



2017 RESOLUTION RESPONSES

Enclosed you will find the response letters to the 2017 resolution

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August 31, 2017

Edward Fox
President
Middlesex County Cattlemen's Association

Dear Edward,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February and was discussed by the BFO Board of Directors in August:

WHEREAS, long term vision is needed to move the Canadian beef industry forward; and
WHEREAS, all other provinces are ready to move the industry forward;
THEREFORE, BE IT RESOLVED THAT BFO continues to work towards resolving the issues between Ontario and the national associations on the National Check-off.

The BFO Board of Directors would like to thank the Middlesex County Cattlemen's Association for bringing this resolution forward. For more than two years, BFO directors and staff have engaged in discussions surrounding the National Beef Strategy and the proposed increase to national check-off. While we believe in the need for a National Beef Strategy, we also believe that the governance and legal structures established under the Canadian Beef Cattle Research, Market Development and Promotion Agency (National Check-off Agency) need to be positioned in a way that provides assurance to our Board of Directors and members that Ontario's interests will be well served and represented by our national organizations.

Legal representatives, directors and staff from the provincial cattle organizations and the National Check-off Agency have been working on a legal framework for national check-off for more than a year. It is expected that additional revisions will be made in the coming months before all parties and their legal representatives could be in a position to support the proposed agreement.

Although we believe we are getting closer to an agreement with the National Check-off Agency that could be viewed as workable by the BFO Board of Directors, we also believe that we can't wait for national consensus before pursuing new initiatives that are aggressively aimed at promoting and ensuring industry growth and sustainability in Ontario. In light of this, the BFO Board of Directors came together in the spring of this year for a strategic planning session.

In that session, the Board of Directors looked back at the Ontario beef industry situation from four to five years ago. At that time, there was growing global demand for high-quality beef, especially in China



and other emerging economies, and a supply shortage due to drought in the U.S. and Australia. Here at home, producers displayed growing optimism with the Ontario Corn Fed beef program, which was outstripping supply, and supporting price and export development. This optimism was evident by the number of new feeding barns that were built in Ontario. We had confidence that the Risk Management Program would be a permanent program and that it was supported by our Premier. The Board of Directors also took stock of some of BFO's successes, as well as current and future challenges facing beef production in Ontario.

Through this discovery process, and with intensive thought and thorough examination, the Board of Directors determined that an aggressive approach toward building sustainability in the Ontario beef industry was necessary and could be achieved through the creation and implementation of a new strategic plan focused on diversity of markets and margins, young people and new entrants, and herd expansion.

This strategy can be broken down into three areas of initiatives to be taken: develop Ontario's regional brands to expand Ontario's share of our own beef market; expand the cow herd in Ontario by focusing on genetically superior animals capable of producing premium beef; attract young producers and entice existing producers to expand into a vibrant, sustainable industry.

When we look at the current pricing of beef in the Ontario industry, the floor price is set by imported product primarily being cleared into Canada from the U.S. There is simply not enough money for all levels of production to share profitably when this product is put on special discount to increase volume at retail. Therefore, we believe that Ontario producers, if they want to, should move up the price ladder to secure more of the consumer dollar. Ontario consumers support Ontario Corn Fed Beef, and it is our belief that they will continue to do so. We need to continue to grow and expand Ontario Corn Fed Beef product consumption. At the same time, we need to develop more brands so that the processors and retailers have less latitude to drop our prices.

We believe that if Ontario brands offer the value that Ontario consumers want, they will be supported. As part of the implementation of BFO's strategy, we will commit to engaging in open, transparent conversations with our consumers. We will commission research that supports and defines our brands, and we will communicate with urban audiences at the level and in the medium that they want to be engaged. Building a strong bond with consumers is a key commitment to be achieved.

When we have the defined brands, we need to expand the cow herd with animals that exhibit superior performance, and are targeted to a premium brand. We must have these animals in large enough numbers to fill the brand demand, and provide the lot sizes that feedlots require. When there is confidence that cow-calf profitability is possible, young producers will be attracted and they will be proud to raise Ontario beef. Part of the strategy is to identify and support early adopters, providing resources, mentors and peer support as they move forward.

We have been laying the groundwork for this strategy for the past seven years. BFO began investing in Ontario Corn Fed Beef 14 years ago, and we will continue this investment. Ontario Corn Fed Beef positively affects the Ontario price. We want to use Ontario Corn Fed Beef as a template for other brands, so consumers can always choose superior Ontario beef. This strategy will involve a 10-year or longer commitment of our combined efforts. However, we see it as the only economically sustainable path forward.



Your Board of Directors is committed to and believes in the direction they have struck, and we are asking for your support to get the job done. To support the activities of BFO's strategic plan, the Board of Directors is recommending a provincial increase in check-off of \$2.50 per head which, combined with existing check-off, would make a total Ontario beef check-off of \$6.50 per transaction.

Pursuing a provincial check-off increase in lieu of an increase to national check-off provides several important benefits for Ontario. Firstly, it will provide the level of funding required to implement the components of the BFO strategic plan. In the absence of a signed agreement for national check-off, an increase to the provincial levy will also allow the BFO Board of Directors to provide increased funding for some of the national priority initiatives outlined in the National Beef Strategy, which calls for increased investment in national research, marketing and issues management. Moreover, allowing the Ontario industry to control the level and direction of funds sent nationally will help ensure that the investments made by Ontario beef producers are directed to initiatives and organizations that align with the needs and interests of the Ontario industry.

In order to recommend to the Ontario government that the provincial levy be increased, two-thirds of BFO delegates at the AGM must vote in favour of the proposal, as per the terms of our constitution. Additionally, notice of the vote must be published at least 14 days prior to the AGM, along with the notice of the meeting.

We firmly believe that the direction we are proposing to take is necessary if we are to ensure stability and long-term viability for our sector here in Ontario. We hope that you share that view.

I would like to thank the Middlesex County Cattlemen's Association for bringing this resolution forward. BFO directors and staff would be pleased to meet with you to further discuss our vision for the Ontario beef industry at a mutually agreeable time and place.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Jim Scott (Seconder)
Jamie O'Shea (Advisory Councillor)





January 29, 2018

Brent Everets
President
Haldimand County Cattlemen's Association

Dear Brent,

The Beef Farmers of Ontario (BFO) Board of Directors has reviewed the following resolution passed by Haldimand County Cattlemen's Association in February 2017:

WHEREAS, special interest groups have in the past, present and future used distorted facts about animal production methods as a foundation of persuasion and therein forming a negative public opinion about animal agriculture; and

WHEREAS, these groups have used numerous methods of delivering their message to the public - including the courtroom, press, protests, events and social media;

THEREFORE, BE IT RESOLVED THAT BFO work with all animal agriculture groups on a provincial and national level to develop strategies to persuade the public about the benefits of animal agriculture and increase the frequency and timeliness in which our message is delivered to the public.

Public trust in animal agriculture is critical to the sustainability of Ontario's beef industry. There are increasing expectations from consumers and the general public for greater transparency in how beef farmers care for their animals and the environment, and the health attributes of eating beef. At the same time, the number and influence of special interest groups and critics of animal agriculture, with a demonstrated ability to deliver influential messages to large audiences through various communication platforms, is increasing at an alarming rate.

Without beef farmers' voices at the table, public opinion can be overwhelmed by the critics of animal agriculture, and BFO agrees that we must play a larger and more proactive role in telling the positive story of Ontario beef. Part of the emphasis of BFO's Strategic Plan 2017 includes a commitment to increase focus and investment in regional marketing and consumer engagement, amongst other priorities, primarily through our recently launched Regional Marketing Initiative (RMI). One of the RMI's key objectives is to enhance consumer confidence in beef production through targeted consumer-focused research to help inform marketing and communications initiatives. We believe that a major component to enhancing consumer confidence and gaining public trust is to better understand our consumers, particularly the urban populations that make up a large segment of our consumer base.



BFO has undertaken a consumer research project with Hill + Knowlton Strategies to better understand Ontario consumers, their concerns, and how we can gain and maintain their trust. This is important research that will help frame the Ontario beef story and guide BFO's marketing and consumer communications. The project includes consumer surveys, key informant interviews and focus groups, and a summary of the findings from the project will be presented at BFO's Annual General Meeting in February 2018.

BFO will also be prioritizing research projects that address the concerns and questions of consumers and that support the Ontario beef story. For example, there are numerous negative reports in the media about greenhouse gas emissions from the beef industry, and we may need to prioritize research that identifies how much carbon is sequestered in land used for beef production in Ontario. This type of research will help us provide credible information to consumers on the issues most important to them.

Aside from the activities that are part of BFO's RMI and Strategic Plan, we also work closely with other organizations to collaborate on consumer communications. For example, BFO is a member of Farm and Food Care Ontario, a multi-sector coalition of agricultural associations whose mandate is to build public trust and confidence in our agricultural system. BFO is also a founding member of the Canadian Centre for Food Integrity, which was launched in 2016 to focus on building trust in agriculture by providing relevant research, resources, and training to consumers, educators, the media, and the general public.

BFO also works with other groups on issues more specific to the beef industry, including the Canadian Cattlemen's Association, Beef Advocacy Canada, Canada Beef, Beef Cattle Research Council, Canadian Meat Council, and the Canadian Roundtable for Sustainable Beef. As a member of the Canadian Roundtable for Sustainable Beef, for example, we are able to collaborate with not only industry organizations, but also environmental groups like the World Wildlife Fund and foodservice companies and retailers like A&W, McDonald's and Loblaw. This type of forum allows us to discuss and align our shared values and better understand the criticisms that face the beef industry. Through collaboration with other animal agriculture groups at the provincial and national levels, we are better equipped to prioritize research and projects that will help us promote the good work that beef farmers do as stewards of their land and caretakers of their animals.

I would like to thank Haldimand County Cattlemen's Association for bringing this resolution forward. BFO places the highest value on public trust, and we are committed to telling a more complete story of Ontario beef, including animal care, environmental stewardship, community engagement and nutrition. As we continue with this work, we will keep our members updated on our activities on our website, via social media and in the *Ontario Beef* magazine.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Wilbert Rowntree, Advisory Councilor (Mover)
Elliott Armstrong (Seconder)
Kelly Daynard, Executive Director, Farm and Food Care
Crystal MacKay, CEO, Canadian Centre for Food Integrity





May 31, 2017

Greg Seed
President and Advisory Councillor
Beef Farmers of Temiskaming

Dear Greg,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February and was recently discussed by the BFO Board of Directors in April:

WHEREAS, Forages, including pastures, are a fundamental part of beef operations; and
WHEREAS, Forages are found in all parts of the province; and
WHEREAS, Forages are an integral part of sustainable farming and the Northern Growth Plan for the beef industry; and
WHEREAS, OMAFRA has consolidated the positions of Grazier Specialist and Forage Specialist be combined into one position
THEREFORE, BE IT RESOLVED THAT BFO lobby the provincial government for the maintenance of the two positions of Grazier Specialist and Forage Specialist

In October of 2015, BFO received a letter from OMAFRA advising us that the Forage and Grazier Specialist positions would be combined into one position following the retirement of Joel Bagg. Despite BFO's recommendation that the positions be separated given the size and importance of forage and pasture production in Ontario, the positions were combined. The new Forage and Grazier Specialist that was hired in May of 2016 to replace the retired Jack Kyle has since left OMAFRA. A competition for a new Forage and Grazier Specialist is currently underway.

