

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

Submitted by the Ontario Cattlemen's Association

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

Tel: 613-992-9753

The Ontario Cattlemen’s Association represents 19,000 beef farmers in Ontario and appreciates this opportunity to inform the House of Commons Finance Committee’s pre-budget consultations. Our top three recommendations for the Committee to consider are:

- 1. *Canada's Growing Forward suite of agricultural programs (particularly, AgriStability, AgriInsurance, AgriInvest) must be maintained and enhanced.***
- 2. *The revised Growing Forward suite of programs must recognize Ontario's agricultural diversity and the income sustainability needs of farmers (BRM) across a broad range of commodities. Regional flexibility is required in the delivery of BRM priorities.***
- 3. *The federal government must continue to have primary responsibility for providing a robust suite of BRM programs and make them more bankable and predictable for Canadian and Ontario farmers.***

Economic Importance of the Ontario Beef Industry to the Canadian Economy

The Ontario beef industry is very important to the economy of Canada. Beef farming is especially important because it is carried on in every county and district in Ontario. Ontario feedlots finish calves from western provinces, and Ontario processors produce beef from animals which have started their lives in Alberta, Saskatchewan, Manitoba, or Quebec. By supporting the Ontario beef industry, the government of Canada is investing in the families, businesses and communities of rural Canada. The income and employment derived from this industry helps support a broad range of rural infrastructure such as hospitals and schools. Beef farms create jobs in rural communities – from feed supply stores to grocery stores. Government and industry cooperation and collaboration can provide great opportunities for the farm families of Canada and for the future generations of farmers.

▪ Value of Cattle and Beef Production in Ontario	\$2.0 Billion+
▪ Impact on Canadian GDP	\$1.8 Billion
▪ Employment	25,860+ jobs
▪ Labour Income	\$ 860 Million

For every drop in sales of \$10 Million, value-added GDP declines by \$8.4 million.*

*Source: "The Economic Impact of the Ontario Cattle and Beef Sector", Dr. Maury Bredahl, Michael Weber, University of Guelph, Department of Agricultural Economics, February 2010.

In a study entitled "The Economic Impact of the Ontario Cattle and Beef Sector", published in 2010 by the Department of Food, Agricultural, and Resource Economics at the University of Guelph, it was shown that the economic impacts arising from the Ontario beef industry are approximately the equivalent to the economic impacts of adding an automotive assembly plant. You all recognize the effect that a decline in the automotive sector has on our economic health. You should also realize that a decline in the agriculture sector will have similar negative effects.

With respect to the Committee's focus on achieving a sustained economic recovery, creating jobs, lowering taxes and balancing the budget, our farmers believe that maintaining and fostering the growth in Ontario's beef industry is mandatory. Cutting back agricultural programs or weakening their income stabilizing effects will have a negative impact on jobs, the economy, and balancing the budget.

For example, investments in innovation and market access are welcome and needed but they will have no consequence if they do not raise the income levels of farmers in the short term. Our farmers are fully capable of investing in farm innovation and in finding new markets - but they need income stability and rising farm equity to do so. In our segment of the industry, this has been lacking since the onset of BSE. Incentives from government to invest in innovation, without income sustainability and predictability, will be meaningless otherwise. Thus while we support a continued government role in innovation and efforts in increased market access, it cannot be at the expense of effective BRM program delivery.

We would also like to take this opportunity to express the importance of non-BRM programs to the beef producers of Ontario. While BRM programs provide financial options for our farm families, all programs and policies have a great effect on their long-term profitability and competitiveness. We request that all programs and policies be created with three principles in mind:

- First, a primary focus of every program and policy should be to foster the competitiveness of Ontario's beef industry and producers on a global basis.
- Second, efficient regulatory processes that enhance competitiveness and innovation should be a clearly stated aim of policy.
- Third, policies should recognize the individual needs and differences of producers and provide for flexibility in delivery to accommodate regional issues. Each policy area, be it market development, food safety, research and innovation or the environment should follow these three principles.

Thank you.