



KEYSTONE  
AGRICULTURAL  
PRODUCERS  
*of* MANITOBA

## MANITOBA ELECTION PRIORITIES - 2016



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# SUMMARY

## MANITOBA ELECTION PRIORITIES - 2016

In order to maintain a local food supply and support agriculture so it can help grow the economy, the next government of Manitoba needs to commit to:

### **Increase Research and Innovation Investments**

1. Invest the equivalent of **1%** of Manitoba farm cash receipts in research, innovation, and policy development to enhance the diversification and profitability of agriculture in the province.
2. Establish programming to support farmers doing field trials and experimenting with new crops and production methods in order to share the production risk associated with driving the industry forward.
3. Canadian livestock quality and genetics are recognized worldwide. In order to maintain this reputation, incentives are needed for producers to set up research projects.
4. Government production specialists provide technology transfer from existing research and identify new research opportunities in crop and livestock production. Currently, there are numerous specialist positions vacant, and hiring for these positions needs to proceed quickly.

### **Support Young Farmers**

5. To encourage participation and support beginning farmers, provide a government-only unmatched (kickstart) deposit of 3.25% of Allowable Net Sales spread over the first 5 years for a new AgriInvest account for new participants only.
6. Support young farmers looking to diversify their operations into livestock production by providing forgivable loans and support to navigate regulatory hurdles.
7. Increase funding available for post-secondary agriculture students to help offset the costs associated with moving to urban areas to attend school.
8. Waive the AgriStability fee for first 5 years of enrolment in the program in order to encourage beginning farmers' participation.
9. Establish premium credits for beginning farmers to assist with the costs of participation in AgriInsurance during the first 5 years of any new farming operation.

## **Support Farmers' Efforts to Protect the Environment**

10. Increase funding for the Environmental Farm Plan program.
11. Expand the range of beneficial management practices available for funding – including carbon sequestration.
12. Reinststate a province wide ecological goods and services program similar to Alternative Land Use Services.
13. Ensure that farmers are compensated for the ecological goods and services they contribute to the benefit of all of society.
14. Increase funding for conservation districts so that they can carry out important projects that provide ecological benefit to all Manitobans.

## **Improve Rural Infrastructure**

15. Commit to maintaining rural infrastructure and create a system by which members of the public can report damaged and dangerous roads and bridges. A list of these reports must be compiled annually and publicly reported so that there is transparency around how decisions are being made and road repair priorities set.
16. Publically commit to supporting a goal of all Manitoba households being able to access a minimum of 25 Mbps broadband internet service by 2020.
17. Work with municipalities and the federal government to establish a fund to build additional cellular towers to improve high speed wireless internet access.

# Why Ag Matters

## Good jobs and good food

### **An economic driver**

Agriculture in Manitoba is a major economic driver, enhancing our economy by \$10 billion annually and creating 62,000 jobs directly and indirectly for Manitobans.

Certainly there are jobs created in the agriculture supply sectors, the farm implement sectors, and directly on farm. But agriculture creates jobs in hundreds of other industries – from transportation and banking to food-processing and manufacturing. There are also jobs generated in research, technology development, technology manufacturing and sales, consulting, accounting, government – and the list goes on.

Many Canadian agriculture businesses and organizations are centered in Winnipeg and employ people in research, administration, merchandising, transportation, trading and more.

The Canadian Grain Commission and the Canadian International Grains Institute are both headquartered downtown. As well, Winnipeg is home to numerous ag-related businesses and several major grain-buying companies. The head office of Richardson International, for example, is in the city. It employs 2,500 people across Canada – a very significant number of those in Manitoba.

### **Supplying locally produced food**

In a recent KAP poll, 89 per cent of Manitobans said they try and purchase food produced in Manitoba as often as they can. Farmers in Manitoba are the source of that local, safe food. It's grown or raised here, processed in the province, and available at affordable prices.

## WHO IS KAP?

Keystone Agricultural Producers is Manitoba's general farm policy organization, representing grain, oilseed, horticultural, and livestock farmers of all sizes.

We work on behalf of all of these farmers, speaking up on the issues that are most important to them. We are member funded and member directed.

