

OFA – Policy Advisory Council (PAC) Meeting

March 1, 2023

Best Western Hotel, Orangeville & Virtual via Zoom

Welcome

Peggy Brekveld, President welcomed everyone to the meeting and introduced co-host Patrick Verkley from the PAC Steering Committee.

OFA Update

Peggy Brekveld provided updates on the topics below:

Resolutions

Peggy explained that resolutions at the OFA Annual General Meeting that carry on the floor the Board of Directors can accept or decline them. When a resolution is declined, a letter is sent to the originating county explaining why. The information is also contained in the Board of Director meeting notes that are emailed out shortly after the meetings and the resolution database accessible in the members only section on the OFA website. You can also reach out to your Member Service Representative.

OFA Attendance at Meetings

Peggy explained that it has been a busy start to the year with the Board of Directors attending several meetings including: The Rural Ontario Municipal Association (ROMA) Conference, Economic Developers Council of Ontario (EDCO) Conference, several commodity AGMS, and the Northern Ontario Farm Innovation Alliance (NOFIA).

Coming up in March the Board will be attending the Canadian Federation of Agriculture (CFA) Annual General meeting and the Ottawa Valley Farm show.

Peggy informed that a couple resolutions from the OFA Annual General Meeting will be sent to the Canadian Federation of Agriculture's Annual meeting in March. Resolution topics are environmental goods and services, drone technology and advance payment program.

Fertilizer Tariffs

Peggy reminded the PAC that the OFA brought forward four proposals to the government regarding fertilizer tariff dollar allocation. OFA continues with the message to government that the

tariffs are agriculture dollars and should be given back to the industry. Government is aware, and Peggy feels there will be resolution in the near future. It has been almost a year since tariffs were imposed and OFA is still at the table, including a recent meeting with John Barlow, Shadow Minister for Agriculture, Agri-Food, and Food Security.

Local Federation & Commodity Updates/Emerging Issues

Dufferin County - Insurance issues for farms with Agri-tourism & on-farm diversified uses

Farmer in their area when it came to renew their insurance was told that they could not renew insurance for their business, which includes a farm store and farm tours. The process to find insurance has been a very difficult process. This needs to be addressed.

Peggy explained that the OFA research team has had in depth conversations regarding this issue with Farm Fresh Ontario. They have complaints on insurance coverage fails in four categories. Conversations continue with them and Cooperators Insurance. Next step for Farm Fresh Ontario is to find volunteers to help discuss this. If you are interested reach out to Kevin Vallier, Executive Director, Farm Fresh Ontario.

Kawartha Lakes/Haliburton County – Firearms Restrictions

Controversial topic not unique to our area, would like an update from OFA, since the topic was cancelled as a PAC topic for this meeting.

Jason Bent, Director of Policy Research at OFA commented that Bill C-21 - An Act to amend certain Acts and to make certain consequential amendments (firearms) is at standing committee. Bill was originally about handguns, when presented to committee in November. At committee the liberal members proposed amendments and that is where it went beyond handguns. Amendments were looking at long guns that could be modified and a magazine of more than five rounds. This led to concerns and the Ontario Federation of Anglers and Hunters (OFAH) led the fight that these amendments would impact hunters and farmers. The government withdrew the Bill on February 3, and backed down at adding long guns.

Jason commented that the OFA Policy on firearms states that on farms firearms are tools and not weapons. Important that we continue to reiterate that we see these guns as tools and that we have no problem with the tightening of criminal misuse of firearms legislation.

Renfrew County – Abattoirs, Trucking & Business/Financial Management and Impact on Mental Health

Abattoirs

We know in theory it's on the provincial radar, but abattoirs are still a major issue in our area. Access to capital to upgrade, modernize and expand aging facilities is a significant challenge, creating bottlenecks in processing for many of our local livestock producers. This is compounded by the lack of skilled labour. It is a physical job which requires significant skill to

keep customers happy with the finished quality of the meats. Employee turnover is often high, and workplace injuries are a concern with employees that are overworked because there aren't enough of them. We would like to see some grassroots engagement on the skilled labour side of things at the very least. Lanark's recent submission to ROMA that we supported might be able to help us leverage some potential development there from local municipalities. Other government supports for abattoirs would be helpful as well. Changes in regulations over the past several years reduced capacity in many cases where they were unable (financially) to expand their physical spaces and had to rework their whole strategy just to stay afloat and try to meet their customer's needs. It is a situation that is wholly unsustainable. And while there are other potential avenues available for entirely new facilities to be commissioned, the existing ones seem to be being left behind.

Peggy commented that OFA is regularly encouraging government on food safety.

Trucking

Trucking is another major issue in our area - many of the trucking companies don't have the ability to hire young drivers because it isn't affordable - insurance costs and requirements have become extremely detrimental - larger firms can list the experienced drivers as primary drivers and let the newer ones drive the trucks, but smaller, rural based companies cannot do that. And even the cost of required training now to be able to obtain a license means that farmers are significantly challenged in their ability to get their own license and operate their own truck, just for their own needs. It is a major impediment on our farms to access trucks, especially at harvest time.

