



**Election Issues
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Leadership, Sustainability, and Our Future

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I. Background and Introduction

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization representing individual farmers and farm organizations throughout the province in twelve geographic districts. The strength of our organization is a result of our structure, which requires policy to be developed and approved by our membership through their district boards or commodity representatives.

Our mission statement reads: "to be a democratic and effective policy organization promoting the social, economic and physical well-being of all Manitoba agricultural producers."

Agriculture is, and will continue to be, a part of an ever-changing environment, as farmers continuously evolve and adapt to achieve goals and meet new challenges. Manitoba's farm economy is a very diverse one and any programming or policies need to take into account that diversity.

We encourage all party candidates to consider the following issues as part of their campaign for a strong agricultural economy and province.

II. Business Risk Management

Canadian Agriculture Income Stabilization (CAIS) Program – The government's recent commitment to a contributory style stabilization program was a welcome one. It is critical that the provincial government continue its commitment to fund the CAIS program as well as the new top tier of CAIS. Farmers will be investing in the new tier and expects that the provincial government contributes the necessary funding. With farmer investment, it is logical that the 0.45% administration fee on CAIS be removed as soon as the new program comes into effect.

Farmers need:

- Adequately funded stabilization programs that are predictable and bankable; and
- Support for the elimination of the CAIS administration fee.

Disaster Component – The federal government has committed to developing a disaster component separate from the current stabilization program. We need the province to ensure that adequate resources are directed to a special fund that may be accessed in the event of a disaster.

Farmers need:

- Provincial government commitment to fund disaster programming; and
- Government's commitment to work with farmers through general farm and commodity group organizations to develop the criteria for disaster programming.

Companion Programming – There are many areas where Manitoba can assist farm families outside of the parameters of the APF. To do so, our government has to be willing to commit to the funding and resources required. It appears that unless programs fall within the scope of the APF and can be counted towards the provincial government’s share of funding, that it is unlikely to be considered. The provincial government must be willing to increase its support of the industry and allow companion programming when it is illustrated that there is a need for such and that there are gaps to be filled.

Farmers need:

- Companion programming to fit the needs of industry based on Manitoba’s unique landscape.

III. Education Financing

KAP strongly supports the 65% rebate committed in the recent budget to decrease education tax on farm land. Manitoba’s farm families shoulder an inequitable share of the cost of education, through both property taxes on residences and a special levy on farm land and production buildings. The special levy does not recognize one’s ability to pay but rather it is based on the assets, whether or not those assets actually help a farmer realize a profit. We believe that the current education funding system is inequitable and unsustainable for all Manitobans because it is based on property.

Farmers need:

- The complete removal of education tax from all properties, including farmland, production buildings and all residences;
- The current rebate to be applied directly to property tax bills; and
- The provincial government to develop a plan over 5 years to shift to a more sustainable way of funding education without placing an additional burden on tax payers.

IV. Environment & Livestock

Hog Industry – In November 2006, the provincial government placed a ban on the hog industry and tasked the Clean Environment Commission with a complete review of the sustainability of the industry. The hog industry has shown leadership in the area of environmental investments and adaptation.

Farmers need:

- The ban on the hog industry to be lifted immediately and allow investment and development in our province.

Nutrient Management - KAP was instrumental in the negotiating process with Water Stewardship on the draft regulation governing water quality issues. We believe that the draft regulation is workable for farmers and we hope that the time and efforts that were invested in the process during the past year are reflected in the regulation. One area that is still outstanding is the incentive program, which must be an integral part of the implementation of the regulation. There has been a commitment by the government to provide financial assistance to help farmers to come into compliance. We stress that there must be adequate funding in the form of direct support for farmers and it must be a multi-year approach. It is critical that government work with KAP and its commodity groups to design programs that ensure that the incentives are right at the onset, so that the transition to the new rules does not have a negative impact on the financial viability of farming enterprises.

Farmers need:

- Multi-year financial incentive program to help farmers come into compliance with any regulations under the Water Protection Act, including the nutrient management regulation.

Land Use Development Plans – It is extremely important that government continue to take a proactive role in local land use planning. Much of the economic growth in the province is going to come from investment in renewable fuels and for that industry to be viable, the livestock industry will play a critical role; therefore, we must enable its sustainable growth. Municipalities and planning districts must ensure that there is ample opportunity for continued growth. RMs must make sound decisions which will support sustainable economic development and viability of communities, however, in order to do so they may need the assistance of the provincial government to ensure that the policies created are based on sound science. It is critical for the future of agriculture in Manitoba, and for the survival of rural communities, that all stakeholders accept the growth of the livestock industry in a positive, reasonable and responsible manner. We must also be cognizant of the impact of the use of our land base today, to ensure that there are adequate resources for tomorrow's farmers.

Farmers need:

- Leadership by the provincial government to create an environment throughout the province for the continued sustainable development of the agricultural industry.