In February of this year BFO sent a second letter to OMAFRA urging them to reinstate the Forage Specialist and Grazier Specialist positions as distinct portfolios. A copy of BFO's letter as well as the response letter that we received from OMAFRA has been included for your review.

Although the Ministry's most recent letter does not provide any indication that province intends to re-separate these positions, OFC together with representatives from other agricultural groups who have an interest in forage and pasture production were invited to meet with the Deputy Minister in April but

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that meeting was postponed. When we do meet with the Deputy, the importance and need for separate portfolios for forage and grazing production will be emphasized.

I would like to thank the Beef Farmers of Temiskaming for bringing this resolution forward. We will keep the membership apprised of any further progress on this file.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Bowman". The signature is fluid and cursive, with the first name "Matt" and last name "Bowman" clearly distinguishable.

Matt Bowman
President

cc: BFO Board of Directors
Allan Aitchison (Secondar)





August 31, 2017

Scott Cochrane
President
Brant County Cattlemen's Association

Dear Scott,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February and was discussed by the BFO Board of Directors in August:

WHEREAS, the Canadian cattle industry's geography, markets and climate are much different from other cattle jurisdictions, and

WHEREAS, the proposed reduction in the maximum number of hours that cattle can be transported without feed, water or rest from 48 to 36 hours with no additional grace period will add costs and create logistical problems for beef businesses in Ontario,

THEREFORE, BE IT RESOLVED THAT BFO work with CCA to ensure that at a minimum the regulations provide at least 40 hours of allowable travel time, and

BE IT FURTHER RESOLVED THAT BFO work with CCA to ensure that flexibility be provided to transporters that experience delays to allow extended time in transport under certain circumstances.

The BFO Board of Directors shares the concerns raised by the Brant County Cattlemen's Association with respect to the proposed changes to cattle transportation regulations and the need for flexible transport arrangements and a sufficient amount of allowable travel time for livestock in transit.

BFO has been very active in our engagement with government on this file for more than a year. In addition to our participation in the formal consultation process with the Canadian Food Inspection Agency (CFIA), we had the opportunity to appear before the House Standing Committee on Agriculture and Agri-Food and the Federal Liberal Animal Welfare Caucus to discuss cattle transport and the proposed regulatory amendments. BFO also initiated an MP letter writing campaign this summer where informational flyers were mailed to every Ontario MP highlighting the positive improvements that industry has made in cattle transport practices over time as well as the successful outcomes the current regulatory system has worked to produce. Three separate lobby days were also executed in coordination with the Canadian Cattlemen's Association (CCA) this past year, where key MPs, political staff, and public servants from Agriculture and Agri-Food Canada (AAFC) and the CFIA were targeted.

BFO is committed to continuing discussions with CFIA, AAFC, and targeted MPs to ensure that any regulatory amendments that are introduced are based on sound, science-based evidence that clearly



demonstrates how the changes will irrefutably improve animal welfare and provide the highest percentage of positive outcomes for transported animals without reducing the competitiveness of the beef industry. Our intention is to coordinate with CCA and other provincial cattle associations to secure additional engagement opportunities with decision-makers this fall.

While we believe many of our messages and arguments have resonated with decision-makers in government, there has been little indication about when an amended proposed regulatory framework will be released for public comment. Based on our understanding, the significant volume of public consultation submissions and the high level of interest in the issue across the stakeholder spectrum have delayed the implementation timeline. While implementation timelines are unknown, BFO is committed to continuing the dialogue on this issue and welcomes any additional feedback from producer members.

Attached, for your information, you will find a copy of BFO's submission to the public consultation on the proposed changes to Part XII of the Health of Animals Regulations – Transportation of Animals, which was submitted to the CFIA in February. Also attached is a copy of the letter and accompanying flyer that was sent to every Ontario MP in July. I would encourage Brant County Cattlemen's Association to consider mailing a similar letter to your local MP(s) to reinforce the importance of the issue, if you haven't done so already. I've attached a copy of a template to assist you in the development of a letter.

On behalf of the Beef Farmers of Ontario, thank you for taking the time to raise your concerns regarding the proposed changes to cattle transportation regulations. We will keep the membership apprised on the status of this issue as it works its way through the federal regulatory development process.

Sincerely,



Matt Bowman
President

Encl. 3

cc: BFO Board of Directors
Randy Wilson (Secorder)
Brian Cochrane (Advisory Councillor)





September 29, 2017

Matt Shortreed
President
Huron County Beef Producers

Dear Matt,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February and was recently discussed by the BFO Board of Directors:

WHEREAS, the current Beef Financial Protection Program (FPP) rules require payment within 6-9 business days (depending on the value) from day of sale, and
WHEREAS, if a second load is shipped on 7th or 10th business day, before receiving payment for first load. It is considered “extending credit” and may not be covered by the FPP, and
WHEREAS, cattle are to be sold in the Feeder Co-op name to the account of the producer, and
WHEREAS, the Feeder Co-op does not manage the cattle nor have control over where the cattle are marketed,
THEREFORE, BE IT RESOLVED THAT BFO continue to work with the government, Feeder Finance and FPP to change the wording or make an amendment to the FPP, to ensure members of a co-op are treated as individuals under the FPP and are not encompassed under the umbrella of the Co-operative.

The BFO Board of Directors would like to thank the Huron County Beef Producers for bringing this resolution forward.

BFO has raised this issue with OMAFRA on several occasions over the last few years and they recognize the gap in financial protection coverage for producers selling financed cattle. In 2013, OMAFRA staff and BFO representatives agreed on draft wording for an amendment to *the Farm Products Payments Act, Ontario Reg 560/93* that would help resolve this issue. Despite an agreement in principle, a regulatory amendment was never prioritized or pursued given the perception, in our opinion, that the proposed change was too inconsequential.

In an attempt to address the issue BFO committed to engaging the Minister on this topic, based on the recommendations that the Board of Directors received from the Feeder Executive Committee and the direction provided by your resolution. I’ve attached a copy of the letter that was sent to Minister Leal on June 15th of this year for your information.

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We are pleased to report that the Minister's office responded favourably to our request and has initiated the regulatory amendment process. On August 25th the Province released a regulatory proposal for public comment that, if approved, would:

1. Allow sales by Co-operatives to be designated as sales by individual Co-operative members for the purposes of the Beef Cattle Financial Protection Program (BCFPP). The Co-operatives would maintain ownership. This would mean that individual members of the Co-operatives, as opposed to the Co-operative itself, would be responsible for following the rules of the BCFPP, such as prompt notification of late payment, submitting claims within prescribed timeframes, and to not extend credit. The amendment would also reduce the risk of a Co-operative being in a default situation because a Co-operative claim is denied by the Board for not following the BCFPP rules.
2. Provide the same rights of the Feeder Cattle Co-operatives for Breeder Co-operatives to make claims for compensation from the Fund for Livestock Producers in the case of a default by a licensed dealer. Beef Breeder Co-operatives mirror the operations of the Feeder Co-operatives, and currently pay the ten cent per head check-off fee to the Fund. The proposed amendment would ensure consistency between how Breeder Co-operatives and Feeder Co-operatives are treated under the BCFPP.

I've attached a copy of BFO's comments on the proposal that were submitted in August for your information. So long as there is no major opposition to the proposed amendments, which we don't foresee, we anticipate the regulatory amendments will come into force early in the new year.

Although the proposed amendments will provide added clarity regarding the eligibility of cattle financed through breeder and feeder co-operatives, the onus to comply with all Financial Protection Program rules will rest with the individual producers and not the co-operatives themselves. Co-op members will be responsible for ensuring the co-op has received payment from the sale of their cattle, and for promptly notifying the Financial Protection Program in the case of any late payment, not the other way around.

BFO will ensure members are made aware of the changes once a final decision on the proposed regulatory amendments has been made.

Sincerely,



Matt Bowman
President

Encl: 2

cc: BFO Board of Directors
Dan Hoggart (Mover)
Glen Walker (Seconder)
Harvey Hoggart (Advisory Councillor)
Steve Eby (Chair, Feeder Executive Committee)
Cheryl Russwurm (Provincial Supervisor)





May 31, 2017

Alan Carroll
President
Elgin Beef Farmers

Dear Alan,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February and was recently discussed by the BFO Board of Directors in April:

WHEREAS, our organization changed the Provincial name to Beef Farmers of Ontario several years ago; and

WHEREAS, there are still 28 counties referring to themselves as Cattlemens Associations; and

WHEREAS, the Beef Farmers of Ontario would have a stronger more unified voice and better representation if we all had the same identity;

THEREFORE, BE IT RESOLVED THAT counties still using The Cattlemens Association name take the initiative to use Beef Farmers in their name, and that the board encourage them to do so.

The Beef Farmers of Ontario name was chosen to provide familiarity and connection to our audiences and alignment with our fellow commodity groups, e.g. Dairy Farmers of Ontario, Chicken Farmers of Ontario, Egg Farmers of Ontario, Turkey Farmers of Ontario, Grain Farmers of Ontario, in an effort to create a more consistent image that would resonate with audiences beyond the grassroots' producer core, including industry, government, media and consumers.

At the time that BFO changed its name from the Ontario Cattlemen's Association to the Beef Farmers of Ontario we reminded all county and district associations that they were under no obligation to change their name. As affiliate branches that maintain their own governing rules BFO has no authority to dictate how county or district associations identify themselves. Despite this, a number of local associations have changed names over the last few years, 15 in total, using various naming conventions.

Table 1 (on page 2) provides a list of local association name changes since the Ontario Cattlemen's Association became the Beef Farmers of Ontario.

