



NSCLIC

NOVA SCOTIA CROP & LIVESTOCK
INSURANCE COMMISSION

2024-2025 Annual Report



MESSAGE FROM THE BOARD CHAIR and DIRECTOR, BUSINESS RISK MANAGEMENT

The 2024 growing season brought relatively favourable weather conditions across much of the province, contributing to a successful harvest for many producers. This positive year after a number of challenging ones supported farm stability and reinforced the importance of risk management tools that help producers navigate both good years and challenging ones.

This year also marked a period of strategic reflection and renewal for the Commission. We initiated a comprehensive review of our insurance plans to ensure they continue to meet the evolving needs of Nova Scotia's agricultural producers. This process is essential to maintaining the relevance, accessibility, and sustainability of our programs in the face of changing climatic, economic, and market conditions.

A significant milestone achieved during this period was the successful completion of our five-year actuarial recertification. This rigorous process reaffirms the financial soundness of our insurance offerings and underscores our commitment to prudent risk management and fiscal responsibility. The insights gained through this recertification will guide future enhancements to our programs and support long-term stability for our clients.

We remain deeply committed to supporting the resilience and prosperity of Nova Scotia's agricultural sector. As we look ahead, the Commission will continue to engage with producers, industry stakeholders, and government partners to ensure our programs remain responsive, innovative, and aligned with the province's agricultural priorities.

We extend our sincere appreciation to our staff, clients, and partners for their continued trust and collaboration. Together, we are building a stronger, more secure future for agriculture in Nova Scotia.

John Vissers, Chair

Nick Bell, Director, Business Risk Management

2024-25 BOARD OF DIRECTORS

The Board consists of a minimum of three members, appointed by the Governor in Council, as recommended by the Minister of Agriculture. Board members are agriculture, business, and community leaders who bring a broad range of experience and invaluable expertise to the organization's oversight. In 2024-25, the Board of Directors of the Commission consisted of the following members:



John Vissers, Chair

MacKay Siding, Colchester County

Term: September 5, 2024 – September 4, 2027

John and his brother-in-law owned and operated a dairy and crop farm that was started by John's father. Still living and working on the farm, the ownership and decision making has moved to the third generation, his son and nephew. John has always been an ambassador for the industry as demonstrated by winning the Nova Scotia Environmental Stewardship Award. John has over 20 years of experience serving as a board member, vice-president, and president with various associations in the agriculture industry and the community. This is John's fifth term (second as Chair) with the Commission.



Rachael Cheverie, Vice Chair

Valley, Colchester County

Term: June 9, 2023 – June 8, 2026

Rachael works for the Nova Scotia Department of Agriculture and is Director of Regional Services. With over 20 years experience with the Prince Edward Island Department of Agriculture and Perennia Food and Agriculture prior to joining the Department, Rachael is well known in the industry for her extension work in horticulture and pest management. Rachael holds a BSc (Agr.) from MacDonald College, McGill (Soil Science) and MSc from the University of Guelph (Pest Management).

2024-25 BOARD OF DIRECTORS



Courtney Mehra

Bible Hill, Colchester County

Term: September 5, 2024 - September 4, 2027

Courtney brings first hand agriculture experience having managed operations and succession planning for her family's 30-year agri-food business.

A Business Banker with Scotiabank she holds an MBA in Agri-Food Management from the University of Guelph and a Commerce degree from Saint Mary's University. Courtney is a member of the Nova Scotia Youth Agriculture Council and this is her first term on the Commission.

ABOUT NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION (NSCLIC)

NSCLIC has provided risk management solutions for agriculture in the province for 56 years under the Crop and Livestock Insurance Act.

Under the supervision of the Minister of Agriculture, NSCLIC administers the crop insurance plans for 16 crop categories as well as dairy, and poultry livestock insurance plans. In addition to the crop and livestock insurance plans, NSCLIC has administered the Canada/Nova Scotia Wildlife Compensation Program since 2008. NSCLIC is responsible for the administration of the Crop and Livestock Insurance program as described in the Sustainable Canadian Agricultural Partnership (Sustainable CAP), a five-year Federal-Provincial-Territorial Framework Agreement on Agriculture, Agri-Food and Agri-Based Products Policy.

