

Ontario Processing Vegetable Growers

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NEWSLETTER

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PLEASE MARK YOUR CALENDAR

**ONTARIO PROCESSING VEGETABLE
 INDUSTRY CONFERENCE
 JANUARY 27TH - 29TH, 2004
 HILTON HOTEL, LONDON, ONTARIO**

Plans are under way for the next industry conference - watch for details in upcoming newsletters. As a result of the generous donations and success of the 2003 silent auction the Ontario Processing Vegetable Industry has up to six \$2,000.00 bursaries being offered in 2003 to provide financial support and recognition to individuals pursuing post secondary education with an interest in a career in the Ontario processing vegetable industry.

Bursary applications can be printed from the Ontario Processing Vegetable Growers' web site at www.opvg.org or are available on request from the Ontario Processing Vegetable Growers office (519) 681-1875 or the Ontario Food Processors Association (519) 826-3590.

The deadline to submit applications is September 30th, 2003.

GROWER COUNT

<u>DISTRICT</u>		<u>NO. OF GROWERS</u>		<u>REPRESENTATION*</u>	
		<u>2002</u>	<u>2003p</u>	<u>2002</u>	<u>2003p</u>
1	(Essex, Kent)	383	355	20	18
2	(Bruce, Huron, Lambton, Middlesex, Oxford, Perth, Hastings, Northumberland, Prince Edward and the Regional Municipality of Durham)	253	248	13	13
3	(Brant, Elgin and the Regional Municipalities of Haldimand-Norfolk and Niagara)	213	250	11	13
TOTAL		<u>849</u>	<u>853</u>	<u>44</u>	<u>44</u>

* Based on 1 representative for every 20 growers or fraction thereof.

F.A.R.M.S

Growers should have received a survey by mail from F.A.R.M.S. being conducted for the benefit of employers. The F.A.R.M.S. Board of Directors has been advised that Human Resources Development Canada (HRDC) will have Statistics Canada conduct a survey in 2003 for the purpose of establishing a prevailing wage rate in horticulture/tobacco. This type of survey has not been conducted by HRDC for many years and has now surfaced as a result of the ongoing pressure from the Foreign Government Representatives involved with the seasonal agricultural workers program. The pressure rises from uncertainty with the prevailing wage rate being paid in horticulture/tobacco for domestic and foreign labour.

It is the intent of F.A.R.M.S. to obtain credible if not equal data to either confidently accept or challenge Statistics Canada results. Please assist F.A.R.M.S. in this endeavour.

AGRICULTURAL POLICY FRAMEWORK

A recent third party review conducted by the George Morris Centre (GMC) of Guelph, Ontario made specific recommendations that would improve upon the Business Risk Management (BRM) programming as currently designed. Representatives of the Ontario Agricultural Commodity Council (OACC), the group of five supply managed commodities (SM-5) and the Ontario Federation of Agriculture (OFA) met recently to address the results of the analysis and to consider the specific recommendations in the report. Set out below are the preconditions to the aforementioned organizations supporting Ontario moving forward to sign a BRM Implementation Agreement.

One important principle identified in the GMC report must be fundamental. The proposed BRM component of the APF is simply not adequate to handle extraordinary circumstances. Alternatives outside the APF/BRM framework need to be developed and jointly funded (by both federal and provincial governments) to address losses resulting from circumstances beyond an individual's producer's ability to control, such as injury resulting from foreign subsidies or trade embargo injury resulting from foreign diseases such as the recent BSE crisis in the beef industry.

While there are a host of recommendations in the GMC report, all of which warrant consideration by governments, priority issues for Ontario agriculture are as follows:

Production Insurance (P.I.) must be made universal – one of the original principles of the APF espoused by Minister Vanclief on various occasions. For Ontario, that means:

- a guarantee to develop suitable P.I. instruments for all of agriculture, including livestock, and specifically addressing a joint federal-provincial-producer funded replacement for both Self Directed Risk Management in the horticulture sector and the Market Revenue Insurance program in the Grains and Oilseeds sector to be in effect until the end of the APF Agreement; and
- establishing an appropriate linkage between P.I. and Canadian Agricultural Income Stabilization (CAIS) program (it is the opinion of OACC members that the recent changes to this linkage will erode participation in P.I.).

Use of Capital/Affordability – the GMC report identifies logical and practical options to tying up cash or drawing on lines of credit for the CAIS program's coverage deposit. Farmers must be given the flexibility provided by these options.

Supply Management – the three pillars of supply management must be included in the APF Framework Agreement recognizing that supply management sales are excluded from coverage in the stabilization tiers but eligible for coverage in the disaster tier. To preserve the whole farm approach, the calculations must be done as outlined in the supply management document on implementation.

CAIS Program Design/Administration Issues

- Combining the top two stabilization tiers of CAIS into one tier on a 60:40 cost share would simplify the program with very little change in cost to government and be in line with proposed P.I. coverage also at 60:40. This, we believe, would make the new CAIS more understandable and saleable to producers.
- There must be a provision for interim withdrawals.
- There must be negative margin coverage for extraordinary circumstances.
- Due to the different impact on commodities, the treatment of labour in the definition of production margin must be re-addressed with a view to providing flexibility either to producers on an individual basis or to commodities to choose whether arms length labour is treated as an eligible expense or an ineligible expense.
- The issue of having a cap on payments must be re-addressed in conjunction with the criteria for defining a farm unit for the purposes of the program.

Program Review – the time frame and the process for the review must be re-addressed to:

- take place after the first year of operation; and
- involve formal producer input through a process using representatives named by commodity/farm organizations.

On behalf of Ontario agriculture, we ask that you support the above recommendations by sending a letter to the Member of Parliament in your riding requesting that the MP urge Minister Vanclief to implement the recommendations outlined to improve the design of BRM programming.