

December 16, 2024

The Honourable Peter Bethlenfalvy  
Minister of Finance  
c/o Budget Secretariat  
Frost Building North, 3rd Floor  
95 Grosvenor Street  
Toronto, ON  
M7A 1Z1

Dear Minister Bethlenfalvy,

**RE: ONTARIO FEDERATION OF AGRICULTURE 2025 BUDGET SUBMISSION**

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 administered by all levels of government. OFA is passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

OFA appreciates the opportunity to participate in the budget consultation process and provide recommendations to help strengthen our sector, our rural communities, and our province. With the right investments in the right places, agriculture can continue to be a leading industry in Ontario.

**Summary of Our Asks**

1. Increase Risk Management Program funding by \$100 million annually.
2. Tackle Agricultural Labour Shortages
3. Introduce a Wildlife Damage Compensation Program for crop producers.
4. Invest \$1.6 million annually for the Veterinary Assistance Program (VAP) and \$480 million annually to operate and maintain provincial and municipal veterinary clinics.
5. Develop clear public sector procurement guidelines to prioritize Ontario-grown food.
6. Maintain funding to implement the Ontario Agricultural Soil Health and Conservation Strategy.
7. Invest \$1.5 Billion in Rural and Social Infrastructure.
8. Increase annual Ontario Municipal Partnership Fund (OMPF) funding to \$875 million annually
9. Expand the Rural Economic Development (RED) Program to \$8 million in annual funding.
10. Allocate \$10 million for commercial truck driver training subsidies and \$3 million for insurance assistance.

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## Providing Stability for Farmers in Uncertain Times

Ontario's farmers are navigating unprecedented uncertainty. Rising input costs, elevated interest rates, mounting farm debt, and a volatile trade environment—with the potential for additional tariffs on Canadian agricultural products in 2025—are creating immense pressure on the sector. We urge the government to prioritize the following measures to stabilize the industry:

### 1. Expand Risk Management Program (RMP) Funding

The only way to proactively mitigate the challenges facing farmers is to give them the tools they need to be able to adapt to future challenges by investing in the Risk Management Program. The sector, along with The Ontario Agriculture Sustainability Coalition, sees this as an opportunity for the province to protect and strengthen food security now and in the future, so Ontarians can continue to rely on locally grown, safe and nutritious food.

**Recommendation:** Increase the RMP funding envelope by **\$100 million annually** to provide farmers with a reliable safety net to manage inflation, supply chain disruptions, and climate risks.

### 2. Tackle Agricultural Labour Shortages

The agriculture and agri-food sector continue to face a critical labour shortage. According to recent research from the Canadian Agricultural Human Resources Council (CAHRC), unfilled vacancies in Ontario's agricultural workforce has resulted in an estimated \$591 million in lost sales for the year 2024. Solving the current and future shortage of agricultural workers in Ontario and decreasing unfilled vacancies is not going to be easy.

It is essential that plans are in place now to ensure there are enough people with the right skills to continue growing the agriculture sector.

**Recommendation:** Strengthen international and domestic programs to recruit and retain skilled workers in the agri-food value chain. This is critical to addressing the sector's labour shortages and ensuring continued production capacity.

### 3. Introduce a Wildlife Damage Compensation Program for crop producers

The Ontario Wildlife Damage Compensation Program (OWDCP) provides compensation to poultry and livestock producers for losses caused by Ontario wildlife. We thank you for listening to OFA and our livestock partners and for having made the necessary changes to that program. Our work continues with your Ministry to ensure the OWDCP meets the needs of poultry and livestock producers.

However, livestock producers are not the only farmers in Ontario experiencing production losses caused by Ontario wildlife. Crop producers also incur consistent losses each year caused by a variety of wildlife ranging from migratory birds to deer. Unfortunately, Ontario crop producers are not effectively compensated for losses caused by Ontario wildlife

As currently designed, available Production Insurance plans do not adequately address crop losses caused by wildlife. Claims under crop insurance are triggered when a producer's yield falls below their Average Farm Yield (AFY), which is calculated using up to 10 years of actual reported

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yields. Year after year crop damage caused by wildlife lowers a crop producer's AFY, and so repetitive damage will not trigger a crop insurance claim in any given year.

**Recommendation:** Establish a program to compensate crop producers for financial losses caused by wildlife-related damages, providing stability to impacted farmers.

#### **4. Investments to Expand Veterinary Access**

Veterinarians play a crucial role in ensuring animal welfare, supporting the economic resilience of rural communities, and safeguarding Ontario's agri-food system. Access to veterinary services in rural Ontario remains limited, putting farm animals and the food system at risk.

