



serving agriculture  
since 1954

# Christian Farmers Federation of Ontario

## 2003 ~ A CLOSED BORDER OVERSHADOWS ONTARIO FARMERS

Farmers faced a number of challenges during 2003, but none bigger than the U.S. border being closed to Canadian beef and Ruminants following the discovery of one cow infected with Bovine Spongiform Encephalopathy (BSE).

The implications of BSE for Ontario livestock producers became a steady focus for the CFFO during the latter part of 2003. In addition, other livestock issues surfaced. CFFO members called on the provincial government to review and update the Dead Stock Act due to concerns about the legislation adequately addressing emerging circumstances. The Federation also called on the provincial government to allow municipalities to set defined limits on the size and intensity of livestock farms. Finally, the CFFO asked the government to delay and refocus nutrient management regulations.

The CFFO also spent a good deal of time considering new future options for Ontario farmers. The following is a brief overview of just some of the issues and opportunities the CFFO encountered during 2003.

### BOVINE SPONGIFORM ENCEPHALOPATHY (BSE)

In addition to taking part in discussions with the provincial and federal governments, the CFFO was also active in calling for changes that would help beef and ruminant farmers to get their industries back on their feet. In particular, the CFFO called for changes to international protocols governing outbreaks of Bovine Spongiform Encephalopathy. Also, the CFFO called for a review of Ontario's Dead Stock Act with an eye towards a number of changes.

### NUTRIENT MANAGEMENT

In response to provincial legislation, the CFFO called on the government to delay the implementation of the Nutrient Management Act and to reassess whether the many goals of the Act couldn't be better accommodated in a more common sense manner. In addition to critiquing government legislation, the CFFO also called for the government to create environmental payments to help farmers adopt specific practices to improve the environment.

### CFFO ENVIRONMENTAL RESEARCH

New research by the CFFO confirmed the existence of a number of barriers for farmers choosing to participate in programs designed to protect the environment. The 129-page research report showed that the proper design and delivery of environmental programs is critical to their success and that farmer anxiety over looming nutrient management rules discourages participation in programs. The report was widely distributed to farmers and policy makers. Entitled *Identifying Barriers to Participation in Agri-Environmental Programs in Ontario*, the report is available from the CFFO's website or by contacting our office.

### NEW VISION FOR FARMING

Throughout 2003, the CFFO promoted its new vision for farming. Contained within a 14-page booklet, *Closer to the Heart: A CFFO Vision for Farming*, the new vision chronicles long-term problems within agriculture, the values that CFFO members hold, the parts of Ontario agriculture that need to be maintained or strengthened, and an action plan for the immediate future. The culmination of four years of work by the Federation's members and leadership, the CFFO vision document has been distributed to more than 4,000 people. For your own copy, contact the Federation office or download it from our website at [www.christianfarmers.org](http://www.christianfarmers.org).

### 2003 EXECUTIVE BOARD

John Kikkert	President	RR3 Smithville	L0R 2A0
Jenny Denhartog	Past-President	RR4 Arthur	N0G 1A0
Peter VanderZaag	Vice-President	RR3 Alliston	L9R 1V3
Henry Stevens	Vice-President	RR2 Palmerston	N0G 2P0
Jane Kapteyn	Director	RR6 Cobourg	K9A 4J9
Gerald Poechman	Director	RR2 Walkerton	N0G 2V0
Jack Kroes	Director	RR2 Clinton	N0M 1L0
Bill Heeg	Director	RR 1 Hagersville	N0A 1L0

## FROM THE PRESIDENT

The year 2003 was a memorable year. One of the main agricultural events of the year was the discovery of BSE, causing the ban of exports (namely live animals) and a surplus of cattle for slaughter. This resulted in drastically lower prices for cattle. The loss of export markets is having a great impact on the future of the cattle industry in Canada.

Another event affecting the well being of farmers in Canada and Ontario is the signing of the Agricultural Policy Framework. The CFFO is pleased with the overall change in direction that this agreement gives, refocusing financial support to farmers on the basis of need.

