



June 6, 2025

The Honourable Trevor Jones
Minister
Ontario Ministry of Agriculture, Food and Agribusiness
77 Grenville Street, 11th Floor
Toronto, ON M7A 1B3

Sent Via Email To: minister.omafa@ontario.ca

Dear Minister Jones,

Re: FPT Minister's Conference – Beef Sector Priorities and Recommendations

The Beef Farmers of Ontario (BFO) appreciates the opportunity to provide our thoughts and advice in advance of the upcoming Federal, Provincial and Territorial (FPT) Ministers of Agriculture Annual Conference being held in Winnipeg.

The topics outlined below represent issues of importance to the Ontario beef sector, as well as issues that may be raised or discussed around the FPT table. We hope this submission provides useful background in preparation of your discussions with FPT ministers, senior staff, and other officials.

1. Competitiveness - Specified Risk Material (SRM) Harmonization

Ensuring Canadian producers are on equal regulatory footing with their American counterparts is essential for competitiveness. The issue of lowest hanging fruit is the current requirements for handling Specified Risk Material (SRM). Canada requires disposal of 57 kg per carcass compared to just 3 kg in the USA - despite both countries holding negligible BSE risk status. This disparity adds \$31.7 million in Canadian processing costs and gives American producers a price advantage. Canada cannot continue to stall on this file.

FPT ministers must ensure that CFIA finally moves forward with the necessary changes to harmonize SRM regulations with the U.S. to reduce costs and support the long-term viability of our processing sector. The beef sector continues to be frustrated by the lack of meaningful progress on this file.

2. Trade

We are an export dependent commodity, with approximately 50% of what we produce being exported around the world. Trade currently represents approximately 40% of the value of a finished beef animal.

United States - Our sector is closely watching the global trade uncertainty amid tariffs imposed by the United States. Specifically, we ask FPT governments to continue to defend Canada's trading relationship with the United States and vigorously oppose any U.S. tariffs on Canadian agri-food products, specifically cattle, beef and beef products.

Approximately 75% of our exports go the U.S. representing \$6 billion in cattle and beef products. As Canada prepares for a review or renegotiation of the Canada-US-Mexico Agreement (CUSMA), we encourage a full Team Canada approach, and we are ready to take part as a stakeholder who has greatly benefited from the agreement.

Bill C-202 - BFO strongly opposes Bill C-202, the successor to Bill C-282, which is aimed at protecting supply management in future trade agreements.

We believe it is entirely counterproductive to Ontario and Canadian interests to effectively tie the hands of trade negotiators, particularly in the face of rising trade uncertainty. Bill C-202 would also set a very dangerous precedent by inviting other sectors and trading partners to seek exclusions from trade negotiations, which would lead to less ambitious and less commercially meaningful outcomes across all economic sectors.

Ultimately, the unwavering defense of the supply management system, which is the root of Bill C-202, should not occur at the expense of all other trade and export dependent sectors of the Ontario and Canadian economy. Drawing undue attention to the supply management system in advance of CUSMA renegotiations creates risks for all sectors. With all of this said, BFO would like to be clear that we do not oppose the supply management system.

3. Business Risk Management

Livestock Price Insurance (LPI) - FPT ministers may raise and express support for cost-shared premiums under the LPI to make it more effective and affordable for producers. LPI is currently offered in every province except for Ontario, Quebec, and Newfoundland, and is funded entirely, less some administration support, by producers.

While BFO is supportive of making cost-shared premiums available for the betterment of the national beef sector, we are not requesting that Ontario have access to this program at this time. Like our colleagues in Quebec who have access to the ASRA program, Ontario producers have access to RMP, which we feel is the most responsive and effective program to address the risks our members face in the absence of a robust national program.

AgriStability - Many producers across commodity sectors have lost faith in AgriStability's ability to effectively respond to and help manage farm risks, including Ontario beef producers. Producers who remain in the program often do so due to modest enrollment fees, and/or due to cross-compliance requirements, such as the Advance Payments Program (APP). BFO would support the updating and modernization of AgriStability to better reflect today's risks, for both cow-calf and feedlot producers. This could include revising allowable expenses, such as home-grown feed and rented pasture land, as well as permanently and significantly increasing the operational payment cap to reflect inflation and escalating financial exposure.