The Veterinary Assistance Program (VAP) provides vital financial support to ensure large animal veterinary services are available in underserved regions, particularly in Northern Ontario. Funding for the program has remained unchanged for 25 years, despite rising costs associated with veterinary medicine and a shrinking number of veterinarians serving underserved areas.

Limited access to veterinarian services is no longer limited to Northern Ontario. Despite financial, educational, professional, regulatory, and personal strategies in place, a gap in veterinary capacity remains in many areas of the province.

**Recommendation:** Invest \$1.6 million annually for the Veterinary Assistance Program (VAP) and \$480 million annually to operate and maintain provincial and municipal veterinary clinics.

#### **5. Promote Local Agricultural Products**

A report from Sustain Ontario showed the impressive potential multiplier effect of buying local across Canada. It estimated that if every household in Ontario spent \$10 a week on local food, we would have an additional \$2.4 billion in our local economy at the end of the year and create 10,000 new jobs.

**Recommendation:** Develop procurement guidelines to prioritize Ontario-grown food in public sector purchases. This initiative can support farmers and strengthen local supply chains.

#### **6. Continue Investments in Soil Health**

Improving soil health across the province is a complex process that will require long-term, sustainable funding commitments to achieve our shared environmental goals. We are grateful for the current allocation to complete the Soil Resource Inventory (SRI) and Light detection and ranging (LIDAR) mapping.

Moving forward we strongly recommend that government continue funding the implementation of the Ontario Agricultural Soil Health and Conservation Strategy. Properly implemented, we believe the Soil Strategy can pay large dividends for Ontario farmers by increasing their knowledge and understanding of soil carbon management, strengthening the resiliency of farming to the potential impacts of climate change, and boosting farmers' efficiency and bottom line.

**Recommendation:** Maintain funding for the Ontario Agricultural Soil Health and Conservation Strategy, which enhances environmental sustainability and strengthens resilience against climate change.

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## Investments to Unleash Ontario Agriculture's Economic Potential

Ontario's agri-food sector is an economic powerhouse, contributing over \$50.65 billion to the province's GDP and supporting more than 871,883 jobs. To unlock the full potential of this vital industry, strategic investments are required:

### 7. Invest More in Rural and Social Infrastructure

The Grow Ontario Challenge is the province's ambitious strategy to strengthen the agri-food sector and ensure a sustainable, reliable, and competitive food supply. The challenge sets specific targets, including:

- Increasing the domestic consumption and production of Ontario-grown food by 30%
- Boosting Ontario's food and beverage manufacturing GDP by 10%
- Growing agri-food exports by 8% annually

Achieving these goals requires significant investment in rural and social infrastructure.

**Recommendation:** Invest \$1.5 Billion in Rural and Social Infrastructure.

### 8. Further increases to OMPF Funding

We are encouraged by the government's recent announcement of a \$100 million phased increase to the Ontario Municipal Partnership Fund (OMPF) over two years. This is a critical step toward supporting rural municipalities, but further investment is still needed. We strongly encourage the government to make further commitment to sustain Ontario's rural communities.

**Recommendation:** Increase OMPF funding to \$875 million annually.

### 9. Expand the Rural Economic Development (RED) Program

Rural communities are the backbone of Ontario's agricultural and agri-food economy. The Rural Economic Development (RED) program provides essential funding to support strategic initiatives that drive local economic sustainability and growth

**Recommendation:** Boost funding for the RED program from \$5 million to \$8 million annually, empowering rural communities to pursue strategic initiatives for economic sustainability.

### 10. Support Commercial Driver Training and Insurance Subsidies

The agriculture sector relies heavily on efficient transportation networks, yet a growing shortage of skilled commercial drivers is creating bottlenecks and increasing costs for farmers and agri-businesses. Addressing this bottleneck is critical to ensure farmers are able to get their goods to market.

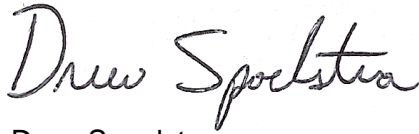
**Recommendation:** Allocate \$10 million for DZ and AZ driver training subsidies and \$3 million for insurance support to address the transportation bottlenecks facing Ontario's agri-food sector.

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Ontario's agricultural sector is a cornerstone of the province's economy, and the proposed investments will ensure it continues to thrive. These measures will provide stability for farmers facing mounting uncertainties while unleashing the sector's immense economic potential.

We thank you for considering our recommendations and look forward to working collaboratively to achieve these shared goals.

Sincerely,



Drew Spoelstra  
President

cc: OFA Board of Directors  
The Honourable Rob Flack, Minister of Agriculture, Food and Agribusiness  
The Honourable Lisa Thompson, Minister of Rural Affairs