



KEYSTONE AGRICULTURAL PRODUCERS

February 20, 2026

MBbudgetfeedback@gov.mb.ca

2026 Provincial Budget – KAP Recommendations

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 all Manitoba farmers.

Manitoba agriculture plays a key role in the provincial economy. With over 14,500 farms, the agriculture and agriprocessing sector contributed \$5.19 billion to the GDP in 2024: representing seven percent of the GDP. Whether it is winter wheat, sunflowers, hogs, cattle, honey, or vegetables the diversity of Manitoba agriculture is immense and valued by both local and global consumers.

In 2024, exports totalled \$9.28 billion. This value represented more than 45 percent of total provincial exports. The success and profitability of Manitoba farmers is—to an extent—influenced by public policies. And KAP is pleased to provide several recommendations to the Government of Manitoba regarding its upcoming provincial budget.

Recommendations

Remove the Education Property Tax

KAP's longest standing policy issue involves removing the school division levy on the property tax bill. Farmers own millions of acres of land across Manitoba and consequently pay a disproportionate amount on the school division levy. This (decentralized) funding structure is unique among Canadian provinces since all other jurisdictions have moved toward a centralized provincial-level funding system. The School Tax Rebate has brought some financial relief to farmers. But we have concerns about rising municipal taxes and farmland values that have diminished the relief provided by the farmland school tax rebate and the school tax rebate.

Modernize the Farmland School Tax Rebate

The farmland school tax rebate provides farmers with tax relief. But the rebate can be improved in two ways: (1) remove the application requirement, and (2) apply the rebate directly to the property tax bill. Removing the application requirement would mean that all eligible farmers would receive a rebate. Not all farmers have remembered to apply for the rebate, and missing the annual deadline means foregoing a tax benefit. Currently, the school tax rebate applied directly to a farmer's property bill, and adding the farmland school tax rebate directly to the property bill would mean further convenience. Plus, government benefits through reduced administrative costs (i.e., sending checks).

Improve Manitoba's Highways

Producers market their commodities, thereby requiring a well-functioning highway network. These commodities will be eventually distributed locally, nationally, or globally. As export values increase annually in Manitoba, government must make strategic infrastructure investments that are both forward-thinking and responsive to sector demands. KAP recommends increasing investments to expand the network of RTAC roads.

Increase Investments in Drainage Infrastructure

A significant challenge facing many farms involves drainage. Farmers can improve water flow through leveling, grassed waterways, drainage ditches, and tile drainage. These are effective methods, but drainage is interconnected involving many different parties. E.g., when farmers move water off their property, they also rely on municipal and provincial drainage infrastructure to move the water farther downstream. Unfortunately, this infrastructure no longer meets farmers' needs for two reasons: (1) drainage infrastructure built 60 years cannot meet modern tile drainage capacity, and (2) limited or non-existent maintenance on drainage infrastructure slows water flow off farmland. Significant drainage spending is required to improve water flow and advance Manitoba agriculture.

Address the Labor Shortage

Manitoba agriculture faces a chronic labor shortage. In 2017, 1,100 agricultural jobs went unfilled resulting in \$367 million in lost sales.¹ By 2029 the number of unfilled agricultural jobs is predicted to rise to 5,100, thereby creating further losses for the industry. The reasons for this labor gap are complex, multi-faceted and encompass several categories including capacity building, skills, recruitment, and retention. Government can play a role in providing tax credits, improving training and skill development along with increased investments in automation technologies. Increased collaboration between all stakeholders will be necessary to develop public policies that address this acute issue.

Red Tape Reduction

Regulatory reform should be a continuous goal of governments at all levels. While regulation is necessary, it must be targeted and outcome driven. Red tape can cause unnecessary delays and costs for businesses of all types, and farms are no exception to this. There are two easy ways the province could cut red tape that would benefit farmers.

