



**KEYSTONE  
AGRICULTURAL  
PRODUCERS**  
1984 - 2024

March 25, 2024

## **2024 Provincial Budget – KAP Recommendations**

Sent via Email: [MBbudgetfeedback@gov.mb.ca](mailto:MBbudgetfeedback@gov.mb.ca)

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of all Manitoba farmers.

Manitoba agriculture is a key economic driver for the provincial economy. With over 14,500 farms in the province the agriculture and agriprocessing sector contributed \$4.91 billion to the GDP in 2022: representing 7.2 per cent of the GDP. Whether it is winter wheat, sunflowers, hogs, cattle, honey, or vegetables the diversity of Manitoba agriculture is immense and valued by both local and global consumers.

In 2023 more than \$9.3 billion in agrifood products were exported to global customers. This value represented more than 43 per cent of total provincial exports. The success and profitability of Manitoba farmers is – to an extent – influenced by the public policies implemented by government. As such, KAP is pleased to provide several recommendations to the Government of Manitoba regarding its upcoming provincial budget.

### **Recommendations**

#### **1. Remove the Education Property Tax**

One of KAP's longest standing policy issues has been the school division levy on the property tax bill. Farmers own millions of acres of land across Manitoba and consequently pay a disproportionate amount of the school division levy. This (decentralized) funding structure is unique amongst Canadian provinces since all other jurisdictions have moved towards a centralized provincial-level funding system.

The introduction of the School Tax Rebate has brought some financial relief to farmers; however, we are concerned about rising municipal taxes along with the government's decision to lift the ban on the school divisions' ability to raise taxes. These decisions, along with rising farmland values, will put additional strain on a farmer's bottom line.

#### **2. Increase Investments in Infrastructure**

Producers market their commodities, thereby requiring a well functioning infrastructure network. These commodities will be eventually distributed locally, nationally, or globally. For marketing to exist producers require an infrastructure network that is conducive to agricultural production, and the transportation of goods. This means ensuring roads, dams, drains, bridges, culverts, and reservoirs are responsive and adaptive to the needs of agriculture. A well functioning infrastructure network is increasingly important given producers' large reliance on international exports to remain competitive. As export values increase annually in Manitoba it will be critical for government to make strategic investments into infrastructure projects that are both forward thinking and responsive to sector demands.

**601-386 Broadway | Winnipeg, MB, R3C 3R6**  
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Such measures will improve resiliency and reliability within the supply chain, thus ensuring continued growth in the sector.

### 3. Implement Additional Public Policies to Address the Labor Shortage

Manitoba agriculture faces a chronic labor shortage. It was estimated that in 2017 1,100 agricultural jobs went unfilled resulting in \$367 million in lost sales.<sup>1</sup> By 2029 the number of unfilled agricultural jobs is predicted to rise to 5,100, thereby creating further losses for the industry. The reasons for this labor gap are complex, multi-faceted and encompass several categories including capacity building, skills, recruitment, and retention.

Given the unique nature of agriculture it is important for government to devise policies specific to the challenges faced in the sector. Government can play a role in providing tax credits or funding as it relates to increasing wages and benefits. There are additional opportunities for improving training and skill development along with increased investments in automation technologies. Finally, the development of a National Agricultural Labour Strategy is a positive step forward. Increased collaboration between all stakeholders will be necessary to develop public policies that address this acute issue.

### 4. Introduce Right to Repair Legislation

The right to repair is having the ability to fix products on your own or using a third party without going to a dealership. Equipment and technology used by producers has advanced immensely over the years bringing with it new challenges involving maintenance and repair. The challenges involve include technological protection measures coupled with expensive repair manuals and the unique tools that may be involved.

Progress has been made on the federal level with the introduction of Bill C-244 to the Senate. Although this bill will improve consumer choice and competition, it is narrow in scope as it focuses on technological protection measures involving maintenance and diagnosis. The right to repair spans both federal and provincial jurisdictions and legislative amendments are required at the provincial level to advance the right to repair. This involves amendments to the Consumer Protection Act to require equipment manufacturers to provide tools, manuals, software, and parts at a reasonable price.

### 5. Increase Investments in Health Care and Justice

Rural community safety and availability of timely and accessible health care are topics of utmost importance to Manitoba producers. In some rural areas of Manitoba crime has increased considerably (e.g., Altona) causing concerns with producers relating to safety and wellbeing. This is further coupled with unsustainable policing costs for municipalities and recent inflationary pressures.

The geographically spread and population density of the province presents unique challenges in providing effective health care. A recent report indicated that 90% of provincial municipalities are encountering doctor shortages along with Manitoba having the lowest number of doctors per capita in Canada.<sup>2</sup>

Rural communities are at the heart of Manitoba contribute immensely to its social fabric. There is no simple solution to addressing rural crime or ensuring timely and accessible health care in rural Manitoba. The causations are multifactorial and require adequate funding informed by evidence-based

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<sup>1</sup> [https://cahrc-ccrha.ca/sites/default/files/2021-11/factsheet\\_MB\\_E\\_web.pdf](https://cahrc-ccrha.ca/sites/default/files/2021-11/factsheet_MB_E_web.pdf)

<sup>2</sup> <https://assets.doctorsmanitoba.ca/documents/Report-on-Rural-Health-Summit-1.pdf>

decision making. Addressing these challenges will positively impact rural Manitoba and provide an environment for thriving rural communities.

#### 6. Introduce a Tax Credit Program for Young Farmers

Young farmers in Manitoba report that the largest barrier for entry in agriculture is access to farmland.<sup>3</sup> Rising farmland values have made it increasingly more difficult for young farmers to rent or purchase farmland. For example, over the last 20 years the average cost per acre for farmland in Pembina Valley has increased by over 700%.<sup>4</sup> This has occurred under a context of a decreasing number of farms while the average farm size has increased in size over the last several decades.

According to the Statistics Canada, Manitoba is home to the highest proportion of young farmers in Canada.<sup>5</sup> The Government of Manitoba does offer benefits, programs, and training directed towards young farmers; however, no program exist that links tax credits to the sale/rent of farmland to a young farmer. Similar programs have been implemented in Ohio, Minnesota, Iowa, and Pennsylvania. These programs provide landowners an incentive to rent or sell their land to beginning farmers. Implementing a similar tax credit program in Manitoba would be advantageous for young farmers in buying or renting land.

Thank you for the opportunity to provide feedback to the 2024 provincial budget. If you have any questions about this letter, please contact KAP policy manager Neil Van Overloop at [neil.vanoverloop@kap.ca](mailto:neil.vanoverloop@kap.ca).

Sincerely,



Brenna Mahoney  
General Manager, Keystone Agricultural Producers Inc.

CC:

Minister Ron Kostyshyn, Minister of Agriculture

Minister Adrien Sala, Minister of Finance

Minister Lisa Naylor, Minister of Transportation and Infrastructure, Minister of Consumer Protection and Government Services

Minister Jamie Moses, Minister of Economic Development, Investment and Trade and Natural Resources

Brenda DeSerranno, Deputy Minister of Agriculture

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<sup>3</sup> [https://link.springer.com/chapter/10.1007/978-3-031-15233-7\\_3](https://link.springer.com/chapter/10.1007/978-3-031-15233-7_3)

<sup>4</sup> <https://www.fcc-fac.ca/en/reports/2023-historic-farmland-values-report-e>

<sup>5</sup> <https://www150.statcan.gc.ca/n1/pub/96-325-x/2021001/article/00007-eng.htm>