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Agri-Food Canada

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Agroalimentaire Canada



# Evaluation of the Agricultural Disaster Relief Program

Office of Audit and Evaluation

Final Report

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## **Acronyms**

<b>AAFC</b>	Agriculture and Agri-Food Canada
<b>ADRP</b>	Agricultural Disaster Relief Program
<b>BRM</b>	Business Risk Management
<b>CA</b>	Contribution Agreement
<b>CFIA</b>	Canadian Food Inspection Agency
<b>DAA</b>	Disaster Assessment and Analysis Division
<b>FFPB</b>	Farm Financial Programs Branch
<b>FPT</b>	Federal-Provincial-Territorial
<b>RMAF/RBAF</b>	Results Management Accountability Framework/Results Based Accountability Framework
<b>TB</b>	Treasury Board
<b>TBS</b>	Treasury Board Secretariat
<b>Ts&amp;Cs</b>	Terms and Conditions
<b>WTO</b>	World Trade Organization

## Executive Summary

Agriculture and Agri-Food Canada's (AAFC) Office of Audit and Evaluation evaluated the Agricultural Disaster Relief Program activities undertaken since 2008, up to and including the 2010 Excess Moisture and Pasture Recovery Initiatives.<sup>1</sup> The purpose of the evaluation was to examine the program's relevance and performance as required by the Treasury Board (TB) *Policy on Evaluation (2009)*. Under relevance, the evaluation assessed the extent to which the program is aligned with government priorities, AAFC strategic outcomes and federal roles and responsibilities. It also examined the continued need for AAFC to provide disaster relief programming as part of the Business Risk Management (BRM) program suite. With respect to performance, the evaluation assessed the extent to which the program achieved its outcome and demonstrated efficiency and economy.

## Agricultural Disaster Relief Program

In June 2006, federal, provincial and territorial (FPT) governments agreed to implement AgriRecovery, a new disaster relief framework as part of the BRM programming under *Growing Forward*. The AgriRecovery Framework objectives are to:

- provide a rapid financial response to assist with immediate recovery from a disaster situation;
- help producers quickly resume business operations after a disaster;
- enable short-term actions to minimize/contain the impacts of the disaster on producers;
- assist producers to manage transition into new production where long-term restrictions are placed on a property due to a disease or pest situation; and
- address the gaps in current programming while ensuring producers are not compensated twice for the same cost/loss.

The ADRP is the federal mechanism by which disaster relief initiatives are developed and federally funded under the FPT AgriRecovery Framework. The \$440.7 million program, which was launched in January 2008, was originally set to expire on March 31, 2012, but was subsequently extended for an additional year until March 31, 2012 (with additional funding of up to \$125 million).

Between January 2008 and October 2010, AAFC received 38 requests to assess whether events met the AgriRecovery disaster criteria. Ultimately, 21 events were found to have been disasters and recovery initiatives were implemented. Disease-related events accounted for eight of the initiatives, while the remaining 13 were

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<sup>1</sup> Note: The program is identified in some documents, such as the RMAF, as the Agriculture Disaster Relief Program (ADRP). In practice, however, it is commonly called AgriRecovery.

implemented in response to weather events/conditions. Collectively, the initiatives have provided disaster relief to more than 52,844 producers.

## Methodology

The evaluation gathered quantitative and qualitative data using the following lines of evidence: document review; literature review; case file reviews; cost-effectiveness analysis and key informant interviews with program officials, provincial governments and delivery agencies, producers and industry associations.

## Key Findings

The evaluation resulted in the following key findings:

- There is an ongoing need for some type of disaster relief program as part of a suite of business risk management tools; however, disaster relief should be balanced against other risk management tools (i.e. production insurance) and incentives (i.e. Advance Payments Program) to help manage agricultural risks.
- ADRP objectives are clearly aligned with federal priorities and AAFC's Strategic Outcome, and the program works as part of a suite of BRM programs to mitigate risk and the impacts of disasters.
- The AgriRecovery Framework and ADRP approach to funding disaster initiatives has clarified FPT roles and responsibilities in the assessment and development of disaster relief programs.
- Since disaster events are not predictable, ADRP's annual funding requirements can vary significantly from one year to another, severely limiting the extent to which the program administration can plan and manage within the annual federal funding allocation.
- In some instances, ADRP has encountered challenges in achieving the AgriRecovery Framework's objective of "rapid financial response."
- In terms of program design and delivery, there is a need to:
  - adjust the parameters for triggering disaster assistance;
  - provide a common understanding to FPT Task Teams on the interpretation and application of ADRP Terms and Conditions and the AgriRecovery Framework; and
  - provide more effective producer education and communication on the ADRP process and coverage that includes an explanation of the methods used to determine levels of compensation for disaster.
- Opportunities exist to further strengthen the performance measurement strategy for the program, and to improve performance monitoring and reporting.

- Based on the data available for completed initiatives, ADRP/AgriRecovery is progressing towards the achievement of its sole outcome that “farm business operations resume operations following a natural disaster”.
- Administrative costs of the ADRP are lower than the administrative costs for other BRM programs.

## **Recommendations**

The evaluation recommends that:

- 1) AAFC should work with provinces and territories to establish a process for conducting lessons learned exercises following the completion of each ADRP initiative through the FPT BRM Policy working group. This would support potential process improvements in the assessment and delivery of future disaster initiatives.
- 2) AAFC should work with provinces and territories to review the ADRP Terms and Conditions and AgriRecovery Framework to adjust the parameters for triggering disaster assistance, in order to assist FPT Task Teams in carrying out their assessments.
- 3) AAFC should work with provinces and territories to provide more effective producer education and communication about the intent of the AgriRecovery Framework and its role vis-à-vis other BRM programming to manage risk and on the AgriRecovery process and coverage, including an explanation of the methods used to determine levels of compensation for disaster initiatives.
- 4) AAFC should work with provinces and territories to further strengthen the performance measurement strategy for AgriRecovery/Agricultural Disaster Relief Program, to ensure that indicators fully support an assessment of performance against the program outcome.
- 5) AAFC should work with provinces and territories to improve performance monitoring and reporting to support future assessments of the program, through the inclusion of well-defined data requirements in contribution agreements; by implementing a process to ensure that performance reports are submitted by delivery agents within the timeframes set out in contribution agreements; and by developing a comprehensive program database to track performance information and progress on all AgriRecovery initiatives.



## 1.0 Introduction

### 1.1. Background

In June 2006, federal, provincial and territorial (FPT) governments agreed to implement a new disaster relief strategy – the AgriRecovery Framework – as part of the Business Risk Management (BRM) programming under the *Growing Forward* multilateral policy framework. The AgriRecovery Framework established a disaster recovery mechanism separate from AgriStability and other income stabilization programs to facilitate timely FPT consideration of requests for disaster relief funding.

Previously, ad-hoc programming had allowed a tailored response to disasters, but offered no clear model to expedite the implementation of these programs. This resulted in uncoordinated and unstructured development and implementation processes, as well as programming that did not always line up with the principles and objectives of existing government programs. It also impeded the ability of governments to provide quick and effective disaster support when it was needed most.<sup>2</sup>

The FPT AgriRecovery Framework is intended to provide structure and clarity to the decision-making process, including cost-sharing arrangements, for determining when and how FPT governments respond to a disaster. Included in this Framework are protocols for an intergovernmental decision making process and criteria that define a disaster.

The objectives of the AgriRecovery Framework are to: a) provide a rapid financial response to assist with immediate recovery from a disaster situation; b) help producers quickly resume business operations after a disaster; c) enable short-term actions to minimize/contain the impacts of the disaster on producers; and d) assist producers to manage transition into new production where long-term restrictions are placed on a property due to a disease or pest situation.

### 1.2. Evaluation Scope and Methodology

Agriculture and Agri-Food Canada's (AAFC) Office of Audit and Evaluation conducted the ADRP evaluation from October 2010 and March 2011. The evaluation assessed the ADRP activities undertaken since 2008, up to and including the 2010 Excess Moisture and Pasture Recovery initiatives. The evaluation is intended to inform the possible renewal of the program in 2012.

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<sup>2</sup> Agricultural Disaster Relief Program under AgriRecovery: An Umbrella Integrated Results-Based Management Accountability Framework and Risk-Based Audit Framework," Agriculture and Agri-Food Canada, November 8, 2007.

The purpose of the evaluation was to examine ADRP's relevance and performance as required by the TB *Policy on Evaluation*. Under relevance, the evaluation assessed the extent to which the program is aligned with government priorities, AAFC strategic outcomes, and federal roles and responsibilities. It also examined the continued need for AAFC to provide disaster relief programming as part of the BRM suite of programs. With respect to performance, the evaluation assessed the extent to which the program achieved its outcome. It also examined the extent to which the program demonstrated efficiency and economy in its program design and delivery. The evaluation was based on the following lines of evidence:

- a) **Key Informant Interviews** – Open-ended face-to-face and telephone interviews (n=18) were conducted with AAFC program officials (n=3), provincial representatives (n=7), producers (n=6) and industry associations (n=2). Evaluators identified key informants from all stakeholder groups representing western, central and eastern Canada to ensure a broad representation of perspectives and views. The key informants contributed to the evaluation's assessment of relevance and performance issues and helped identify possible improvements to the program's design and delivery (Copies of the interview guides are presented in Appendix C: Interview Guides);
- b) **Document Review** – The review examined foundational and management documents, as well as other AAFC and federal government policy documents held by the department and/or available from open sources (i.e. program annual report for 2008 and 2009, Departmental Performance Review, Report on Planning and Priorities, federal budgets and Speech from the Throne). The review contributed data and information to address all evaluation issues of program relevance and performance;
- c) **Literature Review** – The review gathered articles and reports analyzing agricultural disaster policies and responses in Canada and elsewhere, studies of the impacts of agricultural disaster relief programming, and descriptions of comparable programs published by peer-reviewed journals, governments, education institutions, research institutes and industry associations. The literature review addressed relevance issues, and elements of efficiency and economy (See Appendix D: for a complete bibliography);
- d) **Case File Review** – The case files for 16 of 38 requests for disaster assistance were reviewed (eight approved and eight rejected). The review included examination of the department's documents and records and four telephone interviews with provincial representatives who were not part of

the sample for the key informant interviews. This work contributed to the examination of relevance and performance issues, including efficiency. (See Appendix E: Case Files Reviewed); and

- e) **Cost-effectiveness Analysis** – The cost-effectiveness analysis gathered and assessed available program output and outcome cost and performance data, and examined the costs and performance of alternate program models and processes to help address efficiency and economy questions.

### 1.3. Evaluation Constraints

The evaluation was constrained by incomplete performance data due to the stage of program implementation for the majority of initiatives and the partial absence of data for completed initiatives.

At the time of the evaluation, nine of the 21 approved initiatives were ongoing and final performance reports for only five initiatives were available. The ongoing initiatives, which include the large 2010 Pasture Recovery and Excessive Moisture Initiatives, account for over 98% of the producers who received AgriRecovery payments. The data from the ongoing initiatives will not be available until producers have completed at least one full crop cycle following the disaster, which could be as much as a year or more after an initiative has ended. Similarly, the data needed to measure whether AgriRecovery disaster relief contributes to a reduction of producer income losses – the BRM program suite's end outcome – will not be available until two to three years after the events that caused the production losses and, in some cases, such as long-term disease controls, much longer. Therefore, other lines of evidence were used to assess program performance, including interviews and case file and document review.

The key informant interviews (n=18) provided important experience and knowledge about the planning, operation and impact of ADRP initiatives, but were limited by two factors:

- Although most of the provinces that had disaster initiatives were contacted (British Columbia, Alberta, Manitoba, Ontario, Quebec, Prince Edward Island and New Brunswick), due to staff turnover, some of the participating provincial representatives had not been involved in every aspect of the development and delivery of AgriRecovery initiatives in their jurisdictions; and
- The limited number of industry representatives (two) and producers (six) who were contacted due to the tight timeframes of the evaluation.

The interview data was cross-referenced with multiple lines of evidence, such as case file reviews, document review and literature review, to support the conclusions.

## 2.0 Program Profile

Since 1991, the *Farm Income Protection Act* has provided the framework for federal-provincial agreements concerning income protection for agricultural producers. In 2007, FPT reviews and consultations led to *Growing Forward*, a new five-year FPT agricultural policy framework. In support of this framework, AAFC implemented a BRM suite of programs, including the AgriRecovery Framework.

The FPT AgriRecovery Framework and AAFC's ADRP, which are part of the BRM suite of programs, provide guidelines and processes for federal and provincial governments to jointly respond to natural disasters with rapid, targeted assistance where payments under AgriStability, AgriInsurance and other existing programming will not be available or timely. The purpose of AgriRecovery is to help affected producers resume business operations and/or take actions to mitigate the impacts of a disaster as quickly as possible, while ensuring that they are not compensated twice for the same cost/loss. It does not provide assistance in response to events that are cyclical or to losses associated with market/price changes. AgriRecovery initiatives are cost-shared 60:40 between Canada and the participating provinces and territories.

The ADRP is the federal mechanism through which the federal government participates and collaborates with provinces and territories to develop and fund specific initiatives under AgriRecovery. The program was launched in January 2008, and was originally set to expire on March 31, 2011, but was subsequently extended for an additional year until March 31, 2012.

### 2.1. Program Governance

Within AAFC, the Farm Financial Programs Branch (FFPB), Disaster Assessment and Analysis Division (DAA), with 11 FTEs, is responsible for managing the program, the administration of individual AgriRecovery initiatives, coordinating the task team processes, and the completion of the federal government activities identified in the logic model (See Appendix F: ADRP Logic Model (2007-08)). FFPB has been responsible for submitting a report on the status of the program and on each initiative implemented under the program after the fifth funded initiative in a fiscal year as well as for providing updates to Treasury Board Secretariat (TBS) on an annual basis.<sup>3</sup> As part of the amendment to the Terms and Conditions to extend the ADRP, these reports have been combined into one comprehensive annual report which is due June 30<sup>th</sup> of each year. Provinces and territories are responsible for program delivery

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<sup>3</sup> These reports contain financial and qualitative information (relating to the FPT Task Team process, program delivery and lessons learned) on each initiative implemented under the program, as well as an overview of the status of the ADRP as a whole.

and providing regular updates on the approved initiatives as specified in contribution agreements with AAFC. In some cases, AAFC has shared the responsibility for program delivery for disease related initiatives.