(1) Inspection and Technical Services has made changes to propane storage affecting 10,000 USWG tanks that now require a Risk Evaluation, Response and Mitigation Plan (RERMP). The RERMP overlaps with the federal Environmental Emergency Plan in several areas, and duplication makes little sense. We recommend that government update the Inspection and Technical Services Bulletin #22-002 and remove this duplicative requirement, as well as allowing for reforms to streamline the inspection system as called for by the Canadian Propane Association.

(2) Create a farmer identification number. Farmers buying select goods used for farming require a farm-use certificate. This process is burdensome for both the farmers and ag retailers. A better method exists. We recommend that government create a farmer ID or mechanism that would remove the farm-use certificate requirement for every eligible tax-exempt purchase.

¹ https://cahrc-ccrha.ca/sites/default/files/2021-11/factsheet_MB_E_web.pdf

Other regulatory reform measures include expediting permitting processes to facilitate the expansion of value-added production and processing, aligning with Alberta and Saskatchewan to exempt farm buildings from the Manitoba Building Code, and collaborating with other provinces to align National Safety Code implementation across Canada.

Create an Agricultural Trade Strategy

Manitoba farmers rely heavily on exports. Considering the increasingly fractured trading environment, a clear and focused ag trade strategy is required. In April 2025, KAP submitted the Manitoba Agriculture Trade Action to the Province of Manitoba that made four key recommendations: (1) enhance domestic collaboration; (2) strengthen international engagement; (3) create an export growth strategy; and (4) balance Manitoba's diverse trade interests. We recommend that government create and implement an agricultural trade strategy that aligns with our recommendations in the Trade Action Plan, available on our website.²

Introduce Right to Repair Legislation

Federal legislation has advanced the right to repair with the passage of bills C-244 and C-294. Although these bills improve consumer choice and competition, their focus is narrow. The right to repair spans both federal and provincial jurisdictions, and additional provincial legislative amendments are required to advance the right to repair. Recommended changes involve amendments to the Consumer Protection Act to require equipment manufacturers to provide tools, manuals, software, and parts at a reasonable price.

Increase Investments in Health Care and Justice

Rural community safety and timely and accessible health care matter immensely to Manitoba producers. In some rural areas, crime has increased considerably (e.g., Altona) causing concerns with producers relating to safety and wellbeing. And the province's size and population density present challenges in providing effective health care. No simple solution exists to addressing rural crime or ensuring timely and accessible health care in rural Manitoba. The causations are multifactorial and require adequate funding informed by evidence-based decision making. Addressing these challenges will positively affect rural Manitoba and provide an environment for thriving rural communities.

Introduce a Tax Credit Program for Young Farmers

Farmland access represents the largest entry barrier for young farmers.³ Rising farmland values have made it increasingly more difficult for young farmers to rent or purchase farmland. E.g., over the last 20 years the average cost per acre for farmland in Pembina Valley has increased by 700%.⁴ The Government of Manitoba does offer benefits, programs, and training directed toward young farmers. But no existing program links tax credits to renting or selling farmland to a young farmer. Similar programs exist in Ohio, Minnesota, Iowa, and Pennsylvania. Implementing a similar tax credit program in Manitoba would be advantageous for young farmers in buying or renting land.

Thank you for the opportunity to provide feedback on the 2026 provincial budget. If you have any questions about this letter, please contact KAP policy manager, Neil Van Overloop, at neil.vanoverloop@kap.ca.

² <https://www.kap.ca/wp-content/uploads/2025/11/Trade-Action-Plan.pdf>

³ https://link.springer.com/chapter/10.1007/978-3-031-15233-7_3

⁴ <https://www.fcc-fac.ca/en/reports/2023-historic-farmland-values-report-e>

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Hornby". The signature is fluid and cursive, with a large loop at the end.

Colin Hornby
General Manager, Keystone Agricultural Producers Inc.

CC:
Minister Ron Kostyshyn, Minister of Agriculture
Minister Adrien Sala, Minister of Finance
Minister Lisa Naylor, Minister of Transportation and Infrastructure
Minister Jamie Moses, Minister of Business, Mining, Trade and Job Creation
Scott Sinclair, Deputy Minister of Agriculture