

OFA – Policy Advisory Council (PAC) Meeting

August 24, 2021

Virtual via Zoom

Welcome

John Gillespie, Bruce PAC representative welcomed everyone to the virtual PAC meeting. He introduced the topic and explained its importance.

County/Commodity Updates

Ontario Fruit & Vegetable Growers Association

Temporary Foreign Workers

Peggy Brekveld, OFA President commented that Stefan Larrass from Ontario Fruit & Vegetable Growers Association was available to take questions via the chat box.

Beef Farmers of Ontario

Drought

Don Badour, Beef Farmers of Ontario (BFO) PAC representative provided a brief update on the emergency feed relief program being led by BFO. Rainy River and Kenora districts are eligible to apply, the application deadline ended August 23. Feed will be distributed until September 30 or when the funding has been utilized. To date 60 applicants have received hay. The hay is intended for immediate use, not for stock piling.

Dan thanked OFA for their financial contribution to the program.

Peggy thanked BFO for taking the lead and explained that the OFA Board of Directors donated \$50,000 to the Northwestern Ontario initiative and an additional \$50,000 to Canadian Federation of Agriculture for Hay West efforts.

Wellington County

Municipal Affairs 101

Barclay Nap, PAC representative from Wellington County expressed that when recruiting new leaders, it is difficult for them to become familiar with municipal terms/language and/or dealing with councils. Barclay asked if OFA has any tools or manuals to help counties?

Peggy thanked Barclay for the request and deferred to OFA staff to investigate what can be provided to counties. She personally was not familiar with any document that teaches municipal language/terms.

Elgin County

Deadstock

Greg Fentie, PAC representative from Elgin commented that Atwood Resources Inc. is changing the boundaries for deadstock pick up. Atwood is the only one that picks up cattle, it will leave many farms without deadstock service starting September 1, 2021.

Cathy Lennon, General Manager commented that the issue has been escalated to Beef Farmers of Ontario, Dairy Farmers of Ontario, Ontario Sheep, Veal Farmers of Ontario, and others including veterinarians. The issue was discussed with OMAFRA this morning. Atwood will only accept deadstock within a 90 minute radius, if they do accept outside of the 90 minute radius, the cost will be between \$750 – \$1200 per species. Many discussions and meetings are being pulled together; we will keep you posted.

Lambton County

Hay West

Gary Martin, PAC representative from Lambton announced that at their last board meeting a decision was made to donate \$2000 to the hay west effort.

Kent County

Bill Parks, PAC representative from Kent brought forward the following items that Kent County is requesting OFA's assistance:

1. Promotion of Agriculture to our Urban Cousins
2. Land Use Planning to Overcome Rural/Urban Divide
3. Labor concerns for Temporary Foreign Workers
4. Covid Shots to ease border crossings
5. Lockdown Mortgage rates for longer term

Issue Updates

Farmland Preservation

Peggy Brekveld commented that counties are facing challenges and pressures for farmland to be developed. OFA has supportive messaging to assist in those conversations.

Elections Zone 7 and 14

Peggy Brekveld encouraged anyone living in Zones 7 or 14 to watch the candidate videos posted on the OFA website, to vote and encourage others in your area to vote.

Peggy congratulated Paul Maurice who was acclaimed in Zone 13, replacing retiring Director Keith Currie.

Setting the Stage – Canadian Agricultural Partnership

See PPT Presentation attached

Karl Maiterth and Basia Florio both from the Strategic Policy Branch at OMAFRA gave a brief overview of the Canadian Agricultural Partnership (CAP). The government is seeking input on priorities and policy direction for the Next policy Framework (NFP) the successor to CAP. The first phase of this process is to identify the vision and priorities for the NFP.

Karl commented that the agriculture and agri-food industry is projected to see increased growth as demand for Canadian products increases but it won't be without challenges. Challenges will include global trade disputes, access to labour, transportation interruptions, climate change etc.

Basia commented that NFP themes should be future looking and consider post Covid-19 recovery. Five questions were given as what OMAFRA is seeking specific feedback on.

Results of today's PAC breakout sessions will be shared with OMAFRA as part of the stakeholder consultations.

Basia outlined a timeline, commenting that consultations with stakeholder groups will continue through to the spring of 2022. The multilateral framework agreement (MFA) will be finalized in July 2022, with bilateral agreements completed and implemented by April 2023.

