



Long-Term Thinking  
for Today's Issues

# Christian Farmers Federation of Ontario

## 2007 --- Providing Leadership through Changing Times

The Christian Farmers Federation of Ontario continued to provide leadership in 2007 on a number of important agricultural issues. Farm income was of the utmost importance, especially as some farmers experienced catastrophic losses in certain sectors. At the same time a variety of other important issues were also dealt with by our members.

The following is a brief overview of just some of the issues and opportunities the CFFO was involved with during 2007.

- The CFFO responded to the impact of the Greenbelt legislation on farmland by reiterating its position that good farmland needs to be protected from urban development. Provincial Council members adopted a position statement that includes four recommendations that will, when implemented, allow for the best farmland to remain available for the production of food and fibre. Recommendations include the creation of regulations to protect class one and two land, better defined land use designations in the Provincial Policy Statement, and encouraging the redevelopment of brownfields and greyfields within existing urban centres by addressing liability concerns.
- After much consultation with members participating in Policy Committee meetings, a position statement on predation management was developed in January. Members agreed that the economic costs of maintaining wildlife, a public interest, should not be borne by farmers alone. There is a need for cost-share programs for wildlife protection, a comprehensive list of hunters that farmers can call upon and a number of other measures to help farmers facing predation and crop loss problems. The statement also calls for compensation to be based on the individual farm's history and records and reflect the fair market value of livestock and crops.
- The difficulties faced by the beef, pork and horticulture sectors were devastating to many farm families. The CFFO worked with its members to develop solutions to the problems, with discussions taking place at Policy Committee meetings and at locally organized kitchen meetings. A letter was sent to Canadian banks, urging patience for sectors facing severe financial difficulties. The CFFO also encouraged governments to respond to the crisis in a timely manner.
- The CFFO's Provincial Council adopted a position on Oil and Gas Wells, an important issue for many farmers along the Lake Erie shoreline. Many farms in this region have either low-pressure gas wells or abandoned wells, on their properties. Due to changes in regulations, many of these wells are now considered "unsafe" and in need of costly repairs or capping. The CFFO remains involved with a group of affected farmers, striving to reach reasonable compromises to the issues.
- The CFFO wrote a number of letters to elected officials, government agencies and commodity representatives, responding to a variety of issues. Among others, letters dealt with the changes to the Options Program (Hon. Chuck Strahl), the In-Transit Loss Account (Ontario Pork), the new dairy assessment (Dairy Farmers of Ontario), the future of the Canadian Wheat Board (Hon. Chuck Strahl) and meat inspection (OMAFRA).

### 2007 Executive Board

John Kikkert	President	RR 3 Smithville	LOR 2A0
Henry Stevens	Vice-President	RR 2 Palmerston	N0G 2P0
Gerald Poechman	Vice-President	RR 2 Walkerton	N0G 2V0
Rick DeGraaf	Director	RR 6 Cambridge	N1R 5S7
Glen Duff	Director	RR 2 Rockwood	N0B 2K0
Lorne Small	Director	Kenilworth	N0G 2E0
Ted Van Den Hurk	Director	RR 1 New Lowell	L0M 1N0
John Van Dyk	Director	RR 2 Tavistock	N0B 2R0

## President's Report

Reflecting on the year 2007 brings to mind many challenges for farmers. For example, the rising value of the Canadian Dollar created a new and changing dynamic for many agricultural sectors that sell to the U.S. Market. The continuation of low prices and/or returns in the beef and pork, fruit and vegetables and horticulture sectors is taking its toll on farmers. The lack of rain in many areas during the growing season was also a cause for concern for many crop producers.



Much deliberation took place within the CFFO regarding topics such as the Clean Water Act, Risk-Managed Program for Grains and Oilseeds, WTO trade talks and government support programs. These and other topics were discussed at CFFO workshops, policy groups and Provincial Council meetings.

Many of us are wondering what the future is for Ontario agriculture and where future opportunities may arise. Some farmers continue to expand their farms and become more efficient. Others may choose to pursue other opportunities to market their own local products or produce for niche markets. Accordingly, our seminar series for the year took on the role of educating and informing our members about the state of the agricultural industry and how to create a business plan for their operations.

