk Management: It is sometimes difficult to measure the tangible benefits of key risk management practices, or the benefits of using a holistic approach to risk management, which is contributing to low levels of adoption.
- Adoption Capacity: Larger, more profitable farms are more likely to adopt comprehensive risk management, while smaller operations struggle to see the benefits and lack the resources to do so.
- Mindset: Some farmers expect government to shoulder the responsibility of managing risk for farms. While others do not believe it is possible to manage risk in agriculture. This perception needs to shift towards a comprehensive approach to managing risk that includes a proactive component through the implementation of best practices as well as complementary safety nets designed to safeguard farms from uncontrollable risk.

## Improving Awareness and Education about Risk Management

Farmers are often unaware of the various educational programs, resources and tools available to them, and those who interact with farmers daily may also lack this knowledge. There is an overwhelming amount of information, and farmers need help to navigate and access resources most pertinent to their situation. Effective communication, coordination and dissemination of information are crucial. This includes education about making best use of the BRM programs.

## Enhancing Financial Literacy

Financial literacy is essential for understanding and managing risk. Farmers need to comprehend the repercussions of their financial decisions and identify where risks are occurring. Current challenges, such as tariffs, present an opportunity to improve financial literacy and make necessary changes to the farm operation without relying exclusively on reactive support programs.

## Addressing Psychological Barriers

There is a psychological aspect to risk management, as everyone has their own tolerance for risk and farmers often rely on gut decisions and may wait for a crisis to make changes. Educating farmers on the importance of proactive risk management and providing support during crises can help shift this mindset.

## **Building Networks and Expertise**

Farmers often struggle to find the right information and resources. Establishing peer-to-peer networks that connect farmers with experts in different areas can make it easier to create comprehensive risk management plans.

## **Building Sector-Specific Networks**

Initiatives like the Canadian Greenhouse Excellence Network aim to bring resources and expertise to specific sectors, solving problems and driving growth. Similar networks can be established for other sectors, providing targeted support, and fostering a larger conversation about risk management.

## **Enhancing Advisory Services**

Collectively, advisory services have a significant role to play in risk management at the farm level. Knowledge transfer and communication are essential to ensure that advisors are well-informed and can support farmers effectively. Advisors need access to risk management tools and resources that can be shared with clients. Advisory teams should work together, sharing knowledge and resources to provide holistic support to farmers.

## **Leveraging Existing Communication Channels**

Organizations that sell producer inputs, such as fertilizers and seeds, can be key vehicles for disseminating information. Utilizing email lists, magazines, and client alerts can help reach a broad audience of farmers with important updates and resources.

## **Improving Data Collection for Analysis and Planning**

Standardize data collection and reporting to assess sector risk and predictive impact models. Create a national database and annual cost of production, benchmarking, and other reports to support farm risk management.

## **Re-examining the BRM Framework and Government Programs**

The approach to business risk management has often been to adjust margins or change coverage levels. Instead, more options should be put on the table, giving producers the choice to decide where their risks lie and how to manage them. Policies should consider the diverse needs of large and small operations, and different production sectors, recognizing the diversity within the agricultural sector. Investigate ways to incentivise rather than penalize farms who proactively manage risk.

Current BRM programs may not adequately serve all farmers. Studies have shown that caps on programs like AgriStability need to be increased to reflect the realities of modern farming. The current context presents an opportunity to make long-term changes to BRM in Canada, providing more options that are better suited to specific needs.

A flexible funding framework could be established, allowing farmers to decide where their risk management dollars are allocated based on their specific needs. This approach can be tailored to different commodities and regions, ensuring that funds are used effectively.

### **Applying an Agricultural Lens to Policy Development**

There is a need to apply an agricultural lens to policy development outside of Agriculture and Agri-Food Canada, ensuring that the sector's contributions to the economy and employment are recognized. Policies should mitigate risks for the agricultural sector and support food security and GDP growth.

### **Integrating Risk Management into Policy**

From a policy perspective, it is important to ensure that agricultural risk using a comprehensive lens that accounts for both proactive and reactive risk management is considered in government policy formation.

### **Maintaining Momentum and Advocacy for Agriculture**

It is crucial to maintain momentum and advocate for necessary changes. If there is an opening, like the one provided by recent trade disruptions, key players from the industry must use it to highlight the importance of the agricultural sector for Canada and reiterate how important it is to protect farmers from risks that are outside of their control.

## **RECOMMENDATIONS FROM THE FORUM**

### **1. Risk Management ROI Analysis**

- Conduct a comprehensive review and SWOT analysis of risk management programs, resources and tools available to farmers, covering proactive and reactive risk management, and including information on their uptake and impact.
- Conduct a comprehensive review of farm risk management research underway, identifying gaps and opportunities. Examine existing studies and literature to identify the benefits and return on investment of key risk management practices that are an essential part of comprehensive risk management plans to build the case for such an approach.
- Promote existing risk management resources and tools to the farming community.

### **2. National Risk Management Education Strategy**

- Create a National Risk Management Education and Communication Strategy to explain and promote proactive versus reactive risk management and comprehensive risk management and risk management tools and resources available to farmers.
- Create information resources to educate farmers about the government BRM suite.

### **3. Comprehensive Risk Management Training and Education for Farm Advisors**

- Provide training and information for farm advisors and other key industry players that offer advisory support and expert advice to farmers so they may either direct farmers to the appropriate tools and resources or provide comprehensive risk management support.

