

November 7, 2016

Mr. Terry Campbell, President and CEO
Canadian Bankers Association
Box 348, Commerce Court West
199 Bay Street, 30th Floor
Toronto, Ontario M5L 1G2

Re: Ways to help Western farmers dealing with challenges of delayed harvest

Dear Mr. Campbell:

On behalf of the Canadian Federation of Independent Business (CFIB) and our 7,200 agri-business members, specifically those in Western Canada, we would like to bring to your attention concerns related to the poor weather conditions impacting harvest this year and ways you may be able to help address the resulting financial challenges facing producers.

The delayed harvest has left many farmers describing the situation as devastating – from widespread excessive moisture and deteriorating crop quality in the Prairies, to record snowfall, freezing crops in northeastern B.C. In fact, just a few weeks ago ag market analysts pegged the value of unharvested grain and oilseeds at approximately \$2 billion in Saskatchewan and \$1.6 billion in Alberta¹. If one includes the value of unharvested crops in Manitoba, the prairie-wide value of unharvested farm commodities is at \$4 to \$5 billion.

As one Saskatchewan farmer said: “Financial risks that big will have repercussions well beyond the farming community. The entire industry, including farm groups, ag lenders, governments and grain handlers need to sit down and discuss strategies for managing through a potentially ruinous situation facing hundreds of farmers.”

CFIB is pleased that [Farm Credit Canada](#) is offering help to those facing financial hardship as a result of wet weather, saying it will consider deferral of principal payments or other loan payment schedule changes to help reduce the financial pressure on producers.

CFIB hopes that provincial and federal governments will also identify practical ways to help and are asking them to do more in terms of flexibility in their financial deadlines relevant to farms.

During past crises, such as the 2015 Alberta drought, Western Canadian rail backlog, BSE, and Avian Flu, CFIB has appealed to CBA to offer flexibility in the financial arrangements of businesses that have been affected by events outside their control. We were very appreciative that you responded to our 2015 Alberta drought letter and 2014 letter on the Western rail backlog, as well

¹ Western Producer. <http://www.producer.com/2016/10/prairie-farmers-assessing-their-losses/>

as sharing our letter with the CBA's committee of senior agricultural bankers. CFIB once again makes this request on behalf of Western farmers affected by this year's extreme weather.

We recognize and thank you for the cooperation and support shown in other sectors of the agriculture industry during previous crises, and would urge your colleagues to consider offering similar flexibility during this period of uncertainty for the agriculture sector. Some proactive measures would include:

- Deferring payments on existing loans
- Providing favourable terms on new loans
- Extending loan repayment deadlines and waiving late penalties
- Increasing credit limits
- Allowing business owners to access other investments without penalty, and
- Ensuring other filings and deadlines are made as flexible as possible.

We would be eager to hear more details on your current plans to support agri-businesses through these difficult times. We would also be pleased to work with you to explore ways of helping agri-businesses deal with these difficulties.

We thank you for your understanding and cooperation in helping Western agri-business owners through this difficult harvest. As you know, small businesses are the backbone of our economy and agri-businesses play an integral role as both job creators and food producers. If you have any questions please do not hesitate in calling our office at 306-757-0000.

Sincerely,



Dan Kelly
President and CEO



Marilyn Braun-Pollon
Vice President, Prairie and Agri-business