



July 11, 2022

The Honourable Nate Horner
Minister of Agriculture, Forestry and Rural Economic Development
Government of Alberta

RE: The Beef Industry's Next Policy Framework (NPF) Priorities

Dear Minister Horner,

We are writing today to affirm the priorities of Alberta Beef Producers (ABP) in advance of the upcoming federal, provincial, and territorial (FPT) ministers of agriculture meeting. It is advantageous to note that our priorities regarding a sustainable agricultural sector, a workable suite of business risk management (BRM) programs and an emphasis on meaningful research are aligned with messaging coming out of the *Guelph Statement*.

Environment:

Producers know that a successful beef operation rests on their ability to steward the pastures and forage crops that are the very foundation of farms and ranches. Pastures and hay crops sustain cattle and provide habitat for a diverse array of plants and animals. Unfortunately, native grassland conversion remains a significant concern. Recent analysis completed by the Nature Conservancy of Canada shows that on average 147,000 acres per year of native prairie grasslands were converted to another use over 25 years, prior to 2016. In the early 2000s, when beef producers were faced with tough economic times, at least five million acres of grasslands were converted. This is an alarming loss of countless ecosystem goods and services, and this trend needs to be reversed.

Beef producers have little ability to capture value in the ecological goods and services that they produce. To support these benefits, it is important that the policies and programs put in place under the Next Policy Framework (NPF) do not have unintended environmental consequences, such as increasing conversion, or further contributing to the loss of wildlife habitat. Continuous communication with stakeholders and a whole-of-government approach to policy development will help to reduce unintended consequences.

BRM:

ABP looks forward to the introduction of a new revenue insurance program in the business risk management (BRM) suite. The existing BRM suite does not provide beef producers with the required tools for risk management. Consistent with governments' interest in insurance-based approaches, attention must be paid to reducing premiums of Livestock Price Insurance (LPI). Our American competitors saw a dramatic increase in the uptake of their price insurance program when the United States Department of Agriculture began to significantly support premium costs. By investing at the same level as is currently provided to crop insurance, LPI will become an even more useful risk management program.

LPI has the potential to mitigate price risk, and the last few years have shown the need for a production or input insurance for cow calf producers. Currently, producers only mechanism is AgriStability, which does not adequately protect cow calf producer, as many of the significant costs are not approved expenses. AgriStability is even less effective for farms that graze the majority of the year, leaving this environmentally beneficial practice penalized by the current BRM suite.

We are aware that the adoption of climate risk management, environmental practices, and climate readiness in BRM programming is being considered. We are concerned that having environmental criteria included may act as a barrier to entry in any of the BRM programs. We fear it could result in unintended consequences, such as gaps in coverage, inequitable access, and/or additional complexity to already complex programming, which would discourage participation. While we are aligned in ensuring our sectors are as sustainable as can be, incentives prove more useful than barriers.

Ultimately, addressing the inequity that is inherent in BRM programming is critical to slowing the conversion of sustainable grasslands and loss of countless ecological benefits.

Research:

Continued investment in research programs aimed at key environmental challenges and enhancing productivity is fundamental to the success and sustainability of the sector. The Canadian beef industry has set aggressive 10-year goals and developed a national research and technology transfer strategy to achieve these goals under the direction of the Beef Cattle Research Council. Industry investment has more than quadrupled, with a focus on increasing research programs, investing in Canada's scientific capacity, and implementing a significant technology transfer program to ensure research results are implemented by producers and other stakeholders.

To build on this success, it is imperative that the science clusters program funding be increased to address the priorities within each sector. It is also crucial that the science clusters program launches this summer to ensure adequate lead times for approval and to avoid any disruption in research activities when the current NPF ends. It is also important that government:industry funding ratios remain at 70:30 for all priority areas, not just environment. This encourages industry investment and will allow for a larger volume of projects supported by industry.

ABP and the Canadian Cattlemen's Association are committed to working closely with governments to develop parameters for the various initiatives, particularly those with respect to environment, BRMs and research. We look forward to the outcomes of the FPT meeting in July and delivering on our shared priorities.

Your sincerely,

A handwritten signature in cursive script, appearing to read 'Melanie Wowk'.

Melanie Wowk
Chair, Alberta Beef Producers