# RESEARCH AND INNOVATION

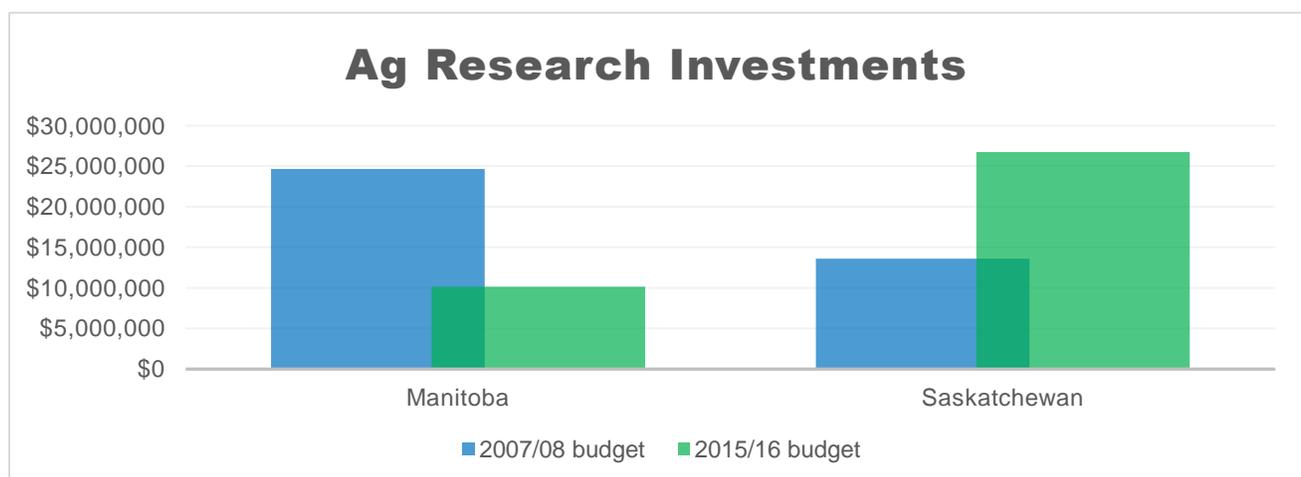
By making investments in research and innovation a priority, the provincial government can help ensure that agriculture continues to be an economic driver for Manitoba. In addition, farmers can gain the competitive edge – and continue to produce food for both local and international markets. Investment into research can also make Manitoba the centre for agriculture innovation and excellence in Canada.

## The need for more research and innovation spending in Manitoba

In contrast with other Canadian provinces, Manitoba's public research and innovation spending in the agriculture and agri-food sector has decreased by 59% over the past decade.

Manitoba currently invests \$10.1 million<sup>i</sup> in strategic policy and innovation in agriculture, which is equal to only 0.18% of farm cash receipts. In the 2007 budget, the investment was \$24.6 million for agri-industry development and innovation<sup>ii</sup>.

Saskatchewan invests significantly in research and development activities. Currently, the Saskatchewan government invests \$26.7 million for research and technology in agriculture<sup>iii</sup>. Over the last ten years, while the province of Manitoba has been steadily decreasing investment in research, the Saskatchewan government doubled their investment from \$13.5 in 2007/8<sup>iv</sup>.



## Research dollars create benefits for society and for producers

Public investments in research and development in the agriculture and agri-food sector represent a critical source of innovation and productivity growth. Both domestic and international studies confirm the significant rate of return from investment in agricultural research. These studies also point to chronic underinvestment in agricultural research by the public and private sector. A 2007 Canadian Agricultural Innovation Research Network article<sup>vi</sup> reviewed Canadian rate of return studies over the past number of decades. The authors concluded that overall, high rates of returns (a number of studies found a very high social rate of return on agricultural research and development, often 30 to 50% or greater) and poor incentives for research, resulting in an underinvestment in research in development in Canada.

*“Whether it’s from new crop varieties, animal genetics, on farm practices, or processing tools, Manitoba’s economy has benefited significantly from agricultural research investments.”*

*Dan Mazier, KAP President*

## Research and Innovation Investments Create Economic Spin-offs

- Every \$1 invested in agricultural research returns about \$10 worth of benefits to the economy<sup>vii</sup>.
- Agricultural research generates long-term benefits. Current research suggests on average, public agricultural research undertaken today will begin to noticeably influence agricultural productivity in as little as two years, and its impact could be felt for as long as 30 years<sup>viii</sup>.
- The benefit of investing in agricultural research extends beyond national boundaries. When innovative agricultural technology companies get their start in Manitoba, they can move on to grow their operations around the world, as several precision agriculture startups have done.



