



2016 RESOLUTION RESPONSES

Enclosed you will find the response letters to the 2016 resolutions

16-01	National Check-off Increase	16-12	Estate Tax
16-02	Perimeter Fencing	16-13	Sale of Hydro One
16-03	CCIA Tag Retention Trial	16-14	Financial Protection Program Rules
16-04	Line Fences Act Exemption	16-15	SRM Removal Costs
16-05	CCIA Pins	16-16	Coloured Fuel
16-06	Check-off Collection	16-17	MTO Requirements
16-07	Federal Participation in RMP	16-18	Land Use Challenges
16-08	Over Thirty Month (OTM) Discounts	16-19	Foreign Ownership of Land
16-09	Processing Language	16-20	Renting to Beginning Farmers
16-10	Government Backed Breeder Loan Program	16-21	Bill C-246
16-11	Enhancements to Feeder Finance		





December 29, 2016

16-01
National Check-off Increase

Jarrett Johnson
President
Bruce County Beef Farmers

Dear Jarrett,

The following resolution was brought to the floor and passed at the Beef Farmers of Ontario (BFO) annual general meeting (AGM) in February of this year:

WHEREAS, the value and return of quality research is well document, i.e. genetic and ration improvement; and

WHEREAS, the need to promote beef is extremely important, both domestically and internationally;

THEREFORE BE IT RESOLVED THAT BFO endorse the National Check-off Agency's request for \$1.50 increase per head provided BFO has assurance that the legal framework around collecting the national levy will be substantially unchanged and that Ontario will retain the full right to direct the levy to address Ontario's needs, as we currently can; and provided BFO has all agencies proposed to be funded in whole or in part by the national levy currently CB, BCRC, and CCA, demonstrate through budgets, plans, and reports, that the funding is available and being used in part to address the different regional needs across the country.

The BFO Board of Directors would like to thank the Bruce County Beef Farmers for bringing this resolution forward. Throughout the year, BFO directors and staff have continued participating in discussions surrounding the National Beef Strategy and the proposed increase in national check-off. While we believe in the need for a National Beef Strategy, we feel that more structure is required surrounding its implementation.

In the opinion of the board, outstanding issues still remain. The national levy involves two legal agreements that are yet to be signed between Ontario and the National Check-off Agency. We want a clear understanding of the legal agreements before we can agree to support the increase in check-off. In addition, we continue to stress the importance of recognizing regional differences across Canada. Displacing imports needs to be a priority in the Ontario marketplace. We need to see a detailed marketing plan and budget to address this.

Given the issues that remain unaddressed, the board believes it would be inappropriate to ask the membership to vote on the proposed increase in national check-off at this time. As such, BFO will not be requesting support from the membership for an increase in national check-off at this year's AGM, and we have informed the National Check-off Agency of this.



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

BFO will continue to engage with the National Check-off Agency and its funding recipient organizations to ensure Ontario's concerns are heard and addressed. Should you have any further questions, please do not hesitate to contact me.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Steve Eby (Mover)
Jasper Munro (Secunder)
Steve Thede (Advisory Councillor)





January 27, 2017

16-02
Perimeter Fencing

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 Wellington County, which was passed at the BFO annual general meeting in February of this year:

WHEREAS, fencing is an important yet costly part of many expansion activities in the beef industry, and **WHEREAS**, the creation of a perimeter fencing loan program, similar to the Ontario Tile Loan Program, would encourage more fences to be built and more cattle to be grazed, **THEREFORE BE IT RESOLVED THAT BFO** lobby the government for the creation of a Perimeter Fence Loan Program with similar terms to that of the existing Ontario Tile Loan Program.

BFO's biggest long-term priority is to find ways to sustain our processors and grow our industry across the province. We recognize that fencing infrastructure is a critical component of cow herd expansion, though the outlay cost is prohibitive for many producers.

The BFO Board of Directors believes that there needs to be improved access to competitive, low-cost financing arrangements and cost-share funding for beef producers to invest in fencing. This would spur growth in our industry and create important economic spin-off activity for the broader Ontario economy – a message we have shared with our government partners on many occasions.

The BFO Cow-Calf Committee and Board of Directors reviewed Wellington County Cattlemen's Association's resolution and discussed the pros and cons of a perimeter fencing loan program similar to the existing Tile Loan Program versus other program designs or funding structures. For example, while the Tile Loan Program is often praised for being easily accessible, it's also frequently criticized for being less competitive than most traditional bank loans. To suit different demographics and needs, BFO is taking two approaches to obtaining funding for perimeter fencing. First, BFO has requested that a perimeter fencing loan program similar to the existing Tile Loan Program be created. In addition, BFO will request that a perimeter fencing cost-share program be included as a strategic initiative under the next agricultural policy framework (i.e. "Growing Forward 3"), which is set to begin in April of 2018.

Finding new ways to assist beef producers in the establishment or re-establishment of perimeter fencing will create new opportunities for growth in the industry. BFO is committed to pursuing funding



assistance for perimeter fencing, and will seek out other opportunities to help reduce the financial burden placed on producers by the high cost of fencing farmland for pasture.

On behalf of the BFO Board of Directors, I would like to thank Wellington County Cattlemen's Association for bringing this resolution forward.

Sincerely,

A handwritten signature in black ink that reads "Matt Bowman". The signature is written in a cursive, flowing style.

Matt Bowman
President

cc: BFO Board of Directors
Cole Bessey (Secunder)





July 22, 2016

16-03
CCIA Tag Retention Trial

Jarrett Johnson
President
Bruce County Beef Farmers

Dear Jarrett,

The following resolution was brought to the floor by Bruce County and passed at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS, CCIA recently released the preliminary results of the mature cow tag retention study, and
WHEREAS, the results of this study help industry measure and identify tag retention challenges so that solutions to those challenges can be developed, and
WHEREAS, it is our understanding that a second phase of this study will likely be conducted,
THEREFORE BE IT RESOLVED THAT BFO ensures CCIA involves the participation of Ontario cattle operations in future tag retention studies.

BFO sent a letter in April to the Canadian Cattle Identification Agency (CCIA) in response to the concerns raised in the above resolution urging CCIA to ensure that the diversity of beef production systems and climates are reflected by the test sites that are chosen.

We are pleased to advise you that, while BFO has yet to receive a formal response to our letter or more information on the next proposed tag retention study, CCIA's executive has indicated to BFO Director and CCIA Board member Tim Fugard that Ontario operations would be asked to participate in the next phase of the tag retention trial, which is positive news.

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

Sincerely,

Matt Bowman
President

cc: BFO Board of Directors
Steve Eby (Mover)
Scott Honey (Seconder)
Steve Thede (Advisory Councillor)

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

www.ontariobeef.com





January 27, 2017

16-04
Lince Fences Act Exemption

Donald Bracken
President
Leeds County Cattlemen's Association

Dear Donald,

The Beef Farmers of Ontario (BFO) has reviewed the following resolution from Leeds County:

WHEREAS, it is a public safety and animal welfare issues that road fences be well maintained, and
WHEREAS, the province, counties and municipalities are exempt from the Line Fences Act, even if they damage the road fence while doing road maintenance, and
WHEREAS, there is a cost share program in BC for road fences,
THEREFORE BE IT RESOLVED THAT BFO lobby the Ontario government to remove the exemption of the province, counties and municipalities to the line fences act, and further more lobby for a similar cost share road side fence program.

BFO would like to thank the Leeds County Cattlemen's Association for bringing this resolution forward. The BFO Board of Directors fully supports the use of the *Line Fences Act* to arbitrate disputes with governments for the repair or building of road fencing. In general, we believe that accountability for fence construction, maintenance and repair should be shared between property owners, whether public or private. At a minimum, a mechanism should be developed to hold public authorities accountable for damage done to line fences that border livestock operations to ensure public safety and reduce animal welfare issues.

We further recognize that issues facing beef farmers with regards to roadside fencing also affect other livestock sectors. Consequently, we have reached out to the Ontario Sheep Marketing Agency, Ontario Goat, the Ontario Equestrian Federation, the Christian Farmers Federation of Ontario, the Ontario Federation of Agriculture, and the Ontario National Farmers Union to encourage a coordinated response to this issue.

Attached you will find a letter that was sent to the above mentioned organizations as well as a letter that was sent to the Ontario Ministry of Municipal Affairs in response to this issue. BFO staff intends to work with all interested organizations to help highlight the concerns that the present exemption creates with respect to ensuring public safety and animal welfare.



To help address the high costs of perimeter fencing BFO has committed to encourage the development of perimeter fencing assistance programs with the provincial government. Our intent is to request that a perimeter fencing loan program, similar to the existing Tile Loan Program be initiated as well as a perimeter fencing cost-share program. We are optimistic that our continued efforts to address these issues will provide a workable resolution for Ontario beef farmers.

