

## **Manitoba Budget 2021 Consultations**

February 19, 2021

### **Introduction**

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of 4,500 farmers and 21 commodity associations.

As the voice of Manitoba farmers, KAP's democratic and grassroots decision-making process is essential. KAP policy is developed by farmer and commodity group members representing all agricultural commodities and all regions of Manitoba. The input received from individual members and commodity groups drives KAP lobby and advocacy efforts.

KAP works to ensure a sustainable and profitable future for all Manitoba farmers and believes agriculture will have an important role in assisting recovery efforts from the economic impact of COVID-19 in Manitoba.

KAP submits the following recommendations for the development of the Government of Manitoba's 2021 budget.

1. Remove the cap on the Farmland School Tax Rebate and continue its long-term plan to remove the education tax from all property classes.
2. Create a task force to study the cause and effects of poor rural connectivity to provide recommendations for improvement.
3. Review funding and licencing requirements for childcare spaces in rural Manitoba, develop programs to assist with childcare costs, and create childcare services that are flexible and affordable for rural residents.
4. Reinstate the Made-in-Manitoba Climate and Green Plan that exempts fuel used for drying grain and heating and cooling barns and return any tax revenue earned from agriculture activities to the sector.
5. Commit to include all livestock as eligible under the Wildlife Damage Compensation Program and expand the species list of possible predators.
6. Accept and ratify the changes to AgriStability proposed by the Government of Canada at the agriculture ministers' meeting on November 27, 2020.
7. Include KAP in future discussions with Agriculture and Resource Development and Manitoba Agricultural Services Corporation on staff reductions or department restructuring.

8. Maintain funding and staff support for important research initiatives like the Manitoba Crop Variety Evaluation Trials (MCVET) and explore ways to enhance existing programs and provide additional resources.
9. Maintain provincial funding and staff support for rural education, implement Canadian Agricultural Literacy Month as a curriculum requirement, and increase investments in agriculture-focused educational programs to meet the demand for these programs and resources.

## **Education Property Tax**

The Government of Manitoba has committed to removing the education tax on property. This is a positive step for Manitoba farmers. However, until the tax is removed, farmers will continue to pay more than their fair share of education funding.

KAP supports the complete removal of education taxes from all property, including agricultural land and production buildings. The disparity between what farmers are paying and what the average homeowner is paying continues to grow.

The February 5, 2021 announcement from Minister of Education Cliff Cullen that school divisions have been asked to freeze increases to the education tax on property is welcome news to many farmers. The current education funding system in Manitoba is not equitable; by allowing local school boards to set the mill rate, per-student funding in school divisions across the province varies significantly due to differences in divisional property tax bases. This means that students in divisions with higher property values have access to more funding and more opportunities than students in divisions with lower property values.

KAP encourages the Government of Manitoba to preserve the Farmland School Tax Rebate (FSTR) until the education tax on property is removed. KAP also believes that the current tax rebate on farmland should not be subject to a cap and should be applied to the property tax bill. Further, the rebate should apply to separate farm operations, regardless of the relationship of owners.

There are additional concerns about the trend of increasing reliance on the municipalities to fund a larger portion of education. Over the past several years, the municipal share of education funding has proportionally increased while the provincial government's share continues to decrease.

## **Recommendation**

**1. Remove the cap on the Farmland School Tax Rebate and continue its long-term plan to remove the education tax from all property classes.**

## **Rural Connectivity**

Rural Manitobans have voiced deep-seated frustration over the state of connectivity in this province. This comes at a time when most Manitobans are increasingly reliant on cellular and internet networks due to COVID-19 protocols.

Almost two-thirds of Manitobans who responded to KAP's 2020 Rural Cell and Internet Service Survey expressed dissatisfaction with their mobile phone and internet coverage.

Many of the survey comments reflected concerns around reporting emergencies, a hindered ability to fully participate in business operations, or incurring additional costs such as adding a booster with marginal improvement. There are also broad impacts for education, with respondents noting that they are unable to conduct schoolwork, access course materials, or participate in distance learning.

The Government of Manitoba has announced that it intends to bolster broadband availability in rural and northern communities by making use of Manitoba Hydro's fibre-optic network. KAP supports and encourages the provincial government to prioritize efforts to enhance rural connectivity and release additional information about its plan to do so.

### **Recommendation**

**2. Create a task force to study the cause and effects of poor rural connectivity to provide recommendations for improvement.**

## **Childcare**

The agriculture industry in Manitoba faces unique challenges based on a limited rural workforce, specific skill requirements, and distances from urban centres.

Agricultural producers and employees in the agriculture industry work inconsistent and irregular hours to produce, process, and deliver food to Manitobans. As a result, many families struggle to provide or find reliable childcare.

KAP encourages the Government of Manitoba to review funding and licensing requirements for childcare spaces in rural Manitoba. More childcare services should be created in rural areas that are flexible and affordable to serve families. Childcare services offered at irregular hours would be welcomed by many Manitobans.

### **Recommendation**

**3. Review funding and licencing requirements for childcare spaces in rural Manitoba, develop programs to assist with childcare costs, and create childcare services that are flexible and affordable for rural residents.**

## **Climate and Green Plan**

Manitoba farmers have a considerable interest in ensuring that they are using sustainable farming practices. Farmers adapt and utilize modern techniques and systems aimed at reducing their carbon footprint, and are invested in increasing the health of the soil within which they grow their crops and increasing the health of the land and water they require to care for their livestock.

KAP is supportive of programs like Growing Outcomes in Watersheds (GROW) or Alternative Land Use Services (ALUS) that place a value on ecological goods and services provided by farmers. This includes programs that promote the implementation of beneficial management practices (BMPs). Producers want to be part of the solution when it comes to climate change and to be recognized for their work protecting our planet.

