

May 21, 2021

Hon. Ernie Hardeman
Ministry of Agriculture, Food and Rural Affairs
77 Grenville Street, 11th Floor
Toronto, ON
M7A 1B3
Sent via email to: minister.omafra@ontario.ca

Dear Minister Hardeman:

Re: Next Policy Framework - AgriStability and Strategic Initiatives

The Ontario Federation of Agriculture (OFA) proudly represents more than 38,000 farm family members across the province, supporting our members and the agri-food industry on issues, legislation and regulations governed by all levels of government. OFA works to ensure the agri-food sector and our rural communities are included, consulted, and considered in any new and changing legislation that impacts the sustainability of our farm businesses. We are the leading agricultural advocate for Ontario farmers, their businesses, and their communities.

As a follow up to the Phase 1 consultation meeting last week, we would like to take this opportunity to provide some initial direction for the Next Policy Framework (NPF). While we recognize consultations for the NPF are just beginning, we would like to note that we have not yet had the opportunity to meaningfully consult with the OFA membership on policy options. We look forward to engaging our membership to provide more detailed recommendations as NPF discussions progress.

As a member of the Canadian Federation of Agriculture (CFA), OFA supports their recommendations which have been generated and endorsed by farm organizations from across Canada. Many of those recommendations are included in our comments below.

AgriStability Recommendations

As you know, it is critical for Ontario farmers to have access to a suite of well funded Business Risk Management (BRM) programs that provide adequate and timely financial support to farmers when they experience losses due to risks beyond their control.

As the only whole-farm program, AgriStability plays a critical role in the BRM suite. It is also the program that is in most need of revisions. Many Ontario farmers have lost faith in the AgriStability program when the cost-cutting measures of reducing the payment trigger from 85% to 70% of historical reference margins and the inclusion of the Reference Margin Limit (RML) were introduced under the Growing Forward 2 National Policy Framework. OFA's long standing position has been that both of these measures need to be reversed by eliminating the RML and moving the payment trigger back up to 85% of historical margins.

On behalf of OFA, I would like to thank you for your leadership in advocating for changes to AgriStability at the Federal, Provincial and Territorial (FPT) ministers' meetings. Thanks in part to your efforts, the Reference Margin Limit (RML) has been eliminated from the AgriStability program. This will reduce complexity and make it easier for many producers to qualify for a payment.

Despite Ontario's efforts, the second proposed change to AgriStability, which would have increased the compensation rate for approved AgriStability claims from 70% to 80% did not receive enough support from FPT governments to be enacted. As industry and government continue to work together on long term changes to AgriStability, we ask that your government work with the Federal government to increase the compensation rate for Ontario producers to 80%.

NPF Strategic Initiatives Preliminary Recommendations

Investment in the NPF's strategic initiatives has not kept pace with inflation, let alone with growth in the sector or the new policy priorities associated with our industry that download considerable costs on producers. OFA believes a top priority is to invest in NPF strategic initiatives at a level commensurate with agriculture's increased recognition as a provider of myriad public goods and services, that acknowledges the increased scale and prominence of agriculture as a strategic Canadian industry.

Environmental Sustainability and Climate Change

Rising environmental demands and expectations on the agricultural sector require a policy framework that provides financial support to producers to make the investments required to meet these demands. Farmers want to do the right thing and are doing all they can, but without any corresponding value in the marketplace or returns for producers to meet these demands, farmers are challenged to find the business case to fund additional environmental expectations. We see a need for clearly articulated yet flexible and adaptable incentive programs if we are to induce further activity.

OFA recently updated our climate change policy to include a recommendation that the federal government work with provinces and territories to develop additional financial incentive programs focused on improving soil health and increasing organic matter content in soils to enhance its carbon capture abilities and build capacity to adapt to a changing climate. We further recommend that the federal government provide additional federal government funding in the NPF for financial incentive programs focused on improving soil health and increasing organic matter content in soils. This could consist of programs that reduce the barriers to adopting technologies on the farm that have greenhouse gas emissions reduction, programs to assist with further equipment upgrades across the agricultural sector, and additional programs that support the reduction of on-farm greenhouse gas emissions.

Labour, Business Development, and Competitiveness

In the wake of COVID-19, we see there being a strong need for greater investments in worker health and safety infrastructure including advancing the role of automation throughout the agri-food value chain. We are pleased to see this type of programming being already considered, such as the recently released Ontario Agri-Tech Innovation Cost Share Program.

COVID-19 has also raised the profile of labour issues in the agricultural sector, with OFA members facing significant recruitment and retention issues over the last year. We would like to see addressing issues in Labour, Business Development, and Competitiveness be given a more

prominent position in the list of NPF priorities. Included under this banner, we see there being an increasing need to drive precision agricultural technology research and adoption forward for an environmental, labour savings, competitiveness benefit.

Public Trust – Certification and Assurance Programs

There are an abundance of private standards, certifications and associated verification requirements within the agricultural sector that are a growing concern. Efforts to streamline verification and data collection, through projects like the Canadian Agri-food Sustainability Initiative (CASI), are critical. These also need to be leveraged in international markets through efforts like the ongoing discussion around a National Sustainability Index to leverage the data collected for the sector's benefit and differentiation.

Public trust funding for community engagement and dialogue should be continued with cost-shared public trust funding to support grassroots engagement that facilitates a two-way dialogue.

Once again, thank you for this opportunity to provide our preliminary input on the direction of the Next Policy Framework. OFA looks forward to working with the Ontario government to ensure the suite of BRM programs and Strategic Initiatives work for all Canadian and Ontarian producers.

Sincerely,



Peggy Brekveld
President

cc: The Honourable Marie-Claude Bibeau, Minister Agriculture and Agri-Food Canada
Mary Robinson, President, Canadian Federation of Agriculture
OFA Board of Directors