

May 15, 2025

The Honourable Heath MacDonald
Minister of Agriculture and Agri-Food
House of Commons
Ottawa, ON
K1A 0A6

Dear Minister MacDonald,

On behalf of the Ontario Federation of Agriculture (OFA), I would like to extend our sincere congratulations on your appointment as Canada's Minister of Agriculture and Agri-Food. We look forward to working with you and other members of the government to strengthen and support the agricultural sector across the country, particularly in Ontario.

Ontario is home to over 48,000 farm businesses and a vibrant agri-food processing sector. Collectively, our sector contributes more than \$50 billion annually to the provincial GDP and supports over 871,000 jobs across the value chain. We export \$26.2 billion annually in agri-food products. As the voice of Ontario's farmers, the OFA is committed to working collaboratively with your office to ensure that agriculture remains a key driver of economic growth, sustainability, and innovation.

As you take on this important role, we would welcome the opportunity to meet with you to discuss key issues facing Ontario agriculture. In particular, we would like to follow up on correspondence previously sent to former Minister Kody Blois regarding trade, tariffs, and interprovincial trade barriers that are impacting the competitiveness of our sector. These are priority areas where federal leadership and collaboration with provincial government and industry are essential to ensure farmers and processors can access markets efficiently and fairly.

We would be pleased to coordinate a meeting at your earliest convenience to explore these and other priority files in more detail. Our Executive members will be in Ottawa with other meetings on June 4th and would be grateful to connect with you that day or the next if possible in your schedule. We are eager to work together on policies that will enhance food security, improve market access, and ensure the long-term viability of our agri-food sector.

Once again, congratulations on your appointment. We look forward to building a strong and productive working relationship.

Sincerely,



Drew Spoelstra
President
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Encl: Letter from Ontario farm industry leaders, April 2025

cc: Honourable Trevor Jones, Ontario Minister of Agriculture, Food & Agri-Business
Deputy Minister John Kelly, Agriculture, Food & Agri-Business



April 1, 2025

The Honourable Kody Blois
Minister of Agriculture, Agri-Food and Rural Economic Development
House of Commons
Ottawa, ON K1A 0A6

The Honourable Trevor Jones
Minister of Agriculture, Food & Agribusiness
77 Grenville Street, 11th Floor
Toronto, Ontario M7A 1B3

Dear Minister Blois & Minister Jones,

A unified response to U.S. trade actions: proactive solutions from Ontario agriculture

Ontario's agriculture, food and agribusiness sector, the backbone of the provincial economy, is at great risk from recent economic and policy shifts between Canada and the United States and more recently China.

The current trade and tariff geopolitical environments are creating instability and uncertainty for the entire sector, including our collective ability to feed Canadians and as an industry critical to our country's economic and social well-being.

We recognize this is a complex and extremely fluid situation, but here are key areas agriculture leaders from across the sector have collectively identified where the federal and provincial governments can help us address this unprecedented risk:

- Developing targeted support programs
- Investing in agriculture's productive capacity
- Supporting buy local campaigns and expanded export markets
- Reviewing and addressing interprovincial trade barriers
- Supporting homegrown solutions

A snapshot of the economic impact of tariffs on Ontario's agri-food sector

Canada exports a large part of its agricultural production around the world. Overall, approximately 60% of those exports go to the United States, and for some individual sectors of agriculture, those U.S. export figures are even higher. The impacts of tariff and trade disruption on the agri-food sector are wide-reaching – here are a few examples.

- **Greenhouse vegetables:** Ontario greenhouse vegetable production, which is primarily tomatoes, cucumber, and peppers, relies heavily on exports. Over 85% of production is exported, nearly all of which goes to the United States. With an export value of \$1.6 billion, a 25% tariff will result in costs of \$475 million annually. During the three days when broad tariffs were issued against Canada, Ontario greenhouse growers lost an estimated \$6 million in tariffs from payments to growers.
- **Lack of viable alternatives:** The Ontario agri-food value chain has been tailored to existing production practices as part of an integrated North American supply chain. In the majority of cases there are no viable alternatives to sourcing products from the U.S., such as liquid phosphorus fertilizer. Domestic regulations do not allow feed distributors/manufacturers to source certain feed ingredients globally because they are not currently registered for use due to government regulatory backlogs. Ontario's agri-food sector relies on just-in-time delivery, with orders and shipments arranged months in advance to ensure both crop inputs and feed ingredients arrive on time for optimal use. Global logistical challenges exist that in a number of cases make sourcing both crop and feed inputs from certain regions globally extremely challenging and that often result in long and unpredictable delivery timelines.
- **Field vegetables:** Ontario field vegetable production will also feel the impact of tariffs deeply if they are in place at the time of harvest. For example, Ontario's processing cucumber crop is valued at more than \$17 million annually and is almost entirely exported to the U.S. for pickling as there is no processing capacity left in Ontario with the departure of Bicks and Smuckers and the recent bankruptcy of Whyte's.
- **Flowers:** Over 72% of Ontario's fresh flower production is exported to the U.S. with almost 40% of those exports happening in March, April and May. In 2024, Ontario's flower exports were worth \$669 million; the cost of a 25% tariff would amount to approximately \$167 million a year, and there are no suitable alternative export markets for these products.

