

PEIFA Update



Government Members Caucus
Charlottetown, PEI
November 1, 2013

Background

- ▶ PEIFA formed in 1941
- ▶ Represents individual farm members
- ▶ Commodity Organizations also members
 - ▶ New additions for 2013
 - ▶ PEI Strawberry Growers Association
 - ▶ PEI Beekeepers Association
- ▶ PEIFA membership on farm level represents great majority of the production on PEI
- ▶ First and foremost an industry association with a focus on policy development and lobbying
- ▶ Represent Island farmers on many provincial, regional and national committees
- ▶ Members of the Canadian Federation of Agriculture and Atlantic Federations of Agriculture
- ▶ Very strong collaboration with member organizations

Member Services

- ▶ Very strong Member Benefits portfolio
 - ▶ Save members \$\$ Thousands by leveraging membership
 - ▶ Benefits extended to farm employees to assist with employee retention
- ▶ Farmer Assistance Program
 - ▶ Almost 10% of members use the program annually
- ▶ Health and Dental Program for members, family and farm employees
- ▶ Strong History of Program Delivery
 - ▶ Advance Payments Program
 - ▶ \$55 million in loans
 - ▶ 1st \$100,000 interest free / Prime - .5 remaining loan (best rate in Canada)
 - ▶ \$400,000 max loan
 - ▶ Among lowest admin fees in Canada
 - ▶ Among lowest default rate in Canada
 - ▶ Admin fees reduced for small loans
 - ▶ Farm Safety Program

PEIFA Supports All Farm Types

- ▶ 40% of current PEIFA Board made up of small, organic and young farmers
- ▶ Established a permanent position on Executive Committee for Young Farmer rep and encouraged member organizations to follow suit
- ▶ PEI Organic Co-op member group/most certified farmers are members
- ▶ Supports local with Calendar/Facebook promotions
- Successfully lobbied for lower threshold to the Bonafide Farmer Program
- Reduced fees for small farms participating in APP program for loans <\$25K
- Minimum discount of 6 CPL for fuel with Co-op Energy supports small farms
- Sponsor for Atlantic and Canadian Outstanding Young Farmers

