



August 25, 2020

Hon. Blaine Pedersen
Minister of Agriculture and Resource Development
Room 165 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

Via E-mail: minagr@leg.gov.mb.ca

Dear Minister Pedersen,

On behalf of Manitoba farmers, we would like to thank you for your ongoing engagement with the agricultural sector in advance of the upcoming federal, provincial, and territorial (FPT) Ministers of Agriculture meeting in Guelph this October. Between the Manitoba Canola Growers, Manitoba Crop Alliance, Manitoba Pulse and Soybean Growers, and the Manitoba Oat Growers Association, we represent the vast majority of our province's field crop farmers. We view the October meeting as an opportunity to have meaningful, constructive improvements made to Canada's Business Risk Management (BRM) programs that, as you know, are essential to help manage uncontrollable risks on farms. In this time of increased uncertainty due to COVID-19, predictable, bankable and timely BRM programming more important than ever.

We have and continue to look forward to actively engaging through your Ministerial outreach events in the weeks ahead, and are encouraging our farmer members to participate through the online Engage MB portal.

In preparation for the upcoming Agriculture Ministers FPT meeting, we would like to take this opportunity to recommend specific changes to the AgriStability program. As it stands, the AgriStability program is failing farmers as uncontrollable risks increase and program coverage does not keep pace. AgriStability is a core pillar of Canada's BRM suite, representing the only tool currently available to all farmers to manage both production and market risks. Participation has declined precipitously since changes were made to the program in 2013, reducing the level of support available to farmers facing losses. As a result, over 2/3 of farmers are opting out of the program; leaving them exposed to immense risk. **To reverse this course, we are requesting AgriStability coverage be immediately restored to 85% of historical reference margins with no Reference Margin Limit. This ask is in solidarity with a majority of farm groups, thereby creating a clear, direct ask of government.**

In 2012, the decision was made to reduce the trigger and payment levels in AgriStability to 70%. At that time, the grain sector was in a very different position. Farmer incomes were on the rise, market access was growing and trade barriers were being removed. However, recent years have brought increased market and trade risk, more severe climate-related events, and increased cost of inputs. AgriStability coverage has not changed despite these significant challenges.

AgriStability is far from perfect, but it is the best available program to help those farmers that need it, when they need it. It is uniquely tailored to the realities of each farm's income, but at the current trigger level, does not stabilize income, and acts more like a disaster recovery program at best.

Our national association, the Grain Growers of Canada, has been actively lobbying the federal government to make the requested changes. They have also requested that the federal government take a leadership role, and take on the lion's share of this new expense, recognizing that COVID has had a larger impact on provincial governments who are unable to take on the same debt load. They have been making this request to the federal government alongside the Canadian Canola Growers Association, the Canadian Federation of Agriculture, the Canadian Horticultural Council, and the Canadian Pork Council. We fully support their efforts and collaboration with other major sector representatives, to show that this is the one policy change that unites multiple sectors.

As a sector, we are asking for your leadership in advance and during the FPT meetings in Guelph. Some provinces such as Prince Edward Island, British Columbia, and Quebec have moved ahead on their own to make changes to the 70% trigger and removed reference margin limits. Ontario has provided a top up to their provincial BRM program to fill that gap. This patchwork approach, when a nationwide program exists and can easily be changed does not help Canadian farmers as a whole, and certainly not Manitoban farmers.

We recognize that the 60/40 cost sharing under the current AgriStability program may need to be adjusted for the 'top up' portion of costs to make these changes. We understand that the provincial 40% of the increased program costs may be inhibitive, particularly during COVID-19, and that is why **we are asking you to work with other provinces in advance of the FPT meetings to seek an alternative federal-provincial cost arrangement that is manageable, and achieves the requested changes to AgriStability for the remainder of the Canadian Agricultural Partnership.**

Groups like ours have been reaching out to provincial governments, and our national associations to the federal government, and we have yet to make progress on this critical change. We believe that it will only be through provincial coalition building and leadership that the federal government be willing to take action on this important file, and we are asking that you take the lead in building a coalition in the Prairies to make urgent and meaningful improvements to AgriStability for Manitoba farmers. We ask you

to propose alternative federal-provincial ratios that enable your government to support our requested changes to the program, wherein the federal government would take on a larger share of the increased cost to government, and make these necessary changes immediately.

Minister, it has been said many times that agriculture will and must be a driver of economic recovery in this country. There are many important roles that provincial governments can play to help foster this ambition, but a core one is ensuring that our farms stay solvent in order to do so. AgriStability is the required safety net and is something that as the agricultural sector we are united in needing to see changed. Your leadership amongst other provinces can go a long way in achieving those changes, and we hope to count on your support.

As you review the feedback from your consultations ending September 1st, we would be pleased to meet and further discuss our hopes of you championing this important cause amongst your provincial counterparts. We would be happy to have representatives meet in person, or virtually.

We look forward to engaging with you further in days ahead, and please have your office contact Delaney Ross Burtnack at delaney@canolagrowers.com or 204-230-6293 to arrange a time to meet at your convenience.

Sincerely,

Clayton Harder
President, Manitoba Canola Growers



Fred Greig
Chair, Manitoba Crop Alliance



Calvin Penner
Chair, Manitoba Pulse and Soybean Growers



Doyle Penner
Chair, Manitoba Oat Growers Association

