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# The CFFO Newsletter

*Published for members and friends of the  
Christian Farmers Federation of Ontario*

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## A NEW TASK FORCE TO HELP FARMERS HELP THE ENVIRONMENT

The Christian Farmers Federation of Ontario is calling upon the Ontario government to set up a task force charged with identifying farmer-delivered environmental services and developing a method of paying for them.

"Ontario farms produce more than just an abundance of food," said John Kikkert, the CFFO's President. "They also contribute to wildlife habitat, wetlands and other environmental services. We believe it's time for the province to formally recognize those contributions through annual payments to farmers and rural landowners."

Kikkert made his comments at a recent meeting of the CFFO's Provincial Council. Made up of delegates from across the province, the Council adopted a position statement outlining key aspects of a provincial task force on environmental payments.

The CFFO position statement asks the provincial government to create a new task force composed of an independent chair and three representatives from each of the following groups --- farmers, countryside residents and consumers. The task force would carry a mandate to:

- Identify the environmental services (alternative land use services, greenbelt services, ecological services, landscape services) that are or can be provided by farmland and rural landscapes;
- Design a method of whole farm annual payments for environmental services throughout the countryside;
- Explore unique ways of raising the funds needed to pay for environmental services, including the idea of a small charge on the retail sale of all food; and
- Propose a management system for the delivery of environmental payments that takes into account farmer, countryside residents and consumer interests.

"Ontario needs a new policy direction for our countryside environment that replaces one-time payments for environmental improvements with whole farm annual payments for long-term stewardship," said Kikkert. "Farms have enormous potential to deliver increased environmental benefits to society but farmers can't deliver them without receiving steady public financial contributions."

In adopting the new position statement, CFFO delegates referenced the advice coming from the provincial government's Agricultural Advisory Team. The Team advised the government that "the Ontario government through the Ministries of Agriculture and Food, Environment, Natural Resources, Tourism and Recreation:

- Recognize and take seriously the environmental benefits agriculture contributes to society;
- Lead research with both governmental and non-governmental stakeholders to identify and assess what has been done in other jurisdictions; and
- Develop programs and financial incentives to farmers that recognize these societal contributions and which could provide an additional income stream for agriculture."

The advice of the Agricultural Advisory Team can be obtained at:  
[www.gov.on.ca/OMAFRA/english/aat/advice.htm#compensation](http://www.gov.on.ca/OMAFRA/english/aat/advice.htm#compensation).

### Inside this issue:

Advice for the Minister	2/3
Farmers and Regulation	4
Insurance for Members	4
Executive Board Business	5
Business Risk Management	5/6
District News	6/7
Upcoming Meetings	7
CFFO Annual Convention	8

## ADVICE FOR THE MINISTER

*Early this Spring, the CFFO Executive was asked by Ontario Agriculture Minister, Steve Peters, to provide him with a Top 10 list of items needing the attention of the provincial government. The following list was presented to him at a meeting in Toronto.*

1. **Immediate financial aid for struggling farm families.** Many farmers are experiencing commodity prices that are tracking at 25-year lows. We believe financial assistance is required, but we also believe all support should be capped on a per family basis. Our members have also pointed out to us that the federal CAIS program needs to be improved in both speed of delivery and overall design.

2. **An equal place for farmers in the food chain.** While short-term financial assistance is warranted at the present time, we believe that the long-term answer to farm income problems is partly structural in nature. For example, farmers are increasingly choosing, or being pushed into, supply chain arrangements. These arrangements have the potential for delivering adequate financial returns for farmers --- but only if the arrangements are structured in such a way that farmers are equal partners. We welcome adjustments to Ontario's farm product marketing legislation that allows the many benefits of this legislation to be applied within supply chain arrangements.

3. **Environmental payments to farmers.** The members of the CFFO have agreed that the province should consider establishing a small charge on the retail sale of food in Ontario to pay for environmental services and joint farmer/consumer initiatives. We see these funds being used to pay farmers annual environmental payments for identified societal benefits. Farmers are involved in either creating or preserving natural features that

have societal benefits but which return little, if any, income. Annual environmental payments to farmers would help address this issue, while giving farmers additional income for the services they are already providing.