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Table 1

Old Name	New Name
Bruce County Cattlemen's Association	Bruce County Beef Farmers
Durham County Cattlemen's Association	Beef Farmers of Durham County
Elgin Cattlemen's Association	Elgin Beef Farmers
Grey County Cattlemen's Association	Grey County Beef Farmers Association
Hastings County Cattlemen's Association	Beef Farmers of Hastings County
Muskoka, East Nipissing, Parry Sound Cattlemen's Association	Beef Farmers of Muskoka, East Nipissing, Parry Sound
Niagara Cattlemen's Association	Beef Farmers of Niagara
Perth County Cattlemen's Association	Perth County Beef Farmer's Association
Renfrew County Cattlemen's Association	Renfrew County Beef
Simcoe County Cattlemen's Association	Simcoe County Beef Farmers
Stormont County Cattlemen's Association	Beef Farmers of Stormont County
Temiskaming Cattlemen's Association	Beef Farmers of Temiskaming
Thunder Bay Cattlemen's Association	Beef Farmers of Thunder Bay
Victoria Cattlemen's Association	Victoria Beef Farmers
York County Cattlemen's Association	York Beef Farmers

Notwithstanding BFO's inability to mandate how local associations identify themselves, we do not feel it would be appropriate to now encourage associations to follow the provincial naming convention given the wide variety of naming conventions currently in use, both new and old. True alignment with the BFO name would require all local associations to follow the provincial naming convention, which would ultimately require some associations that have recently changed their names to do so again. As a result, we feel it is best to leave decisions regarding the name of local county cattle associations to the discretion of the local associations themselves.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Grant McMillan (Secunder)





October 31, 2017

Curtis Calhoun
President
Bruce County Beef Farmers

Dear Curtis,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February:

Moved by: Steve Eby Seconded by: Scot Legge

WHEREAS, Risk Management is an important business tool; and

WHEREAS, the beef market has experienced a major market correction;

THEREFORE, BE IT RESOLVED THAT BFO work with and lobby all partners and possible new partners to maintain and enhance Ontario producers Risk Management Program so that it is timely, bankable, and effective.

A similar resolution was passed at the Bruce County Beef Farmer's June meeting and forwarded to BFO:

Moved by: Mike Jeffray Seconded by: Jairus Maus

WHEREAS the beef industry has come through a severe price cycle causing significant financial hardship for producers; and

WHEREAS the \$100 million cap on the Ontario Risk Management Program caused the program to deliver payments that did not address the financial hardship sufficiently; and

WHEREAS the Ontario Risk Management Program is a well-designed program provided it is properly funded by the province of Ontario;

THEREFORE BE IT RESOLVED THAT BFO ramp up the lobby for increased funding of the Ontario Risk Management Program in the lead up to the next provincial election.

The BFO Board of Directors would like to thank the Bruce County Beef Farmers for bringing these resolutions forward, and for its continued interest and support of the Ontario Risk Management Program (RMP).

To ensure the program remains workable for producers, and that investment in the program by the province is maintained, BFO continues to work with the RMP Program Evaluation Working Group, led by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), and the Ontario Agricultural Sustainability Coalition (OASC), formed in 2009 to develop and implement the Risk Management Program in Ontario at the request of the Government of Ontario.

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Despite the limits imposed by the provincial government in 2013 capping the government's contribution to the program, the RMP still remains the most important program for our sector. We believe the program is vital to the Ontario beef industry, however we recognize that the current funding for the program cannot sufficiently cover the required need in certain years. We further recognize that the recent market downturns have not been sufficiently mitigated by current RMP funding.

BFO has repeatedly impressed upon the provincial government that if the program is to help create stability in the industry it needs to be a stable program. Constant review and waiting for budget confirmation of funding undermines the value that the program has to offer to the broader economy.

Our lobby efforts to increase the amount of RMP funding have been unsuccessful to date. The BFO board and staff have spent a considerable amount of time defending the RMP in its current form. We were pleased by the government's commitment to leave the program unchanged for 2018. However, we are disappointed by our lack of success in obtaining an increased provincial investment into this important program.

Producers can help our lobby efforts, especially in an election year. We strongly encourage all producers and local county and district cattle associations to speak to their local MPP about the importance of RMP and the need for increased investment in the program. Because raising cattle is a volatile business with significant financial risks, MPPs need to know that, unlike farmers in grains and horticulture who have access to crop insurance and unlike supply managed farmers who maintain full Cost of Production support, non-supply managed livestock farmers have limited control over both their costs and the prices of their products. These costs fluctuate wildly depending on international market conditions.

BFO will be seeking the support of all parties for a commitment to increase the investment for the RMP if elected, in the lead-up to the June provincial election. We want them to know that our sector depends on programs like RMP to mitigate production risks as there is no effective private sector insurance option that can effectively and affordably mitigate the risks inherent in cattle production. In the coming months, we ask that you assist us by delivering this message to all local candidates.

The BFO Board of Directors would like to thank Bruce County Beef Farmers for bringing these resolutions forward and for reconfirming to us the value of the RMP program to you and your members.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Steve Thede (Advisory Councillor)
Steve Eby (mover of original motion)
Scot Legge (seconder of original motion)





September 29, 2017

Matt Shortreed
President
Huron County Beef Producers

Curtis Calhoun
President
Bruce County Beef Farmers

Dear Matt and Curtis,

The following resolutions were passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February:

BENEFICIAL OWNERSHIP – FEEDER FINANCE (*Huron*)

WHEREAS, the new Order In Council (OIC) for the OFCLGP (Ontario Feeder Cattle Loan Guarantee Program) includes wording that all legal, beneficial and equitable ownership of the cattle remains with the Co-operative, and

WHEREAS, the Terms and conditions associated with the August 2011 OIC had similar wording that was modified to give the producer a contingent liability after lobbying by the BFO, and

WHEREAS, this wording indicates the producer has no financial gain, and

WHEREAS, this could be perceived by Revenue Canada as all net proceeds belong to the Co-op and any subsequent taxation, etc.,

THEREFORE, BE IT RESOLVED THAT BFO continue to work the government and Feeder Finance to change the wording in the OIC of April 2016 by January 1, 2018.

IMPROVEMENTS TO FEEDER FINANCE (*Bruce*)

WHEREAS, the Ontario Feeder Cattle loan program has received increased funding and some new program wording; and

WHEREAS, these updates add administrative challenges to the individual coops and their members;

THEREFORE, BE IT RESOLVED THAT BFO work with the Ontario Feeder Finance Steering Committee to lobby OMAFRA to enact positive change on the items identified by the provincial steering committee.

Given the similarities between the resolutions the BFO Board of Directors felt it would be appropriate to respond to both resolutions at the same time by providing an update on our efforts to address the issues and concerns that have been raised with respect to feeder finance.



Firstly, BFO would like to state that the Board fully supports the creation of the Feeder Executive Committee to act as an intermediary between the BFO Board and the feeder co-op boards. Both parties had the opportunity to discuss feeder finance issues, including beneficial ownership and other Order-in-Council (OIC) concerns at the June meeting of the BFO Board. Based on the direction of the Feeder Executive Committee, the Board has committed resources to address the following issues:

1) Feeder Finance alignment with the Financial Protection Program

In June, BFO sent a letter to Minister Leal requesting changes to the *Farm Products Payments Act* to better align feeder finance with the Financial Protection Program. We are pleased to report that our recommended revisions to the *Act* have been put forward by the Minister for public comment. If approved, sales of financed cattle would be viewed as sales by individuals to ensure co-op members are eligible under the Financial Protection Program. We anticipate this change will be implemented on January 1st.

2) Concerns regarding the feeder finance OIC

In July, BFO submitted a list of concerns with the new OIC to OMAFRA, based on discussions with the Feeder Executive Committee. OMAFRA then presented a version of that list for consideration by the Minister in August. It is our understanding that the Minister's office is still reviewing the issues that have been submitted for his consideration. Below, I've provided a brief summary of the main issues under review:

- I. **Credit Check Policy:** the new credit check policy has been criticized as being too frequent, costly, and negatively impacts members' credit ratings.
- II. **Cleared Residual Cattle:** the new policy requires a fair market value transaction to move cattle ownership from a co-op to a member when there is no remaining debt. This has been criticized as being redundant and onerous.
- III. **Producer Cattle Ownership:** without an ownership stake in the cattle, members are concerned with potential Canada Revenue Agency tax implications should they be deemed service providers.
- IV. **Custom Feeding:** OMAFRA may wish to reconsider custom feeding eligibility in light of the *Innkeepers Act* rules, which guarantees payment to a custom feeder above the co-op and government's security interests.
- V. **Use of Security Deposits:** the new requirements for quick, top-up of assurance funds by members recently created a secondary crises and member hardship. Clarification on the use and replenishment of assurance funds is needed.
- VI. **Minimum Co-op Participation:** the program requires a minimum of 20 active members. Participation is often dependent on season and market prices; several co-ops have fallen below this threshold. This needs to be clarified.
- VII. **Housekeeping:** this includes revisions to correct a number of formatting issues, providing added clarity through the creation of new definitions for things like "fair market value", "custom feeder", etc., and developing clearer rules for custom feeding, corporate participation and member transition.

.../3



While we're pleased that a number of the concerns that were raised have been put on the Minister's agenda for consideration, we will continue to push the Province until changes are enacted that reflect the wishes of the feeder co-ops.

The BFO Board of Directors would like to thank the Huron County Beef Producers and the Bruce County Beef Farmers for bringing these resolutions forward. We will commit to keep the membership apprised of any movement on the issues identified and discussed with respect to feeder finance.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Dan Hoggart (Mover-Huron)
Ian Caldwell (Seconder - Huron)
Harvey Hoggart (Advisory Councillor -Huron)
Ross Jeffray (Mover-Bruce)
Jarrett Johnson (Seconder-Bruce)
Steve Thede (Advisory Councillor -Bruce)
Steve Eby (Chair, Feeder Executive Committee)
Cheryl Russwurm (Provincial Supervisor)





August 31, 2017

Willy Broek
President
Beef Farmers of Hastings County

Dear Willy,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting in February and was recently discussed by the BFO Board of Directors:

WHEREAS, grasses store more carbon in the soil than most other plants including trees. Grasses also build organic matter in soil when properly managed; and
WHEREAS, ruminant animals such as beef cattle are the best tools to manage these grasses and legumes while turning it into high quality protein,
THEREFORE, BE IT RESOLVED THAT BFO consider that we as beef producers let our representatives know this and that beef producers be high on the list for carbon credits.

BFO would like to thank Hastings County for bringing this resolution forward. The BFO Board of Directors agrees that land managed by beef farmers to grow grasses and legumes plays a critical role in storing carbon and mitigating greenhouse gas emissions. BFO has been advocating to government and the public that pasture and forage acres managed by beef producers store large amounts of carbon, while also producing high-quality protein.

In order to decrease greenhouse gas emissions and fight climate change, Ontario has put a price on carbon by implementing a cap and trade program, which came into effect at the beginning of this year. Regulated sectors and large emitters must report their emissions and have enough allowances and carbon offset credits to cover their emissions. Carbon offset credits represent carbon dioxide reduced, avoided or removed from the atmosphere, and they can be created and sold by unregulated sectors, which includes agriculture.

