

Event Report

London – June 17, 2002

1. Statistical Summary

1.1 Overview										
Number of Break-outs	5		Number of Participants			91	Number of Observers			9
Participants by Category	56 Producers	17 Processors	0 Distributors	0 Retailers	1 Trade	0 Consumers	7 Academics	2 Biotech	1 Environmental Representatives	7 Others

1.2 Break-out Session Attendance Summaries		
<u>Break-out # 1</u> 1. Business Risk Management 2. Renewal 3. Science and Innovation 4. Food Safety and Food Quality 5. Environment	<u>24 participants</u> 17 producers 5 processors 1 biotech 1 other stakeholder	<u>3 observers</u> 2 federal 1 provincial
<u>Break-out # 2</u> 1. Renewal 2. Business Risk Management 3. Science and Innovation 4. Environment 5. Food Safety and Food Quality	<u>14 participants</u> 10 producers 1 processor 1 trade 1 academic 1 other stakeholders	<u>0 observers</u>
<u>Break-out # 3</u> 1. Food Safety and Food Quality 2. Environment 3. Science and Innovation 4. Business Risk Management 5. Renewal	<u>21 participants</u> 10 producers 6 processors 1 academic 1 biotech 1 other stakeholder	<u>1 observer</u> 1 federal
<u>Break-out # 4</u> 1. Environment 2. Food Safety and Food Quality 3. Business Risk Management 4. Renewal 5. Science and Innovation	<u>16 participants</u> 9 producers 1 processor 2 academics 1 environmental representative 3 other stakeholders	<u>3 observers</u> 1 federal 2 provincial
<u>Break-out # 5</u> 1. Science and Innovation 2. Renewal 3. Food Safety and Food Quality 4. Environment 5. Business Risk Management	<u>16 participants</u> 7 producers 4 processors 3 academics 2 other stakeholders	<u>2 observer</u> 2 federal

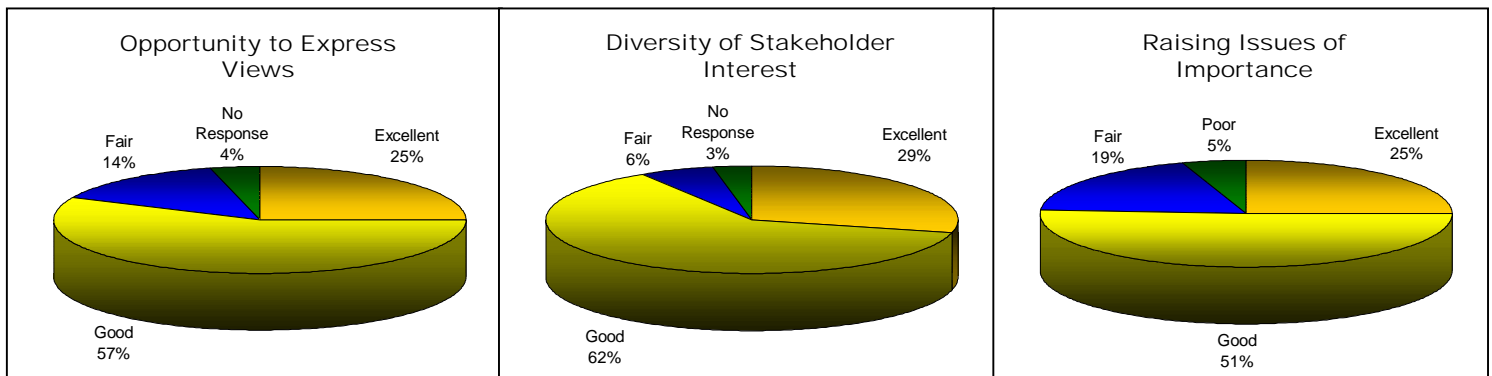
2. Participants’ Evaluation

2.1 Views on the Consultation Process

- Participants at the London meeting were highly committed and well-prepared, and provided constructive and valuable input.
- Participants indicated that more details regarding targets, indicators and implementation measures were required.

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:
 - 82% rated the event GOOD or EXCELLENT as an effective forum for providing them with an opportunity to express their views;
 - 91% rated the event GOOD or EXCELLENT as an effective forum for bringing together diverse stakeholder interests; and
 - 76% 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 Agricultural Policy Framework (APF) had changed as a result of the consultation. Forty-six percent indicated that their views changed “somewhat or a great deal”, with less than 36% indicating “not very much or not at all.” Eighteen percent of respondents did not answer the question.

