

## Event Report Montreal – June 17, 2002

### 1. Statistical Summary

1.1 Overview										
<b>Number of Break-outs</b>	<b>5</b>		<b>Number of Participants</b>			<b>47*</b>	<b>Number of Observers</b>			<b>12</b>
<b>Participants by Category</b>	11 Producers	15 Processors	1 Distributor	1 Retailer	0 Trade	0 Consumers	3 Academics	3 Biotech	3 Environmental Representatives	10 Others

\* Represents the number of participants remaining after the 51 members of the Union des producteurs agricoles (UPA) left the meeting in the morning

1.2 Break-out Session Attendance Summaries		
<b><u>Break-out # 1</u></b> 1. Business Risk Management 2. Renewal 3. Food Safety and Food Quality 4. Environment 5. Science and Innovation	<u>12 participants</u> 5 producers 4 processors 1 academic 2 others	<u>5 observers</u> 3 federal 2 portfolio
<b><u>Break-out # 2</u></b> 1. Renewal 2. Business Risk Management 3. Environment 4. Food Safety and Food Quality 5. Science and Innovation	<u>8 participants</u> 4 producers 1 processor 3 others	<u>2 observers</u> 2 federal
<b><u>Break-out # 3</u></b> 1. Food Safety and Food Quality 2. Environment 3. Business Risk Management 4. Renewal 5. Science and Innovation	<u>13 participants</u> 8 processors 1 retailer 1 biotech 3 others	<u>2 observers</u> 2 federal
<b><u>Break-out # 4</u></b> 1. Environment 2. Food Safety and Food Quality 3. Science and Innovation 4. Business Risk Management 5. Renewal	<u>5 participants</u> 1 processor 1 academic 2 environmental representatives 1 other	<u>2 observers</u> 2 federal
<b><u>Break-out # 5</u></b> 1. Science and Innovation 2. Environment 3. Food Safety and Food Quality 4. Renewal 5. Business Risk Management	<u>9 participants</u> 1 producer 2 processors 1 distributor 1 academic 2 biotech 1 environmental representative 1 other	<u>1 observer</u> 1 federal