Breakout Room Discussions – Session 1

Attendees were divided into eight separate breakout rooms providing feedback on the following questions:

- 1. What should be the top priority for the Next policy Framework (NFP)?**

Group 1

- Used by large farms
- Tile drain programs
- Fencing
- Drill well programs
- Agri-Invest (like no specific criteria, open for personal farm needs) flexibility
- AgriStability needs to be improved
- Ontario needs more manufacture capacity
- Crop insurance program, viability & cost of program
- availability for small operations to fit into programs
- Programs need to take farm diversity into account
- Crop insurance needs to adapt for climate & cover crops
- Reference margins change a welcome change
- Programs can be slow to react to emergencies/drought
- Agri-Invest – popular because it is simple, not a lot of work to use it
- Sometimes other programs are too complicated

Group 2

- flexibility is extremely important and should be a top priority. More specifically the movement of funds according to pressing needs
- important to be proactive rather than reactive
- programs are currently rigid
- the application process can also be a barrier
- restrictions exist in terms of dollars, a pot of funding sufficient enough to meet growers' needs is a key priority moving forward
- regional restrictions. Target certain areas for environmental issues, restricts others from implementing those programs too
- rigidity of program. Can take an extended period to get an application approved which may not be timely to a project
- those chosen to facilitate programs are not always fit – very frustrating for producers and a waste of money

Group 3

- Emergency funding program that is easily accessible and easy to administer
- Labour issues (recruitment and retaining)- governmental issue of focusing on trades- Need to make ag work more attractive to people, especially the younger demographic.
- Application process for subsidy is onerous, should be easier to apply for if the intent is to help

- Need infrastructure for irrigation and access to water (i.e., drought situation) Water management programming

Group 7

- reducing red tape – they are making us jump through hoops to get. Smaller farmer doesn't have the help or time to do all the paperwork. Otherwise, it becomes a make work project for the accountants and the accountants get richer.
- need to build in commodity support for these programs. We don't know what we can get, there is no one to advise us – i.e., dairy producer use dairy industry. Make it more accessible and advise them on it is out there.
- You only qualify if you took a workshop in the past and when you finally decide to apply, workshops are done. Better training on what is available, better advertising needs to be done.

Group 8

- Drastic climate changes impact on agriculture landscape and practices
- Finite land suitable for ag production
- Hard urban boundaries for infill versus expansion
- Public scrutiny of Livestock Treatment
- Shifting farm demographics
 - Farm succession planning, transferring of assets
 - ensuring there is support for the younger generation as well as proper succession planning. So many farmers don't succession plan early enough and then major issues follow later when things are too late.

2. What is new that needs to be considered in the Next policy Framework (NFP)?

Group 1

- Covid showed need for quickly adapting & flexible programs
- Crop insurance too expensive for northern producers
- Streamlined program paperwork, programs should be linked so info submitted once/easier
- Simplify programs
- Simplify programs
- Flexibility/simple

Group 7

- Budget 2020 – direct rebate for carbon, how are they going to deliver the direct rebates. Rebates will be only going to certain industries, not all producers will initially receive it.
- Climate change and new variety development (tender fruit - extreme heat is cooking fruit inside out on the plants) will become important – new marketing for new development, new drought resistance for field crops
- Processors – do we need more going forward? No sense having processors if we don't have companies that can deal with the by products. i.e., Limited number of dead stock removal companies.
- Good farmland being changed into residential land – how do we preserve it?
- Machinery needs – can we retire all those plows and discs? New technology is so expensive, but it helps reduce costs i.e., spray only a specific section of the farm now, as opposed to spraying the whole field. Sometimes new technology is good but is only good for the big farmers that can justify purchasing it. Need some type of rebates/incentive programs for smaller operations to be able to take advantage of it.

Group 8

- Extreme climate and weather fluctuations
- Transferring of vehicles to Electric in the move from petrol vehicles. Impact on farm machinery -biodiesel or electric -how will we get there, and what is possible? Phased switch over as entire “fleets” cannot change in one year
- Carbon Tax – impact, not just on business, but tax on gas is punitive to Rural areas where fuel is necessary transportation component
- Municipal tools- grants encourage certain practices like electric charge stations being installed. Are there other investment opportunities for encouraging municipal investment infrastructure?
- Local focuses necessary not a “one size fits all” solution

3. What are the challenges, both current and emerging, that you see creating pressure for the sector?

Group 1

- Climate change
- Urban sprawl – encourage cities/planners to stop spreading out, go up instead
- availability of supplies, affordability of fertilizer. Etc.
- Need trades willing to work in north
government regs on crop breeding programs, need access to new varieties especially with changing climate
trade partnership (China)
- Energy supplies
- Labour shortages
- Processing needs (meat & milk)
- Lack of inspectors, also need option for second opinion (vets?)

