

## Event Report Winnipeg – June 13, 2002

### 1. Statistical Summary

1.1 Overview											
<b>Number of Break-outs</b>	<b>4</b>		<b>Number of Participants</b>			<b>94</b>		<b>Number of Observers</b>		<b>15</b>	
<b>Participants by Category</b>	59 Producers	5 Processors	1 Distributor	0 Retailers	5 Trade	0 Consumers	9 Academics	0 Biotech	2 Environmental Representatives	13 Others	

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>29 participants</u> 22 producers 1 processor 1 trade 1 academic 4 other stakeholders	<u>5 observers</u> 3 federal 2 provincial
<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>23 participants</u> 14 producers 1 processor 1 distributor 1 trade 2 academics 4 other stakeholders	<u>2 observers</u> 1 federal 1 provincial
<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>21 participants</u> 10 producers 3 processors 2 trade 3 academics 3 other stakeholders	<u>6 observers</u> 3 federal 1 provincial 2 portfolio agency
<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>21 participants</u> 13 producers 2 environmental representatives 3 academics 1 trade 2 other stakeholders	<u>2 observers</u> 1 federal 1 provincial

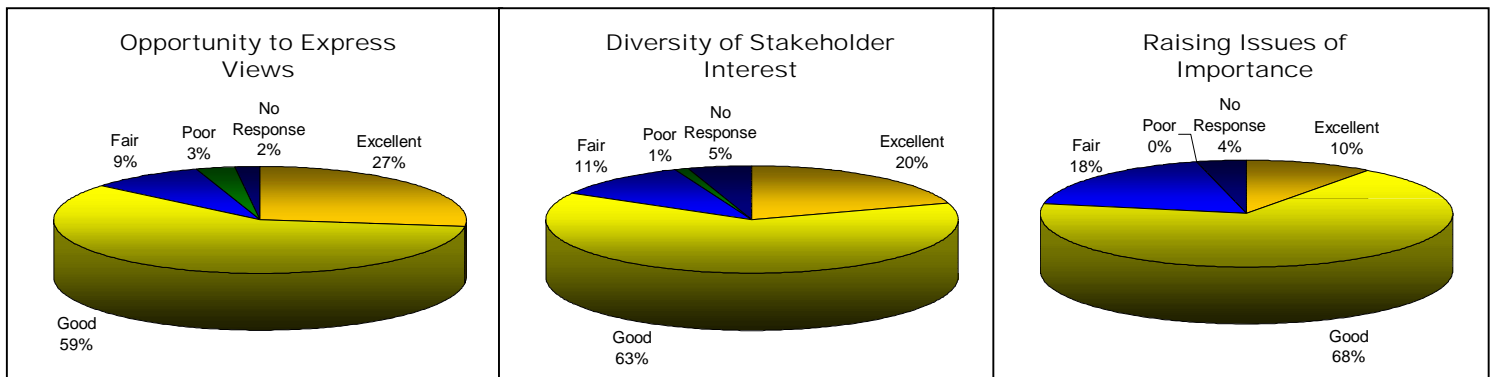
## 2. Participants' Evaluation

### 2.1 Views on the Consultation Process

- Participants were actively engaged and generally constructive in their discussions on the framework.
- There was very little skepticism about the process and the commitment of governments to listen to the results of the consultations.
- While many participants indicated that they were pleased to see much of their input from Wave One reflected in the Agricultural Policy Framework (APF), there remained substantial concern about the lack of emphasis on international trade issues in the APF.
- Participants want to continue to be consulted and indicated that it is time for governments to start focusing on the details and developing programs that can be used now.

### 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:
  - 86% rated the event GOOD or EXCELLENT as an effective forum for providing them with an opportunity to express their views;
  - 83% rated the event GOOD or EXCELLENT as an effective forum for bringing together diverse stakeholder interests; and
  - 78% 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. Forty-one percent indicated that their views changed “somewhat or a great deal”, with 47% indicating “not very much or not at all.” Twelve 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>▪ Profitability, sustainability and growth were central themes throughout the consultation. Participants were generally pleased that the APF reflected the importance of profitability, but many were skeptical about the degree to which the APF could actually improve producer profitability.</li> <li>▪ Trade and international considerations represented a key area of concern for participants, with many indicating that the APF cannot get very far until immediate trade issues are resolved.</li> <li>▪ Participants wanted governments to demonstrate a solid commitment to the agriculture and agri-food sector. This would include:               <ul style="list-style-type: none"> <li>○ ensuring that existing programs are maintained, at least until new ones can be fully implemented and sufficient analysis on their impact is complete;</li> <li>○ making access to knowledge easier for all parts of the sector; and</li> <li>○ reaching an agreement soon to allow for the development of new programs under the framework.</li> </ul> </li> <li>▪ Collaboration was identified as a key success factor for the APF, and was felt to be necessary within and between all levels of government, as well as among industry and between generations of producers.</li> <li>▪ Participants highlighted the interconnected nature of the APF: between the elements and across the food chain.</li> <li>▪ Engaging all Canadians in a dialogue and addressing broad issues, such as rural renewal, were also seen as important.</li> </ul>

### 3.2 Business Risk Management

Participants, while generally supportive of the basic elements of the pillar, felt that all of the options being considered need to be more clearly articulated to stakeholders.

