

Effective BRM Programming Across Sectors

Beef farmers have few private market-based options to mitigate risk, especially in the medium and long-term. Revenue uncertainty has a negative impact on a farmer's willingness to invest in farmland, buildings, equipment and new technologies/processes.

In order for us to weather the swings in the market, important income support programs have been created that operate like insurance, with farmers paying premiums in partnership with the provincial and federal governments. However, access to these programs varies considerably by region, commodity sector and in the level of support provided which has created significant inequality among farm sectors.

For beef and other livestock farmers in the non-supply managed commodities market volatility risks are even greater. Unlike farmers in grains and horticulture who have access to crop insurance (AgriInsurance), and unlike supply managed farmers who maintain price and production supports, livestock farmers in the non-supply managed sectors have limited control over both their costs and the prices of their products. For the most part, the prices of both the goods we sell and the inputs we have to buy are set daily on the Chicago futures market. They fluctuate wildly depending on international conditions.

There is a need to improve the fairness and effectiveness of Business Risk Management (BRM) programs to ensure all farm sectors have access to similar levels of support to ensure sustainability and growth can be achieved across commodity industries. The Ontario Beef industry wants to work with you to help design the next generation of stability programs.

Questions for Candidates:

- 1. Will you and your party commit to maintaining existing levels of Business Risk Management (BRM) support and reversing the cuts that were made in 2013 once the next agricultural policy framework (Growing Forward 3) begins in 2018?**
- 2. What will you do to ensure your party corrects the imbalance between sectors in regards to Business Risk Management (BRM) programs that disproportionately disadvantage non-supply managed livestock farmers?**
- 3. What will you do to ensure your party's support and participation in Ontario's Risk Management Program (RMP)?**
- 4. Will your party support provincially designed BRM programs?**

Policy Options:

- **Federal participation in Ontario's Risk Management Program (RMP)**

The RMP was always designed as a three-way partnership but the Federal Conservatives has declined to participate. While we understand that RMP might not be the right model for the whole country, common sense tells us there is nothing wrong with tailoring programs to the unique needs of individual regions, especially when the provincial governments are partners.

- **Re-design AgriStability and Improve Support Levels**

Federal cuts introduced in 2013 to the tune of more than \$350MM/year and recognized program design flaws have left the program unresponsive when tough times hit. Farmers are waiting too long, for too little support, when they need it. However, AgriStability is a program farmers are familiar with and there is an opportunity to enhance its effectiveness should the next government make a concerted effort to improve the program design and enhance support levels.

- **Develop of a National Livestock Production Insurance Program**
- **Develop a National Forage Insurance Program that operates like crop insurance (AgriInsurance)**

Promote Industry Sustainability and Growth

Increasing population growth, urbanization and a rising middle class in emerging economies will continue to push beef and meat protein demand for the foreseeable future. However, despite strong demand and record high beef prices, the cost of establishment for new operations and the on-going and escalating operational costs for existing farms is preventing expansion and growth at a rate relative to demand. There is tremendous opportunity for growth and expansion if the right supports are put in place.

Access to start-up and expansion capital for farmers and competitive low-cost financing will help spur growth in our industry creating important economic spin-off activity for the broader Canadian economy.

Questions for Candidates:

- 1. How do you and your party plan to support sustainability and growth in the beef industry?**
- 2. Beef farmers both new and old must have access to competitive and sufficient low-cost financing and grants for the purchase of animals, land, equipment and critical infrastructure such as perimeter fencing. How does your party plan to support farmers in these key areas?**

Policy Options:

- Creation of a dedicated Ontario/Canada Livestock Perimeter Fencing Program for new or expanding operations. 50-50 cost-share at \$10MM per year (Ontario) for the next 5 years
- Enhance the Canadian Agricultural Loans Act (CALA) to assist new and expanding farmers
- Federal participation in the Ontario Feeder Cattle Loan Guarantee Program (at no-cost)
- Amend the Advance Payments Program (APP) to allow loans to be advanced prior to the purchase of livestock. Requiring ownership of the cattle as a security requirement discourages producers from participating who may otherwise take advantage of the program

Drive and Support Research and Innovation

Key to achieving a more competitive and profitable beef and broader agricultural industry is the development of, and access to, relevant research. Increasing support for beef research underpins our broader vision of creating the necessary conditions to enable expansion and improve profitability of the industry, which is dependent on the innovations and efficiencies achieved through investment in research across a spectrum of disciplines, including genomics and reproductive physiology. There is also a need to understand and address broad societal concerns regarding both animal welfare and sustainable beef production practices, the latter related to such issues as efficient water use, reduced antibiotic use, and reduction of GHG emissions.

Questions for Candidates:

- 1. How does your party plan to support beef research and development?**
- 2. Will your party continue to support the successful National Science Cluster Model?**
- 3. Will you and your party support BFO's federal request for infrastructure funding for the Elora Beef Research Centre?**

Policy Options:

- Federal funding for beef research needs to increase and industry to government leverages remain constant to ensure continued improvement in beef production efficiency and industry competitiveness
- Continued support for the successful National Beef Industry Science Cluster
- Support BFO's federal request for infrastructure funding for the Elora Beef Research Centre

Trade and Industry Competitiveness

Canada exports 46% of all beef production (including live slaughter cattle exports), making the international consumers as important as the ones at home. While many of the recently signed trade deals provide potential value to the Ontario and Canadian beef industry in terms of market access for Canadian beef products, many come attached with technical conditions so onerous that they prevent the beef sector from taking full advantage.

Canada is entering into the Trans Pacific Partnership (TPP), before we have successful implementation of the CETA deal. There is great opportunity in the EU for Canadian beef, but only if the access is real and meaningful. BFO cannot support free trade deals which are free in name only.

Questions for Candidates:

- 1. If you are elected, how will you and your party ensure meaningful and real access for Ontario beef in new and existing export markets?**
- 2. Will you and your party support reinvestment in market development funding to grow and defend Canadian beef in the domestic market? If so, by how much annually?**

As we move toward mandatory traceability requirements it must be emphasized that any costs associated with additional traceability requirements must be assessed against a measurable value of real benefit to the industry. Traceability must be implemented in a way that does not impede the speed of commerce and does not negatively affect market neutrality. The federal government must outline its commitment to offset costs incurred by the industry in order to implement and maintain the costly livestock traceability system currently in development.

Questions for Candidates:

- 3. How do you and your party plan to support the implementation and maintenance of a national livestock traceability system, which farmers see as a public good?**