



November 18, 2024

Mike Fallis
President, Peterborough County Cattlemen's
Association

Dear Mike,

Re: Breeder Finance Program Enhancements 24-18

The following resolution was passed at the Beef Farmers of Ontario (BFO) Annual General Meeting in February and was recently discussed by the BFO Board of Directors:

WHEREAS, the cow herd in Ontario continues to decline even in better economic times in the cattle industry and that it is difficult for cow-calf operators to start up or grow;
THEREFORE, BE IT RESOLVED THAT BFO work with the government to build a better breeder finance program that works parallel to that of the Feeder Finance program which would allow cowherd expansion or heifer retention to grow Ontario cow herds.

The decline of the cow herd in Ontario remains a significant challenge, even in times of relative economic stability in the cattle industry. The difficulty many cow-calf farmers face in starting up or expanding their operations has been an ongoing concern for BFO. It is clear targeted financial programs, such as those proven effective in the feeder cattle sector, are essential to facilitate cowherd expansion and heifer retention, which are critical to the long-term health of the beef sector.

BFO recognizes the importance of addressing this issue, and we are committed to working with the Ontario government, industry stakeholders, and financial institutions to develop and implement a breeder finance program that mirrors the successful aspects of the Ontario Feeder Cattle Loan Guarantee Program (OFCLGP). Our goal is to create a mechanism that enables producers to expand their herds and improve the long-term viability of their operations while contributing to the overall growth of Ontario's cattle industry.

Over the past year, BFO has met with various government officials and financial stakeholders to explore solutions for the challenges cow-calf farmers face, particularly around herd expansion and access to capital. We would like to make note of the Advanced Payments Program (APP), which is administered by the Agricultural Credit Corporation in Ontario for the cow-calf sector. Currently, APP has an interest-free portion of up to \$250,000, allowing producers to access funds interest-free to improve cashflow during times of the year when they are not selling their cattle. Each year, Agriculture and Agri-Food Canada sets the maximum amount producers can receive per head in advance. For 2024, the advance for calves weighing 400-700 pounds was set at a maximum of \$1,298 per head.

BFO understands the APP for the cow-calf sector does not operate as seamlessly as it does on the feeder cattle side through the OFCLGP, but we do believe this is an option for Ontario cow-calf farmers to access funds at a reduced rate.

BFO will continue to work with our Cow-Calf Committee to investigate ways the Beef Breeder Co-op Loan Program can be improved and how it can work better for our farmers. With that, we are confident that with the industry's collective support, we can build a financial program that addresses the needs of Ontario's cow-calf farmers and contributes to the expansion of our cattle herd.

We value your input and remain committed to advocating for the interests of beef farmers across Ontario. Please do not hesitate to contact us if you have any further questions or wish to discuss this issue further.

On behalf of the BFO Board of Directors, I would like to thank the Peterborough County Cattlemen's Association for submitting this resolution and for your ongoing support of the Ontario beef industry.

Sincerely,



Craig McLaughlin
President

cc: John Lunn (Seconder, Advisory Councillor)
Patricia Leahy (Secretary)