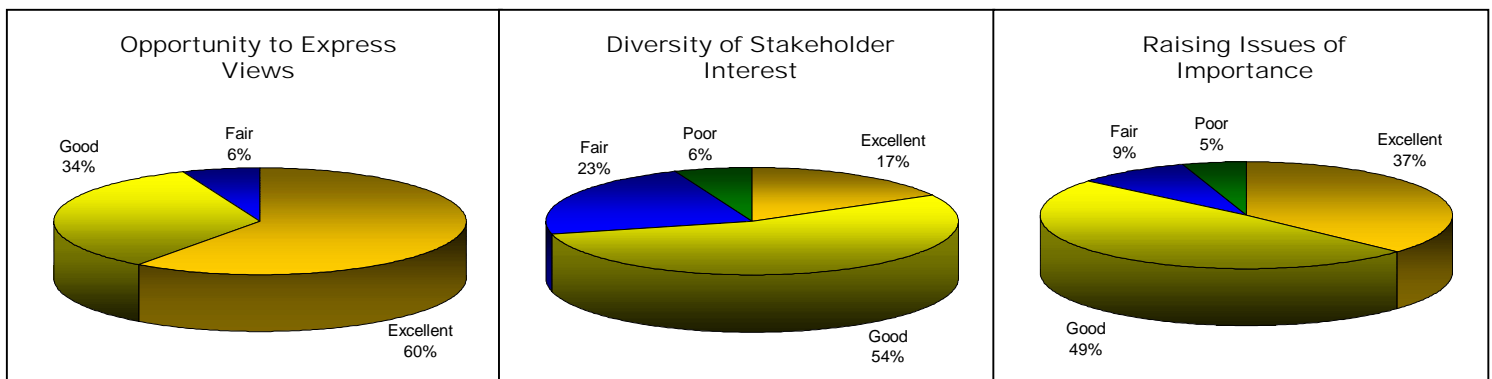
## 2. Participants’ Evaluation

### 2.1 Views of the Consultation Process

- The Union des producteurs agricoles (UPA) representatives left the meeting after the morning plenary session, saying that they had already stated their views on the Agricultural Policy Framework (APF) and were disappointed that many of those views had not been adequately reflected in the Framework. The Quebec government observers left the meeting at the same time.
- Other participants (representing half of the total) remained and engaged in a constructive discussion on the Framework, with most stating that it addressed the concerns of the industry.
- Participants, who had clearly prepared for the consultations, supported the general direction of the five elements of the APF.
- Some felt that there was a tendency for the APF to focus too narrowly on the producer aspect of the agri-food industry.

### 2.2 Views on the Consultative Meeting

- Participants were asked to complete an Exit Survey at the end of the day, with the following results:
- When asked to rate the value of the meeting:
  - 94% rated the event GOOD or EXCELLENT as an effective forum for providing them with an opportunity to express their views;
  - 71% rated the event GOOD or EXCELLENT as an effective forum for bringing together diverse stakeholder interests; and
  - 86% rated the event GOOD or EXCELLENT as an effective forum for raising issues of importance to them.



### 2.3 Changing Views on the APF

- Participants were asked to indicate to what degree their views on the APF had changed as a result of the consultation. Thirty-seven percent indicated that their views changed “somewhat or a great deal”, with 49% indicating “not very much or not at all.” Fourteen percent of respondents did not answer the question.

### 3. Discussion Summary

3.1 Synthesis from the Chair	
<b>Conclusions and Consensus</b>	<ul style="list-style-type: none"> <li>▪ Many felt that the APF should contain enough flexibility so that regional and commodity differences could be reflected in national Framework policies.</li> <li>▪ The integration of all five elements of the APF was seen by many as crucial to the success of the Framework.</li> <li>▪ Participants supported increased public communication and education concerning the importance of the agricultural sector to the Canadian economy.</li> <li>▪ Participants expressed deep concern over the future of agriculture and agri-food in Quebec, particularly in light of its declining appeal as an occupation.</li> </ul>

### 3.2 Business Risk Management

Participants felt that since the agricultural sector has such a low rate of return on investments, governments’ support was vital.

Participants stressed that risk management should lead not only to stabilization, but also to profitability.

They pointed out that supply management had served the sector well and had an important role in going forward in risk management.

#### Principles and Goals

The participants indicated that profitability should be the objective of risk management programs.

Participants noted that while the APF recognizes climatic and business risks, it does not adequately address risks resulting from international trade.

#### Targets and Indicators

In general, the participants agreed with the proposed targets and indicators, although they found them somewhat vague.

The special challenges faced by small producers should be more fully recognized in this element.

Participants pointed out that price was not the only appropriate indicator; the cost of production should also be considered.

Some participants believed that “net profits” should be used as an indicator. Furthermore, they found the definition of gross margin unclear.

## **Implementation Measures**

Participants disagreed with the whole farm crop insurance proposal. They feared it would discourage diversification while increasing bureaucracy.

Participants felt that individual farmers must be allowed to determine their own risk level. Rather than a single universal system, a system of insurance options should be made available.

Participants supported the expansion of the Net Income Stabilization Account (NISA), particularly in respect of small and new producers. They also stated that individual farmers should be allowed to choose between federal and provincial programs.

## **3.3 Renewal**

Profitability of the sector was felt by many to be the most important factor in driving renewal in agriculture.

Participants recognized the serious difficulties associated with farm transfers and wanted them to be better addressed in the APF.

Access to labour was highlighted as a significant impediment to viable farm operations.

Many participants felt that the arduous nature of farming, coupled with increasing financial problems, created pressure that was increasingly difficult to manage for most producers.

## **Principles and Goals**

Participants felt that the human dimension of agricultural renewal should be better reflected in this element of the APF.

Many felt that encouraging young people to stay in agriculture should be a primary goal of this element, and should be supported by strong implementation measures.