4. **Local livestock processing and the development of local markets.** The CFFO believes that the development of local livestock processing aids in the overall development of the rural economy and adds value to the products of Ontario farmers. In addition, we believe there is strong business potential for displacing many specialty products now imported for Ontario's ethnic markets. A particular request is that the provincial and federal governments grant the Canadian sheep meat sector financial and legislative support in establishing more federally inspected lamb kill space in Ontario. We also believe that a goal should be set of having a minimum of 25 per cent of Ontario lamb meat processed at federally inspected facilities by 2008.

5. **New sources of income for rural municipalities.** Many of our rural municipalities are caught in a cost squeeze. As a result, municipalities either look for additional tax income from farms and value-added businesses or find that the cost of providing services to some farms is too prohibitive. This does not serve the long-term interests of either farmers or the rural municipalities they live and work within. The CFFO welcomes dialogue on ways to provide new income opportunities to our rural municipalities.

6. **Holding off on supplemental beef import permits.** With a backlog of beef within Ontario and Canada, the CFFO favours a continuance of a stop on the granting of supplemental beef import permits. It makes little sense to continue importing offshore beef at a time when our own beef industry is struggling to restructure.

7. **A repeal and replacement of the Nutrient Management Act.** The CFFO believes that there is a simpler and more effective approach to both pollution prevention and the protection of public resources. We advocate the replacement of the Nutrient Management Act with a single framework for nutrient management, source water protection and environmental farm planning.

8. **Commitments needed to maintain and develop Ontario agriculture.** The CFFO has committed itself to long-term thinking on the commitments government needs to make to create and maintain a prosperous agriculture that contributes to the health of the province's citizens. We have documented many of those commitments in *Closer to the Heart: A CFFO Vision for Farming*. They include:

- ✍ Moderate-scale family farming needs to be made the focus of all federal, provincial and municipal government legislation, policies and regulations.
- ✍ Governments need to remain committed to developing and maintaining the infrastructure that underlies Ontario agriculture. Key commitments include the preservation and enhancement of marketing legislation, well thought-out safety net programs, the protection of the province's best farmland, appropriate land-use tools at the municipal level and the maintenance and enhancement of social services to rural communities.
- ✍ Funding needs to be particularly maintained for basic research. The CFFO suggests that both federal and provincial governments adopt legislation that establishes funding for basic research for farming and environmental initiatives in the countryside at a fixed per cent of consumer dollars spent on food.
- ✍ All government policies, legislation and

programs need to contain family-farm appropriate minimums and maximums. We need caps so that farmers receive a fair share of government programs, without taking more than they need.

9. **Greater protection of farmland.** The CFFO sees governments becoming more vigilant in their protection of farmland. Good land is one of the key ingredients for a long-term, prosperous agriculture. Legislation and policies need to take a long-term view and protect good farmland.

10. **Continued support for Ontario's farm marketing legislation.** The CFFO is very thankful for the wide range of marketing legislation available to Ontario farmers. We view the legislation as a list of options that can be utilized to further the aims of farmers involved in particular commodities. This legislation has enabled farmers to achieve collective goals while also helping to provide Ontario consumers with consistent, safe food at a reasonable price. We urge you to remain rock-solid in your support of this important legislation.

### Top 10 List

1. **Immediate financial aid for struggling farm families**
2. **An equal place for farmers in the food chain**
3. **Environmental payments to farmers**
4. **Local livestock processing and the development of local markets**
5. **New sources of income for rural municipalities**
6. **Holding off on supplemental beef import permits**
7. **A repeal and replacement of the Nutrient Management Act**
8. **Commitments needed to maintain and develop Ontario agriculture**
9. **Greater protection of farmland**
10. **Continued support for Ontario's farm marketing legislation**

## FARMERS AND REGULATION



Farmers are disgruntled with governments because they are increasingly choosing to regulate farmers rather than develop other solutions. More and more regulations designed to safeguard the public interest are being added every year.

Governments have chosen regulation to solve or prevent problems because it is a good method of demonstrating assurance to the general public. But the actions of farmers and rural people are showing that the burden of regulation has become too heavy.