Provincial and territorial governments that deliver initiatives are responsible for carrying out activities and managing payments in accordance with the Terms and Conditions of their contribution agreements; calculating payments to affected farmers, keeping track of and monitoring payments to farmers, as well as reporting on each initiative.

## **2.2. Program Activities and Outputs**

For an event to be recognized as a disaster under AgriRecovery and funded under ADRP, it must meet the criteria outlined in the FPT AgriRecovery Framework (see Appendix I: AgriRecovery Process & Criteria for list of the criteria). The key steps in the process are:

- A government formally requests an assessment to determine whether an event or condition is a disaster;
- The FPT ministers concerned establish a Task Team to determine whether the event conforms to the AgriRecovery definition of disaster and other criteria, and develop and recommend design options for a disaster response;
- The Task Team's assessment report is submitted to the participating FPT ministers who decide whether their government will approve disaster relief, and
- AAFC and the provincial/territorial department establish agreements and procedures to implement the initiative.

Between January 2008 and October 2010, AAFC received 38 requests to assess whether an event or events met the ADRP disaster criteria. Ultimately, 21 of the events were found to have been disasters and recovery initiatives were developed, approved and implemented (see Appendix H: AgriRecovery Funded Initiatives).

Animal and plant disease-related events accounted for eight of the approved initiatives, while the others were implemented in response to weather events/conditions (Table 1). The number of producers participating in disease-related initiatives (92) was small compared to the total participation to date (52,844). On the other hand, the average payment made to recipients in disease-related initiatives was comparatively large.

**Table 1: Total Program Payments from 2008 to March 2011<sup>4</sup>**

Type of initiative	# of Initiatives	Total Payments (Estimated)	Federal Contribution (Estimated)**	# of Recipients	Average Total Payment
Disease*	8	\$24,898,970	\$14,939,383	92	\$270,641
Drought	4	\$103,345,736	\$62,007,442	20,980	\$4,926
Excessive Moisture	7	\$343,787,272	\$206,272,363	31,745	\$10,830
Other ***	2	\$822,293	\$493,376	27	\$30,455
<b>Total</b>	<b>21</b>	<b>\$472,854,271</b>	<b>\$283,712,563</b>	<b>52,844</b>	<b>\$8,948</b>

\*Effected by the size of response and proactive to avoid potential wide spread effect of disease.  
 \*\* Excluding program administration costs.  
 \*\*\* Other: one extreme cold event and one tornado.

AgriRecovery initiatives have been approved in all the provinces, but Nova Scotia and Newfoundland and Labrador. The largest initiatives were in Saskatchewan, Alberta and Manitoba (See Appendix H: AgriRecovery Funded Initiatives for more information and a breakdown of recipients by payment by province and by year).

## 2.3. Program Resources

Table 2 presents the budget for ADRP as approved in 2007, as well as the estimated expenditures to March 2011 for the disaster recovery initiatives approved and funded under AgriRecovery. The maximum federal share of funding for any one initiative under the ADRP Terms and Conditions is \$20 million. The maximum for all initiatives in a year is \$125 million. Treasury Board approval is required to consider a federal contribution above these limits.<sup>5</sup>

**Table 2: ADRP Approved Funding by Vote<sup>6</sup>**  
(\$ millions)

	2007-08	2008-09	2009-10	2010-11	Total
Vote 1 (Operating and Salary)	9.5	13.3	13.3	13.3	49.4
Vote 10 (Grants and Contributions)	62.7	108.4	108.4	108.4	387.9
<b>Total</b>	<b>72.2</b>	<b>121.7</b>	<b>121.7</b>	<b>121.7</b>	<b>437.3</b>

<sup>4</sup> Financial information provided by ADRP officials.

<sup>5</sup> "Agricultural Disaster Relief Program under AgriRecovery: An Umbrella Integrated Results-Based Management Accountability Framework and Risk-Based Audit Framework," Agriculture and Agri-Food Canada, November 8, 2007.

<sup>6</sup> Financial information provided by ADRP officials. Vote 1 involves operating, salary, employee benefit plan and accommodation.

**Table 3: ADRP Estimated Expenditures<sup>7</sup>**  
**(\$millions)**

	2007-08	2008-09	2009-10	2010-11	Total
Vote 1 (Operating and Salary)	0	1.30	0.47	3.66	5.43
Vote 10 (Grants and Contributions)	0.15	30.11	12.91	240.53	283.71
<b>Total</b>	<b>0.15</b>	<b>31.41</b>	<b>13.38</b>	<b>244.19</b>	<b>289.13</b>

For fiscal year 2010-11, the total federal contribution to the Pasture Recovery Initiatives (\$70 million) and Prairie Excess Moisture Initiatives (\$276 million) exceeded the annual contribution maximums for individual initiatives (\$20 million) as well as the total annual funding allocation for ADRP (\$125 million), and therefore Cabinet and Treasury Board approval were required to authorize these programs.

## 3.0 Evaluation Findings

### 3.1. Relevance

In assessing the relevance of ADRP, the evaluation looked at the continued need for the program to provide timely assistance to producers affected by disasters; the alignment with federal priorities and departmental objectives; and roles and responsibilities with respect to support for disaster assistance.

#### 3.1.1. Continued Need for the Program

**The evidence from the literature review and key informant interviews indicate that disasters can significantly affect agriculture production and producers can incur extraordinary costs that are not covered, or not covered in a timely manner, by other BRM and private sector mechanisms.**

The evaluation examined whether there is an ongoing need for relief programs in response to agricultural disasters by seeking information about the incidence and prevalence of disasters, the impact of such events on producer income and sustainability, and the extent to which other public and private sector services are able to compensate producers for revenue losses caused by disasters, as well as looking at the experience of other countries.

The evaluation confirmed that the frequency and severity of the events that constitute disasters in the agricultural sector are not predictable. For example, the evaluation reviewed the Canadian Food Inspection Agency's 2009 and 2010

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<sup>7</sup> Financial information provided by ADRP officials.

incident reports, as well as related publicly available information, and found evidence that disease outbreaks occur almost annually.<sup>8</sup>

Despite the considerable research, reliable medium and longer term forecasting of drought occurrences and severity is not available, although it is accepted that monitoring of various large-scale atmospheric/ oceanic indices can provide some useful guidance for forecasting with a lead time of three to four months.<sup>9</sup>

The evaluation found evidence that disasters often impose significant personal and social consequences, as well as large production and revenue losses across agricultural sectors and geographical regions.<sup>10</sup> For example, the 2001 and 2002 droughts that affected much of the Prairies and parts of Ontario and Quebec resulted in production losses exceeding \$4 billion. More recently, FPT officials estimated that the 2010 excessive moisture conditions reduced the productive capacity of over 15 million acres in the Prairie region, affecting over 30,000 producers, and resulting in production losses of more than \$2.4 billion. For their part, disease events, such as the BSE crisis and Potato Cyst Nematode (PCN) infestations, have resulted in the closure of borders to Canadian products, imposed heavy costs on individual farms – the average AgriRecovery payment for disease-related events was nearly \$270,000 – and, in some cases, forced producers into multiyear transitions to new crops.

The evaluation also examined the extent to which other public and private sector services are able to compensate producers for revenue losses caused by disasters. The evidence from the literature review and key informant interviews indicate that disasters impose costs (relocation of herds, land remediation, transitions to new crops, etc.) that are not covered, or not covered in a timely manner by other BRM and private sector mechanisms. For example, the private sector offers little in the way of production insurance outside of hail insurance, and AgriInsurance does not cover a range of products, such as tree fruits and most livestock, while AgriStability payments can take a year or more to reach a producer facing immediate negative cash-flow.<sup>11</sup>

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<sup>8</sup> There are no identifiable patterns in their frequency or severity. Similarly, there is no evidence that the incidence or severity of droughts, excessive moisture conditions or other weather anomalies are increasing or follow any patterns that would be meaningful for planning government disaster programs

<sup>9</sup> M.L. Khandekar, "Canadian Prairie Drought: A Climatological Assessment" (Alberta Environment, 2004), <http://environment.gov.ab.ca/info/library/6673.pdf>; Hartwig De Haen and Günter Hemrich, "The economics of natural disasters: implications and challenges for food security," *Agricultural Economics* 37 (2007): 31-45.

<sup>10</sup> Peck, D. E., & Adams, R. M. (2010). "Farm-level impacts of prolonged drought: is a multiyear event more than the sum of its parts?" *Australian Journal of Agricultural and Resource Economics*, 54(1), 43-60.

<sup>11</sup> Office of Audit and Evaluation, "Evaluation of the Production Insurance Program Final Report," (October 2007), Agriculture and Agri-Food Canada; Organisation for Economic Co-operation and Development, "AAFC AAC-#2725012-v10-DMM\_165992\_-\_Evaluation\_of\_the\_Agricultural\_Disaster\_Relief\_Program\_(ADRP)\_165992 (3).doc"



While evidence confirms the direct economic impacts of disasters and the current gap in other BRM and private sector mechanisms in addressing disaster in the agricultural sector, the literature review and key informant interviews identified concern that the ongoing availability of disaster relief programming has the potential to negatively impact producer adoption of other risk management tools (e.g., production insurance) and other adaptation initiatives.<sup>12</sup> For example, one report, noting that many OECD countries, including Canada, were developing Frameworks for disaster assistance, observed that the “efficiency of the new risk management policies in terms of frequency, amount of support implied, distortion to production, and potential crowding out of other risk management strategies needs systematic in-depth evaluation.”<sup>13</sup> Other publications, reporting the results of econometric modelling studies, offer similar cautions.<sup>14</sup> In the key informant interviews, some stakeholders expressed the view that continued disaster assistance may set unrealistic expectations for compensation for future disasters. Other comments suggested that with on-going availability of disaster assistance for similar conditions, some producers may forego insurance when they feel they can make a case for disaster assistance, negating their responsibility for proactive adoption of risk management tools and other adaptation initiatives. It should be noted that a detailed quantitative assessment of the impact of ADRP on the uptake of other BRM programs and private sector risk management tools was not undertaken as part of this evaluation. This analysis is planned as part of an evaluation of AAFC’s Income Stability Tools (AgriStability and AgriInvest), targeted for completion in March 2012.

Finally, the evaluation examined the published literature to assess the extent to which Canada’s responses to disasters are similar to that of other countries. It found that most OECD economies offer some form of disaster recovery assistance, although some (Sweden, Netherlands and UK) limit such assistance

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Development (OECD), Working Party on Agricultural Policies and Markets, “Thematic Review on Risk Management: Canada”, (January 2011), Trade and Agriculture Directorate. Page 32.

<sup>12</sup> OECD, Working Party on Agricultural Policies and Markets: “Thematic Review on Risk Management: Canada”, (January 2011), Trade and Agriculture Directorate. Page 48.

<sup>13</sup> Bielza et al., “Agricultural risk management in Europe”. M. Bielza et al., “Agricultural risk management in Europe,” in *101st Seminar, July 5-6, 2007, Berlin Germany, 2007.*”

<sup>14</sup> Anton Bekkerman, Vincent Smith, and Myles Watts, “SURE Impact? An Empirical Investigation of Moral Hazard and Adverse Selection Behavior,” in *Poster* (presented at the Agricultural & Applied Economics Association’s 2010 AAEA, CAES & WAEA Joint Annual Meeting, Denver, Colorado, 2010).; Barrett E. Kirwan, “Adversity and the Propensity to Fail: The Impact of Disaster Payments and Multiple Peril Crop Insurance on U.S. Farm Exit Rates,” in , 2009.; B. K Goodwin and L. A Vado, “Public responses to agricultural disasters: rethinking the role of government,” in *Canadian Journal of Agricultural Economics/Revue canadienne d'agroeconomie*, vol. 55, 2007, 399–417. Organisation for Economic Co-operation and Development, Working Party on Agricultural Policies and Markets: “Thematic Review on Risk Management: Canada”, (January 2011), Trade and Agriculture Directorate.

to disease-related events.<sup>15</sup> These programs generally conform to the World Trade Organization (WTO) rules that permit disaster relief if:

- there is a formal recognition by government authorities that a natural or other event, including a disease outbreak, is a disaster;
- the event results in a production loss that exceeds 30% of the average of production in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and the lowest entry; and
- the payments apply only in respect of losses of income, livestock, land or other production factors due to the natural disaster in question.

In conclusion, the evaluation found that there is an ongoing need for some type of disaster relief program as part of a suite of business risk management tools; however, disaster relief should be balanced against other risk management tools (i.e., production insurance) and incentives (i.e., Advance Payments Program) to help manage agricultural risks.

### 3.1.2. Alignment with Federal Priorities and Departmental Strategic Outcomes

**AgriRecovery objectives are clearly aligned with federal priorities and AAFC's strategic outcome for competitiveness.**

The evaluation reviewed Government of Canada publications and policy documents, including *Speech from the Throne* and budget statements, and AAFC's foundational documents that articulate the department's strategic outcomes, to assess whether AgriRecovery is aligned with federal priorities and departmental objectives.

