



## **Bill 30: The Manitoba Agricultural Services Corporation Act**

June 2005

Since the Manitoba Agricultural Credit Corporation and the Manitoba Crop Insurance Corporation were founded in 1958 and 1960 respectively, the province's farmers have been able to rely on these familiar and well-trusted institutions for expertise relating to farm finance and risk management. As challenges in the farm economy continue, it is imperative that Manitoba's producers can continue to receive the needed services provided by MACC and MCIC.

The government has stated that the purpose of Bill 30 is to create efficiencies within these two corporations. KAP supports this initiative, based on the understanding that the level of service, the range of products, and the staff expertise are not to decrease as a result of the amalgamation. In times of financial challenges, farmers are expected to 'tighten their belts' and find efficiencies, and we should expect no less from government.

We believe that the first efficiencies must be found in common services, including finance and information technology, that will have a lesser impact on the producer. All changes that come as a result of Bill 30 must be evaluated with the producer in mind, and be weighed on its ability to decrease costs to the government while maintaining or improving services to the farmer. KAP strongly believes that any efficiencies gained from the amalgamation of MACC and MCIC must stay within the Manitoba Agriculture, Food & Rural Initiatives budgetary envelope to the benefit of the province's farm families.

MCIC has acquired a significant surplus, which sat at over \$300 million last fall. All of this is producers' money paid in through annual premiums and these funds must absolutely remain within the crop insurance envelope. These funds can and should be used to decrease the cost of producers' premiums in the future, or to expand the services and levels of protection that MCIC offers to producers.

The newly-amalgamated Manitoba Agricultural Services Corporation will play a key role in farm management, so it is imperative that it is responsive to the changing agricultural landscape and the needs of Manitoba's farmers. KAP strongly believes that the board of the new corporation must have strong producer representation, with consideration being given to regional and commodity-based equality.

There is also a role for the new corporation in the area of diversification and farmer empowerment. The financial lending component must support value-added initiatives that

allow for greater returns to producers in new ventures. We believe that the Manitoba Agricultural Services Corporation must find ways to provide the financial and technical support that these new investments will require.

In conclusion, the opportunity to present on Bill 30 is a welcome opportunity for KAP to provide feedback on this proposed legislation. The financial and risk management tools that are currently provided by MACC and MCIC will continue to be extremely important following the proposed amalgamation, and KAP believes that government has a continued responsibility to ensure that these services meet the needs of farmers now and in the future.