

POLICY SYNOPSIS

Keystone Agricultural Producers



2011

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INTRODUCTION

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, representing and promoting the interests of agriculture and agricultural producers in the province. KAP's membership consists of Manitoba farmers and commodity groups.

This synopsis has been developed to provide an overview of KAP's policy on a range of issues.

KAP MISSION STATEMENT

To be a democratic and effective policy organization promoting the social, economic and physical well-being of all Manitoba agricultural producers.

ENVIRONMENT

KAP shares the public's interest and concern for the environment and believes in the importance of preserving the soil, air and water for future generations. KAP encourages the development of programs that facilitate stewardship and sustainable agriculture in a trade "green" manner.

KAP commits to working closely with government to develop environmental regulations and to take a pro-active role to ensure they are practical, affordable, and economically viable for all producers. Since environmental protection is a public service, government should provide financial assistance to farmers when costs are incurred to meet new or amended regulations.

Climate Change & Greenhouse Gases

KAP believes that governments must use a multilateral approach and apply sustainable development principles when dealing with greenhouse gas reductions. The level of greenhouse gas mitigation measures that are imposed on agriculture must be supported by good science.

Crop Residue Management

KAP will work with the provincial government to educate and encourage farmers to improve straw management techniques. To improve the forecasting and permitting system for crop residue burning in Manitoba, KAP encourages government to use specific geographic features like highways and rivers in addition to municipal boundaries when designating areas where straw can be burned.

Ecological Goods & Services

KAP supports the concept of an ecological goods and services (EG&S) program as a component of national agricultural policy. We also support the Alternative Land Use Services (ALUS) program as one of the tools that financially recognizes primary agricultural producers for the ecological services they provide to society in addition to the production of food, fibre, and energy.

Environmental Farm Plans

KAP supports the Environmental Farm Plan (EFP) program that is available on a voluntary basis to producers. We believe that the key to the continued success of this program is the guaranteed confidentiality of producer information.

We support government funded, cost-shared incentive programs that will provide financial assistance to encourage the implementation of action plans under the EFP. These programs should receive substantial financial support for the review and adoption of beneficial management practices (BMP). It is important that BMP incentive programs be reviewed, updated, and enhanced with recommendations from farmers. The provincial government must also be transparent with its intentions to target specific issues and regions of the province.

Handling, Storage & Recycling / Disposal of Farm Inputs

Manitoba producers are aware of the potential hazards resulting from the improper handling, storage and disposal of farm inputs. KAP supports the development of affordable infrastructure to handle the safe disposal and/or recycling of products from farming operations, including those that are hazardous. KAP supports the extension of affordable recycling services for farm products like hoses, applicators and decommissioned fuel tanks.

Weed Control

KAP encourages land owners, right-of-way owners and rural municipalities to control noxious weeds, and believes that governments must support current control options while investing in research for new control technologies.

FARM FINANCE

There are large capital requirements and financial risks that exist in agriculture. Both of these factors can inhibit the ability of farmers to adapt to changing business environments and the ability of beginning farmers to establish their operations.

Agricultural Lending Agencies

KAP supports the roles played by Farm Credit Canada (FCC) and the Manitoba Agricultural Services Corporation (MASC) in agricultural lending. KAP encourages these institutions to provide favourable programs for young and beginning farmers which may include incentives such as waiving initial loan application fees. KAP calls on governments to protect the agricultural mandates of these agencies.

KAP encourages the government to expand MASC's role in agricultural lending by removing the net worth eligibility cap for obtaining a loan, and by remaining current and competitive in its lending policies.

Assistance to Beginning Farmers

KAP supports and emphasizes the importance of programs which assist beginning farmers.

Environmental Assessments

Lending institutions may require an assessment of environmental risk related to loan applications. KAP believes that these assessments must be based on good science and a reasonable risk/benefit concept to determine the importance of the environmental issue.

FARM INPUTS

Pesticide Registration & Regulation

KAP supports Canada's policy of a regulatory system that safeguards the interests of the public. Canada must also work to harmonize our registration procedures with those in the United States to reduce costs and improve the speed and efficiency of the registration process.

KAP supports cost competitive access to products registered in both Canada and the United States.

KAP continues to emphasize the importance of including minor use chemicals in the pesticide registration process.

Pesticide Use

KAP believes that pesticides are responsible and essential tools in a long-term, sustainable food production system. KAP continues to encourage government to identify risks caused by pests to human health, to the availability of safe and nutritious food, and to the environment.

Pricing & Costs

The availability and cost of farm inputs are of significant concern to Manitoba farmers and their economic well-being. As such, KAP has a role to scrutinize and monitor the costs of farm inputs to maintain competitive pricing and identify access and availability barriers. Farm inputs include, but are not limited to, pesticides, fertilizers, fuels, pharmaceuticals, vaccines, equipment, insurance, banking, and credit costs.

Rapid and/or unjustifiable increases in the costs of these inputs are unacceptable and both the federal and provincial governments have a responsibility to conduct inquiries into extreme and/or unwarranted price increases. Governments must also ensure that tax or regulatory burdens do not impose and/or increase price inequities between Canadian and American producers.

KAP supports the creation of a Farm Inputs Board or ombudsman to deal with farmers' complaints regarding seed, chemicals, fertilizer and other inputs.

Safe Handling

While KAP recognizes the need for caution in handling fertilizer and pesticides, the regulations should not be excessively restrictive, and should continue to allow producers to transport these products to and from their fields.