Farmers build climate resiliency through BMP adoption, participation in Manitoba's Environmental Farm Plan Program, and nutrient stewardship practices like the 4Rs. Despite progress in reducing emissions intensity, and providing ecological goods and services, farmers are still subject to carbon pollution pricing on fuel used in grain dryers and for heating and cooling barns.

To maintain profitability and competitiveness under carbon pollution pricing, KAP supports a full exemption on all direct emissions from agricultural production including marked fuels, biological emissions, and fuels and utilities that are used to heat and cool barns, greenhouses, and operate grain dryers.

KAP requests that the provincial government reinstate the Made-in-Manitoba Climate and Green Plan that included an exemption for natural gas and propane for drying grain and heating barns. KAP encourages the provincial and federal governments to come to a solution on Manitoba's Climate and Green Plan.

### **Recommendation**

**4. Reinstate the Made-in-Manitoba Climate and Green Plan that exempts fuel used for drying grain and heating and cooling barns and return any tax revenue earned from agriculture activities to the sector.**

### **Wildlife Damage Compensation**

As wildlife is a public resource, KAP believes it is the responsibility of the federal and provincial governments to compensate producers for 100% of all wildlife and waterfowl damage to crops and feed supplies.

KAP believes governments must take full responsibility for the cost and implementation of measures intended to prevent wildlife and waterfowl damage. Farmers and landowners must be fully compensated for any measures required and any losses incurred while protecting endangered species on their property as mandated by legislation.

It is also important that the Wildlife Damage Compensation Program for Livestock Predation adapt to new and emerging issues. The program does not currently include coverage for all livestock species or recognize all predators. KAP encourages the Government of Manitoba to include all livestock as eligible livestock and expand the species list of possible predators. For example, the damage beavers cause to farmland due to flooding initiated by the damming of ditches and waterways is an economic burden to producers. KAP supports including beavers in the Wildlife Damage Compensation program, which would align with the coverage provided by Saskatchewan's Wildlife Damage Compensation Program.

### **Recommendation**

**5. Commit to include all livestock as eligible under the Wildlife Damage Compensation Program and expand the species list of possible predators.**

### **AgriStability**

KAP has continually called on both the provincial and federal governments to strengthen Business Risk Management (BRM) programming for producers. Through the existing Canadian Agricultural Partnership (CAP) framework, KAP believes BRM programs can, with some adjustment, provide effective support for the industry.

Farmers have stressed that the AgriStability reference margin limit inhibits their ability to access AgriStability. Removing the reference margin limit will help simplify the program and effectively lower the payment trigger for lower-cost operations. By increasing the compensation rate from 70% to 80%, AgriStability will be more effective for those who suffer a significant loss.

KAP strongly encourages the Government of Manitoba to accept and ratify the changes to AgriStability proposed by the Government of Canada at the agriculture ministers' meeting on November 27, 2020. While this proposal is not a comprehensive solution, it represents a positive step to support producers and a bridge forward to the next CAP framework.

### **Recommendation**

**6. Accept and ratify the changes to AgriStability proposed by the Government of Canada at the agriculture ministers' meeting on November 27, 2020.**

## **Manitoba Agricultural Services Corporation**

The administration of services provided by Manitoba Agricultural Services Corporation (MASC) is critical to the ongoing success of producers. KAP members are concerned about decisions that may undermine services provided by MASC.

While KAP acknowledges the efforts of Agriculture and Resource Development (ARD) and MASC to provide enhanced services to producers, many farmers are concerned about ongoing access to staff and have noted this issue for some time.

KAP encourages the provincial government to release more information about how the rural service delivery model will impact the quality of services provided by MASC, along with its plan to introduce additional online tools for producers.

While KAP recognizes the current emphasis on balancing budgets and reducing expenditures of all provincial departments, it is also important that staff with specialized training are hired to fill existing vacancies within ARD and MASC. The ability to access quality services, reliable information, and speak with specialists is essential.

### **Recommendation**

**7. Include KAP in future discussions with Agriculture and Resource Development and Manitoba Agricultural Services Corporation on staff reductions or department restructuring.**

### **Research**

Agricultural research is an essential tool to maintain and enhance the viability of Canadian agriculture.

KAP encourages the provincial government to maintain funding and staff support for the Manitoba Crop Variety Evaluation Trials (MCVET), the only independent third-party crop variety evaluation testing performed regionally for Manitoba's producers. The peer-reviewed regionally tested data every year helps Manitoba farmers in the selection and sourcing of varieties that would work best for their individual production needs, regardless of where they live in the province.

### **Recommendation**

**8. Maintain funding and staff support for important research initiatives like the Manitoba Crop Variety Evaluation Trials (MCVET) and explore ways to enhance existing programs and provide additional resources.**

### **Education**

Manitoba has an increasingly urbanized population with varying levels of knowledge about food production. KAP supports initiatives that build public awareness and confidence in Manitoba's

agriculture and agri-food system, such as Open Farm Day, Farm and Food Awareness Week, and Discover Ag in the City. KAP encourages continued funding for these partnerships and initiatives because they are valuable for farmers and the public, given the positive outcomes and capacity for increased public trust.

KAP encourages continued financial support for rural education and increased funding for educational programs like Ag in the Classroom, which promotes agricultural literacy and agricultural awareness among young Manitobans.

The Government of Manitoba should make Canadian Agricultural Literacy Month a curriculum requirement for all elementary schools in Manitoba and increase funding for Ag in the Classroom to meet the demand for agricultural literacy programs and resources.

### **Recommendation**

**9. Maintain provincial funding and staff support for rural education, implement Canadian Agricultural Literacy Month as a curriculum requirement, and increase investments in agriculture-focused educational programs to meet the demand for these programs and resources.**