On behalf of the BFO Board of Directors, I would like to thank Leeds County Cattlemen's Association for bringing this resolution forward. We will keep the membership apprised of new any new developments on this file.

Sincerely,



Matt Bowman
President

Encl. 2

cc: Kim Sytsma (mover)
Blair McDonald (Advisory Councillor)
BFO Board of Directors





January 27, 2017

Hon. Bill Mauro
Minister of Municipal Affairs
17th Floor – 777 Bay Street
Toronto, Ontario M5G 2E5

16-04
Line Fences Act Exemption
Letter to Ontario Ministry of
Municipal Affairs

Dear Minister Mauro,

Re: *Line Fences Act*

As you may know, the Beef Farmers of Ontario (BFO) represents the 19,000 beef producers in Ontario by advocating in the areas of policy planning, industry development and research, and domestic and export market development. I am writing to you today to highlight areas in which the *Line Fences Act* may not be aligned with the need for effective livestock containment, and to encourage you to pursue amendments to the Act that will better integrate concerns regarding public safety and animal welfare with the existence of livestock agriculture.

The *Line Fences Act* is intended to provide a local method of arbitrating fencing disputes between neighbouring property owners. The ability to do this is crucial to farmers who raise cattle and other livestock, as containment of livestock is a matter of both animal welfare and public safety. Escaped cattle have the potential to damage property, and cattle which have wandered onto a roadway may obstruct traffic or cause potentially fatal motor vehicle accidents. Ensuring quick and fair arbitration of fencing issues – especially fencing repair – is essential for protection of both livestock and the public. This concern for public safety is especially relevant when livestock fencing runs adjacent to roadways. However, this is an area where the *Line Fences Act* is not prepared to offer arbitration, and may consequently lead to a protracted resolution process, to the detriment of both farmers and the public. Much of the land fenced for pasture by Ontario farmers borders on public highways, which are exempt from the Act, according to subsection 25 (1).

BFO has been made aware of cases wherein line fences containing livestock have been damaged by provincial or local governments in the process of road maintenance, leaving farmers with a lengthy and uncertain process through Tort law of resolving fence repair and its associated costs. As a consequence, fences intended to contain livestock may lie in disrepair for longer, increasing the likelihood of farm animals making their way onto a highway or damaging property. In addition to concerns for public safety, such situations are unfair to livestock farmers because of the risk of liability and difficulty in recovering costs. We believe that an effective arbitration process for fencing disputes such as exists under the *Line Fences Act* would ensure fences damaged under such circumstances would be repaired in an equitable, and importantly, timely manner.

.../2



We encourage you to enable individuals to file applications for a viewing in cases where line fences have been damaged by a government subject to provincial legislation, to otherwise provide a venue for arbitration of fencing disputes under such circumstances, or support the establishment of a cost-sharing program for roadside fencing.

We at BFO recognize that the *Line Fences Act* is a historic piece of legislation, but we hope that considerations for public safety, and the lack of ability for the Act to address this issue, will encourage you to expand its authority to address situations as outlined above.

Thank you in advance for your consideration of this important request. We would welcome any opportunity to discuss the contents of this letter, and invite you or your staff to contact the BFO office for a conversation on line fences and livestock.

Sincerely,



Matt Bowman
President

cc: The Honourable Jeff Leal, Minister of Agriculture, Food, and Rural Affairs
BFO Board of Directors





**16-04
Line Fences Act Exemption
Letter to Organizations**

January 27, 2017

Rob Scott, Chair
Ontario Sheep Marketing Agency

Clarence Nywening, President
Christian Farmers Federation of Ontario

Anton Slingerland, President
Ontario Goat

Keith Currie, President
Ontario Federation of Agriculture

Mark Nelson, President
Ontario Equestrian Federation

Emery Huszka, President
National Farmers Union – Ontario

Dear Gentlemen,

The following resolution was passed by voting delegates at the Beef Farmers of Ontario (BFO) Board AGM in February 2016:

WHEREAS, it is a public safety and animal welfare issues that road fences be well maintained, and
WHEREAS, the province, counties and municipalities are exempt from the Line Fences Act, even if they damage the road fence while doing road maintenance, and
WHEREAS, there is a cost share program in BC for road fences,
THEREFORE BE IT RESOLVED THAT BFO lobby the Ontario government to remove the exemption of the province, counties and municipalities to the line fences act, and furthermore lobby for a similar cost share road side fence program.

The long standing exemption from the *Line Fences Act* for provincial, county, and municipal governments regarding line fences along public highways that run adjacent to farmland is an issue that BFO has raised with the Ministry of Municipal Affairs in response to concerns raised by our membership.

The main concern is the lack of recourse that farmers have under the Act to recoup a portion of the costs of construction, repairs or maintenance of line fences that run adjacent to public highways. BFO has sent a letter to the Ministry of Municipal Affairs outlining the concerns our producers have raised, requesting either the removal of the public highway exemption from the Act, or support for a road fencing cost share program. This letter has been attached for your reference. We would encourage your organization to consider sending a similar letter to the Ministry of Municipal Affairs.

.../2



I hope through joint effort our organizations can inspire the Ministry to enact positive changes to the *Line Fences Act* to provide more fairness to livestock operations with line fences that border public highways.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Bowman", is centered on a light yellow rectangular background.

Matt Bowman
President

Encl. 1

cc: BFO Board of Directors





September 23, 2016

16-05
CCIA Pins

Matt Shortreed
President
Huron County Beef Producers

Dear Matt,

The following resolution was brought to the floor and passed at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS, applying missing CCIA tags is dangerous and can cause unnecessary carcass bruising just prior to slaughter, and since most farm chutes are designed for lighter and younger animals, and

WHEREAS, on direct to packer sales of cattle, carcasses maintain their identification to the point of grading, and

WHEREAS, individual PIN's are or will be assigned to all cattle farms,

THEREFORE BE IT RESOLVED THAT BFO consider on direct to packer sales, BFO and CCA work with CCIA to investigate the feasibility of CCIA Packer PINs on shipping manifests as an alternative to applying missing RFID tags to cattle.

The BFO Board of Directors would like to thank the Huron County Beef Producers for bringing this resolution forward. It must be stated that BFO agrees, wholeheartedly, with the intent of this resolution and has recommended repeatedly to the Canadian Food Inspection Agency (CFIA) to adopt this practice. Despite Ontario's efforts to promote this recommendation with both CFIA and the Canadian Cattle Identification Agency (CCIA) there has been no movement to date.

On a more positive note, the current regulatory proposal for traceability includes language that would repeal the requirement preventing the reception of animals not bearing an approved tag, in order to recognize that tags can and often get lost in transit. In addition, the regulatory framework also includes a proposal to repeal the requirement that currently prevents the shipment of animals not bearing an approved tag, in order to recognize that 100% compliance is difficult to achieve due to the difficulty of identifying tags in ears while cattle are being loaded onto a truck.

.../2



While the proposed regulatory changes do not specifically address the burdensome, costly and often dangerous practice of retagging an animal that has lost its tag, it does acknowledge and attempt to adjust current regulations that fail to recognize the broader tag retention problem.

BFO will continue to engage with the province and the federal government on this issue as the discussions surrounding a regulated traceability framework progress.

Sincerely,

A handwritten signature in black ink that reads "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
Doug Scott (Mover)
Kevin McArter (Seconder)
Harvey Hoggart (Advisory Councillor)





January 27, 2017

16-06
Check-off Collection

Murray McDonald
President
Rainy River Cattlemen's Association

Dear Murray,

The Beef Farmers of Ontario (BFO) Board of Directors has reviewed the following resolution from the Rainy River Cattlemen's Association:

WHEREAS, Regulation 54 of the Beef Cattle Marketing Act states that 'packing plant operators, auction market operators, livestock dealers and other persons who receive cattle from a seller are required to deduct the BFO check-off from the proceeds payable to the seller and remit fees to the BFO; and
WHEREAS, BFO has a check-off inspector appointed by the Lieutenant Governor in Council as an inspector under the Beef Cattle Marketing Act and/or the Livestock and Livestock Products Act, and the check-off inspector has the responsibility of conducting inspections of records at auction markets, packers, dealers and farmers regarding collection of and reimbursement of license fee deductions; and
WHEREAS, of the approximately 9,000 beef cows in the Rainy River District, only half of their offspring are being marketed through licensed auction markets that collect check-off, and
WHEREAS, this problem is known to exist in many other parts of the Province, amounting to several thousand cattle moving each year without check-off in the Province of Ontario; and
WHEREAS, voluntary submission of check-off by producers selling directly off the farm has proven ineffective,
THEREFORE BE IT RESOLVED THAT BFO develop a plan to increase compliance of check-off regulations to increase revenues used to fund provincial and national initiatives.