Ontario's agriculture industry, including beef producers, will have the opportunity to create and sell carbon offset credits. Two activities that would be able to generate carbon offset credits and that are most relevant to beef production are avoided grasslands conversion (maintaining and enhancing grasslands) and reduced livestock enteric emissions. The protocols for these activities, along with other activities that could generate carbon offset credits, are currently being developed. The protocols include all the technical specifications for the activities. Along with the technical specifications that must be followed, there is also regulation on creating and selling carbon offset credits that includes strict requirements and criteria.

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The Ministry of the Environment and Climate Change (MOECC) held a consultation on the regulation for carbon offset credits, and BFO's full submission can be found on BFO's website. Based on the regulation, there will be extensive criteria and administrative requirements for an activity that sequesters or reduces carbon to be considered for an offset credit. Proposed offset credits must meet criteria of being authentic, additional to what is "business as usual", verifiable, validated, enforceable and permanent. Permanent is defined as 100 years for carbon sequestration activities. There will also be rigorous assessment, recordkeeping and reporting to ensure credibility of the reductions.

Unfortunately, BFO's Board of Directors believes that the administrative burden and rigorous criteria laid out in the regulation will prevent most farmers from creating or selling carbon offset credits in the cap and trade program. Further to this, the revenue to be expected from selling carbon offset credits is hard to predict, as their value will be based on market demand from the regulated sectors and large emitters. While it's true that grasslands managed by beef producers store large amounts of carbon and should therefore be valuable in a carbon market, we believe that the potential revenue will likely not be enough to make the process worth the time and effort of an average beef producer.

BFO is disappointed that the strict regulation will likely prevent beef producers from getting credit in the cap and trade program for their contribution to carbon sequestration and emission reductions. This is especially true because Ontario's beef producers are experiencing increased costs due to cap and trade, such as the increased cost of fuel, and carbon offset credits will almost certainly not be a way for producers to make up for those increased costs.

Though there will likely be limited opportunity for beef producers to create and sell carbon offset credits in the cap and trade program, BFO is consulting with MOECC and other agricultural organizations on the potential for another type of offset credit, which would not be eligible for use in the regulated cap and trade program and would have a lower dollar value, but would have less stringent requirements and therefore be more feasible for agriculture. We will keep county and district associations updated on any progress made with this concept.

Thank you for taking the time to bring this resolution forward. BFO will be communicating more information on Ontario's cap and trade system to its members over the next few months, including the potential limitations of carbon offset credits, how cap and trade differs from the carbon tax used in other provinces, and how different carbon pricing systems affect the cost of production for beef.

We appreciate and share the concern that you have regarding Ontario's cap and trade program, and would be pleased to discuss BFO's response at your convenience.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Darrell Russett (Advisory Councillor, seconder)
Bruce Palmateer (mover)
Murray Brodhagen (sub-resolution mover)
Bob Dunsmore (sub-resolution seconder)





September 29, 2017

Earl Briggs
President
Simcoe County Beef Farmers

Dear Earl,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting in February and was recently discussed by the BFO Board of Directors:

WHEREAS, large numbers of predators continue to be a problem for agriculture producers and residents of Ontario; and

WHEREAS, the changes to the Ontario Wildlife Damage Compensation program has made it even harder for cow calf farmers to receive fair compensation for the devastating impact of predation on cow herds in Ontario; and

WHEREAS, because of the adverse economic impact and the lack of fair compensation for predator kills of livestock there has been a decrease in cow/calf operations in Ontario;

THEREFORE, BE IT RESOLVED THAT BFO request that the Ontario Minister of Agriculture have qualified and experienced individuals evaluate kills and provide fair compensation.

The BFO Board of Directors agrees with the concerns raised in this resolution and believes that changes to both the process by which claims are evaluated and the guidelines that drive the evaluation process need to be improved. We have heard loud and clear from the membership that the current operation of the program is not acceptable and that changes are needed to ensure the program provides adequate and timely compensation to producers that experience predation events on-farm. As a result, BFO has committed to working in collaboration with the Ontario Sheep Marketing Agency (OSMA) in an effort to address the many concerns that have been raised by producers and industry representatives.

In the May and August editions of Ontario Beef we provided an overview of the changes to the Wildlife Damage Compensation Program that took effect January 1, 2017. We also encouraged any producer that had a compensation claim declined to contact the BFO office so that we could document the types of claims being denied, as well as any concerns from producers with the overall operation of the program. The level of response we have received to date has been significant, and I would like to take the opportunity to thank all of the producers, livestock investigators, and municipal officials that took the time to provide input. The feedback received has been extremely important in helping guide and frame our arguments with government.

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BFO and OSMA had the opportunity to engage OMAFRFA on several occasions this year with respect to the Ontario Wildlife Damage Compensation Program. The two most significant meetings occurred in March and September. At the March meeting, representatives from both organizations met with the program's administrative staff to outline our concerns and attempt to find a workable path forward. Although our concerns were acknowledged, the program administrators largely defended the status quo. The status quo, we argued, is not producing the types of outcomes that either of our organizations or producer members would view as satisfactory, and that changes are needed.

In September, our organizations were able to secure a meeting with three OMAFRA directors accountable to the Assistant Deputy Minister charged with overseeing the program. This was a much better meeting. The OMAFRA directors in attendance agreed in principle that many of the issues raised by BFO and OSMA were valid, and that a closer look at the administration of the program was warranted. Absent of a formal commitment to initiate an immediate program review, we do believe the Ministry is sincere about finding a workable solution to address our concerns.

I would like to point out that BFO is fully supportive of the resolution that was passed by the Township of Oro-Medonte, requesting that the Premier and Minister of Agriculture, Food and Rural Affairs address the concerns raised by industry regarding the required standards of proof, and to respect the judgments made by Livestock Investigators. To date, ten different municipal, county and township councils have sent letters to the Premier and Minister, a list that continues to grow. In the coming weeks BFO will reach out to other local government bodies encouraging them to support the resolution passed by Oro-Medonte. A strong push from other local governments will only increase our ability to affect change.

Producers need to know that BFO is fighting to make this program more transparent and effective. However, alterations to any program, regardless of the merit of the proposed change, take time. We ask for your patience in this process as we continue to build support and advocate on your behalf for program and administrative changes that provide better value to the industry.

The BFO Board of Directors would like to thank the Simcoe County Beef Farmers for bringing this resolution forward. We would be pleased to discuss our efforts to address your concerns in more detail at your convenience.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Jim Roberts (Mover)
Doug Briggs (Secunder)
Doug Shelswell (Advisory Councillor)
Jennifer MacTavish (OSMA)
Rob Scott (OSMA)





May 31, 2017

Rob Unsworth
President
Wellington County Cattlemen's Association

Dear Rob,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February and was recently discussed by the BFO Board of Directors in April:

WHEREAS, the hardworking producers of BFO have a right to be informed; and
WHEREAS, in today's day and age producers' stories are so valuable and dialogue is so important; and
WHEREAS, the producers have a right to question all government officials who are addressing BFO's AGM,
THEREFORE, BE IT RESOLVED THAT no government official, address the BFO AGM without a question and answer period that is not scrutinized by BFO's Board.

While we agree that open engagement with government officials can provide mutual benefits we are not prepared to endorse a policy that would require any government official to participate in question and answer periods as a condition of their attendance at BFO events.

The development and maintenance of relationships with government officials is an important part of BFO's role as an advocate and voice for the province's 19,000 beef farmers. While we welcome and encourage engagement with government officials at BFO events, their attendance and willingness to participate in question and answer periods and other engagement forums with BFO directors, staff, delegates, producers, and other beef industry representatives is a decision that we feel is best left to their discretion.

Sincerely,

Matt Bowman
President

cc: BFO Board of Directors
Cole Bessey (Secunder)

130 Malcolm Road, Guelph, ON N1K 1B1
P/ 519.824.0334 TF/ 1.866.370.2333 F/ 519.824.9101

www.ontariobeef.com





June 21, 2017

Edward Fox
President, Middlesex County Cattlemen's Association

Dear Ed,

The Beef Farmers of Ontario (BFO) Board of Directors recently reviewed the following resolution from Middlesex County, which was passed at the BFO annual general meeting in February of this year:

WHEREAS, BFO has pledged a large dollar amount of producer checkoff dollars towards the new proposed beef research barn at Elora,

THEREFORE, BE IT RESOLVED THAT all results of any research trials conducted at the new facility be made available to producers in a timely fashion through the BFO website and the Ontario beef magazine for easy access for BFO producers.

BFO would like to thank Middlesex County for bringing this resolution forward. The BFO Board of Directors understands the importance of communicating research outcomes from projects funded by checkoff dollars to our members, as well as of providing venues for our members to stay up to date on all beef-related research. To this end, BFO staff are in the process of working with the Livestock Research and Innovation Corporation (LRIC) on producing an ongoing series of articles on beef research. This series will include details of research taking place at the Elora research barn, as well as descriptions of BFO-funded projects and profiles of prominent beef researchers. Articles will be published in the Ontario Beef magazine, uploaded to the "Research" section of our website, and promoted through our newsletter, in addition to being circulated through LRIC's communication and media channels.

BFO will continue to provide summaries of all projects funded directly through BFO, accessible under the "Research" section of our website. This research is also disclosed in a report that is provided to delegates at the AGM, and to all members of the Advisory Council at least once annually.

Furthermore, BFO encourages members to take advantage of other opportunities to access beef related research information from one or all of the following sources:

- The OMAFRA Virtual Beef electronic newsletter. Contact betty.summerhayes@ontario.ca or call 519-826-3105 to subscribe.
- The Beef Cattle Research Council's (BCRC) Beef Research Blog. Visit <http://www.beefresearch.ca/blog/> to subscribe.
- The BCRC [beefresearch.ca](http://www.beefresearch.ca) website

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- The Livestock Research and Innovation Corporation (LRIC) LYRICS electronic newsletter. Contact Jean Howden at jhowden@livestockresearch.ca or at 519-821-2960 to subscribe.
- THE LRIC livestockresearch.ca website
- The National Cattlemen's Beef Association beefresearch.org website

Thank you for taking the time to bring this resolution forward. We appreciate the interest our members have in the outcomes of beef research, and encourage you to follow our Ontario Beef publications for more content on the Elora beef barn, projects under the BFO Beef Research Program, and relevant beef researchers in the province.

Sincerely,



Matt Bowman
President

cc: Jim Scott
Craig Scott
Jamie O'Shea
BFO Board of Directors





August 31, 2017

Heinz Hess
President
Glengarry County Cattlemen's Association

Dear Heinz,

The following resolution was passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February and was discussed by the BFO Board of Directors in August:

WHEREAS, the American President has indicated a policy of "American First" we can be certain there will be some type of retaliation against Canadian beef as in the revival of COOL or through NAFTA, **THEREFORE, BE IT RESOLVED THAT BFO** establish a contingency fund of a significant amount to counteract these trade disputes, thereby not resulting in having to increase our checkoff.

