

Putting Canada First

An Architecture for Agricultural Policy in the 21st Century



The Government of Canada and the provincial and territorial governments are working with the agriculture and agri-food industry and interested Canadians to develop an architecture for agricultural policy for the 21st century.

HIGHLIGHTS FROM:

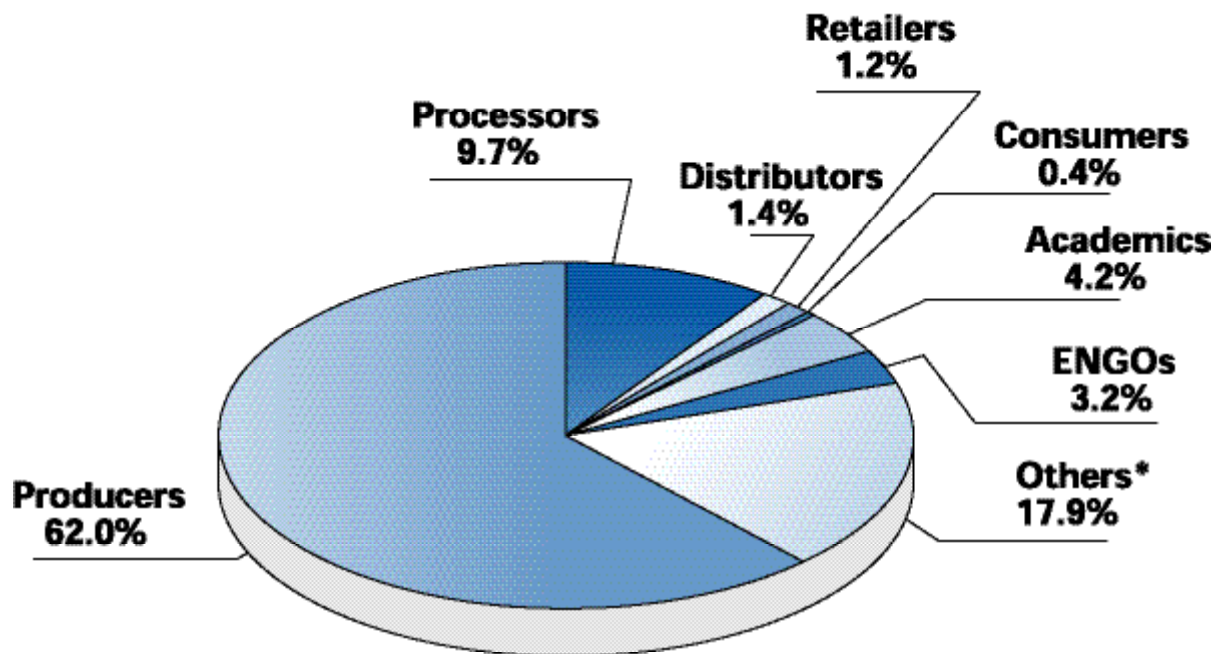
Agricultural Policy Framework Consultations

MARCH 27 – APRIL 30, 2002

OVERVIEW

This document provides a summary of feedback on key elements of the proposed Agricultural Policy Framework (APF) being considered by federal, provincial and territorial governments from sectoral chain consultative sessions and from written and electronic submissions.

Forty-five sectoral chain consultative sessions, involving 766 participants, were conducted across Canada between March 27 and April 30. Participants included:



At the end of each session, an Exit Survey was conducted. Eighty seven percent of respondents indicated that the sessions were an effective forum for expressing their views on the APF.

While participants indicated during the sessions that they were pleased to be consulted on the development of a new agricultural policy, many expressed serious concern about the short notice provided for the consultations. There was also skepticism about the process, with many participants doubting that their views would be considered by decision-makers and feeling that the outcomes had already been determined.

* Other Stakeholders included: financial institutions, aboriginal groups, some industry associations, and community development organizations.



GENERAL OBSERVATIONS

There is general support for the APF. Most stakeholders agree that it represents a step in the right direction, and note that industry has already taken the lead in several important areas.

Many feel that Canadians outside the agricultural sector do not understand how the industry works, or the pressures that farmers experience. If Canadians had a better understanding of the agriculture sector, they would be more supportive of agricultural programs. There is, therefore, strong agreement on the need for a public education strategy that promotes the value of agriculture.

“Branding Canada” elicits a mixed response. Those who are directly involved in export markets tend to be most supportive. Others are doubtful that branding will enhance their profitability.

Key Suggestions by Participants

Trade and international issues should be more fully addressed in the APF.

Co-ops as a valuable feature of the agricultural sector should be clearly acknowledged in the APF. The framework should also address supply management and land use issues.

The APF requires more specifics, particularly in the areas of funding and transition plans.

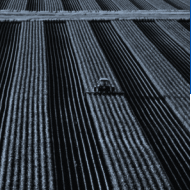
Key Reservations of Participants

Stakeholders are skeptical about governments’ ability to cooperate, either inter-departmentally or inter-governmentally.

Most producers feel that the APF does not address their immediate concerns and income pressures.

Many worry that the APF will redirect funds from existing, valued programs. If new programs are to be introduced, they should be supported by new funds.

A number of participants wondered whether the new policy and programs would result in improved producer profitability.



BUSINESS RISK MANAGEMENT

Support for this component is heavily qualified, with many expressing concerns regarding the APF's lack of detail on funding and program development. That said, participants appreciated the APF's acknowledgement that agriculture involves special risks.

Areas of Support

Stakeholders support the notion of national programs, although this support comes with conditions:

- The new programs should be flexible to accommodate regional and commodity differences; and
- A comprehensive disaster relief program should be introduced.