FOOD SAFETY & TRACEABILITY

KAP has a mandate to play an active role in the development of an on-farm food safety program for the cereal, oilseeds, pulses, and special crops sectors to ensure that producers' interests are heard.

KAP believes that increased awareness regarding food safety has resulted in increased costs to producers not rewarded by the marketplace, therefore producers should be compensated for the extra time and effort required to develop and implement on farm food safety procedures.

KAP believes that federal and provincial governments should have adequate surveillance of imported foods and food products, and that there should be effective grading and labeling regulations for these foods when sold in Canada.

Traceability Programs

KAP supports the development and/or enhancement of industry-led traceability programs that are a minimal cost for producers, avoid duplication, and meet the marketing needs of specific commodities.

GOVERNMENT SERVICES

As farms grow larger and rural populations decrease, KAP is concerned that rural communities may be overlooked for basic social services as governments allocate their resources. KAP strongly believes that rural residents have the right to expect and demand services equal in quality and cost to all other citizens in Manitoba, and commits to speaking on behalf of farmers and rural residents. KAP believes that government should allow for adequate producer representation on relevant government appointed boards, based on the geographical regions of agro-Manitoba.

Assessment of Farm Incomes

KAP believes that care must be taken when obtaining farm income information, to ensure that only income derived from the farm operation is designated as farm income. Income figures should accurately represent an average yearly farm income.

Cost Recovery

While we recognize and accept that producers should share in the cost of the regulatory systems that govern our industry, KAP is firmly opposed to having producers bear the full burden of the costs that protect the interests of the general public or the industry/ commodity as a whole. Where producers agree to a portion of funding responsibility, KAP maintains that producers should then have a measure of control over the size, efficiency, and cost of these services. Assessment of cost recovery fees must take into account the ability of the industry to pay, and the effect that costs may have on the industry's competitiveness in the world market.

Education

KAP believes that high quality and affordable education is important to farmers and their families, and that rural residents should not be disadvantaged in their access to post-secondary education opportunities.

Health Care

KAP maintains that rural Manitobans have the right to access high quality health care within a reasonable distance from their residences. KAP supports adequately funded mental health programs which are community-based, focus on the need to educate and inform people of the resources available, and ensure access to these resources.

Producer Representation

KAP encourages producer representation on government appointed boards.

Protective Services

KAP believes that rural residents must have an adequate level of protective services to ensure their safety and the security of their property.

Water

KAP urges the provincial government to be proactive in ensuring the development of adequate and safe rural water supply systems.

Weather Information

KAP believes that Environment Canada should provide free, comprehensive and accessible historic and current data on weather and climate in combination with adequate forecasting services to assist producers in making good farm management decisions and for public safety.

GRAINS, OILSEEDS & PULSES

Canadian Grain Commission (CGC)

KAP believes that the Canadian Grain Commission (CGC) must operate in an efficient manner for the benefit of farmers and the Canadian grain industry, and remain as an independent third party to establish grain grades and standards. Services provided by the CGC that are for the benefit of the general public should be funded by the government. While ensuring that the CGC has adequate and stable funding, KAP believes that government must ensure that this spending falls within the dictates of the WTO agreement.

The authority of the CGC should include producer protection against losses due to fraudulent business practices in the crops industry. KAP encourages the retention of the purchaser bonding process until viable alternatives have been developed.

KAP believes that the CGC should continue to develop a process to facilitate the use of falling numbers in grain determination.

Canadian Wheat Board (CWB)

KAP supports the orderly and aggressive marketing of wheat and barley under the Canadian Wheat Board (CWB), but believes that the legislation outlining the Board's authority needs to be modified so that it can be more flexible and responsive to changing markets and the changing needs of farmers. KAP supports the balance offered by both an inclusion and an exclusion option providing producers have the final say. KAP believes that the CWB has an obligation and a duty to always act in the best interests of Western Canadian farmers.

Should the Canadian government agree to a WTO agreement that eliminates the financial guarantees of CWB payments and borrowing, the government must fully compensate producers for this loss. This would include fully funding a contingency fund to backstop the CWB initial and adjustment payments, and fully funding a capital fund that would allow the CWB to achieve an acceptable bond rating. KAP believes that any of these changes should not be fully implemented until the end of the WTO implementation period.

Disease & Pest Prevention

KAP believes it is important to work with governments and industry to anticipate and prevent disease and pest outbreaks, and supports the development of awareness-building and mitigation tools for new and emerging concerns, including treatment resistance.

Identity Preservation

KAP supports the development of a marketing system which will allow producers and grain companies to respond to customer requirements for identity preservation.

Marketing

KAP believes that governments must obtain a demonstrable indication of support from producers of the affected commodity and also provide indisputable evidence of necessity before implementing any changes to the currently-accepted marketing provisions of that commodity.

KAP supports new and innovative marketing initiatives that will allow producers to have access to varieties that are needed to service new and emerging markets and, by doing so, have the potential to improve farm-gate returns.

Varietal Eligibility Declaration (VED)

KAP supports a varietal eligibility declaration (VED) system, provided the system imposes minimal costs to the producer, regulates penalties for misrepresentation via administration by a neutral third party, and contains an appeal process. A simple, confidential, and standardized document for variety declaration should be used.

Varietal Registration

KAP believes that the varietal registration system should include merit testing, and that the data used to verify this testing should be published. KAP supports the use of an industry-regulatory cost benefit review as part of the registration process for new field crops.

KAP supports the creation of a grain registration system that encourages the development of feed wheat varieties that are suitable for production in Manitoba.

ICE Futures Canada

KAP supports the development of canola futures contracts that meet the needs of producers.