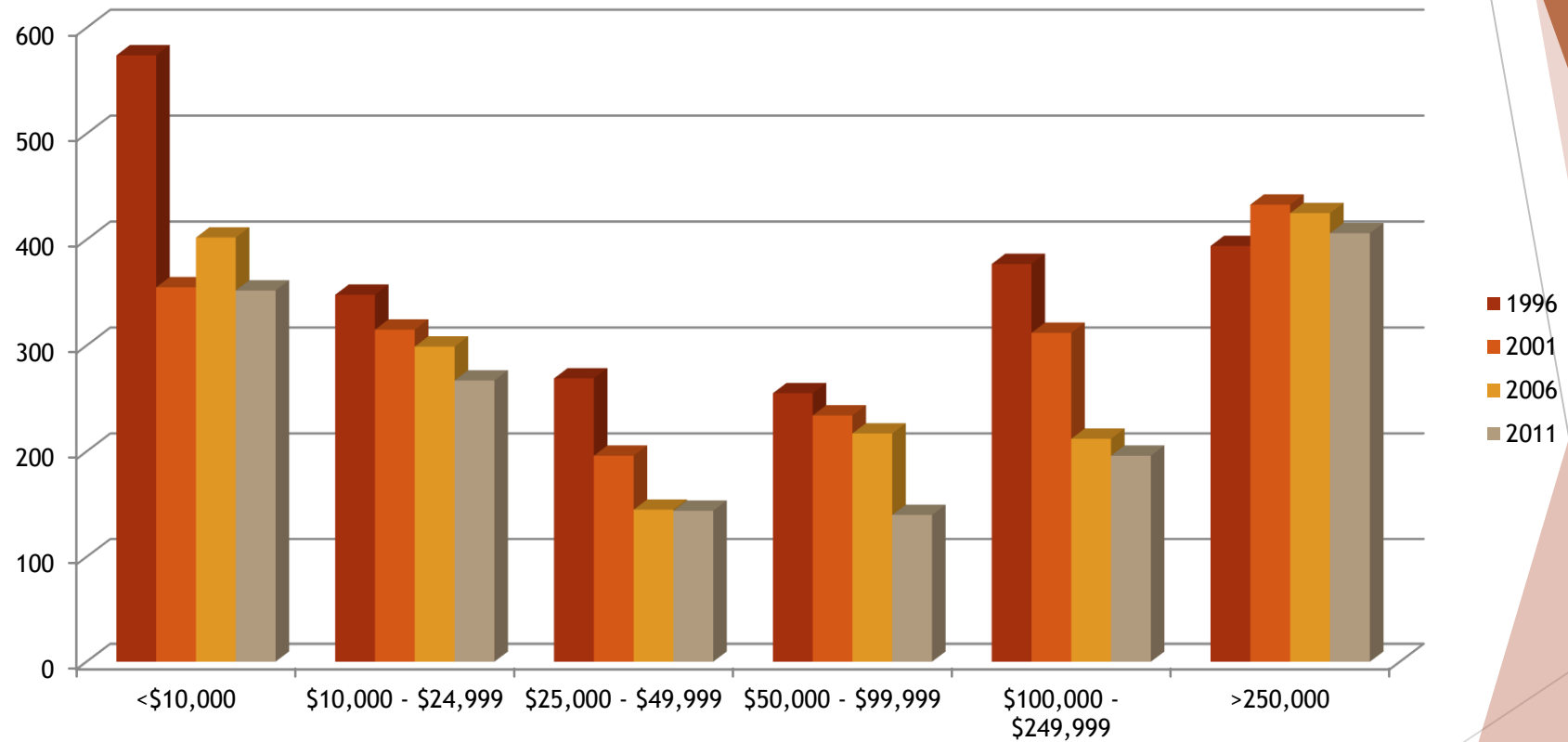
Environmental Initiatives

- ▶ Environmental Farm Plan program
 - ▶ Offered program since 1998
 - ▶ Leading Canada in our program design and participation levels
- ▶ Sprayer Calibration Program
 - ▶ Services to members across the Island
 - ▶ Besides calibration, nozzle technology and band spraying promoted
- ▶ 4R MOU
 - ▶ Partners Include CFI, PEI Potato Board, Kensington North Watershed, Departments of Agriculture and Environment
 - ▶ Promote Right Rate, Time, Product and Source
 - ▶ Research Trials Initiated
- ▶ Nitrate Project with Kensington North Watersheds Association
 - ▶ Agrologist on the ground with farmers
- ▶ Biomass Study with University of New Brunswick
 - ▶ Miscanthus potential
- ▶ Action Committee on Sustainable Land Management
 - ▶ Active participation

Other Initiatives

- ▶ Strawberry Virus Project
 - ▶ Professional Agrologist/Certified Crop Advisor hired
 - ▶ Objective is to examine the issue
 - ▶ Work with stakeholders and provide the latest information
 - ▶ Provide a Best Practices Manual for 2014 growing season
 - ▶ Develop research priorities for upcoming years
- ▶ Migrant Worker Study
 - ▶ Response to “Report Card” issued by Cooper Institute and Canadian Centre for Refugees
 - ▶ On-farm interviews and observations
 - ▶ Draft report very favorable to Island farmers

Disposition of PEI Farms



Source: Stats Can Census of Agriculture

Gross Income and Operating Profits

- ▶ Even with consolidation, PEI farms are NOT huge corporate entities
- ▶ \$250,000 in yearly farm gate sales is still quite small scale
 - ▶ 150 steers
 - ▶ 75 sow farrow - finish
 - ▶ 35 dairy cows
 - ▶ 80 - 100 acres of potatoes
 - ▶ Earnings after direct costs PEI average 20% (22% Can) Source: George Morris Centre, August 2012
 - ▶ Farms Sales < \$100,000 struggle to be profitable & often depend on off-farm income