BFO would like to thank the Rainy River Cattlemen's Association for bringing a resolution forward on this important issue. The BFO Board of Directors recognizes the importance of maintaining an effective checkoff collection system that ensures compliance among all beef producing members.

BFO staff has reviewed the sales records for auction markets in Rainy River in response to your resolution. Checkoff for approximately 4,300 cattle was submitted to BFO from the Rainy River District in 2016. It is likely that the divergence between this number and the 9,000 figure cited by your organization is a combination of sales without checkoff, inter-provincial sales for which checkoff is not correctly assigned or deducted, non-compliant private treaty sales, and heifer retention.



According to our records no checkoff was redirected to Ontario from Manitoba in 2016. Recognizing that it is unlikely that no Ontario cattle were sold in Manitoba in 2016, we believe that either checkoff is not being incorporated into sales of Ontario cattle at auction markets across the Manitoba border, or that sales in Manitoba are being falsely attributed to Manitoba sellers.

To address checkoff collection concerns, Canada Beef recently appointed a General Manager of the Canadian Beef Cattle Research Market Development and Promotion Agency who has the authority to enforce checkoff remittance at the national level. BFO has been in communication with Canada Beef about the disparity between checkoff paid in Rainy River and the number of cattle that are expected to be sold. We have been told that Canada Beef is currently in the process of developing the role of a national inspector that will be responsible for working with the provincial checkoff inspectors to help resolve inter-provincial checkoff issues.

It is reasonable to expect that some honest beef producers and buyers may be failing to incorporate checkoff in private treaty sales due to a lack of understanding of the checkoff requirements that apply. To help address this shortcoming, Canada Beef intends to produce educational materials for distribution to producers outlining the requirements for deduction and remittance of checkoff. When this resource is completed, BFO intends to work with Canada Beef to disseminate these guidelines. Promotion of such materials will help ensure all beef farmers and buyers in the province are aware of the checkoff requirements, and will serve as a reminder for others that all sales of cattle in the province require checkoff be deducted and remitted.

However, in order to be able to effectively address checkoff non-compliance within the province, the BFO checkoff inspector requires participation from county organizations in the form of information on buyers and sellers who may be avoiding their checkoff obligations. The BFO checkoff inspector performs individual investigations across the province, but with limited information such investigations are only so effective given the size of the province and the number of cattle sales that take place. The BFO checkoff inspector operates under a code of confidentiality, so we encourage county organizations to share specific details regarding non-compliant sales to assist with education and enforcement efforts.

BFO would like to again thank the Rainy River Cattlemen's Association for bringing forward this resolution. Please be assured that BFO takes the issue of checkoff compliance very seriously, and will pursue every available venue to ensure requirements for checkoff are communicated on a regular basis to the membership to promote compliance.

Sincerely,



Matt Bowman
President

cc: Clayton Teeple
James Gibson
Kim Jo Bliss
BFO Board of Directors





September 23, 2016

16-07
Federal Participation in RMP

Larry Jinkerson
President
Peterborough County Cattlemen's Association

Dear Larry,

The following resolution was brought to the floor and passed at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS, the feeders have experienced significant losses due to a volatile market, with sharp decreases in prices,
THEREFORE BE IT RESOLVED THAT BFO continue to lobby the federal government for 60% share of the RMP program.

The BFO Board of Directors would like to thank the Peterborough County Cattlemen's Association for bringing this resolution forward and for its continued support of the Risk Management Program (RMP). Despite the limits imposed by the provincial cap on RMP it remains the single most important program for our sector. Sustaining and growing government's investment into this important program has been the number one priority for BFO and will remain a high priority moving forward.

While we believe the program has successfully contributed to the success and survival of farm businesses by providing farmers with confidence to invest in their operations, we recognize that the current funding for the beef program cannot sufficiently cover the required need in certain years. We further recognize that the recent market downturn will not be sufficiently mitigated by current RMP funding, which is concerning.

The BFO board is committed to working with the province and with the provincial minister to achieve federal participation in a program that can address the competitive imbalances among commodity sectors and business risk management programs in Canada to provide the best risk mitigation option for beef farmers.

.../2



I would strongly encourage members of the Peterborough County Cattlemen's Association to continue to engage with its Member of Provincial Parliament (MPP) outlining the importance of the RMP program and the need to enhance the funding envelope to ensure a strong, healthy and competitive beef sector. BFO would be happy to assist in the development of speaking points and/or participate in any meeting with local MPPs if asked.

Sincerely,

A handwritten signature in black ink that reads "Matt Bowman". The signature is written in a cursive, flowing style.

Matt Bowman
President

cc: BFO Board of Directors
John Lunn (Mover)
Glenn Darling (Secunder)





September 6, 2016

16-08
Over Thirty Month (OTM) Discounts

John Buis
President
Kent County Cattlemen's Association

Dear John,

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

WHEREAS, *we are many years past the BSE crisis and cattle can be shipped to the US without dockage on cattle Over-Thirty-Months (OTM),*

THEREFORE BE IT RESOLVED THAT BFO *lobby to have the OTM dockage of 20 cents per pound eliminated as this exercise is no longer necessary and very expensive for us as producers.*

BFO would like to thank Kent County Cattlemen's Association for bringing this resolution forward. The BFO Board of Directors recognizes the economic impact that the discount on OTM carcasses has on Ontario beef producers, and that cattle operations are hindered in their ability to cover their margins if cattle cannot be sold at full price. The underlying cause of OTM cattle discounts – SRM removal requirements and Canada's status as a Controlled BSE Risk Country with the World Organization for Animal Health (OIE) – is considered by BFO to be an area of utmost importance to the Ontario beef industry.

Canada is currently classified as a controlled BSE risk country by the World Organization for Animal Health (OIE). One of the requirements is that a controlled risk country must ensure that fresh meat and meat products do not contain SRM or mechanically separated meat from the skull and the vertebral column from cattle older than 30 months. Additionally, as export markets for Canadian beef are all different in their acceptance of OTM products, these must be kept separate from other beef products. Removal of SRM involves additional processing, and OTM and UTM cattle are often processed on different shifts at an abattoir in order to keep OTM products segregated. This results in an unfortunate increase in costs for processors in taking OTM cattle, and these costs are passed on by processors to producers in the form of a 20¢/lb lower price on dressed carcasses.

Canada is able to export OTM cattle, and the 20¢/lb discount, which is applied by processors in Canada to cover the costs of abiding by national regulations, is not in effect in this case. However, importers will frequently only accept a lower price for Canadian OTM cattle.

.../2



Countries with controlled BSE risk status are eligible to apply for Negligible Risk status – which comes with less stringent adherence requirements – 11 years after the birth date of the most recently born bovine to test positive for BSE. Because the most recent detected case of BSE in Canada was in a bovine born in March of 2009, the earliest date Canada can apply for Negligible Risk status is March of 2020. Previously, the most recent birth date of a BSE case in Canada was August 2004, meaning that without the most recent case, Canada would have been eligible to apply for Negligible Risk status in August of last year.

Canada's BSE risk status with OIE has important implications for its relationship with its trading partners and the international demand for Canadian beef. Countries that import beef have a choice of markets from where they source product. Canada's export dependence, and the variety of preferences in our trading partners, means that we must do more than may be necessary to satisfy our domestic market. As such, BFO takes Canada's BSE risk status and perception by trading partners very seriously, and recognizes the importance of SRM removal and the unfortunate consequence of a discount on OTM carcasses.

However, there are actions that individual producers can take in order to ensure as few of their cattle are classified as OTM as possible. BFO staff has spoken to veterinarians at OMAFRA, and has been told that because of the approximate nature of age determination in cattle and the consequences of BSE, cattle without birth certificates are aged conservatively. This ultimately results in some UTM cattle without birth certificates being classified as OTM. To avoid unnecessary OTM discounts, BFO recommends ensuring all cattle are age verified, and sending each bovine's birth certificate when shipping cattle to slaughter. The Canadian Food Inspection Agency and Canadian Cattle Identification Agency provide online resources on age verification that could be useful to producers in ensuring their cattle are assigned the appropriate age at slaughter.

Due to the mandatory 11-year delay in opportunity to apply for reduced BSE risk status, it will be necessary for SRM removal to continue at processing plants in its current form for several years. If and when Canada is able to attain Negligible BSE Risk status, BFO supports investigating regulatory harmonization with the United States, which currently removes less SRM than Canada does during processing. Harmonization will have the effect of reducing processing costs for OTM cattle, lowering the discount on OTM carcasses.