LAND & RESOURCE USE

The protection of our natural resources like land and water is of utmost concern to Manitoba's farmers – just as it is to all Manitoba residents. These resources are shared and enjoyed by all, and should be protected for future generations. We believe that the cost of preserving natural resources should be borne by society, according to the benefits received.

KAP believes that the water needs of agriculture should be given priority, immediately following those of domestic and municipal usage.

To address the soil and water policies that will be needed for future generations, KAP believes the government must foster new links between departments, and create a comprehensive land and resource use policy.

KAP will work with organizations interested in protecting these resources, in an effort to ensure that the rights of farmers, and their ability to operate profitable businesses, are also considered when regulations are being developed. Any proposed regulation that affects land and resource use must undergo a complete cost-impact analysis to ensure that it does not have a negative impact on the sustainability of farm operations.

Land Use Planning

The development of good land use planning bylaws and guidelines is essential for agricultural producers to continue to invest in their operations. For individual development proposals, site-specific technical review committee reports must continue to be based on sound science.

We encourage the province to ensure that land use planning bylaws are developed for all of agro-Manitoba as soon as possible, in order to provide certainty for producers. It is imperative that the province ensure these bylaws provide a consistent set of development criteria for agriculture throughout the province.

These planning bylaws must accommodate a farmer's ability to engage in normal farming practices. If municipal bylaws restrict normal farming practices, producers should have the ability to have the Farm Practices Protection Board or the Municipal Board evaluate the bylaws to ensure that these restrictions are warranted.

Nutrient Management

KAP recognizes that there are many possible nutrient sources for Manitoba waterways, and encourages the development of practical, science-based nutrient management strategies for the entire province. KAP believes that the government should increase its water quality testing to determine the sources of nutrient loading in Manitoba's waterways.

Right to Farm

KAP supports the development of *Right to Farm* legislation for Manitoba, to protect the rights of agricultural producers.

Water Management

KAP supports the development of a comprehensive provincial water management strategy that involves the federal, provincial and municipal governments and the agricultural sector. This strategy should be all-encompassing, including drainage, retention, irrigation, and other water-related issues and be adequately funded on an ongoing basis. Until the development and implementation of such a strategy, the Manitoba government must participate in measures to prevent damage to farmland that is caused by untimely flooding.

KAP believes that non-governmental organizations must be required by the provincial government to follow the same procedures and licensing processes that private landowners must follow for drainage and water storage projects.

KAP encourages a strong role for Conservation Districts in the development and implementation process of a provincial water management strategy. This strategy should accommodate regional differences and localized concerns.

KAP strongly believes that the federal government should ensure that our drainage system is not jeopardized due to the regulatory nature and activities of Fisheries and Oceans Canada. KAP believes the actions of DFO should not negatively impact the agricultural industry in Manitoba. KAP will work with DFO and other appropriate agencies in an effort to ensure that ongoing concerns are addressed.

LIVESTOCK ISSUES

Deadstock Disposal

KAP believes that the provincial government must ensure that there are regional disposal sites that are designated for the disposal of deadstock and specified risk materials (SRMs).

Environmental Sustainability

KAP supports the expansion of the livestock industry in an environmentally and economically sustainable manner. We recognize that municipalities have a role in developing land use plans but believe that the provincial government must be involved to ensure consistency across Manitoba. Complaints to government about the industry's impacts on the environment should be accompanied by a fee, which should be reimbursed upon validation of a legitimate complaint.

Exotic Species

Due to the concerns of the potential introduction of diseases into domestic elk herds, KAP believes that the Canadian Food Inspection Agency (CFIA) should not allow wild, captured elk from Riding Mountain National Park to be introduced into the industry.

Livestock Compensation Programs

Government incentive programs for other sectors that increase costs to livestock producers should be balanced by trade-friendly programs that provide a comparable level of support.

When compensation is paid to producers for animals destroyed due to infectious diseases under the *Animal Health Act*, KAP believes that it should reflect the fair market value of these animals. When a herd is destroyed, there should be additional compensation for the costs of the mandatory clean-up.

Manure Management

KAP recognizes the need for some livestock operations to spread manure in winter, and supports continued research on the environmental impact of winter manure spreading. KAP also supports the development of guidelines for individual farm manure management plans.

KAP believes that producers should be involved in any changes to existing regulations, and that changes should be based on knowledge, good judgment and sound science. Government must also recognize that new regulations will have financial impact and must ensure that operations have sufficient financial resources to adapt their practices.

Marketing

KAP believes that governments must obtain a demonstrable indication of support from producers of the affected commodity and also provide indisputable evidence of necessity before implementing any changes to the currently-accepted marketing provisions of that commodity.

KAP supports the development of a National Meat Code that meets the needs of primary producers, the packing industry, and national buyers. KAP also supports the development of adequate facilities at the border crossing for animal export.

Supply Management

KAP supports the supply management system with its fundamental pillars of import control, production discipline, and producer pricing.

KAP believes that allocations to provinces for production of supply managed products should be made on the basis of regional comparative advantage.

Veterinary Services

KAP recognizes the need for adequate large animal veterinary services in rural Manitoba.

PROPERTY RIGHTS & WILDLIFE RESOURCES

Endangered Species

KAP believes that 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.

Gun Registration

KAP supports the elimination of the long gun registration system.

Access to Land and Buildings

KAP believes that there should be legislation enacted that will require all government agencies and private individuals to obtain pre-authorization from a manager to gain access to private or leased property, including Crown land. This will help prevent the spread of diseases, weeds or pests and enhance human and livestock safety.