Participants made the following general observations: more analysis on the impact of proposals on the industry is required; government must make a significant financial commitment upfront; and bureaucracy in the process should be reduced.

#### Principles and Goals

Participants suggested that the APF did not adequately acknowledge the value of existing mechanisms and practices, such as collective marketing, supply management and co-ops.

Most supported the common goals and programs, but emphasized the need to provide for regional and sectoral flexibility. It was felt that the goals should take account of other countries' trade policies and their impact on Canadian farmers.

The group also felt that the goals, while generally acceptable, were all long-term in design and that there should be a short-term goal added that acknowledges the need for immediate assistance.

Some participants suggested an overarching goal of the APF should be to make farming more sustainable by focusing on direct payments to producers.

## **Targets and Indicators**

Participants generally felt the targets could be helpful in examining the effects of new programs, but suggested several changes, including:

- an indicator to recognize trade injury so that agreed upon trade remedies can be triggered automatically;
- an analysis of formulas to be used in assessing risk management to ensure they will be meaningful;
- income growth and profitability should be the key target, not “stabilization of farm income”.

Other comments with respect to targets included:

- Do not judge on basis of farmers' aggregate sector margins, which can be very deceptive; rather, use income tax statements as a better indicator against which success could be gauged.
- The lengths of cycles need to be carefully assessed (i.e., a 5 year cycle does not correspond to real business cycles).
- Diversified farmers often cannot benefit from risk management programs.
- Governments should outline the factors that represent business risks for the industry (e.g., weather, price risks, trade injury, and investments) and then determine the appropriate indicators from there.

## **Implementation Measures**

With respect to crop insurance, most participants suggested increasing the levels of coverage, rather than expanding coverage to additional products.

Participants noted that a better definition of risk is required before expanding the program and that more clarification is needed on whether producers will be required to cover a larger portion of crop insurance, and what the “split” will be between the federal/provincial governments and producers.

Some suggested that comprehensive insurance should be risk based, not based on the size of agriculture in a province, given that eastern provinces “have the lion's share of supply management.” Others made the case for equality of programs across provinces.

## **Insurance**

Many participants expressed concern about the way in which whole farm crop insurance was presented, noting that greater clarification of details is needed before moving forward. Specifically, participants indicated that it could be contrary to the trend in farming (i.e., farms are getting bigger and more diversified) and that it might deter diversification.

Most suggested that it should be offered on a voluntary basis and that it shouldn't replace the option of individual commodities coverage.

Regarding business interruption insurance, which was generally supported as presented, some suggested that livestock should be insured for non-reportable diseases.

### **Stabilization and Investment**

Reforming the Net Income Stabilization Account (NISA) was generally supported by participants. Most supported the notion of having additional withdrawal trigger options to use NISA money for increasing productivity and profitability, and for diversification, as well as meeting new APF goals.

Some stressed that it should be up to the farmer, not the government, to determine the “trigger” point and that NISA should be “kick-started” for beginning producers.

Many noted that the government should consider an accelerated contribution program, particularly in peak years, so that producers can contribute more and have the contribution matched by government. Conversely, farmers should be able to defer their contribution component in years where revenues are lower without sacrificing government matching funds.

Participants stressed that sectoral differences must be accounted for in any expansion of NISA.

There was relatively little support for the option of using NISA account money for food safety or environment measures; the concern being that if this were allowed, government may diminish new funding for these elements of the framework.

Most supported the notion of government matching contributions more than “one to one” under certain circumstances.

Participants insisted governments clearly prove that an adapted NISA can effectively replace the Canadian Farm Income Program (CFIP); if CFIP is to be phased out, there needs to be a proven alternative emergency fund program in place.

Participants also felt that new money should be targeted to level the playing field among various sectors and across the system.

### 3.3 Renewal

Participants agreed that renewal is vital to the future of the sector. Some suggested, however, that more clarity is required regarding what the APF means by renewal and how it would be implemented.

Participants noted that renewal is about more than just profitability; a healthy rural economy, for example, is also important. There was a sense that governments need to establish a global vision for the future of agriculture and build renewal programs that help move the sector toward that vision.

Most recognized the need to attract youth to farming and to teach them practical skills. Some pointed out that current policies have tended to move education away from agricultural skills development. Barriers to access (e.g., cost, location, access to Internet) were also cited as issues for renewal.

#### **Principles and Goals**

Participants were generally supportive of the goals outlined in the renewal element of the APF.

There was a view that the APF's reference to "farmers planning...successful transition out of farming" was unhelpful; the greater concern, some contended, is helping existing farmers remain, while encouraging new people to enter the sector.

#### **Targets and Indicators**

Participants were generally supportive of the targets and indicators outlined in the APF under renewal. Specifically there was support for assisting new farmers, as well as for renewal being achieved through both innovation and building on valuable traditional practices.