I would like to thank the Kent County Cattlemen's Association for taking the time to bring this resolution forward. We appreciate and share the concern that you have regarding the costs of SRM removal and discounts on OTM cattle, and we would be pleased to discuss BFO's response at your convenience.

Sincerely,



Matt Bowman
President

cc: Dave Lugtigheid, Mover
Frank Byrne, Seconder, Advisory Councillor
BFO Board of Directors





July 11, 2016

16-09
Processing Language

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 and the Ontario beef industry stakeholders know that the word “slaughter” has a negative connotation, and paints an overly violent picture of animal processing to the general population, and

WHEREAS, there is a need to change the defensive, emotional response to the harvesting of animals raised for human use and consumption so that the beef industry does not continue to be seen in a negative light by the general population,

THEREFORE BE IT RESOLVED THAT BFO support and promote the replacement of the word “SLAUGHTER” with the word “HARVEST” in all media releases, publications, and discussions about animal processing.

BFO would like to thank Middlesex County for bringing this resolution forward. The BFO Board of Directors agrees that it is important for the beef industry to be cautious of using language with negative connotations when describing animal processing, especially in the face of anti-animal agriculture messaging and activism that already depicts the industry as cruel. When considering this resolution, BFO learned of organizations that both have and have not chosen to use the word *harvest* instead of *slaughter* when referring to the killing and processing of livestock. There are various reasons for choosing one word over another, and the descriptiveness of the word *slaughter* has led to widespread discussion on whether consumers want literal and transparent wording, or more humane-sounding language that refers to the processing of animals in the same way that we refer to the processing of crops.

BFO staff recently discussed this question with Farm and Food Care Ontario, to gather input on the best language to use in communications about animal processing. Their research and focus groups have found that consumers prefer the word *process* while producers prefer the word *slaughter*. Other organizations have also found that the word *process* often suffices for describing slaughter, butchery,

.../2



further processing, etc. as one general activity to the public, especially when the slaughter stage does not need to be referred to specifically. Further to this, there is reason for hesitation in using of the word *harvest* because it could potentially be interpreted by the public as less transparent, intentionally misleading or even disrespectful, as it puts animals in the same category as crops.

It is important that BFO and the beef industry in general choose their language carefully in media releases, publications, reports and other communications, and that wording is chosen based on the intended audience. This is especially true when it comes to animal processing. BFO staff chooses all wording and language based on who the audience will be, and will continue doing so while using their best judgement. It is very unlikely that the word *slaughter* would be used in consumer-facing communications, but it is used in other places, such as within market reports that are targeted to producers. Instead of adopting a blanket policy on which word will be used in all communications, thereby removing the option for staff discretion based on audience and subject matter, the BFO Board of Directors has decided to continue leaving the choice of wording to the discretion of staff, and always based on the intended audience.

Thank you for taking the time to bring this resolution forward. We appreciate and share the concern that you have regarding public perception of the beef industry and animal processing, and we would be pleased to discuss BFO's response at your convenience.

Sincerely,



Matt Bowman
President

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





November 2, 2016

**16-10
Government Backed Breeder Loan
Guarantee Program**

Robert Unsworth
President
Wellington County Cattlemen's Association

Dear Rob,

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

WHEREAS, the Premier's Agri-Food Growth Commitment challenged industry to grow, expand, and create new jobs in agriculture by 2020, and

WHEREAS, the Breeder Loan Program is an important component of growing the cow herd in Ontario, and

WHEREAS, the program has limited coverage leaving many producers across the province without access to these loans, and

WHEREAS, the Breeder Loan Program does not enjoy the same luxury of a government backed guarantee as the Feeder Loan Program does, which limits the program's competitive structure,

THEREFORE BE IT RESOLVED THAT BFO lobby the provincial government for a government backed guarantee of the Breeder Loan Program in order to improve financing terms for cow-calf operations, to expand the program to underserved areas of the province, and to help meet the Premier's Growth Challenge.

The BFO Board of Directors wholeheartedly agrees with your resolution and recognizes the need to find new ways to expand access to affordable financing options for beef producers.

BFO directors and staff promoted the idea of a government backed breeder loan guarantee program, similar to the Ontario Feeder Cattle Loan Guarantee Program, in discussions with elected representatives at all of our federal and provincial lobby days this past year. Ontario directors elected to the Canadian Cattlemen's Association (CCA) were also successful in their push for CCA to endorse a new directive calling on the federal government to contribute to all provincially operated feeder and breeder finance programs. Additionally, our provincial Minister was also exposed to the idea on several occasions over the course of the last two years and is well aware of the need to expand the provincial government guarantee beyond the feedlot sector.

Despite the lack of success in establishing a government backed breeder loan program, BFO is committed to continuing to promote this concept with representatives at both levels of government and during national discussions at CCA.

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

www.ontariobeef.com




One concept BFO pursued in 2015 to address the need for additional competitive financing arrangements without the need for a government commitment was to create a new umbrella lending structure for the existing Breeder Loan Program that would optimize the higher aggregate value of the loans in exchange for lower interest rates and improved loan terms through the use of a single lender. As you may be aware, the co-ops were asked to consider this request and respond back to BFO with their interest in pursuing this type of arrangement. Unfortunately, response to this proposal was mixed and discussions with the willing lender have since faded. Although the initial momentum has waned the BFO Board of Directors is still very much interested in pursuing a similar program structure in collaboration with a willing lender.

Moving forward, BFO will continue to explore ways to provide new access to competitive financing for Ontario's beef producers and commits to engaging the co-ops and the Advisory Council if and when a new lending structure is developed.

I would like to thank the Wellington County Cattlemen's Association for bringing this resolution forward. We welcome any and all thoughts on how best to provide more access to affordable and competitive financing for beef producers in this province. While BFO director Rob Lipsett is responsible for this file I would encourage you to contact me or any other BFO director should you wish to discuss this issue in further detail.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Rick Mitchell (Secunder)





July 22, 2016

16-11
Enhancements to Feeder Finance

Jarrett Johnson
President
Bruce County Beef Farmers

Dear Jarrett,

The following resolution was brought to the floor and passed at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

The following resolution was brought to the floor and passed at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS, the Ontario Feeder Cattle Loan Guarantee Program has been a successful program; and
WHEREAS, the program is currently at its funding limit; and
WHEREAS, the program assists in promoting and growing Ontario's beef industry,
THEREFORE BE IT RESOLVED THAT BFO, work cooperatively with the many Feeder Co-ops operating in Ontario to enhance program services and funding opportunities, while maintaining and improving the current government guarantee and providing semi-annual progress reports on lobby activities related to the Ontario Feeder Cattle Loan Guarantee Program.

As you are aware, the provincial government announced their commitment to increase the government guarantee under the Feeder Cattle Loan Guarantee Program from \$32.5 million to \$65 million at our annual Queen's Park Beef BBQ at the end of May. Doubling the guarantee will provide beef producers access to an additional \$130 million in financing, which is great news for producers and the province.

BFO is currently working with OMAFRA to determine the process for which the new funds will be allocated across the co-operatives, and to better understand the implications of other program changes, such as the inclusion of custom feeding. We continue to press government on the need to finalize this process immediately so producers can begin to access the additional funding and maximize the higher individual loan limits that were announced in April of 2015. We hope to have this process completed in the coming weeks.

In regard to lobby reports in general, BFO provides an update on our government relations activities to Advisory Councillors at their meetings, at county annual meetings, at the BFO Annual General Meeting, and in our Annual Report. In addition, all lobbying expenses are disclosed in our audited financial statements that are publicly available.



I would like to thank the Bruce County Beef Farmers for bringing this resolution forward and for recognizing this valuable program assists in promoting and growing Ontario's beef industry.

Sincerely,

A handwritten signature in black ink that reads "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
Brendon Zettler (Seconder)
Steve Thede (Advisory Councillor)





June 22, 2016

16-12
Estate Tax

Don McCabe, President
Ontario Federation of Agriculture
Ontario Agri-Centre, Suite 206
100 Stone Road West
Guelph, ON N1G 5L3

Clarence Nywening, President
Christian Farmers Federation of Ontario
642 Woolwich Street
Guelph, ON N1H 3Y2

Dear Don & Clarence,

The following resolution, submitted by the Wellington County Cattlemen's Association, was passed by voting delegates at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS, the Ontario Government has implemented and started to enforce Estate Administration Tax (EAT) upon death of \$5/\$1000 up to \$50,000 and \$15/\$1000 after \$50,000 and these fees are due 90 days after death, and

WHEREAS, the grieving process is not short lived and,

WHEREAS, the price of land can create sizeable estates and,

WHEREAS, most money is frozen at the time of death for an extended period of time exceeding 90 days and,

WHEREAS, the Ontario Government retains the right to argue the figures submitted for up to 2 years at which time the executors can become responsible for any difference owing and,

WHEREAS, the timeframes in place put the Ontario Government at an unfair advantage,

THEREFORE BE IT RESOLVED THAT BFO lobby the Ontario Government to abolish or change this Estate Administration Tax (EAT), which constitutes an undue stress and burden for Ontario beef producing families and all Ontario families.