We also believe that legislation should include severe penalties for non-compliance and provide a manager with the right to refuse access, with just cause, to any unannounced visitor without legal consequences.

Land Ownership

KAP supports that all bona fide Canadian farmers should be able to buy farmland in Manitoba, and believes that there should be no restrictions that prevent family farm corporations or co-operatives from buying or leasing farmland in Manitoba. KAP opposes any government regulations or projects which may result in rigid restraint on future use and value of farmland.

Trespassing

KAP defends and supports the right of a landowner to legal protection from unauthorized trespassing, including off-road vehicles and hunters who have not obtained permission for access.

Wildlife Management

As wildlife is a public resource, KAP believes that 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. This compensation should be sourced from outside of the agricultural budget.

KAP believes that governments must take full responsibility for the cost and implementation of mitigation measures intended to prevent wildlife and waterfowl damage.

Where wildlife population levels become burdensome and out of proportion with available habitat (including federal and provincial parks), KAP believes that governments should reduce the population through harvesting, sale, or relocation to prevent the spread of disease and the level of damage done to crops, fields, and feed supplies.

To achieve sustainable wildlife populations, KAP supports Sunday hunting for waterfowl, more flexibility in setting limits and license fees for deer hunting, and a license system that allows landowners to hunt elk on their own property.

PUBLIC INFORMATION & EDUCATION

KAP believes that it is important to respond to misinformation about farming and farm practices, and to proactively raise awareness about the value of agriculture and the contributions of farmers to Manitoba. KAP also supports the development of partnerships with other agricultural stakeholders to create dialogue about agricultural issues, including the role that phosphorus plays in the plant lifecycle.

KAP believes it is important to educate consumers about the farmer's share of the consumer food dollar.

KAP supports campaigns that educate urban and rural citizens on the importance of agriculture and the awareness and consumption of locally produced foods. KAP also supports the development of a food sovereignty movement that would ensure a viable agriculture industry in Canada.

RESEARCH & BIOTECHNOLOGY

KAP believes that agricultural research is an essential tool to maintain & enhance the viability of Canadian agriculture and that publicly funded research benefits all of society. Agriculture & Agri-Food Canada's research branches must therefore be provided with adequate funding and direction to be major contributors to publicly funded research. KAP believes that research funding should be a partnership between producers and both levels of government, and that all partners should participate in establishing the focus of research.

KAP firmly believes that all new technology should provide benefits to producers. KAP and government agencies can play a positive role in assisting producers and consumers to recognize the benefits and risks of biotechnology.

Development of New Varieties

KAP believes that AAFC should be encouraged to develop crops that are suitable for energy production as well as food in Manitoba. A regulatory system to allow for the commercialization of these new crops must also be developed.

Guidelines for Genetically Modified Organisms (GMOs)

KAP believes that products derived from biotechnology must gain acceptance in key markets before they are commercialized and made available for unconfined release and production. Allowance for GMO admixtures should reflect acceptable international trade protocols.

KAP believes that industry regulators must ensure the security of GMO test plots.

KAP believes that federally-established safeguards for biotechnology and intellectual property rights are required to maintain competition in the supply of inputs to Canadian agriculture.

Regulatory Systems

KAP believes that Canada's regulatory system must be capable of registering and protecting new technology quickly while also recognizing an acceptable level of risk to humans, animals, and the environment. Benefits and risks must be balanced, with the understanding that zero-risk is not achievable or acceptable. The regulatory system must have a process in place to correct any issues in a manner that is based on scientific evidence.

KAP supports the harmonization of regulatory processes based on science and a reasonable level of risk. Regulatory processes must encourage competition and facilitate the advancement of research initiatives.

RURAL DEVELOPMENT

KAP's policies are intended to support rural development and include policies that protect the quality of life of rural citizens. Areas of importance include rural health and support services, adequate and flexible child care for the safety of farm children, protective services, and a broad range of adequately-funded education opportunities for rural children and adults that include consideration for cost-of-living allowances. KAP also recognizes the need for rural residents to have equal and affordable access to the communication services that are available to urban residents.

KAP has a mandate to work with governments to ensure that legislation and regulation do not unduly affect agriculture's ability to produce food, fibre, and energy, while continuing to maintain rural infrastructure.

KAP supports initiatives that address the recapitalization of agriculture for the next generation of farmers. It is important for government to develop policies which deal with adaptation and succession, and these policies must stem from the ability of producers to continue to reside in and contribute to their rural communities.

We also support the continued development of policies and programs that encourage value-added and diversified enterprises stemming from primary agricultural products.

As agriculture and rural areas become more regulated, the impact of regulations must be evaluated and recognized prior to implementation to ensure that they do not negatively affect rural economic sustainability. KAP believes that compensation must be provided to mitigate any negative impacts that are identified.

Alternate Energy

KAP supports the research, development, and production and sale of alternate energy products and encourages the use of a variety of programs to facilitate this development so it benefits Manitoba's rural communities. We support the use of Manitoba's farm products as a preferred source of feedstock for this industry. We encourage governments to have policies in place that protect markets for the betterment of the industry, including an incentive structure that is comparable to that of our competitors.

KAP believes that the Manitoba Government should adopt a system in which a preferential price is paid for electricity generated by smaller (less than 10 MW) renewable energy production units.

KAP believes that government and the petroleum industry should replace sulfur in diesel fuels with at least 0.1% biodiesel additive from agricultural sources.

KAP supports a 10% ethanol mandate for all commercial gasoline sold in Manitoba, which should be produced in Manitoba from local feedstocks.

