

2019 Budget Request

Veal Farmers of Ontario and members appreciate the Ontario government's strong commitment to the Risk Management Program (RMP). We look forward to working with the Ontario Ministry of Agriculture, Food and Rural Affairs in 2019 towards improving the program and bringing forward to 2019 the platform commitment to increase RMP by \$50 million annually and allow any unused allocation to rollover into the next year ensuring funding remains for commodity safety nets.

Who We Are

Veal Farmers of Ontario (VFO) represents dairy calf and veal cattle farmers in Ontario. Our mission is to promote industry growth and viability through collaboration, innovation, marketing and education. Together with our partners throughout the value chain we are a proud partner in Ontario's livestock industry supporting our rural communities and Ontario's economy.

Challenges Facing Veal Farmers

Today, veal farmers, like all other non-supply managed livestock farmers, face an unprecedented level of uncertainty that challenges veal farmers to manage risks outside of their control:

- Trade uncertainty caused by the not-yet-ratified CUSMA and the ratified CETA. For example, imports of veal into Canada from Europe are growing exponentially as a result of the CETA deal that lowered import tariffs.
- Inequitable and insufficient national BRM programs for the livestock sector and the need for the RMP program to be a permanent safety nets program.
- The direct input costs involved in raising livestock continue to rise as well as energy costs, interest, and farm property taxes. The livestock sector has not been able to recoup these rising costs from the marketplace given we are price takers not setters.
- Increasing market volatility and risks where safety net programming is not keeping up with market realities which are outside of the farmers' control.

About RMP

- RMP is a cost-shared insurance program to which farmers contribute \$20 million annually through insurance premiums. The program is designed to help stabilize the industry by providing partial financial protection for Ontario farmers against global downturns in commodity market prices by providing assistance when market prices fall below a participating producer's support level.

- RMP is a made-in-Ontario solution that addresses short-comings in the national programs. It was designed and developed with direct input from Ontario farmers.
- The program fills a critical policy gap for livestock commodities in Ontario that are not protected by the supply management system and that do not have other farm supports in place like crop insurance.
- RMP has been found to have a significant positive economic impact on rural Ontario farms and the broader Ontario economy. A 2015 economic study commissioned by the Ontario Agriculture Sustainability Coalition analyzed several of the program's benefits, including:
 - 62% of participating producers indicated the program had a positive effect on their decision to hire and/or maintain employees;
 - every dollar in program payments generated \$2.24 in positive economic activity; and
 - in addition to supporting local farms, the stabilizing effect of RMP corresponds to approximately 3,250 jobs across the Ontario economy, many of them in rural areas.

Conclusion

Risk management programs must be predictable, bankable and timely. They also need to be free of unnecessary red tape and administration. RMP was designed by farmers for farmers to achieve those goals and VFO is committed to working with the Ontario government to ensure taxpayers and farmers continue to receive value from the investment made in RMP.

Investment in this program will ensure the program works for farmers while making a significant contribution to Ontario's rural Ontario economy.

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