As estate tax is an issue affecting the broader agricultural community, I would ask that the Ontario Federation of Agriculture (OFA) and the Christian Farmers Federation of Ontario (CFFO) investigate options to address this issue.

Before referring this matter to you, BFO performed some preliminary research. Based on our conversations with the Ministry of the Attorney General, estate administration tax is due within six months of death of the owner of an estate, rather than 90 days as stated in the resolution. Upon the



death of an owner of an estate, a period of six months is granted to submit an application for a Certificate of Appointment of Estate Trustee, and estate administration tax must be paid along with this application. We were informed that the wait times for the government to issue certificates vary, which adds additional length to the process. Effective January 1, 2015, once a certificate has been issued the executor has 90 calendar days to file an Estate Information Return (records of the value of the estate) with the Ministry of Finance. The executor has the option of requesting a six-month extension of the initial six-month deadline to pay the estate administration tax and submit the application for a Certificate of Appointment of Estate Trustee.

It can be difficult to obtain comprehensive information on the various deadlines for payment, applications, and submissions in the process of managing an estate. This lack of clarity may be partially responsible for widespread misconception regarding the 90 day deadline and at what point it sits in the estate administration process. We believe that if the Ministry of the Attorney General were to make this information succinct and easily publicly accessible, it would alleviate the stress many farmers experience worrying about the proper process to follow after the loss of a loved one. Requesting such a change could be one step in enabling farm families to best prepare for administering an estate.

From our understanding, the underlying issue behind this resolution surrounds the view that the Estate Administration tax and probate process produces undue stress on farmers. Because farm estates are often large and illiquid, the existing requirements that apply to non-farm estates may not be appropriate for many farm operations. As such, BFO feels that alternative models tailored for farm operations could help to ease the stress placed on executors of such estates.

On behalf of BFO's Board of Directors, thank you for pursuing this issue further. We would appreciate a report back to BFO on any discussions or actions on this matter.

Sincerely,



Matt Bowman
President

cc: Rob Unsworth, *Mover, President and Advisory Councillor, Wellington County Cattlemen's Association*
Ed McKelvey, *Seconder*
BFO Board of Directors





June 22, 2016

16-13
Sale of Hydro One

Mr. Jarrett Johnson
President
Bruce County Beef Farmers

Dear Jarrett,

The following resolution from Bruce County was brought to the floor and passed at the Beef Farmers of Ontario (BFO) Annual General Meeting in February of this year:

WHEREAS, with the initial public offering of 15% of Hydro One' shares in November 2015, the opportunity is available to the Ontario Government to alter its plan regarding the sale of the remainder 45% of the 60% planned to be sold in public offering; and

WHEREAS, the public electrical system generates significant revenues for the municipal and provincial government and gives Ontario a competitive advantage; and

WHEREAS, the public electrical system in Ontario is a critical significant asset to the economy; and

WHEREAS, the privatization (partial of whole) of the electrical systems had led to higher rates and less control; and

WHEREAS, the further sale will lead to hardship of rural Ontario, especially Northern Ontario and the agricultural based concept of the former "Ontario Hydro" "equal charge for hydro rates across the province" to allow for rural development. It will put the cost of electricity out of reach for the rest of the province. No longer will we have affordable hydro to do business in rural Ontario.

THEREFORE BE IT RESOLVED THAT Hydro One be strengthened by investing in and upgrading aging infrastructure and invest in the future; invest in supporting Rural Development and new investment in agriculture by supporting the development of new agriculture development in Ontario by providing fair and equitable hydro rates which reflect growth in the agriculture economy, and

THAT BFO lobby the Ontario government to alter its plan of the sale of the remainder of the 45% of the 60% planned to be sold in the public offering.

The BFO Board of Directors recently reviewed this resolution, while considering the similar resolution that Bruce County brought forward in fall 2015 and how BFO chose to respond at that time. In the time since this new resolution was passed in February, the government has completed a second offering of shares of Hydro One on the public market, which generated approximately \$2 billion in gross proceeds. The government now holds approximately 70% of Hydro One after this second offering, and continues to state publicly that the sale will proceed with future offerings done in stages, gradually reducing their stake to 40%.

... /2



BFO continues to recognize and appreciate the potential issues stemming from the privatization of Hydro One, but maintains the position that this is a general farm issue that affects the broader agricultural community and does not have a specific or stand-alone impact on the beef industry. As per our response to Bruce County's resolution on this subject in 2015, BFO has deferred to the Ontario Federation of Agriculture (OFA) and their work on this issue. As the sale of Hydro One is already underway, OFA's focus is on how the proceeds from the sale will be invested in proportion to the ratepayers who paid for the company, to ensure that funding for rural infrastructure is included. BFO continues to support OFA's request of the provincial government to direct a portion of the proceeds from the sale of Hydro One to fund rural infrastructure in Ontario.

Thank you for taking the time to bring this resolution forward. We appreciate the concern that you have regarding the sale of Hydro One, and would be pleased to discuss BFO's response and position on this issue at your convenience.

Sincerely,



Matt Bowman
President

cc: Lynn & Steve Thede
Chris Freiburger
BFO Board of Directors





July 22, 2016

16-14
Financial Protection Program Rules

John Buis
President
Kent County Cattlemen's Association

Dear John,

The following resolution was brought to the floor and passed at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS, current Financial Protection Program (FPP) rules require payment within 6 business days from shipping; and

WHEREAS, if a second load is shipped within that time it may be considered "extending credit" and may not be covered by FPP, and

WHEREAS, cattle that are shipped weekly or multiple loads per week may not be covered by FPP,

THEREFORE BE IT RESOLVED THAT BFO work with the FPP program to allow each load of cattle shipped to be considered a new sale and eligible for FPP coverage when they fall within this timeframe.

The current rules under the Ontario Beef Cattle Financial Protection program do provide assurances for producers and other licensed dealers who ship cattle on a frequent basis. Existing rules specify payment must be received by the seller no later than 1:00pm on the ninth (9th) business day following the day of sale, for sales \$15,000 or less and no later than the sixth (6th) business day, for sales \$15,001 and more. The sale date for rail sales is two calendar days following the kill date.

The current rules mean that until a shipment of cattle has defaulted, as in the seller has not received payment within 6 or 9 business days following the day of the sale, producers and other licensed dealers may continue to sell cattle to the same buyer even if they have not received payment for the first shipment. For example, if you ship cattle today you may ship subsequent loads of cattle at any point between today and the next 6 -9 business days (depending on the value of the first sale) and still be eligible for a claim under the program for the first load of cattle if they come into default.

Amending the Ontario Beef Cattle Financial Protection program to allow each load of cattle to be considered a new sale would increase the risk to producers and the financial protection program fund as a whole. Treating each shipment as a new sale could encourage producers to engage in riskier transactions, and would, for all ostensible purposes allow extension of credit with 'no strings attached'. Doing so would create a significant financial risk to both producers and the fund that the broad producer population as a whole should not be made responsible to bear. With that said the existing program rules do allow each sale to be considered a "new sale" provided the first load has not yet defaulted.



I hope the information provided in this response clarifies the financial protection program rules and addresses the concern raised in your resolution. More information on the program can be found on BFO's website at <http://www.ontariobeef.com/programs/beef-cattle-protection-program.aspx>. If you should have any further questions, please contact me or one of our policy team members at the BFO office in Guelph.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Frank Byrne (Mover/Advisory Councillor)
Dave Lutigheid (Seconder)





September 7, 2016

16-15
SRM Removal Costs

Brian Adams
President
Grey County Beef Farmers Association

Dear Brian,

The Beef Farmers of Ontario (BFO) Board of Directors recently reviewed the following resolution from the Grey County Beef Farmers Association:

WHEREAS, *the cost of disposing SRM, (specific risk material), has substantially increased for provincially inspected abattoirs (i.e. \$60 to \$100 per barrel), which is adding significant cost to the processing of beef cattle in provincial and local abattoirs,*

THEREFORE BE IT RESOLVED THAT BFO *work with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and the Canadian Cattleman's Association (CCA), to investigate options to help reduce the cost of disposing SRM.*

BFO would like to thank the Grey County Beef Farmers Association for bringing this resolution forward. The BFO Board of Directors recognizes the economic impact that SRM removal costs have on Ontario beef producers and processors. Canada's status as a Controlled BSE Risk Country with the World Organization for Animal Health (OIE) creates a significant obstacle in reducing SRM disposal costs. Ultimately, the level of SRM disposal cost is a combination of regulations that adhere to OIE requirements, and individual cost factors affecting businesses that remove and dispose of SRM.