The APF's recognition of farm diversification is welcomed, as many feel that current programs penalize multi-commodity farms.

The APF's focus on predictable, stable and simple programs is also welcome.

There is support for maintaining and enhancing some existing programs. Specifically, participants feel that Net Income Stabilization Account (NISA) would benefit from additional top-ups and crop protection insurance should be made more accessible.

Areas of Concern

Participants want the APF to be clearer on its definition of a "farm", particularly for the purposes of program eligibility and allocating funding.

Many question whether the overall objective of this component should be to mitigate business risk or to support a broader social policy. There is also significant concern that safety nets could be compromised by the APF.

The international dimension of agricultural policy was an area of concern for many. Any new policy should comply with Canada's trade obligations and be defended in trade negotiations. Producers stressed that compensation for trade injury should also be addressed.

It is strongly felt that eligibility for risk management and safety net payments should not be linked to compliance with other APF components, such as food safety and environmental protection.

Representatives from supply-managed sectors believe that the best risk management tool is supply management.



RENEWAL

This component generated the least discussion and was not always well understood. Some participants suggested that if farm profitability were improved, renewal issues would look after themselves.

Areas of Support

Participants support the APF's commitment to training, skills development and the sharing of best practices.

The APF's differentiation between new, mid-career and exiting farmers is viewed positively, with many noting the need for:

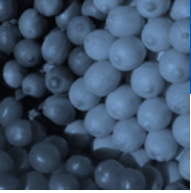
- Incentives and salary subsidies for new entrants;
- An examination of the immigration points system to provide access to labour; and,
- Tools for inter-generational transfers.

Many participants endorse the APF's emphasis on personal accountability and, in particular, its recognition that there is a role for government in renewal.

Areas of Concern

Producers who want to improve or expand operations often have difficulty doing so because there is limited supporting infrastructure. There is a need to improve rural infrastructure and infostructure and new funding is required to make this happen.

Producers are interested in training and skills development but are concerned that they do not have enough time. The APF should consider strategies that recognize this situation.



FOOD SAFETY AND FOOD QUALITY

This component receives strong support from all sectoral chains. It is generally agreed that improvements to food safety and food quality will help create added value in the marketplace.

Areas of Support

National tracking and traceability systems are seen as key to better food safety and quality and to addressing consumers' concerns. While not all participants agree that these systems are needed for all products, most recognize that all parts of the food chain are responsible for food safety and quality.

Harmonization of standards and regulations is needed, but must be consistent with Canada's international commitments and should be applied both to imported and domestic products.

Communication and education need to be based on sound science in order to be credible and effective in promoting food safety. Recognizing that no system is 100% safe, communication plans to respond to food safety crises should be in place.

Government recognition of industry quality standards is welcome.

Areas of Concern

Producers should not be solely responsible for the costs associated with improved food safety and quality.

Participants feel that food safety is an area where government regulation is appropriate. Food quality, however, should be an industry responsibility, driven by market and consumer demand.

Implementation of new standards and regulations may be more challenging for small and medium-sized operations. Consequently, development programs for food safety skills and standards that can be implemented incrementally would be helpful.

Most feel that government must increase resources for regulators and inspectors such as the Canadian Food Inspection Agency.

In many sessions, genetically modified organisms were a contentious issue and consensus on how they should be addressed was not reached.



ENVIRONMENT

Most participants support the principles expressed in this component, but rejecting any notion that agriculture should be singled out as an environmental problem that needs to be fixed.

Areas of Support

The APF complements industry's environmental priorities and investments, and recognizes that some sectors are leading the way in this area.

Participants support the link between sound environmental policy and economic benefit. This link results from new revenue streams provided by environmental services (e.g., set-asides and carbon sinks), and the fact that sound environmental practices can be financially rewarding.

There is support for using financial incentives to encourage good environmental practices.

Areas of Concern

Standards should be applied consistently across all links in the food chain, although they should be sufficiently flexible to account for commodity and regional differences.

There was a strong sense that the cost and responsibility for implementation should not be borne by producers alone. For example, producers should be compensated for implementing legislation that protects species at risk.

The absence of baseline data on water, nutrient management, air quality, etc. makes it difficult to understand the magnitude of the issue and to establish targets against which success can be measured.

Federal, provincial and international environmental regulations must be made consistent. Harmonization of Pesticide Management Review Agency with US regulations on pesticide management was most often cited as a critical example.



SCIENCE & INNOVATION

This component receives strong support from across the sectoral chain. Most participants agree that science and innovation is the key to industry competitiveness.

Areas of Support

Participants endorse the APF's focus on increasing communication and collaboration opportunities as a way to share the benefit from scientific advances.

The APF states that governments must work together with all players in a more strategic manner to establish research priorities, funding models, and technology integration plans. While participants support this, they note that it has tended not to be done very well to date, with some sectors feeling they have not received their fair share of research attention and funding.

Areas of Concern

The APF should clearly support increased R&D funding for the agricultural sector.

Current funding models need to be improved in order to achieve maximum benefit:

- Improving tax incentives to encourage research and development (R&D);
- Ensuring that all Canadians benefit from research that was funded with public money; and,
- Pursuing greater flexibility in "matching fund" requirements to make funding more accessible.

In addition to pure research, which many suggest is important, funding should be allocated to technology transfers in order to expedite the application of new and innovative technologies and products.

*To review other reports from the consultative meetings,
please visit the Agricultural Policy Framework (APF) web site at
www.agr.gc.ca/puttingcanadafirst*