

December 17, 2020

Hon. Blaine Pedersen
Minister of Agriculture and Resource Development
minagr@leg.gov.mb.ca

Dear Minister Pedersen:

We the undersigned, representing Manitoba's farmer organizations, are writing to strongly encourage the Government of Manitoba to ratify the changes to AgriStability proposed by the Government of Canada at the agriculture ministers' meeting on November 27. We want to support your advocacy on behalf of Manitoba farmers.

Although the proposed changes fall short of those that we have been requesting since the AgriStability program was decimated under Growing Forward 2, they are at least a step in the right direction and, we believe, represent an acceptable compromise. Removing the reference margin limit will help to simplify the program and effectively lower the payment trigger for lower-cost operations. The increase in coverage from 70% to 80% will make the program more effective for those who suffer a significant loss.

The approval and implementation of these changes, without compromising other risk-management programs, will support Manitoba's farmers to a satisfactory level through to the end of the current policy framework so that we can then focus on the longer-term changes for the next policy framework. That work will include preserving and fortifying the benefits of AgriInsurance and AgriInvest, both important programs that provide support for different types of risk impacts.

Public support for business risk management programs such as AgriStability is based on the clear understanding that farmers face unique risks from adverse weather, disease pressures, as well as international trade and rail transportation disruptions, among others. These risks affect every aspect of farmers' and ranchers' bottom lines, including production, quality, input prices, and market prices. Without improvements to program coverage, continued low enrollment will leave the majority of farmers exposed to unmanageable risks, which require ad hoc emergency response programs in a disastrous production year. Those type of programs are more expensive and more difficult to budget.

The proposed improvements to AgriStability will support farmers' decisions to further invest in their operations, adopt new technology, and perform needed maintenance and upgrades. These decisions have downstream benefits in production levels, animal care, environmental stewardship impacts, and the economy. This support is particularly important for those sectors whose production risk is not sufficiently covered by AgriInsurance including beekeeping, specialty crops and livestock.

We have all been directly affected by COVID-19 in our communities and we appreciate the leadership that the Government of Manitoba has shown during this pandemic and the support that it has provided to public health and to Manitoba businesses and workers.

Of the investments that the federal and provincial government are making right now, we know the investment that will result from AgriStability improvements is a good one. Agriculture is an essential service, as has been recognized throughout the pandemic in the public health orders. Not only will Manitoba's contribution leverage the federal funds on the table, but funds provided to farmers will go right back into the economy, enabling agriculture to lead the post COVID economic recovery.

In the attached backgrounder, we have summarized the good work of farm groups to date in demonstrating the very real impact that these changes will have on different types of farm operations. We recognize that the federal and provincial governments hold the data to support this move as well, and we want to work with you to do the necessary supporting research.

In conclusion, Manitoba farm groups and their members are ready to stand by the provincial government in its show of support for agriculture by supporting this proposal. We welcome the opportunity to speak directly with you and your colleagues on this very important topic. Please contact Patty Rosher at patty.rosher@kap.ca or 204-924-6014 to arrange a meeting at your earliest convenience.

Signatories



David Wiens
Chair
Dairy Farmers of Manitoba



Bill Campbell
President
Keystone Agricultural Producers



Dan Sawatzky
General Manager
Keystone Potato Producers Association



Dianne Riding
President
Manitoba Beef Producers



Mark Friesen
President
Manitoba Beekeepers Association



Robert Johnson
President
Manitoba Bison Association



Clayton Harder
President
Manitoba Canola Growers Association



Jake Wiebe
Chair
Manitoba Chicken Producers



Fred Greig
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Manitoba Crop Alliance



Harold Froese
Chair
Manitoba Egg Farmers



Larry Wegner
Chair
Manitoba Forage and Grassland Association

Lucas Menold
President
Manitoba Forage Seed Association



Doyle Penner
Chair
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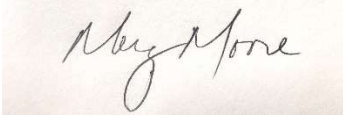
George Matheson
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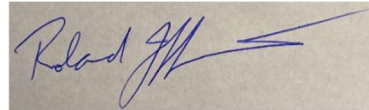
Morgan Moore
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Angie Cormier
Executive Director
Prairie Fruit Growers Association



Roland Jeffries
President
Vegetable Growers Association of Manitoba

Program Payment Scenarios

600 sow farrow-finish operation

Scenario	
Reference margin	\$1,000,000
Program year margin	\$500,000
Reference margin limit	N/A
Payments	
Current program	\$140,000
No RML, 70%	\$140,000
No RML, 80%	\$160,000

Source: Canadian Pork Council

2000-acre grain and oilseed farm

Scenario	
Reference margin	\$419,704
Program year margin	\$200,240
Reference margin limit	\$281,394
Payments	
Current program	\$3,791
No RML, 70%	\$65,487
No RML, 80%	\$74,842

Source: Agricultural Producers Association of Saskatchewan

600 cows, 900 forage acres, 4,000 pasture acres

Scenario		
Reference margin	\$502,524	\$502,524
Reference margin limit	\$427,145	\$427,145
Drop in production	10%	20%
Payments		
Current program	\$0	\$8,092
No RML, 80%	\$34,635	\$93,672

Source: Canadian Cattlemen's Association

3000-acre grain and oilseed farm

Scenario	
Reference margin	\$528,730
Program year margin	\$317,280
Reference margin limit	\$479,032
Payments	
Current program	\$12,630
No RML, 70%	\$36,982
No RML, 80%	\$42,265

Source: Canadian Canola Growers Association