3. Discussion Summary

3.1 Synthesis from the Chair	
Conclusions and Consensus	<ul style="list-style-type: none"> ▪ Overall, participants recognized the need for change in Canada’s agricultural sector to achieve profitability and promote innovation and renewal. While participants did not agree that the APF in its current form contains all the details to accomplish these changes, there was an emerging consensus that change needs to be done in consultation with all sectors. ▪ Concerns about international trade and its impact on Canada’s agriculture sector emerged as a consistent theme in discussions of all APF elements. Another consistent theme was cost, both for existing and new programs and for compensation for losses of agricultural lands or assets in order to promote the public interest. ▪ Participants called for cooperation and coordination between government and industry, between levels of government, and between government departments. ▪ They expressed the view that many existing programs are working and should continue as governments move toward implementing the APF. ▪ Many participants called on governments to play a stronger role in educating the public on the importance and value of agriculture to Canada’s economy. They also want governments to communicate with the public and with members of the industry in plain, easy-to-understand language.

3.2 Business Risk Management

Participants expressed a number of concerns with the business risk management element, most prominently in terms of its lack of detail and failure to address international trade.

Participants emphasized that supply management was an effective risk management tool and should be noted as such in the APF.

Principles and Goals

It was felt that risk management programs should have the goal of mitigating the risks of foreign trade actions and subsidies, tariff and non-tariff barriers, export subsidies and domestic access. Working to further diversify exports was noted as a method of increasing profitability.

Flexibility was a recurring theme, with many participants stating they felt risk management programs needed to allow for enough flexibility to meet the needs of producers and recognize differences between sectors and regions.

Targets and Indicators

Participants did not agree with the approach of comparing farmers' aggregate sector margin with the five-year average. They felt that using longer-term averages, or cost of production, would be a better indicator of stabilizing farm incomes.

Other suggested targets and indicators included job creation, the age of producers, the number of producers and how that number is changing, the number of farm family members seeking off-farm employment, and profitability by sector.

Implementation Measures

Participants were concerned that whole farm insurance could discourage farm diversification and that premiums would go up for smaller commodities.

Participants support the idea of business interruption insurance. Price insurance was talked about as a method of making up for the loss of companion programs.

Many participants thought that the expanded crop insurance and Net Income Stabilization Account (NISA) proposals were too narrowly focused. It was noted that the coverage level of crop insurance is minimal and that some commodities are not covered. Some felt that beginning farmers should get a higher distribution.

Participants felt that the NISA program was limited by a lack of government funding and by inflexible trigger mechanisms.

There was agreement that trade rules needed to be harmonized in order to ensure that imports and domestic products are subject to the same regulations.

There was strong disagreement with the idea of discontinuing companion programs. Participants urged the government not to discontinue any existing programs until there was proof that new programs will fill gaps.

In respect of stabilization and investment, participants wanted more detail on contribution methods and some assurance that the NISA program will continue to be a stabilization program.

3.3 Renewal

Most participants linked renewal with profitability, but were concerned that the framework's proposals for renewal seemed to have been developed without consideration of international trade.

Principles and Goals

While generally supportive, participants felt that goals relating to renewal may not be comprehensive enough and that they needed to be more specific. Some felt it was inappropriate for the agricultural policy to encourage farmers to pursue off-farm opportunities.

Many participants said governments should provide more financial assistance and incentives to beginning farmers.

Some participants noted that a number of existing programs are operating successfully and that not everything needs to be fixed across the sector.

Targets and Indicators

Participants suggested a number of ways to measure progress on renewal, such as tracking the number of new farmers (including immigrant farmers) and the amount of funding available to support them.

Many said that a lowering of the average age of farmers would be a reliable indicator that renewal efforts were succeeding.

Implementation Measures

To promote sound economic decisions, farmers needed better access to accurate and timely business information and advice, which should be available through face-to-face contact. Many noted that provincial cutbacks have significantly reduced the number of agricultural representatives in Ontario, making it more difficult for farmers to get access to these services.

Participants said that a better understanding was needed of required skills and core competencies. It was suggested that governments undertake a sector-by-sector evaluation of both access and viability, based on SMART goals (Simple, Measurable, Achievable, Realistic, Timebound).

Participants felt that governments needed to promote and educate Canadians on agriculture's importance and value, and on the opportunities available in the industry.

It was suggested that government's role in promoting renewal should focus on policy, not implementation, and that it was important to support, not stifle, entrepreneurship.

3.4 Food Safety and Food Quality

Participants were supportive of this element, but were quick to point out that Canada's food is currently very safe and there is a high level of trust among the country's consumers.

Principles and Goals

Participants wanted food safety and food quality to encompass all parts of the supply chain and consumers. There were many participants who believed that these goals should include imported products and non-food agricultural products.

Targets and Indicators

Participants were not supportive of the timeline goal of 2008, saying it should be much sooner.

Participants wanted food safety and food quality initiatives to be industry-led and felt that consumers should be the driving force behind quality assurance programs.

