



**MINISTER
OF AGRICULTURE AND RESOURCE DEVELOPMENT**

Room 165
Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

January 22, 2021

Bill Campbell
President
Keystone Agricultural Producers
Email: bill.campbell@kap.ca

Dear Bill Campbell:

This letter is in response to the correspondence dated December 17, 2020 regarding Business Risk Management tools.

Supporting the growth and sustainability of Manitoba's agricultural sector is a priority for the Department of Agriculture and Resource Development and the Government of Manitoba. There is no question that the pandemic has created mental, physical and financial stress for all Manitobans.

The Business Risk Management (BRM), credit and income support programs available to Manitoba producers demonstrates Manitoba's commitment to agriculture. The 2020 budget details the nearly \$136 million allotted to the Farmland School Tax Rebate, AgriInsurance, AgriStability, AgriInvest and the Wildlife Damage Compensation programs. In addition, producers have access to the Western Livestock Price Insurance Program, where federal/provincial governments share in the cost of administration as well as the Manitoba Agricultural Services Corporation's (MASC) direct loan programs, which offer competitive interest rates linked to banking prime rates.

The proposed short-term AgriStability changes do not address many of the outstanding issues associated with the program. The elimination of the reference margin limit (RML) will increase payments to some sectors, however; will not address concerns raised by producers related to predictability, competitiveness, and timeliness. The increase of the compensation rate from 70% to 80% will largely benefit program participants who already trigger payments most frequently, but does not address equity, complexity, timeliness, or predictability.

During an engagement session with industry stakeholders, feedback was provided on a number of proposed long-term options to replace AgriStability in 2023. Although the development of these long-term options is ongoing, industry supported the continued development of these potential alternatives, including more insurance options to cover risk. It is vital that government and industry partners focus their concerted efforts and resources to create real and long-lasting improvements to the BRM that work for our producers.

I wish all your Board and membership a safe and prosperous year and I look forward to participating in next week's AGM.

Yours truly,



Honourable Blaine Pedersen

c: David Wiens, Chair, Dairy Farmers of Manitoba
Dan Sawatzky, General Manager, Keystone Potato Producers Association
Dianne Riding, President, Manitoba Beef Producers
Mark Friesen, President, Manitoba Beekeepers Association
Robert Johnson, President, Manitoba Bison Association
Clayton Harder, President, Manitoba Canola Growers Association
Jake Wiebe, Chair, Manitoba Chicken Producers
Fred Greig, Chair, Manitoba Crop Alliance
Harold Froese, Chair, Manitoba Egg Farmers
Larry Wegner, Chair, Manitoba Forage and Grassland Association
Lucas Menold, President, Manitoba Forage Seed Association
Doyle Penner, Chair, Manitoba Oat Growers Association
George Matheson, President, Manitoba Pork Council
Calvin Penner, Chair, Manitoba Pulse and Soybean Growers
Daniel Sanders, President, Manitoba Seed Growers Association
Morgan Moore, Chair, Manitoba Sheep Association
Rachelle Brown, Chair, Manitoba Turkey Producers
Angie Cormier, Executive Director, Prairie Fruit Growers Association
Roland Jeffries, President, Vegetable Growers Association of Manitoba
Dori Gingera-Beauchemin, Deputy Minister