PEI Farms and the Rural Economy

- ▶ Agriculture continues to be the largest part of the economy with almost all farms located in rural PEI
- ▶ PEI agriculture has the second biggest impact on the GDP in Canada (Sask - 1st)
- ▶ PEI farmers spent over \$45M in wages to non-family members in 2012 and another \$25M to family
- ▶ Direct employment on farms is >4000,
- ▶ Total business operating expenses in 2012 were \$398M with almost all of it spent in rural PEI
- ▶ Very much a progressive, growth industry
- ▶ More than Food on the Table - Multiplier Effect
 - ▶ Machinery, vehicles, supplies, seed, inputs, vets, professionals, etc.

Structural Change

- ▶ Technology has allowed more acres to be farmed by the same number of people
- ▶ Technology and costs are spread over more acres since the 1980's
- ▶ Smaller, older farms purchased by current farms
- ▶ Requirements from end purchaser for more consistent products
- ▶ Regulatory burden esp. difficult for small farms
- ▶ Large and small farms are increasingly specialized due to the need to meet market demands
- ▶ PEI Farms responding to the same forces that are impacting all businesses, provincially, regionally and nationally.

Good News for 2013

▶ HST

- ▶ Welcomed by farmers and farmers see a difference!!
- ▶ Has allowed farmers to reinvest in farm infrastructure

▶ Bee Importation Regulations

- ▶ Welcomed and noted in increase of blueberry yields

▶ Wyman's Expansion

▶ PEI Export Province/Millions Fed From PEI Farms

▶ Grains

- ▶ Higher yields offset lower prices
- ▶ Soybeans coming in with good quality
- ▶ 20,000t contracted with average price of \$425-430/t

More Good News

▶ Hog

- ▶ Sector stabilized with increased prices
- ▶ Lower feed costs

▶ Blueberry

- ▶ Strong yields/good quality

▶ Beef

- ▶ Prices good/ABP
- ▶ Good interest in cows/feeders

▶ Potato

- ▶ Good fall harvest - all acres harvested
- ▶ Avg 280 cwt/good storage potential
- ▶ Market signs are good

▶ Dairy

- ▶ Stable
- ▶ ADL Innovative (tempered somewhat recently)

Challenges

- ▶ Environmental
 - ▶ Fish Kills, Nitrates and Erosion key environmental issues
 - ▶ Wireworm prevalence
 - ▶ 10 fold increase in 2013/ \$Millions Lost
 - ▶ European wireworm more vigorous/Some farmers seeing 30%+ dockage
 - ▶ Few product offerings
- ▶ Land Use and Regulations
 - ▶ Carver Report?
 - ▶ Compliance issues - ACRA/Pesticide Control Act
- ▶ Profitability
 - ▶ Farmers still carrying high debt load
- ▶ Human Resources
 - ▶ Increasingly difficult to attract and retain good agriculture workers

Challenges

- ▶ Transportation
 - ▶ Trucking increasingly expensive and hard to find
 - ▶ Distance to markets
- ▶ Islanders Attitudes
 - ▶ Support for agriculture eroding
 - ▶ Many calls to regulators
 - ▶ Land Use
 - ▶ Pesticide Use
 - ▶ Animal Welfare
 - ▶ Increasing resistance to science-based solutions
 - ▶ Social media and website spreading misleading or incorrect information

Addressing the Issues

- ▶ Small province fosters collaboration
 - ▶ Federation, Government, Watershed Groups, Grain Elevator, CFI, Croplife Canada, have wonderful working relationships
- ▶ Important to have a shared vision of industry direction
- ▶ Industry is prepared to address issues head on
- ▶ Initiatives mentioned earlier address some of the key issues
- ▶ Communications are being ramped up
- ▶ Science and research must be a priority
- ▶ Transportation review required
- ▶ Lands Protection Act changes needed
- ▶ Crop Rotation Act review
- ▶ Support for new entrants and people exiting the industry

Questions??