Hydro

Hydroelectric power is an essential service for the economic viability of agricultural operations and the well-being of rural residents, as many rural communities do not have access to natural gas service. KAP believes that residential hydro rates should be set at the same level for all Manitoba residents. KAP encourages Manitoba Hydro to, wherever possible, install hydro lines in a manner that minimizes disruption to farm practices.

KAP also encourages Manitoba Hydro to explore and promote voluntary cost sharing with farmers to relocate or bury hydro services to and within farmyards for safety reasons.

Producer Co-operatives

KAP supports the use of closed producer co-operatives to develop value-added businesses. Grain production committed to these processing co-operatives should be exempt from Canadian Wheat Board (CWB) pooling.

Business Risk Management

Producers in the agricultural industry face many uncontrollable production and economic risks every year. Production risks include drought, excess moisture, frost, hail, insects & diseases. Economic risks include world market conditions, international trade, government policies and programs, increasing operating costs, high fixed costs, and low margins.

These risks can result in large fluctuations in producer incomes, which threaten the stability of the agricultural industry. To achieve the goal of sustainable growth, agriculture needs programs that provide financial stability and reduce the fluctuations in income.

KAP believes that this can best be achieved through programs designed, developed, and reviewed in consultation with established farm organizations. These programs must be adequately funded by the provincial and federal governments, and consist of production insurance, income stabilization, and a disaster program. Interest-free cash advances play a significant role and must also be maintained.

The programs should be long-term, simple, equitable to all commodities, and predictable in order to provide financial stability to all producers. These programs should be delivered consistently across Canada.

KAP believes that the federal government should implement and fund strategies and programs to mitigate the impact of subsidies for affected commodities, until such time as a new WTO agreement deals effectively with this imbalance.

Canadian agriculture policy should focus on the profitability and stability of the primary producer.

Business Interruption Insurance

KAP supports the development of a business interruption insurance program for agriculture.

Cash Advances

The Advance Payment Program plays an important role for Manitoban farmers. KAP supports the continuation of interest-free loans for all commodities to allow producers to market their production in a timely manner.

Disaster Programs

KAP supports a targeted disaster program that is adequately funded by the provincial and federal governments. These disasters could be *natural* (prolonged droughts, wide-scale flooding, frosts) or *man-made* (trade challenges or trade barriers).

When additional funds are allocated in disaster programming, they should come from outside of the existing safety net system. They must also be adequate to address the needs, be delivered in the year needed, and should treat all producers equitably.

KAP supports the development of a disaster recovery program for sectors that have experienced catastrophic losses. This program must include initiatives that address fundamental changes to the industry structure due to a disaster. This should include the deferral of tax liabilities which may be incurred as a result of the forced liquidation of livestock.

KAP believes the following principles are critical components of a bankable disaster program for producers:

- Whole-farm program
- No producer premiums or deductibles
- Provide a coverage level of 70% of a producer's average gross margin (based on the best three years of the last five years)
- Claim inventories should be calculated using a consistent and fair accrual method
- Must cover negative margins
- Must not be pro-rated
- Should have an individual payment limit
- No links to other program payments.

Income Stabilization Programs

KAP supports negative margin coverage, and believes that the caps in any income stabilization program must be adequate to reflect the diversity and size of farm operations. Where payments from other support programs are included as income for calculating eligibility, KAP maintains that incomes should also be used in calculating reference margins.

Inventory values for all commodities should reflect realistic projected market prices. Producers and/or their accountants must have full access to the numbers used in all calculations – including restructuring calculations – relating to their own account.

KAP believes that government should offer a choice of *Olympic average* or *last three years* on an annual basis, and automatically use the larger amount to provide the optimum benefit to producers.

Production Insurance

KAP believes that provincial and federal governments should be encouraged to maintain and strengthen production insurance programs. KAP believes that production insurance should be offered to producers at different levels of protection based on the individual producer's yield history and experience, and that the producer's share of premiums should be affordable.

KAP believes that production insurance coverage should reflect the productive capability of the land, average yields, current market conditions, and the cost of production. It should also support the wide diversity of crops and crop types in Manitoba. KAP believes that production insurance should also include a compensation factor for farmers who incur extra costs associated with the disposal of grain and other crops deemed unsalable by MASC.

KAP believes that all laboratories grading grain samples for production insurance programs should be accredited by an appropriate agency.

Appropriate methodology to calculate Individual Producer Indexes (IPIs) for these crops should also be developed. To encourage crop diversity, MASC should implement an option of 'coverage by proxy' for new crops until a production history has been established.

Registered Farm Stabilization Plan (RFSP)

KAP supports the development and implementation of a Registered Farm Stabilization Plan to enhance the agricultural financial safety net for producers. The RFSP can serve as a self-stabilization and investment tool for producers.

Wildlife, Waterfowl & Predator Compensation

KAP believes that producers should be fully compensated for losses due to wildlife, waterfowl, and predators. More information: *Property Rights & Wildlife Resources*.

TAXATION

Taxation has a significant impact on the agricultural industry. Farmers pay sales tax as consumers, income tax as earners, payroll tax as employers, municipal and education taxes as residents and property owners, and may also pay capital gains taxes as substantial property holders.

KAP believes that costs incurred to upgrade facilities or equipment to meet new or enhanced environmental regulations should be exempt from RST.

Assessment

KAP believes that it is necessary to ensure that all farmland in the province is assessed at the value of its agricultural productivity and not at its market value. This assessment process must recognize the changes in process and design of production facilities.

Capital Gains

KAP believes that the capital gains realized from the sale of farmland by bona fide farmers should be exempt from the minimum tax law.

