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August 4, 2022

Hon. Derek Johnson  
Minister of Agriculture  
minagr@leg.gov.mb.ca

Dear Minister Johnson:

Keystone Agricultural Producers (KAP) is writing to follow up on your recent FPT meeting in Saskatoon.

We want to thank you for contributing additional funds in the next Sustainable Canadian Agricultural Partnership. We also welcome and appreciate the agreement to increase the AgriStability compensation rate from 70 to 80 percent. This new funding will assist producers in their business risk management (BRM) decisions.

In Saskatoon the ministers agreed to review the idea of integrating environmental programs into BRM programs. As an organization we are concerned about the outcomes for cross-compliance of BRM programming with beneficial management practices (BMP). The idea of introducing cross-compliance within the BRM suite introduces potential issues such as rising moral hazard, administrative burden and effectiveness. A recent paper from the Canadian Agri-Food Policy Institute states that "pursuing multiple program objectives with a single set of programs increases the risks that the programs will not deliver on either outcome effectively and increases the government's vulnerability to provide *ad hoc* supports."

Despite the potential challenges with integrating cross-compliance within the BRM suite of programs we want to work together with your department as government launches a pilot project for this initiative. Collaboration with industry groups on this pilot project will be key to ensure a desirable outcome. If you have any questions about this letter, please do not hesitate to ask. We look forward to working with you on this important pilot project.

Sincerely,

A handwritten signature in cursive script that reads 'Brenna Mahoney'.

Brenna Mahoney  
General Manager, Keystone Agricultural Producers