



January 26, 2026

Jordan Miller
President
Manitoulin Cattlemen's Association

Dear Jordan,

Re: 25-04 **YIELD-BASED FORAGE INSURANCE**

The following resolution was passed at the Beef Farmers of Ontario (BFO) Annual General Meeting in February and was recently discussed by the BFO Board of Directors:

WHEREAS, hay is a managed and valuable crop just like any of the other commodity crops grown in Ontario that are already insured through a self-reporting, yield-based system; and
WHEREAS, rainfall is not the only significant peril that affects a hay crop's yield; and
WHEREAS, rainfall amounts can vary significantly within a current reporting area and are not an accurate representation of localized weather; and
WHEREAS, BFO's goal is to increase the Ontario cow herd and hay is the primary feedstuff for the Ontario cow herd;
THEREFORE, BE IT RESOLVED THAT BFO work with OMAFA and Agricorp to move towards a self-reporting, yield-based hay insurance program that replicates the production insurance program already in place for other commodities such as corn, corn silage, wheat, beans etc.

Thank you for bringing forward the resolution to our annual general meeting. We appreciate the time invested in highlighting the need for a yield-based forage insurance program in Ontario.

We acknowledge that forage production faces multiple yield-affecting risks beyond rainfall alone, and that localized weather variability can make area-based rainfall programs an imprecise reflection of individual farm experiences.

BFO recognizes forages are the primary feed source for Ontario's cow herd, and strengthening forage risk management tools supports herd growth and long-term sector sustainability. Access to effective, responsive insurance programming is essential to maintaining confidence in feed supply and overall farm viability.

BFO has discussed this issue with the Cow-Calf Committee and established a dedicated working group to explore potential improvements to forage insurance. As part of this work, the group conducted a jurisdictional scan of forage insurance programs across North America to identify

comparable models that may be applicable in Ontario. Through this review, the Alberta Hay Insurance Agreement was identified as a potential example that could offer useful insights for an Ontario-based program.

In parallel, BFO has engaged with Agricorp to discuss the feasibility of a self-reporting, yield-based hay insurance model. This issue has also been added to BFO's provincial priorities list, underscoring its importance to the organization and its members.

BFO and Agricorp also continue to participate in the national Industry-Government Forage Insurance Task Team, which assesses and compares forage insurance models used across North America. While forage insurance has been a long-standing concern, significant work remains to develop the mechanics of a program that is saleable to the government, affordable for producers and the province, responsive and accurate at the individual farm level, and relevant to eastern forage production systems.

Developing forage insurance is inherently more complex than traditional crop insurance. Forage production is difficult to measure, value, and standardize, as forages may be grazed, harvested multiple times or stockpiled, often without any yield records. Their value is typically indirect, tied to on-farm livestock use rather than open markets, and forage quality can decline without a clear reduction in yield. In addition, forage growth responds to weather across multiple periods and is heavily influenced by management practices, species mix and local conditions, making it challenging to isolate weather-related losses in an actuarially sound and administratively practical way.

As a result, many forage insurance programs rely on area- or weather-based indices, such as rainfall, which simplify administration but introduce basis risk when index measurements do not align with on-farm conditions. Despite these challenges, BFO continues to work with Agricorp and partner stakeholders to explore alternative approaches to the current rainfall-based program, with the goal of improving risk management tools for forage and pasture producers, while balancing accuracy, cost and practicality.

We thank you for bringing this resolution to our attention, and we will keep you informed of any future developments regarding this issue.

Sincerely,



Craig McLaughlin
President

cc: Nick Martin (Mover, Advisory Councillor)
Jordan Miller (Seconder)
Jim Martin (Secretary)
Jason Desrochers (Advisory Councillor, Cochrane)
Matt Bowman (Advisory Councillor, Temiskaming)