

Submission to the Agriculture Policy Framework, May, 2002

Submitted by:

- **The Ontario Cattlemen's Association,**
- **Ontario Veal Association and**
- **Ontario Sheep Marketing Agency**

Representatives of the Ontario Cattlemen's Association (OCA), the Ontario Sheep Marketing Agency (OSMA) and the Ontario Veal Association (OVA) attended the consultation session held in Guelph on April 15. While in general agreement with the intent of the development of an Agriculture Policy Framework, we offer the following comments and suggestions.

APF Objective

The APF holds up a very worthy goal: *"For Canada to be the world leader in food safety, innovation and environmentally-responsible production."* The five elements, or pillars, of the APF seem appropriate in the pursuit of the overall objective. Appropriately, Ministers of Agriculture have pledged to develop an agriculture policy that is *"comprehensive, integrated and ensures that farmers have the tools to address issues, be competitive and capture opportunities in the areas of science, food safety and environmental stewardship."* Importantly, the Ministers agreed that certain principles must be followed including input from industry as well as stable and long-term funding for each main element of the framework.

Cooperation and Commitment Needed

The development of an Agriculture Policy Framework represents a fundamental shift in agriculture policy, one that requires absolute cooperation between the federal and all provincial governments to be successful. Does the commitment to the APF truly exist with each government involved? There must be clear criteria and binding documentation to ensure each government agency remains committed to the APF over time. For example if one province wishes to have a higher level of investment or differing criteria, what are the consequences?

To ensure that the APF is developed and understood in the proper context, we suggest that all governments party to the APF, commit to the following policy statements:

1. The Canadian agriculture industry is of critical importance to the health and economic well being of all citizens.
2. All federal and provincial governments fully support and will actively partner with industry toward the orderly growth and enhancement of the agriculture sector.
3. Governments recognize the need for all parties in the agrifood continuum to receive adequate compensation for long term viability.
4. Governments commit to working with industry stakeholders toward an understanding and appreciation of agriculture by Canadians.

These policy statements are critical in the ongoing development and delivery of the APF. They also show a commitment to agriculture that is not now formalized. In fact, they would be seen in a positive, direct contrast to the unwritten, yet oft-referenced, "cheap food" policy.

Branding

The APF holds the allure of "Branding Canadian products". The key to the success of any brand is its ability to attract a premium in the marketplace for the features attributable to that brand. The APF falls seriously short on defining how premiums would be generated. While consumers speak quite emotionally of the attributes of products for which they are willing to pay a premium, the reality is often quite different when faced with two products of differing price. Placing demands on Canadian food producers with the hope of a premium is, in fact, a high-risk gamble. Meeting many of society's wishes regarding agriculture production will, inevitably, increase cost of production. There simply must, in these cases, be a premium associated with that production practice. The agriculture sector cannot afford any more gambles than it already faces through the unpredictability of weather and global marketplaces.

Cost / Benefit Analysis

Regardless of how far or how fast the various aspects of the APF move forward, a critical element in its development will be the analysis of the cost/benefit of each component. For example, in the APF presentation and background material, tracing of livestock is highlighted as an essential element of production with no consideration given to the cost of such a system. One needs only to look to Quebec to see the huge investment required in establishing such a system. The ongoing costs would also be very high. Certainly there are benefits to tracing livestock movements, however, is there adequate benefit to justify such a system? Industry involvement will be critical in the analysis of cost benefit for options under consideration.

Environmental Impact

The standardized APF presentation also states that as farms become more intensified, the environmental impact of agriculture is increasing. There is limited evidence to show that larger farms have a greater impact on the environment. In fact there is evidence (Surgeoner, 1991) that shows that the environmental impact of agriculture has, in many ways, decreased. Discussion surrounding the APF must focus on agriculture as a positive contributor to the Canadian economy and the well being of all Canadians. This is in direct contrast to the suggestion that agriculture is somehow a growing problem and that the ongoing trend toward fewer and larger farms (a trend shared by most other industries such as retail, manufacturing, etc), is somehow at fault.

Interconnection of Pillars

The risk management pillar is presented as a method of stimulating actions in the other pillar areas. This can mean many things, including cross compliance. While there are advantages to drawing the areas closer together, the purest form of cross compliance (producers only eligible for risk management funding if they have taken required actions in other pillar areas) would be unacceptable to many. While it can be seen as incentive, it can also be seen as blackmail. This topic requires frank and open discussion with industry groups.

Timing

Inappropriate timing of the development of the APF could place existing programs in jeopardy. An example is the highly successful Environmental Farm Plan in Ontario. This program, currently subscribed to by fully one third of Ontario farmers on a voluntary basis, is at a crossroads. Remaining funding is not sufficient to allow the program to continue until the APF is finalized and new funds made available. And yet, Minister Vanclief has publicly stated that every farm in Canada should have an EFP. Careful attention must be given to this issue as the APF is developed and implemented.

Balanced Approach

The APF must include recognition of the conflicting nature of individually worthy goals. An example of this is the practice of no-till farming. Without a doubt, this management practice is of benefit for soil structure and erosion control. When focussing on other issues, however, no-till can cause nutrient management concerns around movement through macropores and increased emissions of nitrous oxide, a potent greenhouse gas.

Agriculture production, by its very nature, involves a wide variety of production systems (e.g. grazing versus confinement based). The development of the APF must recognize this diversity of production systems and balance multiple objectives, all within the context of cost/benefit analysis.

Communications

Society

Documentation and discussion surrounding the APF does not fully recognize the great deal of work that has been undertaken to date in each of the pillar areas by government and industry alike. There is a tremendous need for all levels of government to work with commodity organizations to communicate to Canadians the importance of having a viable national agriculture sector. This is not branding but, rather, raising the awareness and appreciation by citizens of the reality of farming today, the need for Canadian production and recognition of the many proactive and positive initiatives that industry has undertaken. Examples abound and include the Environmental Farm Plan program, efforts in Nutrient Management Planning, development of Best Management Practices, development of the Livestock Medicines Course. Effective communication with consumers regarding current agriculture practices and initiatives would, undoubtedly, go a long way toward alleviating consumer concerns related to agriculture and food. The development of the APF should incorporate a clear and focussed communications campaign targeting Canadian consumers with messages about current practices as well as new initiatives resulting from APF.

Industry

It is important to note that the pillar of science and innovation can only play a contributing role in APF so long as results are effectively communicated to producers. The past decade has seen provincial governments downsize their extension services to a minimal level. While the approach may differ by province, there is a clear need to review extension services and to invest and change where needed to ensure effectiveness.

Funding

Documentation regarding APF speaks of needing to *"increase/realign investments"*.

To bring the concept of APF to reality, a great deal of additional money will be needed. The federal and provincial governments must source new funds to make this happen. There may be some funds available through industry, however, these represent only a very small portion of the required resources. Most industry groups are still adjusting to the downloading of services from government during the last decade. A new initiative such as APF will require large and ongoing commitment of new government funds. Industry has benefited greatly from the research and development funds made available through the current safety nets program. This type of funding should be continued as part of the APF.

Industry Involvement

Agriculture commodity groups must have ongoing involvement in the development of the APF. No one will be affected more than farmers. They must have a strong voice to ensure that the APF and associated policies will, in fact, be of benefit to agriculture and not simply a vision that in practice makes Canadian products the envy of the world yet makes producers unable to be competitive.