Education Tax

KAP supports the complete removal of education taxes from all property, including agricultural land and production buildings. KAP believes that this can be best achieved by working with other groups that support the reform of Manitoba's education financing system.

KAP believes that the current tax rebate on farmland should be applied at the point of payment, the property tax bill.

Fuel Tax

KAP supports the removal of the federal excise tax on farm fuels.

Incentives

KAP supports the principle of tax incentives, including the Investment Tax Credit Program, to assist producers in making investments that encourage and promote growth in the rural economy.

Sales Tax

Agriculture is a capital-intensive business, and the taxation of inputs is a significant cost to the industry. KAP believes that any inputs involved with the production of crops and livestock – including items like fertilizer, chemicals, fuel, seed, feed, machinery, buildings, building materials, and construction – should be tax exempt and the benefit of this exemption must accrue to the farmer. This exemption should also apply to initiatives relating to the environment, food safety, and biosecurity and include related professional fees. KAP believes that the federal government should expand their list of GST zero-rated inputs related to farm operations.

TRADE

Free Trade

Canadian agriculture is dependent on international trade, particularly for grain and livestock exports. KAP supports the elimination of export subsidies and tariff barriers that distort world trade, both domestically and internationally. KAP supports the concept of free trade only where all trading partners are on a level playing field. KAP does not believe that state trading enterprises like the Canadian Wheat Board (CWB) are trade distorting institutions.

Supply Management

KAP supports the supply management system with its fundamental pillars of import control, production discipline, and producer pricing.

WTO

KAP believes that the WTO should be the primary forum for establishing fair trade rules, and supports the expansion of membership in the WTO. KAP continues to support the inclusion of the three pillars of supply management.

KAP encourages the Canadian government to work toward the harmonization of trade laws. Canada must enforce its trade laws, and ensure that imported food and food products are not allowed into Canada without verifiable food safety and traceability programs that are equivalent to those required for domestic production by the Canadian Food Inspection Agency (CFIA). KAP believes that government should be more aggressive in using WTO dispute settlement mechanisms to protect Canadian producers.

TRANSPORTATION

Deteriorating transportation infrastructure and increased transportation costs have created significant challenges for Manitoba's agricultural producers.

Driver Licensing

KAP believes there is a need for the provincial government to create a mechanism that protects farm employers from liability charges in cases caused by an unreported change in an employee's driver's license status.

Highways & Roads

Roads are increasingly used to transport agricultural products to market, so KAP encourages the provincial and federal governments to ensure that adequate funding is available to plan, develop, and maintain a grid of RTAC highways and other market roads within the province.

The provincial government should facilitate direct-farm marketing by allowing agricultural producers to erect signage, provided that these signs meet minimum highway safety standards.

KAP supports the provincial government in its efforts to harmonize regulations for the transport of goods within Canada and to the United States.

Hopper Car Ownership

The distribution and control of the Canadian hopper car fleet is of serious concern to producers. KAP believes that producers must be represented on any group established to determine policy relating to the allocation of grain cars. Regardless of ownership, KAP believes that the hopper car fleet must be maintained to an acceptable standard.

Level of Service

KAP supports the level of service review initiated by the federal government as it relates to the service being provided by railways to shippers of agricultural products. KAP commits to working with government and other stakeholders on this review.

Labour Disputes

Labour disputes in the grain handling and transportation sectors have a significant, negative impact on the income of farmers and on Canada's reputation as a reliable supplier of food. As a result, KAP believes that the grain industry should be designated as an essential service and that government should take all necessary action to eliminate or reduce labour strikes in the industry. All contract negotiations in the sector should be dealt with simultaneously to minimize the term of labour disruption. KAP believes that producers should be represented in labour negotiations. Government, labour, management, and farmers should share the cost of demurrage resulting from strike action.

Ports

KAP believes that Manitoba producers should have access to transportation routes, including the Port of Churchill, that give them the ability to provide the best service to their customers. Government must ensure that the required infrastructure and policies are in place to provide for the maximum movement of grain and specialty crops.

Producer Car Loading Facilities

KAP supports the development of producer car loading facilities and believes that they should not be licensed as primary elevators. Further KAP believes that existing sites should be protected from abandonment by the same type of discontinuance process that protects grain dependent branch lines.

Rail Lines

KAP believes that producers are the primary beneficiaries of the railway system's performance, and producers must realize the benefits of increased efficiencies or cost savings. For competitive measures to be successful, they must be present in all components of the transportation and handling system.

For true competition to exist in the rail system, KAP believes that all potential rail carriers should be granted access to all rail lines in Canada. KAP encourages the federal government to pass legislation that will ensure a seamless grain car interchange occurs between all rail operators, to ensure that producers are not restricted by the system and that shippers have access to an effective final offer

arbitration system.

KAP believes that the Canadian Transportation Agency (CTA) should ensure that timely level of service reviews take place to make sure that the needs of producers and other stakeholders are met.

KAP supports producer owned shortline railway companies as a way to reduce overall agricultural transportation costs and to encourage rural industrial development. KAP believes that the Government of Manitoba and the Government of Canada should encourage the purchase of shortlines going through the discontinuance process by offering financial and logistical support.

KAP also believes that Transport Canada's discontinuance process must provide compensation to affected communities anytime a rail line is sold. The compensation must reflect market values and conditions at the time of sale.

KAP believes that the provincial government should put a moratorium on rail line abandonment in Manitoba, until such time as a stakeholder group develops a strategic plan for agricultural transportation.

