



Beef Farmers of Ontario 2019 Pre-budget Consultation Submission

The Beef Farmers of Ontario (BFO) appreciates the opportunity to participate in the Ontario Government's 2019 pre-budget consultation.

Who We Are

- The Beef Farmers of Ontario (BFO) represents 19,000 beef producers in Ontario by advocating in the areas of policy planning, industry development and research, animal health and welfare, and domestic and export market development.
- The beef industry is an important economic driver of Ontario's agri-food sector, contributing \$2.69 billion to Ontario's GDP on an annual basis. Gross sales from the sector exceed \$13 billion annually and sustain more than 61,000 jobs.

2019 Budget Requests

1. Bring forward to 2019 the platform commitment to increase the cap on the **Ontario Risk Management Program (RMP)** by \$50 million annually and allow any unused funding to roll over into the next program year. This is the single most important thing you can do for Ontario beef farmers.
2. Create a dedicated application stream for agriculture to allow access to **Crown Land** that is transparent, defined, predictable, and responsive, and can allow transfers of sufficiently sized parcels of land so farms can quickly achieve economies of scale.
3. Create a cost-shared **Perimeter Fencing Program** for farm properties to support farm establishment and expansion efforts.

Challenges and Opportunities Facing the Beef Sector

- A recent report from the OECD estimates that global beef trade will increase by 25% by 2023. Ontario's abundance of good soil, clean water, and productive land resources, as well as a strong demand for our products puts us in an excellent position to take advantage of new growth opportunities.
- However, more frequent and volatile shifts in global commodity markets added to the Ontario beef industry's growing competition with cheaper imported products has created new levels of risk and



uncertainty in our sector, risks that will continue to challenge our capacity to sustain production and limit our ability take advantage of the strong global demand for our products.

Background to Support Our Requests

Fulfillment of BFO's requests for the 2019 Budget will:

- ✓ create and sustain Ontario jobs
- ✓ spur economic activity in rural Ontario
- ✓ provide positive ROI for provincial investment
- ✓ mitigate threats to Ontario's beef industry caused by factors beyond government or business control

1. Increased Investment in the Ontario Risk Management Program (RMP)

Beef farmers now face an unprecedented level of uncertainty, and risks beyond their control due to increased costs of production, government red tape, trade uncertainty, and a level of sustained market volatility we have never experienced. The best remedy for these risks, which will sustain Ontario's beef capacity and promote new economic output, is to increase Ontario's investment in the Risk Management Program (RMP).

RMP fills a critical gap for livestock commodities in Ontario that are not protected by the supply management system or have access to other effective farm support programs like crop insurance. RMP is a cost-shared insurance program designed to help stabilize the industry by providing partial financial protection for Ontario farmers against global downturns in commodity market prices by providing assistance when market prices fall below a participating producer's support level.

RMP is a made-in-Ontario solution that addresses shortcomings in the national programs. It was designed and developed with direct input from Ontario farmers in partnership with the provincial government. We would like to thank Premier Ford for his campaign commitment to increase the cap on the Ontario Risk Management Program by \$50 million annually. This commitment demonstrates the government's acknowledgment of the vital importance of this program to Ontario farmers and the Ontario economy, and recognizes the chronic underfunding this program experienced under the previous government.

Bringing forward this commitment to 2019 would represent an excellent investment by the province. A 2015 study by Cummings and Associates found that every \$1 dollar invested into the RMP results in \$2.24 in positive economic activity. In addition, the study found that 62% of participating producers indicated the program had a positive effect on their decision to hire and/or maintain employees.

Adequate funding will allow farmers to better manage risk and focus on greater innovation, their farms' sustainability, farm job creation, and new market growth opportunities.

2. Reducing Red Tape & Regulatory Burdens for Crown Land Access

Like you, we want Ontario to be open for business by creating and protecting jobs. Unfortunately, the current process for accessing Crown Land for agricultural production is anything but open. Limitations in the amount of land that can be accessed, what activities can be permitted, and the overly burdensome and lengthy approvals process that can take two years or more to complete eliminates potentially massive opportunities for agricultural growth in the north.



Land is the single largest cost in the establishment of a farm, and every decade we are losing over a million acres of farmland to urban sprawl. To address this concern, we ask that a dedicated agricultural application stream be created that is transparent, defined, predictable and responsive, and allow for transfers of sufficiently sized parcels of land so farms can quickly achieve economies of scale.

Improved access to Crown Land in sufficiently sized parcels will assist our industry achieve our goal of adding 30 new economically viable farms to the region every year for the next 20 years.

It is expected that the province would receive revenues of greater than \$600 million from the transfer of Crown Land to productive farms, and over time those farms would contribute more than \$6 billion in value-added GDP to the province. Committing to develop the north through agricultural expansion will help spur growth in sectors like the beef industry, generate economic returns for the province, and increase the food security of our province.

3. Creating Land Improvement & Farm Growth Opportunities Through a Perimeter Fencing Program

We need to find new ways to assist farmers in the establishment/re-establishment of perimeter fencing, which will create new opportunities for growth in the beef and sheep sectors, and for other farm operations looking to incorporate livestock grazing as an enterprise.

Other jurisdictions support livestock farmers with fencing programs to deter predators, to assist with expansion plans, for land improvement efforts, and to promote new income streams for grain farmers. So too should Ontario.

The Northern Ontario Heritage Fund Corporation (NOHFC) already provides valuable cost-share funding for perimeter fencing in the north. Expanding this program, or a similar cost-shared program to the rest of the province would have immediate impacts on the rural economy by supporting local supply businesses as well as young, new and expanding farmers.

Thank You

On behalf of the Beef Farmers of Ontario, we thank you for the opportunity to help form Budget 2019. We would welcome any opportunity to discuss the recommendations contained in this submission in further detail at your convenience.

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The Beef Farmers of Ontario represent 19,000 beef producers in Ontario by advocating in the areas of sustainability, animal health and care, environment, food safety, and domestic and export market development. BFO's vision is help foster a sustainable and profitable beef industry, and have Ontario beef recognized as an outstanding product by our consumers.