And while the CFFO is sympathetic to this discontent among farmers, we do not believe in simple solutions. For example, some say that enshrining property rights in the Canadian Constitution will provide all that's needed to solve rural problems. We believe that this action will cause more problems than it will solve. Here are a few examples of what could take place if private property rights are emphasized too much:

- Ontario's drainage legislation supports the creation of drainage systems. Enshrined property rights would make it much harder to create and maintain these multiple-property drainage projects.
- Municipalities have a responsibility to decide on land use to the benefit of all. More emphasis on individual property rights will make it much harder to protect our best farmland for the business of farming.
- Agriculture can occasionally cause discomfort because of noise, dust and odour. Stronger property rights will give farming's many neighbours stronger legal routes for complaining about these discomforts.

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***"The CFFO believes the best way to fix things is through treating farmers as equal partners."***

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Rather than choose either increased regulation or entrenched property rights, the CFFO believes the best way to fix things is through treating farmers as equal partners. Farmers have persistently demonstrated that they are more than willing to develop on-farm solutions to societal concerns when

approached in a spirit of partnership from governments.

The original efforts of the Ontario Farm Environmental Coalition in developing Environmental Farm Plans are a shining example of how farmers have voluntarily disciplined themselves to reduce their impact on the environment. Governments came alongside this farmer-led approach and worked cooperatively with funding and expertise. The CFFO believes this approach shows much more respect to farmers and will create much greater success than can be achieved through regulation.

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***"The CFFO stands ready to work with those who believe that farmers need a new deal from government."***

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Farmers and rural residents can't be blamed for their frustration with heavy-handed government regulation. The CFFO stands ready to work with those who believe that farmers need a new deal from government. That new deal needs to be based on respect and a willingness to work together in partnerships that stress on-farm solutions.








### **Insurance Program for Members**

CFFO members and supporters will be offered the AgriLife Insurance Program in a mailing scheduled for late in May. Endorsed by the CFFO, and offered by Manulife Financial, this optional program will include, Term Life, Accident Protection, Disability Income Protection and Extended Health Care & Dental. Other agricultural organizations that offer the AgriLife Group Insurance Plan to their members include Dairy Farmers of Ontario, Ontario Pork, Ontario Cattlemen's Association and others. Please take the time to examine the AgriLife Group Insurance Plan and consider applying for any protection you believe your family may need. For more information about the AgriLife Group Insurance Plan, don't hesitate to call Manulife Financial at 1-800-668-0195 between 8 a.m. and 8 p.m. Eastern Time, Monday through Friday. You may also email Manulife at [am\\_service@manulife.com](mailto:am_service@manulife.com).

## Executive Board Business



The CFFO Executive Board regularly deals with a wide variety of items regarding the governance of the organization. Over the past few months those items have included:

-  Reviewed a number of draft public policy position statements that were circulated to the Board's stewardship and commodity committees. After review, the position statements were either sent back to committees for further work or circulated to Provincial Council for debate and potential adoption.
-  Reviewed and adopted a submission for re-accreditation as a general farm organization under the *Farm Registration and Farm Organizations Funding Act, 1993*.
-  Reviewed and endorsed an audited 2004 financial statement for CFFO income and expenditures.
-  Discussed a number of items relating to farm community concerns. Those items include: meat inspection; property taxes and horse farms; the unified farm voice; nutrient management legislation; and business risk management options.
-  Reviewed and adopted a number of details regarding the 2005 CFFO annual convention.
-  Heard reports from Board members who serve as CFFO representatives to the various agricultural and rural coalitions in which the organization is involved.
-  Reviewed correspondence from the farm community and heard reports on operational details from staff members

## Business Risk Management

Ontario Agriculture Minister Steve Peters recently established an advisory committee to brief him on business risk management programming in Ontario. A CFFO delegation recently met with that committee and passed along the following perspectives:

### Need-Based

Need is the right basis for the dominant farm income support program (CAIS) for Canadian farmers. The CFFO supports a whole farm income approach with public support providing assistance when income dips below past average income margins.

### The Olympic Average

The merits of the Olympic average in the CAIS program are very debatable. The CFFO has debated it but not identified any really good reasons for changing it to some other average. Other averages have other problems with at least as many challenges.

### Modified Accrual Accounting and Inventory Valuations

Many farm families are finding this detail of CAIS very frustrating. Inventory valuations must become totally transparent. How these valuations are calculated must be readily available. Those farmers who follow market prices should experience no surprise in valuation numbers when they are finally published.