The BFO Board of Directors would like to thank Glengarry County Cattlemen's Association for bringing this resolution forward.

The Canadian Cattlemen's Association (CCA) distributes legal assessment invoices periodically to the provincial cattle associations to cover legal expenses incurred in trade disputes of interest to the Canadian beef industry (e.g. Country of Origin Labelling dispute). BFO budgets for this expense annually and discloses that estimate in the draft budget included in the BFO Annual Report. In addition, the actual legal assessments paid by BFO to CCA are included in the annual audited statements. CCA policy ensures that the legal contingency fund maintain a balance of at least \$500,000. Assessments provided to the provinces ensure this cap is not exceeded. To date, BFO has covered all CCA legal assessment expenses using existing check-off revenue.

CCA will be working closely with their counterparts in the United States to ensure that any change in trade policy under NAFTA or any other trade agreement does not negatively impact beef or cattle trade with the United States. However, we cannot predict how the new "America First" policy may impact the beef industry's relationship with our largest trading partner.

For information purposes, both BFO and CCA recommended that Country of Origin Labeling, and similar non-tariff barriers to trade, not be accepted as part of any NAFTA renegotiation in our submissions on the NAFTA renegotiation consultation that occurred this past July. Both BFO and CCA will continue to carry that message in all discussions regarding NAFTA.

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Notwithstanding the contingency fund needed to defend Canada's trade interests with respect to the beef industry, there is still a need to pursue additional check-off funding to assist in the implementation of both the National Beef Strategy, funded through national check-off funds, and the Beef Farmers of Ontario Strategic Plan, funded through provincial check-off. To ensure industry has the resources needed to implement components of both national and provincial initiatives, the BFO Board of Directors will be asking for your support for a proposal to increase the provincial check-off by \$2.50 per head which, combined with existing check-off, would make a total Ontario beef check-off of \$6.50 per transaction.

Pursuing a provincial check-off increase in lieu of an increase to national check-off provides several important benefits for Ontario. Firstly, it will provide the level of funding required to implement the components of the BFO strategic plan. In the absence of a signed agreement for national check-off, an increase to the provincial levy will also allow the BFO Board of Directors to provide increased funding for some of the national priority initiatives outlined in the National Beef Strategy, which calls for increased investment in national research, marketing and issues management. Moreover, allowing the Ontario industry to control the level and direction of funds sent nationally will help ensure that the investments made by Ontario beef producers are directed to initiatives and organizations that align with the needs and interests of the Ontario industry.

In order to recommend to the Ontario government that the provincial levy be increased, two-thirds of BFO delegates at the AGM must vote in favour of the proposal, as per the terms of our constitution. Additionally, notice of the vote must be published at least 14 days prior to the AGM, along with the notice of the meeting.

We firmly believe that the direction we are proposing to take is necessary if we are to ensure stability and long-term viability for our sector here in Ontario. We hope that you share that view.

BFO directors and staff would be pleased to meet with you to further discuss our vision for the Ontario beef industry at a mutually agreeable time and place.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Dick van der Byl (Mover)
Warren McIntosh (Seconder)
Ian Howes (Advisory Councillor)





September 29, 2017

Matt Shortreed
President
Huron County Beef Producers

Curtis Calhoun
President
Bruce County Beef Farmers

Dear Matt and Curtis,

The following resolutions were passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February:

BENEFICIAL OWNERSHIP – FEEDER FINANCE (*Huron*)

WHEREAS, the new Order In Council (OIC) for the OFCLGP (Ontario Feeder Cattle Loan Guarantee Program) includes wording that all legal, beneficial and equitable ownership of the cattle remains with the Co-operative, and

WHEREAS, the Terms and conditions associated with the August 2011 OIC had similar wording that was modified to give the producer a contingent liability after lobbying by the BFO, and

WHEREAS, this wording indicates the producer has no financial gain, and

WHEREAS, this could be perceived by Revenue Canada as all net proceeds belong to the Co-op and any subsequent taxation, etc.,

THEREFORE, BE IT RESOLVED THAT BFO continue to work the government and Feeder Finance to change the wording in the OIC of April 2016 by January 1, 2018.

IMPROVEMENTS TO FEEDER FINANCE (*Bruce*)

WHEREAS, the Ontario Feeder Cattle loan program has received increased funding and some new program wording; and

WHEREAS, these updates add administrative challenges to the individual coops and their members;

THEREFORE, BE IT RESOLVED THAT BFO work with the Ontario Feeder Finance Steering Committee to lobby OMAFRA to enact positive change on the items identified by the provincial steering committee.

Given the similarities between the resolutions the BFO Board of Directors felt it would be appropriate to respond to both resolutions at the same time by providing an update on our efforts to address the issues and concerns that have been raised with respect to feeder finance.



Firstly, BFO would like to state that the Board fully supports the creation of the Feeder Executive Committee to act as an intermediary between the BFO Board and the feeder co-op boards. Both parties had the opportunity to discuss feeder finance issues, including beneficial ownership and other Order-in-Council (OIC) concerns at the June meeting of the BFO Board. Based on the direction of the Feeder Executive Committee, the Board has committed resources to address the following issues:

1) Feeder Finance alignment with the Financial Protection Program

In June, BFO sent a letter to Minister Leal requesting changes to the *Farm Products Payments Act* to better align feeder finance with the Financial Protection Program. We are pleased to report that our recommended revisions to the *Act* have been put forward by the Minister for public comment. If approved, sales of financed cattle would be viewed as sales by individuals to ensure co-op members are eligible under the Financial Protection Program. We anticipate this change will be implemented on January 1st.

2) Concerns regarding the feeder finance OIC

In July, BFO submitted a list of concerns with the new OIC to OMAFRA, based on discussions with the Feeder Executive Committee. OMAFRA then presented a version of that list for consideration by the Minister in August. It is our understanding that the Minister's office is still reviewing the issues that have been submitted for his consideration. Below, I've provided a brief summary of the main issues under review:

- I. **Credit Check Policy:** the new credit check policy has been criticized as being too frequent, costly, and negatively impacts members' credit ratings.
- II. **Cleared Residual Cattle:** the new policy requires a fair market value transaction to move cattle ownership from a co-op to a member when there is no remaining debt. This has been criticized as being redundant and onerous.
- III. **Producer Cattle Ownership:** without an ownership stake in the cattle, members are concerned with potential Canada Revenue Agency tax implications should they be deemed service providers.
- IV. **Custom Feeding:** OMAFRA may wish to reconsider custom feeding eligibility in light of the *Innkeepers Act* rules, which guarantees payment to a custom feeder above the co-op and government's security interests.
- V. **Use of Security Deposits:** the new requirements for quick, top-up of assurance funds by members recently created a secondary crises and member hardship. Clarification on the use and replenishment of assurance funds is needed.
- VI. **Minimum Co-op Participation:** the program requires a minimum of 20 active members. Participation is often dependent on season and market prices; several co-ops have fallen below this threshold. This needs to be clarified.
- VII. **Housekeeping:** this includes revisions to correct a number of formatting issues, providing added clarity through the creation of new definitions for things like "fair market value", "custom feeder", etc., and developing clearer rules for custom feeding, corporate participation and member transition.

.../3



While we're pleased that a number of the concerns that were raised have been put on the Minister's agenda for consideration, we will continue to push the Province until changes are enacted that reflect the wishes of the feeder co-ops.

The BFO Board of Directors would like to thank the Huron County Beef Producers and the Bruce County Beef Farmers for bringing these resolutions forward. We will commit to keep the membership apprised of any movement on the issues identified and discussed with respect to feeder finance.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Dan Hoggart (Mover-Huron)
Ian Caldwell (Seconder - Huron)
Harvey Hoggart (Advisory Councillor -Huron)
Ross Jeffray (Mover-Bruce)
Jarrett Johnson (Seconder-Bruce)
Steve Thede (Advisory Councillor -Bruce)
Steve Eby (Chair, Feeder Executive Committee)
Cheryl Russwurm (Provincial Supervisor)





October 31, 2017

Willy Broek
President
Beef Farmers of Hastings County

Dear Willy,

The Beef Farmers of Ontario (BFO) Board of Directors recently reviewed the following resolution from Hastings County, which was passed at the BFO Annual General Meeting in February of this year:

WHEREAS, there is no representation by the BFO on the committee that establishes the rules for beneficial programs (such as Growing Forward III and other similar programs),

THEREFORE, BE IT RESOLVED THAT BFO consider appointing a BFO representative sit on the committee to ensure the best interests of all beef farmers in the province are looked after.

Part of BFO's mandate is to ensure Ontario beef interests are well represented in the development of legislation, programs, and other strategic initiatives that impact beef producers and the overarching Ontario beef industry.

Decisions on funding support provided to producers are not typically made by industry or farm representatives but rather by civil servants that apply merit-based scoring to assess applications, although there are some exceptions depending on the funding program. BFO provided input on the funding decision structure for producer cost-share programs under each of the Agricultural Policy Frameworks (including Growing Forward 2) and supported the current merit-based system of review, which doesn't include an industry oversight panel.

Ultimately, government programs such as Growing Forward and the Canadian Agricultural Partnership (CAP) are developed by the federal and provincial governments with industry involvement. BFO places a high priority on taking an active role in these discussions and welcomes all opportunities to provide input to government and other bodies on matters that affect beef farmers. In 2017, BFO submitted comments on more than 20 government consultations on federal and provincial issues ranging from transportation, trade, land use planning, antimicrobial use and more. All BFO submissions can be found under the Issues section of BFO's website at ontariobeef.com.

As the structure, rules, and delivery of government programs are ultimately formulated and finalized internally by government bodies, the consultation process is the designated stage for external

.../2



organizations such as BFO to influence the development of these programs. This is in addition to direct advocacy efforts with elected officials at both levels of government.

BFO's advocacy efforts have focused on ensuring that the various producer funding programs support beef initiatives and beef priorities as opposed to ensuring producer representation in decision-making efforts on funding applications. However, BFO will ensure there is a beef representative appointed should such a body be created.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Darrell Russett, Advisory Councillor (Mover)
Bruce Palmateer (Secunder)





January 29, 2018

Greg Seed
President
Beef Farmers of Temiskaming

Dear Greg,

The Beef Farmers of Ontario (BFO) Board of Directors has reviewed the following resolution from the Beef Farmers of Temiskaming, which was passed at the BFO annual general meeting in February 2017:

WHEREAS, silage plastic is an excellent product for preserving feed; and
WHEREAS, silage plastic is an economical method of preserving feed; and
WHEREAS, silage plastic is beginning to have disposal issues;
THEREFORE, BE IT RESOLVED THAT BFO investigate methods of recycling and disposal of silage plastic.