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<sup>15</sup> European Commission, *Commission Regulation (EC) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No 70/2001*, 2006.; M. Bielza et al., "Agricultural risk management in Europe," in *101st Seminar, July 5-6, 2007, Berlin Germany*, 2007.; "New Zealand: On-farm Readiness and Recovery Plan for adverse climatic events and natural disasters," <http://www.maf.govt.nz/mafnet/rural-nz/adverse-events/govt-policy-on-adverse-events/onfarm-readiness-and-recovery-plan-web.htm>.; "Exceptional Circumstances Information Handbook: A guide to policy, processes and assistance measures" (Australian Government Department of Agriculture, Fisheries and Forestry, October 2010). ; Note: The United States implemented a revised suite of disaster relief programs in January 2010 affecting the 2008-2012 crop years: "Final Rule: Supplemental Revenue Assistance Payments Program," *Federal Register* 74, no. 247 (December 28, 2009): 68480 - 68497. And Federal Registrar, "Rules and Regulations: Livestock Forage Disaster Program and Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish; Supplemental Agricultural Disaster Assistance (7 CFR Part 760)" 74, no. 175 (September 11, 2009): 46665-46683.

The review found that in the *2006 Speech from the Throne*, the Government made a commitment to “create separate and more effective farm income stabilization and disaster relief programs and to work with producers and partners to achieve long-term competitiveness and sustainability [of the sector].” Budget 2008 reinforced that commitment saying “The Government’s new integrated approach towards farm support provides producers with comprehensive income protection against various hazards ranging from income variability ...to natural hazards... and disasters.” This demonstrates the federal government’s commitment to providing financial assistance to producers for losses stemming from agricultural disasters. Subsequent Speeches from the Throne and budgets have emphasized that the Government will continue to support the agricultural sector’s economic growth, competitiveness and access to world markets.

The review also confirmed that AgriRecovery aligns with AAFC’s Strategic Outcome “A competitive agriculture, agri-food and agri-based products sector that proactively manages risk”. AgriRecovery is one element of the BRM suite that is designed to enhance the sector’s competitiveness, and works with BRM programming to help manage farm risk.

In summary, the evaluation found that the AgriRecovery objectives are aligned with federal priorities and AAFC’s Strategic Outcome.

### 3.1.3. Alignment with Federal Roles and Responsibilities

**The AgriRecovery Framework and ADRP’s approach to funding disaster initiatives has clarified FPT roles and responsibilities in the assessment and development of disaster relief initiatives.**

The evaluation examined program documents, FPT agreements and other sources to assess whether the AgriRecovery program is consistent with accepted understanding of federal and provincial roles and responsibilities which is that the food and agriculture system is an area of shared federal-provincial jurisdiction. More specifically, the federal government has a lead role in areas such as international commerce, and food safety, and establishing national criteria/standards to ensure a consistent approach to income stabilization across the country. The provinces have the lead on matters such as commerce and food safety within their borders, land use and agricultural land protection.<sup>16</sup> The

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<sup>16</sup> *Constitution Acts, 1867 to 1982*: 95. In each Province the Legislature may make Laws in relation to Agriculture in the Province, and to Immigration into the Province; and it is hereby declared that the Parliament of Canada may from Time to Time make Laws in relation to Agriculture in all or any of the Provinces, and to Immigration into all or any of the Provinces; and any Law of the Legislature of a Province relative to Agriculture or to Immigration shall have effect in and for the Province as long and as far only as it is not repugnant to any Act of the Parliament of Canada.

current arrangements are the products of federal legislation enacted since 1935, as well as a series of national agriculture policy frameworks and FPT agreements.<sup>17</sup> In practice, federal and provincial jurisdictions collaborate on program design, with the federal government offering guidelines or rules to establish national coherence and equivalency, and the provinces often taking the lead role in program delivery. Since 1993, funding for business risk management programming is cost-shared on a 60% federal and 40% provincial/territorial basis.

The FPT AgriRecovery Framework, a component of *Growing Forward*, and AAFC's ADRP have introduced new approaches to the design and delivery of disaster assistance that include procedures and criteria for determining if an event is a disaster, creation of FPT Task Teams to assess needs and design responses; guidelines on available coverage and stacking provisions; and processes for ongoing adjustments to the ADRP approach as new disaster events arise.

In conclusion, based on the document and case file review and key informant interviews with PT representatives, the evaluation found that the AgriRecovery Framework and the ADRP approach to funding disaster initiatives have clarified FPT roles and responsibilities in the assessment and development of disaster relief programs.

#### 3.1.4. Alignment with other BRM Programs

**Within the AgriRecovery Framework, disaster relief is considered when the assistance provided through other BRM programs and any other federal or provincial program would not be timely, available or adequate.**

The evaluation examined evidence from program documents, the literature review and key informant interviews to assess whether AgriRecovery works with other BRM programs to reduce the impact of disasters on producers.

The BRM suite of programs consists of AgriInvest, AgriStability, AgriInsurance, and AgriRecovery.<sup>18</sup> Together these programs are intended to contribute to the

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<sup>17</sup> Andrew Schmitz, "Canadian Agricultural Programs and Policy in Transition," *Canadian Journal of Agricultural Economics/Revue canadienne d'agroeconomie* 56, no. 4 (2008): 371-391.

<sup>18</sup> AgriInvest is a savings account for producers that provides coverage for income of less than 15% and allows for investments that help mitigate risks or improve market income; AgriStability: an income stabilization program that provides support when a producer experiences income losses of more than 15%; *AgriInsurance*: provides insurance against production losses for specified perils (weather, pests, disease) for most, but not all commodities. The relationship between these programs is illustrated in Appendix K: Mapping of Business Risk Management Programs.

program suite's end outcome of reducing producers' income losses (see Appendix K: Mapping of Business Risk Management Programs).

According to the program documents and the FPT agreements, AgriRecovery and ADRP are designed to contribute to achievement of this end outcome by helping producers recover from disasters where the required assistance is beyond the capacity or mandates of the other BRM programs.<sup>19</sup> To this end, the AgriRecovery Framework directs FPT Task Teams to consider disaster relief only where the assistance provided through other BRM programs, the Advance Payments Program, and any other federal or provincial program would not be timely, available or adequate. ADRP is not intended to replace 100% of the losses, only extraordinary costs resulting from disaster. Where an ongoing program, such as AgriStability, cannot respond in a timely manner, immediate support can be provided under the ADRP and later offset against AgriStability payments. In addition, the program guidelines require that each initiative include measures to ensure that producers are not indemnified twice for the same costs/losses.

Taken together, the operating guidelines and safeguards under which disaster relief initiatives are developed and delivered indicate that AgriRecovery has been designed to ensure that they are aligned with the other business risk management programs and the case file review completed for the evaluation confirmed that Task Teams consider these questions in their assessments.

In conclusion, the evaluation found that AgriRecovery is aligned with the other BRM programs to mitigate risk and the impacts of disasters.

### **3.2. Program Design & Delivery**

The evidence obtained from the case file review, document review and key informant interviews indicated that, generally, ADRP had been implemented as planned. The evidence, however, highlighted program management and design issues and led to evaluation findings related to program expenditures; challenges related to meeting the program objective; concerns about the clarity of the parameters for triggering disaster assistance; and the need for improved producer education. The evidence and findings related to each of these issues is presented below.

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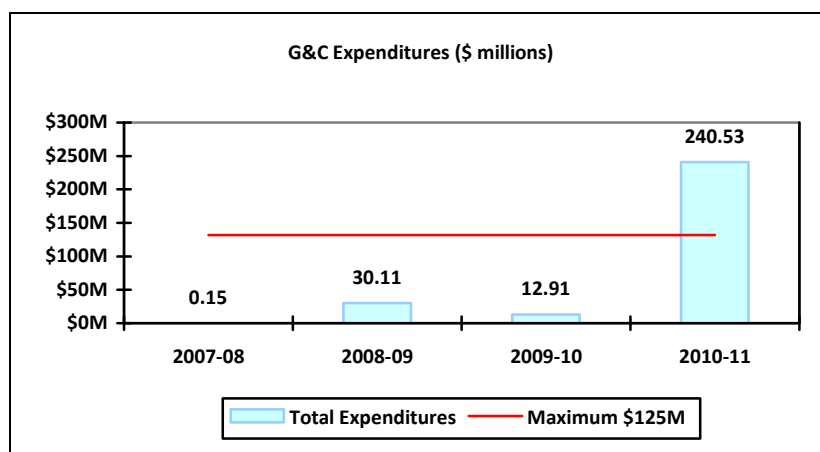
<sup>19</sup> Note: ADRP is not intended to replace 100% of the losses incurred by producers: the maximum allowable payment is 90% of eligible costs and losses. In addition, disaster relief is limited to losses that are not eligible to be covered by other programs.

### 3.2.1. ADRP Expenditures

**Disaster events are not predictable, ADRP's annual funding requirements can vary significantly from year to year, severely limiting the extent to which the program administration can plan and manage within the annual federal funding allocation.**

The program's actual contribution payments have varied considerably from year to year (see Figure 1 below). The data highlight the fiscal management challenge that disaster relief programming presents with respect to contribution payments.

**Figure 1: Federal Grants and Contributions Expenditures to March 2011<sup>20</sup>**



The annual variations in contribution funding requirements were not unexpected, given that the occurrence and severity of disease and weather-related disasters are not predictable as evidenced by the results of a review of 2009 and 2010 disease incident reports and related information. Similarly, the incidence, severity, and geographical scope of weather do not follow any patterns that would be meaningful for planning government disaster programs. Reliable medium and longer term forecasting of drought occurrences and severity is not yet available. The best that can be expected is that monitoring of large-scale atmospheric / oceanic indices can provide some useful guidance for forecasting with a lead-time of three to four months.

Although disasters can not be predicted, and they differ between regions and sectors, based on a review of approved ADRP initiatives, the evaluation notes that there have been several recurring types of disasters and extraordinary costs:

<sup>20</sup> Financial information provided by ADRP officials.

- Eight initiatives (all disease related) involved compensation for cleaning and disinfecting, along with various other extraordinary expenses.<sup>21</sup>
- Three ADRP initiatives involved compensation for forage, under varying circumstances and over different time periods.

ADRP operates with two constraints on the value of federal contributions that can be approved within existing delegated authorities from TB: the maximum federal contribution for any one initiative (\$20 million) and the maximum annual federal contribution for all ADRP expenditures (\$125 million per fiscal year). As Figure 1 shows, ADRP contributions were well below the \$125 million annual federal funding allocation for the first three fiscal years. However, for fiscal year 2010-11, the total federal contributions for AgriRecovery initiatives far exceeded the \$125 million maximum, primarily because of the Pasture Recovery Initiatives and Prairie Excess Moisture Initiatives with a combined expenditure of \$237 million. While the ADRP operates with these two constraints, it is a statutory program as it falls under section 12(5) of the *Farm Income Protection Act* (FIPA).<sup>22</sup> This allows the federal government to request funding beyond the \$125 million allocation when necessary for initiatives developed under the ADRP program.

In conclusion, the evaluation found that since disaster events are not predictable, ADRP's annual federal funding requirements can vary significantly from year to year, severely limiting the extent to which the program administration can plan and manage within the annual federal funding allocation.

### 3.2.2. Alignment with Program Objectives

**The evaluation found that AgriRecovery has had challenges in meeting its objective of “rapid financial response” due to several factors.**

The AgriRecovery Framework states that the program was designed to provide a “rapid financial response to assist with immediate recovery from a disaster situation.” Based on data gathered from key informants, the case file and document reviews indicate that this objective has been difficult to meet. For example, data taken from the 2008 and 2009 ADRP annual reports to the TBS indicate that, on average, the elapsed time between the original request for a

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<sup>21</sup> BC Bovine TB Initiative; Bovine Quesnel Initiative; Avian Influenza and most of the Nématode disasters.

<sup>22</sup> The FIPA clause: “The Governor in Council may, by order, authorize the Minister to enter into an agreement with one or more provinces, or to take any other appropriate action, that the Governor in Council deems to be necessary for the purpose of assisting producers of agricultural products following the implementation of any procedures or other special measures pursuant to subsection (1).”

Task Team assessment and the initiation of payments was over nine months, while some FPT representatives participating in key informant interviews indicated that it had taken about nine months after an assessment to begin delivering payments to most of the recipients.

Key informants and program reports identified a number of factors that contributed to delays. One issue was that FPT Task Teams could not always complete disaster assessments within the 45 day service standard because of the unique complexities of each disaster event, the time it takes for the impacts of a disaster event to be known, delays in obtaining the information needed to complete an assessment, or challenges associated with the approvals, authorization and due diligence at both the provincial and federal level. There were also reports that the issuance of payments is affected by multiple factors, including number of applicants, production cycles and length of time it takes for extraordinary costs/losses to become evident. The key informant interviews also noted that in some jurisdictions there was a lack of provincial staff with sufficient AgriRecovery experience.

Key informants have suggested some ways to improve the efficiency of the ADRP program, including:

- having the funding and agreements in place before announcing the program;
- conducting a formal “lessons learned” exercise after each disaster response;
- replacing the necessity of a provincial request with a joint federal-provincial assessment to determine whether a disaster designation would be appropriate, thus streamlining and expediting the process; and
- providing permanent programming across the country for certain types of disasters.

Key informants have also suggested that the parameters for triggering disaster assistance should be commodity based or at minimum address needs by sectors and regions as well as creating separate sub-programs for disease, horticulture and livestock. It was suggested that this would expedite the process and ensure the timelines for the delivery of assistance is consistent with the timelines of the business operations impacted.

In conclusion, the evidence from the key informant interviews and case file review indicates that, in some instances, ADRP has encountered challenges in achieving the AgriRecovery Framework’s objective of “rapid financial response.”



### **Recommendation #1**

AAFC should work with provinces and territories to establish a process for conducting lessons learned exercises following the completion of each ADRP initiative through the FPT BRM Policy working group. This would support potential process improvements in the assessment and delivery of future disaster initiatives.

