



ONTARIO PORK

June 17, 2010

The Honourable Gerry Ritz, PC, MP
Minister of Agriculture and Agri-Food
Government of Canada
Ottawa, ON
K1A 0C5

Re: Quote: 147161,147124

Dear Minister:

Thank you for your recent reply to our letter regarding the Ontario Agriculture Sustainability Coalition's (OASC) proposal for changes to Canada's business risk management programs. While we can certainly appreciate many of the points you raise as being important, it is the view of the Coalition and certainly, Ontario's pork producers, that the current business risk management programs need immediate attention as a matter of urgent government priority. We just do not see that happening. Instead we see agriculture disappearing in many areas and with it food security and safety.

For the past three FPT meetings, Ministers have talked about finding solutions to the problems in livestock and other commodities and have pledged to work to resolve them. Progress has been glacial. Please do not let this next meeting be just like all the rest and end with another communiqué only pledging action.

The lock-step, ridged adherence to the Growing Forward Review, to implement yet-to-be-decided reform sometime after 2013, does not give us confidence that the Stephen Harper Conservative government actually puts a priority on resolving the current problems in agriculture. Instead, producers see the lightening speed in which the federal government put together other industry rescue packages and G20 arrangements, which quite obviously tells them that their situation is just not important.

In your letter you mentioned the recent government support to the hog industry. The ad hoc support given to the pork industry assisted producers who chose to leave the industry but the Loan Loss Reserve Program does not appear to be as effective as was needed for those that remained and it was not what the pork industry felt was originally required. It is the producers who have chosen to remain, and who are the future of the industry, that Canada needs to be concerned about. This is why OASC is examining more bankable and predictable solutions

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such as a cost-of-production complement to the current margin-based BRM programs. A permanent approach that allows all farmers to innovate and invest and remain in agriculture to produce food for Canadians is by far the preferred option.

The statistics tell the story. Between 2007 and 2009 over 20% of Ontario's pork producers left the industry as the average loss increased from \$28 to \$45 per hog. This represented a loss of over \$700 million to the Canadian economy and potentially some 6,000 farm to fork jobs. Statistics Canada has recently reported that Ontario cattle and hog producers experienced a 43% drop in government program payments, falling from \$648 million in 2008 to \$367 million in 2009. As other ad hoc support programs expired, overall AgriStability payments also fell. In other words, as the situation in livestock got worse, under the current margin based approach government payments decreased making the industry even less sustainable. This needs to change.

As your letter pointed out, the current programming is intended to provide producers with time to adjust when faced with long-term changes to market realities, in a way that sends the right production signals and does not increase countervail risk. We believe that our proposal can achieve this balance in an affordable, trade compliant manner. We would urge you to work with OASC to explore the proposal and other options that can stem the decline in our industry and make food production a sustainable industry for Canada. We would welcome a meeting to discuss this with you or your officials at the earliest opportunity.

The current approach for business risk management programming is neither visionary nor responsible:

- visionary to achieve Canada's potential as a premium supplier of food products to the world;
- responsible to Canadians who value food safety and security.

The July 2010 FPT meetings of the Ministers of Agriculture provide opportunity for immediate needed changes to be made. This is where the current federal government can demonstrate tangible support for Canadian agriculture and is the platform from which it will be judged.

Sincerely,

A handwritten signature in black ink that reads "Wilma Jeffray". The signature is written in a cursive, flowing style.

Wilma Jeffray
Chair

c.c.: The Honourable Tony Clement, PC, MP
Mr. Phil McColeman, MP