- Carbon costs/taxes

Group 2

- need to focus on environmental initiatives. Still a lot of work to do here. Dollars being collected from pollution tax but hasn't gone back towards pollution efforts. Going forward programs need to be implemented
- pressure to have diversity of food that may not be produced in Canada. Should develop more in house processing. Seeking investment for this processing
- focus on public trust initiatives. Need to build additional confidence from local consumers in the domestic market

Group 3

- Bringing more visibility to what farmers do for the environment, show some recognition for the positive aspects they are providing i.e. farm property tax reduction- Cultivate more public trust.
- farmers should be credited at the farm gate for carbon reduction
- Ag technology- is it advancing fast enough? Programs to fund technology to help the livestock industry i.e. pressure washing technology for hog operations.
- many details overlooked in programs- need some flexibility in the programs and how they are applied to be made more efficient and effective ie LED light program but doesn't apply to all types of bulbs, need to be streamlined to enhance the program.
- Programs need to be easier to access and apply for. More practical assessments need to be done to qualify more producers.
- Any programs happening in other countries that Canada could emulate? Hog Industry- Incentives to go to loose housing in Europe

Group 7

- Environment and climate change
- Processing plants need more (beef - meat, dairy – milk)
- Land use – losing prime ag land to residential. Buying/selling off smaller parcels for residential. At 175 acres a day, won't be long till the whole province is covered. When people move out to the country, they start to tell the local council on what should be done i.e., don't want combines running on the weekends, planes spraying chemicals are trying to make us ill. Need to have farmers involved in local politics.
- Transportation/Trade issue – provincial and federal issue – cheap import pricing on products, how do we as Ontario producers compete?

Group 8

- Labour – finding the “right” people, being able to train people, transportation, housing, and remuneration mindset.
- School board pairing for training and awareness in secondary school aged for post secondary actions of students
- Proactive positioning/mindset versus reactive on changing overall policies

- Increased values and costs (ie land, supplies and inputs)
- Supply and demand – what tools, and farms are often asset rich, cash poor

4. How can the Next Policy Framework (NPF) best advance Canada's environmental and sustainability goals?

Group 1

- Green technology and available Wi-Fi
- Natural Gas
- Need clear & realistic goals
- Soil management & conservation, cover crops

Group 2

- agriculture needs to be a big part of the discussion
- the next policy framework needs to recognize that ag plays a big role in the solution – the government needs to recognize this though. Adoption of climate change practices in cropping, livestock, etc.
- more research needs to be done regarding sequestration
- challenge is there are lots of initiatives. Part of NPF needs to circle back to check that investments are being utilized otherwise funding is essentially being wasted

Group 7

- What is Canada's environmental & sustainability goals? We don't know what the goals are, so we can't answer it. Most of environmental issues are a double-edged sword, it is good for one and bad for another one i.e., hydro dams – not using fossil fuels but we are flooding lands
- Bale wrap – recycling it. Soil health – cover crops, effective manure management.
- Vertical farming – where does it come into play i.e., greenhouses that go 5-8 stories high. If we can produce inhouse vertical crops on something that we import, why don't we produce these crops in vertical greenhouses year-round i.e. the public wants free range chicken, but caged cabbage

Group 8

- Recognition of initiatives such as ALUS, municipal (Huron Clean Water) and Conservation authority programs, Environmental Farm Plan
- People on ground not just promotions
- Batteries -recycling, disposal and production practices

5. What is working well with CAP?

Group 4

- program is good at a high-level, issues with the on-ground implementation, including intake timeline, approval responsiveness
- farm is well diversified and not large, paperwork is too cumbersome so most is filed and not accessed
- fixed intake, can't spend until approved slows down any innovation on-farm, if farm wants to improve, might go ahead anyway and program could allow eligible costs to be included before project is approved (if farmer is ok taking on the risk of incurred expenses)
- OSN received funding through CAP, need to show how creative and new; organizations are all competing, even though many are made of the same people looking to do the same things

Group 5

- Helpful for single commodity producers BUT many are now diversified
- Many have been enrolled in the program since the beginning and have never triggered a payment
- RMP works better, many have triggered and used it and crop insurance
- CAP was used to modernize calf handling facility and was relatively stress free

Group 6

- Funding working well to add some implements to your system, make some small advancements on your farm, like cover crop application equipment, etc
- Farmers are certainly appreciative of having access to cost-share funding

6. Where can improvements with CAP be found?

Group 4

- program for farmers to move ahead with projects (that they would do anyway) and government provides pro-rated amounts to offset (would likely need to apply before doing the work)
- don't want to subsidize existing business practices (why can't we support best management, etc.), culture shift to shift from 'innovation' to sustainable practices, encouraging BMP's rather than invent something new every time
- programs are very bureaucratic, invest in more local extension work that helps encourage more at the local/regional level
- need a better understanding of farming cycles and timelines; intake too quick; using CAP funding for beekeepers (used grain in the past, e-commerce), very spoon-fed approach and has poor understanding of ag timelines, quick intake doesn't align with on-farm priorities, creates a very reactive framework (rather than proactive); pivoted Spring 2020 because of COVID for e-commerce, applied in March, approved in mid-September