SRM collection in Ontario is largely performed by Barrett Hides Inc., which collects SRM for Atwood Resources Inc. in addition to normal collection of sheep and hide material. By Atwood's description, SRM collection has been a low- to no-profit service that it performs to make its bundle of services more attractive to processors.

The increase in SRM disposal costs from \$60 to \$100 originated with the disruption of Atwood Resources' operations by two fires, which halted its ability to render and burn/destroy SRM. The need to dispose of SRM offsite increased Atwood's costs, and Barrett Hides subsequently increased the price of their SRM collection service from \$60 to \$100 per barrel.

BFO staff has been in regular communication with both Atwood Resources and Barrett Hides throughout the process of Atwood's reconstruction after the fire. Atwood has since returned its prices to pre-fire

.../2



levels, but Barrett has kept its prices for SRM collection at the same levels, citing general business operating costs. BFO views this as a market issue internal to the costs for Barrett's other activities. The underlying issue – SRM removal requirements to satisfy international BSE status requirements – is what BFO hopes to address in the coming years.

Countries like Canada with Controlled BSE Risk status are eligible to apply for Negligible Risk status – which comes with less stringent adherence requirements – 11 years after the birth date of the most recently born bovine to test positive for BSE. Because the most recent detected case of BSE in Canada was in a bovine born in March of 2009, the earliest date Canada can apply for Negligible Risk status is March of 2020. Previously, the most recent birth date of a BSE case in Canada was August 2004, meaning that without the most recent case, Canada would have been eligible to apply for Negligible Risk status in August of last year. This underscores how crucial it is that the Canadian beef industry currently does everything it can to ensure Canada currently has strict and comprehensive SRM removal and BSE prevention systems in place.

Due to the mandatory 11-year delay in opportunity to apply for reduced BSE risk status, it will be necessary for SRM removal to continue at processing plants in its current form for several years. With that said, BFO supports and promotes regulatory harmonization with the United States, a country that removes less SRM per carcass than Canada.

I would like to thank the Grey County Beef Farmers Association for bringing this resolution forward. We understand and share your frustration in this matter and we will continue to work with our counterparts at the Canadian Cattlemens Association on saleable solutions.

Sincerely,



Matt Bowman
President

cc: Don Hargrave, Mover & Advisory Councillor
Chris Strutt, Seconder
BFO Board of Directors





August 31, 2016

16-16
Coloured Fuel

Bob Dunsmore
President
Perth County Beef Farmers' Association

Dear Bob,

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

WHEREAS, a road tax is built into the price of gas and diesel, and
WHEREAS, the tax is used to pay for the building and maintenance of roads, bridges and other infrastructure, and
WHEREAS, the farmer is paying for this road tax for use in the fields not on roads etc., adding to the costs of production for farmers in an environment where are already so many costs,
THEREFORE BE IT RESOLVED THAT BFO lobby the government to omit the road tax on coloured diesel fuel.

The BFO Board of Directors supports Ontario's gasoline tax exemption that currently exists on coloured fuel used in farm equipment, and agrees that this exemption should continue. A copy of a letter that BFO has sent to Ontario's Minister of Finance, expressing our strong support for maintaining this tax exemption, is enclosed. BFO staff also took the opportunity to convey this position at a meeting with Ministry of Finance policy staff in June.

We will strive to keep you updated on any response from the Ministry of Finance or other movement with this file in a timely fashion.

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

Sincerely,

Matt Bowman
President

cc: BFO Board of Directors
Francis Weitzel (Mover)
Murray Brodhagen (Advisory Councillor)
Dale Grant (Sub-resolution mover)
Jim McComb (Sub-resolution seconder)
Darrell Russett (Sub-resolution President)
Tony Onufer (Sub-resolution mover)
Ken Mills (Sub-resolution seconder)





August 31, 2016

**16-16
Coloured Fuel
Letter to Minister of Finance**

The Honourable Charles Sousa
Minister of Finance
7 Queen's Park Crescent, 7th floor
Toronto, Ontario M7A 1Y7

Dear Minister Sousa,

On behalf of the Beef Farmers of Ontario (BFO) and our 19,000 producer members, I am writing to you today to express our strong support for Ontario's gasoline tax exemption that currently exists on coloured fuel used in farm equipment.

BFO has noted that *Ontario's Climate Change Action Plan, 2016-2020* includes an action item to "reform existing policies and programs that support fossil fuel use and fossil fuel-intensive technologies." While BFO supports the Ontario government's commitment to ensuring the province meets its 2020 greenhouse gas emissions reduction targets, we are concerned that the importance of the tax exemption on coloured fuel and the role it plays in maintaining the competitiveness of agriculture, rural Ontario and the broader provincial economy may not be fully recognized in the government's efforts to reduce greenhouse gas emissions.

As you are aware, revenue from the gasoline tax is earmarked for Ontario's road and public transit infrastructure. Coloured fuel used in farm equipment is not subject to the gasoline tax given the limited amount of time this machinery spends on public roads. This is a rule that aligns with longstanding provincial policy that recognizes that fuel taxes applied to generate revenue to fund the management of public roads and transit should not apply to equipment or activities that do not utilize this infrastructure. Maintaining this exemption is extremely important to our members given rising input costs and the need to remain competitive with other jurisdictions in Canada and the United States, which provide similar fuel tax exemption policies for agriculture.

Applying the gasoline tax to farm equipment would not only target activities and equipment that rarely use roadway infrastructure, but would also unfairly punish farmers for using gasoline-powered equipment while not having access to viable and "green" alternatives. Imposing a tax on fuel used for farm equipment will not deter use of fossil fuels in agriculture until viable, affordable and "green" alternative technologies are available in the marketplace.

BFO is working hard towards helping to meet the Premier's challenge to grow the agri-food sector by doubling its annual growth rate and creating an additional 120,000 new jobs by 2020. It is critical that

.../2



Ontario farmers continue to maintain a competitive position in the global marketplace. Beef farmers are already facing increasing costs of doing business – now is not the time to apply additional financial burden. We urge you to consider the potential financial implications of a gasoline tax on fuel used for agriculture against the realistic environmental benefits that may result from that decision.

Thank you for your attention to this important issue. We would be pleased to meet with you should you wish to discuss the contents of this letter further.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Bowman".

Matt Bowman
President

cc: Hon. Jeff Leal, Minister of Agriculture, Food and Rural Affairs
Hon. Glen Murray, Minister of the Environment and Climate Change
Dianne Saxe, Environmental Commissioner of Ontario





April 19, 2016

16-17
MTO Requirements

Don McCabe, President
Ontario Federation of Agriculture
Ontario Agri-Centre, Suite 206
100 Stone Road West
Guelph, ON N1G 5L3

Clarence Nywening, President
Christian Farmers Federation of Ontario
642 Woolwich Street
Guelph, ON N1H 3Y2

Dear Don & Clarence,

The following resolution submitted by the Frontenac County Cattlemen's Association was passed by voting delegates at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS *the majority of farmers who use farm plates on their farm vehicles to transport products from their personal farming operation and*

WHEREAS *MTO and the OPP have admitted to using Farm Plates as a target for inspection in regards to daily inspections, CVOR's, and Full Log Books when travelling more than 160 km.*

THEREFORE BE IT RESOLVED THAT BFO *lobby the Ontario government to have the rules changed to allow Ontario Farmers to carry on their daily operations in transporting their personal products with their farm trucks and trailers as long as they have completed their "Annual Safety Inspections" on both vehicles and be omitted from the extra burden of any other MTO restrictions in regards to recording daily activities.*

As Ministry of Transportation (MTO) restrictions affect the broader agricultural community, I would ask that the Ontario Federation of Agriculture (OFA) and the Christian Farmers Federation of Ontario (CFFO) pursue this issue, and report back on any discussions or action on this matter. Thank you.

Sincerely,

Matt Bowman
President

cc: Dave Perry, *President, Advisory Councillor, & Mover*
Mike Voith, *Secretary & Seconder*
BFO Board of Directors

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

www.ontariobeef.com





January 27, 2017

16-18
Land Use Challenges

Darrell Russett
President
Beef Farmers of Hastings County

Dear Darrell,

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

WHEREAS, large areas of farm land are being purchased by urbanites that have a focus on recreational properties and have no interest in agricultural activity; and

WHEREAS, land base is a major restriction for expansion; and

WHEREAS, cow numbers are in decline;

THEREFORE BE IT RESOLVED THAT BFO work with / lobby the provincial and municipal government and farm organizations to provide solutions and implement significant increased levies on these agricultural acreages being purchased for non agricultural use as well as increasing the minimum farm income required to obtain a farm business registration number, to therefore encourage or at least maintain the acreage allocation to the rural farm families that are the base of the rural economies.

