February 12, 2021

Honourable Devin Dreeshen Minister of Agriculture and Forestry 229 Legislature Building 120800-97 Avenue Edmonton, AB, T5K 2B6 Via email: <u>AF.minister@gov.ab.ca</u>

RE: Agriculture Agri-Food Canada Business Risk Management Offer

Dear Minister Dreeshen,

Thank you for your email, dated February 5 and sent to Rachel Peterson at Alberta Pulse, in response to a letter sent to you from 11 Alberta agriculture associations and commissions. As you note in your response email, the letter outlined our organizations' position regarding the federal government's proposal for short-term changes to AgriStability and the current suite of business risk management (BRM) programs. Collectively we are asking the Government of Alberta to accept a current offer from the federal government to increase the compensation rate and remove the Reference Margin Limit (RML).

In your email response, you indicate:

"Due to current fiscal restraints, the Government of Alberta is unable to make short-term changes to Agristability. We recognise that the RML fails to benefit all agricultural sectors equally, and that it fails to "trigger" payouts for some farm operations. Alberta is proposing long-term overhaul of AgriStability to provide an effective and equitable risk management program."

Our eleven associations represent a large majority of agriculture producers in the province, and we are disappointed. Collectively we feel that these two changes to AgriStability, while not addressing all the issues, could be a good start to providing producers with additional security and assistance. We are not opposed to looking forward towards BRM reforms, and wonder why the province will not support the current changes being offered by the federal government while working toward future reforms at the same time.

As we understand, the current offer from Minister Bibeau entails around \$170 million per year in direct support to farmers who need it the most. As the provincial match is 40% and spread across all Canadian provinces, this would mean an Alberta provincial match of around \$10 - \$12 million, matched by federal funds of around \$25 million. In total, \$35 to \$37 million would be available annually for farmers in need today, and into any future negotiations including future BRM reforms.

To your comment that the RML fails to benefit all agricultural sectors, as you can see by the show of support from a broad swath of Alberta's agricultural commodity groups, farmers think these changes (removal of the RML and increasing the compensation rate) would be broadly beneficial across the industry.

The organizations signed to this letter, and their producer Chairs, are requesting to meet with you collectively to try to understand your objection to accepting this offer, and to encourage you to reconsider. As this is critically important to our sector and is extremely time sensitive, we request you make time to meet with us in the next few days. And we will make sure to open our calendars to meet with you any time you have available. Janice Tranberg from ACFA will be happy to arrange the meeting on behalf of our organizations.

Sincerely,



cc: Honourable Jason Kenney, Premier of Alberta Honourable Travis Toews, Minister of Treasury Board and Finance Honourable Doug Schweitzer, Minister of Jobs, Economy and Innovation