### Structural Change in a Farm Business

This is the second area of major frustration with CAIS. The most important solution is greater transparency. Farmers should be able to do their own calculations and be confident that they did it right.

### Payout Times

The CFFO assumes that the slowness of payouts is linked to startup issues. The CFFO believes that in the long-term we need transparency much more than speed. Once farmers can do their own calculations (with or without the help of financial advisers) and they can be reasonably confident that their calculations are accurate, they will be able to take these calculations to their financial institutions to support their financing needs.

### Who Benefits the Most

The CFFO is comfortable that the CAIS program is likely to pay out more money for farmers with good margins than for farmers with poor margins. Those who strive to lower their costs of production or increase their selling margins should receive support for the resulting higher reference margins.

On the other hand the present maximum on the size of payouts is not in keeping with a strong future for Ontario agriculture. High caps indirectly make CAIS a production-based program rather than focusing it on supporting farm families and signaling support for an integrated and multi-benefit agriculture. The program is signaling that the public wants still more industrialization in farming that is dependent on the public purse. The CFFO does not believe this is the public's intention.

The CFFO renews its call for a firm limit or maximum on government payouts from the CAIS program for any one farmer in any year. The CFFO proposes that the cap be set at \$200,000 of the reference production margin.

### CAIS Deposit

The CFFO sees merit in keeping the deposit requirement. The deposit makes the claim that CAIS is an insurance program more credible in international talks on trade rules related to domestic subsidies. Lowering the amount of the deposit is well received among our members but making the deposit is not seen as a financial burden, just a frustration as the money in the account "is not working for us" at the moment.

### Negative Margins

The CFFO has no issue with the present negative margin (50% covered) arrangement. CAIS is about business risk management, it does not have to eliminate risk.

### Inclusion of other Program Payments in CAIS Reference Margin

The CFFO has no issue with including other program payments in the CAIS reference margin.

### What the CAIS Program Cannot Address

There are issues that a whole-farm need-based program using past averages is not designed to fix. Long-term declining world prices are the primary example. The CFFO recognizes the need for support in the face of long-term declining prices but is cautious about the merits of programs used in the past. They have not had suitable caps and there has been a flow through of the support to bidding up the

value of capital assets and land rents.

Help is required but it is more important that the marketplace be restructured in response to these long-term patterns. Financial support in addition to CAIS should be designed to lead to restructuring of the marketplace and/or our farm businesses. These programs should be included in the maximum per farm cap and designed to avoid the capitalization of the support in farm business assets.

## District News



**Chatham-Kent** - CFFO's Strategic Policy Advisor, Elbert van Donkersgoed, presented Chatham-Kent members with a discussion about "When Science and Culture Meet." The board is hoping to have a scholarship program in place for the 2006-2007 school year.

**East Central** - CFFO President, John Kikkert, spoke about "CFFO and Farm Issues" at the April East Central annual membership meeting. Elections took place and resulted in the acceptance of Peter Peeters replacing Don Telford.

**Essex** - Held its annual business meeting on April 8. John FitzGibbon from the University of Guelph, Chair of the Environmental Working Group, was the speaker.

**Grey-Bruce** - The annual membership meeting of Grey-Bruce was held on January 19<sup>th</sup> at the Keady Community Centre. Guest speakers Ben & Erna Faulk spoke to members about their experience in a Siberian Mennonite community.

**Haldimand-Norfolk** - Held its annual membership meeting in April in Townsend. CFFO Vice-President, Henry Stevens, updated the group regarding CFFO's on-going discussions on *Supply Management*, *One Voice*, *CAIS* and *BSE*.

**Huron** - John Verbinnen, from the newly formed Ontario Christian Gleaners operation, was the speaker at the Huron annual meeting and banquet held in Vanastra on April 15.

**Niagara** - CFFO Strategic Policy Advisor, Elbert van Donkersgoed, spoke on the topic "Ontario is reinventing our Countryside – What about Farming" at the March 30<sup>th</sup> annual business meeting.