In 2016, the BFO Government Relations Committee and Board of Directors reviewed Beef Farmers of Hastings County's resolution and discussed strategies that BFO could employ to help ensure a greater level of protection for Ontario's agricultural land. Increasing the minimum farm income required for a farm business registration number was viewed as a separate issue from protecting agricultural land. As a result, BFO chose to pursue other advocacy options to promote agricultural uses of rural lands.

BFO met with the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), the Ministry of Finance, and the Ministry of Municipal Affairs and Housing on multiple occasions over the last year to discuss land use policy. Based on these discussions and Ontario's current legislation regarding land use, BFO believes that imposing levies on agricultural land purchased for non-agricultural use is not the most strategic way to advocate for protection of agricultural land.

The Provincial Policy Statement (PPS) is the foundation of land use policy and planning in rural Ontario, and it is issued through Ontario's *Planning Act* legislation. Land use planning decisions must be consistent with the PPS, which includes policies and definitions for agricultural and rural land, as well as the permitted uses for these differing types of lands. BFO sees the PPS as a critical piece of policy for



achieving better protection of agricultural land and uses, but unfortunately, it is not due for its next review until 2024.

Despite this, we have shared our position and outlined our concerns surrounding the protection of agricultural land and uses to government on several occasions. In order to maintain Ontario's agricultural land base, BFO believes that added priority needs to be placed on the protection of farmland, and that Ontario's current levels of agricultural production, economic activity and employment cannot be maintained if the land base they depend on continues to be lost to non-agricultural uses. BFO has serious concerns with the loss of farmland, most notably pastureland, and believes that the PPS definition of prime agricultural areas should be expanded to include Canada Land Inventory Class 1-4 land (from the current definition of Class 1-3 land), as well as Class 5 and 6 land where part of an existing agricultural operation. The preservation of land for agricultural use, including land that is suitable for pasture but is not Class 1-3, is imperative to the sustainability of Ontario's beef industry.

Our concerns regarding competing uses for agricultural land have been, and will continue to be, conveyed to government. This includes our official comments to the Ministry of Municipal Affairs and Housing and the Ministry of Natural Resources and Forestry on the Greenbelt Plan, Growth Plan for the Greater Golden Horseshoe, Oak Ridges Moraine Conservation Plan and the Niagara Escarpment Plan, which we submitted in October 2016. While these four land use plans do not cover the entire province, BFO is encouraged by the proposed "agricultural system" concept in the Growth Plan for the Greater Golden Horseshoe and the Greenbelt Plan as a way for municipalities to promote and support agricultural uses on rural land, as well as already designated agricultural land.

Based on mapping done by OMAFRA, municipalities in the Greenbelt and Greater Golden Horseshoe will need to identify the region's overall agricultural system, which will include agricultural land and the agricultural "support network" of infrastructure. This could include pastureland, sales barns, feed mills and abattoirs. We feel that this is a positive step in acknowledging the large amount of land that, though perhaps not officially designated and protected as agricultural land, is integral to Ontario's agriculture industry and rural communities. The entire agricultural system, including the rural lands that are vital to agriculture, deserves policies that encourage and support economically viable agricultural uses over non-agricultural uses. BFO is encouraged by this new, proposed policy and we are advocating for its use outside of the Greenbelt and Greater Golden Horseshoe.

BFO recognizes that there are rural landowners who don't put their farmland into agricultural production, and this can be a frustrating issue as we lose agricultural land across the province to urban sprawl and non-agricultural uses. The BFO Board of Directors believes it is crucial that we develop a sustainable beef industry that fosters economically viable beef operations, as this is the best incentive we can offer to keep land available for beef production. BFO is working hard to help beef farmers grow their businesses and be competitive with other jurisdictions and commodities. Some of our initiatives aimed at doing this include our new Regional Marketing Initiative, various cow herd expansion projects and activities across the province, and lobbying for perimeter fencing assistance, the Risk Management Program and Breeder Finance improvements.

Developing a more sustainable beef industry in Ontario will help keep rural lands in agricultural production. Along with the work we are doing to accomplish that goal, BFO will continue to promote our position on preserving land for agricultural use, particularly Class 4-6 land. We are monitoring the potential of the agricultural systems concept for use province-wide, as this approach could provide an enhanced level of protection to agricultural uses on rural lands.



Should you wish to further discuss any of these strategies or policies with us, please don't hesitate to contact us.

On behalf of the Beef Farmers of Ontario, I would like to thank the Beef Farmers of Hastings County for bringing this resolution forward.

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: Dale Grant (Advisory Councillor)
Bruce Palmateer (Secunder)
BFO Board of Directors





May 12, 2016

16-19
Foreign Ownership of Land

Don McCabe, President
Ontario Federation of Agriculture
Ontario Agri-Centre, Suite 206
100 Stone Road West
Guelph, ON N1G 5L3

Clarence Nywening, President
Christian Farmers Federation of Ontario
642 Woolwich Street
Guelph, ON N1H 3Y2

Dear Don & Clarence,

The following resolution, submitted by the Beef Farmers of Hastings County, was passed by voting delegates at the Beef Farmers of Ontario (BFO) annual general meeting in February of this year:

WHEREAS, foreign investment is infringing on land ownership of agriculturally significant acreage,
WHEREAS, land base in Ontario is a major restriction for expansion;
WHEREAS, cow numbers are in decline;
THEREFORE BE IT RESOLVED THAT BFO work with / lobby the provincial and municipal government and farm organizations to provide solutions by implementing foreign ownership policies similar to other provinces which would restricts the amount of Ontario agricultural land allowed to be owned by non-residents and foreign owners to encourage the acreage to be owned and controlled by Ontario rural farm families.

As foreign ownership of land is an issue affecting the broader agricultural community, I would ask that the Ontario Federation of Agriculture (OFA) and the Christian Farmers Federation of Ontario (CFFO) pursue this issue.

BFO has compiled some preliminary background information to assist OFA and CFFO in their investigation of this issue:

- Data on the makeup of farmland ownership in Ontario does not exist in detail.
- What we know of farmland ownership in Ontario is derived from limited farmer surveys.
- The United States does have very good data, which indicates that roughly 2% of farmland in the US is foreign-owned. The largest percentage – 34% – of foreign-owned US farmland is owned by Canadians.



- Researchers at the University of Guelph have surveyed farm operators in the South and Western Ontario Census regions, with results that roughly mirror what is seen in the US. A good estimation for foreign ownership of Ontario farmland is 1-3%. It is also reasonable to estimate that of this number, due to existing trade patterns, Americans are the most prominent nationality owning Ontario farmland besides Canadians.
- The following table summarizes the restrictions on foreign land ownership in several Canadian provinces:

British Columbia	No restriction on foreign ownership. Uses of land in the Agricultural Land Reserve are regulated by the Agricultural Land Commission.
Alberta	Subject to certain exceptions for commercial ventures (including limited natural resource extraction or processing and residential development), non-residents and foreign-controlled corporations can own up to 20 acres of agricultural land. <i>Foreign Ownership of Land Regulations, Alta Reg 160/1979</i>
Saskatchewan	Non-residents and foreign entities can own up to 10 acres of Saskatchewan farm land. Entities that are partially foreign-owned but controlled by Saskatchewan residents or their farming corporations can own up to 320 acres. <i>The Saskatchewan Farm Security Act, SS 1988-89, c S-17.1, The Saskatchewan Farm Security Regulations, RRS c S-17.1 Reg 1</i>
Manitoba	Non-residents and foreign entities can own up to 40 acres of farm land. <i>The Farm Lands Ownership Act, CCSM c F-35</i>
Ontario	No restriction on foreign ownership. Uses of prime agricultural areas are regulated by planning authorities acting pursuant to the 2005 Provincial Policy Statement.
Québec	Non-residents and foreign-controlled entities must get permission to buy more than 4 hectares (or about 10 acres) of agricultural land from the Commission de la protection du territoire agricole du Québec. <i>An Act respecting the acquisition of farm land by non-residents, RSQ c A-4.1</i>

On behalf of BFO's Board of Directors, thank you for pursuing this issue. We would appreciate a report back to BFO on any discussions or actions on this matter.