Furthermore, BFO would encourage Ontario officials to closely follow and evaluate the success of the AgriStability pilot project that is currently being run in Alberta with specific focus on grazing livestock operations, like the cow-calf sector. Outside of tweaks to AgriStability to improve its effectiveness, which may or may not improve producer confidence in the program, we would full support the development of new sector specific revenue and/or margin-based insurance programs. For low margin businesses like the beef sector, and given the frequent and volatile shifts in global commodity markets, it is more important than ever to modernize BRM programming on a sector-specific level to help farmers manage the risks of today and tomorrow.

Canada should proactively assess the current suite of programs offered in the U.S. to assess their viability within the Canadian production system. In particular, BFO would suggest Canada look closely at the Livestock Gross Margin (LRG) program, and the Livestock Risk Protection (LRP) insurance programs as models and potential replacements for AgriStability.

Advance Payments Program (APP) – Management of cash flow needs has become even more challenging in the face of increased market volatility, inflationary pressures, and debt-servicing costs. Making the increase to the interest-free limit permanent at a minimum level of \$250,000 will help ensure producers can depend on it when other supports or farm strategies are not immediately effective. Inflationary factors must also be considered as part of a regular review of the interest-free limit.

4. Foreign Animal Disease Response

As a trading nation, we strongly believe Canada should be prepared to respond and recover quickly and effectively from a Foreign Animal Disease event such as Foot and Mouth Disease (FMD). Protecting animal health and welfare is critical to maintaining trade partner confidence and sustaining economic competitiveness.

To this end, we are calling for continued investment and engagement in Animal Health Canada to enhance preparedness for FMD and other Foreign Animal Diseases through collaboration between industry and FPT governments. At the same time, we need assurances of financial support for producers that is readily available in case of a market and trade-interrupting Foreign Animal Disease outbreak.

Federal and provincial disaster programs need to be current and flexible enough to respond to these types of events. This preparedness reaches beyond agriculture departments. We encourage outreach to other applicable government departments and agencies to be better prepared.

5. Interprovincial Trade

A true Team Canada approach requires removing unnecessary barriers that prevent producers/processors from efficiently getting affordable products to the consumers who demand them. While interprovincial trade barriers warrant attention, the benefits and consequences are less clear or impactful than other priority issues. With that said, interprovincial trade within the livestock and meat sectors is complex, with many players and stakeholders.

Trucking/Transport - While interprovincial trucking falls under federal regulation, the responsibility for enforcing compliance among commercial fleet operators lies with individual provinces. This delegation leads to inconsistent regulatory oversight throughout the country. A company involved in transporting livestock across provincial borders must navigate and adhere to the specific standards of each province it operates in.

The main difficulty for livestock carriers is the lack of uniformity in weight and dimension regulations among provinces. Additional complications stem from varying vehicle registration processes and differing rules around spring road bans. FPT governments should place increased attention on improving the transportation of livestock and other goods across provincial boundaries to improve commerce.

Meat and Meat Products - Federal and provincial inspection systems are rooted in different legislation and inspection models, which need to be considered if liberalized interprovincial trade is pursued. Ontario has a diverse meat sector with a variety of plant sizes, from high-capacity plants to small abattoirs serving local communities. While reducing barriers for provincial meat plants who wish to expand could increase sector capacity and resilience, Ontario must ensure that other provinces who wish to export into Ontario meet or exceed Ontario's meat inspection standards.

BFO supports an allowance for producers from out of province to access custom slaughter services in Ontario, provided that same allowance is provided to Ontario producers seeking slaughter services outside of Ontario's borders. This is particularly relevant for abattoirs near provincial borders.

On behalf of the Beef Farmers of Ontario, we thank you for the opportunity to provide comments in advance of the upcoming FPT Ministers of Agriculture Annual Conference in Winnipeg.

Sincerely,

A handwritten signature in black ink that reads "Craig McLaughlin". The signature is fluid and cursive, with the first name "Craig" being more prominent than the last name "McLaughlin".

Craig McLaughlin
President