For DM approval: OMAFRA KM request - farm electricity prices

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Attachments:	OMAFRA KMs.pdf (14.45 kB); OMAFRA KMs.docx (18.96 kB)

Good morning Deputy,

OMAFRA requested KMs re: the below article about high electricity costs for farmers.

OK to share the attached?

Best,
Michael

Farmers in southwestern Ontario lament high hydro rates, increased labour costs
The Peterborough Examiner / The Canadian Press

CHATHAM-KENT — Jeff VanRoboys laments the Ontario government's one-two punch that he says is hurting his cucumber harvesting business.
The 40-year-old farmer and entrepreneur says his company — The Pickle Station, located about 300 kilometres west of Toronto — has been hit hard by sky-high hydro rates and a recent increase in minimum wage.
"Those are my two biggest expenses to run the business and those are both government-controlled increases," he says from his sprawling processing plant in Chatham-Kent.
The sorting lines and large harvesters at the plant sit idle on a warm spring day, with VanRoboys apologizing that things are so quiet. The time to see the operation firing on all cylinders, he says, is in the summer. That's when the lines are fully staffed and the plant is buzzing. It's also when high energy and labour costs hit the business the hardest.
When VanRoboys took over from his father in 2008, he says his hydro bill during the peak month of operation, August, was roughly $18,000. Fast forward to August 2017 and the bill for that same period was $42,000.
On top of that, the province's decision to increase the minimum wage to $14 an hour has forced his business, which employs more than 200 local students during the busy harvesting months of July and August, to cut back on smaller, hand-picked cucumber varieties typically sold to U.S. companies.
VanRoboys says he explained to the American companies that he would need to increase prices to cope with higher labour costs — as the Liberal government had advised businesses to do — but was told that wouldn't be accepted.
Whoever wins the provincial election on June 7, VanRoboys says they need to delay the next increase in minimum wage — planned to reach $15 an hour in January — to make it easier for businesses to adapt.
"The government is acting almost as a Robin Hood — you take from the rich and you give to the poor," VanRoboys says. "The only thing I'd say is make sure that Robin Hood is actually rich before you go and try to rob."
Chatham-Kent has an unemployment rate of six per cent, slightly higher than the provincial average of 5.5 per cent — the lowest rate in 20 years. But nearly 17,000 people, or one in 10, live below the poverty line, according to Statistics Canada.
Faced with public backlash, the Liberal government moved last year to slash hydro prices by 25 per cent, but many farmers in southwestern Ontario say they can't make changes required under the

time-of-use system to take advantage of off-peak discounts.
Harry Lawson, who grows cash crops near Thamesville, is one of them.
"If you're drying corn or drying grain or something, you can't just dry it overnight in the low periods," the 64-year-old farmer says. "It has to run 24 hours a day."
Louis Roesch, whose farm has been in his family since 1906, says he's considering getting off the electricity grid altogether as an alternative to high bills, though it wouldn't be easy.
His operation, home to dozens of sows and hundreds of chickens, needs constant, reliable, affordable power. An outage, he says, could threaten the whole business.
"In a hog barn like that, on a 90 degree (32C) day, if you lose power for five to 15 minutes that barn is done," he says, standing in the doorway of a building on his farm where he's contemplating installing a natural gas-fuelled generator.
Chatham-Kent, which has a mix of about 101,000 rural and urban residents, has seen its election district boundaries change over the years, with support going to various parties at different times.
The area currently straddles two ridings: Chatham-Kent-Leamington, which was made up of the previous Chatham-Kent-Essex; and Lambton-Kent-Middlesex. Both are currently held by Progressive Conservatives seeking re-election.
Leon Leclair, who farms sugar beets, beans and other crops in Chatham-Kent, says provincial politics is a thorny issue in the region.
The third-generation farmer, who also holds a seat on the municipal council, has been speaking with many in the community and says anger, fear and a sense of being ignored abound.
Frustration with the Liberals and uncertainty with the alternatives are bubbling to the surface ahead of the election, Leclair says, and temperatures are high.
"There is a feeling that people want to see change," he says while standing behind a barn where preparations are being made for the planting season.
"But some of us are fearful. If you haven't been in power for 15 years, it's easy to criticize. Are you going to change when you're in power?"
That cynicism, Leclair says, comes from a perception among many that Queen's Park isn't helping the local population with their needs.
Work on rural bridges and roads in the region is slow and simple work on drains is hindered by excessive red tape because of the province's Endangered Species Act, Leclair says.
"I don't think we're being heard and we are important," he says. "A smart person should take what we have here and try to build on it."
Part of building up the region involves ensuring permanent, well-paying jobs — a real issue for many in the area.
Mary Symons knows that first-hand. The 47-year-old single mother currently has a full-time job as an administrative assistant but struggled for years, living in poverty with her two kids.
"A pay cheque is important," she says. "On the other end of that there's the cost of living. You take a couple steps forward, which is great, but then you worry about how many of those steps are going to be pushed back."
Karen Kirkwood-Whyte, the CEO of the United Way of Chatham-Kent who is readying to retire after 35 years in the community, says she's seen an erosion of the area's middle class because well-paying manufacturing jobs have largely disappeared. Much of the work that has replaced those jobs are lower paid, without benefits or paid vacation.
"I think about all the factories that I used to make presentations to ... they're all gone. Now they've been replaced with call centres and other organizations that don't pay what the factories used to pay," she says. "It's almost like the middle has been somewhat gutted."