

Event Report Saskatoon – June 17, 2002

1. Statistical Summary

1.1 Overview											
Number of Break-outs	3			Number of Participants			78		Number of Observers		14
Participants by Category	38 Producers	4 Processors	0 Distributors	0 Retailers	0 Trade	0 Consumers	14 Academics	3 Biotech	1 Environmental Representative	11 Others	

1.2 Break-out Session Attendance Summaries		
<p><u>Break-out # 1</u> 1. Business Risk Management 2. Renewal 3. Food Safety and Food Quality 4. Environment 5. Science and Innovation</p>	<p><u>24 participants</u> 16 producers 1 processor 2 academics 1 biotech 4 other stakeholders</p>	<p><u>6 observers</u> 5 federal 1 provincial</p>
<p><u>Break-out # 2</u> 1. Renewal 2. Business Risk Management 3. Environment 4. Food Safety and Food Quality 5. Science and Innovation</p>	<p><u>25 participants</u> 17 producers 5 academics 3 other stakeholders</p>	<p><u>3 observers</u> 1 federal 2 provincial</p>
<p><u>Break-out # 3</u> 1. Food Safety and Food Quality 2. Environment 3. Business Risk Management 4. Renewal 5. Science and Innovation</p>	<p><u>29 participants</u> 11 producers 1 processor 1 retailer 1 trade 8 academic 2 biotech 1 environmental representative 4 other stakeholders</p>	<p><u>5 observers</u> 2 federal 2 provincial 1 portfolio</p>

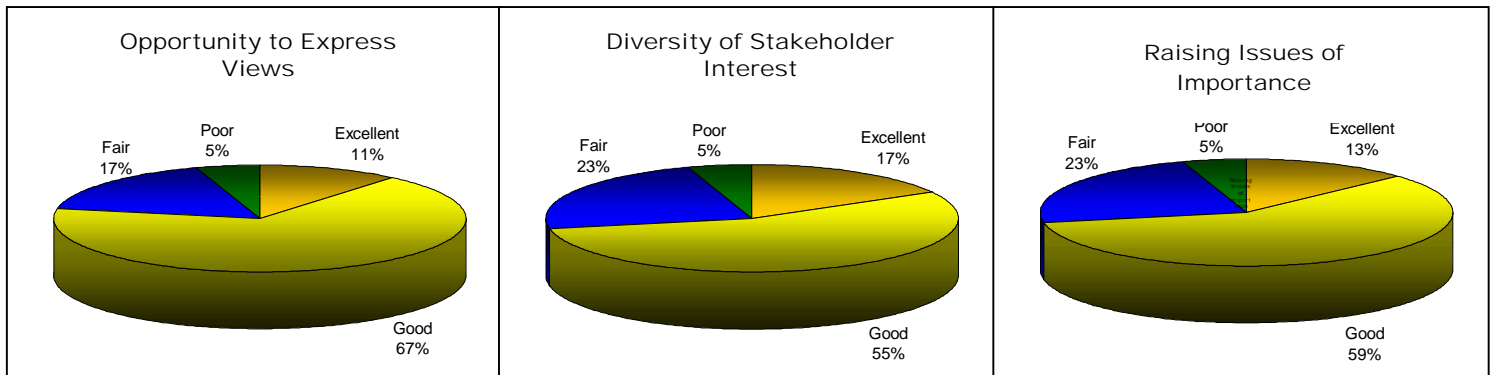
2. Participants’ Evaluation

2.1 Views on the Consultation Process

- Participants were well-versed in the details of the Agricultural Policy Framework (APF), showed strong interest in the proceedings and were focused on discussing the strengths and weaknesses of the proposals.
- There was a feeling that at this stage of policy development, more specifics on program details and funding should be available.

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:
 - 78% rated the event GOOD or EXCELLENT as an effective forum for providing them with an opportunity to express their views;
 - 72% rated the event GOOD or EXCELLENT as an effective forum for bringing together diverse stakeholder interests; and
 - 72% 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. Fifty percent indicated that their views changed “somewhat or a great deal”, with 42% indicating “not very much or not at all.” Eight 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"> ▪ There was recognition of the need for a new agricultural policy and general agreement on the goals and broad principles described in the APF. They supported the development of national policies and programs, but noted that these must be sufficiently flexible to take account of regional and commodity differences. ▪ There was a sense that the APF process has opened the door to cooperation amongst stakeholders and that this type of process should be defined as an ongoing goal of the APF. ▪ There was significant concern from many participants that trade issues were not dealt with in the APF, with a call from some for the federal government to commit to compensation for trade injury to the agriculture sector. ▪ There was concern around the cost of various proposals, especially in the areas of food safety and environment. Participants questioned whether the market would bear the additional costs of such programs. ▪ Participants noted that while some of their input from Wave One was reflected in the APF, some of their views have yet to be included.

3.2 Business Risk Management

Principles and Goals

Participants supported the element’s emphasis on producer-profitability and noted that risk management programs should be well funded and affordable for producers.

Many participants expressed concern with the Fredericton Funding Formula (60% federal, 40% provincial), especially in terms of risk management programs. They felt that for provinces like Saskatchewan, 40% was too expensive.

Some noted that the “human” dimension of agriculture policy should be better emphasized. For example, including references to safety and health for those who work in the farm sector would be useful.

Targets and Indicators

Participants felt that eligibility targets were too restrictive. Many thought a longer timeframe should be used for comparing farmers’ aggregate income (e.g., 10-15 years or best five years of the last 10). Other suggestions included reflecting debt loads and the impact of farm-income subsidies in certain indicators.

