



September 20, 2013

Mr. Jake Beitz, Policy Advisor
Ontario Ministry of Agriculture, Food and Rural Affairs
1 Stone Rd West, 2SE
Guelph, ON N1G 4Y2

Dear Mr. Beitz,

Re: *Wildlife Damage Compensation Program: Two-Year Review*

The Ontario Cattlemen's Association (OCA) appreciates the opportunity to comment on the Agriculture-Wildlife Conflicts Compensation program two-year review. While changes that were announced to the program in 2011 were positive, opportunity for improvement still remains.

The compensation program is most often criticized for the inconsistent valuation that occurs across the province. This can be attributed to a number of factors including the lack of a mandatory valuer training program and vague price reporting requirements. The following bullet points provide specific recommendations in response to these concerns and other program shortcomings that have been identified:

❖ **Valuer Training**

To address the lack of valuer training across the province, OCA recommends that all valuers in Ontario, experienced and inexperienced, complete an approved valuer training program. To encourage participation, OMAF's reimbursement to municipalities for administration costs should be made conditional upon the successful completion of the approved valuer training program by all municipal valuers within a specified timeframe (e.g. within 1 year). This would provide greater incentive for municipalities to ensure their valuers are trained and would help address the problem of valuation inconsistency.

❖ **Valuation Process**

While values for some species (*i.e. farmed deer, elk, emu etc.*) may be hard to obtain, values for the vast majority of livestock species (and claims for that matter), are readily attainable and verifiable. To reduce the inconsistencies identified by government and industry with respect to animal valuation, OCA recommends that a more specific reporting and valuation process be adopted.

The recommended process would allow two possible scenarios for determining the value of an animal in an evidence based manner. The first option for valuers/producers would be to use the market reported value. In this case, each valuer would cite the market reported value on the claim form based on the average market price for that livestock category from an approved market reporting source (*i.e. OCA Market Report for cattle*). An appendix to the program guidelines could be added detailing where and how market reports must be obtained and used in determining values for each species. To use cattle as an example, valuers would be directed to reference the OCA weekly market report for the week prior to the date the animal was killed and obtain the Ontario average weekly price for the specific weight

category. This would be verifiable and would ensure consistency and accuracy in the event of a dispute or for program evaluation purposes.

The second option for valuers/producers would be to use the producers' sales records. Producers opting for this option would be required to provide a copy (or copies) of their most recent sales records. This option would be particularly beneficial to producers with animals of higher than average value. The program should recognize and accept individual sales records as evidence sufficient enough to warrant higher than average valuations. This would enable a more objective determination of price for non-registered animals of greater genetic pedigree and for those involved in niche marketing programs (*no added hormones, organic, grass fed, etc.*). In both examples, no true price reporting system exists despite the fact that many non-registered animals of this nature can and do garner higher than average prices at market. Which method is used should be left to the discretion of the producer in question, in consultation with the valuer.

In other jurisdictions, this process of determining value is much more streamlined than the Ontario program. For example, in Alberta, producers have the choice to accept compensation based on the reported daily market value at the time of loss or wait until the end of the month to receive compensation based on the Canfax average price for that month, an objective determination. In Saskatchewan, pricing is determined by using market sales data the week before, the week of, and the week after the loss. The producer is then compensated for the highest of those three values. Again, this type of process is more objective and consistent than Ontario's program.

The process for establishing value in a more standardized and verifiable manner ensures consistency and works to uphold the programs' integrity. Standardizing this process in Ontario would help eliminate the inconsistencies identified with the evaluation process.

❖ **Compensation**

For the most part, current compensation rates provide adequate replacement value for animals killed by predators. However, the valuation formula for newborn calves is outdated and unreflective of actual replacement costs. The current formula for determining the replacement value of newborn calves fails to consider the carrying costs associated with maintaining an unproductive cow as a result of a lost calf. There are real costs associated with this, plus the loss of future income that would have been derived from the sale of the calf. When one considers that more than 90% of all calves survive to weaning weight yet producers receive only 70% of the value of a weaned animal only reinforces the point that true replacement value for newborn calves is not being realized under the current newborn calf valuation scheme. To better reflect the true replacement costs of calves, OCA recommends that newborn calves be valued at 85%, rather than at 70%, of the value of a 500lb weaned calf with values increasing 5% per month up to four months.

❖ **Photographic Evidence**

A detailed section in the program guidelines on the use and requirement for photographic evidence should be developed. Within this section the guidelines should clearly identify the requirement for photographs and what the photographs aim to confirm about the kill (e.g. location, wound etc.). In addition, the guidelines should suggest that producers consider taking their own photographs at the time of the kill to aid in the investigation. This would be particularly useful during extreme weather conditions (e.g. high heat and humidity) and/or delays in the arrival of the valuer. These photographs should be eligible for inclusion as evidence for a claim.

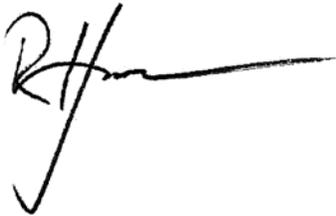
❖ **Prevention Strategy**

While the Agriculture-Wildlife Conflicts Compensation program does not include predation prevention strategies it is directly impacted, in terms of claim rates, by prevention strategies implemented on-farm. Recently, OMAF conducted a pilot study in partnership with MNR in Leeds-Grenville to test the effectiveness and safety in using Relaxing Cable Restraints (RCR). The pilot study set out to determine whether RCR would prove successful in capturing coyotes and what impact, if any, the device would have on other species and domestic pets. A commitment was made to conduct further tests and pilot studies on the use of RCR to combat livestock predation and therefore reduce the financial draw on the program if the initial pilot was successful.

Given the success of the pilot we believe an investigation into RCR legalization should be explored as a means to provide more effective tools to farmers experiencing predation related livestock losses. Prohibiting relaxing cable restraints in southern and parts of eastern Ontario with the highest livestock population and arguably the highest coyote density places area farmers at a distinct disadvantage from the rest of the province. Increasing incidents and program payouts indicate the need for greater controls like RCR to combat livestock predation. Directing taxpayer funds toward population control rather than reactive predation payments would be a beneficial long-term strategy.

The Ontario Cattlemen's Association truly appreciates the opportunity to provide input on the Agriculture-Wildlife Conflicts Compensation program two-year review. OCA would be pleased to meet with you to further discuss the recommendations contained in this document.

Yours truly,

A handwritten signature in black ink, appearing to read 'RH', with a long horizontal line extending to the right.

Richard Horne
Policy Advisor