The BFO Board of Directors would like to thank the Beef Farmers of Temiskaming for bringing this resolution forward. Silage plastic is found on most Ontario beef farms and is an essential material in feed production for our industry. Like many agricultural plastics and waste products, options for silage plastic disposal and recycling vary by municipality and region and come with a set of challenges.

Proper disposal and, ideally, recycling of agricultural plastics is an important part of beef farmers' commitment to environmental stewardship, but there are obstacles and limitations to the available recycling options. To better understand these issues, BFO spent time over the last year assessing various activities, projects and business models across Ontario for recycling silage plastic. A summary of our findings has been provided below, along with an update of BFO activities aimed at increasing awareness of the importance of silage plastic recycling and promoting practical solutions province-wide.

The Ontario Ministry of the Environment and Climate Change (MOECC) is the ministry responsible for regulation of waste management and recycling and, in 2017, the ministry released *Ontario's Strategy for a Waste-Free Ontario: Building the Circular Economy*. The strategy outlines the province's plans for reducing landfilled materials that could otherwise be reused, recycled, composted, or simply not produced in the first place. A major component of this strategy is to shift full environmental and financial responsibility of the end-of-life management of products and packaging to the producers/manufacturers of those materials. The regulation for the *Waste-Free Ontario Act* is still being developed, but it is likely that there will be a move towards requiring manufacturers and distributors of materials, such as agricultural plastics, to finance and/or implement recycling programs.



In the long term, regulatory changes from MOECC could potentially influence or dictate recycling options and programs across the province. However, the status quo for recycling agricultural plastics is that options depend on municipalities' and counties' waste management services, which can vary based on finances, infrastructure, landfill capacity, and other priorities. There have been various pilot projects for recycling agricultural waste in Ontario and elsewhere in Canada, some of which have been delivered by CleanFARMS, a not-for-profit waste stewardship organization. They have offered programs to farmers, such as container recycling and seed and pesticide bag collections in Ontario and elsewhere, and also conducted pilot projects, such as silage plastic and twine collection in Manitoba.

BFO has had several meetings and discussions with CleanFARMS about the potential for a silage plastic collection pilot in Ontario, as well as other options for encouraging more silage plastic recycling. While there is certainly interest, there are also challenges associated with recycling silage plastic. Paramount to recycling any product is its cleanliness, and the main obstacle to recycling agricultural plastics, as opposed to stockpiling or sending to a landfill, is contamination. Agricultural plastics, especially silage wrap, are often contaminated by organic items, such as hay and mud, or by mixing with different materials, such as twine. There has therefore been more success with recycling grain bags, for example, than silage wrap because they're handled differently and the bags get returned in better condition for recycling.

BFO has also had discussions with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) about their role in agricultural waste and recycling. OMAFRA has been working with Kawartha Region Conservation Authority and City of Kawartha Lakes on a pilot project that will assess the municipality's current silage plastic collection and recycling system, including barriers to participation in recycling silage plastic, as well as work with farmers to pilot new recycling equipment. CleanFARMS will be delivering the project. This work will help determine the feasibility of larger scale pilots and potentially prepare for an "Extended Producer Responsibility" (producer of the materials) program for agricultural plastics in use on farms in Ontario.

It is BFO's hope that this pilot will be shared and replicated in other regions of the province as a way to assess capacity for recycling agricultural plastic and implement new recycling strategies. In the meantime, we are also aware of the project being conducted by Northern Ontario Farm Innovation Alliance (NOFIA), which is taking inventory of the agricultural plastic generated in Northern Ontario and assessing end-of-life recycling options. BFO has connected with the consultant hired for the project and we look forward to results from both the City of Kawartha Lakes and Northern Ontario projects.

Along with the studies and pilot projects being pursued at municipal and regional levels, BFO is also aware of some private enterprises in the province that are creating business models for recycling silage plastic. The model that BFO is most familiar with is that of Lynn Leavitt from Prince Edward County. Mr. Leavitt has developed on-farm equipment for compressing and baling silage plastic that also aids in keeping the plastic clean. His model allows for the baled plastic to be delivered to a local recycler, where it is recycled into plastic pellets that can be sold to a local manufacturer. This system allows for a financial return to the individual farmers who provide their baled, clean plastic. Details of the recycling model can be provided through U-Pac Agri-Service.

In general, BFO sees promise in recycling systems that engage farmers directly. We realize that not all recycling options will be available to all regions of the province, nor will they all necessarily provide a financial return. However, we believe it is encouraging to see a variety of players, from government to individual farmers, engaged in finding alternatives to disposing silage plastic at a landfill, stockpiling on farm, or worse – burying or burning the plastic. It is important for farmers to gain more awareness of the



environmental and human health hazards of burning silage plastic, as well as the disposal and/or recycling options in their individual counties and municipalities. For this reason, we will be holding a session at Cattlemen's College at our Annual General Meeting in February 2018 called "Silage plastic recycling: What producers should know" with Kim Timmer, Manager of Stakeholder Relations at CleanFARMS, and Lynn Leavitt.

BFO will continue to stay abreast of the various projects and activities taking place regarding silage plastic recycling, and it is our hope that the process for individual counties and municipalities to assess their recycling capacity and implement new options for silage plastic will become better defined as a result of the work being done by OMAFRA, NOFIA, CleanFARMS and others. Additionally, we believe that private enterprises that include a model for recycling silage plastic and selling the end product for new uses could gain traction with more farmers who want to see their silage plastic recycled into new products sustainably, and optimally at a local level, without great financial cost.

I would like to thank the Beef Farmers of Temiskaming for bringing this resolution forward. We will strive to keep our members updated on developments in the projects and activities outlined above, as well as any other work being done to develop and implement strategies for recycling agricultural plastics.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Kim Timmer, Manager, Stakeholder Relations, CleanFARMS
Deborah Brooker, Program Coordination, Research and Partnerships (OMAFRA)
Steph Vanthof, Administrator, NOFIA
Lynn Leavitt, Prince Edward County Cattlemen's Association





August 31, 2017

Willy Broek
President
Beef Farmers of Hastings County

Dear Willy,

The Beef Farmers of Ontario (BFO) Board of Directors recently reviewed the following resolution from Hastings County, which was passed at the BFO annual general meeting in February of this year:

WHEREAS, there is no representation from BFO on the Municipal Property Assessment Corporation (MPAC) which is responsible for the classification and therefore the value of Ontario lands,

THEREFORE, BE IT RESOLVED THAT BFO consider a representative be placed on the MPAC Advisory Committee thus ensuring the best interests of all beef farmers with respect to land values.

BFO would like to thank Hastings County for bringing this resolution forward. The BFO Board of Directors understands the impact farm property taxes have on the financial viability of beef farms in the province, and supports a property tax system that reflects the realities of agriculture and cattle production in particular. We do not believe this is accomplished with the current system of assessments performed by MPAC.

As farm property assessments impact agriculture in the province as a whole, BFO staff have been in contact with the Ontario Federation of Agriculture (OFA) regarding the issue. At our summer meeting in Simcoe this July, Ben Le Fort from OFA spoke to our Advisory Councillors about the recent property value assessment and the roles MPAC and Municipal/County governments play in determining how farm property taxes are determined. There are two components of the tax on farmland paid by producers: the assessed value of the farmland itself, which is determined by MPAC; and the farm tax ratio applied to the farmland, which is administered by Municipal/County governments.

MPAC's assessment of property values is based on what is laid out in the *Assessment Act* with the Ontario Ministry of Finance. The *Act* mandates that calculated market value, derived from sales data for different quality classes, be used when determining the assessment value of different property types. As the assessment methodology is quite prescriptive, MPAC itself has little flexibility in how and when the assessments take place. In conversation with OFA, there appears to be three viable options for addressing the farm property tax issue:

- Lobby for a change to the Assessment Act

.../2



- Request an adjustment to the farm tax ratio with local Municipal/County councils
- Pursue greater farm representation on Municipal/County councils

Lobbying for changes to the *Assessment Act* will be a tenuous and lengthy process, but one that OFA has committed to pursuing, supported by research from the University of Guelph (UoG) and support from other commodity sectors like BFO. Current efforts are based on encouraging an alternative method for farmland valuation – one that is less susceptible to land price inflation from developer influence. Currently, researchers at the Food, Agriculture & Resource Economics department at UoG are constructing a comprehensive dataset on farmland rental rates to serve as a resource that can provide more accurate assessments of farmland – an endeavor supported by MPAC. BFO staff have arranged to attend future meetings on this issue, in order to provide input and support where needed.

In the short term, the most effective way to influence the property tax paid on farmland is to make a formal request with your local Municipal/County councils to set farm tax ratios that will not increase the proportional burden of property taxes on producers. This is an area in which OFA is again engaged, helping to coordinate local agriculture federations with council sessions to provide a strong voice in representing producer interests. Stronger beef involvement would be of value for these council sessions. For the purpose of facilitating this involvement, BFO staff have made available a template letter for county beef associations to use when requesting an audience at council. This template is attached to this letter. We would encourage the local county and district associations to consider drafting a letter to their municipal/county council highlighting the need for a more equitable and fair farm tax ratio.

For any questions regarding your county's land assessment statistics, please contact OFA or the BFO office. If you are looking to coordinate with your local agricultural federations at county meetings, Ben LeFort has been serving as a liaison between producers and their local councils, and is eager to incorporate local beef associations. He can be reached at 519.821.8883 x.222, or ben.lefort@ofa.on.ca.

Thank you for taking the time to bring this resolution forward. We believe that fundamental changes must be made to the *Assessment Act* if farmland is to be valued fairly, and will ensure BFO's interests are represented in efforts to enact this change. In the short term, we encourage all county associations to make use of the attached template in an effort to initiate an open dialogue with their local councils on the issue.

Sincerely,



Matt Bowman
President

Encl. 1

cc: Darrell Russett
Bruce Palmateer
Ben LeFort (OFA)
BFO Board of Directors





January 29, 2018

Tony Onufer
President
Wentworth County Cattlemen's Association

Dear Tony,

The Beef Farmers of Ontario (BFO) Board of Directors recently reviewed the following resolution from the Wentworth County Cattlemen's Association:

***WHEREAS, new welfare issues are changing transportation regulations; and
WHEREAS, distance is a major factor causing transportation problems and cost; and
WHEREAS, Ontario processing facilities are closing and causing the need to transport Ontario cattle long distance for processing; and
WHEREAS, the close of these processing facilities reduces the Ontario beef economic activity;
THEREFORE, BE IT RESOLVED THAT BFO take leadership in facilitating the Ontario and federal government, CFIA, and private industry to work together to provide Ontario with new processing plans and facilities that increase Ontario processing capacity while addressing and complying with new welfare and economic issues at the same time.***

BFO would like to thank Wentworth County Cattlemen's Association for bringing this resolution forward. The BFO Board of Directors recognizes the essential role Ontario's processing sector plays in maintaining a healthy and competitive beef industry in the province. As a result, many current BFO programs and initiatives work to support Ontario's processing sector.