The CFFO's workshops, trade show participation, policy groups and district representatives continue to give staff & Executive Board members grassroots support for policy development and recommendations.

My personal thanks go out to our 4200 + members who continue to support our vision and goals.

On behalf of the Executive Board, it has been a great privilege and honour to represent you this past year. May we continue to collectively and individually serve God in all that we do. May we continue to be a Christian voice for farm families in Ontario.



John Kikkert, President  
Christian Farmers Federation of Ontario



## FROM THE GENERAL MANAGER



The CFFO spent much of 2003 dealing with changes dictated by a closed U.S. Border, pending provincial legislation on nutrient management, and new directions in farm income safety nets.

For example, the discovery of Bovine Spongiform Encephalopathy in one Canadian cow started a number of policy discussions within the CFFO. Upon the closing of the U.S. border, CFFO members started grappling with how to deal with deadstock, international health rules, the financial viability of producers, and whether Ontario should restructure its beef industry to become a shipper of boxed meat rather than live animals.

Nutrient management regulations and a new national farm income safety net added to the mix of weighty policy issues dealt with by the CFFO. Our representatives to various farm community coalitions dealing with these issues exercised steady, consistent leadership.

Although not the biggest farm story in 2003, the CFFO's new vision for farming was received well by the farming community. The 14-page booklet, entitled *Closer to the Heart: A CFFO Vision for Farming*, was distributed to more than 4,000 people by the end of the year. The vision booklet was promoted at district meetings, through advertisements and was even noted in a provincial government discussion paper.

The goal in all of the CFFO's activities is to serve our Lord Jesus Christ through service to members, government and the rural community. May the Lord establish the work of our hands.



John Clement,  
General Manager

# CHRISTIAN FARMERS FEDERATION OF ONTARIO: PROFILE

*~ dedicated to making the renewing power of Jesus Christ relevant to agriculture ~*

## **CFFO is:**

**CHRISTIAN:** Committed to being up-front about the Christian value system that motivates our members. We look to the Christian Scriptures for guidance for life and thought.

**PROFESSIONAL:** Committed to enabling our members as producers, as marketers and as citizens. Involved in a broad range of agricultural, rural and social issues that impact the quality of the family life and businesses of our members.

**FAMILY FARM:** Committed to a farm culture that is entrepreneurial, collegial and family-worked.

**STEWARDSHIP:** Balancing the economic value that our culture places on food production with the enduring intrinsic value of our Lord's creation: people, family, land, plants and animals.

**COMPASSIONATE:** Support for those who take the brunt of the economic and social change that stresses all participants in agriculture. Government policy for agriculture needs to focus on the people of agriculture as much as the profitability of farm businesses.

**TARGETED:** Intervention in farm production and marketing is at times appropriate, but the purposes should be very clear and very specific. In the long-term, less intervention is better than more.

## **Our Members:**

**FARM FAMILIES:** Our farm families operate their farm enterprises as both a way of life and a business. Many have two or more family members involved in the enterprise. Our membership currently stands at 4,263. It includes not only full-time commercial family farm entrepreneurs, but also part-time, hobby and lifestyle farmers; all those who have directed their farm organization fee to CFFO when they register through AgriCorp with OMAF as part of the farm business registration process (and not requested a refund).

**FAITH:** Historically, most have been participants in Christian churches of the Reformed tradition. A growing number now come from a broad range of denominations, including: Anglican, Baptist, Roman Catholic, Mennonite, Pentecostal, Presbyterian and United.

**COMMERCIAL:** A good number of the members of CFFO are full-time commercial family farm entrepreneurs dependent for our family incomes on the profits from our farm enterprises. We are part of the 25% of family-worked farms who produce 75% of Ontario's food.

**COMMODITIES:** We are involved in a wide range of the commodities produced in Ontario. Only beef is not represented among our membership in a ratio comparable to the number of beef production enterprises in Ontario.

