



November 5, 2019

Mr. Chris Forbes  
Deputy Minister  
Agriculture and Agri-Food Canada  
NHCAP, Floor 9, Room 349  
1341 Baseline Road Tower 7  
Ottawa, Ontario K1A 0C5

Dear Mr. Forbes,

As the federal government considers its plans and priorities for the Cabinet that will be sworn into office on November 20, Beef Farmers of Ontario wishes to provide the following observations.

***Modernization of Regulations***

Time and again, most recently with the release of a report by the Business Council of Canada, the economic drag created by poorly considered regulations has been well established. As per the Business Council report, Canada ranked 53<sup>rd</sup> out of 140 countries in the 2018 World Economic Forum Global Competitiveness Index. In the beef sector, we will witness the negative effect of regulatory burden when the revised Transportation of Animals regulations come into effect on January 1, 2020. In addition to failing to consider research underway by AAFC, the regulations will most likely result in greater negative health outcomes for transported animals. We urge the federal government to immediately delay the coming-into-force date and reconsider the regulations.

***Loss of Markets***

The trade sanctions imposed by Saudi Arabia in August 2018 have had a significant negative impact on exports from Ontario, a market that had grown to over \$26.5 million in 2017. With the China closure, the beef sector expects to lose hundreds of thousands of dollars per week based on previous export volumes. In the event of regained trade access, relationships have been lost and Canada's reputation as a reliable supplier has been strained, which will take significant time to rebuild. While other sectors have been provided financial assistance when markets have been lost due to the actions of the government, Ontario beef farmers have been left empty-handed.

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### **Beef Processing Infrastructure**

The current marketplace has too few processors placing bids on cattle to ensure a competitive, healthy market. Processors are running at or near capacity as a result of an influx of dairy cull cows, a healthy supply of fed beef cattle, and reduced marketing options south of the border. Periods of backlog in processing are becoming more frequent and severe, requiring farmers to feed cattle at increased cost for longer periods. When processing space is eventually secured, farmers are then penalized for overweight animals.

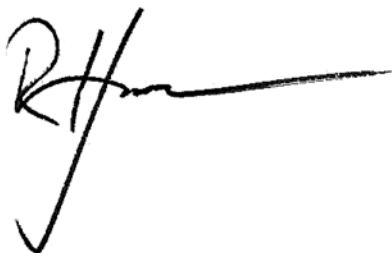
The federal government has supported value-added processing in the supply managed sector (e.g., SIF funding of Maple Leaf Foods). We are optimistic a program will emerge that invests in modernizing beef processing in Ontario. Quoting from the Liberal Party of Canada policy statement, Choose Forward: *“The new entity, Farm and Food Development Canada, will serve as a single point of service to help all parts of Canada’s food economy develop, grow, and export to new markets.”*

### **Business Risk Management Programs**

Reduced funding for Business Risk Management (BRM) programs in Canada also means beef farmers have limited access to an effective farm safety net to help weather the storm. In 2013, the Government of Canada reduced the spending envelope for BRM programs by more than \$500 million. As a direct result of the spending cuts, high BRM participation costs now exceed the income and payment benefits for beef farmers. Again, quoting from Choose Forward: *“To ensure that farmers have access to the help they need when they need it, we will move forward with a collaborative review of Canada’s business risk management programs, with a special focus on Agri-Stability, and are prepared to increase federal support to farmers to help them manage risks beyond their control.”*

Members of the Board of Directors for the Beef Farmers of Ontario would welcome the opportunity to meet with you as you consider policy matters for the new government. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Horne', with a long horizontal stroke extending to the right.

Richard Horne  
Executive Director

cc: Board of Directors, Beef Farmers of Ontario  
David Hayward-Farmer, President, Canadian Cattlemen’s Association

