



July 15, 2022

Honourable Lisa Thompson
Minister
Ontario Ministry of Agriculture, Food and Rural Affairs
77 Grenville Street
Toronto, Ontario M7A 1B3

Dear Minister Thompson,

Re: *Beef Farmers of Ontario Pre-FPT Comments*

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 Saskatoon.

The following is a list of priority issues of importance to the Ontario beef industry that you and your colleagues may find useful in upcoming discussions with FPT ministers, senior staff, and other officials:

Business Risk Management (BRM) Priorities

The current suite of BRM programs plays a critical role in managing market and weather-related risks beyond farmer's control. However, while farmers are taking on much of the risk of growing food for Canadians, the current suite of BRM programs remain in need of critical updates. While BFO supports enhancements to AgriStability, increased focus should be placed on the development of new sector specific revenue and/or margin-based insurance programs. For low margin businesses like the beef sector, and the frequent and volatile shifts in global commodity markets becoming more normalized, 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.

Similar efforts must be undertaken to improve forage insurance. Existing products aimed at hay, and native and tame pasture are insufficient. The Canadian Cattle Association (CCA) is initiating an Industry-Government Forage Insurance Task Team to foster a more focused, collaborative effort to improve the available products. We will be counting on FPT ministers to ensure the results are reflected in improved insurance coverage and competitive premium structures.

BRM Priorities:

1. Continue to place high priority on the development of new revenue and/or margin-based insurance programs.
2. Support the transition from rainfall-based forage insurance to yield-based forage insurance.
3. Increase the interest-free portion and cash advance limit under the Advance Payments Program (APP) to \$500,000, and remove the requirement to be enrolled in AgriStability.



4. Increase the AgriStability trigger to 85 per cent.
5. Increase/remove the AgriStability operational cap.
6. Increase AgriInvest funding back to pre-Growing Forward 2 levels.

In addition, BFO strongly encourages policymakers to assess and implement the recommendations stemming from the 2020 study released by the Standing Committee on Agriculture and Agri-Food entitled *Facing the Unexpected: Enhancing Business Risk Management Programs for Agriculture and Agri-food Businesses*.

Incorporating Environmental Components into BRM Programming

The possibility of incorporating environmental targets and/or other cross-compliance requirements into the BRM suite of programs would represent a fundamental shift in BRM programming and as such should be approached with caution. Tying environmental targets/requirements to BRM programs would almost certainly increase the complexity and administrative burden on both producers and administrators for programs that are already quite complex in nature.

With that said, BFO would support incentive-based options to reward willing producers. For example, BFO is supportive of the concept of tying premium rate reductions or credits to BMP uptake so long as the loss in premium revenue does not translate into increased premiums for those who do not participate, or impact coverage.

While we are aligned in ensuring our sector is as sustainable as possible, incentives prove more useful than barriers.

Environmental Programming

BFO supports the concept of increasing the government cost-share, raising funding amounts, and other incentives for producers who meet certain environmental requirements when accessing environmental funds and other on-farm programs funded through CAP, OSCIA, etc.

BFO supports the incentivization and adoption of emission reducing technologies.

BFO believes that access to incentives should not be based on operation size, and the incentive list should attempt to provide balance amongst sectors and developed in coordination with sector representatives, government, and general farm organizations. BFO also believes that early adopters should have access to rebates and other incentives.

BFO is supportive of proposals that limit the administrative burden for farms and government, protect farmer data, use aggregate sampling, and factor in regional differences when it comes to weather patterns, soil type, etc.

BFO supports the focus on BMPs as a standard for emissions reductions credits provided the list of up to date BMPs is developed in coordination with commodity sectors, government, and general farm organizations, and does not prioritize or favour, directly or indirectly, certain sectors over others by virtue of what BMPs are included.

Existing programs with environmental modules or components should also be leveraged and supported, including the Environmental Farm Plan and sector specific on-farm quality assurance programs, such as



Verified Beef Production Plus (VBP+) and the Ontario Corn Fed Beef Quality Assurance Program (OCFBQA) in the beef sector.

Government must also continue to place high investment priority on research, commercialization, and on-farm adaption of products and practices that will reduce agriculture's environmental footprint and enhance productivity. Furthermore, the environmental focus needs to extend beyond GHG emissions. Manure management, drought preparation and water management, soil health, etc., all need to be included under the "environmental" umbrella.