(neighbour learned in Oct), had to complete by November when hives were already put away, people who qualified had to go to same few qualified contractors, which limited type of projects and participants, need to better understand farming cycles; some product doesn't come in in-time, which impacts their access to approved funding (beekeeper product); program is good at high-level, challenging at the ground level

Group 5

- AgriStability can be refined to help with reduced production, structures i.e. building codes, bio-security will be coming down the line for producers to incorporate into their businesses
- Make programs more effective to help members
- Programs don't work together i.e., RMP and AgriStability do not compliment each other
- If you do not own the livestock, you do not get reimbursed from these programs, but you do contribute to them
- If you're diversified you rarely trigger CAP if ever, but one commodity you could easily trigger the programs
- Changes have been made to the scales i.e., large maintenance expense really designed to not pay out can be seen as pointless due to the 70% threshold
- Application less approachable than other programs and payment is delayed often by a year
- Almost need an accountant to fill out the application- NOT user friendly. Very difficult to project what you will get back from it IF any. Very confusing to get your operation to fit the application boxes and make the projections. Need to streamline the application process and make it more user friendly
- Cheque comes in the mail for each commodity, easier to combine.

Group 6

- Expense eligibility & approval timing – project funds can't be spent until approval received but project approvals are often delayed; doesn't align with use/need for equipment purchases, in particular
- Consultants make money on writing application, before any money flows to applicants; farmers feel like expertise & labour help is needed from consultants to complete the application & be successful; applications are long & involved; makes sense to use a consultant if you are approved; good gig for consultants; could the consultant fees be made an eligible expense?
- Timing is impractical – for intake openings and waiting on approvals
- Hard to get approval if writing application yourself
- Support for ongoing ecosystem services – like buffers taken out of production, no till cover crop grazing system, etc. (multi-year programs)
- Is there a way for industry to provide templates/pre-written submissions that align with OMAFRA policy goals – so each producer doesn't need to become a specialist or hire a consultant to complete applications
- Consultants can cost the same as the project itself for small projects; simplified applications for smaller projects could incentivize more to participate

7. What would help programs be more useful, or used more readily by our members?

Group 4

- to what extent could these programs be geared to new entrants into the system? Getting started with new, modern tech that farmer understands but can't afford; have applied but don't run enough acres for program to kick-in, would be nice to leverage CAP to buy strip-tiller, etc. and start a business to offer service to other farmers, but without the acres, program views fewer impacts resulting from funding.
- round pegged, square hole; look at funding and build projects around what will pay, rather than what is needed – how to ensure programs actual meet the needs of farmers
- more planning
- missing venture capital fund (ie. here is funding, go try stuff); innovative tech exists but don't know how to use CAP to tap into the non-standard space
- how to meet the needs of smaller farmers or service providers who don't have FBR's but provide services that farmers need to access to improve their sustainability, farm footprint, etc.; smaller acreages, not looking to invest in machinery, etc., rely on custom work and shared machinery, don't necessarily have an FBR but have incorporated in other ways, will have challenges applying because income isn't considered agriculture (but farming under a different business model); not always feasible to apply even though offering the service itself; CAP has issues providing funding to non-FBR/farmers, but if objective is to improve farm footprint or efficiency, need to consider ways that current farmers are accessing their services (ie. custom work instead of purchasing expensive equipment)
- programs used: production insurance (felt like we couldn't afford not to), not perfect but much better than not having, responsive and willing to work with, winter kill in hay followed by dry year, really short hay but couldn't get hay insurance because enough rainfall, but winter kill is what impacted yield (insurance related to rainfall), have improved measurements, but no provisions for winter kill; needs to look at winter kill in hay fields
- use crop insurance for corn, soybeans & wheat
- crop insurance, AgriStability & Agriinvest, went into stability because not in supply management anymore; wish Agricorp would update system to access own account without going to front office; interested in environmental goals, need to think about the goals of farmers and how they align with the goals of the taxpayer, should be emphasized (i.e. carbon credits & importance) and get message to the public
- high debt load on family farm, bank often required production insurance; when it works its great, hard for new farmers to access (lots of pressure to get insurance this year); barriers to entry for new/small farmers; Agriinvest is great, max out every year; payout for RMP (if using a diverse rotation, works well), tied to acres & commodity prices, not overall farm income; AgriStability with diversified business – pay high premiums, challenges during audit & claim, etc. (i.e.. timing of harvest & commodity sale, etc.), burdensome and bureaucratic; EFP is also provided through CAP (and GFP, biosecurity)
- is there a size of operation where these programs make sense? Too much of a burden, tailed to larger, multi-generational farms