#### **Implementation Measures**

Participants generally indicated that the measures were a step in the right direction, but required more detail and focus.

Many agreed that for the measures to be successful, the following would need to be done:

- Develop public-private consensus on skills.
- Promote greater use of professional advice for business planning.
- Make benchmark and marketing information available to farmers.
- Consider 'new generation' co-operatives as a strategy to share knowledge and build sustainable farming communities.

There were mixed reactions to the "off-farm support proposal." Some felt that providing access to training and support for farmers who wish to pursue off farm opportunities is key; others felt that money would be better spent to support on-farm training. There was suspicion by some that off-farm encouragement was a "ruse" to help reduce the number of family farms.

## 3.4 Food Safety and Food Quality

Participants were generally supportive of the food safety and food quality element of the APF.

Most participants agreed that Canada's food supply is safe and doesn't require additional regulations. Food quality standards, however, are needed and would be welcome. Some noted that more direct input from consumers and retailers is needed to better define the requirement.

Many indicated that this element of the APF should focus on the domestic market before international branding efforts are undertaken. Most suggested that international harmonization of standards is also very important.

### **Principles and Goals**

Participants were generally pleased with the principles and goals in this area, but were concerned that the language of the element could appear too negative and could send a signal that Canadian agriculture is not safe or of high quality.

Many suggested that increased transparency in the food safety and food quality systems would help demonstrate safety and quality to consumers.

With respect to branding, many pointed out that the industry requires better information on the current perceptions of Canadian agri-food abroad. Some suggested that governments should undertake a polling exercise in key markets to answer these questions.

### **Targets and Indicators**

A number of participants called for better benchmarking information, on which to base targets and indicators.

Most suggested that at the current pace of development, the 2008 target cannot be met, particularly if implementation is voluntary, although some resisted the notion of making compliance mandatory.

While some participants wondered whether consumers are actually demanding higher food safety and food quality standards, others stressed the importance of continued diligence regarding food safety. Given recent European Union consumer crises involving the food supply and increasing trade barriers based on safety and quality, the element was considered crucial for the industry's future.

### **Implementation Measures**

Participants generally supported the proposed implementation measures and agreed that they have the potential to be useful and effective. The enormous challenges involved in this area were, however, highlighted and questions were asked as to how much the measures will cost and who will pay.

Participants noted that the APF should make a clearer distinction between food quality and food safety. Many characterized food safety as a public issue that requires government regulation and enforcement. Food quality, on the other hand, was seen by many as an issue that should be driven by consumer and market demand.

Most agreed that the measures should be voluntary, and that the market will “determine” what is needed. Most also agreed that traceability measures should be pursued and that while national systems are needed, they must reflect regional differences.

### 3.5 Environment

While most participants agreed in principle with the environment element of the APF, the majority of participants were concerned about the lack of details, particularly in respect of implementation.

Some participants were concerned that the APF does not address genetically modified organisms (GMOs) or animal welfare issues.

#### **Principles and Goals**

Many highlighted the need to include weather and climate monitoring as part of the goals, and the need for further development of monitoring techniques.

Some participants suggested that the APF should avoid the term “green” because it could be misunderstood to imply that other products are somehow inferior.

#### **Targets and Indicators**

Though most supported the targets and indicators, many pointed to the need for better coordination between governments to facilitate the introduction and diversification of crops and technologies, suggesting that research and development (R&D) should be coordinated to focus on the development of better production practices.

Most noted that decisions on best practices and regulations should be science-based, and that the science needs to be accessible and understandable.

#### **Implementation Measures**

Most participants supported the measures outlined in the APF, but wanted substantially more detail.

Some were concerned about the emphasis on farm plans, noting that implementation may be problematic. Many participants worried about the cost and time commitment involved in developing environmental plans, as well as whether or not compliance will be mandatory.

Participants stressed the importance of harmonizing approval processes for new technologies, noting that this is both an environmental and competitiveness issue.

Many participants agreed that governments must promote environmental performance through incentives, as well as through compliance measures and inspection activity. Participants also felt that governments should avoid cross-compliance requirements in its programs.

Participants suggested that governments should fund the study of the benefits of organic produce.

A mechanism to ensure that producers are rewarded for their environmental services was also supported.



### 3.6 Science and Innovation

Participants supported the APF’s proposed realignment and benchmarking exercise, noting that the shift in research and education focus over the past decade, away from farming to the science of food, needs to be rebalanced. Many suggested that a review should be done of global science and innovation activities in order to facilitate a sharing of best practices and lessons learned.

Some participants expressed concern over the concentration of research in the hands of the agri-business industry and life sciences companies. They worried that this would result in industry dictating what is researched. The majority of participants agreed that producers should be more heavily involved in the establishment of research priorities.

Intellectual property issues remained an area of concern for participants, with many suggesting that government-funded research should be directed to public institutions and centres of excellence. It was felt by many that this would help make the results from research more accessible to all Canadians.