Finally, FPT governments must take a more proactive and visible role in recognizing and promoting the value that grasslands and ruminant livestock play in the management of healthy ecosystems and environments. This means doing more to protect marginal lands, promoting forages in crop rotations, incentivizing the grazing of corn stalks and cover crops, and supporting the development of community pastures and other public grazing lands.

Research

Continued investment in research programs aimed not only at key environmental challenges but also enhancing productivity is fundamental to both the success and sustainability of the sector. The Canadian beef industry has identified aggressive 10-year industry goals and a national research and technology transfer strategy to achieve these goals under the direction of the Beef Cattle Research Council. Industry investment has more than quadrupled, with a focus on increasing research programming, investing in Canada's scientific capacity and implementing a significant technology transfer program aimed at ensuring research results are quickly implemented by producers and other stakeholders.

To build on this success, it is imperative that the science clusters program funding be increased to address the priorities within different sectors. It is also imperative that the science cluster program launches this summer to ensure adequate lead times for approval and ensure research activities are not halted when the current NPF ends. It is also important that government: industry funding ratios remain at 70:30 for all priority areas, not just environment. Doing so will encourage industry investment and will allow for a larger volume of activities to be invested in by industry.

NPF Strategic Initiatives

1. Allow manure storage and perimeter fencing projects to be deemed eligible for cost share funding.
2. Allow business expansion activities to be included as part of eligible activities or projects.
3. Support and/or allow on-farm quality assurance programs to access NFP funding to help offset program operations and to support program enhancements.
4. Reinstate cost-share funding for the decommissioning of old facilities experiencing run off issues and for building new livestock facilities.
5. Continue to provide investment and support for meat processing capacity and infrastructure, and the training recruitment and retention of meat cutters and industrial butchers. More broadly, the agri-food labour crisis needs continued and increased attention by FPT governments.
6. Continue to invest in mental health services and resources for farmers and agri-food workers.
7. Increase focus on creating/enhancing support programs for young, beginning and expanding farmers. Current CAP programming does not support expansion activities for the most part, and dedicated support for young and new farmers is lacking at a time when the barriers to entry have never been higher or more costly.



Trade

Canada is a world leader in the production of high-quality beef, with 50 per cent of Canadian beef exported into over 58 countries. 2021 was the sixth year in a row of hitting record export values. Canadian beef producers export approximately fifty per cent of beef produced in Canada and this trade adds a value of \$775 CDN per animal in comparison to if producers were only able to sell into the Canadian market.

Canadian beef has one of the lowest greenhouse gas (GHG footprints) per unit of production in the world, roughly half the global average.

A major international trade achievement in 2021 was Canada's attainment of BSE negligible risk status from the World Organization for Animal Health (OIE) in May 2021.

Trade Priorities:

1. Resolve the BSE-era export certificate issue with **South Korea**. There is no reason to have this very dated, unnecessary and costly requirement remain. Lawmakers in Canada need to push for an amendment of the agreement between Canada and South Korea to have the BSE requirement removed or request that South Korea formally inform the U.S. that it does not require the USDA to certify the segregation of Canadian cattle.
2. Immediately address remaining **BSE** issues and expedite the **Harmonization of Canada's SRM Removal Requirements** with the United States.
3. Create a new **Indo-Pacific Diversification Office**, which is fully aligned with the intent of new Indo-Pacific Strategy and will be an important catalyst in achieving several of the government's policy priorities, most notably its ambition to achieve \$75 billion in agri-food exports by 2025.
4. Ensure meaningful, equitable access is achieved for Canadian beef during the **Canada-U.K. FTA** negotiations. Access must align with international trade rules and be based on sound, science-based evidence. The constant and increasing trade barriers that the U.K has imposed on Canada have left the most substantial Canadian beef exporters no alternative but to close their exports to the EU and U.K. The establishment of progressive trade parameters, such as those contained in the CPTPP, should be used as a template for Canada-U.K. negotiations around beef trade.

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 Saskatoon.

Sincerely,



Jack Chaffe
President

cc: BFO Board of Directors
Janette Leask, OMAFRA

