

Event Report Richmond – June 10, 2002

1. Statistical Summary

1.1 Overview										
Number of Break-outs	4		Number of Participants			58		Number of Observers		14
Participants by Category	34 Producers	5 Processors	1 Distributor	2 Retailers	0 Trade	0 Consumers	7 Academics	2 Biotech	0 Environmental Representatives	7 Others

1.2 Break-out Session Attendance Summaries		
<u>Break-out # 1</u> 1. Business Risk Management 2. Renewal / Science and Innovation 3. Food Safety and Food Quality 4. Environment	<u>19 participants</u> 15 producers 1 academic 3 other stakeholder	<u>4 observers</u> 3 federal 1 provincial
<u>Break-out # 2</u> 1. Renewal 2. Science and Innovation 3. Food Safety and Food Quality 4. Environment 5. Business Risk Management	<u>11 participants</u> 4 producers 4 academics 2 biotech 1 other	<u>4 observers</u> 3 federal 1 provincial
<u>Break-out # 3</u> 1. Food Safety and Food Quality 2. Environment 3. Business Risk Management 4. Renewal / Science and Innovation	<u>14 participants</u> 5 producers 4 processors 1 distributor 2 retailer 2 other stakeholder	<u>2 observers</u> 2 federal
<u>Break-out # 4</u> 1. Environment 2. Food Safety and Food Quality 3. 4. Business Risk Management 5. Renewal / Science and Innovation	<u>14 participants</u> 10 producers 1 processor 2 academics 1 other stakeholder	<u>4 observers</u> 4 federal

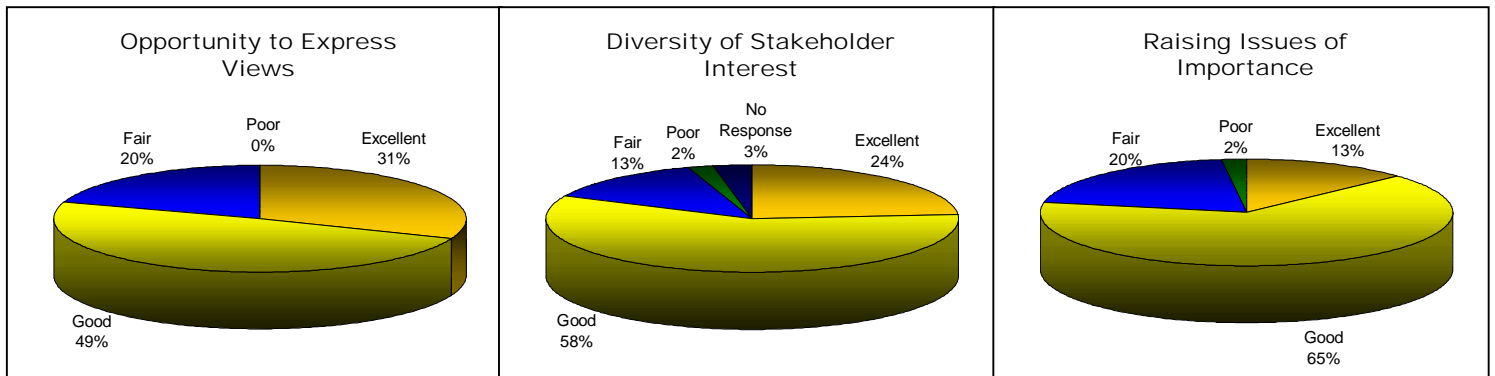
2. Participants’ Evaluation

2.1 Views on the Consultation Process

- Few concerns were expressed about the amount of notice provided for the consultation.
- Participants in Wave One, attending the consultation, had the benefit of comparing the approaches to both events. They felt the Wave Two approach helped to highlight the importance the process is placing on promoting discussion among all participants and receiving input.
- Stakeholders indicated that they need to continue to work together in further consultations that should focus on defining the actions proposed within individual elements.

