



March 20, 2020

The Honourable Marie-Claude Bibeau, P.C., M.P.
Minister of Agriculture and Agri-Food
House of Commons
Ottawa, Ontario K1A 0A6

The Honourable Bill Morneau, P.C., M.P.
Minister of Finance
House of Commons
Ottawa, Ontario K1A 0A6

Via Email: Marie-Claude.Bibeau@parl.gc.ca
Bill.Morneau@parl.gc.ca

Dear Ministers,

Re: COVID-19 Disaster Assistance Recommendations for Ontario's 19,000 Beef Farmers

In the development of a stimulus and disaster assistance support package for the Canadian agricultural sector, we ask that the federal government prioritize the following recommendations in support of Ontario's 19,000 beef farmers and their families.

- ✓ **Work with the Ontario government to immediately remove the cap on the Ontario Risk Management Program (RMP)**

The RMP is a cost-shared insurance program designed to help stabilize the industry by providing partial financial protection for farmers against downturns in commodity market prices. The program provides crucial support for the Ontario beef sector, and plays an essential role in helping to address shortcomings in national business risk management programs. The RMP operates as an insurance program with producer premiums set at 30% of the long-term program cost, which makes the program fiscally sound and responsible, and allows all partners to share in and manage future risks. The RMP is currently provincially funded and capped at \$100 million for all eligible sectors combined.

Program payments are made to participants when market prices fall below support prices that are calculated using previously determined formulas based on industry average cost of production data. All farmers, regardless of current enrollment, should be allowed to participate in the program.

- ✓ **Establish a Canadian cattle set-aside program for fed cattle and cull cows to help manage processing volumes in the event of a processing interruption or border closure**



When the supply of cattle exceeds available processing capacity, farmers receive significant discounts on their cattle, animal welfare is threatened, and market losses intensify. Implementation of a set-aside program would, based on 2004 experience when similar programs were in place in Canada during the BSE crisis, help alleviate some of the market pressure by spreading out cattle marketings or reducing supply in the market.

Farmers would bid to extend the feeding period of cattle/delay processing of cattle up to a maximum of \$2 per head per day for a period to be determined by an established governing committee. Bids could operate on a weekly or bi-weekly basis, as determined by the committee. Program design would be similar to the model used in 2004 during the BSE crisis, which included a governing committee, calls for bids from cattle feeders, a hold back of enrolled animals, and other elements. Governing committee appointments would include independent business and financial experts.

✓ **Institute immediate enhancements to AgriInvest**

Enhancements could build on the AgriInvest Kickstart precedent from 2006 when \$600 million was provided to farmers based on approximately 2.7% of ANS.

Enhancements could include:

- Provide an immediate injection of 5% of last year's ANS into AgriInvest accounts
- Waive the requirement for a matching contribution
- Make withdrawals tax-exempt
- Allow producers not currently enrolled in the program to enroll without penalty

✓ **Institute immediate enhancements to AgriStability**

Enhancements could include:

- An increase to the AgriStability payment trigger to 85% for 2019-20 program year and for the remainder of the Canadian Agricultural Partnership
- Remove reference margin limit
- Remove the operational cap of \$3 million
- Put systems in place to process claims more quickly, including requests for interim payments
- Allow producers not currently enrolled in the program to enroll without penalty

Ministers, these are truly unprecedented and challenging times for all. We thank you for your tremendous leadership during the COVID-19 crisis, and for your consideration of the important recommendations provided in this letter. Stay well.

Sincerely,



Rob Lipsett
President

cc: The Honourable Ernie Hardeman, Ontario Minister of Agriculture, Food and Rural Affairs
The Honourable Rod Phillips, Ontario Minister of Finance

