

### Supporting Ontario Farmers

On Thursday December 13, 2007, the Ontario government announced that it will deliver \$150 million in financial assistance to cattle, hogs and horticulture producers. Agricorp will deliver \$130 million directly to producers under the Ontario Cattle, Hog and Horticulture Payment (OCHHP).

### Eligibility

To be eligible for the OCHHP, producers must meet two requirements:

1. They must have received a federal Cost of Production (COP) payment and/or an Ontario Cost Recognition Top-up (OCRT) payment.
2. At least half of their total commodity sales as reported to the Canada Revenue Agency (CRA) in 2005 and/or 2006 must have come from any combination of cattle, hogs, or horticulture.

### No Application

The OCHHP will determine eligibility using information from the COP and OCRT payments. Producers who did not receive a COP or OCRT payment are not eligible to receive the OCHHP.

### Payment Information

Eligible producers will receive a payment based on their historical allowable net sales (ANS) between 2000 and 2004. This information can be found by dividing Line A by Line B on the federal COP statement.

There are three payment scenarios:

- For eligible producers with at least 50 percent of their sales coming from cattle and/or hogs, the payment rate will be 12 percent of their ANS as calculated from their COP statements.
- For eligible producers with at least 50 percent of their sales coming from horticulture, the payment rate will be 2 percent of their historical ANS as calculated from their COP statements. This payment rate will apply if the producer also reported sales in cattle and/or hogs.
- For producers who require a combination of horticulture and cattle/hogs to meet the 50 percent requirement, the payment rate will be calculated based on the weighted proportion of their sales in each eligible commodity.

## Examples

### Cattle or hogs

For eligible cattle or hog producers with historical ANS of \$100,000, payment is calculated as follows:

$$12\% \times \$100,000 = \$12,000$$

### Horticulture

For eligible horticulture producers with historical ANS of \$100,000, payment is calculated as follows:

$$2\% \times \$100,000 = \$2,000$$

### Mix of horticulture with cattle and/or hogs

For producers who require a combination of horticulture and cattle/hogs to meet the 50 percent requirement, the payment is calculated as shown in the following example:

A producer with \$100,000 in total commodity sales in 2005 calculates that cattle and hogs generated \$30,000 and horticulture generated \$40,000, for a total of \$70,000. If this producer has historical ANS of \$150,000, the payment rate would be calculated as follows:

$$[12\% \times (\$30,000/\$70,000)] + [2\% \times (\$40,000/\$70,000)] = 6.28\%$$

Therefore, the payment would be 6.28% X \$150,000, or \$9,420.

### Timing of Payments

Agricorp will begin delivering payments to producers in February 2008.

For further information, please contact Agricorp - Monday through Friday, 7 a.m. to 5 p.m.

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