### **4. Continued Financial Literacy and Risk Management Training**

- Coordinate and expand farm financial literacy and risk management training and support for farmers to help inform management decisions.

### **5. Incentivized Proactive Risk Management**

- Examine ways to incentivise comprehensive risk assessments and risk planning for farmers, as well as the implementation of key risk mitigation practices identified during the assessment and planning process.

### **6. Farm Data Standardization and Benchmarking Review**

- Accelerate the National Farm Income Data Harmonization project to create a national farm income database to support and improve cost of production analysis, benchmarking, and risk management efficiency and effectiveness.
- Examine and educate the sector on new tools and resources to facilitate the collection, analysis, and comparison of real-time farm data.

### **7. National Risk Management Task Force**

- Examine opportunities to set up a collaborative Task Force, bringing together industry and government experts to support the development of best practices in risk management, risk management education, and policy development.
- Examine opportunities for more direct involvement from farmers and other key players in policy development relating to risk management in agriculture.

## **CONCLUDING REMARKS**

The 2025 National Agriculture Risk Management Forum underscored both the pressing challenges and promising opportunities facing Canada's agricultural sector. Discussions emphasized the critical importance of adopting a comprehensive, forward-thinking approach to risk management for Canadian agriculture, rooted in collaboration, education, advisory support, and the adoption of proactive and innovative risk management programs and practices.

By acting on the recommendations in this report, we can foster a more resilient and sustainable agricultural sector that is well-equipped to navigate the uncertainties of the future, instilling confidence in farmers regarding their risk mitigation practices and in the safety nets they rely on.



Recent events have demonstrated just how vulnerable the sector can be, but they have also provided an opportunity to implement positive change at an accelerated pace.

The path forward requires collective effort and commitment from farmers, advisors, industry groups, and government. Together, we can ensure the prosperity and well-being of Canada's farmers and the agricultural sector at large.

# ANNEX A - FORUM PARTICIPANTS

## National Representatives

- AJ Gill, MNP
- Andrea Lambert-Ross, Egg Farmers of Canada
- Becky Parker, FCC
- Brenna Grant, Canfax
- Cathy Jo Noble, National Cattle Feeder's Association
- Cedric MacLeod, MacLeod Agronomics
- Colin Brisebois, FCC
- David McInnes, DMci Strategies
- Denise Dewar, Syngenta
- Dustin Pike, Fertilizer Canada
- Frank Annau, Fertilizer Canada
- Hayley Hilz, KPMG
- Ian Affleck, CropLife Canada
- Julie Paillat, Fruit and Veg Growers of Canada
- Kyle Larkin, Grain Growers of Canada
- Lorna McKercher, Royal Bank of Canada
- Michael Scheffel, Canadian Seed Growers Association
- Michael Vadnais, Canadian Canola Growers Association
- Myrna Grahn, Canadian Association of Agri-Retailers
- Nick Dettinger, Cooperators Insurance
- Paul Lang, Royal Bank of Canada
- Scott Ross, Canadian Federation of Agriculture
- Simon Baillargeon, Sollio
- Steve Couture, Dairy Farmers of Canada
- Steve Duff, Farm Management Canada (Chair)
- Tyler Fulton, Canadian Cattle Association
- Vincent Cloutier, National Bank

## Staff and Partners

- Camellia Asbreuk, Farm Management Canada
- Heather Watson, Farm Management Canada
- Nick Oakley, Farm Management Canada
- Mathieu Lipari, MNP
- Tyler McCann, Canadian Agri-Food Policy Institute

# ANNEX B – FORUM AGENDA

**10:00am**

**Welcome (Heather Watson, Executive Director, Farm Management Canada)**

**10:05am**

**Presentation (Heather Watson, Executive Director, Farm Management Canada)**

**[Work to Date and What We Hope to Achieve](#)**

**10:30am**

**Presentation (Scott Ross, Executive Director, Canadian Federation of Agriculture)**

**[Understanding the Risk Landscape Farmers are Facing: Perspective from the Canadian Federation of Agriculture](#)**

**10:45am**

**Presentation (Mathieu Lipari, Senior Manager, Agriculture Risk Management Resources, MNP)**

**[Understanding the Tools Available to Manage Farm Risk](#)**

**11:00am**

**Breakout Discussion**

What needs to happen to create a more comprehensive and proactive approach to managing farm risk in Canada? How can we more effectively recognize and manage those risks within our control? Who needs to be involved?

**11:45am**

**Group Reporting/Discussion**

**12:30pm**

**Lunch**

**1:00 pm**

**Presentation (Tyler McCann, Managing Director, Canadian Agri-Food Policy Institute)**

**[Results from the RealAgriStudies Risk Management Survey: Understanding Producers' Risk Management Activities, Preferences and Needs](#)**

**1:20pm**

**Breakout Discussion**

Looking at the different types of risk farmers are facing and the risk management strategies in place, from your perspective as a farmer, business advisor, lender, insurer, etc. what additional support(s) would personally help you in your work?

**2:00pm**

**Group Reporting/Discussion**

**2:45pm**

**Break**

**3:00pm**

**Group Discussion**

What can we do to help farmers work towards having comprehensive risk management plans?

What should the path forward look like? Who's responsible? What are the steps to lead us there?

**3:45pm**

**Closing Remarks/Next Steps (Heather Watson, Farm Management Canada)**

**4:00pm**

**End.**