Implementation Measures

There was general support for the implementation measures of this area of the APF.

Participants emphasized that there should be greater co-ordination between all levels of government, consistency across the country and a level playing field internationally.

Participants wanted new funds to be allocated toward food safety and food quality, including increased funding to government laboratories.

Participants noted the importance of measures to keep experts involved in food safety and food quality activities. All standards should be science-based.

Participants emphasized the importance of education to promote awareness and explain standards.

Participants wanted a national animal health emergency management program by the Canadian Food Inspection Agency (CFIA) where a database would track farm locations in case of a disease out-break. This should include a plan for humane slaughter and disposal of carcasses.

Participants also wanted to increased public funding for bio-products safety.

While agreeing there is benefit to traceability, some participants want a cost/benefit analysis for each measure put in place. Some questioned the reliability of full traceability.

3.5 Environment

While the tone of discussions was generally positive, some participants expressed the concern that the APF document does not reflect what was said in the first round of consultations.

Some participants said that compliance with environmental standards would make Canada less competitive on world market unless our competitors had to meet the same criteria.

Principles and Goals

There was general support for the proposed goals. There were, however, concerns that the goals may be difficult to achieve under current conditions and that measures to support the goals would be expensive.

Some participants commented on the wording of the goals. It was suggested that the first three should start with the positive “provide benefits” rather than “reduce agricultural risks.” It was also suggested that the fourth goal, on ensuring compatibility between biodiversity and agriculture, be reworded to be consistent with the language of the other three goals.

Participants suggested an additional goal to increase public awareness of the positive environmental actions that the agriculture industry has already taken.

It was suggested that the APF document use the term “agri-environmental assessment” (or evaluation), rather than “scan.”

Participants felt that environmental farm plans are already working well in Ontario and wanted to see the APF draw on lessons learned and best practices that have already been developed.

Targets and Indicators

Participants were pleased that the APF document acknowledged the need for flexibility in developing targets and recognized that targets will vary by goal depending on the area of the country. However, some said the targets and indicators were not particularly helpful because it was not clear as to what they mean.

Participants agreed that governments should be responsible for carrying out the assessment work and baseline studies. It was felt that governments should make this data available to producers in a way that can help them measure improvements in their operations.

Implementation Measures

Participants endorsed the need for better coordination of agricultural stakeholders — all commodity groups, farm organizations, governments and conservation authorities.

It was agreed that establishing criteria for program delivery, and identifying who should deliver the programs, would be critical to the success of the APF’s environmental agenda. It was also agreed that a long-term, meaningful financial commitment from governments, as well as the support and involvement of producers were needed to ensure success.

Participants recognized the importance of communications in achieving public understanding and support. They called for increased coordination and partnerships between governments and industry in this area.

Participants wanted more detail regarding measures to protect biodiversity and wildlife habitat, and raised concerns about impacts of setting aside agriculture lands for these uses. Many expressed the view that lands were set aside for social benefit, so society needed to share the cost.

3.6 Science and Innovation

Participants recognized the need for investment to support innovation as a means to profitability.

There was agreement that Canada’s agricultural sector should aim to be a low-cost supplier to the world, and that it needed to do this sooner and better than its competitors.

It was agreed that Canada must match or exceed its global competitors in terms of investment levels, innovation and efficiencies, and that its regulatory environment should encourage investment and innovation.

Some participants expressed concerns that Canada has lost ground in research and development over the past decade and that significant investment is needed to regain this ground.

Principles and Goals

Participants raised concerns that the APF's goals for science and innovation did not address the overall goal of profitability in the agricultural sector.

Goals identified by participants included fostering a climate for private sector investment through tax credits, intellectual property protection, and developing policies and programs that promoted the commercialization of new products.

Many participants felt that producers were not adequately represented in the goals and implementation plans of the APF. They, along with consumers, needed to be more fully involved in all discussions about research and innovation.

Targets and Indicators

Participants agreed that profitability was an important indicator of success and suggested that benchmarks be developed that could be agreed upon by all stakeholders. They identified the need for setting targets relating to commercialization and getting new products to market.

Implementation Measures

There was recognition that both the public and private sectors have a role to play in research, and of the importance of public-private partnerships. Many felt that these roles needed to be clearly defined.

Participants felt that the proposed re-alignment of public science resources would be neither useful nor valid, and that benchmarking studies were not needed because the information already exists.

Participants suggested that governments develop a policy on intellectual property and rights that captures the capital value of research in Canada for the benefit of the agriculture and agri-food sectors.

Participants said that governments should encourage partnerships and facilitate investment across the entire food chain. It was also proposed that governments work to link innovative products and producers to those outside the food chain, in order to improve access to venture capital.