



November 24th, 2016

The Honourable Charles Sousa
Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd floor
95 Grosvenor Street
Toronto ON M7A 1Z1

Dear Minister Sousa,

Re: 2017 Ontario Budget Discussions

The Beef Farmers of Ontario (BFO) appreciates the opportunity to participate in the 2017 Ontario Budget discussions with Parliamentary Secretary Yvan Baker. BFO represents the 19,000 beef producers in Ontario by advocating in such areas as policy planning, industry development and research, animal health and care, environment and food safety.

Specifically related to the 2017 Ontario Budget, there is nothing more important to the 19,000 beef farmers that I represent than ensuring your government continues to invest in the Ontario Risk Management Program (RMP), a program designed to help farmers manage uncontrollable price risks and provide stability to the industry.

RMP is an excellent example of a program that is contributing to the success and survival of farm businesses by addressing the competitive imbalances with other jurisdictions and the supply managed commodities, by providing farmers with the confidence they need to invest in their operations and expand, and by supporting new farmers who face high risks entering the industry.

A study conducted by the University of Guelph found that RMP payments in 2012 resulted in an additional \$57.3 million in GDP, \$194.2 million in economic output and more than 1,200 full-time jobs. Every \$1 from RMP resulted in an additional \$1.17 in economic activity, or 117% ROI.

Beef farmers throughout Ontario are thankful for your continued support of the RMP program, and we urge you to continue that investment through a renewed commitment to RMP in the 2017 budget.

The second item I would like to raise is the need to open up Crown lands in Northern Ontario for Ontario's beef industry. Our industry's biggest long-term priority is to find ways to sustain our processors and grow our industry to help meet the Premier's Agri-Growth Challenge to double agricultural production and create 120,000 new jobs by 2020, while capitalizing on the strong demand for local food.



However, land is the single largest cost in the establishment of a farm, and every decade we are losing over 1 million acres of valuable farmland to urban sprawl in Ontario. To address this concern, we ask that a new mechanism be developed to improve access to Crown land for farming. The new mechanism should be transparent, defined, predictable and responsive, and allow for transfers of appropriately sized parcels of land so investing farmers can quickly achieve economies of scale.

Improved access to Crown land in sufficiently sized parcels will assist our industry in achieving our goal of adding 30 economically viable farms to the region every year for the next 20 years. Over that period of time, it is expected that the province would receive revenues of greater than \$600 million from the transfer of Crown land to productive farms. Over those same 20 years, the established farm operations would contribute more than \$6 billion in value-added GDP to the province.

The beef industry is an important economic driver of Ontario's agri-food sector, with current farm gate sales of approximately \$1 billion, processing revenue of \$3.25 billion, and retail sales of \$9 billion per year. On a broader scale, the agri-food and agri-food processing sector is the number one economic driver in Ontario, and investments made in our farmers ensure that capacity continues to grow, providing not only stable long-term employment in Ontario, but also a secure supply of local food processed in Ontario. The jobs in processing are predominately located in urban Ontario – all of Ontario benefits when you invest in primary agriculture.

On behalf of the Beef Farmers of Ontario (BFO), we look forward to our continued partnership with you and your government, and we thank you for the opportunity to provide comments for the 2017 Ontario Budget.

Sincerely,



Matt Bowman
President

cc: BFO Board of Directors