**SIZE:** Farm size is larger than the provincial average. An increasing number of the enterprises now involve more than one family member full-time or have become dependent on paid labour or custom work.

**LOCATION:** We reach across Ontario from the Niagara Region to the Rainy River District and from the Ottawa Valley to Essex County.

## **Our Structure:**

**DISTRICT ASSOCIATIONS:** Our members have established 22 district associations across Ontario. These vary in size from 27 to 429 members. Each association has its own board and sends delegates to province-wide policy meetings.

**PROVINCIAL COUNCIL:** Policy-setting authority is vested in a board made up of delegates from each of our district associations and our Executive Board. The Provincial Council meets at least five times per year at the CFFO offices on Hwy 6 north of Guelph, generally on the fourth Wednesday of the months of January, March, June, September and November.

**EXECUTIVE BOARD:** Day-to-day activities are supervised by a board of eight family farmers. It meets on the first Tuesday of each month.

**STANDING COMMITTEES:** Think tanks on pork, sheep and stewardship meet regularly to draft positions and resolutions. Dairy, grains and oilseeds, poultry and greenhouse committees meet on an ad hoc basis. All district associations are encouraged to have representation on each committee.

**CONVENTION:** Once a year our members gather for a celebration, the election of leaders and the adoption of a budget. The 2004 annual convention will be held on Thursday, November 25 and Friday, November 26, 2004 at the Four Points Sheraton, London.

**REPRESENTATION:** We are members of the Ontario Farm Environmental Coalition, Ontario Agricultural Human Resources Committee, Ontario Rural Council, and the Water Quality Working Group. We are officially represented on a number of organizations within the farm community: AGCare, Christian Environmental Council, Ontario Farm Animal Council, Ontario Agricultural Adaptation Council, Ontario Transportation Working Group, Ontario Agricultural Commodity Council, Agricultural Odyssey Group, and Agri-food Biotechnology Coalition.

**BUDGET:** Our budget is almost totally dependent on the fees from our members and associates. Our budget for 2004 is \$495,841 plus \$164,059 for our district associations, for a total of \$659,900. During the 2003 budget year, 95% of \$673,676 came from members. Our 2004 membership fee is \$160.50 including GST.

## CLOSER TO THE HEART: A CFFO Vision for Farming



The CFFO vision for farming contains a number of heart-felt qualities and values that our members would like to see strengthened and developed in our province's agricultural communities. These qualities are a blend of faith, culture, community and economic.

The CFFO vision sees farm businesses remaining family-based. Farming is best viewed as a valuable vocation, carried out with respect and compassion for others. Satisfactory economic returns are part of the CFFO vision, as is a commitment to stewardship.

If you'd like to read more about the CFFO vision, visit our website at [www.christianfarmers.org](http://www.christianfarmers.org), or call our office to obtain your own copy of "Closer to the Heart: A CFFO Vision for Farming."



### AUDITOR'S REPORT

Feb 4, 2004

To the Directors of  
Christian Farmers Federation of Ontario  
(Federation des Agriculteurs Chretiens de l'Ontario)

I have audited the balance sheet of Christian Farmers Federation of Ontario (Federation des Agriculteurs Chretiens de l'Ontario) at December 31, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2003 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

David M. den Boer  
CHARTERED ACCOUNTANT

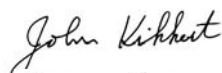
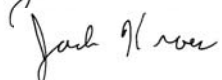
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**CHRISTIAN FARMERS FEDERATION of ONTARIO  
(FÉDÉRATION DES AGRICULTEURS CHRÉTIENS de L-ONTARIO)**

**BALANCE SHEET  
DECEMBER 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$99,108	\$52,720
Accounts receivable	3,688	11,601
Prepaid expenses	3,348	5,063
	<u>106,144</u>	<u>69,384</u>
<b>CAPITAL ASSETS</b>		
	9,974	11,787
	<u>\$116,118</u>	<u>\$81,171</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	12,790	19,922
<b>NET ASSETS</b>		
Invested in capital assets	9,974	11,787
Unrestricted (available for general purposes)	93,354	49,462
	<u>103,328</u>	<u>61,249</u>
	<u>\$116,118</u>	<u>\$81,171</u>