**North Eastern Ontario** - CFFO Vice-President, Henry Stevens spoke at all three meetings for Northeastern Ontario held in Thessalon, Espanola and New Liskeard. "CFFO's Top 10 List" of agricultural issues, as requested by Steve Peters, Minister of Agriculture and Food, was discussed at each meeting.

**Oxford** - Long time CFFO member Jasper Vanderbas was the presenter at the March annual meeting of the Oxford CFA. Vanderbas shared his experiences of farm tours in Taiwan, China & South Korea.

**Quinte** - Ken & Geraldine Rounds from Wasaga Beach, were guest speakers at the annual meeting held on March 9<sup>th</sup> in Belleville. The Rounds successfully operate a diversified family farm.

**Rainy River** - "The Role of CFFO in Today's Agriculture" was the topic of an open forum presented by CFFO President, John Kikkert, at the annual meeting in April.

**Renfrew-Lanark** - The annual meeting of the Renfrew-Lanark CFA was held in Cobden on March 22<sup>nd</sup>. Guest speakers Ben & Erna Falk shared their experiences in a Siberian Mennonite community.

**Simcoe** - A number of issues causing tension with Simcoe CFA members were addressed at the annual meeting. CFFO Vice-President and chicken farmer, Henry Stevens, facilitated an open discussion on supply management and quota issues. At the same meeting, Simcoe CFA President, Peter VanderZaag reported on meeting with Andy Mitchell, federal agriculture minister. VanderZaag also discussed a summary of farming's importance to Canada and a report reinforcing the need for new measures for agriculture. Finally, he urged member support for CFFO's push to have the public pay farmers for the management they already provide for protecting the environment. Simcoe County CFA also hosted an Acknowledge Forum to a group of 145 in February with discussions on the Greenbelt.

**St. Lawrence-Ottawa Valley** - CFFO Strategic Policy Advisor, Elbert van Donkersgoed, shared his thoughts on the multi-layered, multi-jurisdictional swamp of government initiatives re-inventing Ontario's countryside at the annual membership meeting of the St. Lawrence-Ottawa Valley CFA held in February. Van Donkersgoed presented the group with a summarization of issues the CFFO has been involved with during 2004. Key issues include: farm workers and their rights, plant breeders' rights, the Line Fences Act, quota issues in supply managed commodities, one voice for agriculture, federal inspection of sheep and lambs and pork.

**Thunder Bay** - CFFO President, John Kikkert, spoke on "The Role of CFFO in Today's Agriculture" at the Annual meeting of Thunder Bay CFA in April.

**Wentworth-Brant** - A spring business meeting took place in March with guest speakers Charlie Roland, Agricultural Environmental Officer, MOE, and Andrew Barrie, Nutrient Management Specialist, OMAF. They spoke on "Nutrient Management Protocols" and "Funding and Compliance Issues."

**Wellington** - District coordinator, Jenny Denhartog has been busy facilitating several meetings with the Wellington CFA. In February, the Board met with Waterloo-Wellington MPP, Ted Arnott. An information meeting with guest speaker Bobby Seeber, Senior Policy Advisor, Policy & Farm Finance division, OMAF was also hosted in February. The CFAW Board presented a brief to the MP for Perth-Wellington during a breakfast meeting in March. A report from that brief and others can be found on the CFFO website in the Wellington District page. Country Clem provided the entertainment for the 2005 annual meeting of the Wellington CFA in April.



#### 2005 UPCOMING MEETINGS

Stewardship & Policy W.	June 8
Stewardship & Policy E.	June 10
Executive Board	June 14
Pork Producers	June 17
Supply Management	June 24
CFFO Convention	Nov. 25

Friday  
November 25



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CFFO  
CONVENTION  
5



Holiday Inn  
Markham

## Taking Control of Our Destiny

Increased government regulation and fluctuating financial returns for many farm products has created uncertainty in the farming community. It's time to change all that! Join with us at our annual convention as we explore how Ontario farmers can take control of their own destinies. We'll learn from those who are already taking charge in other provinces or countries, plus reflect on the changes needed in our communities.



Mark Friday, November 25, 2005 (D.V.) on your calendar and plan to attend the CFFO Annual Convention at the Holiday Inn in Markham. Further details will be circulated to members as they are developed.



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RETURN UNDELIVERABLE CANADIAN ADDRESSES TO

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