Canadian agriculture also sources a significant amount of livestock feed, veterinary products, farm machinery and agricultural inputs like seeds, fertilizer and crop protection products from the U.S., making the agri-food-sector tightly integrated.

In Ontario, agriculture contributes more than \$50 billion to the provincial economy annually and supports more than 871,000 jobs – that’s almost 11% of the provincial work force.

Shared solutions from the agriculture sector

That being said, we understand the magnitude of the shared challenge in front of us, and we want to be a partner with the Ontario and Canadian governments with proactive action and solutions.

Leaders from across the Ontario agriculture sector are working together closely to identify shared goals and objectives in key areas that we can embrace collectively – and where we look to government to prioritize and support the industry to address this unprecedented risk:

1. Targeted support programs

Need: Trade disruption and tariffs immediately threaten farm profitability and the long-term viability and competitiveness of the agri-food sector. This means Ontario agriculture will immediately require targeted support programs to navigate these new and extraordinary financial hardships.

We appreciate the Ontario government’s recent announcement of a top up to the Risk Management Program as well as the federal government’s announcement of maintaining the interest-free portion of the Advanced Payments Program at \$250,000 for the 2025-26 season and enhancements to the AgriStability program.

Existing support programs, while valuable, are not designed to address the scale and severity of this new challenge, particularly for export-dependent producers facing sudden market disruptions, price declines, and rising input costs.

Without immediate action, many farm businesses risk financial distress, leading to job losses, business closures and weakened rural economies as well as broader impacts on Canadian food prices and food security.

Ask: It is critical that governments introduce further support measures to provide direct financial assistance, market diversification opportunities, and strategic policy solutions to help Ontario farmers remain competitive and resilient in the face of these ongoing trade uncertainties.

Access to capital is a long-term concern for the sector and so we urge both levels of government to work with us to develop longer-term and more permanent solutions.

We also encourage that you consider programming equivalent to the U.S. business risk management suite, including their substantial recent ad hoc payments such as the Marketing Assistance for Specialty Crops Program.

2. Investments in agriculture's productive capacity

Need: Ontario's farmers and agri-businesses are the backbone of the provincial economy, driving economic growth, supporting job creation, and supporting our national food security.

With Ontario's agriculture sector exporting billions of dollars in goods annually - \$26.2 billion in 2023 alone - punishing tariffs and trade barriers disrupt supply chains, reduce market access, and put immense financial strain on farm families and agri-businesses.

Ask: We are asking government to invest in agriculture's productive capacity – things like market development, food processing, storage capacity and infrastructure for input supplies such as seeds, fertilizer and crop protection. This will help preserve and support our farmers and farm businesses during this challenging time and ensure the long-term stability of both the agriculture industry and the broader economy. Support for domestic infrastructure improvements should be based on vulnerability assessments where the Ontario marketplace is particularly dependent on imports that could realistically be satisfied domestically.

3. Buy local campaigns and expanded export markets

Need: Promotional campaigns like *Foodland Ontario*, *Ontario Made* and *Canadian Made* play an important role in strengthening our province's agriculture and food sector because they make it easier for consumers to choose locally grown, produced and processed food, beverages, flowers, fuel, and fibre.

Canadian consumers are enthusiastic to do their part to support local and we appreciate the attention our governments have already brought to these campaigns. By building on the awareness of the quality, sustainability, and economic benefits of buying local, these campaigns help drive consumer loyalty and build resilience in the sector.

It is important to note for many of our Ontario and Canadian grown commodities, we cannot "eat our way out of this crisis." Our production of greenhouse vegetables and flowers, pork or beef, for example, has long been built around meeting the needs of export markets, particularly the United States, and there simply aren't enough domestic consumers to make up for the loss of that market.

Ask: Ongoing, increased investment in Foodland Ontario is essential to ensure that Ontario-made food products remain competitive and top of mind with consumers here at home.

However, to foster a strong domestic market that will sustain our farmers, food processors, and agri-businesses for generations to come we also must identify and develop new export markets.