Business/Financial Management and Impact on Mental Health

Business/Financial management and its undeniable impact on mental health are new emerging issues here. We are facing a significant skilled labour shortage (especially in the area of farm business/financial management) tied with increasingly complex farm businesses which is creating a perfect storm for a lot of business crises that have severe impacts on mental health. Farmers and some farm business operators don't have adequate skills or time to manage the financial side of their businesses properly. And there aren't enough bookkeepers, accountants, or business managers in the region with the knowledge and understanding of Agriculture to competently support the growth or even in some cases simply continued operation of these businesses. While there are now great supports in place for mental health, we need to look at addressing some other root causes of the stresses that are wearing on our farmers and agri-food business operators.

Peggy commented that the Canadian Resource Council received funding for a national labour workforce strategy. This will include immigration nomination program, temporary foreign workers and seasonal workers. Labour is one of our biggest issues and is a priority for the industry to find long term solutions such as technology. Peggy also stated that OFA is engaged and everywhere she travels she promotes jobs in rural communities.

Peggy responded that OFA promotes business management programs and succession planning workshops. We are not experts they are important to our membership and OFA is happy to share resources.

Farmer Wellness Initiative reminder that this time of year is a tough time for everybody – tell someone if you need help.

Elgin County – Windmills

There was recently a meeting in Springfield around windmills regarding Elexco trying to sign landowners up for windmills. The meeting was held without Elexco representatives, this gave local landowners a chance to hear an unbiased perspective and an opportunity to speak freely. In truth it wasn't very positive towards windmills but very well-articulated. A real positive was being able to gather so many people in one place and discuss what they had heard, as opposed to one-on-one conversations where little information is available. I wanted to bring this forward as a discussion piece, to hear if other counties are facing similar things and what successes they found or what lessons learned they would like to share.

Peggy encouraged other counties who may have similar experiences to get in touch with Elgin County representatives.

Election of PAC Steering Committee

OFA received the following five nominations for three positions. Each nominee was given the opportunity to address the PAC and an election was held.

1. Paul Buckley, Kawartha Lakes/Haliburton
2. Julie Danen, Perth
3. John Gillespie, Bruce
4. William Orford, Manitoulin North-Shore
5. Patrick Verkley, Middlesex

The three successful nominees were Paul Buckley, Jule Danen and Patrick Verkley.

Motion: ***Meyer/Stone ... “THAT the election ballots be destroyed.”***

CARRIED

Battery Energy System Storage

Ian Nokes, OFA Farm Policy Analyst

Ian Nokes explained that the Independent Electricity System Operator (IESO), is responsible for the transmission grid and electricity markets. Ontario's electricity system presents challenges to the IESO, for example, we have industrial scale wind and solar in Ontario. The amount of sunlight or wind makes reusable energy variable and when it cannot be used, it is wasted. Adding storage allows reusable energy to commit electricity for an uninterrupted period – it allows these systems to compete in electricity markets. The theory is, when IESO has more options, reliability and efficiency go up.

Local distribution energy resources (DER's) will play an important role in meeting electricity demand efficiently, and reliably, at manageable costs. However, policymakers need to engage the farm sector before contemplating the assimilation of our finite farmland resources. Decision-makers must enable DERs that serve farm community interests beyond simply helping the IESO balance grid system shortages.

Brad Langstaff, Councillor, St. Clair Township

Brad explained how St. Clair Township is navigating a proposal from the IESO. St. Clair Township has held public meetings regarding three proposed battery energy storage facilities, representatives from Enbridge's Renewable Energy division attended council to make a formal presentation on the purpose and need for these facilities.

The need for greatly increased energy capacity in this area was identified by the Independent Electricity Supply Operator (IESO).

The properties to be used for the three projects are owned by Enbridge and some company infrastructure is already installed on them, although most of the land is currently being used for agricultural purposes.

Enbridge has been working with St. Clair Township to understand the permitting requirements and other policies and requirements might apply. The company has done this to ensure that if its proposals to the IESO are accepted, work can begin on the projects with minimal delay. Successful proposals will be announced on May 1.

Tomo Matestic, VP Engineering & Operations, Entegrus

Tomo explained that Entegrus is a 92% municipally owned corporation by Chatham – Kent and services over 60,000 local customers. West of Chatham has been identified as one of the areas that the IESO has project needs. After numerous consultations Chatham-Kent approved three projects.

Why are these projects proposed on farmland. Tomo explained that most municipalities allow permissions on your land. Battery storage is no different than a transmission line.

The bases of the storage structures are 6' depth of concrete and gravel, the foundation is not as big as for windmills that require as big as 20'. Fire is a big concern these battery storage units are in shipping containers and have 24-hour fire and heat monitoring and suppression systems. These are multi-million-dollar investments, and lots has been invested to prevent fires.

The battery storage units are best fitted in the rural area and not cities to be near transmission stations.

Tomo shared a chart that compares amount of farmland disturbed for wind turbines vs battery storage units and showed that battery storage is significantly less comparatively.