Group 5

- If there's a payout when you have a bad year it would encourage people to opt into the program. Does not seem to payout when you have a lean or bad year i.e., people enrolled for 25+ years and never trigger a payment
- Timeliness of the payment- when you do not know if or when you are going to receive the payment it is cumbersome to fill out the paperwork. Payment is often a year down the road, which is too long to wait when having a bad year
- If you don't know if you're getting a payment or able to figure out the payment- probably too difficult of a process
- RMP program is easy to navigate and understand. You have an idea as to how much \$\$ is coming back. Crop insurance is similar- you know if there's a drought year you are going to trigger a payment.

Group 6

- Multi-year programs; longer term support
- Funding for ecological goods & services
- Simplified application process, particularly for smaller projects

8. Can any of these priorities for agriculture also feed into our election priorities?

Group 5

- Can try to trigger a raise of percentages from 70%
- Federal and Provincial need to be on the same page regarding the %
- Political parties don't really understand agricultural programs
- Push the Federal Government for programs to become more effective for the agriculture sector
- Streamlining of processes- mailing the information x2 doubles the cost of mailings and stamps

Group 6

- Sustainability & viability of the food supply chain; we produce much but there is still waste; can we produce more of what we import to reduce dependence on outside sources
- Farmers blamed for ruining the environment rather than being stewards of the land – need support for this & support for best management practices for environmental sustainability
- High expectations in farmers housing workers – need financial support for the programs that farmers are required to meet, particularly to meet new national standards

- Ministers of Education/Agriculture – currently not taught in school how to complete forms like CAP applications or others; or how to be successful farming in general; could we address this in the education system? Importance of farming, how to be successful

Business Risk Management

See PPT presentation attached

Elizabeth Morris from the Farm Finance Branch of OMAFRA presented an overview of the Federal-Provincial Territorial discussions on the development of the Next Policy Framework Business Risk Management programs. Including changes to date on AgriStability.

The national BRM Working Group officials have been exploring potential alternatives for future BRM programs. Two approaches have been prioritized for further analysis and discussion:

Individual Margin-based Approach: Re-engineering AgriStability, including margin calculations and its service model, to be more equitable, timely, and transparent

Insurance-based Approach: Replacing AgriStability with a whole-farm revenue or margin insurance product based on AgriInsurance predictability and timeliness strengths

Elizabeth outlined Covid-19 related responses and dry weather responses and activities within the BRM suite.

Breakout Room Discussions – Session 2

1. What are the main business risks challenging farm operations?

Group 1

- Climate change
 - Market change
 - Rural residential expansion, loss of farmland
- lack of new seed varieties
- Accessibility of inputs and new varieties
- Cost of products in northern regions
- Trade stability
- Input costs
- International competition for our products, other countries unfair subsidies

Group 2

- Loss of land, risks associated with losing most productive ag land. With federal parties looking to build more housing and growth targets is a major threat
- Labour is an ongoing challenge, difficult to recruit and retain

- Public trust. Something that really interrupts agriculture, especially when it comes to modern technologies. The public drives the way they think farming should be done which interferes with how it is done.

Group 3

- Foreign diseases- major trade disruptions, emergency funding would be first and foremost
- AgriStability is a cumbersome program- we need to look closely at the advantages to participate-85% coverage of margin only kicks in at 70% have to a 30% decline in your margin in order to qualify for payment. If this changed, they could rely on more in a business sense, you would have to endure quite a loss to get that 30% decline. Always participated in AgriStability, but never been able to receive anything – relies on crop insurance more for business decisions in general.
- biggest threat is weather, in 50 years of farming, only about 2 or 3 years have been average. No matter what, backup is needed to help with severe weather.
- How the percentages are applied: need to be fully enrolled in crop insurance to be in the risk management- percentages need to be increased- percentages are applied on the total property, 10% is still a significant loss on 1000 acres, for example.

