

**NEWFOUNDLAND AND LABRADOR
LIVESTOCK OWNERS COMPENSATION BOARD**

ACTIVITY PLAN

APRIL 1, 2011 - MARCH 31, 2014



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Chairperson's Message

Honourable Shawn Skinner
Minister of Natural Resources
Natural Resources Building
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister:

I am pleased to submit a Performance-Based Activity Plan for the Newfoundland and Labrador Livestock Owners Compensation Board, as a category 3 public body under the *Transparency and Accountability Act*. This Plan covers the period from April 1, 2011 to March 31, 2014.

The Newfoundland and Labrador Livestock Owners Compensation Board recognizes the vision and mission of the Forestry and Agrifoods Agency and is committed to its supporting role by administering a livestock insurance program to support livestock producers of the province.

The Newfoundland and Labrador Livestock Owners Compensation Board has reviewed all Strategic Directions from the Minister Responsible for the Forestry and Agrifoods Agency and has prepared this plan to be consistent with direction to work toward increased forestry, agriculture and agrifoods sustainability and development.

My signature below is on behalf of the Newfoundland and Labrador Livestock Owners Compensation Board and is indicative of the Board's accountability for the preparation of this plan and the achievement of the objectives contained in this plan.

Respectfully submitted,

A handwritten signature in black ink that reads "C. MacDonald".

Cynthia MacDonald, P. Ag.
Chairperson

Overview

Section 3(2) of the *Livestock Insurance Act*, R.S.N. 1990, c.L-23 provides for the membership of the Newfoundland and Labrador Livestock Owners Compensation Board. The membership of the Board shall consist of not less than 3 and not more than 5 members to be appointed by the Lieutenant-Governor in Council to hold office at his/her pleasure.

The Board presently consists of the following members:

Cynthia MacDonald – Chairperson, Director of Agriculture Business Development Division, Forestry and Agrifoods Agency, Department of Natural Resources

Gerald Wicks – Provincial Representative, Agriculture Development Officer, Forestry and Agrifoods Agency, Department of Natural Resources

Junior Eveleigh – Producer Representative

Elaine Wells – Producer Representative

The Newfoundland and Labrador Livestock Owners Compensation Board operates under the umbrella of the Forestry and Agrifoods Agency with headquarters in Corner Brook. The Board operates on an annual budget of approximately \$6500.00. The province covers the administration costs of the program and the producers pay 100 percent of the premiums. These premiums are deposited into a fund from which indemnities are paid. The annual financial statements are prepared by the Office of the Auditor General of Newfoundland and Labrador.

The Program Coordinator, who administers the livestock insurance program, is an employee of the Forestry and Agrifoods Agency. Agriculture Development Officers across the province, also employed by the Forestry and Agrifoods Agency, provide inspection services when necessary. These Agriculture Development Officers verify livestock tag numbers on applications that have been submitted by producers. The Agriculture Development Officers are also responsible for verifying any claims for livestock loss, and livestock tag number of the lost animal.

In 2010-11 there were 11 producers enrolled in the livestock insurance program administered by the Board. Through this program, \$1665.00 was paid out by the Board for livestock losses. Indemnity payments were slightly below the ten year average because producers refrained from putting their animals on community pastures due to a high number of losses in 2009-10 caused by coyotes.

Mandate

The mandate of the Newfoundland and Labrador Livestock Owners Compensation Board is to establish and carry out a livestock insurance plan under the direction, supervision and control of the Minister.

The Board shall;

- administer plans of livestock insurance established under the *Livestock Insurance Act* or the regulations,
- fix by order and publish in the Gazette a final date in each year for the receipt of applications for insurance under a plan,
- conduct surveys and research programs relating to insurance and obtain statistics for the purposes of the board,
- evaluate and determine livestock losses and pay claims under a plan,
- enter into agreements with or retain persons for the soliciting and receiving of applications for instance, the collecting of premiums and the adjusting of claims under plans for and on behalf of the board, and the doing of other things on its behalf that the board considers necessary,
- reinsure with another insurer the risk or a portion of it under a contract,
- require an applicant for livestock insurance or an insured person to provide the information, statements and reports that the board may require,
- exercise the powers and perform the duties that are conferred or imposed upon it under the *Livestock Insurance Act* or another Act,
- perform the other functions and discharge the other duties that are assigned to it by the Lieutenant-Governor in Council and,
- make the orders and directions that are necessary to enforce the observance of the *Livestock Insurance Act*, the regulations or a plan.