# The future Manitoba government needs to

## **Increase Research and Innovation Investments**

Invest the equivalent of **1%** of Manitoba farm cash receipts in research, innovation, and policy development to enhance the diversification and profitability of agriculture in the province.

## **Support on Farm Innovation**

Establish programming to support farmers doing field trials and experimenting with new crops and production methods in order to share the production risk associated with driving the industry forward.

## **Support Livestock Innovation**

Canadian livestock quality and genetics are recognized worldwide. In order to maintain this reputation, incentives are needed for producers to set up research projects.

## **Fill Vacant Production Specialists Positions**

These specialists provide technology transfer from existing research and identify new research opportunities in crop and livestock production. Currently, there are numerous specialist positions vacant, and hiring for these positions needs to proceed quickly.

# YOUNG FARMERS

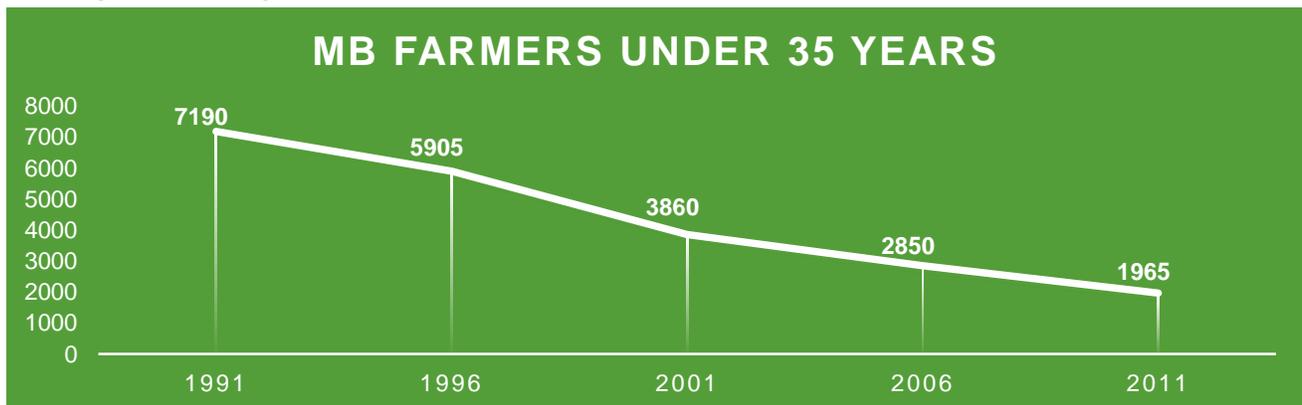
## Young Farmers Key to Local Food Supply and Future Jobs

It's harder than ever for young farmers to start their careers in agriculture because the cost of land has increased over the past five or six years by up to \$2,000 an acre in some parts of Manitoba<sup>ix</sup>. For an average-size farm, the start-up cost for land alone would be **\$3 million** – a prohibitive sum for many to take on so early in their careers.

In addition, it's over three times more expensive to run a farm today than 30 years ago. In 1986 the average-size farm in Manitoba required an operating investment of \$149,933 for one year, and today that investment is \$500,000. With no equity in the business, if a young farmer experienced a production loss for just one season, they would be unable to pay back what they borrowed to operate.