The governments of Nova Scotia and Canada each contribute to the administration expenses for crop insurance and wildlife compensation on a 60 per cent federal and 40 per cent provincial basis. In 2024-25, the Province of Nova Scotia contributed approximately 28 per cent of the crop insurance premium, the federal government contributed 36 per cent and producers contributed the remaining 36 per cent. Typically, producers would pay approximately 40 per cent, however in 2024-25, ten per cent of producers premium costs were covered by the province.

Wildlife compensation payments are cost-shared 60 per cent by the federal government and 40 per cent by the province.

Producers are responsible for 100 of the premiums for livestock insurance while 100 of administration expenses are the responsibility of the province.



OUR PROGRAMS

The core business of NSCLIC is delivery of insurance products to the agriculture sector. Crop insurance plays a key role in stabilizing business income by providing opportunities to manage or transfer risk. Crop production is particularly risky in that natural perils presented by climate and geography cannot easily be controlled or managed. The intended outcome of our programs is to stabilize farm incomes, and by doing so, support the economic growth of the province.

NSCLIC offers production based, individualized coverage for 16 crop categories covering 50 different commodities. Producers are compensated when their yields fall below their guaranteed production due to natural perils beyond their control. Key program features are coverage for losses caused by drought, frost, hail, wind, excessive moisture, insect infestation, plant disease, wildlife, winter injury, unavoidable pollination failure, off-crop due to adverse weather conditions, and wildfire. Coverage is based on clients' individual records with premium rates varying according to crop type, coverage level and value of crop. Producers can pick coverage from 70 to 90 per cent of their historical yield, and for most plans, producers can pick between a high, low, or medium price level.

In addition to the production-based coverage, NSCLIC offers non-yield-based plans. The plan for forage is weather based where the coverage is based on other specific measurables such as total precipitation (or lack of) for a specified area. Payment triggers are based on weather events that occur near or around the producer's farm. Our acreage loss plan for vegetables provides a production guarantee based on the cost of producing one acre of crop. Forage Establishment is another non-yield plan where coverage is based on the cost to establish one acre of grass and/or legumes produced for livestock feed.

NSCLIC offers livestock insurance to the dairy and poultry industries. The dairy plan offers protection for cows, heifers, and calves for designated diseases and loss of income due to fire, disease and building collapse. The poultry plan provides protection for infectious laryngotracheitis (ILT) for broilers, pullets, layers, and breeders.

The Wildlife Compensation program provides Nova Scotia producers with support for losses to specified crops or livestock as a direct result of the activities of specified wildlife. To be eligible, producers must be registered under the Nova Scotia Farm Registration Program.

2024-25 YEAR IN REVIEW

The 2024 growing season began with a promising spring, with the province seeing a warm and dry start to the season. Many farmers were able to get into the fields early, encouraged by mild conditions that allowed for timely planting and strong early growth. The summer brought continued warmth; precipitation throughout the year was below average in some areas of the province. However, July brought some above-average rainfall, which assisted in some crop production while also introducing some disease pressure.

Overall, the 2024 season was successful—a welcome change for farmers and for the Commission’s plans after a number of challenging production years. While production was positive in 2024, farmers continued to be challenged by rising input costs and market pressures. The latter part of 2025 brought concern and uncertainty to farmers and the general public with discussions of potential tariffs and announcements of increasing tariff rates that could potentially impact input and equipment costs.

In 2024-25, NSCLIC provided over \$115 million in crop coverage and another \$153 million in livestock coverage. The largest increases were found in tree fruit, corn, and acreage loss, somewhat offset by a decrease in low bush blueberries due to decreased premium rates. Through a combination of increasing market prices, production of insured crops, and participation in our plans, crop premiums reached \$4.9 million in 2024-2025. Indemnities paid to crop producers this year were \$1.6 million, resulting in a surplus of \$3.25 million for 2024-2025. The overall loss ratio for crop plans is 1.08, meaning over NSCLIC’s 56-year history, producers have received \$1.08 for every dollar collected in premiums. Producers pay a portion of that dollar in premiums, with federal and provincial governments paying approximately 60 percent, highlighting the value of a cost-shared insurance program for producers.