### **Management Response and Action Plan**

Agreed. In 2009, FPT governments conducted a review of the initiatives put in place under AgriRecovery to that point. The review resulted in the development of FPT AgriRecovery Program Guidelines that include the requirement for a “lessons learned” exercise after each initiative is completed. This exercise is undertaken by federal and provincial officials based on final program reports. Final reports continue to be presented and lessons learned taken into consideration with the development of subsequent initiatives. However, amendments/appeals have delayed the completion of a number of initiatives thereby delaying the FPT discussion of lessons learned. FFPB will ensure that annual AgriRecovery reports include discussion of lessons learned through ADRP initiatives starting with the 2012 report.

*(Target date: June 2012; Responsibility: DG of BRMPD/FFPB)*

AgriRecovery, including past initiatives under the Framework, is currently being reviewed by federal and provincial officials. As part of this process, lessons learned are being examined to see how they could be addressed through changes to the Framework, including the Guidelines and ADRP Terms and Conditions. Officials are also examining ways to strengthen the lessons learned processes to ensure more timely discussion and action in response to initiative issues and the lessons learned. Lessons learned to date will be considered in the development of the next generation of agricultural policy and programs referred to as “Growing Forward 2”, including the successor to the AgriRecovery Framework. Lessons learned will also be addressed in any associated revisions to the AgriRecovery Terms and Conditions and Program Guidelines.

*(Target date: April 2013; Responsibility: DG of PPI/SPB)*

### **3.2.3. Parameters for Triggering Disaster Assistance**

**Evidence suggests that the design of AgriRecovery, which applies one set of criteria to all situations, sectors and regions, has created challenges for the FPT Task Team assessment process.**

AgriRecovery provides a flexible set of criteria and process that are intended to assess each case individually and tailor an appropriate response to the unique and unpredictable characteristics and impacts of individual disasters. However,

some key informants expressed concern that the generic design of AgriRecovery, which applies one set of criteria to all situations, sectors and regions, has created challenges for the Task Team assessment process. (See Appendix I: AgriRecovery Process & Criteria for criteria of disaster.) They suggested that there is a need for sector-specific parameters related to the definition of disaster and its application to distinct categories of disease and weather-related events that would help ensure consistent interpretation and application for similar events.

Furthermore, some key informants report that the lack of clarity around the parameters for triggering disaster assistance is creating pressure for FPTs to provide relief measures for events that could be perceived as a disaster but do not meet the AgriRecovery's disaster definition and criteria. Additional pressure can also come from producers who anticipate ADRP disaster funding if similar disaster events occur again. In the Pasture Recovery Initiative, for example, there was tremendous pressure from the industry for the government to announce and release funding before the assessment was concluded.

AgriRecovery's experience since 2008, as shown in Table 4, indicates that there are considerable variations in the number of producers affected, and the range of individual payments across initiatives. These data suggest that, at a minimum, there is reason to consider adapting AgriRecovery criteria and definitions that are specific to disease-related events.

**Table 4: Average Payments by Type of Initiative<sup>23</sup>**

Type of Disaster	Number of Recipients	Total Payments (Estimated)	Average Payment	Minimum Payment	Maximum Payment
Disease	92	\$24,898,970	\$270,641	\$11,906	\$410,511
Drought	20,980	\$103,345,736	\$4,926	\$2,750	\$7,595
Excessive Moisture	31,745	\$343,787,272	\$10,830	\$6,292	\$23,880
Other	27	\$822,293	\$30,455	\$17,856	\$44,024

The document, literature and case file review, as well as cost-effectiveness analysis, found that disease-related events differ from other "disasters" not only in terms of the comparatively small number of producers affected by any one disease occurrence, but in terms of the duration of the interventions needed to mitigate risk, the level of costs/losses incurred, the regulatory role played by the CFIA, and the costs of designing and delivering an initiative.

The literature review also found that other jurisdictions, including New Zealand, some European countries and the United States, have developed separate policies and programs for disease-related events. Neither a scan of past programs nor the available information about the disaster policies and programs

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<sup>23</sup> Financial information provided by ADRP officials.

offered in these jurisdictions suggest a particular program model that could be considered for adaptation in Canada.

In addition to the question of whether there would be advantages adopting sector specific parameters, the case file review and key informant interviews indicated that Task Teams had encountered challenges determining the “region” affected by a disaster. Defining the affected region, which the Terms and Conditions state “...may be as small as a county or municipality,” is a key component of planning and implementing the initiatives (i.e. targeting assistance and drawing boundaries in determining “regions” for disasters events). Variations in the way “region” has been interpreted may have led to perceived inequalities in assistance being provided under the program – both within a province and between provinces. For example, in two different initiatives related to excessive moisture in Manitoba, that occurred eight months apart, some regions received drought assistance while others did not and the amount of payment per acre differed significantly from one initiative to another (\$15/acre and \$30/acre).

Taking this information into consideration, the evaluation found that there is a need to adjust the parameters for triggering disaster assistance. It also found that FPT Task Teams appear to lack a common understanding on the interpretation and application of the ADRP Terms and Conditions and AgriRecovery Framework to specific sectors, types of disasters and regions.

## **Recommendation #2**

AAFC should work with provinces and territories to review the ADRP Terms and Conditions and the AgriRecovery Framework to adjust the parameters for triggering disaster assistance, in order to assist FPT Task Teams in carrying out their assessments.

## **Management Response and Action Plan**

Agreed. As mentioned above, FPT officials are currently reviewing the AgriRecovery Framework as part of the development of next generation of agricultural policy and programs referred to as “Growing Forward 2”. As part of this review, officials are looking at options to better define the role of AgriRecovery and strengthen the assessment and decision-making processes.

Once options for potential changes to AgriRecovery have been developed, the federal government will formally engage the provinces and territories in discussions to come to a decision on changes that will ensure a common understanding and consistent approach to AgriRecovery and its processes by FPT governments (Fall 2011). Once agreed to, changes will be made to the AgriRecovery Framework, including the Guidelines and ADRP Terms and Conditions.

*(Target date: April 2013. Responsibility: DG of BRMPD/FFPB and DG of PPI/SPB)*

### 3.2.4. Producer Education

**A number of key informants observed that producers do not have a good understanding of AgriRecovery's eligibility criteria and application or its role as part of a suite of BRM programs available to manage business risk.**

Provincial representatives observed that some producers will not seek insurance protection if they feel they can make a case for disaster funding assistance. Both provincial representatives and producers encouraged program officials to design and deliver educational products and activities to communicate what AgriRecovery can actually do and how assistance decisions are made. In part, the goal of this communication would be for producers to understand eligibility for assistance under individual initiatives, the scope of the disaster relief (limitations) and to encourage them to be more diligent in their risk management practices.

The document review, case studies and key informant interviews confirmed that there is relatively little information available that would help producers understand the intent of AgriRecovery and its role vis-à-vis other BRM programming to ensure they have a realistic understanding of the Framework and the process. Some producers indicated that they did not fully understand their eligibility for assistance under individual initiatives. Some producers also expressed concerns that levels of compensation did not match what they were expecting to receive.

In conclusion, the evaluation found that there is a need for the federal and provincial governments to provide more effective producer education and communication on the AgriRecovery process and coverage that includes explanations of the methods used to determine levels of compensation for disaster initiatives.

### **Recommendation #3**

AAFC should work with provinces and territories to provide more effective producer education and communication about the intent of the AgriRecovery Framework and its role vis-à-vis other BRM programming to manage risk and on the AgriRecovery process and coverage, including an explanation of the methods used to determine levels of compensation for disaster initiatives.

### **Management Response and Action Plan**

Agreed. Federal officials have worked to update the AgriRecovery web page on AAFC Online to provide a clear explanation of the intent of AgriRecovery and its process. An AgriRecovery Guide is also available for download which can be printed and distributed. The AgriRecovery Guide is being distributed more widely providing more information to industry on the AgriRecovery Framework. The

Guide outlines the assessment process and the goals of the Framework, including its role within the BRM suite of programming under Growing Forward.

*(Target date: Completed June 2011; Responsibility: DG of SPAC/CCB with DG of BRMPD/FFPB)*

Federal and provincial officials have held and will continue to hold sessions to explain AgriRecovery and the assessment process. To date, these sessions have been successful at helping industry and provincial officials understand the Framework, how it works, and its role in the current suite of Business Risk Management Programs. FFPB will work to offer more information sessions, taking advantage of annual industry conferences and other events that provide opportunities to educate producers about the AgriRecovery Framework.

*(Target date: December 2011; Responsibility: DG of BRMPD/FFPB)*

### 3.3. Performance

This section of the report looks at the extent to which AgriRecovery is achieving its intended outcome and whether it is having any unintended impacts. In examining the program's performance, the evaluation reviewed its performance measurement framework as well as its administrative expenditures.

#### 3.3.1. Performance Measurement Strategy

**The 2009-2010 performance measurement strategy (PMS) reflects improvements from the 2007-2008 version; however, consideration should still be given to developing more clearly defined and measurable indicators.**

The 2007-2008 program PMS was replaced in 2009-2010 with a single outcome and performance indicators that are part of an integrated performance measurement strategy for the BRM suite under Growing Forward. The 2009-2010 PMS replaced three previous outcomes for AgriRecovery with a single outcome recognizing the objectives of the program in providing short-term disaster relief, as part of a larger suite of business risk management tools. The revised PMS reflects improvements from the previous version; however, the evaluation notes that consideration should be given to developing more clearly defined and measurable indicators. (For additional information see Appendix F: ADRP Logic Model (2007-08), Appendix G: ADRP Performance Measurement Strategy and

#### Appendix M: BRM Performance Measurement Plan for AgriRecovery).

The evaluation found that additional measures are required to assess the indicator “Contribution of AgriRecovery to minimize the impact of natural disasters on producers.” For example, setting a target for the percentage of costs/losses that are offset by AgriRecovery payments would be more meaningful than the current measure of the percentage of affected producers who apply. Similarly, the indicator that seeks to measure whether producers quickly resume business operations after a disaster is only relevant to the extent that the disasters involved would normally be of such severity as to immediately force a large proportion of the affected farms out of business entirely. This may be the expected result of some disease-related events, but it is not the usual case for weather events or climate conditions that are deemed disasters. Here an indicator relating to how quickly producers are able to return to pre-disaster income margins could be more informative.

The new 2009-2010 PMS calls for surveys to address two of the four AgriRecovery indicators: “the percentage of producers who believe that the financial assistance provided under the program played a role in the recovery” and “the percentage of producers still farming one year after the disaster payment”. To date no surveys for AgriRecovery have been administered by the provinces. Moreover, the requirements in the contribution agreements are not sufficient to ensure that adequate and comparable surveys are developed. As credible surveys are technically challenging and can be costly, it would be worthwhile to develop indicators that could be measured using other methodologies.

The evaluation also noted that the relevance of some of the indicators and/or targets could be improved. For example, one of the AgriRecovery targets is that 75% of the applications for financial assistance are processed within nine months. Given that the indicator relates to the assistance provided to support “immediate recovery” from a disaster situation,” a nine-month horizon may not be meaningful.

In conclusion, the evaluation found that opportunities exist to strengthen the performance measurement strategy to better support program reporting and evaluation.

#### **Recommendation #4**

AAFC should work with the provinces and territories to further strengthen the performance measurement strategy for AgriRecovery/Agricultural Disaster Relief Program, to ensure that indicators fully support an assessment of performance against the program outcome.

## **Management Response and Action Plan**

Agreed. Given the new and unique nature of the AgriRecovery Framework, the performance measurement strategy for AgriRecovery has been evolving since the inception of the Framework. FPT governments, through the BRM Working Group, have been working to ensure that the performance indicators and targets can effectively capture the goals of AgriRecovery, as well as the unique objectives of each individual initiative developed under the Framework. The PMS will be updated to reflect the evolution of BRM suite, including AgriRecovery, as part of next generation of programs for Growing Forward 2.

*(Target date: April 2013; Responsibility: DG of BRMPD/FFPB)*

### **3.3.2. Performance Monitoring and Reporting**

**Although improvements have been made as the program matures, the evaluation found that performance monitoring and reporting have not been consistent, with the result that the data needed to measure the achievement of the program outcome are not gathered and reported in a timely and systematic manner.**

Because provincial/territorial agencies deliver most of the outputs that reach producers, AAFC does not have direct access to key performance data. Instead, the department seeks to collect the required information from the delivery agencies through the reporting requirements under each contribution agreement (CA). The evidence from the document and case file reviews found deficiencies in the implementation of this strategy. First, the reporting requirements are not clearly or sufficiently defined. For example, the PEI Potato CA makes no reference to performance data; on the other hand, the Manitoba Interlake CA simply requested the province to collect “appropriate indicators” using surveys or other methods that the province deems appropriate. The CA for the Ontario Tornado Initiative requires that the province collect and report appropriate performance indicators including, but not limited to, identifying whether applicants believe the payments were received at an appropriate time and assisted them in re-establishing their tree fruit orchards. There are similar, unexplained variations in the requirements regarding the frequency of reporting: the Alberta Seed Potato CA states that the province “...shall track activities and objectives performed under the Activities and Objectives Schedule and shall provide Canada with Progress Reports on the results and status of each of these individual activities and objectives on a quarterly basis,” while the Manitoba Interlake CA simply states that AAFC has “... the discretion to request periodic updates and status reports.”

In addition to the inconsistencies, the agreements do not ensure collection of the data needed to monitor program performance for federal government purposes. The data that is currently required is not sufficient to address basic performance

measurement and reporting needs for the overall program, and makes no provision for the collection of information that might address policy or performance questions around sub-groups of initiatives whether defined by sector or the type of disaster involved. In this regard, it should be noted that *Growing Forward* fully recognized the importance of sufficient and comprehensive data collection. Paragraph 6.3 of the agreement, for example, provides that “to support public accountability, audit, evaluation and reporting, the parties collectively shall establish consistently defined performance and financial information, and shall collect and share this information for reporting, audit and evaluation purposes. The collectively established definitions, and the requirement to establish the processes for collecting and sharing information, will be included in the Bilateral Agreements.” The existing contribution agreements do not appear to satisfy the aspirations of this clause; however, notable improvements have been made during the later years of program implementation.