Group 4

- production risks, weather (relationship between); trade agreements that are deemed necessary (without ag input); bringing in new generation (how to encourage entrants) given land prices, etc., what support is available for new entrants; where to access funding to improve tech on-farm
- weather, need more processing (i.e., beef), need regional access with demand for locally produced food (especially evident since COVID)
- infrastructure i.e., abattoirs, grain silos, transportation, etc. bottleneck that doesn't allow product to market can be a risk
- lack of resiliency within industry to adapt; changing cost of capital – only so much to mitigate increasing inflation/interest (i.e. locked in a 10-year rate for a 30-year mortgage, unknown is a risk)
- need to plan for succession long before necessary, planning ties into so much of the farm (i.e., debt load, etc.), should include how new farmers are brought into industry
- expectations of capital repayment and the implications for the next generation of farmers
- lack of necessary 'service' providers (or potential lack of) to move raw product into marketplace, programming necessary to provide support for these services or encourage involvement in the upstream markets
- how to mitigate lack/loss of margins at the producer end (some have eliminated middle-man and sell direct to consumer instead)
- government involvement in establishing on-farm markets. Not if it involves tons of red tape
- risk = opportunity and if we can manage the risk, we can benefit

Group 5

- Trade, market, weather disruptions

- Offshore workers, TFW regulations over burdening fruit, veggie and livestock producers. The process is very cumbersome and expensive. An estimated \$8000 per person to start
- Federal programs make us non-competitive with other countries in a trade environment
- Processes we use in Canada (chemicals, technology, etc.) are totally different than other countries and come with a higher input cost
- The size of Canada in relation to the world- we are a small country and produce more than we need domestically- have a surplus we can trade internationally
- Livestock challenges (disease, biosecurity)
- Interest rates- if they were to rise drastically it would greatly impact farm operations with large debts
- Inflation (increased input costs, transportation costs, etc.)
- Land rent inflation major challenge for tenant farmers
- Deflation (potentially decreased value of farmland)

Group 6

- Custom work & related expenses don't directly fit under current program structure, but are part of the farm diversification strategy – could a diversified whole-farm approach to BRM programs capture this?
- Fruit & Veg farmers – losing labour on short notice, weather, unexpected gov't intervention through policy/regulation
- Weather, grain markets (covered fairly well through production insurance)
- Reportable livestock diseases
- Changing consumer preferences
- New/emerging issues and lack of preparation/knowledge to deal with them

Group 7

- Labour cost – horticulture, vegetables, greenhouse – can't get people to work for you, availability not being available when you need them – if you want them only for a specific time and they are available you must pay more. Can you tie social assistance payments with working in various fields? Can you make the social program, so it isn't the most attractive not to work? Don't make it specific to agriculture, other sectors are needing workers as well. Could look at people saying that we need to form a union, and payment would start around \$20-25/hr and a whole lot of other problems could develop very quickly.
- Land use planning challenge – ag land going to residential use. Government can encourage cities to develop up instead of out.
- Cheap products coming in from the United States i.e tender fruits. Speciality crops in the US are getting subsidy. Lack of processing plants available here in Ontario/Canada.
- Employers need to take a chance on workers that don't have experience.
- Public trust needs to come into play and do a better job of promoting that.

Group 8

- Weather and Climate Fluctuations
- Product health and quality – disease and predator pressures (biosecurity for both plant and animal welfare)

- Limited quality testing options for operations
- Labour – finding – retaining – supporting – effective management – human resources and policy awareness
- Succession issue there is no one to take over their operation or to join the operation, there can be major financial challenges a grower/producer could face and future planning
- Accessing longer term financing options for growth considerations. If operations don't fit a mold, face numerous challenges obtaining support especially in commodities not supported with industry numbers

2. Do the existing government Business Risk Management (BRM) programs provide farm operations with adequate tools to mitigate these business risks?

Group 1

- area farmers not using a lot because difficult/expensive – Crop Insurance
 - Ag-Stability, Agri-Invest, SDRM horticulture crops (smaller program)
- programs are lacking, need to take fluctuations into better account
- Agri-Stability – very difficult to get into, apply, uncertain results
- Best program is Agri-Invest, under funded
- Crop insurance – you know what you're getting
- don't work if you are diversified
- need to be more flexible & timelier
- Need to account for weather events
- Crop insurance typically works well, but doesn't cover wildlife damage
- 30% losses too big
- uses SDRM

Group 2

- The programs already won't cover the risks we discussed so they won't cover future risks. The program is a decade behind and haven't been kept up to date properly
- Ex. Succession planning – next generation isn't able to access BRM program. Haven't designed programs to allow for succession planning
- A lot of younger farmers are frustrated with this program

Group 3

- It is too restrictive- any type of insurance policy needs to pay in a practical sense- timing and on deliverables – up the percentages to make it worthwhile.
- Consistency of application of the programs- transparency- ie same applications, different outcome regarding support.
- anyone having negative impacts from the programs? Most ppl who use them, understand them and like them, those who do not, may have had a singular bad experience- maybe a graduated scale should be considered

