



The Crossroads Challenge, Doing Different, Building Better

Our Crossroads Challenge is off to a fast start with input from you – Ontario producers. You have provided responses to our first paper and our initial questions.

Initial observations.

We can see several themes emerging from your input that will shape our focus in developing a shared vision for the future; these include observations on markets, value chains, government and industry relations (please see table below). We like you to consider these themes and observations in the summary table. Let us know if you think these are hitting the right areas.

This will give us the proper strategic orientation to consider how OSF needs to structure its priorities and activities over the next several years. Remember, this is just the beginning of this conversation.

Economic and fiscal considerations.

On the fiscal front there are many issues that will have direct and indirect impacts on the business of sheep farming in Ontario. These trends are being [accelerated and shaped](#) by the COVID-19 crisis. Economists are also debating the medium term impact of [government fiscal and monetary](#) strategies with some projecting continued low long-term interest rates and others suggesting inflationary pressures leading to rising interest rates over time. While it is difficult to predict exactly where these trends will go and when, there will be potential impacts on interest rates (at some point) as well as changes to banking and investment relations which could impact access to capital. These possibilities will be further complicated by potential Canadian dollar fluctuations and the impact this will have on domestic (and international) competitiveness.

Consumer spending has changed and will continue to change. Most private sector forecasters are projecting that it will take at least 18 months to return the economy to pre-pandemic levels. This has significant implications for consumer spending with food price inflation and reduced consumer spending capacity affecting both individual purchasing decisions and sector-wide consumer trends.

RBC recently put out a [highly readable analysis](#) of the fiscal and economic trends that are emerging from the COVID-19 pandemic. We would recommend reviewing the paper for additional insight.

What's ahead for Crossroads?

As we head into the holidays, planning is underway for a series of virtual townhalls in January. Your comments and responses to these questions and observations will help to inform the townhalls – so please keep providing us with your thoughts and input.

Information to register for a townhall meeting in your district will be circulated shortly.

Have a great holiday season and we look forward to some great sessions in 2021.

Theme Description	Sample comments
<p>1. Markets: positive perspective.</p> <p>Expanding our domestic market share is THE priority.</p>	<ul style="list-style-type: none"> • <i>“Increasing our hold on the existing domestic market should be a high priority”.</i> • <i>“Great demand. Ontario sheep farmers should have 80% of Ontario domestic market”.</i>
<p>2. Markets: negative perspective.</p> <p>Market uncertainty is, and will continue to be, a significant business challenge</p>	<ul style="list-style-type: none"> • <i>“Hard to make plans for the future with uncertainty about future prices”.</i> • <i>“Current prices appear unsustainable. Other provinces can produce more lamb at a lower cost”.</i> • <i>“Ontario continues to be a high cost jurisdiction with unsustainable land prices driving production costs ever higher”.</i> • <i>“Ontario has many barriers around the ease of doing business (e.g. red tape) making the business cost challenges worse”.</i>
<p>3. Value chain relationships.</p> <p>Processing capacity is critical for success</p>	<ul style="list-style-type: none"> • <i>“Unavailability of provincial slaughter – six-month waitlist is unsustainable. Bottle neck of processing and land prices = short supply”.</i> • <i>“We need assurance that the farm to fork chain will be there and be strong and reliable”.</i> • <i>“The red tape to operate a processing facility may limit or decrease processing capacity”.</i>
<p>4. Consumer demands.</p> <p>Changing consumer expectations are creating business challenges</p>	<ul style="list-style-type: none"> • <i>“Animal welfare from a consumer standpoint and the growing issues with activists”.</i>
<p>5. Governments relations.</p> <p>Relationship with governments are changing.</p>	<ul style="list-style-type: none"> • <i>“We can’t count on governments for support”.</i>
<p>6. Industry relations.</p> <p>We need to get our own house in order.</p>	<ul style="list-style-type: none"> • <i>“Failure of industry leaders to work together”.</i>
<p>7. Opportunities.</p> <p>Areas to consider in mapping our future.</p>	<ul style="list-style-type: none"> • <i>“Solar grazing”.</i> • <i>“Wool”.</i> • <i>“Continue to strive for additional quality”.</i> • <i>“Branded local food”.</i> • <i>“Direct to consumer marketing”.</i> • <i>“Educated consumers – our code of practice and ethics”.</i> • <i>“Labour efficiency in our processing plant’s”.</i>

Questions to consider regarding the initial observations:

- Are these the right hopes and fears for Ontario Sheep Farmers?
- Are there missing areas that we should be including?
- How would you describe these themes and what kinds of challenges and opportunities would you put in those categories from your perspective?

Think about the fiscal and economic trends and consider the following questions:

- To what extent will fiscal and economic uncertainty effect my business planning and decisions?
- What are my most pressing concerns with the fiscal and economic outlook?
- Are there opportunities that the fiscal and economic outlook create?



You can answer these questions by:

1. Visiting <https://www.surveymonkey.com/r/PTQXX87>
2. Email your thoughts to crossroads@ontariosheep.org