Core Values and Guiding Principles

The Newfoundland and Labrador Livestock Owners Compensation Board performs its duties within the core values and guiding principles established by the Forestry and Agrifoods Agency:

Integrity - Each individual will be honest, dependable, fair, credible and trustworthy. They will openly acknowledge mistakes, seek to correct them and learn from them.

Respect and Professionalism - Each individual will apply legislation and policies equitably and will serve the Department's client groups to the fullest extent possible.

Collaboration - Each individual will seek the opinions and ideas of others in the application of legislation and policies.

Innovation - Each individual will demonstrate initiative and flexibility in responding to challenges and change.

Safety - Each employee views the personal safety of themselves and co-workers in the highest regard and will promote workplace safety at all times.

Productive – Each employee will maximize their productivity and efficiency in carrying out their duties.

Timely – Each employee will conduct their duties in a timely manner and meet all established deadlines.

Primary Clients

The primary clients of the Newfoundland and Labrador Livestock Owners Compensation Board are producers/owners of sheep, beef, dairy, and/or goats in Newfoundland and Labrador.

Line of Business

The sole line of business of the Newfoundland and Labrador Livestock Owners Compensation Board is to provide livestock insurance for predator loss to the sheep, beef, dairy, and/or goat owners of the Province.

The majority of livestock insured under the program are sheep due mainly to their vulnerability to attack on private and community pastures by roaming dogs and other predators such as coyotes, lynx and bears. A small number of goats and cattle are also insured under the program. The relatively small number of cattle insured is due in large part to their physical size as compared to the predators.

The premium rates are announced by the Minister responsible for the Forestry and Agrifoods Agency in March prior to the fiscal year. Producers pay one hundred per cent of the livestock insurance premium and the Forestry and Agrifoods Agency is responsible for the costs to administer the livestock insurance program.

Applications for are mailed to the producers at the end of each fiscal year, for the upcoming fiscal year. Livestock owners must file identifying tag numbers with the Board at that time along with the premiums payable to the Livestock Owners Compensation Board. The producers forward the completed application to the Agriculture Development Officers who verify the livestock tag numbers. Any claims for livestock loss is reported to the Agriculture Development Officers who are responsible for verifying the claim and the tag number of the insured livestock

and taking pictures where possible. All types of predator attacks are compensated for provided that the carcass and ear tag of the injured or dead animal is available for inspection.

Vision

Through the livestock insurance program, the Livestock Owners Compensation Board protects investments in livestock. By easing the financial burden caused by livestock loss, the livestock insurance program helps ensure resources are available for future generations and helps ensure prospects for future development. This contributes to the vision of the Department of Natural Resources, stated as follows:

“The vision of the Department of Natural Resources is a province that realizes the full benefit from the sustainable development of its natural resources.”

Mission

The mission statement is the priority focus area of a public body over its planning cycle. It represents the key longer term results that the public body and the responsible minister will work towards to achieve a component of government’s Strategic Directions. The statement also identifies the measure and indicators that will assist a public body and the public in monitoring and evaluating success.

The Livestock Owners Compensation Board considered its role in assisting the Forestry and Agrifoods Agency in achieving its mission for the planning period. The Board has a role in supporting efforts to strengthen and sustain agricultural and agrifoods industry development by administering the program, thereby helping protect producers from financial loss. Aspects of the following general statement from the mission of the Agency related to agriculture and agrifoods sectors apply to the Board:

“By March 31, 2017, the Forestry and Agrifoods Agency will have supported programs and services to strengthen and sustain forestry, agriculture and agrifoods industry development in an innovative and economically beneficial manner.”

The Board has determined that it has no material impact on achievement of measures and indicators of the Forestry and Agrifoods Agency’s mission statement.