V. Retail Sales Tax

RST on Inputs & Materials – Manitoba’s farmers are now at a distinct disadvantage due to reductions in sales tax in Saskatchewan. To prevent further erosion of economic development, the Manitoba government should consider expanding the exemption list for livestock inputs and construction costs for bona fide farmers.

Farmers need:

- A review and expansion of the RST list to include soaps & disinfectants and materials for new buildings.

Environment Projects – Any projects that are undertaken which have environmental or public benefits should not be subject to retail sales tax and should receive adequate tax credits. This includes any on-farm investment that occurs as a result of voluntarily or regulatory actions. Sometimes restrictions are placed on farming operations that are not backed by scientific evidence. With numerous challenges facing the industry due to restrictions by government or pressures from the general public, farmers cannot bear the full costs of perceived “environmental” improvements.

Farmers need:

- Financial incentives and recognition for the societal benefits that they undertake in the areas of environment, food safety, and biosecurity.

VI. Transportation

Abandonment of Rail Lines - KAP strongly believes that strategic investment is needed to sustain and enhance the province’s agricultural transportation infrastructure. While the provincial government has decided against instituting a moratorium on rail line abandonment, we believe it still has a role to play by including the future of rail lines as an integral part of a transportation blueprint for economic growth in Manitoba. While the current economics of grain handling on provincial railways may be a challenge, we now see new economic opportunities coming forward that will require a solid transportation system. These include biodiesel, ethanol, processing, and other value-added industries that the Manitoba government continues to support. Once these infrastructure resources are lost, it is likely that they would not be replaced. As a result, many communities will lose out on future development unless a long term vision is established.

Farmers need:

- A strategic plan for economic growth to ensure that rail infrastructure is available, so that Manitoba’s communities may avail of initiatives that have been listed as a priority by the government.

VII. Rural Development

Alternative Land Use Services (ALUS) – The support of the Manitoba government has been critical in the successful launch and ongoing operation of the ALUS pilot project in the RM of Blanshard. KAP would like to thank the province for its contributions through the Covering New Ground program as well as staff resources.

Farmers need:

- Government's ongoing commitment to the Alternative Land Use Services Project; and
- Policy development by government to adopt such a concept for the entire agricultural industry.

Alternate Energy – KAP believes that alternate energy is a new opportunity for farmers and rural communities to diversify from traditional agriculture and generate new wealth and opportunity. In April 2006, KAP developed a position paper on alternate energy that focuses on how we believe this industry can move forward. Manitoba needs to take a leadership role by implementing programs, incentives and research projects that enable a strong and sustained growth to ensure that all Manitobans benefit.

Farmers need:

- Ongoing commitment by the provincial government to ensure the sustainable development of the alternate energy sector including the ability for farmer participation.

Value Added – There are many opportunities for value added industries in this province and government needs to ensure that the business climate including investment, incentives and tax relief is a priority as we move to the future. Farmers and other stakeholders are more than willing to invest in and attempt to realize the benefits of operating further along the value chain and with decreased opportunity for margins from primary agriculture, there will need to be more advancement to adding value.

Farmers need:

- A business model that invites investment;
- A government that is willing to play a role in value added by creating the appropriate and desirable business environment; and
- The right incentives to assist with getting a value added business off the ground.

VIII. Communications

Buy Manitoba - Recently, government announced its 'Buy Manitoba' campaign which is aimed at consumers and awareness of our local products and their availability. Government needs to work with industry partners, including KAP, to encourage consumers to buy local when shopping for groceries or dining in a restaurant. It is critical that government ensure that adequate funding is in place for the program and that the much-needed follow-up and monitoring occurs. We need to work together to show consumers that Manitoban and Canadian produced products are safe, healthy and nutritious. Public awareness is a crucial part of the awareness of local products and must be ongoing. It is, in fact, a change in attitude and the ability for the general public to feel a sense of ownership when it comes to our industry.

Farmers need:

- Assurance that the provincial government will allocate adequate resources for public awareness and promotion of our industry.

IX. Research

Increased public funding for producer directed research is needed. There must be measures to support potentially viable small and emerging sectors that do not have access to matching government funds. Research must address production challenges, environmental measures and the needs of the marketplace. There has to be a clear mechanism whereby farmers can obtain a share of the ownership and financial returns from the outcome of research that their investment helped to achieve.

Farmers need:

- Commitment by the provincial government to research that can be adapted to the farm gate for the benefit of farm families and the province as a whole.

X. Concluding Remarks

As all parties move toward the election, we need to see recognition for the agricultural industry. The state of the industry in Manitoba has changed over the past few years as a result of back to back disasters, low commodity prices and a shift to livestock, alternative practices and value added.

Farmers need:

- To receive assurance of their ability to remain in business as well as recognition for the investment they have already made, as well as adapt to the economic realities and changing climate of agriculture in this province.

We need the government to continue to recognize and acknowledge the importance of our industry to the economy and to rural infrastructure. Provincial investment in our industry results in a more vibrant landscape and business environment, adding to job creation, increased processing and infrastructure which will ensure the continued growth of our economy as a whole.