Questions:

1. What is the life span of the batteries?
The current life span of the batteries is 7-10 years (depends how much it is cycled). The batteries would go to the landfill today as there is no recycling for it yet. Recycling is being researched and will come.
2. Is there alternative storage like hydrogen?
Enbridge is currently researching hydrogen for potential storage.
3. What about fires and explosions of batteries making news recently around the world?
There is always potential for fire, developers and investors are motivated to protect these multi-million-dollar assets and they are heavily regulated. Part of safety plans are meeting with fire chiefs to have safety plans in place. Technology may see fireproof zinc batteries in the future.
4. Are there stray voltage concerns?
You can arrange for testing once in operation and continue to get tested while in operation.
5. Are energy companies buying or leasing the land needed for these projects?
Energy companies are leasing the land. Leases are vastly different than they were five years ago, be sure to consult a lawyer.
6. Who finances these projects?
Large International companies.

Breakout Session #1

Attendees were divided into nine breakout rooms and asked to consider the following questions:

1. Regional Power Capacity Constraints versus Safety and/or Environmental Concerns:
 - *What benefits or concerns do Battery Energy Storage Systems bring to agriculture?*
2. Farmland Preservation versus Landowner Rights:
 - *Considering the amount of land Battery Energy Storage Systems require (2 acres per 10 MW) compared to Turbines (30 acres per 10 MW), which of these systems is a better choice for your local area?*
3. Landowner Decisions:
 - *What information would you like to have to help you decide on leasing to a Battery Energy Storage System facility?*
4. Policy Position:
 - *What key points should the OFA Board of Directors consider when developing a policy position regarding the location of Battery Energy Storage Systems?*

Responses are recorded in a separate document.

Right to Repair – Farm Machinery

Ian Nokes, OFA Farm Policy Analyst

Ian discussed, that modifying Technological Protection Measures (TPM) on equipment may lower equipment's resale value, pose safety risks and or void or violate warranty provisions. *Right to Repair does not mean right to modify.*

Modern farm equipment is like riding a computer, lots of sensors that can fail. It is not realistic or practical when experiencing an equipment problem to contact an authorized dealer – especially during critical weeks of planting and harvesting. Code readers can cost up to \$700 and access to a full commercial interface could be as much as \$7500.

January 2023 John Deere USA and the American Farm Bureau signed an MOU. An agreement on different responsibilities how we can go forward with farm equipment that you can access diagnosis. John Deere would provide fair tools and ensure no safety controls emission controls and/or power ratings can be modified. What does this mean for Canada?

We could have an MOU in Canada. The Competition Board of Canada has looked at the copy right act. The act is not enough there is also contract law. Lots of places to remove these barriers, not as simple as federal legislation.

Brodie Berrigan, CFA Director of Government Relations & Farm Policy

Brodie explained that the problem is that the Copyright Act prohibits bypassing Technological Protection Measures (TPM) that must be accessed to conduct repair. Only those with software access provided by the original manufacture have the tools to legally be able to repair equipment.

Bill C-244 An Act to Amend the Copyright Act (diagnosis, maintenance, and repair) would allow individuals to access software for the purposes of diagnosis and repair but NOT modification.

Bill C-244 is before the house, CFA made a submission along with grain, canola, wheat, and barley growers. If the bill is passed it will allow third parties to access software. Ag machinery is complex and digital, and farmers have limited options, operation can be stopped for days.

Interesting statistic from the CFA submission - that indicates 77% of US farmers have considered purchasing older equipment to avoid new technology.

Brodie explained that next step for CFA is planning to host a webinar with John Deere to address questions on right to repair in Canada.

Brodie expects some news in the coming weeks and will share with OFA.

Breakout Session #2

Attendees were divided into eight breakout rooms and asked to consider the following questions:

1. Personal Preferences:
 - *Do you have options to repair your own computerized farm equipment?*
 - *Do you or an independent Service Operation repair your own equipment?*
 - *Would you knowingly buy used equipment that was diagnosed and repaired by someone other than the OEM preferred repair shop?*
2. MOU, Regs., or a framework of understanding:
 - *Do you see this issue as something to resolve provincially, federally, or are there trade implications involved?*
 - *Will a MOU with equipment manufacturers help enable RtR, and if so, what entity would be the best counterparty?*
 - *Would federal and provincial legislation/regulations resolve or hinder the RtR issue?*
3. Policy Position:
 - *What key points should the OFA Board of Directors consider when developing a policy position regarding the Right to Repair issue?*

Responses are recorded in a separate document.

Future PAC Topic Suggestions from Group Discussions

- Increase capital gains exemption to 5M (commensurate with land values)
- Cleaning out Municipal drains/ditches - review and support drainage act vs environmental concerns.
- Bridge repairs/replacements – costs to be under repair / maintenance – what are the rules?
- Review policy of climate change
- How to get more members?
- Fertilizer Issues
- Climate Change - greenhouse gas emissions
- OFA investigate discounts for training for truck licenses.
- Succession planning for counties.
- Overall insurance for farms
- *Concern over in person PAC meetings (Northern reps would prefer fully virtual)*

Adjournment