Group 4

- programs exist but are too cumbersome to access or use
- some of the programs aren't understood, so not accessible (and how to get help)
- support for larger local presence (ie. OMAFRA) to present on programs, etc. so a business could access the programs themselves (Rather than hiring out)? Agricorp reps are invited to local meetings & do a good job explaining, but have to be invited
- so many opportunities to explore, how to choose which one is worth it (tend to make more money listening to the big farmers and getting better interest rates)

Group 5

- Yes- a lot of farms are still operating due to these programs assistance. Crop insurance is a major program that keeps farmers moving. Oldest, most consistent and unchanged program around*
- Timeliness it is tricky to wait for a year or more to receive payments in a bad year
- Not across the board work to adequately protect us BUT crop insurance and RMP do
- Crop insurance and RMP have major impacts, the others are minor
- Crop insurance runs on a NEEDS basis and is effective, other programs sometimes trigger payments when producer is not in need
- Tricky balance to ensure qualification but also simplified process

Group 6

- AgriInvest is the simplest to understand but harder to qualify for (matching percentage for small operations hardly makes it worthwhile to go through the paperwork to apply)
- There is a need for a better understanding of the programs out there, and how they apply to farm businesses of different sizes
- Farmers left to gamble with market prices – some type of insurance to cover the 'playing the market' approach we are driven to
- Existing programs not likely well positioned to deal with new, emerging issues (like COVID); however, acknowledge that crop insurance was made applicable to cover labour disruption during the pandemic; need to retain this going forward
- Consumer preferences are fickle and can change quickly, not covered well by existing programs

Group 7

- If they did address them, then they wouldn't be problems.

Group 8

- Limited insurance for pasture/forages for livestock operations
- No market garden operation coverages (i.e. CSA, must have variety)
- Size limitations, niche/specialty operations limited options
- Seems limited for smaller operations – is time worth results?

3. How could governments better assist farm operations facing these business risks?

Group 1

- breeding facilities scaled back, this is going backwards – need more support for varieties and breeding/crop development
- increased funding to Agri-Invest
- Crop insurance for animal/wildlife damage (cranes, bears, deer)
- Livestock injured/killed by wildlife, need a simple program to cover this
- ACC is the reason for being entered into these programs
- Prices being compared province wide, this doesn't take regional differences into account
- Crop insurance programs don't recognize new or specialty crops (e.g. Green peppers, Buffalo)
- Wildlife concerns
 - Environmental goods & services – farmers should be paid for doing good
- diversified farms are punished by programs, magnified by 30% reference margin

Group 2

- Need to be more involved in industries, interact with staff and understand specific ongoing challenges
- Need to update understanding of current challenges and technologies
- Governments can play a more proactive role. Funding dollars come a little too late or reactions can be delayed
- In example of NW Ontario drought – reacted quickly but now lack funding. Politics also gets in the way which takes away from supporting farmers and addressing issues
- R&D funding for current and future challenges

Group 3

- Simple, user- friendly application processes, no outside help needed if proper records are kept on farm.
- dropped the requirement to be enrolled in AgriStability which was effective – COVID possibly made programs easier to apply to,
- AgriRecovery- it is quite rare that an area is eligible- it is too localized and unpredictable-
- Feds have never turned down a provincial ask for AgriRecovery – Despite issues, the ask has never been made, which makes it more of a political issue more so than a program flaw.
- AgriInvest- needs to have some consideration for family farms- tough to match minimum match deposit associated with it.

- 243 crops grown in Canada- we cover maybe 20- need to consider recognition on a more national level be made applicable to all – government insists on “winners and losers” geared on the trade side of things.
- On the other hand, vast production in Canada makes it tough to find a specific program for each crop.

Group 4

- needs to promote more processing in Canada: need to mitigate issues around labour, but will help mitigate external market risks (we can manage the farm bit, need support for upstream)
- farm labour – large greenhouse operations can't find labour (even if offering decent wage), easier to work for nothing as a farmer when you reap the capital benefit, less benefit/incentive as farm labour; potential of farmers providing shares to incentivize employees to work?
- ask a lot of farmers already, asking to extend knowledge, etc. to get people engaged to work is a stretch (place for government to support)
- need to engage politicians to understand who we are and what our struggles are (and that not every farm is the same), but would help generalize some of the challenges and issues – they only know what they know, so need to educate why these implications and choices are important (i.e.. if you have livestock, you have deadstock); considerate of the fact that they are running a country/province, but that ag is an important component
- impact of some commodities existing in a global commodity market – challenges of Cdn based regs increasing the cost of products on a global market (ie. carbon tax), how can government address? Market as a premier product (race to the bottom if market as a commodity provider)
- carbon tax implications for corn drying (used to use alternative methods to dry, ways to innovate 'older' tech that improves its effectiveness)
- invest in research to address ways of dealing with these issues, support venture capital funding, especially as we deal with the new realities of climate change
- help farmers participate in farming related activities (and not penalize participation in BRM programs), incentivize ways to green production, reduce fuel costs, etc. without risk of removal, make some of income allowable to improve reference margin
- how to encourage agri-entertainment aspect? Farm credit won't support certain initiatives for diversified income, potential program through CAP to provide funding support for agri-related initiatives, potential to use AgStability to also encourage this type of diversification
- historical push to one-commodity, supported by the bureaucracy of the system, but a diversified farm mitigates risk