KAP believes that the Canadian Wheat Board should continue to participate in the grain transportation system, and that the concept of tying the freight rate to the value of grain is unacceptable.

KAP urges government to ensure that all rail cars are equipped with reflective decals for night-time safety.

Revenue Cap

KAP supports Transport Canada in ensuring that penalties to railways are large enough to deter exceeding the revenue cap. KAP supports the payment of revenue cap overcharges and penalties to the Western Grains Research Foundation.

KAP believes that Transport Canada should conduct periodic costing reviews to verify the component used in setting the revenue cap, and adjust it accordingly.

Truck Scales

KAP encourages the province, the Western Grain Elevators Association, and other stakeholders to make the truck scales

from elevators that have been taken out of service available to communities at salvage value.

Trucks & Equipment

KAP believes that safety standards and requirements for farm trucks should take into consideration the relatively short time frames that farm trucks are on the road, and the relatively short distances that they travel. KAP supports the implementation of the National Safety Code, which provides for safety inspections of farm trucks, and takes into consideration the exposure and type of use of these trucks.

KAP requests that the provincial government permitting office develop an automatic and electronic system (via fax or email) in conjunction with Manitoba Hydro and MTS Allstream that would send out reminders to producers regarding the need to renew oversize equipment permits annually.

KAP encourages Manitoba Public Insurance (MPI) to implement programs that promote the safe operation of farm trucks, which may include the extension of merit discounts to grain trucks. Since many farms in Manitoba operate as a corporation, MPI must continue to ensure that the definition of a farmer recognizes these entities on the same basis as individuals for the purpose of providing insurance for farm vehicles.

WORKPLACE & EMPLOYMENT

Farm & Rural Workers

KAP has a mandate to deal with labour issues that affect agricultural operations. KAP supports the development of multi-stakeholder initiatives that maintain a viable rural workforce.

Health & Safety

KAP believes that increased education, training, self-assessment, and incentive-based programs are the preferred means of improving safety and health on farms, as opposed to regulation and legislation.

KAP encourages the provincial government to expand existing farm safety programs and to provide more workplace safety education programs in schools. To ensure the safety of farm children, KAP recommends the creation of more child care services in rural areas that are flexible and affordable to serve farm families. We also encourage the government to continue to develop and allocate resources towards self-assessment risk manuals that allow producers to create individualized farm safety policies and the creation of on-farm safe play areas for children.

KAP believes that the efforts of farmers and their employees to create a safer work environment should be recognized by an incentive-based approach, which may include reduced insurance premiums.

Hydro Lines

KAP encourages Manitoba Hydro to promote voluntary cost sharing with farmers to relocate or bury hydro services to and within farmyards for safety reasons.

AFFILIATIONS

KAP is firmly committed to working with and/or supporting other farm organizations or stakeholders to promote agriculture in Manitoba.

Canadian Federation of Agriculture (CFA)

KAP is a member of the Canadian Federation of Agriculture and works closely with it on issues that have national and international agricultural policy implications.

Group Members

KAP believes that its group members, which represent various Manitoba commodities, form an important part of the organization by providing their unique perspective. KAP will support the efforts of these organizations whenever possible and requested.

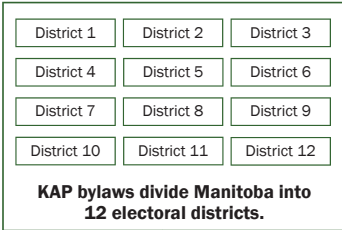
Wasagaming Foundation

KAP is a trustee of the Wasagaming Foundation, which sponsors leadership training for young people.

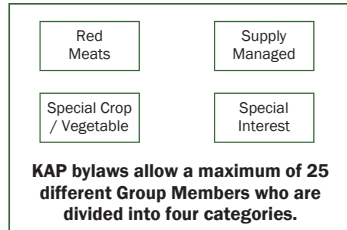
KAP STRUCTURE

The Structure of Keystone Agricultural Producers

Individual Members



Group Members



Annual General Meeting

Held every January and consists of 12 delegates from each district and three delegates from each of the Group Members.

Policy is set at the Annual General Meeting

General Council

Consists of President, four directors from each district, and a maximum of 25 directors from Group Members.

The General Council sets policy.

Executive

Consists of the President, two Vice Presidents, one rep from each district and one rep from each of the four group member categories.

Responsible for managing and directing day-to-day operations in the best interests of General Council.

Management

Consists of President, two Vice Presidents, and the General Manager.

Responsible for implementing policy and answer to General Council.

Policy

Keystone Agricultural Producers
203-1700 Ellice Avenue
Winnipeg, Manitoba
R3H 0B1

Phone: (204) 697-1140
Fax: (204) 697-1109
Email: kap@kap.mb.ca
Web: www.kap.mb.ca

