



May 1st, 2020

The Honourable Chrystia Freeland
Deputy Prime Minister of Canada
Sent via email: Chrystia.Freeland@parl.gc.ca

The Honourable Bill Morneau
Minister of Finance
Sent via email: Bill.Morneau@canada.ca

The Honourable Marie-Claude Bibeau
Minister of Agriculture and Agri-Food
Sent via email: Marie-Claude.Bibeau@parl.gc.ca

RE: Young beef farmers most at risk for financial catastrophe during COVID-19, price insurance key program to address young producers' needs

Dear Deputy Prime Minister Freeland, Minister Morneau and Minister Bibeau,

On behalf of the Young Cattlemen's Council (YCC), we are writing to inform you of the critical situation that is currently being faced by Canada's beef farmers and ranchers due to the COVID-19 pandemic and how this particularly impacts young beef producers from coast to coast.

Young and new beef farmers are especially susceptible to market fluctuations as we often do not have sufficient equity built up in our operations to borrow money against to survive these difficult times. The financial difficulties of BSE in the early 2000s showed us that unless we put tools in place specifically designed to assist young producers, we will see a large exit from our industry, leaving a generational gap in farms and ranches, as we simply cannot survive financially.

Price insurance is a key tool that helps us as young producers, yet, currently the premiums for this program are so expensive, due to the COVID-19 pandemic, that we cannot afford to participate in the program. We are asking the federal and provincial governments to establish the program in Eastern Canada, where the program does not yet exist, and cost share the increased cost of these premiums across Canada for a short, yet integral, period of time. We would note that cost sharing of premiums is already done for our counterparts in the cropping sector.

Price insurance enables us to borrow money that would otherwise be very difficult to acquire, or, at minimum, we would have to do so at much higher rates. Without price insurance, we may need to

address cash flow challenges by selling cattle at the bottom of the market or worse exiting the industry and joining other unemployed Canadians.

We understand that the Canadian beef industry has put forward a number of recommendations that would benefit the entire sector. However, as young producers and the future of the beef industry, we wanted to highlight the importance of the price insurance recommendation, which will stand to greatly support young producers across the country, during the pandemic.

We ask you to address this specific recommendation urgently and extend the deadline for attaining calf price insurance, which is on May 28th, 2020. Should you have any questions, please do not hesitate to reach out to Jessica Giles, Youth Leadership Coordinator, at gilesj@cattle.ca.

Sincerely,

Kayla Weston

Kayla Weston, President
Young Cattlemen's Council

Geoffrey Larkin

Geoffrey Larkin, Vice President
Young Cattlemen's Council

In the latest census a total of 10.7% of all beef cattle farms have an operator 35 years old or younger, 6.8% of beef farms are run by a sole operator that is 35 years or younger. Beef production spans all provinces, is Canada's largest agriculture commodity contributing 17 billion to the Canadian economy and is the primary source of 228,000 jobs nationally.

CC: Jim Carr, Special Representative to the Prairies
Sean Fraser, Parliamentary Secretary to Finance
Wayne Easter, Chair of House of Commons Standing Committee on Finance
Pierre Poilievre, Conservative Critic for Finance
Gabriel St-Marie, Bloc Québécois Critic for Finance
Peter Julian, NDP Critic for Finance
John Barlow, Conservative Critic for Agriculture and Agri-Food
Yves Perron, Bloc Québécois Critic for Agriculture and Agri-Food
Alistair MacGregor, NDP Critic for Agriculture and Agri-Food