



February 1, 2021

Hon. Ernie Hardeman, Minister  
Ontario Ministry of Agriculture, Food and Rural Affairs  
77 Grenville St., 11th Floor  
Toronto, ON M5S 1B3

Dear Minister Hardeman,

*Re: Support for AgriStability Enhancements*

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On behalf of Beef Farmers of Ontario (BFO) and our 19,000 members, I would like to express our sincere thanks and appreciation to you for your efforts to help improve the AgriStability program. I personally know how much time and energy you have put into bringing the FPT agriculture ministers together to find workable solutions on the topic of improvements to AgriStability. I assure you that your efforts have not gone unnoticed and that they are appreciated by the BFO board and staff, and our members throughout the province.

With respect to the proposal that Minister Bibeau has put on the table for provincial governments to consider, please let this letter serve as BFO's formal endorsement of that proposal which includes the commitment to increase the AgriStability compensation rate from 70% to 80%, as well as removing the Reference Margin Limit (RML). Based on our recent conversations with Minister Bibeau, we also understand that an increase to the operational cap for farm businesses is something that is still being seriously considered. We would certainly support that type of change and would encourage you to support such a change if presented with the option.

While these changes would represent meaningful improvements to the program, the absence of any change to the program trigger level will continue to leave many farmers without adequate coverage. Recognizing that Minister Bibeau's proposal falls short of what both you and industry groups like BFO had hoped for, and short of the spending authority that was granted by the Ontario Treasury Board for more robust improvements, including a return to an 85% trigger level, we reiterate our strong support for the following:

In the event that a consensus on AgriStability enhancements cannot be reached, or if Minister Bibeau's proposal for enhancements (or a proposal of similar or lesser expected cost) is ultimately approved before the end of the fiscal year, we ask that any unused earmarked money for AgriStability enhancements be redirected to augment the Ontario Risk Management Program / Self-Directed Risk Management Program before the final 2020 program payments are made.

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

[www.ontariobeef.com](http://www.ontariobeef.com)



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Minister, we are grateful for your leadership on this issue and we were extremely pleased to learn that Treasury Board was supportive of your petition last year for additional spending authority to accommodate anticipated AgriStability enhancements. However, it appears that the program improvements and anticipated costs, the latter of which was approved by the Treasury Board, will not be implemented this year. If a consensus is reached on either Minister Bibeau's proposal or a similar alternative approach, it will likely represent a much smaller increase in the AgriStability liability for Ontario than was originally planned for and hoped for when approval was sought from Treasury. In light of this, we implore you to consider redirecting, and requesting a redirection of, those unused funds into the RMP/SDRM program. This is the single most important and impactful decision that the Ontario government can make with respect to business risk management support, given where negotiations with AgriStability are at currently.

We appreciate and continue to support your efforts to improve the AgriStability program, a vital business risk management tool for farmers. We also would be remiss if we did not restate our sincere thanks for the government's decision to augment RMP funding in 2020 with an additional \$50 million, honouring in part your party's election campaign commitment. We acknowledge this was a significant announcement by your government, and we thank you for that. We hope you will give serious consideration to our recommendation to redirect unused funds earmarked for AgriStability improvements to the RMP/SDRM program to continue to make it a viable, workable program for farmers.

Minister, we thank you for your continued leadership and we would welcome the opportunity to discuss our position in further detail at your convenience.

Sincerely,



Rob Lipsett  
President

cc: *BFO Board of Directors*  
*Randy Pettapiece, MPP*  
*Toby Barrett, MPP*