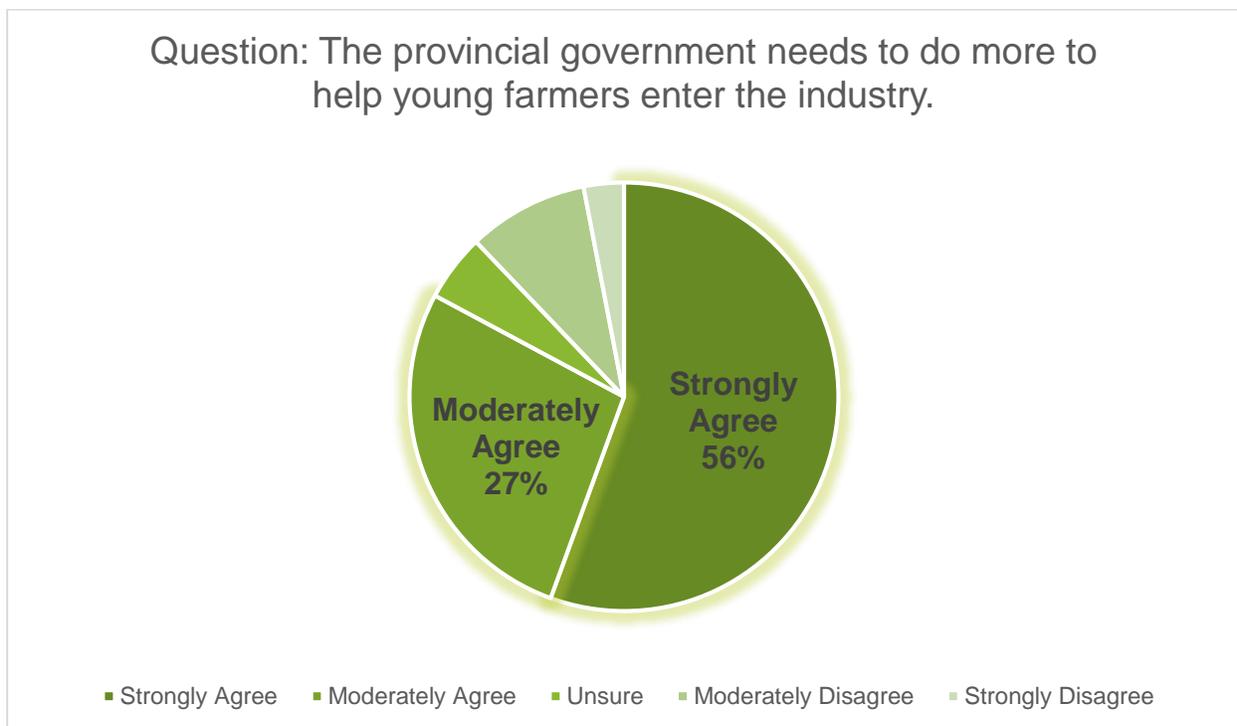
As a result of these economic constraints, the number of young farmers 35 and under has been on a steep decline – 73 per cent between 1991 and 2011 – and that number has further declined in the last five years. With the average age of a farmer at 55, and many planning to retire in the coming decade, Manitoba may face challenges finding the next generation of farmers.



## Manitobans Support Young Farmers

In a 2015 KAP survey, 82 per cent of Manitobans indicated they want the Manitoba government to do more to help young farmers. The agriculture industry recognizes the need to ensure its future, and so do Manitobans.

In addition, 89 per cent of Manitobans also indicated they purchase food produced in the province as often as possible. If the decline in the number of farmers continues, they could have difficulty accessing that locally produced food that is both affordable and safe.



Government has several existing business risk management and income stability programs which can be adapted to provide additional support to young farmers to help protect them from income fluctuations and production risks during the start of their careers while they are financially vulnerable.

# The future Manitoba government needs to

## **Kick-start AgrilInvest**

To encourage participation and support beginning farmers, provide a government-only unmatched (kick-start) deposit of 3.25% of Allowable Net Sales spread over the first 5 years for a new AgrilInvest account for new participants only.

## **Livestock**

Support young farmers looking to diversify their operations into livestock production by providing forgivable loans and support to navigate regulatory hurdles.

## **Support Post-secondary Education**

Increase funding available for post-secondary agriculture students to help offset the costs associated with moving to urban areas to attend school.

## **Income Stability Program Enhancement**

Waive the AgriStability fee for first 5 years of enrolment in the program in order to encourage beginning farmers' participation.

## **Insurance Premium Support**

Establish premium credits for beginning farmers to assist with the costs of participation in AgrilInsurance during the first 5 years of any new farming operation.



# FARMERS AND THE ENVIRONMENT

Farmers are the original stewards of the environment because their livelihoods and those of future generations depend on healthy water and soil. Manitoba farmers, in fact, are world leaders in protecting the environment. With the right tools from the province, they can increase their already-significant contributions to environmental sustainability.

## The Environmental Farm Plan program

The Environmental Farm Plan (EFP) is a voluntary, whole farm, self-assessment tool that helps producers identify environmental risks of their operation and develop plans to reduce these risks. Since 2004, over 6,000 producers have participated and completed EFPs in Manitoba, covering over 9.3 million acres of land.

Producers who complete an EFP for their farm are eligible for government funding that assists them in implementing a range of beneficial management practices that reduce environmental risks. These could include enhanced nutrient management, manure storage, manure application and storage of on-farm fuel.

There was previously a carbon-sequestration component to the EFP, but it was on a three-year basis only and was not renewed after 2013.

