

BUDGET SUBMISSION TEMPLATE – BFO MEMBERS AND LOCAL ASSOCIATIONS

[Insert Farm Name or Local Association Name, Add Logo if Available]

On behalf of **[insert farm name or local association name]** please accept our comments regarding the formation of the 2022 Ontario Budget.

The beef sector is an important economic driver of Ontario's agri-food sector, contributing \$2.69 billion to Ontario's GDP on an annual basis. Gross sales from the sector exceed \$13 billion annually and sustain more than 61,000 jobs.

Despite the positive impact our sector provides to Ontario's economy, we are faced with growing competition with cheaper imported products and more volatile shifts in global commodity markets. The supply chain disruptions and price volatility that we've experienced during COVID-19 has intensified these challenges.

Despite rising consumer prices and strong demand for Ontario beef products, farmers are not receiving a fair price for their labour. Stagnant returns with rising production costs and two years of a global pandemic reinforce the need for well-designed and well-funded business risk management insurance programs to help farm businesses better manage today's production risks.

Fortunately, Ontario recognized this need many years ago through the creation of the Ontario Risk Management Program, or RMP for short, for farmers in the beef, lamb, pork, veal, fruits, vegetables, and grains and oilseed sectors. RMP is a cost-shared insurance program that fills a critical gap for agricultural commodities in Ontario that are not protected by the supply management system.

Unfortunately, the program remains critically underfunded with many sector insurance plans covered under RMP regularly unable to pay out calculated insurance benefits given funding constraints. Since the program was capped, beef farmers have only received 58% of their calculated insurance benefits.

While we are thankful for the province's leadership in delivering an additional \$50 million for this program in 2020, the program remains in dire need of additional funding.

We request that Budget 2022 provide an immediate increase of \$100 million for the Ontario Risk Management Program (RMP), which would bring the annual funding cap to \$250 million

Committing to increase the province's investment in RMP is a commitment to partner with Ontario farmers, who contribute 35% of the costs through annual insurance premiums. Additional funding by the province would be matched by farmers themselves, at the current cost-share ratio.

Two separate studies conducted on the economic return of RMP demonstrated significant ROI for the province. The latest study by Cummings et al. showed for every \$1 invested in RMP generates a \$2.24 return.

Funding the program at \$250 million annually would help ensure the program is adequately resourced and more responsive to changing market demands. This will help us weather the pandemic and post-pandemic storm that has crippled our supply chains and increased production costs and market risks.

This is a good deal for Ontario farmers, the province, and Ontario taxpayers.

Thank you for your consideration,

[insert representative name and the farm or local association name]