October 27, 2020

Hon. Jean-Yves Duclos
President of the Treasury Board
90 Elgin Street
Ottawa, Ontario
K1A 0R5
Via email: president@tbs-sct.gc.ca

Dear Minister Duclos,

As Chair of the Treasury Board Cabinet Committee, we write to you today as a united voice of Canadian farmers seeking the support of you and your cabinet colleagues in approving enhancements to the Business Risk Management (BRM) programs, specifically the Agri-Stability program. It is our expectation that in the coming weeks your cabinet committee will be asked to approve a submission to make improvements to Agri-Stability, ahead of the Agriculture Ministers Federal-Provincial-Territorial (FPT) meeting in late November.

In 2012, the Conservative government made changes to reduce the trigger and payment levels in the Agri-Stability program to 70 percent. This means that a farmer may only potentially receive payment if their production margin in the current year falls below their historical reference margin by 30 percent.

They also introduced a problematic reference margin limit (RML), which applies to producers whose allowable expenses are low in relation to Agri-Stability allowable income. For example, as shown in a case study submission from Meyers Norris Penny (MNP) to the Standing Committee on Agriculture and Agri-Food, under the 70% trigger and RML in place, a Saskatchewan grain farm would require a 51% drop in margins before triggering the program. Similar scenarios are happening all across Canada and across all commodities.

At the time of the change, farmer incomes were on the rise, market access was increasing, and trade barriers were being removed. However, in recent years we have seen increased market and trade volatility, more severe climate-related events, and increased cost of inputs. Agri-Stability coverage has not changed despite these significant challenges.

To reverse this course, we are requesting the payment trigger be immediately restored to 85 per cent of historical reference margins, with Reference Margin Limits removed. Farm groups are aligned with this request, thereby creating a clear, direct ask of government.

Agri-Stability is not perfect, but it is the best available program to support farmers impacted by factors outside of their control. The program is uniquely tailored to each farm's income, but at the current trigger level, it does not stabilize income and serves as more of a disaster recovery program at best. An improved program will also provide farmers with the confidence and assurance to make the necessary investments in their operations to lead Canada's economic recovery and growth in the future.

The federal/provincial cost-sharing ratio of 60/40 under the current program means any program enhancements may result in additional government expenditures for provincial governments who are already in difficult financial positions, which has caused challenges to moving forward. Some provinces, such as those in the Prairies, have been hard hit by other economic impacts such as declines in revenues from natural resource extraction, and face the potential of a larger financial burden from these changes due to a higher number of acres and farms in their provinces. In other instances, provinces such as British Columbia, Quebec, Prince Edward Island and Ontario have already moved ahead with various forms of enhancements to BRM programs without the support of the federal government, creating a patchwork of inconsistent support for those that need it.

It is however important to note that we are asking the government to commit to program changes, not for more money, necessarily. The only time these changes would trigger more government expenditures would be if producers are in times of financial distress, which does not equate to direct payments to farmers who have not faced large margin declines. We are asking for targeted support to farmers who need it most, when they need it most.

In 2019, nearly 40% of total farm income in the United States is expected to have come from government supports, with recent estimates finding that EU farmers receive 38% of their total income from public supports as well. In 2018, Canada's government support to farmers was only 3.6% of farm income. This directly affects Canadian farmers' ability to compete in international markets, leaving farmers at a distinct competitive disadvantage.

Prior to the pandemic, the federal government recognized the potential the sector has to fuel Canada's economic growth in both the 2017 Barton Report and by the report generated by the Economic Strategy Tables in 2018. By making these changes, not only will the federal government be honouring their commitment to increase federal support to the Agri-Stability program as outlined in both the Liberal Party of Canada's 2019 platform, and the Minister of Agriculture and Agri-Food mandate letter, but will be positioning our sector as a driver of Canada's economic recovery.

While the specifics of any program changes emerging from negotiations between federal, provincial and territorial governments remains to be seen, we hope we can count on you and your cabinet colleagues to fully support the submission for Treasury Board approval, in order the make these critical changes.

If you or your colleagues need any further information regarding these proposed changes, please do not hesitate to contact any of the signatories of this letter.

Sincerely,

CFA FCA
CANADIAN FEDERATION OF AGRICULTURE
FÉDÉRATION CANADIENNE DE L'AGRICULTURE

APAS
Agricultural Producers Association of Saskatchewan

Agricultural Alliance of NB • Alliance agricole du N.-B.

