



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

**Respectfully Submitted by Ontario Pork**

Submitted via email to:  
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## **Submission and Recommendations:**

Ontario Pork represents the 2,000 farmers who market hogs in the province thereby supporting a pork industry that accounts for 32,000 jobs and an estimated total industry output from farm gate sales worth \$4.5 billion to the economy. We appreciate this opportunity to inform the House of Common's Finance Committee pre-budget consultations.

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 Canada's future as a domestically sustainable and globally exporting food producing nation is mandatory. The current review of the Growing Forward agricultural program offers an opportunity for the federal government to preserve and create jobs and improve the economy of both rural and urban Canada - allowing governments, at all levels, to collect more taxes, balance the budget and make Canada more tax competitive overall. Cutting back agricultural programs or weakening their income stabilizing effects will have the opposite and detrimental impact on both jobs and the economy as well as balancing the budget. But these programs must also be improved. The current suite of programs such as AgriStability and AgriInvest, which replaced CAIS were never designed to handle a prolonged period of economic instability. At this time, with the review of Growing Forward we believe that there is an opportunity to improve and enhance these programs, making them more flexible to respond to a changing and sometimes challenging marketplace. Provincial Ministers have recognized an uneven utility across commodities and regions and through these recommendations we believe the support to this important sector in Canada's economy can be greatly improved.

### ***Recommendation:***

***Canada's Growing Forward suite of agricultural programs (particularly, AgriStability, AgriInsurance, AgriInvest ) must be maintained and enhanced.***

Ontario's hog farmers are at a cross roads. Farmers are only just beginning to return to financial health after many years of losses and declines in farm equity. Ontario farmers must produce a diverse range of food products at world prices and compete for labour, energy and other inputs on a global cost basis. We compete with countries with low farm labour costs such as Chile and Mexico and with other nations with less stringent environmental compliance policies and those with lower currency values.

Ontario has the largest and most diverse agricultural sector in Canada. But within Canada, Ontario farmers have some special challenges. Firstly, the supply managed sector, which is offered a level of protection through its preferred trade status, is comparatively large in Ontario and directly competes with our sector for land, and input costs. Our commodity diversity means a one-size-fits-all agriculture policy will not work. With 40% of Canada's population, Ontario farmers are adjacent to many large urban centres and have the highest environmental, labour, energy and land values in the country and we face the most significant external competition selling into our domestic market.

Given this, our priority is for economic viability and therefore business risk management programs (BRM) that are effective across a broad range of commodities and robust enough to withstand a broad range of risks and economic conditions.

***Recommendation:***

***The revised Growing Forward suite of programs must recognize Ontario's agricultural diversity and the priority income sustainability needs of farmers (BRM) across a broad range of commodities. Regional flexibility is required in the delivery of BRM priorities.***

Ontario hog farmers also have concerns about the whole direction the current Growing Forward review is taking. Our fear is that BRM programs are being targeted for reduction without an examination of their job creation and maintenance benefits, and that other program components are being given undue emphasis.

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. 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. Incentives from government to invest in innovation, without income sustainability, including the principles of bankability 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.

Moreover, Ontario farmers do not often require expensive disaster recovery programs like Western Canadian farmers frequently utilize for events such as drought and flooding. A recent Growing Forward consultation statement has implied that the federal government is considering maintaining a role in disaster recovery at the expense of BRM. This latter function has been portrayed as something which could be downloaded to commodity organizations and farmers themselves. This is both unrealistic and misguided. It is misguided in that it does not recognize the employment and economic development (including tax) benefits these programs contribute to the economy, but it is also unrealistic to put BRM responsibility primarily in the hands of farm organizations and farmers given the realities of state funded farm support programs in our competitor nations and the weakened equity situation of Ontario farmers.

***Recommendation:***

***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.***

Thank you for reviewing our presentation and we look forward to discussing the important issue of agriculture and how it can contribute to both jobs and the economy with the members of the Finance Committee.