

## Technical Information Circular # 10

### EASE OF ENROLLMENT & EASE OF PARTICIPATION

#### General Information

To ease the information burden for Participants entering or re-entering the program in the 2018 and later Program years, the AgriStability program has changed to facilitate *Ease of Enrollment* and *Ease of Participation*.

With *Ease of Enrollment*, new or former Participants requesting an Enrollment Notice need only provide their Current Program Year production units and a signed request to enroll.

*Ease of Participation* means reducing information requirements for the calculation of benefits for New Participants. Producers who have not participated in AgriStability for four years preceding the Program Year have the option to provide either 3 or five years of tax and accrual information to create their reference margin.

#### Ease of Enrollment

An Enrollment Notice will be issued to all Participants who confirmed participation in the Program for the previous Program Year unless they have chosen to “opt-out” of the program. For example, AFSC will send out 2021 Enrollment Notices to producers who participated in the 2019 Program Year by submitting all tax, supplementary forms and any additional requested information by the specified deadlines.

All other applicants must advise of their intent to enroll by submitting a completed “Application for Fee Notice” or a signed request which includes their Program Year production units. AFSC may then send out an Enrollment Notice which identifies the Participant’s (i.e. Applicant’s) Contribution Reference Margin used to calculate the fee amount.

The Contribution Reference Margin for a Program Year shall be calculated as follows (Note that the Reference Margin Limit is not used in this calculation):

- A. In cases where the Participant has been provided with a Calculation of Program Benefits (COPB) for the Program Year prior to the previous Program Year (For the 2021 Program Year, this would be 2019), the Contribution Reference Margin shall be calculated using the Production Margin indicated on that COPB for each relevant year. Essentially, the 2021 Contribution Reference Margin will consist of the Olympic average of the 2015-2019 production margins as per the 2019 COPB.

AFSC may also send an Enrollment Notice to a producer who has previously participated in the Program if there is sufficient information to calculate the Contribution Reference Margin in this manner.

- B. In all other cases, the Contribution Reference Margin will consist of production margins created by industry Benchmark per Unit (BPU's) for the 3 years immediately preceding the previous Program Year. Using the example of a 2021 Program year, the 3 years preceding 2020 are 2017-2019. BPU-created margins are calculated by multiplying the farm's productive units in the Current Program Year by the BPU for that commodity or commodity group for each reference year.

Note that all relevant Enrollment deadlines and fees are contained in the Handbook.

## Ease of Participation

In calculating program benefits, a Participant's Program Year Margin is compared to their Reference Margin. Historically, ones' Reference Margin was typically based on their Farming Income (or loss) reported for income tax purposes and the supplementary information on farming operations for the 5 prior years.

With *Ease of Participation*, it may be calculated using one of the following two ways:

### Olympic Average

- Where a Participant has participated in the Program in any of the four years immediately prior to the Current Program Year, AFSC will calculate the Participant's Reference Margin using an Olympic Average. As an example, a producer who enrolled and provided all required fees and information in any of the years 2017-2020 will have their 2021 Program Year benefits assessed according to their Olympic average.
- Where a Participant has voluntarily supplied Production Margin information for all five years in the reference period, the Olympic average will be used.

### Average of Most Recent 3 Reference Years

- Where a Participant did not participate in the Program in any of the four years immediately prior to the Current Program Year, AFSC may calculate the Participant's Reference Margin using an average of the three years' tax and supplementary information immediately prior to the Current Program Year. If this calculation is applied, AFSC will also use an average of the three years immediately prior to the Program Year to calculate the Reference Margin for the following Program Year unless the Participant provides information for all five years of the reference period.
- Where a Participant did not have farming activity and did not report Farming Income (or loss) for income tax purposes in one or more of the five years prior to the Current Program Year, Reference Margins will be calculated based on the average Production Margin of the three years immediately prior to the Current Program Year. AFSC will then create margins for any missing years by multiplying the farm's productive units in the Current Program Year by the BPU for that commodity or commodity group for each applicable reference year. Where a reference year was the Participant's first year of farming and they did not complete a Production Cycle and/or 12 months of farming activity, AFSC may create a margin for the year even where Farming Income (or loss) was reported on tax.

Note that all relevant tax and supplementary deadlines are contained in the Handbook.

\*See 3.1 and 3.2 for Enrolment Notice and Confirmation of Participation Pages 11 and 12; 4.5 – Reference Margin or page 28 of the Canadian Agricultural Partnership Guidelines.