Group 5

- Well managed government that keeps their debt and spending under control
- Well operated economy takes a lot of risk out of running a business
- Provincial RMP more effective if Federal government would contribute their 60% to it- would improve an already good program
- Making the programs more reactive and timelier. Not dragging payments out over more than one production year.

- Nice to have the trigger and payout value at 80% you must have more of an impact financially to hit the 70%
- Decrease costs of TFW programs for producers
- CERB funding has impacted the potential for our sector to source employees (3 days off if you get the vaccine- well intended). Processors, livestock, and crop farmers have tight timelines and need staff timely. Struggling to find employees

Group 6

- There is so much paperwork from Agricorp – the pieces that are needed can get lost in this; lots of money spent on mailing; could this be handled electronically?
- Can the communications be streamlined and focussed on what's needed?
- Could there be more access to field staff, like the former hands-on model with OMAFRA staff – help with making the right connection to the right program, since the programs are complex (extension staff through Agricorp)
- When payments are made, no explanation arrives with the cheque; instead, it comes separately
- Need to improve transparency & reporting of how payments are calculated
- Better respond to & help farmers plan for/cover Plan B, in the case of new/emerging issues like ones we've seen during COVID i.e. livestock processing, farm labour
- Generally, farmers want a decent price for their commodity; prices are finally good, but input costs seem to be increasing, capturing any increase in crop prices so farmers are coming out no further ahead – is there a way to reflect this in BRM programming?
- Weather concerns are only going to increase, need to have BRM programs keep up with this

Group 8

- Recognize diversifying in operations as a benefit (credit), not punitive for programs (ie good year for grain not cancel down beef coverage). When always averaging out always paying in not seeing coverage benefit
- Do not go to only online – paper and phone options must remain viable options for producer's enrollment and involvement

4. In addition to (or instead of) participating in government BRM programs, how are farm operations managing these business risks?

Group 1

- Farmers renting extra land in north in place of crop insurance
- Private crop insurance
- specialty crops as seed producers can only purchase insurance at crop price not premium seed production prices
- crop rotations, diversification, soil management techniques
- need to promote & encourage innovation

- being diversified covers farm risks, but is punished by programs
- Blueberries mitigate risk by managing water – pumped water avoids frost, drought & drain water

Group 2

- From cash crop perspective – a lot of succession plans that will not work with current BRM plan. Some farmers take money and put it into a specific bank account that builds up as an insurance plan
- Operations will diversify to manage these risks
- These programs aren't designed to work under these circumstances and essentially punish farmers for diversifying
- If producers keep up with technologies, it helps mitigate weather challenges, among others

Group 5

- Crop farmers diversify to spread their risk across different crops or diversify with livestock
- Some farmers have off farm jobs, or their spouse has an off farm job to mitigate risk
- Streamline business operation with least profitable portion being diversified, least profitable area is dropped or suspended for a year. Lower your risk and go with the more profitable areas. Not always the best answer to the problem
- Some operations seek outside help from advisors and consultants to overcome some of the business risks
- Locking in at lower interest rates to protect the business from future rising interest rates
- Several participate in crop insurance, AgriStability, Risk Management, Agriinvest
- Several question enrollments in AgriStability, not worthwhile for the operation?
- Enrolled in programs but if you own portions of the animals, you don't trigger the payments. Take the risk due to contracts BUT not the payments.

Group 6

- Diversify farm operation
- forward contract crops, marketing plans
- working with local abattoir/butcher & direct sales
- hog industry – long term supply contracts with processors; challenges with Canadian pricing formula; but disconnect between supply of pigs and processing space, further complicated by impact of US pricing
- fruit & veg – keep debt levels low, diversify crops, diversify production locations (to deal with weather impacts)

Group 8

- Seeking other funding option supports (limited expansion support for non-mainstream commodities requirement of retiring facilities does not allow transition)
- Restructure of operation components to spread risk
- Diversified other aspects of operation to minimize risks
- Analysed what yearly cost to participate in programs cost, then chose to invest the same amount annually, and have made more money

Adjournment

John Gillespie summarized the results of the meeting. Peggy thanked everyone for their attendance.