In 2017, BFO launched the Collaborative Partnership Program (CPP) in an effort to stimulate industry alignment, and encourage collaboration with industry partners, including processors. The CPP offers 50-50 cost share for farmers and processors for projects that align with our Regional Marketing Initiative's (RMI) strategic objectives, which include:

- 1) Increasing market penetration for Ontario beef brands,
- 2) Maximizing the value of Ontario beef products, and
- 3) Enhancing consumer confidence in the Ontario beef industry.

The CPP is designed to support mutually-beneficial collaboration between beef farmers and processors, providing assistance for processing projects as well as encouraging crucial producer-processor relationships. BFO has so far approved projects with two processors under the CPP.



Outside of the CPP, the RMI aims to address a key component in maintaining processor viability: carcass value. Ontario beef currently competes with low-priced, imported commodity beef, from jurisdictions with a cost of production advantage. This has resulted in lower prices, and market forces have led feedlots to produce heavier, lower-value carcasses. To help address this issue, RMI funding is focused on supporting the development of regional and Ontario brands that can add value to the supply chain by marketing higher value beef products to different consumer segments. This will include the development of a logo and usage agreement for an *Ontario Beef* brand, development of materials for retail/foods services featuring the *Ontario Beef* brand logo, and the provision of technical services to producers and processors to enhance communication on carcass values and enhance utilization. In addition, BFO has made funding available through the RMI to support farmers and processors who want to establish or grow beef brands in the province.

We believe that with branded beef targeting segments of the consumer market, and support for processors and retailers in developing and growing these brands, we can add value to the beef produced in Ontario, which in turn will improve the competitiveness of our processors.

Improving the value of beef carcasses in Ontario is also a primary area of focus under the BFO Beef Research Program. BFO recently partnered with BIO on a project that seeks to determine if genetic markers exist that can be used to identify animals that will produce carcasses with high marbling and yield simultaneously. If genetic markers are identified, it will be possible to develop a system wherein packers will be able to specify the carcass they want, feedlot owners will be able to subsequently specify the genetics of the cattle they purchase, and cow-calf producers will respond by selecting sires with genetics to produce the marbling and yield needed. This use of genetic markers has the potential to add value at every step in the beef production process, which will benefit producers and processors alike.

Furthermore, BFO also recognizes the importance of supporting organizations that are focused on addressing processor issues, including processing capacity. BFO is a member of, and provides funding for, both the Ontario Independent Meat Processors (OIMP) and the Labour Issues Coordinating Committee (LICC). The primary objective of OIMP is to protect, grow, and strengthen the processing industry in Ontario. LICC is a coalition of agricultural commodity and farm organizations representing the interests of agricultural employers. As OIMP has identified labour as a primary issue facing processors, we are pleased to support both of these organizations and the work they do to the benefit of processors in Ontario.

In October 2017, BFO attended the Meat Industry Expo, hosted by OIMP. BFO staff met with many representatives from the processing sector to talk about the CPP and to share consumer resources that can be accessed at the BFO office.

Another issue that may have a substantially negative impact on our provincial processors is food origin fraud. It is known that some beef sold in the province labeled as a product of Ontario in fact originates from other provinces or countries. This practice dilutes the market our provincial processors must sell to, with negative implications for profitability and ability to expand. In order to combat this type of fraud, BFO and OIMP have invested research dollars to determine if beef produced in Ontario can be scientifically differentiated from beef produced in other provinces or countries. If the technology is proven to work in practice, it will give Ontario an ability to curtail food origin fraud and allow provincial processors to sell into the Ontario market without being underpinned by fraudulent competitors.



In addition to the activities highlighted above, our Verified Beef Production Plus (VBP+) program will continue to provide an established set of standards that new processors can adopt without the need to develop standards independently.

Sufficient processing capacity is key to the success of Ontario's beef industry, and through our Regional Marketing Initiative, industry outreach, research investment, VBP+, and other activities and programs, we aim to strengthen and expand this capacity.

Thank you for putting forward this resolution, and drawing attention to this critical component in our work to strengthen the Ontario beef industry. If you would like to further discuss our efforts to support processing in the province, please do not hesitate to contact the BFO office or a BFO Director.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Steve Colyer (Mover)
Philip Krakar (Seconder)
Ken Mills, Advisory Councillor





February 15, 2018

Don Hargrave
President
Grey County Beef Farmers Association

Dear Don,

The Beef Farmers of Ontario (BFO) Board of Directors has reviewed the following resolution from the Grey County Beef Farmers Association, which was passed at the BFO annual general meeting in February 2017:

WHEREAS, the disposal of sharps and out dated medications is believed to present a safety risk and is moreover viewed as an environmental hazard,
THEREFORE, BE IT RESOLVED THAT BFO lobby the sellers of these products, and encourage work on the development of a consistent policy, whereby retailers will be required to accept the return of sharps and out dated medications for proper disposal.

The BFO Board of Directors supports the premise that the producers or sellers of veterinary sharps be required to take responsibility for their safe disposal, as is currently the case for pharmaceutical sharps. A copy of a letter that BFO has sent to Ontario's Minister of the Environment and Climate Change, expressing our strong support for expanding the regulations to include veterinary sharps, is enclosed. Similarly, a copy of a letter from BFO to the Ontario Association of Bovine Practitioners, encouraging them to promote bovine veterinarians to accept the return of veterinary sharps, is enclosed.

We will strive to keep you updated on any response from the Ministry of the Environment and Climate Change, the Ontario Association of Bovine Practitioners, or other movements on this file.

On behalf of the Beef Farmers of Ontario, thank you for taking the time to bring this resolution forward.

Sincerely,

Matt Bowman
President

Encl.

cc: BFO Board of Directors | Michael Pedlar

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Referred to General Farm Organizations

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January 12, 2018

Curtis Calhoun
President, Bruce County Beef Farmers

Dear Curtis,

The Beef Farmers of Ontario (BFO) Board of Directors has reviewed the following resolution passed by the Bruce County Beef Farmers in February 2017:

WHEREAS, MPAC released new assessments for all properties last fall; and
WHEREAS, farm values saw significant increases;
THEREFORE, BE IT RESOLVED THAT BFO lobby for agriculture zoned properties to be changed from 25% to 15% of value for farm property tax rate.

BFO would like to thank Bruce County for bringing this resolution forward. According to the Municipal Property Assessment Corporation's (MPAC) 2016 property assessments, the value of Ontario farmland has increased by an average of approximately 64% since MPAC's last assessment four years earlier. Increased land values and property taxes are facing farmers across the province in all agricultural sectors, and as a result BFO has deferred this resolution to Ontario's general farm organizations.

There are two components of the property tax on farmland: the assessed value of the farmland itself, which is determined by MPAC, and the farm property tax ratio applied to the farmland, which is administered by municipal governments. The Ontario Farm Property Tax Rate is set provincially at a maximum of 25% of local residential property tax rates. Municipal governments can choose to adjust their own farm property tax ratio anywhere between 0% and 25% – in fact, there are already a number of municipalities in the province that have set their farm tax ratio lower than 25%.

From our communication with the Ontario Federation of Agriculture (OFA), the most effective way to lower property tax collected on farmland is to make a formal request of municipal and county councils to set farm tax ratios that will not increase the proportional burden of property taxes on farmers. OFA has been especially active in helping county federations of agriculture engage with their local municipalities, including ensuring there is a strong voice representing producer interests at council sessions. BFO fully supports OFA's strategy for addressing increased farm property taxes at the local level, and has made available from the BFO office a template letter for county beef associations to use when requesting an audience at council. At BFO's summer 2017 Advisory Council meeting, OFA reported that 25-30 county federations, including Bruce County, were already lobbying their municipal governments to lower the local tax ratio for farm properties.



If you are looking to coordinate with your local agricultural federations at county or municipal meetings, or if you have any questions regarding your county's land assessment statistics, Ben Lefort, Senior Farm Policy Researcher at OFA, has been serving as a liaison between producers and their local councils. He can be reached at 519.821.8883 ext. 222, or ben.lefort@ofa.on.ca.

I would like to thank Bruce County Beef Farmers for bringing this resolution forward. We have communicated our support to OFA, and we will continue to stay abreast of any activity or progress with this file.

Sincerely,



Matt Bowman

President

cc: BFO Board of Directors
Jarrett Johnson (Bruce County Beef Farmers)
Scot Legge (Bruce County Beef Farmers)
Steve Thede (Bruce County Beef Farmers)
Don Badour (Lanark County Cattlemen's Association)
James Ferrier (Lanark County Cattlemen's Association)
Steve Bartlett (Lanark County Cattlemen's Association)
Keith Currie (OFA)
Ben Lefort (OFA)
Clarence Nywening (CFFO)





January 17, 2018

Curtis Calhoun
President
Bruce County Beef Farmers

Dear Curtis,

The Beef Farmers of Ontario (BFO) Board of Directors recently reviewed the following resolution passed by the Bruce County Beef Farmers in February 2017:

WHEREAS, the majority of Ontario's population lives in an urban setting; and
WHEREAS, this population is increasingly unaware and conscience of basic animal husbandry and cropping procedures and the general agricultural industry in Ontario; and
WHEREAS, the Ag industry is now the largest employer in Ontario;
THEREFORE, BE IT RESOLVED THAT BFO encourage the Ontario government to keep open Agricultural Studies courses that are already in place and encourage future curriculum to have more of an agriculture component in it.

We agree that a proper understanding of agriculture by urban populations is key to encouraging participation in the agriculture industry as well as promoting the link between farm policy issues and the ability of urban populations to enjoy safe, Ontario-grown meats and produce. As such, the BFO Board of Directors is strongly supportive of agriculture education initiatives and the promotion of agricultural knowledge to students.

In Ontario, the Minister of Education is responsible for developing guidelines that school boards, schools and teachers must follow in the development and implementation of school curriculums. Each individual school board is responsible for providing education programs intended to meet the needs of the school community, while teachers maintain responsibility for developing lesson plans and teaching classes. In addition, school councils advise principals and, where appropriate, school boards on curriculum priorities. Many subjects related to agriculture and agri-food do fit within the provincial education curriculum framework. However, it is up to the local school boards and school administrators to determine what, if any, agriculturally focused studies can/will be offered. As the determination of curriculum content is highly decentralized, there is not a government entity to whom we can easily appeal for greater agricultural focus.

