



July 3, 2020

The Honourable Marie-Claude Bibeau  
Minister of Agriculture and Agri-Food

Provincial and Territorial Agriculture Ministers

**Re: Enhancements to the AgriStability program**

Dear Ministers,

Our collective organizations represent the interests of each sector and region of the Canadian beef cattle industry and the 60,000 operations across Canada. We are united in formally requesting that federal and provincial governments make urgently needed enhancements to the AgriStability program in order for it to be a more effective risk management tool for Canadian beef producers.

The Canadian beef industry has faced significant revenue loss and extreme market volatility since the COVID-19 pandemic began, and the real risk of a 'second wave' continues to loom over the country, and by extension, the food supply chain.

Since 2018, federal and provincial governments have been conducting a comprehensive review of business risk management (BRM) programs with a key focus on improving program equity amongst agricultural sectors. Throughout the review, Canada's beef producers have advocated that removing the Reference Margin Limit (RML) under the AgriStability program is the most effective amendment to narrow the equity gap within the suite of BRM programs. Operations that have reference margin limiting applied require an extensive, if not devastating, drop in their program year revenue in order to trigger support. This significantly decreases the value of AgriStability to many producers, especially those with low cost structures such as cow-calf producers who typically produce their own feed and have non-arms-length labour expenses. The removal of the RML will make the program predictable, bankable and ultimately more equitable for Canadian cattle producers, especially the cow-calf sector.

Changes to AgriStability should also benefit all segments of the beef cattle industry. As such, we strongly recommend that governments implement other critical program enhancements, such as increasing the payment trigger to 85 percent of the reference margin and addressing the \$3 million payment cap, which has not seen an increase in over twenty years, while inflation has cumulatively increased by over 45% and input costs have increased by over 70% in the same timeframe.

Throughout the pandemic, the federal government has suggested that Canadian farmers and ranchers need to utilize the current suite of BRM programs before additional support can be considered. Canada's beef producers would support this position if the suite of BRM programs were properly designed to meet the needs of the Canadian beef industry. As currently constructed, AgriStability – the core BRM program – does not meet the needs of beef producers due to an inequitable limiting of reference margins, an out-dated payment cap and the current trigger threshold. Implementing the aforementioned recommendations would help make AgriStability a more effective risk management tool for the Canadian beef industry.

We ask that all Ministers of Agriculture work collaboratively to quickly address these shortfalls within the AgriStability program, which will allow beef producers to better mitigate risk and have confidence to invest in their operations for years to come.

Should you have any questions, we would be grateful for the opportunity to meet with you and further discuss the nature of our request.

Sincerely,



Bob Lowe, President  
Canadian Cattlemen's Association



David Sibbald, President  
Canadian Beef Breeds Council

**Rick R. Wright**

Rick Wright, Executive Administrator  
Livestock Markets Association of Canada



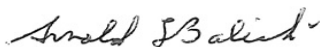
Michel Daigle, President  
National Cattle Feeders Association



Renee Ardill, President  
British Columbia Cattlemen's Association



Kelly Smith-Fraser, Chair  
Alberta Beef Producers



Arnold Balicki, Chair  
Saskatchewan Cattlemen's Association



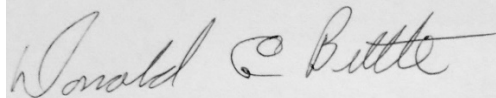
Dianne Riding, President  
Manitoba Beef Producers



Rob Lipsett, President  
Beef Farmers of Ontario



Kirk Jackson, Vice President  
Quebec Cattle Producers - Maison de l'UPA



Donald Bettle, Chair  
New Brunswick Cattle Producers



Larry Weatherby, Chair  
Nova Scotia Cattle Producers



Kevin Simmons, Chair  
Prince Edward Island Cattle Producers

cc:

The Honourable Lana Popham, Minister of Agriculture  
(British Columbia)

The Honourable Devin Dreeshen, Minister of Agriculture and Forestry  
(Alberta)

The Honourable David Marit, Minister of Agriculture  
(Saskatchewan)

The Honourable Blaine Pedersen, Minister of Agriculture and Resource Development  
(Manitoba)

The Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs  
(Ontario)

Mr. André Lamontagne, Minister of Agriculture, Fisheries and Food  
(Quebec)

The Honourable Ross Wetmore, Minister of Agriculture, Aquaculture and Fisheries  
(New Brunswick)

The Honourable Keith Colwell, Minister of Agriculture  
(Nova Scotia)

The Honourable Gerry Byrne, Minister of Fisheries and Land Resources  
(Newfoundland and Labrador)

The Honourable Bloyce Thompson, Minister of Agriculture and Land  
(Prince Edward Island)

The Honourable Ranj Pillai, Minister of Energy, Mines and Resources  
(Yukon)

The Honourable Katrina Nokleby, Minister of Industry, Tourism and Investment  
(Northwest Territories)

The Honourable David Akeagok, Minister of Economic Development and Transportation  
(Nunavut)