The year 2007 was also a year where CFFO increased its membership numbers from previous years. We truly thank all of you for giving CFFO your financial and prayer support. On behalf of the Executive Board, I thank you for your support of the vision and goals of our organization and for your involvement during the past year. May we continue to be a Christian voice for farm families in Ontario.

A handwritten signature in cursive script that reads "John Kikkert".

John Kikkert, President

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## General Manager's Report



The CFFO spent much of 2007 dealing with resource-related concerns and opportunities. Source water protection plans, predation management, the impact of urban waste on farmland and Ontario's Greenbelt were topics for which CFFO members offered leadership positions.

As we turned the calendar to 2008, plans were fully in place to deliver a workshop series on local food opportunities. The emphasis was on teaching participants how to access those opportunities, plus providing insights into certification procedures. Participants were also asked whether agriculture could be restructured so that Ontario farm products become the first choice of consumers, with a base of excellence created to export finished agricultural products.

Within the CFFO's day-to-day operations, I have encouraged staff members to be both entrepreneurial and cost-effective in seeking new opportunities to serve our members. All of our efforts as staff need to be directed towards deliverable programs and services that help CFFO members to achieve their goals as food producers, marketers and citizens. For a relatively small organization like ours, that means targeted approaches that achieve maximum effectiveness.

To help both CFFO staff and Executive Board understand service and program opportunities more fully, I have worked closely with a group of leaders from the Advanced Agricultural Leadership Program. That group has developed and circulated a comprehensive survey to a small selection of the CFFO membership. With approximately 150 surveys returned, the results will help the organization's leadership better understand the unique characteristics and requirements of CFFO members.

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.

A handwritten signature in cursive script that reads "John Clement".

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 4,358. 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 Agricornp with OMAFRA 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 21 district associations across Ontario. These vary in size from 27 to 363 members. Each association has its own board and sends delegates to province-wide policy meetings.

**Provincial Council:** The setting of public policy is vested in a council made up of delegates from each of our district associations and our Executive Board. The Provincial Council meets at least four times per year at the Gencor facility on Hwy 6, north of Guelph, in the months of January, March, June and October.

**Executive Board:** Day-to-day activities are supervised by a board of eight family farmers. The Executive Board meets monthly at the CFFO offices in the Gencor East complex in Guelph.

**Standing Committees:** Think tanks on pork, sheep, supply management and stewardship issues meet regularly to draft positions and resolutions. Grains and oilseeds, poultry, dairy 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 2008 annual convention will be held on Wednesday, November 19, 2008 at the St. George Banquet Hall, Waterloo, Ontario.

**Presentation:** 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, Ontario Farm Animal Council, Ontario Farmland Trust, Ontario Agricultural Adaptation Council, Ontario Transportation Working Group, The President's Council and Ontario Agricultural Commodity Council.

**Budget:** Our budget is almost totally dependent on the fees from our members and associates. Our budget for 2008 is \$474,077 plus \$164,637 for our district associations, for a total of \$638,714. Our 2008 membership fee is \$150.00 plus GST.

## Presentation to OMAFRA

Members of the CFFO Executive Board and staff met with Ontario's Minister of Agriculture, the Hon. Leona Dombrowsky, in early summer. During the meeting five items of concern were brought to the Minister's attention.

1. Referencing the document Closer to the Heart: A CFFO Vision for Farming, the Board re-emphasized the need for governments to make the commitments needed to maintain and develop agriculture, such as making moderate-scale family farming the focus of all federal, provincial and municipal government legislation, implementing family-farm appropriate minimums and maximums for support programs, and supporting the wide range of marketing legislation.
2. Governments should commit their full support to supply management and to well-designed safety net systems, and recognize the importance of management training for farmers in order to ensure that each farmer strives to perform better at managing income, debt and marketing.
3. There is a need for long-term answers to the structural shortcomings responsible for farm income problems. Adjustments to the Ontario Farm Products Marketing legislation are needed to ensure an equal place for farmers in the food chain, in particular now that new supply chain arrangements are being developed.
4. Governments should also make long-term commitments to the protection of farmland and to the preservation of our natural environment. The CFFO is in favour of annual environmental payments for farmers who invest in and maintain environmental stewardship on their land.
5. The CFFO wants governments to negotiate at the World Trade Organization with an emphasis on fairness in trade, sustainability, a bottom-line on which trade-offs are acceptable and unacceptable, support for maintaining supply management and the creation of fairer opportunities for grain and red meat producers.