Secondly, performance data are not gathered and reported for most initiatives in a timely manner. The delivery agencies are not meeting the reporting requirements or being asked by AAFC to prepare discretionary reports as outlined in the contribution agreements. The document and case file reviews found no evidence of the required progress reports, and most of the five final initiatives reports that were available for review appear to have been submitted well after their due dates. In addition, the contents of four of the five final initiatives reports met only the minimum requirements, lacked consistent methodologies and did not collect data on the percentage of exceptional costs/losses associated with a disaster that are offset by AgriRecovery payments.

Thirdly, producer surveys were identified as the source of data for key outcome measures; however, there is no evidence that the provinces/territories are conducting the required surveys. The final reports for five initiatives did not conduct a survey, but rather used data from AgriStability and AgriInsurance to measure some of the performance indicators. This could be partially because contribution agreements do not sufficiently define data requirements (e.g., indicators and collection methods) that are specific to disease or weather-related events.

Lastly, there is no central ADRP database(s) that collects and maintains available performance information on each initiative. The program, however, has taken steps to develop a database that tracks the financial and assessment information for each initiative.

In summary, the evaluation found that performance monitoring and reporting are not systematic, nor are the data requirements sufficiently defined in contribution agreements in relation to performance indicators to support a comprehensive assessment of program performance in general, or with respect to specific subgroups of initiatives.



### **Recommendation #5**

AAFC should work with provinces and territories to improve performance monitoring and reporting to support future assessments of the program, through the inclusion of well-defined data requirements in contribution agreements; by implementing a process to ensure that performance reports are submitted by delivery agents within the timeframes set out in contribution agreements; and by developing a comprehensive program database to track performance information and progress on all AgriRecovery initiatives.

### **Management Response and Action Plan**

Agreed. AgriRecovery initiatives vary significantly based on the needs of producers after a disaster event. They are also generally administered by the provinces or provincial delivery agencies. As such, the administrative systems in place and capacity for performance monitoring, data collection, and reporting can vary dramatically from initiative to initiative.

FFPB has assigned dedicated resources to support the development and maintenance of administrative systems to better capture program data, including performance data, for the purposes of program monitoring and reporting.

*(Target date: May 2011; Responsibility: DG of BRMPD/FFPB)*

Work is currently ongoing with systems expected to be in place by March 2012. Officials will continue to expand and evolve these systems to ensure they continue to meet program monitoring and reporting needs.

*(Target date: March 2012; Responsibility: DG of BRMPD/FFPB)*

FPT officials are working to improve performance monitoring, data collection, and reporting. This includes strengthening and clarifying the related clauses in program agreements, as well as tracking these requirements to ensure they are met in accordance with the set timeframes. Revised AgriRecovery Program Guidelines, Terms and Conditions and contribution agreements for the ADRP will reflect improved provisions for performance monitoring and reporting to track performance information and progress on all AgriRecovery initiatives.

*(Target date: April 2013; Responsibility: DG of BRMPD/FFPB)*

### **3.3.3. Achievement of the Program Outcome**

**While AgriRecovery has had some challenges in meeting its performance targets, it is progressing towards the achievement of its single outcome of “Farm business operations resume operations following a natural disaster”.**

It is difficult to completely assess the program's three categories of performance indicators due to the fact that a number of the approved initiatives, including the largest, were ongoing at the time of this evaluation (12 initiatives were completed and nine were ongoing). In addition, final reports for only five of the completed initiatives were available for assessment. However, based on all lines of evidence and data from AAFC programs, the evaluation found that AgriRecovery is making progress towards its single outcome: *Farm business operations resume operations following a natural disaster*.

### Minimizing the Impact of Disasters

AgriRecovery assumes that it will have succeeded in minimizing the impact of a natural disaster if 80% of the producers directly affected by the event apply for assistance and 75% of those surveyed believe the assistance played a role in their recovery (Figure 2). With respect to the first indicator, BRM's performance reports for 14 of 21 approved initiatives indicate that about 60% of the estimated affected producers applied. However, it would be premature to draw any firm conclusions from this information as nine of the initiatives, including the 2010 Excessive Moisture and Pasture Recovery Initiatives that account for about 98% of the total recipients (45,429), were still being delivered when this evaluation was conducted. The final reports for these initiatives are due between April and July 2011.

**Figure 2: AgriRecovery Performance Indicators: Minimizing Impact**

Category	Indicators	Targets
1. Contribution of AgriRecovery to minimize the impact of natural disasters on producers.	1.1 Percentage of affected producers who apply for assistance once a disaster is designated.	80% of expected producers impacted directly by the disaster.
	1.2 Percentage of producers who believe that the financial assistance provided under ADRP played a role in the recovery.	75% of the producers surveyed who participated in the program.

As for the second indicator, to date no producer surveys have been conducted so it is not possible to assess the program's performance against this indicator. It is noted, however, that the information contained in the final reports from five completed initiatives indicate that the recipients tended to be appreciative of the benefits received, even though they were sometimes critical of the level of compensation, the timeliness of payments or other features of the initiative. Nevertheless, key informant interviews, the final reports for five completed initiatives, and the case file review found that ADRP funding played some part in the recovery of farming operations.

While ADRP is delivering the payments that are required to minimize disaster impacts, there are no data to support an analysis of the proportion of the

costs/losses that have been covered by the payments, information that will be important in the future when attempting to assess whether a farm's continued operation is attributable to AgriRecovery.

In summary, the available evidence indicates that AgriRecovery is contributing to minimizing the impact of natural disasters on producers.

### Timely Responses

Based on available data for 14 of 21 approved initiatives, 10 initiatives (71%)<sup>24</sup> were assessed within the 45-day service standard.

A number of key informants reported that the 45-day target for assessments had been difficult to meet because of factors such as the complexity of the event that triggered the request, the limited staff resources assigned to AgriRecovery, production cycles and the length of time it takes for the affects of disasters to become apparent.

**Figure 3: AgriRecovery Performance Indicators: Timeliness**

Category	Indicators	Targets
2. Timely financial response to assist with immediate recovery from a disaster situation.	2.1 Response time to process applications from eligible producers in the affected area.	90% of disaster situations are evaluated in 45 days.  75% of applications are processed within 9 months.

With respect to the time required to process applications from eligible producers, the evidence indicates that ADRP is meeting its target to process 75% of the applications within nine months. However, it should be noted that nine initiatives are still ongoing and final reports have yet to be submitted for another seven completed initiatives. Finally, data taken from the annual reports to the TBS indicate that, on average, the elapsed time between the original request for a Task Team assessment and the initiation of payments was about nine months.

In summary, AgriRecovery has had difficulty meeting the 45 day target for assessing disaster situations; however, it is meeting its target of nine months to process applications.

### Resumption of Business Operations

The program's target is that 70% of producers surveyed are still farming one year after the disaster payment. While surveys were not undertaken, information

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<sup>24</sup> Four of the 14 initiatives that were not assessed within the 45 days service standard were: British Columbia Bovine Tuberculosis Assistance Program, Quebec Nematode Assistance Program-Transition & Nurseries, British Columbia Avian Influenza Assistance Program, and Ontario Tornado Assistance Program.

about the extent to which farms have resumed operations was available from the key informant interviews and the final reports prepared by the delivery agencies for five of the initiatives, four of which responded to plant disease outbreaks and one that dealt with a winter event.<sup>25</sup>

**Figure 4: AgriRecovery Performance Indicators: Resumption of Operations**

Category	Indicators	Targets
3. Producers quickly resume business operations after a disaster.	3.1 Percentage of producers still farming one year after the disaster payment.	70% of producers surveyed are still farming one year after the disaster payment.

According to the reports, the five initiatives provided benefits to 88 producers and an estimated 85 of them had resumed operations and remained in business for up to two years after the event that affected them.<sup>26</sup>

A few of the participants in the key informant interviews and interviews conducted for the case file review reported that to their knowledge, most of the affected farms in their regions continued to operate a year or more after the disaster. The key informants reported, however, that they had not returned to pre-disaster levels of operation due to factors such as diminished longer-term production levels or the several years it takes for new fruit trees and similar crops to mature. They also reported that some farming operations were no longer viable due to equity losses resulting from the disaster-related damage to the land or to extended disasters such as three-year droughts. These sources emphasize that, in many initiatives, a full recovery will only occur over many years, not within 12 months after receiving payments prescribed in the program's design. In addition, the final report for the Quebec Nematode Assistance Program indicated that the producers in that case felt that the AgriRecovery Framework did not effectively address the long-term impacts of the Nematode outbreak. Specifically, the allocated funding of \$5 million assumed a transition period of three years, when in reality the transition period would require a minimum of 10 years to achieve full recovery.

It should be noted that any attempt to attribute the resumption of business operations to AgriRecovery initiatives will be difficult due to the moderating impact of other BRM programs, changing economic conditions and other influences such as weather conditions and disease.

<sup>25</sup> New Brunswick Honeybee Revitalization Initiative (2007; Alberta Seed Potato Assistance Program (2008); Alberta Seed Potato Assistance Program (2009); Ontario Duponchelia Assistance Program (2009); and Quebec Nematode Assistance Program (2008, 2009).

<sup>26</sup> Provincial officials based the estimates on information gathered at industry events or evidence that the recipients continued to be participants in AgriStability and AgriInsurance.

For the initiatives that have been completed to date, AgriRecovery appears to be meeting the program performance target that 70% of producers are still farming one year after the disaster payment. In conclusion, based on the data available for completed initiatives, ADRP is progressing towards the achievement of its sole outcome that “Farm business operations resume operations following a natural disaster.”

### 3.4. Efficiency & Economy

Program efficiency refers to the extent to which maximal program outputs are achieved with a given level of inputs or, conversely, the minimal level of inputs or resources are used to achieve the maximum level of outputs. Efficiency can be measured in terms of inputs such as timeliness, human resources and demands on participants. Program economy refers to the costs of a program relative to the outputs or outcomes achieved.

#### 3.4.1. Efficiency

**The evaluation found that while the overall direct program delivery costs for ADRP are lower than other BRM programming, these costs vary from one disaster initiative to the next, making the ADRP a unique program that does not have comparable benchmarks.**

According to its revised logic model, ADRP produces one output: funding provided to participants affected by disaster. While cost data for this output is not available, under the CAs the federal government does contribute 60% of the administrative costs incurred by provincial delivery agencies for the direct delivery of the initiatives.<sup>27</sup> The data for the value of sharable direct program delivery costs provides a reasonable estimate of these costs for each of the 21 initiatives.

As Table 5 reveals, the estimated average cost of directly delivering a payment to an eligible recipient under all the initiatives combined is \$144. The average cost per payment for the disease-related initiatives is significantly higher than it is for the drought and excessive moisture initiatives.

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<sup>27</sup> The direct delivery costs (such as disaster assessment, program development and program reporting) are through Grants and Contributions, and does not include Vote 1 funding.

**Table 5: Estimated Direct Delivery Costs by Type of Initiative<sup>28</sup>**

Disaster Type	Initiatives	Recipients	Total Shared Payments	Shared Direct Program Delivery Costs	Direct Delivery Cost per Recipient	Direct Delivery Cost as % of Payments
Disease	8	92	\$24,898,970	\$636,112	\$6,914	2.5%
Drought	4	20,980	\$103,345,736	\$2,523,200	\$120	2.5%
Excessive Moisture	7	31,745	\$343,787,272	\$4,436,350	\$140	1.3%
Other	2	27	\$822,293	\$14,940	\$553	1.8%
<b>Total</b>	<b>21</b>	<b>52,844</b>	<b>\$472,854,271</b>	<b>\$7,610,602</b>	<b>\$144</b>	<b>1.6%</b>

Since the direct program delivery costs vary from one disaster initiative to the next, the evaluation team was unable to identify administrative cost benchmarks for processes that would be directly comparable to those used for AgriRecovery initiatives. By way of comparison, the total direct delivery costs shared by the federal and provincial/territorial governments for the ADRP program over four years were \$7.6 million, or about 1.6% of the \$472.9 million in disaster relief payments.

In the absence of an appropriate benchmark or an alternative program model,<sup>29</sup> the recent evaluation and planning documents for other BRM programs were examined and two points of comparison were identified:

- A 2007 AAFC evaluation reported data that indicates that similar administrative costs for production insurance shared by the federal and provincial governments in 2005-06 were \$94.23 million, or about 11% of the \$814 million in premiums paid;<sup>30</sup> and

<sup>28</sup> Financial information provided by ADRP officials.

<sup>29</sup> The disaster assistance programs administered by the United States Department of Agriculture's Farm Services Agency (FSA) have goals that are comparable to ADRP's, but they use different approaches. Despite the differences, it is possible that an examination of FSA programs would identify opportunities for program efficiencies, especially with respect to drought and excessive moisture initiatives. Unfortunately, the American programs only began to accept applications in January 2010 and the performance and cost data needed to support a comparative analysis will not be available until sometime in 2011.

<sup>30</sup> Office of Audit and Evaluation, "Evaluation of the Production Insurance Program Final Report," (October 2007), Agriculture and Agri-Food Canada. Page 20 & 59.

- AgriStability planning documents included forecasts of the federal government's contributions that indicate that administrative expenditures eligible for cost sharing were expected to equal about 6% of the total payments made to producers.<sup>31</sup>

In conclusion, because of the differences in the costing data and program processes, it is not possible to make a direct comparison between the administrative costs of ADRP and other BRM programs. The data, however, do indicate that costs of the delivering payments, ADRP's key output, are lower than the administrative costs for other BRM programs.

### 3.4.2. Economy

The literature review and key informant interviews did not identify any provincial/territorial program approaches that could be assessed to determine whether there is a provincial or federal disaster relief program that might serve as model for a more effective or economical way to achieve AgriRecovery objectives.