The complete mission of the Forestry and Agrifoods Agency is found in its Strategic Plan for the period covering April 1, 2011 to March 31, 2014

Objective

In consideration of the Strategic Directions of the Minister Responsible for the Forestry and Agrifoods Agency to work toward increased forestry, agrifoods and agriculture resource sustainability and industry development over the planning period, as well as the mandate and financial resources of the Newfoundland and Labrador Livestock Owners Compensation Board, the following area has been identified as the key priority of the Board for the three year period April 1, 2011 to March 31, 2014. The objective below applies to each year covered by this plan and will be reported on in relevant annual reports.

Issue 1: Management and Administration of the Livestock Insurance Program

The primary issue of the Newfoundland and Labrador Livestock Owners Compensation Board is to deliver the livestock insurance plan to the livestock producers of Newfoundland and Labrador who choose to participate and to monitor the sustainability of the insurance fund which accumulates premiums and pays indemnities.

Objective: By March 31, 2012 the Newfoundland and Labrador Livestock Owners Compensation Board will have continued to offer an insurance plan to producers under the Act and performed ongoing monitoring and assessment of the insurance fund.

Measure: Offered insurance plan and monitored fund.

Indicators:

- All applications registered
- All contracts issued
- All tagged livestock inspected
- All livestock claims inspected
- All claims reviewed by the Board
- Decisions communicated to applicants and indemnities paid
- Monitored insurance fund for sustainability, recommended changes as necessary, and implemented approved changes

Appendix A: Strategic Direction

A Strategic Direction is the articulation of a desired physical, social, or economic outcome that would normally require action by, or involvement of, more than one government entity. They are normally communicated through White Papers, or other major platform documents.

Title: Forestry, Agriculture and Agrifoods Resource Sustainability

The forestry sector is facing unprecedented challenges in the changing global environment. Improved industry competitiveness and environmental stewardship are key strategic components to ensure sustainability of our forestry renewable resources while providing long term benefits to Newfoundland and Labrador.

The agriculture and agrifoods sector is an important component of our economy and must be properly managed to ensure a future supply of agriculture and agrifoods products. Ensuring sustainability of our agriculture renewable resources will provide future economic benefits to the province.

OUTCOME: Enhanced resource management to maintain a globally competitive and sustainable forestry industry and to ensure future agriculture and agrifoods production.

This outcome supports the policy direction of government and will require focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed	
		In the Agency's activity plan	Not applicable
Enhanced resource management to maintain a globally competitive and sustainable forestry industry and to ensure future agriculture and agrifoods production.	Agrifoods Resource Management	X	
	Land Management		X
	Research and Development		X
	Human Resource Development		X
	Resource/Product Safety		X
	Forest Resource Management		X
	Industry Support to Strengthen Global Competitiveness	X	
	Environmental Management System		X

Title: Forestry, Agriculture and Agrifoods Innovation, Promotion and Development

To ensure the continued sustainable development of the industry our forestry sector must improve the ability to compete in a changing global environment. Opportunities to diversify into new products, expand to new markets, increase innovation through research and development and promote the industry through improved public perception will strengthen long term viability of this important renewal resource sector.

Our agriculture and agrifoods sector has an opportunity to expand beyond its current levels of production. Food security is important in a province that imports approximately 90% of its food supply and relies heavily upon a marine transportation system for the transport of our food supply. Opportunities to expand and diversify the agriculture and agrifoods sector will be a vital component of industry development.

OUTCOME: Enhanced forestry, agriculture and agrifoods sectors’ innovation, promotion and development.

This outcome supports the policy direction of government and will require focus in the following areas:

Strategic Direction	Focus Areas of the Strategic Direction	This Direction is addressed	
		In the Agency’s activity plan	Not applicable
Enhanced forestry, agriculture and agrifoods sectors innovation, promotion and development	Land Development		X
	Agriculture Primary Production	X	
	Agrifoods Secondary Processing		X
	Innovation/Research and Development		X
	Agribusiness Development		X
	Product Diversification		X
	Comprehensive Marketing Strategy		X
	Promotion and Education		X