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## Auditor's Report


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

February 7, 2008

I have audited the balance sheet of Christian Farmers Federation of Ontario (Federation des Agriculteurs Chretiens de l'Ontario) as at December 31, 2007 and the statements of revenues and expenses, 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, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles



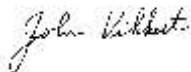
David M. den Boer  
Chartered Accountant, Licensed Public Accountant

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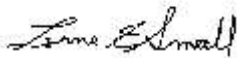
Christian Farmers Federation of Ontario  
(Fédération des Agriculteurs Chrétiens de l'Ontario)

**BALANCE SHEET**  
**DECEMBER 31, 2007**

	ASSETS	
	<u>2007</u>	<u>2006</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 351,122	\$ 162,307
Accounts receivable	3,407	3,944
Prepaid expenses	<u>7,935</u>	<u>4,174</u>
	362,464	170,425
CAPITAL ASSETS (note 3)	<u>2,272</u>	<u>5,541</u>
	<u>\$ 364,736</u>	<u>\$ 175,966</u>
	LIABILITIES	
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	22,578	21,558
	NET ASSETS	
Invested in capital assets	2,272	5,542
General reserve	6,584	-
Unrestricted (available for general purposes)	<u>333,302</u>	<u>148,866</u>
	<u>342,158</u>	<u>154,408</u>
	<u>\$ 364,736</u>	<u>\$ 175,966</u>



John Kikkert, President



Lorne Small, Treasurer

**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<i>Invested in Capital Assets</i>	<i>General Reserve</i>	<i>Unrestricted (General)</i>	<u>2007 Total</u>	<u>2006 Total</u>
Balance, beginning of year	\$ 5,542	\$ -	\$ 148,866	\$ 154,408	\$ 86,856
Excess (deficiency) of revenues over expenses	(4,680)	-	192,430	187,750	67,552
Investment in capital assets	1,410	-	(1,410)	-	-
Interfund transfer	-	6,584	(6,584)	-	-
Balance, end of year	<u>\$ 2,272</u>	<u>\$ 6,584</u>	<u>\$ 333,302</u>	<u>\$ 342,158</u>	<u>\$ 154,408</u>

Christian Farmers Federation of Ontario  
(Fédération des Agriculteurs Chrétiens de l-Ontario)

Statement of Revenues and Expenses  
For the Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
REVENUES		
Farm organization funding fees (note 4)	\$ 736,650	\$ 743,400
Less: refunds	<u>(82,550)</u>	<u>(92,053)</u>
Net farm organization funding fees	654,100	651,347
Membership fees -other	4,275	5,980
Annual convention	34,219	25,034
Commodity group grants	15,055	2,050
Interest income and other	<u>22,455</u>	<u>9,037</u>
TOTAL REVENUES	730,104	693,448
EXPENSES		
ADMINISTRATIVE		
Amortization	4,680	6,423
Bank charges and interest	898	909
Equipment repairs and maintenance	7,400	7,362
Insurance	2,402	2,387
Farm business registration administration fees	43,708	44,108
Office and printing supplies	4,805	9,862
Postage and courier	9,233	10,520
Professional and consulting fees	3,600	4,370
Rent	15,569	19,108
Salaries and benefits	172,373	233,059
Staff travel and expenses	11,983	17,019
Telephone	<u>7,150</u>	<u>8,898</u>
	283,801	364,025
PROVINCIAL ACTIVITIES		
Annual convention	24,777	17,734
Board and Committee expenses	36,344	38,171
Farm community activities (note 5)	13,654	16,590
Farm media/newsletter	17,470	12,358
Promotion and advertising	<u>5,778</u>	<u>11,325</u>
	98,023	96,178
CONTRIBUTIONS TO DISTRICT ASSOCIATIONS (note 6)		
Meeting and travel expenses	53,908	55,370
Newsletter	13,781	13,551
Projects	17,498	13,116
Salaries and benefits	<u>75,343</u>	<u>83,656</u>
	<u>160,530</u>	<u>165,693</u>
TOTAL EXPENSES	<u>542,354</u>	<u>625,896</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 187,750</u>	<u>\$ 67,552</u>

Christian Farmers Federation of Ontario  
(Fédération des Agriculteurs Chrétiens de l-Ontario)

