

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

Submitted by: The Ontario Veal Association



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The Ontario veal industry has faced challenges in its short history. Costs of production, including labour, fuel, energy and land values, have continued to rise while prices for finished calves have been flat or dropped. New trade issues have arisen putting further demands on producers. The veal industry is considered a small sector of livestock production and is often overlooked. In Ontario, veal has an annual farm gate value of \$110 million and an economic impact of \$450 million on Ontario's economy.

Economic cycles cause instability for producers, which in turn cause instability for the rest of the value chain and threaten jobs and the industry at large. With programs that allow farmers to better mitigate their risk, farmers can focus on growing safe products of high quality.

The current suite of agriculture Business Risk Management (BRM) programs, such as AgriInvest and AgriStability, were never designed to handle a prolonged period of economic instability. When they were originally developed, it was prior to the economic crisis of most recent years. We believe that there is now an opportunity to improve and enhance the current suite of BRM programs by making them more flexible to respond to the changing and challenging marketplace. Regional diversity has long been a topic of discussion amongst Provincial Ministers. Programming is required that will provide producers with a stable industry in economic downturns and minimize government costs during growth phases.

*Recommendations for Committee's Consideration:*

- 1. Canada's Growing Forward suite of Business Risk Management agricultural programs, which includes AgriStability, AgriInsurance, and AgriInvest, must be maintained and enhanced.*
- 2. The revised Growing Forward suite of programs must recognize Ontario's agricultural diversity and the priority income sustainability needs of farmers 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.*

The Ontario Veal Association feels that it is important for the federal government to continue to recognize the importance of Canadian agriculture, and how it significantly contributes to both jobs and the overall economy and wellbeing of the nation. We look forward to your consideration of our recommendations in the planning process of the next Federal budget.