



## Ontario Agriculture Sustainability Coalition

### 2022 Pre-Budget Consultation Submission

The Ontario Agriculture Sustainability Coalition (OASC) is pleased to participate in this Committee's pre-budget consultation.

The Ontario Agriculture Sustainability Coalition (OASC), comprised of the Beef Farmers of Ontario, Ontario Pork, Grain Farmers of Ontario, Ontario Fruit and Vegetable Growers' Association, Veal Farmers of Ontario, and Ontario Sheep Farmers, was established in 2009 at the request of the Ontario Government to develop and implement the Risk Management Program (RMP).

#### Why invest in the Ontario agriculture commodity sector?

- ✓ We are essential to Ontario's food security & economic recovery from the pandemic
- ✓ We produce more food on the same land with lower GHG emissions than we did 20 years ago
- ✓ Our industry contributes significantly to Ontario's GDP on an annual basis
- ✓ We sustain over 300,000 jobs through primary production, processing and retail

#### 2022 Budget Request

Join Ontario farmers by increasing the province's investment in the **Ontario Risk Management Program (RMP)** by raising the program cap from \$150 million to \$250 million annually to ensure our farms have the tools to manage today's food production risks.

#### Why the Risk Management Program (RMP)?

RMP is a cost-shared insurance-based program designed to help stabilize the grains, edible horticulture and livestock sectors by providing partial financial protection for Ontario farmers against market volatility and production risks. RMP fills a critical gap for agricultural commodities in Ontario that are not protected by the supply management system.

#### RMP Supports

- ✓ Beef
- ✓ Fruit
- ✓ Vegetable
- ✓ Lamb
- ✓ Pork
- ✓ Veal
- ✓ Grains
- ✓ Oilseeds

#### Why is increased investment in this program needed?

Farmers, like many sectors, now face unprecedented levels of risk and uncertainty. These risks cannot be sufficiently managed by good management alone due to significant inflationary cost of production increases, trade and supply chain disruptions, and a level of market volatility we have

never experienced. The best remedy for these risks, which will help sustain and grow our economic output and protect our domestic food security, is to increase Ontario's investment in the RMP, which includes the Self-Directed Risk Management Program (SDRM).

The program remains critically underfunded with many sector insurance plans covered under RMP unable to pay out calculated insurance benefits given the current funding cap, even with the \$50 million dollar program increase that was delivered in 2020, for which we were very grateful.

Committing to a program increase of \$100 million is a commitment to partner with Ontario farmers, who contribute at least 35 per cent of the costs through annual insurance premiums and/or matching contributions. Any program increase provided by the province will be matched at the current cost-share ratio by Ontario farmers themselves.

#### Why is this a good investment for the province?

Partnering with Ontario farmers means more than just an added expense for the province, it represents an investment with a proven return for the Ontario economy.

Two separate studies conducted on the economic return of RMP demonstrated significant ROI for the province.

- every \$1 dollar invested into the RMP results in \$2.24 in net positive economic activity
- 2 out of 3 participating farmers indicate RMP has a positive impact on their decisions to hire and maintain employees

Increasing the program by \$100 million can be expected to provide \$224 million in new economic activity and bring the total program return to more than half a billion dollars annually.

#### Why an increase of \$100 million dollars?

Funding the program at \$250 million annually would help ensure the program is adequately resourced and responsive to rapidly changing and increasingly volatile domestic and global conditions. This will help us weather the pandemic and post-pandemic storm that has crippled our supply chains and increased production costs and market risks.

Ensuring this program is sustainable will allow farmers to better manage risk and focus on greater innovation, their farms' sustainability, farm job creation, and new market growth opportunities while continuing to provide a safe and secure food supply for Ontarians.