

June 11, 2019

Hon. Ernie Hardeman
Minister of Agriculture, Food and Rural Affairs
Ontario Ministry of Agriculture, Food and Rural Affairs
77 Grenville Street
Toronto, ON
M7A 1B3

Dear Minister Hardeman,

RE: Meeting request regarding immediate changes needed to Business Risk Management Programs

The Ontario Federation of Agriculture (OFA), is writing to request a meeting with you to discuss needed immediate and long-term improvements to the Business Risk Management (BRM) programs prior to the federal-provincial-territorial (FPT) Agricultural Ministers' July meeting.

OFA fully supports the AgGrowth Coalition's request for immediate enhancements to the suite of BRM programs while long-term program changes are considered. We agree that long-term changes are required to enable the programs to better address the risks Canadian and Ontario farmers face.

Canadian and Ontario farmers are dealing with increased volatility and risk caused by global trade disputes. This has led to a decline in commodity prices which are set by global markets and out of the control of primary producers. Farmers that rely on export are facing additional challenges caused by the uncertain trade environment.

In recent years, government support provided through BRM programming has not kept up with inflation. As a result, Canadian and Ontario farmers receive significantly less government support than farmers in the U.S, Europe and China. Canadian and Ontario farmers have fallen further behind in this regard after the U.S government's recent increase in direct support to American farmers impacted by the current trade environment. If the FPT governments do not respond, Canadian and Ontario farmers will be put at a competitive disadvantage.

OFA supports the following recommended immediate improvements to the AgriStability and AgriInsurance programs:

AgriStability

- Removal of the Reference Margin Limit (RML) provision.
- Restore the reference margin coverage to 85% from the current level of 70%.

AgriInsurance

- FPT governments immediately begin examining options for enhancing access to commodities that currently have no coverage such as the livestock sector and certain horticulture crops.
- The inclusion of these new commodities will require additional funding as to not diminish the coverage provided to current AgriInsurance participants.

These program enhancements would be a positive first step and would provide additional support to participants enrolled in those programs. However, program participation remains a significant challenge with many Ontario farmers choosing not to enroll in AgriStability. Therefore, we recommend the Ontario government lead discussions at the FPT Ag ministers' meeting to explore long-term fundamental changes to the current suite of BRM programs.

Establishing an industry-government BRM technical working group, comprised of FPT officials and staff of industry associations, would enable industry to contribute to the development of fundamental BRM programing changes. OFA will commit policy staff time to be part of such a technical working group.

On behalf of Ontario farmers, thank you for your continued support. We look forward to meeting with you prior to the FPT Agricultural Ministers' July meeting.

Sincerely,



Keith Currie
President

cc: AgGrowth Coalition Co-Chair Markus Hearle, President, Grain Farmers of Ontario
AgGrowth Coalition Co-Chair Jeff Nielsen, President, Grain Growers of Canada
AgGrowth Coalition Co-Chair Chris van den Heuvel, Vice-President, CFA
Mary Robinson, President, Canadian Federation of Agriculture (CFA)
OFA Board of Directors