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:
 - 80% rated the event GOOD or EXCELLENT as an effective forum for providing them with an opportunity to express their views;
 - 82% 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 Agricultural Policy Framework (APF) had changed as a result of the consultation. Fifty-five percent indicated that their views changed “somewhat or a great deal”, with 38% indicating “not very much or not at all.” Seven 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"> ▪ Elements of the APF must reinforce each other. Targets and implementation measures must be examined to ensure that steps taken in one area to improve profitability are not eclipsed by measures undertaken in another area. ▪ If the economics of the industry are healthy, the goals set out in the APF will be achieved. ▪ Working linkages within government, between governments and between government and industry are vital to making the APF work. Developing the APF is only the start. Governments, industry and stakeholders must continue working together to ensure that progress is being measured and goals are met.

3.2 Business Risk Management

There was general agreement that major changes to the Net Income Stabilization Account (NISA) are not necessary. A combination of whole farm insurance with individual crop insurance was supported with producers having some flexibility to choose between the two. Overall, participants thought current risk management programs should be improved, not abandoned.

Trade injury and the need for a level playing field must be better addressed in the APF, according to participants. They felt that programs described in the APF dealing with risk management do not address trade injury.

The APF should recognize the role supply management plays, not only with regard to business risk management, but also in terms of achieving many of the goals set out for other elements of the framework.

Next steps for governments should include demonstrating how gaps in NISA and crop insurance could be filled by the expansion of the programs. A more concrete endorsement of the APF may come after more details are provided and it is known how other programs are affected.

Principles and Goals

Participants agreed that mitigation of trade injury and other international considerations should be included as an additional goal. Moreover, supply management should be added as a fundamental principle underpinning risk management in certain sectors.

Participants supported the addition of linkages to other elements of the APF. For example, risk management could be linked to progress towards improved environmental sustainability.

A First Nations representative wanted the APF to recognize the distinct needs and nature of aboriginal communities engaged in agriculture.

Targets and Indicators

Considerable discussion focused on the question of margins. Some elements of the APF have the potential to add costs to farmers. If risk management programs are to be calculated by margins, other elements of the APF must not undercut these margins.

Some participants suggested that program eligibility be calculated over a longer period of time with margins being assessed over a 10 year period.

Additional targets were suggested that could be used as assessment tools, including the cost of production for farmers, capital invested and borrowing costs.

Implementation Measures

There was concern about the use of NISA accounts for investments if the stabilization objective is lost.

Reaction to whole farm insurance was mixed. While some participants see whole farm insurance as a means to encourage diversification and possibly lower premiums, others felt that it is not an adequate risk mitigation tool when the value of individual crops are not recognized.

Participants support the APF where consideration is given to broadening insurance to include other commodities and risk types.

Participants thought that tax credits and mechanisms such as accelerated depreciation could be used as risk management tools.

Catastrophic effects must be better defined and programs need to take into consideration repeated disasters and prolonged price downturns.

3.3 Renewal

There was general agreement that renewal initiatives would be more successful if farm operations were profitable.

Principles and Goals

Participants felt that the principles and goals could be better defined. The need to attract new participants to agriculture should be a key goal. Moreover, the APF stresses renewal, primarily in the context of farmers, when all links in the commodity chain need to be concerned about renewal.

Targets and Indicators

Participants suggested that mechanisms need to be developed to help demonstrate the link between renewal and profitability. In assessing progress, programs should be benchmarked over a period of time.

Implementation Measures

Many participants felt that for renewal to succeed, better awareness and understanding is needed within the industry as well as externally.

Participants felt that the APF needs to better recognize that training, education and the sharing of best practices are critical to risk management and that the linkage to other APF elements could be made stronger. Indeed, some participants felt that as renewal was better defined, resources committed to risk management could be re-directed to renewal.

Participants thought that industry had to take a lead in renewal, with governments playing a key role in fostering networks and facilitating knowledge transfer.