The Dairy Livestock Insurance Plan had relatively consistent levels of coverage and premiums compared to last year. The plan collected \$27,095 in premiums and paid \$2,000 in claims for an overall loss ratio of 0.07. The Poultry Insurance Plan collected \$12,557 in premiums and paid no claims in 2024-2025.

Since its introduction in 2008, the Wildlife Compensation Program has paid out \$2.5 million in claims. In 2024-2025, there were 104 claims for a total of \$228,085, a decrease from last year’s 144 claims totaling \$291,622. The decrease in claims this year is primarily due to fewer black bear-related claims, which were very high in 2023-24.

PUBLIC INTEREST DISCLOSURE OF WRONGDOING ACT

Each Department and Public Service Office Accountability Report must report with respect to the Public Interest Disclosure of Wrongdoing Act (PIDWA). **This requirement applies to all Departments / Public Service Offices/ Governmental Units including Crown Corporations and Agencies.**

Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act*

The Public Interest Disclosure of Wrongdoing Act was proclaimed into law on December 20, 2011. The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith. The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A Wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations
- b) a misuse or gross mismanagement of public funds or assets
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing

The following is a summary of disclosures received by Nova Scotia Crop & Livestock Insurance Commission.

Information Required under Section 18 of the Act	Fiscal Year 2024-2025
The number of disclosures received	0
The number of findings of wrongdoing	0

2024-25 KEY METRICS

Fund Balance

April 1, 2024
\$8,630,285

March 31, 2025
\$12,878,768



Producer
Premiums
\$1,788,155



Provincial
Premiums
\$1,622,711

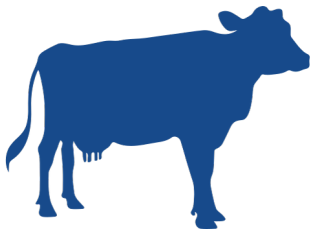


Federal
Premiums
\$1,880,150



Interest
Earned
\$417,206

Total: \$5,708,222



Livestock
Insurance
\$2,000

Claims Paid



Crop
Insurance
\$1,624,676



Wildlife
Compensation
\$228,085

Crop Insurance Loss Ratio

2024-2025

0.34%

1.08%

Since 1968



Financial Statements of

NOVA SCOTIA CROP AND LIVESTOCK
INSURANCE COMMISSION

Year ended March 31, 2025

Nova Scotia Crop and Livestock Insurance Commission

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Management's Report

Management's Responsibility for the Financial Statements


The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of these statements are management's responsibility. Management is responsible for the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.


Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board views internal financial reports on a regular basis and externally audited financial statements yearly.

BDO Canada LLP conducts an independent examination, in accordance with Canadian generally accepted auditing standards, and expresses their opinion on the financial statements. BDO Canada LLP has full and free access to financial information and management of the Nova Scotia Crop and Livestock Insurance Commission and can meet as required.

On behalf of the Nova Scotia Crop and Livestock Insurance Commission

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John Vissers
Chair

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Neil Parady, CPA
Director, Business Risk Management



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Independent Auditor's Report

To the Board of Directors of Nova Scotia Crop and Livestock Insurance Commission

Opinion

We have audited the financial statements of Nova Scotia Crop and Livestock Insurance Commission, (the "Commission"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in fund balances, statement of changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2025, and the results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants
Halifax, Nova Scotia
June 27, 2025

Nova Scotia Crop and Livestock Insurance Commission

Statement of Financial Position

March 31, 2025

	2025	2024
Financial Assets		
Cash	\$ 1,767,280	\$ 2,697,061
Investments(Note 3)	11,938,878	6,654,359
Accounts receivable(Note 4)	364,830	623,160
	<u>14,070,988</u>	<u>9,974,580</u>
Liabilities		
Deferred revenue(Note 5)	1,186,163	1,334,447
Deposits for insurance	6,058	9,848
	<u>1,192,221</u>	<u>1,344,295</u>
Net Financial Assets	<u>12,878,767</u>	<u>8,630,285</u>
Fund Balances	<u>\$ 12,878,767</u>	<u>\$ 8,630,285</u>

Approved on behalf of the Nova Scotia Crop and Livestock Insurance Commission:

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John Vissers

Director

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Neil Pardy

Director

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The accompanying notes are an integral part of these financial statements.