APPROVED ON BEHALF OF THE BOARD:

 John Kikkert, President  
 Jack Kroes, Treasurer



**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<i>Invested in Capital Assets</i>	<i>Unrestricted (General)</i>	<u>2003 Total</u>	<u>2002 Total</u>
Balance, beginning of year	\$11,787	\$49,462	\$61,249	\$125,546
Excess (deficiency) of revenues over expenses	(6,012)	48,091	42,079	(64,297)
Investment in capital assets	4,199	(4,199)	-	-
Balance, end of year	<u>\$9,974</u>	<u>\$93,354</u>	<u>\$103,328</u>	<u>\$61,249</u>

**CHRISTIAN FARMERS FEDERATION of ONTARIO**  
**(FÉDÉRATION DES AGRICULTEURS CHRÉTIENS DE L'ONTARIO)**

**STATEMENT of OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>2003</u>	<u>2002</u>
<b>REVENUES</b>		
Farm organization funding fees	\$781,950	\$825,786
Less: refunds	(141,858)	(169,776)
Net farm organization funding fees	640,092	656,010
Membership fees - other	8,216	8,740
Annual convention	17,310	16,060
Grants	-	14,097
Farm business registration administration fees refund	-	5,840
Newsletter advertising and subscriptions	-	27,110
Interest income and other	6,652	4,617
<b>TOTAL REVENUES</b>	672,270	732,474
<b>EXPENSES</b>		
<b>ADMINISTRATIVE</b>		
Amortization	6,012	8,242
Bank charges and interest	1,244	1,626
Equipment repairs and maintenance	6,376	11,029
Insurance	2,119	1,743
Farm business registration administration fees	46,396	46,784
Miscellaneous	-	640
Office and printing supplies	9,865	13,567
Postage and courier	14,401	15,027
Professional and consulting fees	5,971	4,398
Rent	34,080	34,080
Salaries and benefits	242,127	316,366
Staff travel and expenses	9,492	17,660
Telephone	8,899	9,465
	386,982	480,627
<b>PROVINCIAL ACTIVITIES</b>		
Annual convention	14,307	17,340
Board and Committee expenses	41,971	61,500
Farm community activities	17,956	18,484
Farm media/newsletter	8,902	22,370
Promotion and advertising	8,113	17,586
	91,249	137,280
<b>CONTRIBUTIONS TO DISTRICT ASSOCIATIONS</b>		
Meeting and travel expenses	37,967	37,167
Newsletter	12,202	33,556
Projects	21,082	22,243
Salaries and benefits	80,709	85,898
	151,960	178,864
<b>TOTAL EXPENSES</b>	630,191	796,771
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	\$42,079	\$(64,297)

*See accompanying notes to financial statements*

**CHRISTIAN FARMERS FEDERATION of ONTARIO**  
**(FÉDÉRATION DES AGRICULTEURS CHRÉTIENS DE L'ONTARIO)**

**STATEMENT of CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>2003</u>	<u>2002</u>
CASH PROVIDED (USED) BY:		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$42,079	\$(64,297)
Adjustments for items not affecting cash		
Amortization	6,012	8,242
Decrease (increase) in accounts receivable	7,913	(4,536)
Decrease (increase) in prepaid expenses	1,715	(1,095)
Increase (decrease) in accounts payable	(7,132)	12,208
	50,587	(49,478)
FINANCING AND INVESTING ACTIVITIES		
Investment in capital assets	(4,199)	(5,243)
INCREASE (DECREASE) IN CASH	46,388	(54,721)
CASH, <i>beginning of year</i>	52,720	107,441
CASH, <i>end of year</i>	\$99,108	\$52,720

