



January 18, 2022

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 – Pre-Budget Consultation Submission

Dear Minister,

Ontario Pork welcomes the opportunity to participate in the Ontario Government's 2022 budget consultation. We would like to thank the government for its continued commitment to keeping Ontarians safe and assisting sectors in need of financial support during these difficult COVID-19 circumstances. In this regard, we appreciate the recently announced Farmer Wellness Initiative, which will provide much needed agriculture-specific free, professional counselling support 24/7.

Ontario Pork is the voice of the province's 1,064 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" - \$1.045 billion in GDP, over 15,843 full time jobs and over \$2.8 billion in economic output.

Minister, our asks for the government's spring 2022 budget are straightforward:

- **Pursue AgriStability enhancements**
- **Maintain the Ontario Risk Management program funding**
- **Work with the livestock industry to increase processing capacity in Ontario**
- **Commit to continued support for the pork industry in preventing foreign animal diseases (FAD) entry to Canada**

Pursue AgriStability enhancements

We are grateful for the efforts of the Ontario government to advocate for AgriStability enhancements especially increasing the payment trigger and improving coverage levels. Unfortunately, due to the lack of agreement through the Federal Provincial Territorial process, no changes have been made to the program.

Redirecting the funds earmarked for AgriStability enhancements into the Ontario risk management program (RMP) program can provide immediate relief to Ontario farmers.

Continued Risk Management Program funding

Ontario Pork appreciates the additional \$50 million that the province made available to the RMP in the 2020 fiscal year. Changes that allow unused funds to stay with each commodity program will also work to provide clarity to the program and make it more sustainable over the long term. Even with all the positive changes to RMP, the program remains underfunded. In 2020, less than 20% of the calculated benefits were paid to producers because of overall funding caps.

Increasing the RMP budget by an additional \$100 million dollars annually as recommended by the Ontario Agriculture Sustainability Coalition (OASC) would ensure that funds could build in good years and be available to address shortfalls when costs rise and prices fall.

An urgent need for increased processing capacity

COVID-19 continues to highlight what we have known for a long time; Ontario does not have adequate abattoir and processing capacity in the livestock sector. Since 1999, the provincial livestock sector lost 54% of abattoirs. Lack of abattoirs, further processing capacity, and long waiting times for harvesting (currently minimum of three months up to one year) are stifling growth in the sector.

A real and immediate opportunity exists to realize growth in the Ontario livestock sector by investing in the provincial processing sector to drive innovation and increase capacity to meet the needs of domestic and international markets.

Strategic Agri-Food Processing Fund

Ontario Pork was encouraged by the announcement of a Strategic Agri-Food Processing Fund in the fall 2021 economic statement. Ontario's hog sector has been dependent on exporting animals to Quebec, the USA and other provinces. The recent announcement that Olymel would discontinue processing live hogs at its plant in Princeville, Quebec, and a decision by the Régie des marchés agricoles et alimentaires du Québec to reduce the number of animals shipped from Ontario, would lead to displacement of approximately 15,000 hogs per week. These recent developments place a heavy burden on Ontario pork producers who are already struggling with the COVID related production slowdowns at provincial plants.

The pandemic also taught us that a diverse set of processing options are essential to ensure animals can be processed in the event of disruptions at any single facility.

COVID-19 has also revealed the importance of independently owned meat plants across North America. The closing of meat plants during the pandemic put many strains on the livestock sector. Short closing of meat plants in Canada brought us to the brink of worse case scenarios and food shortages. COVID-19 has 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.

Ontario Pork requests that funding through the Strategic Agri-Food Processing Fund be made available to both provincially and federally inspected hog processing facilities, and that start-up companies be included to ensure as many local options to process hogs as possible.

Foreign animal disease prevention

We have seen the devastating impact that foreign animal diseases, specifically African swine fever (ASF), have had on other countries. 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. Any foreign animal disease entering Canada would have severe and negative impacts on the pork sector as well as the economy.

Ontario Pork strongly supports and recommends that government and industry continue to work together to ensure that foreign animal diseases do not enter Canada and North America.

Ontario Pork recently provided its support to the Ontario government's move to enhance the province's animal disease emergency preparedness and modernize rules under the *Animal Health Act* to better manage animal health risks, enhance the resilience of the livestock sector, and support its contribution to the province's economy.

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,



John de Bruyn
Board Chair