



## **Pre-budget Consultation Submission to the House of Commons Finance Committee**

**Submitted by Grain Farmers of Ontario**

Submitted via E-Mail to:  
Guyanne L. Desforges  
Clerk of the Committee  
House of Commons Standing Committee on Finance  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6  
E-mail: [FINA@parl.gc.ca](mailto:FINA@parl.gc.ca)  
Tel.: 613-992-9753



## Grain Farmers of Ontario

Grain Farmers of Ontario (GFO) is the province's largest agricultural commodity organization, representing Ontario's 28,000 corn, soybean and wheat farmers. The crops we grow cover 5 million acres of farm land, generate over \$2.5 billion in farm gate receipts, result in over \$9 billion in economic outputs and are responsible for over 40,000 jobs in Canada.

### Mission

Our mission is to develop and promote an innovative and successful business environment which will allow our farmer members the opportunity for profitable growth.

### Vision

Our vision is to drive the Ontario grain industry to become a global leader.

### Core Values

We are committed to:

- our farmer members: We believe in working together to deliver excellent services that create real value for our farmer members.
- our people: We believe in providing an environment where people are respected, passionate about their work and able to reach their full potential.
- our results: We believe in having a winning attitude that drives achieving our goals efficiently and effectively.
- our innovation: We believe in innovation and are flexible and adaptive so as to meet the quality standards of our industry.
- our honesty and integrity: We believe in leading by example, demonstrating ethics, trust, transparency and teamwork in all we do.

### Farmers for Investment in Agriculture

GFO has joined forces with 100,000 grain farmers across Canada to demand a greater investment in agronomic research from the federal government. Grain Farmers of Ontario is working with, the Fédération des producteurs de culture commerciales du Québec, the Atlantic Grains Council and the Grain Growers of Canada to **re-build A-Base funding levels by \$26 million a year for next 10 years to ensure a solid foundation of capital for crop breeding infrastructure, agronomic research, pest management and grain quality enhancements in Ontario.**

The proposal would bring funding back to 1994 levels by 2020. By increasing research funds, Canadian farmers would gain a competitive edge in the global market and help stimulate the struggling Canadian economy.

It is also estimated that agronomic research yields 40-60 per cent economic returns for the whole society. The agricultural industry turns every dollar of research investment into \$10 in economic benefits to Canada through the growth of the domestic food sector, increased exports and lower food costs.

As most industrialized countries are making huge investments in farming to capitalize on growing world food demand, public research funding for agronomics in Canada has dropped 40 per cent since 1994 after adjusting for inflation, resulting in a serious loss of both research infrastructure and scientists.



Research is more important today than it has ever been. The Food and Agriculture Organization of the United Nations predicts that global agriculture has to grow by 70 per cent by 2050 to feed an additional 2.3 billion people, creating a demand that Canadian farmers need to be prepared to capitalize on. Increased public research funding helps develop crops that are more efficient, higher quality, healthier and more resistant to disease, pests and extreme weather conditions. At a time when demand is expected to rise significantly and wheat supplies are being threatened worldwide by an outbreak of Ug99, the time for government to invest is now.

### **Business Risk Management**

Grain Farmers of Ontario is committed to helping our farmer members access the tools they require to manage risk. When farmers have the right tools in place to manage risk they are able to focus on their opportunities for market development, innovation, cost management and growth. The agriculture and food industry in Canada represents 9% of our GDP and a focus on farm innovation will ensure a healthy and productive country.

Cutting or weakening agricultural business risk management programs will affect income stability on our country's farms and result in a detrimental impact to our economy. Our organization believes there should be a focus on improvement of federal business risk management programs. The current suite of programs such as AgriStability and AgriInvest, were never designed for a prolonged period of economic instability. At this time when the Growing Forward suite of programs is under review, we believe there is an opportunity to improve and enhance these programs, making them more flexible to respond to a changing and diverse agricultural sector across Canada.

**Canada's Growing Forward suite of agricultural programs (particularly, AgriStability, AgriInsurance, AgriInvest) must be maintained and enhanced. Enhancements should take Canada's agricultural diversity into account and be more bankable and predictable for Canadian farmers.**

### **Farm Taxation**

Grain storage is a vital component of grain production and marketing, and grain storage bins and related equipment currently are taxed at an HST rate of 13%. Production related equipment such as tractors, planters, and combines are zero rate taxable.

**Grain Farmers of Ontario requests that the provincial government change the tax rate to zero for grain handling and storage equipment.**