The literature review did find evidence that the American disaster assistance programs have objectives that are comparable to the AgriRecovery objectives, but they use different delivery models. Given the similarities in the climatic, production and competitive environments of the Canadian and American agricultural sectors, a comparison of the relative effectiveness of the two models would be instructive. Unfortunately, there is little qualitative or quantitative performance, or cost, data available on the American programs because they were only implemented in January 2010. At the same time, the AgriRecovery performance and cost data that would be needed to support such a comparison will not be available until the 2010 AgriRecovery initiatives, particularly the Pasture Recovery and Excessive Moisture initiatives, are completed.

## 4.0 Conclusions

**The evaluation found that there is an ongoing need for some type of disaster relief program as part of a suite of business risk management tools; however, disaster relief should be balanced against other risk management tools and incentives to help manage agricultural risks.** The AgriRecovery objectives are aligned with federal priorities and AAFC's Strategic Outcome.

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<sup>31</sup> Integrated Results-Based Management Accountability Framework (RMAF) And Risk-Based Audit Framework (RBAF) for AgriStability (August 29, 2008), Agriculture and Agri-Food Canada

**The AgriRecovery Framework and the ADRP approach to funding disaster initiatives have clarified FPT roles and responsibilities in the assessment and development of disaster relief programs, which were found to align with the other BRM programs delivered within the *Growing Forward to mitigate risk and the impacts of disasters*. The AgriRecovery approach allows the FPTs to coordinate and collaborate on appropriate and adequate assistance for disaster-related events and ensure producers are not indemnified twice for the same costs/losses.**

**Since disaster events are not predictable, ADRP's annual funding requirements can vary significantly from year to year, severely limiting the extent to which the program administration can plan and manage within the annual federal funding allocation.**

**ADRP, in some instances, has encountered challenges in achieving the AgriRecovery Framework's objective of "rapid financial response." There is a need to adjust the parameters for triggering disaster assistance and provide more effective producer education and communication on the AgriRecovery process and coverage.**

**Opportunities exist to strengthen the performance measurement strategy to better support program reporting and future decision making.**

**AgriRecovery's performance monitoring and reporting are not systematic, nor are the data requirements sufficiently defined in contribution agreements to support a comprehensive assessment of program performance in general, or with respect to specific subgroups of initiatives.**

**ADRP is progressing towards the achievement of its sole outcome that "Farm business operations resume operations following a natural disaster." AgriRecovery is contributing to minimizing the impact of natural disasters on producers by processing and delivering its payments within nine months, which helps producers to continue farming after the disaster. However, AgriRecovery is not always able to complete disaster assessments within the established 45 day target due to the unique complexities of disasters.**

**The evaluation found that the administrative costs of ADRP are lower than the administrative costs for other BRM programs.**



## Appendix A: Recommendations and Management Response and Action Plan

Recommendations	Management Response and Action Plan
<p>1) AAFC should work with provinces and territories to establish a process for conducting lessons learned exercises following the completion of each ADRP initiative through the FPT BRM Policy working group. This would support potential process improvements in the assessment and delivery of future disaster initiatives.</p>	<p>Agreed. In 2009, FPT governments conducted a review of the initiatives put in place under AgriRecovery to that point. The review resulted in the development of FPT AgriRecovery Program Guidelines that include the requirement for a “lessons learned” exercise after each initiative is completed. This exercise is undertaken by federal and provincial officials based on final program reports. Final reports continue to be presented and lessons learned taken into consideration with the development of subsequent initiatives. However, amendments/appeals have delayed the completion of a number of initiatives thereby delaying the FPT discussion of lessons learned. FFPB will ensure that annual AgriRecovery reports include discussion of lessons learned through ADRP initiatives starting with the 2012 report.</p> <p><i>(Target date: June 2012. Responsibility: DG of BRMPD/FFPB)</i></p> <p>AgriRecovery, including past initiatives under the Framework, is currently being reviewed by federal and provincial officials. As part of this process, lessons learned are being examined to see how they could be addressed through changes to the Framework, including the Guidelines and ADRP Terms and Conditions. Officials are also examining ways to strengthen the lessons learned processes to ensure more timely discussion and action in response to initiative issues and the lessons learned. Lessons learned to date will be considered in the development of the next generation of agricultural policy and programs referred to as “Growing Forward 2”, including the successor to the AgriRecovery Framework. Lessons learned will also be addressed in any associated revisions to the ArigRecovery Terms and Conditions and Program Guidelines.</p> <p><i>(Target date: April 2013; Responsibility: DG of PPI/SPB)</i></p>

<p>2) AAFC should work with provinces and territories to review the ADRP Terms and Conditions and the AgriRecovery Framework to adjust the parameters for triggering disaster assistance, in order to assist FPT Task Teams in carrying out their assessments.</p>	<p>Agreed. As mentioned above, FPT officials are currently reviewing the AgriRecovery Framework as part of the development of next generation of agricultural policy and programs referred to as "Growing Forward 2". As part of this review, officials are looking at options to better define the role of AgriRecovery and strengthen the assessment and decision-making processes.</p> <p>Once options for potential changes to AgriRecovery have been developed, the federal government will formally engage the provinces and territories in discussions to come to a decision on changes that will ensure a common understanding and consistent approach to AgriRecovery and its processes by FPT governments (Fall 2011). Once agreed to, changes will be made to the AgriRecovery Framework, including the Guidelines and ADRP Terms and Conditions.</p> <p><i>(Target date: April 2013. Responsibility: DG of BRMPD/FFPB and DG of PPI/SPB)</i></p>
<p>3) AAFC should work with provinces and territories to provide more effective producer education and communication about the intent of the AgriRecovery Framework and its role vis-à-vis other BRM programming to manage risk and on the AgriRecovery process and coverage, including an explanation of the methods used to determine levels of compensation for disaster initiatives.</p>	<p>Agreed. Federal officials have worked to update the AgriRecovery web page on AAFC Online to provide a clear explanation of the intent of AgriRecovery and its process. An AgriRecovery Guide is also available for download which can be printed and distributed. The AgriRecovery Guide is being distributed more widely providing more information to industry on the AgriRecovery Framework. The Guide outlines the assessment process and the goals of the Framework, including its role within the BRM suite of programming under Growing Forward.</p> <p><i>(Target date: Completed June 2011; Responsibility: DG of SPAC/CCB with DG of BRMPD/FFPB)</i></p> <p>Federal and provincial officials have held and will continue to hold sessions to explain AgriRecovery and the assessment process. To date, these sessions have been successful at helping industry and provincial officials understand the Framework, how it works, and its role in the current suite of Business Risk Management Programs. FFPB will work to offer more information sessions, taking advantage of annual industry conferences and other events that provide opportunities to educate producers about the AgriRecovery Framework.</p> <p><i>(Target date: December 2011; Responsibility: DG of BRMPD/FFPB)</i></p>

<p>4) AAFC should work with provinces and territories to further strengthen the performance measurement strategy for AgriRecovery/Agricultural Disaster Relief Program, to ensure that indicators fully support an assessment of performance against the program outcome.</p>	<p>Agreed. Given the new and unique nature of the AgriRecovery Framework, the performance measurement strategy for AgriRecovery has been evolving since the inception of the Framework. FPT governments, through the BRM Working Group, have been working to ensure that the performance indicators and targets can effectively capture the goals of AgriRecovery, as well as the unique objectives of each individual initiative developed under the Framework. The PMS will be updated to reflect the evolution of BRM suite, including AgriRecovery, as part of next generation of programs for Growing Forward 2.</p> <p><i>(Target date: April 2013; Responsibility: DG of BRMPD/FFPB)</i></p>
<p>5) AAFC should work with provinces and territories to improve performance monitoring and reporting to support future assessments of the program, through the inclusion of well-defined data requirements in contribution agreements; by implementing a process to ensure that performance reports are submitted by delivery agents within the timeframes set out in contribution agreements; and by developing a comprehensive program database to track performance information and progress on all AgriRecovery initiatives.</p>	<p>Agreed. AgriRecovery initiatives vary significantly based on the needs of producers after a disaster event. They are also generally administered by the provinces or provincial delivery agencies. As such, the administrative systems in place and capacity for performance monitoring, data collection, and reporting can vary dramatically from initiative to initiative.</p> <p>FFPB has assigned dedicated resources to support the development and maintenance of administrative systems to better capture program data, including performance data, for the purposes of program monitoring and reporting.</p> <p><i>(Target date: May 2011; Responsibility: DG of BRMPD/FFPB)</i></p> <p>Work is currently ongoing with systems expected to be in place by March 2012. Officials will continue to expand and evolve these systems to ensure they continue to meet program monitoring and reporting needs.</p> <p><i>(Target date: March 2012; Responsibility: DG of BRMPD/FFPB)</i></p> <p>FPT officials are working to improve performance monitoring, data collection, and reporting. This includes strengthening and clarifying the related clauses in program agreements, as well as tracking these requirements to ensure they are met in accordance with the set timeframes. Revised AgriRecovery Program Guidelines, Terms and Conditions and contribution agreements for the ADRP will reflect improved provisions for performance monitoring and reporting to track performance information and progress on all AgriRecovery initiatives.</p> <p><i>(Target date: April 2013; Responsibility: DG of BRMPD/FFPB)</i></p>

## Appendix B: Evaluation Matrix

Evaluation Issue	Indicators	Data Sources/Methods
<b>RELEVANCE</b>		
<b>ISSUE #1: Continued Need for the Program</b>		
<p>Is there an ongoing need for disaster relief programming as part of a suite of programs to help producers manage business risks?</p> <ul style="list-style-type: none"> <li>Does disaster relief programming help producers manage risk?</li> </ul>	<ul style="list-style-type: none"> <li>Incidence and prevalence of disasters.</li> <li># of disasters that the program as assessed</li> <li># of applicants that have received funding</li> <li>\$ of gov't funding that AgriRecovery has provided</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Literature Review</li> <li>File Review</li> </ul>
	<ul style="list-style-type: none"> <li>Evidence of the negative impact of disasters on producer incomes and sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Literature Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Evidence that other public and private sector programs and services are unable to reduce the negative impacts,</li> <li>Gaps that exist in disaster funding</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Literature Review</li> <li>Key Informant Interviews</li> </ul>
<b>ISSUE #2: Alignment with Government priorities</b>		
<p>Are the objectives of AgriRecovery aligned with federal priorities and departmental strategic outcomes?</p> <ul style="list-style-type: none"> <li>Should AAFC be responsible for disaster relief programming?</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of program objectives with departmental Strategic Outcomes and federal/AAFC priorities for the agricultural sector</li> </ul>	<ul style="list-style-type: none"> <li>Document Review (Speech from the Throne, Budget 2009, RPP, DPR, AAFC's annual report)</li> </ul>
	<ul style="list-style-type: none"> <li>Alignment of AgriRecovery with AAFC mandate and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> </ul>
<b>ISSUE #3 Alignment with Federal Roles and Responsibilities</b>		
<p>How does AgriRecovery work with other BRM programs to reduce the economic impact of disasters on producers?</p>	<ul style="list-style-type: none"> <li>Alignment of business risk management programs to address disasters</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Mapping of BRM programs</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Alignment of AgriRecovery with federal government roles and responsibilities (identify roles)</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> </ul>
	<ul style="list-style-type: none"> <li>Positioning of AgriRecovery with other federal and provincial gov't programs to show if there are other programs with similar objectives</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Literature Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Role of industry</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Literature Review</li> <li>Key Informant Interviews</li> </ul>

Evaluation Issue	Indicators	Data Sources/Methods
<b>PERFORMANCE (effectiveness, efficiency and economy)</b>		
<b>ISSUE # 4: Achievement of Expected Outcomes</b>		
<b>Immediate, Intermediate and End Outcomes</b>		
To what extent has AgriRecovery achieved its expected outcomes?	<ul style="list-style-type: none"> <li>amount of time it took to get the funding to the farmers (service standards)</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>\$ value of negative impacts of disaster on producers</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li># and \$ of compensation producers received for costs/losses stemming from a disaster (IO)</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li># of farmers resumed their operations after a disaster</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Number and type of eligible producers who applied to AgriRecovery compared to other BRM programs</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Number and type of disasters that are funded and not funded</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> <li>Document Review</li> </ul>
	<ul style="list-style-type: none"> <li># of farmers impacted by disaster</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Literature Review</li> <li>Key Informant Interviews</li> </ul>
<ul style="list-style-type: none"> <li>Are the objectives of the initiatives developed under AgriRecovery Framework and federally funded through AgriRecovery, better aligned with BRM policy and programs objectives than ad hoc disaster initiatives pre-AgriRecovery Framework/AgriRecovery?</li> </ul>	<ul style="list-style-type: none"> <li>Mapping of BRM programs-alignment of BRM programs</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> <li>Key Informant Interviews (AFC)</li> <li>Expert Panel</li> </ul>
	<ul style="list-style-type: none"> <li>Objectives of approved AgriRecovery initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> <li>File Review</li> <li>Key Informant Interviews (AFC)</li> <li>Expert Panel</li> </ul>
	<ul style="list-style-type: none"> <li>Objectives of pre-AgriRecovery “ad hoc” initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> <li>Key Informant Interviews (AFC)</li> <li>Expert Panel</li> </ul>

Evaluation Issue	Indicators	Data Sources/Methods
<b>ISSUE # 4: Achievement of Expected Outcomes (Continued)</b>		
<ul style="list-style-type: none"> <li>What factors have facilitated/impeded the achievement of AgriRecovery outcomes?</li> </ul>	<ul style="list-style-type: none"> <li><u>Internal</u> factors (conditions and activities within the department's span of control) that <u>facilitated</u> the program's success.</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li><u>External</u> factors (conditions and activities beyond the department's span of control) that <u>facilitated</u> the program's success.</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li><u>Internal</u> factors (conditions and activities within the department's span of control) that <u>facilitated</u> the program's success.</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>External factors (conditions and activities beyond the department's span of control) that <u>reduced</u> the program's success.</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> </ul>
<ul style="list-style-type: none"> <li>Have there been any unintended outcomes, either positive or negative?</li> </ul>	<ul style="list-style-type: none"> <li>Types of unintended impacts</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> <li>Literature Review</li> <li>Expert Panel</li> </ul>
	<ul style="list-style-type: none"> <li>Types of intended impacts</li> </ul>	<ul style="list-style-type: none"> <li>Document review</li> <li>Key Informant Interviews</li> <li>Literature Review</li> <li>Expert Panel</li> </ul>