Nova Scotia Crop and Livestock Insurance Commission

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2025

	Budget	Funds				Total 2025	Total 2024
		Crop	Livestock	General	Livestock Price Insurance		
Revenues							
Insurance Premiums (Schedule A)	\$ 3,950,000	\$ 5,023,279	\$ 39,652	\$ 228,085	\$ -	\$ 5,291,016	\$ 4,702,276
Interest Income	394,000	343,046	74,157	-	-	417,203	448,956
	4,344,000	5,366,325	113,809	228,085	-	5,708,219	5,151,232
Expenses							
Indemnity claims (Schedule A)	4,100,000	1,624,675	2,000	228,085	-	1,854,760	6,039,168
Bad debt expense (recovery)	5,000	(23)	-	-	-	(23)	217
Administrative expenses (Note 9) (Schedule B)	1,100,000	1,547,865	21,102	10,876	127,995	1,707,838	1,060,602
Amortization expense	-	-	-	-	-	-	1,845
	5,205,000	3,172,517	23,102	238,961	127,995	3,562,575	7,101,832
Surplus (deficit) before government contributions							
	(861,000)	2,193,808	90,707	(10,876)	(127,995)	2,145,644	(1,950,600)
Government contributions (Note 7)	1,100,000	2,019,652	2,000	228,085	-	2,102,838	1,060,602
	239,000	4,213,460	92,707	217,209	-	4,248,482	(889,998)
Net operating surplus (deficit)	239,000	4,213,460	92,707	217,209	-	4,248,482	(889,998)
Fund balances, beginning of the year	8,630,285	7,365,479	1,264,806	-	-	8,630,285	9,520,283
Fund balances, end of the year (Note 6)							
	\$ 8,869,285	\$ 11,578,939	\$ 1,357,513	\$ 217,209	\$ -	\$ 12,878,767	\$ 8,630,285

The accompanying notes are an integral part of these financial statements.

Nova Scotia Crop and Livestock Insurance Commission

Statement of Changes in Net Financial Assets

Year ended March 31, 2025

	Budget	2025	2024
Net financial assets, beginning of year	\$ 8,630,285	\$ 8,630,285	\$ 9,518,438
Changes in the year			
Net operating surplus (deficit)	239,000	4,248,482	(889,998)
Amortization	-	-	1,845
Total changes in the year	239,000	4,248,482	(888,153)
Net financial assets, end of year	\$ 8,869,285	\$ 12,878,767	\$ 8,630,285

The accompanying notes are an integral part of these financial statements.

Nova Scotia Crop and Livestock Insurance Commission

Statement of Cash Flows

Year ended March 31, 2025

	2025	2024
Operating activities		
Net operating surplus (deficit)	\$ 4,248,482	\$ (889,998)
Amortization of tangible capital assets	-	1,845
Changes in:		
Accrued interest on investments	(284,519)	(357,172)
Non-cash working capital balances (Note 10)	106,256	(221,833)
Cash provided (used) by operating activities	4,070,219	(1,467,158)
Investing activities		
Proceeds of investments	5,538,068	16,356,563
Acquisition of investments	(10,538,068)	(12,479,551)
Cash provided (used) by investing activities	(5,000,000)	3,877,012
Change in cash	(929,781)	2,409,854
Cash, beginning of year	2,697,061	287,207
Cash, end of year	\$ 1,767,280	\$ 2,697,061

The accompanying notes are an integral part of these financial statements.

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

1. Nature of Operations

Authority The Nova Scotia Crop and Livestock Insurance Commission was established pursuant to Section

3(1) of the Nova Scotia Crop and Livestock Insurance Act ("the Act"). Section 8(1) of the Act establishes Funds which are in the custody and control of the Commission to be used to administer crop and livestock insurance plans, as well as wildlife compensation, and conduct programs relating to these plans. The Commission is a Crown Corporation of the Province of Nova Scotia and its financial results are consolidated into the Province of Nova Scotia's public accounts as its government reporting entity.

2. Summary of Significant Accounting Policies

Basis of accounting

These financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards.