With this being the case, in recent years BFO has contributed financially to AgScape, a charitable organization whose sole mission is to provide food and agriculture-literacy programs and resources to



schools and students in Ontario. We believe AgScape is an invaluable resource for promoting agriculture in the Ontario school system.

AgScape has a long and successful history of collaborating and working with both the Ministry of Education (MOE) and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) to provide agriculture and food literacy programs that are curriculum-linked and supportive of student learning in Ontario classrooms. Both MOE and OMAFRA have ex-officio members on AgScape's Board of Directors, who provide information to their ministries on AgScape's current outreach and program development.

In terms of direct activity in the classroom, AgScape's Teacher Ambassador Program provides schools with Ontario Certified Teachers who will help adapt and deliver agriculture-focused lesson plans for students between grades 7 and 12, free of charge. These lessons are designed to educate students on agriculture in Ontario, expose students to agriculture career opportunities, and encourage students to think critically about agri-food related issues. Among AgScape's other activities are its outreach efforts to inform educators of the importance of agri-food education and careers, with the goals of increasing the number of educators using agri-food resources in the classroom, providing local food educational tools, and forming collaborations and partnerships with like-minded organizations such as 4-H Ontario. Enclosed with this letter you will find information on AgScape's program, including an program report for the 2018-18 year.

The BFO Board of Directors believes that the inclination of the general Ontario populace to be engaged in agricultural issues and be supportive of farmer-focused policies depends heavily on agriculture education in the classroom. Given how school curriculum content is determined in the province, we view investing in programs such as AgScape as the best way to encourage agriculture in school curriculums, promote farmers' interests to urban audiences, and encourage participation in agri-food career paths by Ontario students. BFO has contributed more than \$10,000 toward this program over the past three years in sponsorship of the AgScape Teacher Ambassador Program.

I would like to thank the Bruce County Beef Farmers for bringing this resolution forward. We would welcome any opportunity to discuss in more detail the promotion of agricultural education and knowledge in Ontario classrooms.

Sincerely,



Matt Bowman
President

cc: Scott MacDonald
Jarrett Johnson
Steve Thede
BFO Board of Directors





January 12, 2018

Donald Bracken
President
Leeds County Cattlemen's Association

Dear Donald,

The Beef Farmers of Ontario (BFO) Board of Directors has reviewed the following resolution passed by the Leeds County Cattlemen's Association in February 2017:

WHEREAS, in Ontario fuel suppliers began collecting 5.44 cents/litre on coloured diesel on January 1, 2017 from Ontario Beef Farmers; and

WHEREAS, this levy equates to a value of \$15/tonne of carbon; and

WHEREAS, the province of Alberta exempted all Alberta farmers, especially Alberta beef farmers from this carbon tax which came into force January 1, 2017; and

WHEREAS, this fundamentally puts Ontario beef farmers at a competitive disadvantage to Alberta beef farmers;

THEREFORE, BE IT RESOLVED THAT BFO request the Ontario Government to exempt Ontario beef farmers from the Climate Tax on coloured diesel that went into effect January 1 2017, until such time as that carbon offsets are readily available to Ontario Beef Farmers.

BFO agrees that the costs of cap and trade are putting the Ontario beef industry at a competitive disadvantage to other jurisdictions, and we would like to thank Leeds County for bringing this resolution forward. Currently, four provinces have a carbon pricing program: British Columbia and Alberta have a carbon tax, while Ontario and Quebec have a cap and trade program. For the provinces that don't have a carbon price by 2019 or don't have a plan to put one in place, the federal government has said it will impose the price of carbon themselves and return the dollars collected to the province.

Carbon tax and cap and trade programs have different impacts on agriculture. A carbon tax is a direct, predetermined tax on fossil fuels collected at point of purchase, much like a sales tax. In a cap and trade system, a cap is set on greenhouse gas emissions (GHGs) that decreases over time. Regulated sectors and companies (agriculture is not regulated) must have enough allowances to cover their emissions – if necessary, they can buy allowances off the market or they can buy carbon offset credits from unregulated sectors, such as agriculture. The carbon price is collected at the point of distribution in a cap and trade system, and it's up to the regulated companies to pass a portion of their expected increased costs from purchasing allowances to their customers. These increased costs are harder to predict than in a carbon tax system because they are based on actual GHGs and the market for allowances.



For farmers, Ontario's cap and trade program is different from a carbon tax not only because its cost is harder to predict and measure, but also because it doesn't come with any exemptions, including on coloured fuel. This is partly a political decision, but also a function of how the two systems operate. Alberta and British Columbia both have a carbon tax exemption on coloured fuel for agricultural use, and this creates an uneven playing field across Canada.

To help better quantify the increased costs on Ontario's beef industry due to the cap and trade program, BFO is part of a national study being done by Canfax Research Services that is analyzing and quantifying the economic impact of Canada's different carbon pricing schemes on beef production across different provinces. We expect the study will show that Ontario is experiencing greater impacts, mostly due to the fact that coloured fuel is not exempt from cost increases. Research results from the project will be shared with BFO's members as it becomes available.

The costs of cap and trade on coloured fuel are affecting farmers across the province in all agricultural sectors, and BFO has therefore deferred this resolution to Ontario's general farm organizations. The Ontario Federation of Agriculture (OFA) has been particularly active on this file and has had discussions with the Ministry of Finance and the Ministry of the Environment and Climate Change on the costs of cap and trade on coloured fuel and a way to either exempt or redeem these costs. BFO has been part of these conversations at the Ontario Agricultural Commodity Climate Change Working Group. Through this group, we are working with other agricultural organizations to advocate for the interests of Ontario's farmers in the cap and trade program, including a solution to the increased costs on coloured fuel.

I would like to thank Leeds County Cattlemen's Association for bringing this resolution forward. We will continue to work on this file with OFA and other groups and will keep our members informed of any progress.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Blair McDonald
Eleanor Renaud
Charlie Sytsma
Keith Currie (OFA)
Clarence Nywening (CFFO)





January 17, 2018

Rob Unsworth, President
Wellington County Cattlemen's Association

Dear Rob,

The Beef Farmers of Ontario (BFO) Board of Directors has reviewed the following resolution from the Wellington County Cattlemen's Association, which was passed at the BFO annual general meeting in February 2017:

WHEREAS, the Provincial Government used to hold and direct a fund to ensure that closed aggregate sites were rehabilitated; and
WHEREAS, that fund has been closed by the Provincial Government with the money being dispersed; and
WHEREAS, sites that have sat idle are not being rehabilitated; and
WHEREAS, this can impact the use of farmland for farming purposes,
THEREFORE, BE IT RESOLVED THAT BFO with other farm organizations, lobby the Provincial Government to strengthen the requirements and the oversight of the rehabilitation of present and future aggregate sites.

BFO agrees that prompt and thorough rehabilitation of depleted aggregate sites is an integral step to ensuring farmland remains in agricultural production. As a general farm issue, we have asked the Ontario Federation of Agriculture and the Christian Farmers Federation of Ontario to work on addressing the problem and to keep BFO abreast of their activities in response. A summary of this correspondence, and background on the issue, has been outlined below for your information.

Aggregate site rehabilitation is regulated under the *Aggregate Resources Act* (ARA), and it has been a condition of obtaining an aggregates license since 1990. Rehabilitation of a site is required during its operational lifetime, meaning that the parts of a site that are no longer being worked on are to be rehabilitated even while aggregates continue to be extracted in other areas of the site. Funding for site rehabilitation is provided by the Aggregate Resources Trust, administered by The Ontario Aggregate Resources Corporation (TOARC). The Ministry of Natural Resources and Forestry is responsible for ensuring that rehabilitation is carried out on sites. Aggregate sites can be rehabilitated into a variety of land uses, but if the surrounding area of an aggregate site that was previously farmland has developed into subdivisions, for example, during the aggregate site's lifetime, it's unlikely the site will return to farmland.

Aggregate sites that predate the licensing requirement are considered abandoned or legacy sites. If the property owner grants permission, these sites can be rehabilitated by TOARC through the Management of Abandoned Aggregates Properties (MAAP) program. The funding for MAAP comes from a half cent (\$0.005)

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per tonne levy of aggregate operators' annual license fees, slated to increase to \$0.006 per tonne on January 1, 2018.

Aggregate site rehabilitation has been an ongoing file for OFA since the provincial Ministry of Natural Resources and Forestry (MNR) began its lengthy review and update of its aggregates legislation, regulations, and standards back in 2012. OFA has so far provided extensive commentary to the provincial government regarding amendments to the *Aggregate Resources Act*. Rehabilitation of pits and quarries is currently addressed under the ARA's Regulations and Standards, but as of yet, consultation on these changes has not yet begun. However, key recommendations OFA has made to date include that:

- protection of municipal drinking water wells be extended to private water wells supplying domestic uses, livestock, and irrigation;
- mandatory compliance reporting for the ARA be performed annually;
- fees and royalties under the ARA be increased, and the share of royalties assigned to the Aggregate Resources Trust be likewise increased;
- AMA fees and royalties be partially allocated to municipalities along aggregate haul routes;
- a special purpose account earmarked solely for funding the Ministry's ARA roles and responsibilities be created.

In addition to the *Aggregate Resources Act*, OFA has been engaged with the Ministry of the Environment and Climate Change on the issue of Excess Soil Management, an area with potential implications for the rehabilitation of aggregate sites.

When an aggregate site is developed, its topsoil must be stored for use in the eventual rehabilitation of the site. However, some of the soil's virility is lost over time, as it is no longer subject to the biological renewal processes that take place when hosting vegetation and/or wildlife. Likewise, new urban development requires soil be removed from the landscape in order to lay the foundations for buildings and other structures. While there is potential for excess soil use on agricultural lands, opportunities also exist to reuse excess soils in the rehabilitation of aggregate pits and quarries after extraction has been completed. The outcomes of aggregate site rehabilitation can be more agriculture-friendly if excess soil is appropriately used in the rehabilitative process.

To this end, OFA has promoted the importance of an easy-to-follow regulatory regime for generators of excess soil, so that availability of this soil is not hindered due to excessive compliance costs or delays in obtaining requisite permits and authorizations. OFA has similarly promoted the position that municipalities be compensated for the costs of oversight and enforcement of excess soil reuse.

Enclosed are letters sent by the OFA in the past year to the Ministry of Natural Resources and Forestry and the Ministry of the Environment and Climate Change regarding aggregate site rehabilitation.

I would like to thank the Wellington County Cattlemen's Association for bringing this resolution forward. If you require further information on aggregate site rehabilitation I would ask that you direct your questions to OFA or to one of the other accredited general farm organizations in Ontario.

Sincerely,



Matt Bowman, President

Encl. (3)

cc: Pat Brown
BFO Board of Directors