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

**1. PURPOSE OF THE ORGANIZATION**

The organization was founded on March 6, 1954 as a federation of local associations of Christian family farmers in Ontario. It was incorporated as a corporation without share capital by letters patent under the Ontario Corporations Act on June 26, 1991. The corporation is a non-profit organization operating to promote and apply Christian ideas and principles to the solution of agricultural problems and to increase the knowledge of members with respect to their responsibilities and opportunities. The corporation is exempt from payment of income taxes as provided under the Income Tax Act.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) **Capital Assets** - Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

|                         |                     |
|-------------------------|---------------------|
| Furniture and equipment | - 20% straight line |
| Computer equipment      | - 25% straight line |
| Leasehold improvements  | - 20% straight line |

(b) **Revenue Recognition** - The organization follows the deferral method of accounting for contributions and fees. Unrestricted contributions and fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) **Contributed Services** - Because the hours of service by volunteers are not normally purchased by the organization and the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

**3. CAPITAL ASSETS**

|                         | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2003</u> | <u>Net 2002</u> |
|-------------------------|-------------|---------------------------------|-----------------|-----------------|
| Furniture and equipment | \$6,450     | \$4,142                         | \$2,308         | \$1,271         |
| Computer equipment      | 28,913      | 21,547                          | 7,366           | 10,116          |
| Leasehold improvements  | 500         | 200                             | 300             | 400             |
|                         | \$35,863    | \$25,889                        | \$9,974         | \$11,787        |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2003, CONT'D

### 4. FARM ORGANIZATION FUNDING FEES

During the year the organization received farm organization funding fees. Of these farming businesses 18.2% requested and received refunds (2002 - 20.6%). In addition to the fees received from 5,213 farming businesses, the organization received membership fees from 55 non-registered farming businesses (2002 - 58).

|                                  | 2003          |               | 2002          |               |
|----------------------------------|---------------|---------------|---------------|---------------|
|                                  | <u>Number</u> | <u>Amount</u> | <u>Number</u> | <u>Amount</u> |
| Farm funding fees - current year | 5,213         | \$781,950     | 5,504         | \$825,786     |
| Refunds - current year           | 950           | \$141,858     | 1,136         | \$169,776     |

### 5. COMMITMENTS

#### (a) PAYMENTS TO UNION DES CULTIVATEURS FRANCO-ONTARIENS

Under an agreement with the Minister of Agriculture, Food and Rural Affairs, the organization has agreed to make payments to Union des Cultivateurs Franco-Ontariens for the 2003, 2004 and 2005 registration years. Christian Farmers Federation of Ontario is to pay \$4 to Union des Cultivateurs Franco-Ontariens for each farming business registration not requesting a refund. There is an exemption for the first 1,000 registrations. Payments totaling \$13,040 were made in 2003 (2002 - \$13,460).

#### (b) COSTS OF FARM BUSINESS REGISTRATION PROGRAM

Under an agreement with the Minister of Agriculture, Food and Rural Affairs (the Minister), the organization has agreed to pay Agricorp \$9 for each registration to administer the Farm Business Registration Program for 2004. This agreement can be terminated by either party by giving prior written notice no later than May 31 of any calendar year that the notifying party intends to terminate the agreement.

#### (c) COMMITMENTS AND CONTINGENCIES

Under the terms of various lease agreements and other contracts, the organization will be required to make future annual payments as follows:

|      |          |
|------|----------|
| 2004 | \$40,811 |
| 2005 | \$40,811 |
| 2006 | \$28,656 |

### 6. CONTRIBUTIONS TO DISTRICT ASSOCIATIONS

Contributions have been made to and expenses incurred on behalf of 22 district associations and to the member activities in an area without a local association.

These contributions and expenses totaled \$151,960 represents 23.7% of the net farm organization funding fees (2002-\$178,864 and 27.3%).

### 7. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.



Christian Farmers Federation of Ontario (Fédération des agriculteurs chrétiens de l'Ontario)  
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