Participants felt that a review of tax laws that affect agriculture was required. Participants were particularly concerned with fiscal measures that penalized producers with off-farm income.

## **Targets and Indicators**

Participants favoured a vigorous training program for young and potential farmers, even in those circumstances where the numbers might not normally warrant such a program. The expertise of current producers should be used to help develop these training programs. Many participants felt that it was also important to establish continuing education programs in the field.

## **Implementation Measures**

Participants sought an improvement in existing advisory services, rather than an expansion of them.

Participants indicated that self-help programs and cooperatives should be better financed. Cooperatives tend to improve profitability, to enable farmers to stay at the leading edge of technology.

Participants suggested that the APF should offer incentives to farmers who leave farming or retire or transfer farms, rather than dismantling them.

There was a sense that in order to attract young people to the agri-food business, universities should adapt their programs to the changing needs of the industry.

The APF should address the fact that current programs required significant investments that were beyond young farmers' capacity to make.

Participants felt that financing for non-traditional products should be more easily available.

## **3.4 Food Safety and Food Quality**

Some participants called for programs under the umbrella of the APF to support the achievement of food safety and food quality goals for the processing sector.

Participants raised a number of questions in respect of the cost of the proposals in this element and in particular, who would be expected to pay for them.

### **Principles and Goals**

Participants supported the principles and goals in this element, and suggested the following additions:

- an information and awareness program for consumers about the importance of food safety and the efforts of the sector in this regard was needed;
- the government should create a legal framework for establishing AOC-type (Appellation d'origine contrôlée) or "preserved geographical zone" certification; and
- harmonization of food safety and food quality standards is required at a national level. These should apply to imports as well as domestic products and should be based on the Hazard Analysis Critical Control Points (HACCP) standard.

Some participants felt that Genetically Modified Organisms (GMOs) were now an established fact and should be taken into account in the development of the APF.

### **Targets and Indicators**

The goal of tracing 80% of products by 2008 was considered unattainable.

While stakeholders accepted HACCP standards, it was felt that other standards in the processing sector should also be considered.

The costs associated with implementing and enforcing a national food safety and food quality system were seen as potentially very high and, accordingly, of significant concern.

### **Implementation Measures**

Participants agreed that programs, financing and technological support should be provided to help develop and implement government-recognized food safety and food quality assurance systems.

Food safety awareness campaigns for consumers were also favoured.

The proposal for a “national government monitoring system” was met with some reservations, although participants recognized the need for national standards:

Participants expressed concern about the potential impact of a traceability program on the price of goods to consumers and on the profitability of operations throughout the food chain.

## **3.5 Environment**

Participants supported this element of the APF, however expressed concerns as to costs and practicality of implementation.

Public education was considered important in respect to the environment element, inasmuch as consumers had a generally negative perception of agricultural practices’ impact on the environment.

### **Principles and Goals**

Participants noted that implementation of new environmental practices could prove inordinately costly for small operations and that this should be addressed in the Framework.

Participants felt that issues related to water quality needed to be coordinated at more senior jurisdictional levels than municipalities.

### **Targets and Indicators**

Participants felt that the indicators should be common to all provinces, although the weight accorded to the indicators could vary from province to province.

### **Implementation Measures**

There was no consensus on the details of environmental policy, although some participants suggested including drainage basin planning in the environment element of the APF.

## 3.6 Science and Innovation

### **Principles and Goals**

Participants supported the goals articulated in the Framework and suggested more research and development (R&D) emphasis on the renewal element, biodiversity, organic products and branding.

Participants supported strengthening the role of Agriculture and Agri-Food Canada's research stations.

Participants supported the APF's proposed R&D priority realignment exercise and encouraged the use of networks and centres of excellence.

Participants requested that financing be made more available to producers when they participate in sponsored research.

### **Implementation Measures**

Participants proposed the establishment of a taxation policy that encourages research and more accessible matching fund programs.

Participants called for renewed public and private advisory partnerships, the establishment of vertically applied research networks and implementation of a free information service to inform farmers of new technologies.

Knowledge transfer was also noted as an area that required improvement.