(a) Revenue recognition

Revenue is recorded on the accrual basis. The main components of revenue are insurance premiums, interest income, and government grants for insurance premiums and administrative expenses.

Revenue from transactions with performance obligations is recognized as the Commission satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

Insurance premium revenue is recorded straight-line over the life of the contract. Premium revenue relating to coverage subsequent to year end is deferred and recognized into revenue in the subsequent period.

Government grants for insurance premiums and administrative expenses are recognized as revenue in the period during which the grants are authorized and eligibility criteria are met, except when and to the extent the transfer includes stipulations that give rise to an obligation that meets the definition of a liability. The Commission receives contributions from the Province of Nova Scotia for the purchase of assets, which is recognized in revenue upon acquisition.

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

2. Summary of Significant Accounting Policies (continued)

(b) Tangible capital assets

Tangible capital assets are recorded at cost, net of accumulated amortization. Amortization is provided on a straight-line basis over the assets estimated useful life, which for office furniture and equipment is five years and for computer hardware and software is two years. The Commission expenses tangible capital assets under \$1,500. Indemnity claims

(c)

Expenses for indemnity claims are recorded when reported by the producer. Claims from producers are estimates until verified and authorized.

(d) Budget figures

The budget figures contained in these financial statements were approved by the Province in its original fiscal plan. The budgeted figures presented are consistent with Canadian Public Sector Accounting Standards ("PSAS").

(e) Remeasurement gains and losses

Under PSAS, the Commission is required to present a statement of Remeasurement gains and losses. As the Commission has no Remeasurement gains and losses, this statement has not been presented.

(f) Financial instruments

Financial instruments consist of investments in promissory notes, accounts receivable, deferred revenue, cash, and deposits for insurance. All are carried at cost or amortized cost, less any provision on accounts receivable, which approximates their fair value, with exception of its investment in promissory notes which are measured at fair value.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

2. Summary of Significant Accounting Policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period.

Estimates are based on the best available information at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates and the differences could be material.

Key estimates for the Commission include the allowance for doubtful accounts. Any Provincial write off affecting the allowance for doubtful accounts may impact the fund surplus in future years.

3. Investments

The Commission invests excess funds to be used to pay future indemnity claims with the Province. On March 31, 2025, these funds were invested in various promissory notes maturing in 2025, 2026 and 2027 with annual yields ranging from 2.77% to 3.28%.

Investments as of March 31, 2025 are as follows:

Date Issued	Maturity date	Term (# of days)	Interest rate	Total, including accrued interest	
				2025	2024
Feb 14, 2024	Aug 13, 2024	182	5.04%	\$ -	\$ 1,897,362
Mar 7, 2023	Mar 7, 2025	731	4.49%	-	1,586,577
Mar 25, 2022	Mar 25, 2027	1826	2.77%	1,629,120	1,585,210
Mar 25, 2022	Mar 25, 2027	1826	2.77%	1,629,120	1,585,210
Nov 12, 2024	Nov 12, 2025	365	3.28%	1,977,669	-
Dec 10, 2024	Dec 10, 2025	365	3.07%	2,523,551	-
Dec 10, 2025	Dec 10, 2026	730	3.07%	2,523,551	-
Mar 7, 2025	Sep 3, 2026	545	3.07%	1,655,867	-
				<hr/>	
				\$11,938,878	\$ 6,654,359

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

4. Accounts Receivable

	Current	Past due 31-90 days	Past due >90 days	2025	2024
Province of Nova Scotia	\$ 141,517	\$ -	\$ -	\$141,517	\$ 253,756
Federal Government	177,856	-	-	177,856	343,204
Producer	-	-	45,457	45,457	26,200
Total receivables	<u>\$ 319,373</u>	<u>\$ -</u>	<u>\$ 45,457</u>	<u>\$364,830</u>	<u>\$ 623,160</u>

5. Deferred Revenue

Deferred revenue of the Commission consists of prepaid deposits for premiums that have been paid during 2024-2025, which relate to 2025-2026 insurance coverage. Included in this balance are refundable deposits on premiums paid by insured clients of \$79,986 (2024 - \$53,270).