Evaluation Issue	Indicators	Data Sources/Methods
<b>ISSUE #5: Program Efficiency</b>		
Does AgriRecovery use the most efficient means to achieve program outcomes?	<ul style="list-style-type: none"> <li>O&amp;M costs of key AgriRecovery activities and outputs</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> <li>Document Review</li> </ul>
	<ul style="list-style-type: none"> <li>Contribution and delivery agency costs of key AgriRecovery activities and outputs</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> <li>Document Review</li> </ul>
	<ul style="list-style-type: none"> <li>Costs of key activities and outputs for comparable programs (are there comparable programs)</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> <li>Document Review</li> </ul>
Has AgriRecovery been implemented as planned?	<ul style="list-style-type: none"> <li>Definition of disaster applied consistently</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Decision making process</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li># of requests for funding (# of assessments) that were completed</li> </ul>	<ul style="list-style-type: none"> <li>File Review</li> <li>Key Informant Interviews</li> </ul>
	<ul style="list-style-type: none"> <li>Was the money adequate for this program</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> <li>Key Informant Interviews</li> </ul>
<ul style="list-style-type: none"> <li>Is the AgriRecovery Framework the most effective way to ensure a coordinated process for F/P/T governments to respond rapidly when disasters strike, filling gaps not covered by existing programs?</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholders and observers are of then opinion that the AgriRecovery Framework is the most effective way of responding to the impact of disasters on agricultural producers.</li> </ul>	<ul style="list-style-type: none"> <li>Key informants</li> <li>Document review</li> <li>Literature Review</li> </ul>
<ul style="list-style-type: none"> <li>What specific lessons have been learned with respect to the delivery of AgriRecovery?</li> </ul>	<ul style="list-style-type: none"> <li>Opinions about/evidence of policies, procedures or processes that resulted in increased efficiency and /or greater effectiveness (achievement of outcomes)</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> <li>File review</li> <li>Key Informant Interviews</li> </ul>
<b>ISSUE #6: Demonstration of Economy</b>		
Are there alternative program design options and delivery mechanisms that would be more effective in achieving program objectives?	<ul style="list-style-type: none"> <li>The costs of achieving AgriRecovery outcomes are lower than the outcomes costs of comparable programs in Canada or other jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>Literature Review</li> <li>Document Review</li> <li>File Review</li> <li>Key Informant Interviews.</li> </ul>
	<ul style="list-style-type: none"> <li>Overall costs for the program</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> <li>File Review</li> </ul>
	<ul style="list-style-type: none"> <li>Amount of funding paid out per initiative (admin \$ paid out to achieve results)</li> </ul>	<ul style="list-style-type: none"> <li>Document Review</li> <li>File Review</li> </ul>
	<ul style="list-style-type: none"> <li>Are there other ways to deliver the program (third party, direct or expansion of the program)</li> </ul>	<ul style="list-style-type: none"> <li>Literature Review</li> <li>Key Informant Interviews.</li> </ul>

## Appendix C: Interview Guides

### ADRP STAKEHOLDERS QUESTIONNAIRE

1. Please describe your role with the ADRP program?
2. How long have you been involved with ADRP initiatives?

#### **PROGRAM RELEVANCE - Continued need for the ADRP Program**

3. Based on your experience, what are the main challenges for a disaster relief program?
4. The objectives of the ADRP are described as follows:
  - *Provide a rapid financial response to assist with immediate recovery from a disaster situation;*
  - *Enable producers to resume operations within one year and transition to new business if required*
  - *Enable short term actions to minimize and contain the impacts of a disaster on producers and their operations, and*
  - *Reduce the overall impact of the disaster on existing, ongoing BRM programs*

Do you agree with these objectives?

5. Based on your experience, is the ADRP meeting each of these objectives?
6. Who are the ultimate recipients of the ADRP program?
7. Is the ADRP the most effective means to provide assistance with disaster containment?
8. Is there a continued need for the ADRP program? If the answer is no, please explain.

#### **PROGRAM RELEVANCE - Alignment of ADRP with federal government priorities and AAFC strategic outcomes**

9. In your opinion, does the ADRP align with the federal *Growing Forward* Strategy for a sector proactive in managing risks through the provision of more responsive, predictable and bankable programs for farmers?
10. Do you agree with the roles and responsibilities of ADRP stakeholders? i.e.
  - Federal Government
  - Central Agencies



- Disaster agencies (CFIA; DFAA, MEMO)
- Industry
- Producers

11. Are the federal government and AAFC the appropriate governing bodies to deliver the ADRP program? If not, which governing body do you feel would be more appropriate?

12. In your opinion, are provinces and industry sufficiently involved in negotiations to determine the most effective delivery mechanism for each initiative?

### **PROGRAM PERFORMANCE – Process, design and delivery**

13. Were the accountabilities for the Federal, Provincial and Territorial stakeholders clearly defined for

- the Agriculture Recovery Framework
- the FPT assessment process
- the Application process

14. Were you satisfied with the level of representation and engagement of stakeholders in working groups; was information appropriately exchanged during the development phase, the delivery and assessment processes?

15. In your opinion, what are the strengths and weaknesses of the components of the ADRP model? For example,

- Application of the definition of disaster
- Funding limitations and cost sharing scheme
- Assessment process
- Eligibility criteria for recipients
- Flexibility of amendments to eligibility and funding criteria
- (Single and Joint) Delivery mechanisms and process
- Timelines for delivery of payment
- Funding authorities and provisions (OiC, contributions, grants)
- Funding from other sources (CFIA) vs. the ADRP
- Stacking provisions

- Due diligence process (ensure losses are only compensated once)
16. Based on your experience, what impacts and outcomes have resulted from ADRP funding?
  17. Are you aware of any unintended outcomes, positive or negative?
  18. What are the lessons to be learned from the ADRP program? For example,
    - For improving the effectiveness of the program
    - For long term consideration, i.e. in the event of Canada-wide disasters
    - From lessons learned from similar programs in other provinces or countries
  19. Are there any improvements or changes you would recommend for the ADRP program?
  20. Do you have any questions or additional observations you would like to share?

### **ADRP QUESTIONNAIRE FOR PRODUCERS**

1. How did you find out about the ADRP program?
2. Was there an information forum or communiqué to describe the program and how it would make a difference for producers?
3. Have you applied for funding with the AgriRecovery program?
4. When and which initiative?
5. Were you eligible?
6. How long did it take for you to be notified of our eligibility?
7. Was this notification from the provincial, federal government or industry?
8. How much have you received?
9. How long did it take for you to receive your payment?
10. Were the objectives of the program clear to you, stacking provisions, and impacts on funding, when you elected to take AgriStability?
11. What was the impact of this combined funding; AgriRecovery and AgriStability i.e. was it sufficient to
  - sustain your operations?
  - resume to pre disaster level of operations within one year?
12. Do you have any recommendations of how the program can be improved to better support producers?

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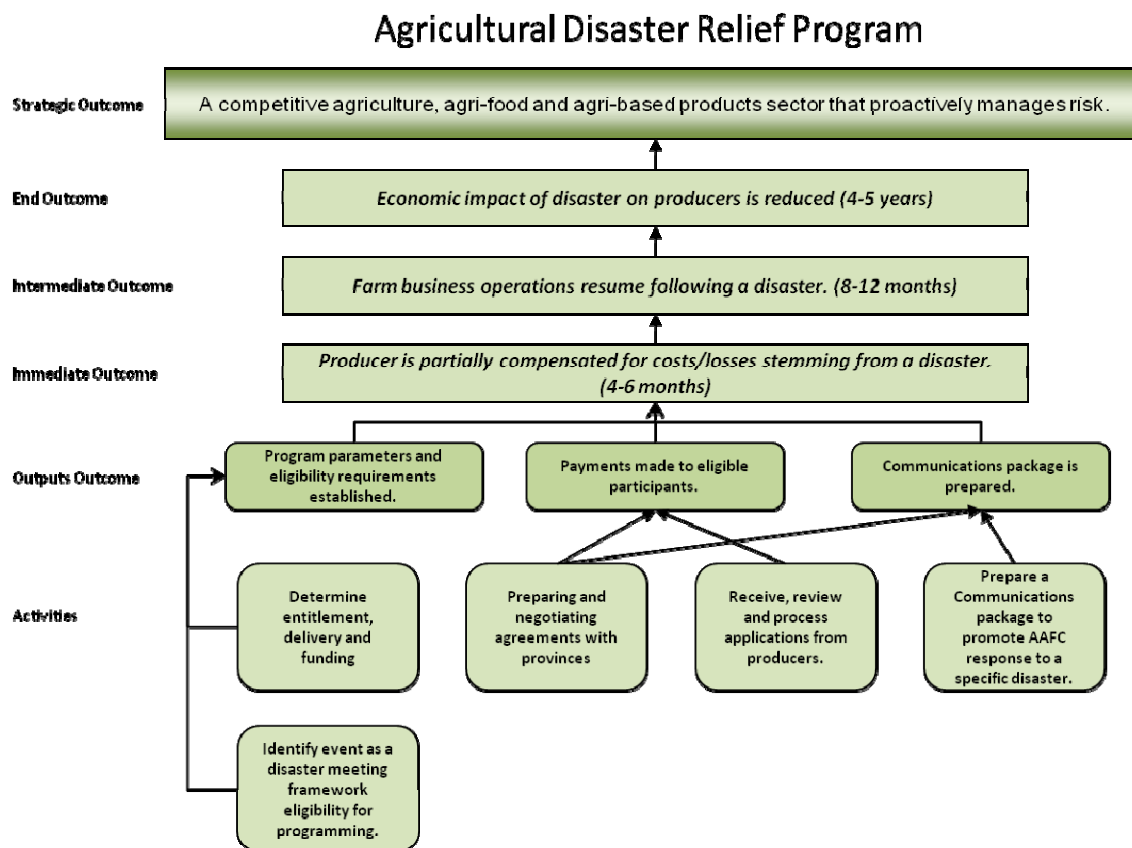
## **Appendix E: Case Files Reviewed**

NAME	STATUS	REGION	YEAR
Aleutian Disease in farmed mink	Rejected	Newfoundland & Nova Scotia	2007
Fall Drought in Southern Ontario	Rejected	Ontario	2007
Gopher damage, southern Saskatchewan	Rejected	Saskatchewan	2007
Sept Avian Influenza	Rejected	Saskatchewan	2007
Honeybee colony 2006-07 over-wintering losses	Accepted	New Brunswick	2007-08
Maple syrup losses in Quebec.	Rejected	Quebec	2007-08
Bovine TB Quarantine Quesnel BC.	Accepted	British Columbia	2008
Cape Breton flooding	Rejected	Nova Scotia	2008
Hail damage	Rejected	Ontario & Quebec	2008
BC Avian Influenza	Accepted	British Columbia	2009
Manitoba Interlake	Accepted	Manitoba	2010
Potato Storage Loss Initiative	Accepted	New Brunswick	2010
Ontario Tornado Assistance Program	Accepted	Ontario	2010
BC Brucellosis Investigation	Rejected	British Columbia	2010
Pastor Recovery Initiative	Accepted	Alberta	2010
Excessive Moisture Initiative	Accepted	Manitoba	2010



## Appendix F: ADRP Logic Model (2007-08)

The following is a logic model that was developed in 2007-08, when the ADRP was first launched. The ADRP's end outcome of "economic impact of disaster on producers is reduced" contributes to the overall end outcome for the BRM suite of programs, which includes AgriRecovery, of "producers' income losses are reduced." The BRM suite of programs contributes to AAFC's strategic outcome of "a competitive agriculture, agri-food based products sector that proactively manages risk."



## Appendix G: ADRP Performance Measurement Strategy (2007-08)

Performance Measurement Strategy for the Agricultural Disaster Relief Program under AgriRecovery					
	Performance Indicators	Targets	Data sources Collection methods	Responsibility for collection and analysis	Frequency
<b>Outputs</b>					
Program parameters and eligibility requirements established.	Percentage of eligible producers who applied.	100% of eligible producers, who applied, receive a payment.	Program administrators, Statistics Canada Census Data, Industry Association.	- Program Administration	On completion of program, or annually, whichever comes first.
	Percentage of eligible producers, who applied, that receive total value of payment that they are entitled to	100% of eligible producers, who applied, receive total value of payment that they are entitled to.			
Communications package is prepared.	Responsiveness following announcement of disaster.	Dissemination of program and application details no more than two weeks after announcement.	Communications Branch	- Communications Branch	
Payments made to eligible participants.	Percentage of payments to producers that are accurate and timely.	90% of the payments made to producers in 75 days. 90% of payments made to producers are accurate.	Program Administration.	- Program Administration.	On completion of program, or annually, which ever comes first.

Performance Measurement Strategy for the Agricultural Disaster Relief Program under AgriRecovery					
	Performance Indicators	Targets	Data sources Collection methods	Responsibility for collection and analysis	Frequency
<b>Immediate Outcome:</b> Producer is partially compensated for costs stemming from disaster.	Percentage of targeted producers who take action to mitigate damage. (Disaster specific)	100% take mitigating action if mandatory (e.g. CFIA imposed), otherwise 90%	Survey data.	- FFPB - OAE	Upon program completion.
<b>Intermediate Outcome:</b> Farm business operations resume operations following disaster.	Percentage of impacted farming operations that return to previous level, or to a "new" normal level if long-term impacts are experienced and a return to previous level is not possible.	100%, accounting for the time lag of production/biological time cycle.	Administration data, survey when required.	- Program Administration - FFPB - OAE	Upon program completion.
<b>End Outcome:</b> Economic impact of disaster on producers is reduced.	Payments offset a percentage of economic impact	Payments replace 90% of the economic impact as defined in the Program's Terms and Conditions.	Administration data, survey when required.	- Program Administration - FFPB - OAE	Upon program completion.

