



## Cattle Feeder Business Risk Management (BRM) Tools and Government Supports During COVID-19



### Emergency Response Strategy Group

NCFA and ACFA staff have joined other national and provincial organizations across the beef value chain to conduct an effective industry-wide response to the pandemic and recommend actions to government that will support and preserve the industry during this time of crisis.

### Initial Recommendations on BRM and Supports

The Strategy Group has recommended actions to the federal government, which have been communicated to [Agriculture Minister Bibeau in a letter signed by the President of CCA and the Chair of NCFA](#):

- Canada's food supply chain must be designated "Critical Infrastructure" ensuring that plants keep operating at full capacity and borders remain open.
- COVID-19 meets the definition of a "natural disaster" under the Agri-Recovery Program, which should be triggered immediately and used as a vehicle to compensate producers in a timely manner.
- For Agri-Stability to provide relief for beef producers, several changes need immediate implementation:
  - Eliminate the \$3 million payment cap
  - Move trigger from 70% to 85% for 2019-20 and the remainder of the Canadian Ag Partnership Agreement
  - Invoke the "late participation clause" to help producers access needed support losses
  - Remove "reference margin limiting" for meaningful and longer-term support for the beef industry
  - Process claims more quickly and provide for interim payments
- Producers not enrolled in Agri-Invest or other Business Risk Management programming must be treated equitably in an Agri-Recovery response.
- Provide extensions to producers for repaying cash advances under the Advance Payments Program (APP). This "stay of default" will provide flexibility for farmers that may be facing lower prices, reduced marketing opportunities, or a decrease in farm cash income.
- Modify cattle price insurance programs to include a cost-shared premium structure similar to crop insurance programs across Canada, and expedite the development of an Eastern Settlement Index.
- The federal government must act to provide banks and financial institutions with the necessary backstop to expand "overdraft operating credit" for producers via financial guarantees. This would relieve impediments to maintaining normal operations and allow for increased liquidity.
- The federal government must prepare now for a major beef supply chain disruption (e.g., closure of a processing plant, closure of the Canada-US border) by establishing the infrastructure, terms, and governance of a "Fed-Cattle Set-Aside Program" to support cattle prices and ensure smooth flow of cattle to harvest and processing.

### Ongoing Efforts

- Monitoring developments and roll-outs of industry support in the US to ensure Canada's cattle feeders and ranchers remain competitive.
- Participating on regular conference calls with federal decision-makers to stay abreast of new developments and communicate the priorities of Canada's cattle feeders.
- Holding weekly conference calls with both the NCFA and ACFA boards and staff to review developments, discuss concerns emerging from members, and establish priorities for action.
- Strengthening cooperation across the beef value chain by sharing information, engaging in regular communications, and undertaking collaborative action.
- Suggesting recommendations to ensure that new programs for COVID-19 response will be useful for Canada farmers, ranchers, and cattle feeders.