Included in deferred revenue for the year-ended March 31, 2025, is \$1,106,177 (2024 - \$1,281,177) of funds from the Province of Nova Scotia. This amount is restricted under Section 8.8 of the Act as an Insurance Fund Account. The fund increased by \$nil (2024 - \$175,000) to cover expected provincial premium increases and a 10% discount on premiums given to Producers by the Province of Nova Scotia for 2025-2026. The increase is based on premium rate increases approved by the Commission prior to year-end.

6. Fund Balances

The Commission uses the terminology "Fund Balance" which differs from the PSAS standard terminology "Accumulated Surplus" as it is considered to more appropriately describe the nature and purpose of the net assets of the Commission.

The Livestock Fund balance is an accumulation of insurance premiums collected in excess of claims under the Dairy Livestock Insurance Plan and the Poultry Insurance Plan. The balance consists of \$999,629 (2024 - \$904,498) attributed to the Dairy Plan and \$376,986 (2024 - \$360,308) attributed to the Poultry Plan. A claim for indemnity under either the Dairy Livestock Insurance Plan or the Poultry Insurance Plan is limited to the extent of the assets in the Livestock Insurance Fund balance held by the Commission.

The Crop Fund balance is an accumulation of insurance premiums collected in excess of claims under the Crop Insurance Plan.

The general fund includes the wildlife compensation program.

The Livestock Price Insurance Fund includes the Maritime Livestock Insurance Plan.

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

7. Government Contributions

Insurance premiums Under the crop insurance programs, producers pay 40% of the insurance premiums and the Federal and Provincial governments pay 36% and 24% respectively for the comprehensive portion of the insurance premiums. For the crop year 2024-2025 the Province of Nova Scotia contributed additional funding of \$nil (2024 - \$175,000) to reduce the producers' share of premiums. During the year, the Province of Nova Scotia contributed an additional \$395,000 to offset losses incurred in the Grape plan over its history. If an insurance premium contains a high-cost segment, the Federal and Provincial governments pay a reduced proportion of the high-cost which varies by plan and coverage level depending on the base premium rate for that particular plan. Neither the Federal nor Provincial governments cost share in the insurance premiums of the livestock and poultry insurance programs or non-refundable deposits.

Administrative expenses The financial statements include the total cost of administrative expenses which are initially paid by the Provincial government, and then subsequently reimbursed by the Federal government for their contribution. For the 2024-2025 fiscal year, the Federal government contributed 60% (2024 - 60%) of the total administrative expenses for the crop insurance program, with the Provincial government funding the remainder. The Provincial government funds all the administrative costs of the livestock and poultry insurance programs.

Capital assets Capital assets are cost-shared, (60% Federal government, 40% Provincial government) administrative expenses. The Commission expenses capital assets under \$1,500 and capitalizes those over \$1,500.

Wildlife program

The compensation payments and administrative expenses of the wildlife compensation program are funded 60% by the Federal government and 40% by the Provincial government.

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

8. Indemnity Claims

Winter grain Winter Grain is planted in the fall, but not harvested until the following fall. Crop yields can fluctuate dramatically depending on factors such as weather conditions during the growing and harvesting seasons. As a result, the occurrence and amount of losses relating to the crop planted in the current year, if any, have not been incurred until well after the fiscal year end. Indemnity expenses for Winter Grain and related payables will be recorded in the year that the loss of yield, if any, is determined.

Maple syrup In certain cases, indemnity expenses for Maple Syrup production losses related to premiums collected in the current fiscal year will not be incurred until after end. Maple Syrup yields will fluctuate based on weather conditions. Indemnity expenses and related payables for Maple Syrup will be recorded in the year that the loss of yield, if any, is determined.

9. Administrative Expenses

The Commission offers three types of insurance plans: crop; dairy, livestock, and poultry; and a wildlife compensation program. The administrative expenses associated with offering these programs are detailed in Schedule B. The administrative expenses are allocated to the livestock and poultry plan at 1% (2024 -2%) of the total administrative expenses incurred by the Commission. The administrative expenses of the wildlife compensation program are allocated based upon direct travel and staffing costs associated with investigating and adjusting wildlife claims, as well as an additional 25% of these costs for other fixed administrative costs of this plan. The remaining administrative costs, after deducting those attributable to the livestock and poultry plans, and wildlife compensation program, are allocated to the crop insurance plan.

