



TEAMALBERTA

ADVANCING ALBERTA'S CROPPING SECTOR TO 2025 AND BEYOND

May 29, 2020

The Honorable Devin Dreeshen
Minister of Agriculture and Forestry
229 Legislature Building
10800-97 Avenue
Edmonton, AB, T5K 2B6

Dear Minister Dreeshen,

In follow up to our correspondence from December 13, 2019 and more recent conversations with members of Team Alberta we would like to offer our appreciation for your ongoing support for the needs of Alberta producers. We were pleased by your acknowledgement, based on numerous industry requests, that you had prioritized your efforts to explore the feasibility of removing the Reference Margin Limit (RML) in AgriStability.

We understand that costing has now been completed to determine the potential increase in costs to the AgriStability program to remove the limit and that it would be an affordable measure to immediately improve the responsiveness, equity and predictability of the program for the 2020 program year and onward.

Team Alberta has been aligned with the agriculture industry across Canada in requesting specific changes to AgriStability as a bridge to a new sustainable coverage model for the next policy framework by supporting both the removal of the reference margin limits and a return to the 85% AgriStability coverage; however, as your ongoing conversations evolve with your Federal, Provincial and Territorial counterparts, **we would like to provide you with our support for prioritizing removal of the Reference Margin Limit.**

When the RML was introduced under the new program framework it inherently created inequity in the AgriStability program amongst varied farm structures in the sector. The calculation of allowable expenses fails to recognize capital expenses on the grains and oilseeds side (and other commodities), that are, however, included in the calculation of the reference margin in other sectors of agriculture. This makes the program unworkable for a number of our farmers whose gross margins far exceed the calculations of the reference margin.

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Team Alberta is a collaborative initiative led by four of the province's crop commissions. Our commissions are producer elected, directed and funded organizations established to represent the interests of our producers across the province.



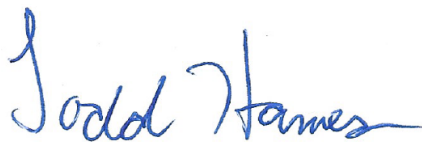
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Removal of the Reference Margin Limit would result in immediate and meaningful change to AgriStability within this program framework, and with the program enrollment deadline having been extended to July 3, 2020 would allow time for farmers to opt in to an improved AgriStability for the 2020 crop year, improving their risk coverage for events outside of their control.

In the medium term, as your government and your counterparts turn to focus on program objectives for the next policy framework and as part of the commitment to comprehensively review and improve business risk management programs, we would like to lend our support to work collaboratively in defining program objectives and proposing solutions that provide the appropriate risk coverage to keep farming a sustainable, and thriving driver of the Alberta economy.

Sincerely,




Todd Hames
Chair, Alberta Wheat Commission



John Guelly
Chair, Alberta Canola



Dave Bishop,
Chair, Alberta Barley



Don Shepert
Alberta Pulse Growers Chair

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