



January 30, 2024

The Honourable Peter Bethlenfalvy
Minister of Finance
c/o Budget Secretariat Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto, ON M7A 1Z1
Submitted by e-mail: submissions@ontario.ca

Subject: Ontario Pork 2024 Pre-Budget Consultation Submission

Dear Minister,

Ontario Pork welcomes the opportunity to participate in the Ontario Government's 2024 pre-budget consultation.

Ontario Pork is the voice of the province's 997 pork farmers, and a leader in the agriculture industry. Led by producers, Ontario Pork is committed to sustainable growth in the pork sector, delivering government representation, research investment, and industry improvements in areas including animal care and environmental sustainability, while growing the brand and reputation of producers and their product. Ontario's pork sector represents a significant part of the Canadian economy, combining – from “farm to fork” - \$1.34 billion in GDP, over 18,347 full-time jobs and \$3.51 billion in economic output.

We are committed to ensuring that Ontario's pork farmers continue to bring high quality pork to Ontarians and international consumers. We would like to sincerely thank your government for its ongoing support of the pork industry, including a commitment to red tape reduction, funding support for the sector's foreign animal disease preparedness efforts, programs to ensure worker health and safety, including mental health supports, and for continued partnerships with the agri-food sector.

Ontario's pork producers especially thank your government for your strong support of the newly open Ontario Swine Research Centre, a state-of-the-art facility that will generate research and technological developments in animal health, nutrition, sustainability, genetics and genomics, and husbandry. Pork producers from across Canada will have access to the most up-to-date research for their businesses and operations, making them more competitive and sustainable moving forward.

Minister, our asks for the government's spring 2024 budget are straightforward:

- **Invest in Ontario's pork sector to address the need for increased processing capacity in Ontario,**
- **Commit to continued emergency preparedness resources to ensure that foreign animal diseases (FAD) do not enter Canada, and**
- **Manage financial risks, through increased Risk Management Program (RMP) funding of \$100 million.**

Invest in Ontario's pork sector

There is a real and immediate opportunity to realize growth in the livestock sector by investing in the provincial processing sector to drive innovation and increase capacity to meet the needs of domestic and international markets. COVID-19 revealed our sector's vulnerability as farmers were immediately impacted by any disruptions in processing capacity. Impacts at the farm level are felt throughout the entire food chain. It also highlighted what we have known for a long time; we do not have adequate abattoir and processing capacity in the livestock sector. Since 1999, we have lost 54% of our abattoirs. The end of 2023 also saw the closing of the Olymel processing plant in Quebec, further limiting processing capacity options for Ontario's pork producers.

Our sector will only become more fragile if nothing is done to correct this. Ontario's pork sector was forced to ship 2.7 million pigs produced in the province to processing plants outside of Ontario in 2023. The direct cost of having to ship the livestock outside of Ontario is estimated to be \$73.1 million. This number does not include opportunities lost in the value chain, including GDP, labour, and revenue for farmers and the province.

Ontario can stand out as an appealing area for potential investors to locate and/or expand in the province through favourable investment incentives and opportunities. New processing plants, or expansion of an existing plant(s) in Ontario, would result in increased jobs and economic activity in the province, as market ready hogs would be kept in Ontario. A new processing plant would create employment for approximately 1,000 people and would also remove concerns regarding the ongoing threat of potential border closures to live animal exports.

Ontario Pork asks government to invest in Ontario's pork sector by partnering with Ontario Pork to find solutions to address the current reliance on processing plants located in other provinces and in the United States.

Improve emergency preparedness

The pork industry continues to face significant threats due to the potential incursion of foreign animal diseases, especially African swine fever (ASF), a disease that has decimated entire herds in some parts of the world. ASF is highly contagious for pigs and can spread rapidly through both direct and indirect contact with infected pigs or pig products, as well as contaminated farm equipment, feed, and clothing. We have seen the devastating impact that foreign animal diseases, specifically African swine fever (ASF), have had on other countries.

Any foreign animal disease entering Canada would have severe and negative impacts on the pork sector as well as the economy. An ASF outbreak in Canada would result in an immediate border closure to both live animals and pork products. The loss of international markets would have a devastating impact on farm families and the economy since more than half of pork production is exported. Massive losses of pigs, as well as farmers' income and livelihood would also severely impact mental health for farmers, their families and their employees.

Ontario Pork and industry stakeholders are founding members of Swine Health Ontario, a leadership team committed to improving and coordinating the industry's ability to prevent, prepare for, and respond to serious swine health threats in Ontario, working closely with the provincial government.

Swine Health Ontario members have partially activated incident command structures to proceed with organized ASF planning and preparedness. The Incident Command System (ICS) allows for organizations to embed personnel into the other organizational structures so that all are simultaneously in the "know" of what items are being worked on and the status of preparedness initiatives.

In addition, to maintain orderly marketing in case of a foreign animal disease outbreak, and/or other industry emergencies that would negatively impact the sector, Ontario's pork producers require support across the value chain, including partial reimbursement of the value of lost animals.

Ontario Pork asks for continued cooperation between the pork sector and the provincial government to ensure that foreign animal diseases do not enter Canada. To navigate a crisis, such as foreign animal diseases and/or other industry emergencies, the pork industry continues to require government programs, resources, tools and funding to ensure an orderly response to an emergency to protect animal welfare and industry infrastructure.

Increased Risk Management Program (RMP) funding

RMP is a cost-shared insurance program designed to help stabilize the livestock, grains and horticulture 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.

Ontario Pork appreciates the additional \$50 million that the province made available to the RMP in the 2020 fiscal year.

Ontario Pork asks for continued partnerships in managing risks. Increasing funding for the Risk Management Program by \$100 million as recommended by the Ontario Agriculture Sustainability Coalition (OASC) will allow funds to build up during good years, making increased payments available when needed most. This would raise the program cap from the current \$150 million, to \$250 million, to ensure that our farms have the tools to manage today's food productions 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. An OASC study found that every dollar invested in RMP increases economic output by between \$2.01 and \$3.60. In the same study, 95% of farmers said that not having access to the program would negatively affect their operations. Partnering with Ontario farmers represents an investment with a proven return for the Ontario economy.

Funding the program at \$250 million annually would help ensure the program is adequately resourced and responsive to changing market demands. Committing to a program increase of \$100 million is a commitment to partner with Ontario farmers, who contribute 35% of the costs through annual insurance premiums. Any program increase provided by the province will be matched at the current cost-share ratio by Ontario farmers themselves.

In response to how the government could deliver this additional investment to Ontario farmers, **Ontario Pork is fully supportive of a phased-in approach to an increase in funding** in acknowledgment of the fiscal realities facing the province while mutually recognizing the benefits and economic return these programs have on both rural and urban communities. Security provided by these programs supports not

only farmers in primary production sectors, but it also ensures the rest of our value-chain continues to maintain access to products and by products imperative to their businesses and viability, and to seize the many market opportunities for Ontario made products at home and abroad.

We appreciate your consideration of our budget requests and would be pleased to provide you with further information as required.

On behalf of Ontario's pork producers, we thank you for your continued support of our industry.

Sincerely,

A handwritten signature in blue ink, reading "John de Bruyn". The signature is fluid and cursive, with a prominent initial "J" and a long, sweeping underline.

John de Bruyn
Board Chair