## Appendix H: AgriRecovery Funded Initiatives

**Note:** The payment data covers the period January 2008 to March 2011.

Disaster Initiative	Type of Disaster	Year	Prov.	Recipients	Fed. Contribution	Prov. Contribution	Totals	Average Payment
New Brunswick Honeybee Revitalization Initiative	Winter	2007/08	NB	14	149,990	99,993	249,983	\$17,856
Alberta Seed Potato Assistance Program	Disease	2008/09	AB	39	9,605,946	6,403,964	16,009,910	\$410,511
Alberta Seed Potato Assistance Program	Disease	2009/10	AB	10	924,861	616,574	1,541,435	\$154,144
British Columbia Bovine Tuberculosis Assistance Program	Disease	2008/09	BC	14	100,010	66,673	166,683	\$11,906
Manitoba Forage Assistance Program	Drought	2008/09	MB	816	1,346,483	897,656	2,244,139	\$2,750
Manitoba Livestock Feed Assistance Program	Excessive Moisture	2008/09	MB	2,271	10,054,813	6,703,209	16,758,022	\$7,379
Ontario Duponchelia Assistance Program	Disease	2008/09	ON	>10	952,132	634,754	1,586,886	\$396,761
Prince Edward Island Potato and Horticulture Assistance Program	Excessive Moisture	2008/09	PEI	840	6,473,084	4,315,389	10,788,473	\$12,843
Alberta H1N1 Assistance Program	Disease	2009/10	AB	>10	64,872	43,248	108,120	\$108,120
Saskatchewan Farm Ranch Water Infrastructure Program	Drought	2008/09	SK	2,252	10,262,632	6,841,755	17,104,387	\$7,595
British Columbia Bovine Tuberculosis Assistance Program - Quesnel	Disease	2009/10	BC	>10	49,455	32,970	82,424	82,424
Quebec Nematode Assistance Program - Transition & Nurseries	Disease	2009/10	QC	29	3,194,488	2,129,659	5,324,147	\$183,591

Disaster Initiative	Type of Disaster	Year	Prov.	Recipients	Fed. Contribution	Prov. Contribution	Totals	Average Payment
British Columbia Avian Influenza Assistance Program	Disease	2010/11	BC	>10	47,619	31,746	79,365	\$39,682
Canada-Alberta Excess Moisture Initiative	Excessive Moisture	2010/11	AB	2,367	10,430,932	6,953,954	17,384,886	\$7,345
Canada-Alberta Pasture Recovery Initiative	Drought	2010/11	AB	14,331	40,271,522	26,847,681	67,119,203	\$4,683
Canada-Manitoba Excess Moisture Initiative	Excessive Moisture	2010/11	MB	5,297	24,913,233	16,608,822	41,522,055	\$7,839
Canada-Saskatchewan Excess Moisture Initiative	Excessive Moisture	2010/11	SK	20,465	151,269,714	100,846,476	252,116,190	\$12,319
Canada-Saskatchewan Pasture Recovery Initiative	Drought	2010/11	SK	3,581	10,126,804	6,751,203	16,878,007	\$4,713
Manitoba Interlake Unseeded Land Restoration Program	Excessive Moisture	2010/11	MB	389	1,468,530	979,020	2,447,550	\$6,292
New Brunswick Potato Storage Loss Initiative	Excessive Moisture	2010/11	NB	116	1,662,058	1,108,038	2,770,096	\$23,880
Ontario Tornado Assistance Initiative	Tornado	2010/11	ON	13	343,386	228,924	572,310	\$44,024
<b>Total</b>				<b>52,844</b>	<b>283,712,563</b>	<b>189,141,708</b>	<b>472,854,271</b>	<b>\$8,948</b>

*The payment data is based on program year.*

## Appendix I: AgriRecovery Process & Criteria

### Process

The *AgriRecovery Program Guidelines* and the Terms and Conditions identify the definitions and processes that support and guide FPT collaboration and decision-making when a disaster or possible disaster occurs. Briefly, the key steps in the process are:

- Disaster Assessment Request: A federal, provincial or territorial government formally requests an assessment of whether an event is a disaster.
- Task Team Created: AAFC and the affected provincial/territorial government(s) collaborate to identify a Task Team, comprised of their representatives, to conduct the assessment.
- Assessment: The FPT Task Team, with DAA-AAFC serving as its secretariat, examines the scope of the disaster and its consistency with the “Disaster” definition, the availability of other sources of assistance and the other factors, then submits options and recommendations for consideration by the Ministers.
- Ministerial Decision: The FPT Ministers decide on the appropriate course of action for their governments.
- Initiative Development: Where Ministers determine that a disaster relief initiative should be implemented, FPT officials develop the administrative processes and tools (eligibility criteria, budgets, application system, delivery mechanism, etc.) to implement the initiative.
- Authorities: AAFC and the participating provincial/territorial government(s) obtain the appropriate authorities from their respective governments.
- Agreement: FPT Ministers sign a contribution agreement.
- Communications: AAFC and the provincial/territorial department(s) plan and implement a communications plan to inform potential beneficiaries of the disaster initiative.
- Delivery: The delivery agency, usually a provincial department or agency, implements the initiative.
- Reporting: Each contribution agreement contains provisions for progress and final reports documenting the activities, performance and results of the initiative.

## **Disaster Criteria**

For an event to be recognized as a disaster under ADRP, it must meet the following criteria:

- 3.1.1 *Are a collective experience with significant negative impacts or an individual event with potential for significant impact on the sector;*
- 3.1.2 *Are associated with a disease, pest, natural event, contamination of the natural environment and/or threats to food security; [...]*
- 3.1.3 *Are not cyclical or a long-term trend; and*
- 3.1.4 *Involve specific costs/losses that are beyond the capacity of individual producers to manage with the assistance of existing programming.*<sup>32</sup>

The ADRP Terms and Conditions add that, with some exceptions, an event qualifies as a disaster and is eligible for federal funding, where there is evidence that:

- it affects at least 15% of the producers of a commodity or commodity group in a region, which may be as small as a county or municipality; and
- it has the potential for losses of at least 30% of affected producers' agricultural incomes.

The exception is an event that affects only one farm, but which, if not contained, could result in a significant impact on the industry and/or on human health. For example, the failure to contain localized Avian Influenza outbreak could affect other flocks and, potentially, the market for poultry products.

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<sup>32</sup> AgriRecovery Program Guidelines, page 3.

## Appendix J: AgriRecovery Statistics

**Table 6: AgriRecovery Initiatives by Year and Type and Status**

Year	Disease	Drought	Excessive Moisture	Other *	Total	Complete	Ongoing
2007/08	-	-		1	1	1	-
2008/09	4	2	2	-	8	4	4
2009/10	3	-	-	-	3	2	1
2010/11	1	2	5	1	9	-	9
<b>Total</b>	<b>8</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>21</b>	<b>7</b>	<b>14</b>

\* Other: 1 tornado; 1 winter event

**Table 7: Average AgriRecovery Payments by Disaster Type**

	Recipients	Total Payments	Average Payments
Disease	92	\$24,898,970	\$270,641
Drought	20,980	\$103,345,736	\$4,926
Excessive Moisture	31,745	\$343,787,272	\$10,830
Other *	27	\$822,293	\$30,455
<b>Total</b>	<b>52,844</b>	<b>\$472,854,271</b>	<b>\$8,948</b>

\* Other: 1 tornado; 1 winter event

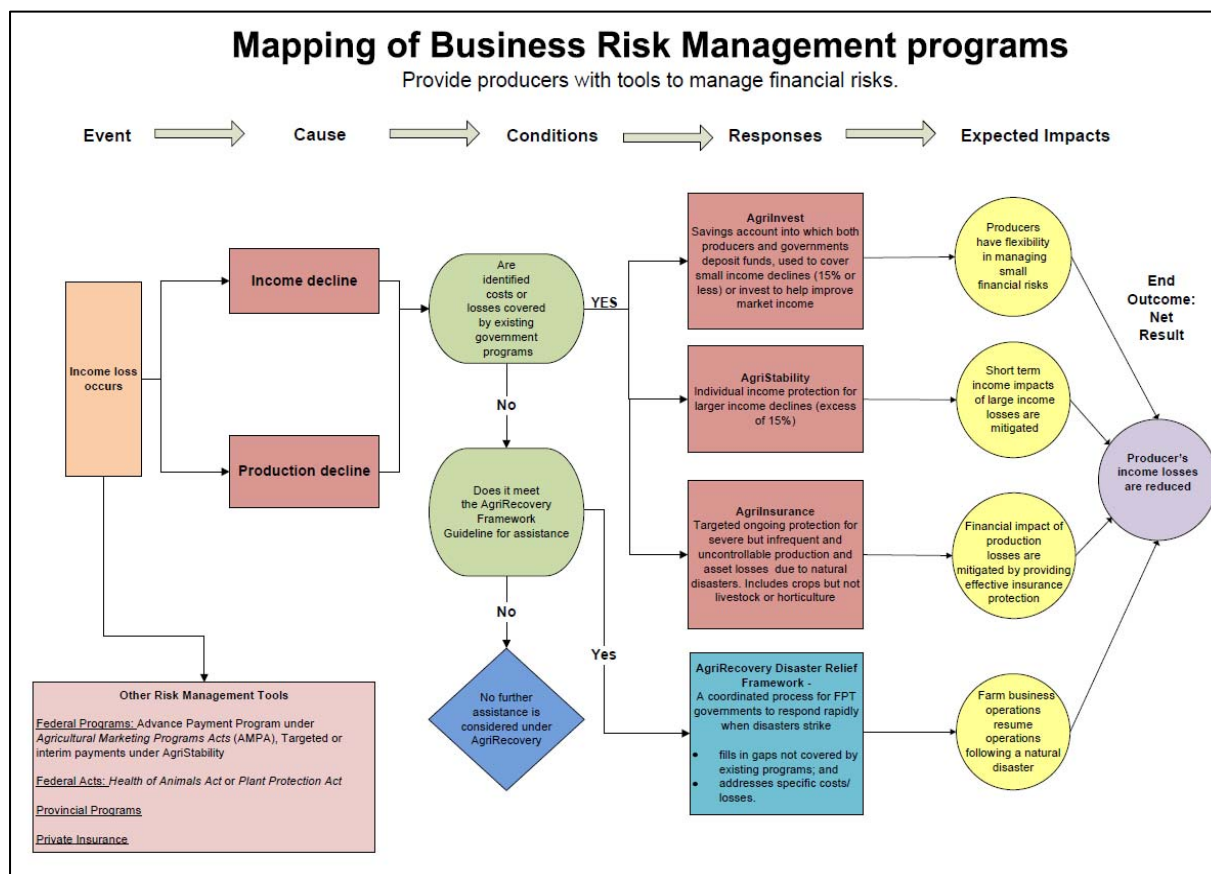
**Table 8: AgriRecovery Initiative, Recipients and Payments by Province**

Province	Initiatives	Recipients to date	Total Payments (\$millions)
SK	3	26,298	286.10
AB	5	16,748	102.16
MB	4	8,773	62.97
PE	1	840	10.79
QC	1	21	5.32
NB	2	130	3.02
ON	2	17	2.16
BC	3	17	0.33
<b>Totals</b>	<b>21</b>	<b>52,844</b>	<b>472.85</b>



## Appendix K: Mapping of Business Risk Management Programs

Figure 5: BRM Programs



## Appendix L: BRM Suite Logic Model

Objective of BRM Programs	BRM Programs	BRM Program Outputs	BRM Programs End Outcomes	BRM Program Suite End Outcome	Strategic Outcome
BRM programs provide producers with effective tools to manage financial risks	<b>AgriInvest</b>	Funding provided to all participants based on Allowable Net Sales (ANS)	Producers have the flexibility in managing small financial risks	Producers' income losses are reduced	A competitive agriculture, agri-food and agri-based products sector that proactively manages risk
	<b>AgriStability</b>	Funding provided to participants with margin declines greater than 15%	Short-term impacts of large income losses are mitigated		
	<b>AgriInsurance</b>	Funding to provide producers with effective insurance protection	The financial impacts of production losses are mitigated by providing effective insurance protection		
	<b>AgriRecovery</b>	Funding provided to participants affected by disasters	Farm business operations resume operations following a natural disaster		

## Appendix M: BRM Performance Measurement Plan for AgriRecovery

AAFC GROWING FORWARD STRATEGIC OUTCOME: A COMPETITIVE AGRICULTURE, AGRI-FOOD AND AGRI-BASED PRODUCTS SECTOR THAT PROACTIVELY MANAGES RISK						
Objective of BRM Programs	Program Output	Program End Outcome	Indicator Category	Performance Indicators	Targets	BRM Suite End Outcome
AGRI RECOVERY						
BRM programs provide producers with effective tools to manage financial risks	Funding provided to participants affected by disasters	Farm business operations resume operations following a natural disaster	1. Contribution of AgriRecovery to minimize the economic impact of natural disasters on producers	1.1 Percentage of affected producers who apply for assistance once a disaster is designated	80% of expected producers impacted directly by the disaster	Producers' income losses are reduced
				1.2 Percentage of producers who believe that the financial assistance provided under the program played a role in the recovery	75% of the producers surveyed who participated in the program	
			2. Timely financial response to assist with immediate recovery from a disaster situation	2.1 Response time to process applications from eligible producers in the affected area	- 90% of disaster situations are evaluated in 45 days - 75% of applications are processed within 9 months	
			3. Producers quickly resume business operations after a disaster	3.1 Percentage of producers still farming one year after the disaster payment	70% of producers surveyed are still farming one year after the disaster payment	