3.4 Food Safety and Food Quality

Participants felt that Canada has a very safe food supply that consumers trust, but warned against complacency. In particular, the full continuum of the food production process must be taken into consideration to ensure safe and quality food.

Principles and Goals

Participants were generally supportive of the APF's food safety and food quality goals.

Participants were concerned about maintaining and increasing consumer confidence in their products, but warned that goals had to be practical, workable, market-driven and affordable.

Targets and Indicators

Some participants felt that the reference to year 2008 target date was too distant, suggesting that some producers were not producing safely now.

There was much discussion on the need to define food safety and food quality, on a common standard and on the application of food safety standards across the food chain.

Many participants supported the development of traceability systems, but expressed concern over who would bear the cost.

Implementation Measures

Participants thought that food safety and food quality is an area where Canada leads. The costs therefore of new initiatives, especially those borne by producers, must be measured against results that can be gained over and above the standards that exist now.

Participants recommended including more emphasis on the government's responsibility in educating the public as to the stringent regulations that govern food production with the goal of increasing consumer confidence in Canadian agriculture products.

Many participants expressed the need for the whole industry — producers, processors and retailers — to be vigilant and implement high, self-imposed safety and quality standards. It was felt that by increasing standards, the market will grow and Canada will become a well-branded food source for all countries around the world. Branding, however, should start at home.

The APF must also distinguish between food safety and food quality. Minimum safety standards that protect human health are appropriate, but with quality measures governments could move beyond minimums to establish ideals for producers to attain. Moreover, the nutritional value of foods could be better promoted.

There was general agreement that standards applying to Canadian products must also apply to imported products.

3.5 Environment

Participants were generally supportive of strong environmental protection, but wanted to emphasize that Canadian farmers are generally good stewards of the land and this should be recognized and promoted.

Principles and Goals

Participants emphasized that the goals should integrate economic benefits with environmental measures.

Targets and Indicators

Participants expressed concern that costs would not be recoverable and detail was needed on how the benefit of environmental initiatives would be captured. The APF should also embrace more fully the connection between health, food quality and safety and appropriate environmental practices.

Implementation Measures

Participants thought that because benefits may be longer term, the incentives described in the APF should be designed to help producers meet the up-front capital costs of introducing new environmental technology and techniques. Incentives that help farmers ‘bridge’ to the longer-term reward of adopting better environmental practices were supported.

The environmental standards established in Canada should be applied consistently and to products coming from other jurisdictions.

Some participants suggested that the “bad apples” might never participate in voluntary programs, meaning the APF should achieve a balance between adding unnecessary costs to the majority of producers who are leaders and forcing the others to comply.

Ecosystem capacity may not be reflected in farm plans. Cooperation may be required with other industries, communities and governments to fully understand the potential environmental impact.

Government agencies must work together to avoid overlap and to coordinate information provided to the public about sustainable farm practices.

3.6 Science and Innovation

Participants strongly endorsed the APF's emphasis on science and innovation.

Principles and Goals

Many participants suggested that the transfer of technologies from the lab to the field or processing plant should be a key goal of the APF.

Targets and Indicators

Participants were supportive of increased levels of investment in public research institutions and greater coordination of new developments being implemented throughout the industry.

Participants expressed concern that if science and innovation are only motivated by short-term profitability, fundamental and sustaining research will erode. The emphasis in science and innovation should be to enhance human resources and build infrastructure that will underpin a long-term future for agriculture.

Participants thought that there was a need for analysis and the separate tracking of contributions to science and innovation made by the private and public sectors.

Implementation Measures

Most participants felt that to be successful, the federal government should make a strong commitment to a coordinated, public research infrastructure rather than relying only on an industry-led approach that lacks coordination and equal access.

Participants did think, however, that some industry sectors could dedicate a percentage of revenue to science and innovation to guarantee stable funding.

The APF should also take into consideration that the benefits of science and innovation are not always appreciated by the public. Participants felt that the government and industry could do a better job of communicating the benefits while avoiding some of the concerns science and innovation often elicits from the public when agricultural products are involved.