10. Net Change in Non-cash Working Capital Balances related to Operations

	2025	2024
Increase (decrease) in cash from changes in:		
Receivables	\$ 258,330	\$ (421,803)
Deferred revenue	(148,284)	191,523
Deposits for insurance	(3,790)	8,447
	<u>\$ 106,256</u>	<u>\$ (221,833)</u>

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

11. Related Party Transactions

The Commission is related in terms of common ownership to all Province of Nova Scotia departments, agencies, boards, and commissions. The Commission enters into transactions with these entities in the normal course of business measured at the exchange amount. Related parties also include key management personnel having the authority and responsibility for planning, directing, and controlling the activities of the Commission. This includes Senior Executives, and members of the Commission and their close family members. The following disclosure is in addition to the related party disclosure provided elsewhere in these financial statements.

Administrative expenses include \$30,000 (2024 - \$30,000) for rent and \$nil (2024 - \$64,063) for miscellaneous professional services that were charged to the Commission by the Nova Scotia Department of Agriculture and the Department of Finance and Treasury Board respectively.

12. Pension and Post Retirement Benefits

All full-time employees of the Commission are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act. The plan is funded by equal employee and employer contributions. The employer's contributions are included in the Commission's operating expenses. The Commission is not responsible for any unfunded liability or other obligations related to the pension. The pension expense incurred in the current year was \$45,923 (2024 - \$55,602).

Employees of the Commission participate in the Public Service Superannuation Fund (The "Plan"), a contributory defined benefit pension plan which provides pension benefits based on length of service and earnings. Full time employees are eligible to receive a long service award as well as ongoing health and dental benefits upon retirement, as outlined in the collective agreement. Payments for this award, and these benefits, are the responsibility of the Province. The Commission is not responsible for any unfunded liability, payments, expenses, or other obligations related to these benefits. The total paid out by the Province to Commission staff was \$nil (2024 - \$nil).

13. Economic Dependence

The Commission is economically dependent upon the ongoing and future funding from the Province of Nova Scotia and the Government of Canada.

Nova Scotia Crop and Livestock Insurance Commission

Notes to Financial Statements

Year ended March 31, 2025

14. Insurance Coverage

The Commission's insurance coverage is based on actuarially sound premium rate methodologies as required by its Act and the Sustainable Canadian Agricultural Partnership (SCAP) cost sharing agreement. All premium rates include a self-sustainability factor to ensure premiums calculated are adequate to cover expected liabilities.

The total insurance coverage issued during the 2024-2025 fiscal year was \$267,451,609 (2024 - \$302,705,056), comprised of crop insurance of \$114,892,967 (2024 - \$109,427,938), livestock insurance of \$20,644,800 (2024 - \$27,692,702) and poultry insurance of \$131,913,842 (2024 - \$165,314,416). The Commission's maximum potential exposure for all livestock and poultry insurance certificates issued under its plans is limited to the balance of the Livestock Insurance fund (Note 6). The Commission's maximum potential exposure for all crop insurance certificates issued under its plan is \$114,892,967 (2024 - \$109,427,938), as governed by its Act and the SCAP cost sharing agreement.

15. Financial Instruments

The Commission is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include credit and liquidity risk. It is management's opinion that the Commission is not exposed to any significant market risks.

a) Credit risk

Credit risk is the risk that the Commission will suffer a financial loss because another party will fail to discharge an obligation. The Commission is exposed to credit risk on its accounts receivable.

The Commission does not have significant exposure to any individual client.

b) Liquidity risk

Liquidity risk is the risk that the Commission will not be able to convert financial assets to cash in order to meet financial liabilities. This risk is mitigated by monitoring the level of financial assets in relation to amounts due and implementing fiscal restraint when necessary. The Province of Nova Scotia provides funding and cash management services to the Commission. There is minimal risk that funds will be unavailable to meet indemnity claim commitments as they arise.

There have been no changes compared to previous years with respect to the exposures to risk and how they arise, the Commission's objectives, policies, and processes for managing the risks and the methods used to measure the risks.