As the impacts of climate change continue to be better understood, additional funding is needed so that a wider range of best management practices can be adopted. These could cover everything from reducing carbon emissions, to changing production practices that would mitigate the effects of flooding and drought.

## The Alternate Land Use Services program

The Alternative Land Use Services (ALUS) program is a tool that financially recognizes primary agricultural producers for ecological services they provide to society, in addition to the production of food, fibre, and energy. This includes the enhancement and protection of wetlands, riparian areas, fragile lands and natural areas.

### The next Manitoba Government needs to

Increase funding for the EFP program.

Expand the range of beneficial management practices available for funding – including carbon sequestration.

Conceived and promoted by KAP, the ALUS program first piloted in Manitoba in 2006 to 2008. Its success led to its adoption in a number of other provinces – although unfortunately, it was not extended past its three-year mandate in Manitoba.

The program had strong producer uptake because it was led by farmers and rural communities. During the time it ran in Manitoba, more than 70% of landowners within the RM of Blanchard – the pilot area – participated, and enrolled more than 20,000 acres for protection.

These acres were taken out of production, and farmers were compensated for the loss of income.

### **The next Manitoba Government needs to**

Reinstate a province wide ecological goods and services program similar to ALUS.

Ensure that farmers are compensated for the ecological goods and services they contribute to the benefit of all of society.

### **Conservation districts**

Conservation districts (CDs) are partnerships between the province, local municipalities, and landowners to protect, restore and manage land and water resources within a watershed. Manitoba's CD program is one of the most successful land and water conservation partnerships in Canada.

Currently, there are 18 CDs in Manitoba, and together they cover the majority of municipalities in the province. Unfortunately, provincial funding has been cut to CDs by 12 per cent since 2013, resulting in concern many CDs will not have the necessary resources to carry out important projects.

### **The next Manitoba Government needs to**

Increase funding for conservation districts so that they can carry out important projects that provide ecological benefit to all Manitobans.

# THE RURAL INFRASTRUCTURE DEFICIT

## Road and Bridge Infrastructure

Infrastructure is critical to any business' success, and agriculture is no different. Farmers need public roads and bridges that are well maintained in order to move equipment and deliver product to local and international markets.

Presently, Manitoba's infrastructure deficit exceeds \$11 billion, or a staggering \$10,000 per Manitoban," excluding new infrastructure requirements<sup>x</sup>.

KAP supports the Association of Manitoba Municipalities call for more funding to be directed to municipalities so that they can renew, repair and replace aging infrastructure.

Farmers are concerned that the provincial roads and bridges that they rely on are not made a priority for repair and replacement because fewer Manitobans see how damaged they are because urban drivers are never forced to use them.

In 2015 KAP launched the "Our Roads Suck" campaign to gather information about which roads in the province needed repair because government does not presently collect and report this information. We asked members and other stakeholders (truck drivers, school bus operators) to send us photos and a description of roads and bridges in need of repair.

### **The next Manitoba Government needs to**

Commit to maintaining rural infrastructure and create a system by which members of the public can report damaged and dangerous roads and bridges. A list of these reports must be compiled annually and publicly reported so that there is transparency around how decisions are being made and road repair priorities set.

## Digital Infrastructure

Modern communications services, including high speed internet access and comprehensive cellular phone coverage, are critical to the success of modern agricultural operations, the safety of all Manitobans, and the overall quality of life for rural residents.

A significant number of farming families still lack access to affordable, reliable broadband internet services, particularly when compared to urban users. Lack of access to reliable, affordable broadband internet prevents farmers from being able to

*“New technology allows me to farm smarter and more efficiently, but without high speed internet access, I can’t take advantage of all the tools that are becoming available.”*

*Simon Ellis, Wawanesa MB*

take advantage of educational opportunities and prevents them from accessing essential services which can generate risks to health and safety.

Many information technology leaders argue that Canadians as a whole need better internet service. Average download speed in Canada is 30 Mbps<sup>xi</sup>.

KAP conducted a sample of “high speed” internet users in rural Manitoba and average download speed was reported as 8.62 Mbps, leaving rural residents with service levels less than 1/3 of other Canadians.

### The next Manitoba Government needs to

Publically commit to supporting a goal of all Manitoba households being able to access a minimum of 25 Mbps broadband internet service by 2020.

Work with municipalities and the federal government to establish a fund to build additional cellular towers to improve high speed wireless internet access.

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