



## Cost of Production tools and financial assistances measures available for veal producers during COVID-19

Veal Farmers of Ontario (VFO) and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) updated the veal Cost of Production (COP) tool in 2019 to help producers calculate their annual costs for planning purposes. The COP tool was designed to accommodate multiple production systems, including growing to finishing, starting with preconditioned calves, or a combination of both. It can be found online here: <http://ontarioveal.on.ca/producer-information-2/veal-cost-of-production-tool/>

Please review your COP and reach out to your financial advisor, accountant, and/or lender for advice and to determine which programs and financial assistance measures may be applicable for your specific circumstances. Please use the individual websites of each program to determine eligibility and for application details. VFO does not assume any responsibility for decisions and outcomes that are a result of information contained in this document.

The Summer 2020 edition of *The Connection* magazine contains an article on preparing for a meeting with your lender. Hard copies will be distributed via postal mail and the digital version can be found online here when available: <http://ontarioveal.on.ca/the-connection/>

The following is a selection of financial assistance measures relevant to veal producers that have been announced by the federal and provincial governments in response to the COVID-19 pandemic. They are taken from a larger list for Ontario farm businesses compiled by the Ontario Federation of Agriculture (OFA).

### Canada Emergency Business Account

**Overview:** The Canada Emergency Business Account is an interest-free loan of \$40,000 for qualifying businesses. Up to \$10,000 of that amount will be eligible for complete forgiveness if \$30,000 is fully repaid on or before December 31, 2022.

**Who is eligible:** Businesses and not-for-profits are eligible if their total employment income paid in the 2019 calendar year was between \$20,000 and \$1.5 million. (**Update: May 19, 2020**) Eligibility criteria was expanded to include many owner-operated small businesses.

**Website for more details:** <https://ceba-cuec.ca/>

**How to apply:** Contact your financial institution.

### The Advance Payments Program

**Overview:** The federal government announced up to \$173 million in loan repayment deferrals under the Advance Payments Program (APP) to help farmers with an APP loan due by April 30. For full details on how to apply to the APP, visit the website below.

**Who is eligible:** Farmers with APP loans.

**Website for more details:** [https://www.agcreditcorp.ca/what\\_advance\\_payments\\_program\\_app](https://www.agcreditcorp.ca/what_advance_payments_program_app)

**How to apply:** APP borrowers in Ontario should contact the Agricultural Credit Corporation at 1-888-278-8807.

The following are business risk management programs available to Ontario veal producers, although individual eligibility may differ. They are taken from a larger list for Ontario farm businesses compiled by the OFA.

## Ontario Risk Management Program

**Overview:** Ontario's Risk Management Program (RMP) provides financial assistance when market commodity prices fall below established support levels for eligible livestock and grains and oilseeds commodities.

**Who is eligible:** Livestock, grains & oilseed, edible horticulture producers of eligible commodities can participate in the RMP. Applicants must meet the eligibility criteria outlined in the program guidelines. The program guidelines are available from Agricorp.

**Website for more details:** <http://www.agricorp.com/en-ca/Programs/RMP/Pages/Overview.aspx>

**How to apply:** Contact Agricorp at 1-888-247-4999.

## Canada/Ontario's Agri-Invest Program

**Overview:** The Agri-Invest program allows farmers to make an annual deposit into an account based on their Allowable Net Sales (ANS) and then receive matching government contributions up to a maximum government contribution of \$10,000 per year. Participants can withdraw funds from their account at any time after the matching funds have been received.

**Who is eligible:** Farmers reporting farming income for tax purposes are eligible. However, a yearly minimum ANS of \$25,000 is required to trigger the minimum matchable deposit of \$250. Also, sales of supply-managed commodities are excluded from the Allowable Net Sales calculation.

**Website for more details:** <https://www.agricorp.com/en-ca/Programs/AgriInvest/Pages/Overview.aspx>

**How to apply:** To participate, farming individuals must submit a T1163 income tax form to Canada Revenue Agency. Corporations must submit a Statement A to Agricorp.

## Canada/Ontario's Agri-Stability Program

**Overview:** The Agri-Stability Program is a whole-farm, margin-based program available to eligible farmers regardless of the commodities they produce. Under the Agri-Stability Program, a farm operation's current year margin (eligible income minus eligible expenses) is compared to the farm operation's reference margin. A government payment is made to the farmer when the farm's margin in the current year (program year margin) is lower by an amount that exceeds 30% of the farm's reference margin.

**Who is eligible:** Farmers reporting farming income for tax purposes are eligible as long as they have completed a production cycle and have completed at least six consecutive months of farming activity in the program year. Even if you are a new producer or have never participated before, you are still eligible.

**Website for more details:** <https://www.agricorp.com/en-ca/Programs/AgriStability/Pages/Overview.aspx>

**How to apply:** Contact Agricorp at 1-888-247-4999. Participants who apply for a 2020 AgriStability interim payment will now receive 75 per cent of their estimated final payment (<https://www.agricorp.com/en-ca/News/2020/Pages/AgriStability-HowToApplyForAnInterimPayment.aspx>).

## Additional Resources

For additional resources, find OFA's comprehensive list of both new and existing programs here:

<https://ofa.on.ca/resources/summary-of-government-financial-assistance-for-ontario-farm-businesses/>

OMAFRA also has information available at <http://ontario.ca/beef> and <http://ontario.ca/dairy> to help guide decision-making.