

Standing Committee on Finance and Economic Affairs Pre-Budget Consultation

Ontario Cattlemen's Association

January 18, 2005

The Ontario Cattlemen's Association (OCA) represents the interests of 21,000 beef producers in the province of Ontario. The Ontario beef industry is the second largest agricultural commodity within our province and Ontario is the second largest beef producing province in the country. Prior to the BSE crisis which began in May 2003, the Ontario beef industry generated \$1.2 billion in farm gate sales in our last normal year of production of 2002.

Since the first confirmed case of BSE in Alberta and the subsequent closure of critical export markets, the beef industry and broader agriculture and rural communities have felt tremendous impact on their livelihood. Over 20,000 beef operations in this province have realized losses in excess of \$500 million since May 20, 2003. In many instances this impact is felt as direct equity loss gained over generations of dedicated family investment.

The BSE crisis has revealed our industry's weakness as an export dependent commodity while at the same time identifying our Ontario industry's strengths as a source of healthy, safe and high quality beef. This product is well-positioned for a made in Ontario marketing effort. As an organization, we are seeking the Province of Ontario's involvement and commitment in finding solutions for our industry so that we can successfully re-surface from the challenges we are experiencing. Without a blueprint that can help our industry recover and grow, there will not be a next generation of young farmers to carry the plan forward.

Direct support in the form of policy amendments, regulatory changes and financial support are needed in the following areas:

1. Relaxing of regulatory controls within the Nutrient Management Act so that our largest feedlot operators can remain viable. The funding program available is wholly inadequate in addressing the compliance date of March 31, 2005.
2. Long-term resource investment into innovative and self-sustaining deadstock and Specified Risk Material disposal options.
3. Changes to the Canadian Agriculture Income Support program to eliminate the deposit requirement.
4. Commitment to collaborate in a government/industry planning process for renewal of the Ontario beef industry.
5. Expansion of the Ontario Feeder Finance program to include a guaranteed cow breeder loan program so that young farmers have the support they need to start a beef operation.
6. Funding for recommendations within the Justice Haines Farm to Fork Report that relate to mandatory on-farm food safety programs and the development of a comprehensive food safety traceability system.
7. Resource support, as directed by livestock and poultry groups, for the establishment of an Animal Health Act for Ontario so that as a province we will be prepared with emergency measures against disease outbreaks. The White Paper developed by

livestock and poultry boards outlines in detail the need for improvements and upgrades to the current provincial infrastructure.

8. Tax relief for farmers who feel they must exit the industry to recover from losses incurred by foreign trade actions.
9. Further agreement by the Province of Ontario to utilize OCA as a cost effective and credible administration centre for management of provincial project funds to be flowed to industry. See attached document outlining the administration model developed for management of the \$3 million BSE Recovery Program-Cull Animal Strategy.
10. Research and Development programs that require academic institutions to have the cooperation of industry stakeholders to receive funds.

Ontario beef producers are an integral part of the Ontario farming community. Without Ontario farmers, this province will lose the strength and infrastructure of rural Ontario present in small towns and villages. Current crises such as BSE, in conjunction with an increasingly costly and complicated regulatory framework as evidenced in the Nutrient Management Act, are leading our province's food producers to exit the industry. These challenges are further augmented by an appreciating Canadian dollar and collapsing commodity prices. Decreasing investment in agriculture by the provincial government has been well noted by producers across the province, many who view their livelihood as quickly becoming unsustainable. We ask the Province of Ontario to demonstrate a renewed interest and investment into the agricultural industry in this province.