Statement of Cash Flows  
For the Year Ended December 31, 2007

	<u>2007</u>	<u>2006</u>
CASH PROVIDED (USED) BY:		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$187,750	\$67,552
Adjustments for items not affecting cash		
Amortization	4,680	6,423
Decrease (increase) in accounts receivable	537	294
Decrease (increase) in prepaid expenses	(3,761)	553
Increase (decrease) in accounts payable and accrued liabilities	1,020	11,952
Increase (decrease) in deferred revenue	<u>-</u>	<u>(1,400)</u>
	190,226	85,374
FINANCING AND INVESTING ACTIVITIES		
Investment in capital assets	<u>(1,411)</u>	<u>(7,129)</u>
INCREASE (DECREASE) IN CASH	188,815	78,245
CASH, <i>beginning of year</i>	<u>162,307</u>	<u>84,062</u>
CASH, <i>end of year</i>	<u>\$ 351,122</u>	<u>\$ 162,307</u>

Notes to the Financial Statements  
For the Year Ended December 31, 2007

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	-40% straight line

(b) Revenue Recognition

The organization follows the deferral method of accounting for contributions and fees. Farm organization funding fees, membership fees, convention fees and sponsor fees are recognized as revenue in the year the corresponding services are provided. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the amounts of revenues and expenses during the reporting year. Actual results could differ from management's best estimates, as additional information becomes available in the future.

(d) 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

	Cost	Accumulated Amortization	Net 2007	Net 2006
Furniture and equipment	\$ 1,992	\$ 1,992	\$ -	\$ 398
Computer equipment	<u>12,869</u>	<u>10,597</u>	<u>2,272</u>	<u>5,143</u>
	<u>\$ 14,861</u>	<u>\$ 12,589</u>	<u>\$ 2,272</u>	<u>\$ 5,541</u>

## 4. FARM ORGANIZATION FUNDING FEES

During the year the organization received farm organization funding fees. Of these farming businesses 11.3% requested and received refunds (2006 - 12.4%). In addition to the fees received from 4,956 farming businesses, the organization received membership fees from 30 non-registered farming businesses (2006 -40).

	Number	2007 Amount	Number	2006 Amount
Farm funding fees -current year	<u>4,911</u>	<u>\$ 736,650</u>	<u>4,956</u>	<u>\$ 743,400</u>
Refunds - current year	<u>553</u>	<u>\$ 82,550</u>	<u>617</u>	<u>\$ 92,053</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007

## 5. COMMITMENTS

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

Under an agreement with the Minister of Agriculture, Food and Rural Affairs (OMAFRA), the organization agreed to make payments to Union des Cultivateurs Franco-Ontariens (UCFO) of \$6,678 for the 2006 registration year and \$10,838 for the 2007 registration year. A new agreement for future years, effective January 1, 2008, has been signed by all parties except OMAFRA. This agreement shall terminate only if the Agriculture, Food and Rural Affairs Tribunal removes the eligibility of the UCFO for special funding, all parties mutually agree to terminate the agreement, or the UCFO has been granted accreditation by the Tribunal. For each registration year the organization agrees to pay to the UCFO 1.5% of their net revenue from farm organization funding fees.

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

Under an agreement with the Minister of Agriculture, Food and Rural Affairs, the organization has agreed to pay Agricornp \$8.90 for each registration to administer the Farm Business Registration Program for 2008. 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) OTHER COMMITMENTS AND CONTINGENCIES

Under the terms of various lease agreements and other contracts, the organization will be required to make the following payments: 2008 -\$18,685; 2009 -\$15,186; 2010 -\$13,205 and 2011 -\$3,301.

## 6. CONTRIBUTIONS TO DISTRICT ASSOCIATIONS

Contributions have been made to and expenses incurred on behalf of 23 district associations and to the member activities in an area without a local association.

These contributions and expenses totalled \$160,530 which represents 24.5% of the net farm organization funding fees (2006-\$165,693 and 25.4%).

## 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.

## 8. CONTINGENCY

The organization has been informed by the Minister of Agriculture, Food and Rural Affairs that they may be eligible for a one-time grant of approximately 40,000. Since the possible outcome and the approval cannot be foreseen, no grant accrual has been made in these financial statements.

## 9. COMPARATIVE FIGURES

Certain comparative figures on the statement of revenues and expenses have been reclassified to comply to the current year's presentation.



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

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