Across the agriculture sector, there is significant appetite for partnering and working with your governments to expand and strengthen our global export markets while also growing our domestic opportunities and endorsing and promoting all Ontario and Canadian produced agricultural products.

4. Reviewing and addressing interprovincial trade barriers

Need: There are also market opportunities for our agri-food products right here in Canada, but they're not accessible due to interprovincial trade barriers of many kinds.

Ask: We are asking for Ontario agriculture to be at the table with governments at all levels to take a serious look at regulatory barriers to competitiveness and where appropriate, address and remove barriers between provinces that will expand our market opportunities within Canada.

This includes decreasing regulatory red tape and logistical challenges around transportation and moving products across the country and eliminating interprovincial trade restrictions that impact our livestock and wines and spirits sectors in particular.

5. Supporting homegrown solutions

Need: The supply management system plays an essential role in providing stability and predictability for farm families and consumers alike. The supply management sector in Ontario represents over 5000 family-run farms and the collective sectors support over 130,000 jobs and contribute over \$17 billion to the Ontario economy.

The stability and predictability of Canada's supply management system is crucial for ensuring food sovereignty and securing domestic production to meet the needs of our population. This type of made in Canada solution should be maintained to support the livelihoods of many farmers, protect and enhance Canadian food security and support rural economic growth and community development across the country.

Ask: It is vital that we protect our dairy, chicken, eggs, turkey, and hatching eggs and chick sectors to ensure a sustainable, resilient supply management food system that prioritizes the well-being of Ontario farmers, agri-food businesses, and consumers.

A Team Canada approach

Ontario's farmers and agri-businesses are the backbone of the provincial economy, driving economic growth, supporting job creation, and ensuring our national food security.

With Ontario's combined agriculture sector exporting billions of dollars in goods annually - \$26.2 billion in 2023 alone - punishing tariffs and trade barriers disrupt supply chains, reduce market access, and put immense financial strain on farm families and agri-businesses.

Strategic government action, including financial assistance, trade diversification, and policy measures to enhance competitiveness and boost market opportunities within our own borders are essential to protecting this vital sector from economic harm and ensuring farms and food forever.

Investing in agriculture's productive capacity – which includes market development, expanded food processing, storage capacity and removing regulatory barriers to competitiveness – will help preserve and support our farmers and farm businesses during this challenging time and ensuring the long-term stability of both the agriculture industry and the broader economy.

If governments should proceed with further reciprocal tariffs, we ask that the agriculture sector continue to be engaged and consulted to fully understand the domestic impacts of any policy and trade actions that may be taken.

We recognize this is an extremely fluid and ever-changing situation, and would appreciate the opportunity to sit down and meet with you at your earliest convenience to discuss these issues further.

Sincerely,

Jaye Atkins, CEO
Agricultural Credit Corporation

Murray Opstein, Chair
Chicken Farmers of Ontario

Henk Vaarkamp, President
Christian Farmers Federation of Ontario

Mark Hamel, Chair
Dairy Farmers of Ontario

Scott Helps, Chair
Egg Farmers of Ontario

Andrew Morse, Executive Director
Flowers Canada-Ontario

Suzanna Dalrymple, President & CEO
Gay Lea Foods Cooperative

Matthias Oppenlaender
Grape Growers of Ontario

Russ Hurst, Executive Director
Ontario Agri-Business Association

Chris Hedges, Chair
Ontario Apple Growers

R.J. Taylor, Managing Director
Ontario Aquaculture Association

William Bearss, Chair
Ontario Broiler Hatching Egg & Chick
Commission

Drew Spoelstra, President
Ontario Federation of Agriculture

Steve Peters, Chair
Ontario Greenhouse Vegetable Growers

Shawn Brenn, Chair
Ontario Fruit & Vegetable Growers
Association

Christopher Orr, Chair
Ontario Goat

Jim Whelan, President
Ontario Harness Horse Association

Glen Taschuk, President
Ontario Hatcheries Association

Dave Hope, Chair
Ontario Processing Vegetable Growers

Art Alblas, Chair
Sheep Farmers of Ontario

Phil Tregunno
Ontario Tender Fruit Growers

James Schlegel, Chair
Turkey Farmers of Ontario

Philip Kroesbergen, Chair
Veal Farmers of Ontario

cc: Hon. Doug Ford, Premier of Ontario
Michelle E. DiEmanuele, Ontario Secretary of the Cabinet
John Kelly, Deputy Minister, Ontario Ministry of Agriculture, Food & Agri-business
Hon. Mark Carney, Prime Minister of Canada
John Hannaford, Clerk of the Privy Council
Lawrence Hanson, Deputy Minister, Agriculture & Agri-Food Canada