Sincerely,



Matt Bowman
President

cc: Darrell Russett, *President, Beef Farmers of Hasting County, Seconder*
Bruce Palmateer, *Mover*
Dale Grant, *Advisory Councillor*
BFO Board of Directors





June 17, 2016

Alan Carroll
President
Elgin Beef Farmers

16-20
Renting to Beginning Farmers

Dear Alan,

The Beef Farmers of Ontario (BFO) Board of Directors recently reviewed the following resolution from Elgin County:

WHEREAS *it has become increasingly harder for beginning farmers to start & expand their operation in today's tougher & very competitive markets,*
THEREFORE BE IT RESOLVED THAT BFO *lobbies that land owners whom are renting out their ground be given an extra financial incentive to help promote renting to beginning farmers under the age of 35, this would give land owners an extra incentive to rent to beginning farmers.*

BFO would like to thank Elgin County for bringing this resolution forward. The BFO Board of Directors recognizes the challenges facing beginning farmers in establishing as well as expanding beef operations, and is supporting measures to help facilitate the entry of new farmers into the farming industry in Ontario. BFO is also pursuing measures that will enable farmers of all ages to fence more land, to better access financing to expand their herds, and to establish operations in new areas.

While BFO recognizes that the needs of beginning farmers are unique when compared to those with established operations, we want to be careful with regards to policies and actions that may advantage some beef farmers over others. There are concerns over creating different incentive systems based on age. For example, it is possible that established beef farmers looking to expand their farmed land to make room for their children to begin farming may find themselves excluded by an age-based policy, and consequently may experience difficulty laying the groundwork for their children to enter farming. We do not want to, in supporting a specific sub-group of farmers, make it more difficult for others to carry out their operations. We are, however, pursuing ways to help beginning farmers while strengthening the Ontario beef industry as a whole.

BFO is in the process of conducting a study on a capital gains deferral fund, a resource that is intended to help facilitate the entry of new farmers into the farming industry in Ontario. The proposed fund would allow farmers to deposit all or a portion of the proceeds from the sale of their farms at retirement into a fund and receive a tax deferral on the capital gains. The intent is that this fund be used to support beginning farmers as a pool of capital to acquire farmland and buildings. The fund could be set up to provide favourable terms to beginning farmers compared to those which other financial institutions might offer.

.../2



Young and beginning farmers will also be able to benefit from BFO's efforts to expand financial assistance for beef farmers in the province. BFO has successfully lobbied the Ontario government to double their Feeder Finance guarantee from \$130 million to \$260 million. Coupled with the program's recently increased lending limits, this enhancement will allow more farmers access to competitive interest rates, and give beginning farmers a better start. We are also actively pursuing a provincial government guarantee for the Breeder Loan program, to provide more competitive financing for cow-calf producers in the province and better enable beginning farmers to establish their operations.

The prohibitive cost of fencing pasture land can be particularly impactful to beginning farmers. This has been a point of active discussion for our Board and Cow-Calf Committee, and staff is currently investigating a design for a Perimeter Fence Loan Program that will support beef farmers in establishing and expanding operations in the province.

In addition to financial assistance programs for Ontario beef farmers, we are actively pursuing the release of Northern Crown land for use in beef farming, and are optimistic that we will be able to implement our plan of adding 30 new economically viable farms in the North every year for 20 years. This will provide a venue for beginning, young farmers to enter the industry.

It is worth noting that, in Ontario, properties rented to a farm with a Farm Business Registration Number may be eligible for the Farm Property Class Tax Rate. While this is not specific to beginning or young farmers, it is an important incentive to rent to farmers in the province.

I would like to thank the Elgin Beef Farmers for bringing this resolution forward, and for your support for beginning and young farmers in Ontario. For more information on our initiatives that will benefit beginning farmers, please contact the BFO office.

Sincerely,



Matt Bowman
President

cc: Pete Agar, Mover
Don Miller, Seconder
Dugald Aldred, Advisory Councillor
BFO Board of Directors





September 7, 2016

16-21
Bill C-246

Edward Fox
President
Middlesex County Cattlemen's Association

Dear Ed,

Please accept this letter as an update on our response to the following resolution, which was submitted by the Middlesex County Cattlemen's Association to the BFO Board of Directors in April of this year:

WHEREAS, the proposed Private Members' Bill C-246 (Liberal MP Nathaniel Erskine-Smith) has potential of causing unnecessary financial loss, criminal charges and judgement of agriculture; and
WHEREAS there are various interpretations of farm animal care practices from special interest groups who may consider these unnecessary suffering and neglect of animals; and
WHEREAS the passing of such legislation would lead to stress, dealing with the legal system, and possible ruin of individual farmers and/or segments of the industry; and
WHEREAS the Second Reading of Bill C-246 may be as early as May 9th, 2016;
THEREFORE BE IT RESOLVED THAT BFO act immediately in taking steps to investigate the details of this bill and its implications, and if needed take whatever steps are required to see that Bill C-246 is defeated.

Like many farmers and farm organizations, BFO has concerns with MP Nathaniel Erskine-Smith's proposed Private Members' Bill C-246. Since the bill's first reading in February, BFO has connected with Mr. Erskine-Smith on two separate occasions to discuss the bill's components and intended outcomes. In April, BFO directors and staff met with Mr. Erskine-Smith in Ottawa alongside representatives from the Canadian Cattlemen's Association (CCA). BFO staff again met with Mr. Erskine-Smith in late July, alongside representatives from the Ontario Sheep Marketing Agency via conference call. On both occasions, BFO raised a number of points with Mr. Erskine-Smith, including:

- Animal welfare is of the utmost importance to BFO and its members.
- BFO is respectful of the leadership roles of the government agencies charged with monitoring animal care in Ontario, both federal and provincial.
- BFO supports the National Farm Animal Care Council's *Code of Practice for the Care and Handling of Beef Cattle* as the minimum acceptable standard of animal care for beef cattle in Ontario. The Code is based in science and built upon consensus, having been developed by a multi-stakeholder group that included farmers, transporters, veterinarians, animal welfare and enforcement agencies, retail and foodservice, processors, government and researchers.
- BFO expects all members to take responsibility in their role as beef farmers for the welfare of their animals and for the reputation and positioning of the Ontario beef industry as proactive and principled when it comes to animal care. BFO does not support farmers who do not fulfill this responsibility to their animals and to the public.



- However, we are concerned that the standards for prosecution proposed in the bill could increase the likelihood that farmers will have to defend their adopted and accepted production practices in court. We need assurances through clear language that the bill will not affect animal agricultural practices that adhere to industry-supported Codes of Practice.

Other concerns that were raised:

- Bill C-246 does not have a list of exemptions for specific lawful activities such as farming, ranching, hunting, fishing, trapping, medical research, etc. As a result, we are concerned that the bill may inadvertently create a conflict of law, causing existing legally regulated activities to become illegal. Farm groups see this as a direct threat to their existence. These specific legal activities (farming, ranching, hunting, fishing, trapping, medical research, etc.) should be clearly listed in the bill.
- The bill proposes moving the animal cruelty provisions of the Criminal Code from Part XI, “Wilful and Forbidden Acts in Respect of Certain Property”, to Part V.1. Part V deals with “Sexual Offences, Public Morals and Disorderly Conduct”. The point of this proposed change is that animals would no longer be classified as property. Farm groups would not support moving animal cruelty from the property section of the Criminal Code to Part V.1. This change would suggest giving animals the same rights as humans, and animal rights groups could conceivably use this as part of a court challenge to farmers. As such, this change is perceived as a real threat to animal agriculture.
- Bill C-246 introduces the concept of killing an animal or permitting an animal to be killed “brutally or viciously”, as well as the concept of killing an animal without lawful excuse. “Brutally” and “viciously” are new terms, meaning there is no existing case law and no precedence for how these terms would be interpreted. These new terms, unsupported by case law, are viewed with some suspicion, especially in regards to who is going to interpret them and how the interpretation might affect agriculture.

Next Steps:

Although the bill contains several provisions of concern, Mr. Erskine-Smith has committed to working with farm groups to amend components of the bill to ensure these concerns are addressed. He has repeatedly stated in meetings with BFO, other farm groups and the media that the bill is not intended to affect currently accepted animal agriculture practices. Given this commitment, the BFO board has decided to hold off on providing further comments until the bill has reached the parliamentary committee stage, at which point it will be further debated and possibly revised. Before the bill can reach the committee stage it must pass second reading, which is scheduled to occur early in the fall session. Both BFO and CCA will be monitoring the bill as it progresses, or dies, in the legislative process.

I would like to thank the Middlesex County Cattlemen’s Association for bringing this resolution forward. BFO will keep you apprised of any new developments with respect to Bill C-246.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors
Gord Hardy (Mover)
Craig Scott (Seconder)
Jamie O’Shea (Advisory Councillor)