Nova Scotia Crop and Livestock Insurance Commission

Schedule A: Premium Revenue and Indemnity Claims Expense

Year ended March 31, 2025

	Premium Revenue				Indemnity Claims		
	Producer	Federal	Provincial	2025	2024	2025	2024
Crop Insurance							
Spring grain	\$ 35,782	\$ 26,642	\$ 25,318	\$ 87,742	\$ 67,178	\$ 40,644	\$ 236,036
Winter grain	44,585	37,550	34,449	116,584	52,474	21,096	22,894
Tree fruit	905,930	950,725	825,146	2,681,801	2,372,674	965,488	1,039,585
Corn	250,592	250,592	219,985	721,169	542,172	43,371	1,841,980
Weather derivative	63,417	63,417	55,672	182,506	108,678	134,737	423,506
Blueberries	134,387	133,097	117,113	384,597	654,225	290,082	1,203,508
Strawberries & raspberries	2,503	2,503	2,197	7,203	-	-	-
Maple	12,877	12,342	10,947	36,166	32,329	-	3,770
Forage	1,507	1,431	1,272	4,210	92	4,908	-
Soybeans	68,742	68,742	60,346	197,830	151,822	29,107	87,949
Vegetables	-	-	-	-	4,984	-	3,513
Acreage loss	145,086	130,072	117,357	392,515	263,907	31,920	336,585
Grapes	83,096	66,186	61,674	210,956	117,720	63,322	496,220
	<u>1,748,504</u>	<u>1,743,299</u>	<u>1,531,476</u>	<u>5,023,279</u>	<u>4,368,255</u>	<u>1,624,675</u>	<u>5,695,546</u>
Livestock Insurance							
Livestock	27,095	-	-	27,095	27,038	2,000	52,000
Poultry	12,557	-	-	12,557	15,361	-	-
	<u>39,652</u>	<u>-</u>	<u>-</u>	<u>39,652</u>	<u>42,399</u>	<u>2,000</u>	<u>52,000</u>
Wildlife Compensation							
	-	136,851	91,234	228,085	291,622	228,085	291,622
Total	<u>\$ 1,788,156</u>	<u>\$ 1,880,150</u>	<u>\$ 1,622,710</u>	<u>\$ 5,291,016</u>	<u>\$ 4,702,276</u>	<u>\$ 1,854,760</u>	<u>\$ 6,039,168</u>

Nova Scotia Crop and Livestock Insurance Commission

Schedule B: Insurance Expenses

Year ended March 31, 2025

	Crop	Livestock	General	Livestock Price Insurance	2025	2024
Expenses funded by government (Note 9)						
Operations - insurance processing	\$ 154,498	\$ 2,119	\$ 2,029	-	\$ 158,646	\$ 105,221
Operations - adjusting	209,648	2,863	1,844	-	214,355	138,244
Audit (field)	141,453	1,933	1,304	-	144,690	100,787
Policy administration	113,161	1,542	768	-	115,471	134,250
Finance	230,580	3,135	1,013	-	234,728	166,429
Research, development /underwriting	403,180	5,486	2,043	107,995	518,704	147,928
Program sales and promotion	26,340	359	211	20,000	46,910	25,792
Human resources	72,107	982	443	-	73,532	60,472
Systems maintenance and support	160,713	2,192	1,170	-	164,075	144,292
Accommodations	30,398	412	27	-	30,837	30,284
Capital	5,787	79	24	-	5,890	6,903
	<u>1,547,865</u>	<u>21,102</u>	<u>10,876</u>	<u>127,995</u>	<u>1,707,838</u>	<u>1,060,602</u>
Expenses funded through operations:						
Indemnity claims - Schedule A	1,624,675	2,000	228,085	-	1,854,760	6,039,168
Bad debts	(23)	-	-	-	(23)	217
Amortization	-	-	-	-	-	1,845
	<u>1,624,652</u>	<u>2,000</u>	<u>228,085</u>	<u>-</u>	<u>1,854,737</u>	<u>6,041,230</u>
Total Expenses	<u>\$ 1,624,629</u>	<u>\$ 2,000</u>	<u>\$ 228,085</u>	<u>-</u>	<u>\$ 1,854,714</u>	<u>\$ 6,041,447</u>



NSCLIC

NOVA SCOTIA CROP & LIVESTOCK
INSURANCE COMMISSION

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