NOVA SCOTIA NSFA
FEDERATION OF AGRICULTURE

OFA Ontario Federation of Agriculture

PRINCE EDWARD ISLAND FEDERATION OF AGRICULTURE

Alberta Federation of Agriculture

UPA L'Union des producteurs agricoles

YUKON AGRICULTURAL ASSOCIATION

KAP KEYSTONE AGRICULTURAL PRODUCERS of MANITOBA

CANADIAN AQUACULTURE INDUSTRY ALLIANCE
ALLIANCE DE L'INDUSTRIE CANADIENNE DE L'AQUACULTURE

DAIRY FARMERS OF CANADA
LES PRODUCTEURS LAITIERS DU CANADA

EGG FARMERS OF CANADA
Dedicated to Quality

COHA CANADIAN ORNAMENTAL HORTICULTURE ALLIANCE
ACHO ALLIANCE CANADIENNE DE L'HORTICULTURE ORNEMENTALE

TURKEY FARMERS OF CANADA
LES ÉLEVEURS DE DINDON DU CANADA

NEWFOUNDLAND & LABRADOR FEDERATION OF AGRICULTURE

NSN RON
National Sheep Network

BCAC
BC AGRICULTURE COUNCIL
Leading the way together

ONTARIO GREENHOUSE VEGETABLE GROWERS

mushrooms.canada

CHICKEN FARMERS OF CANADA
LES PRODUCTEURS DE POULET DU CANADA

CSBPA
Canadian Sugar Beet Producers Association

CSGA Canadian Seed Growers' Association
ACPS Association canadienne des producteurs de semences

Canadian Hatching Egg Producers
Les Producteurs d'oeufs d'incubation du Canada

CCA CANADIAN CATTLEMEN'S ASSOCIATION

National Voice Of Cattle Producers

GRAIN FARMERS OF ONTARIO

CANADIAN CANOLA GROWERS ASSOCIATION

Manitoba Canola Growers

ALBERTA CANOLA PRODUCERS COMMISSION

SaskCanola Saskatchewan Canola Development Commission

Canadian Horticultural Council | Conseil canadien de l'horticulture

Association des producteurs de fraises et framboises du Québec

Belle de jour

BC Fruit Growers' Association est. 1889

BC Greenhouse Growers' Association

Demers fruits rouges, culture verte.

Fédération québécoise des producteurs de fruits et légumes de transformation

Georgian Bay Fruit Growers Inc.

GinsengOntario

Ontario Berries

Horticulture HNS Nova Scotia

An Annapolis Valley Original

Ontario Apple Growers

Ontario Asparagus

Ontario Fruit & Vegetable Growers' Association

Ontario Fresh Grape Growers' Marketing Board

Prince Edward Island · Île-du-Prince-Édouard PEI Î-P-É Potatoes · Pommes de terre

ontario potato board

Peak of the Market Proudly Canadian

PGA Potato Growers of Alberta

P.E.I. Horticultural assoc. inc.

Potatoes Pommes de terre NB New Brunswick / Nouveau-Brunswick Canada

Southern Potato Co

WALI Western Agriculture Labour Initiative

Wild Blueberry Producers Association of Nova Scotia

Fraserland Organics Inc
Brent Harris Farms Ltd.
Camirlaney Farms Ltd.
Jeff Harris Farms Ltd.
Greenbelt Farms Ltd.
Fraserland Farms Ltd.
J&H Cranberries Ltd
Crescent Island Cranberries Ltd.
Yet Chong Farms Inc and Shui Chong Farms Inc

Cc:
Right Honourable Justin Trudeau
Hon. Bardish Chagger
Hon. Chrystia Freeland
Hon. Catherine McKenna
Hon. Jonathan Wilkinson
Hon. François-Philippe Champagne
Hon. Mona Fortier
Hon. Dominic LeBlanc
Hon. Diane Lebouthillier
Hon. Mary Ng
Hon. Deborah Schulte
Hon. Filomena Tassi
Hon. Marie Claude Bibeau
Hon. John Horgan
Hon. Jason Kenney
Hon. Scott Moe
Hon. Brian Pallister
Hon. Doug Ford
Hon. François Legault
Hon. Stephen McNeil
Hon. Blaine Higgs
Hon. Dennis King
Hon. Andrew Furey
Hon. Sandy Silver
Hon. Caroline Cochrane
Hon. Joe Savikataaq
Hon. Lana Popham
Hon. Devin Dreeshen
Hon. David Marit
Hon. Blaine Pedersen
Hon. Ernie Hardeman
Hon. Andre Lamontagne
Hon. Keith Colwell
Hon. Hon. Margaret Johnson
Hon. Bloyce Thompson
Hon. Elvis Loveless
Hon. Ranj Pillai