MANAGEMENT TEAM & STAFF

President

Doug Chorney

Vice President

Rob Brunel

Vice President

Dan Mazier

General Manager

Yvonne Rideout

Communications Officer

Kristen Lucyshyn

Policy Analyst

James Battershill

Financial Coordinator

Kathy Ulasz

Business Receptionist

Alanna Gray

EXECUTIVE MEMBERS

President: Doug Chorney

Vice President: Rob Brunel

Vice President: Dan Mazier

District 1: Glen Franklin

District 2: Robert McLean

District 3: Reg Dyck

District 4: Will Peters

District 5: Curtis McRae

District 6: Chuck Fossay

District 7: Keith Gardner

District 8: David Wray

District 9: Weldon Newton

District 10: Kyle Foster

District 11: Sean Gryba

District 12: Dwight Eisner

Special Interest: Wilfred Harder

Special Crops & Vegetables: Theresa Bergsma

Red Meats: George Matheson

Supply Managed: Wayne Kroeker

GENERAL COUNCIL: DISTRICT REPRESENTATIVES

District 1

Bill Campbell
Brian Vanmackelberg
Glen Franklin*
Terry Wilkinson

District 2

Albert Hamilton
Daryl Devos
Glenn Young
Robert McLean*

District 3

Calvin Penner
Chris Kletke
Linda Nielsen
Reg Dyck*

District 4

Jeremy Calder
Les Felsch
Marc Raffard
Will Peters*

District 5

Andrew Knowles
Curtis McRae*
Hank Riese
Hubert Preun

District 6

Chris McCallister
Chuck Fossay*
Lorne Rossnagel
Rae Trimble-Olsen

District 7

Dan Mazier
George Harrison
Keith Gardner*
Stan Cochrane

District 8

David Wray*
Garth McTavish
Larry Gerelus
Roger Burrough

District 9

Gary Tolton
Harvey Sillen
Justin Jenner
Weldon Newton*

District 10

Derrick Chomokovski
Kyle Foster*
Lorne Johnson
Paul Gregory

District 11

Bob Messinbird
Don Dewar
Rob Brunel
Sean Gryba*

District 12

Dale Buhler
Dwight Eisner*
George Oberlin
Larry Terhorst

*Executive Member

GENERAL COUNCIL: GROUP REPRESENTATIVES

Co-operative Hail Insurance Co.

Barry Bromley

Dairy Farmers of Manitoba

Pieter de Jong

h@ms Marketing Services Co-op Inc.

Gerry Friesen

Keystone Potato Producers Association

Gary Sloik

Loveday Mushroom Farms

Burton Loveday

Manitoba Beekeepers Association

Allan Campbell

Manitoba Bison Association

Len Epp

Manitoba Canola Growers Association

Wilfred Harder*

Manitoba Chicken Producers

Stuart Nikkel

Manitoba Corn Growers Association

Theresa Bergsma*

Manitoba Egg Farmers

Dan Penner

Manitoba Equine Ranching Association

Linda McCaskill

Manitoba Forage Council

Nevin Bachmeier

Manitoba Forage Seed Association

Les Jacobson

Manitoba Pork Council

George Matheson*

Manitoba Pulse Growers Association

Monika Robertson

Manitoba Seed Growers Association

Andrew Ayre

Manitoba Sheep Association

Eric Thornhill

Manitoba Turkey Producers

Wayne Kroeker*

Manitoba Women's Institute

Donna Young

National Sunflower Association of Canada

Roger Vaags

Vegetable Growers Association of Manitoba

Todd Giffin

*Executive Member

POLICY COMMITTEES

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Rural Development and Land Use: Curtis McRae (chair), Kyle Foster, Glen Franklin, Carl Cunningham, Dan Mazier, Brian Chorney, Chris McCallister, Garth McTavish, Hans Gorter, Cindy Kellendonk, Calvin Penner. Staff: James Battershill.

Agri-Energy Sub-Committee: Appointed by Rural Development and Land Use Committee. Staff: James Battershill.

Transportation: Chuck Fossay (chair), Robert McLean, Ed Rempel, Reg Dyck, Calvin Gust, Les Felsch, David Wray, Henry Holtman, Rob Brunel, Dwight Eisner. Staff: James Battershill.

Workplace and Employment: Doug Chorney (chair), Miles Beaudin, David Day, Karl Kynoch, Doug Connery, Eric McLean, Hans Borst, Dan Mazier. Staff: Yvonne Rideout.

OTHER COMMITTEES

Finance: Rob Brunel (chair), Reg Dyck, George Matheson.
Staff: Kathy Ulasy.

Management/Membership: Doug Chorney, Rob Brunel,
Dan Mazier, Yvonne Rideout.

Member Benefits: Kyle Foster (chair), Rob Brunel, Glen Franklin,
Linda Nielson, Brad Knight. Staff: Kristen Lucyshyn.

Member Relations: Reg Dyck (chair), Dan Mazier, Kyle Foster,
Will Peters. Staff: Yvonne Rideout.

Resolutions: D1, Keith Gardner (D7), Sean Gryba (D11).

Young Farmers: Rob Brunel (co-chair), Sean Gryba (co-chair),
Nevin Bachmeier, Chris McCallister, Nathan Friesen, Justin Jenner,
Bryce Pallister, Curtis McRae, Glendon Gray, Jillian Ray, Brent Penner,
Derrick Chomokovski, James Karlowisky. Staff: Kristen Lucyshyn.

PUBLICATIONS

KAP connects with its members, media and the public through our weekly newsletter The KAP Alert, KAP and Young Farmers' Committee websites, commentaries, news releases and KAP's major publication—The Manitoba Farmers' Voice.

The Manitoba Farmers' Voice provides timely, relevant articles on issues of importance to farm families and the agricultural sector as a whole. KAP's quarterly magazine is distributed to 10,000 homes and businesses in and around Manitoba. Copies of the magazine are mailed to all KAP members and are also available through the KAP office by calling (204) 697-1140.

To subscribe to our weekly KAP Alert Newsletter, please visit the website at www.kap.mb.ca or email communications@kap.mb.ca.

Keystone Agricultural Producers

203-1700 Ellice Avenue • Winnipeg, MB • R3H 0B1

Phone: (204) 697-1140 • Fax: (204) 697-1109

Email: kap@kap.mb.ca • Website: www.kap.mb.ca

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ken@corporatesourceinc.com