Some participants felt that new programs should take total average costs of production into consideration, citing some Quebec programs as models. Others, however, believed that the average cost of production does not reflect market realities, and can stifle efficiency and innovation.

Profitability measures should take into account inventory and acknowledge farm-based cash losses.

Implementation Measures

Insurance

There was general support for providing broader insurance coverage and more flexibility in programs to give producers more options. Specific suggestions included:

- producers should have the choice between individual coverage and area coverage on a per crop basis;
- combining crop yields and market price would lead to greater predictability; and
- variable market price option should be retained under crop insurance and prices set closer to crop sales.

Whole farm insurance was supported only as an optional program. Producers, it was felt, should have the choice to access it if it assists their business operation. Some were concerned that whole farm insurance would discourage diversification and value-added product innovation.

Business interruption insurance was supported by participants.

Many participants supported harmonizing crop insurance programs across the country in order to make them more equitable for all producers.

Stabilization

Participants supported the APF's proposed expansion of the eligibility for Net Income Stabilization Account (NISA) to include all producers.

Participants supported stabilization as a business risk management tool. Withdrawal mechanisms, they suggested, should relate to business objectives of the producer, allowing the account to be accessed for accounts payable, interest arrears and lines of credit.

Some supported the use of NISA as an investment tool, noting that investments could be a trigger for withdrawal if they met APF goals, so long as doing so does not erode stabilization objectives.

Any phase-out of the Canadian Farm Income Program (CFIP) must be carefully considered. It must be demonstrated beforehand that changes to crop insurance and NISA would fill the gap from the phase-out. In particular, there must be disaster coverage for livestock under a new program if CFIP is eliminated.

There was a recommendation to include supply management in the APF for some commodities.

3.3 Renewal

The lack of market power for farmers (on both the input and output side) was cited as one of the top issues that would affect whether farmers were successful in the future. This could be addressed through networks and organizations grouped around shared values.

Participants strongly supported the values of profitability and sustainability at the farm level as the basis for success in agriculture.

Supply management was a concern for many participants. There were outside pressures from global markets to stop supply management so Canada should educate the consumer on its benefits.

Principles and Goals

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

Implementation Measures

While participants found the measures to be generally acceptable, they felt the measures were not detailed enough.

As agriculture becomes more of an information industry, there would be a need to bridge the knowledge, information, and skills gaps through private-public efforts.

Participants felt that government should help producers to develop business skills to manage risk in order to enhance profitability.

Participants found value in building cooperatives, especially as applied to niche markets and specialty crops, and saw them as improving profitability.

Participants supported government programs designed to improve access to private sector capital.

Participants also supported more training and assistance for farmers who wish to pursue off-farm opportunities. There was, however, concern about the definition of ‘off-farm’ opportunities and a view that the government should not be promoting to people to leave agriculture.

3.4 Food Safety and Food Quality

Most participants felt that the APF must more clearly make the link between improved food safety and food quality practices and the business benefit to Canadian producers.

Cost of implementation, surveillance and enforcement measures should be clearly set out, both in terms of how much and who pays.

Principles & Goals

The need for improved consultation/coordination among federal departments (e.g., Agriculture and Agri-Food Canada, Environment Canada, Health Canada and Industry Canada) with regard to food safety and food quality policies, standards and regulations was noted by many participants.

Participants favoured food safety and food quality being based on a HACCP (Hazard Analysis Critical Control Points) approach, because it is already recognized both domestically and internationally.

Most argued that food safety and food quality issues must be differentiated in and addressed within specific sectors (e.g., dairy, cattle, pulse and special crops). Food quality should be considered primarily a commercial concern inasmuch as it is a market-driven issue.

Participants felt that most food safety and food quality programs should be industry-led with government regulations assisting where necessary.

Targets and Indicators

Participants favoured indicators that were “internationally” rather than “government” recognized and in this way acknowledged the importance of trade to the sector.

Participants questioned how the 80% threshold with respect to traceability of domestic food was established. The figure, they contended, seemed to be somewhat arbitrary.

Some suggested that 2008 may be too late to achieve the goals set out in the APF from the perspective of the marketplace.

Implementation Measures

Participants were generally supportive of traceability throughout the food continuum. However, there was considerable discussion on how, or even if, this could be achieved (e.g., traceability in the grain handling system and in food that is used as ‘component parts’ of products).

Some felt that the APF should spell out whether traceability measures would be mandatory or voluntary.

Participants agreed that both international and domestic consumer demands must drive the development of Canadian production standards in order to ensure continued access to export markets and a level playing field for domestic products.

Labeling of food (e.g., genetically modified organisms) was raised as an issue, but not all agreed that providing such information was good for the food industry.

Some were of the view that the APF’s focus on food safety could lead the public to have concerns where there have been no concerns in the past. The focus should be on reinforcing the fact that Canadian-produced food has always been safe and of the highest quality.

Once measures were in place, participants supported the aggressive marketing of Canadian agri-food products, “branded” as safe and of high quality.

Participants supported the role of the Canadian Food Inspection Agency (CFIA) and expressed concern about whether or not it was being adequately funded. There is also a concern that Canadian veterinarian colleges do not have sufficient funding or capacity.

3.5 Environment

Principles and Goals

Participants felt that the positive role agriculture plays in the environment is not adequately recognized and that good stewardship should be rewarded.

There was concern that the roles of government and industry were not clearly defined in respect of enforcement and marketing.

Targets & Indicators

Targets were seen by many as being too general.

Many called for benchmark information in order to set realistic targets and to measure progress.

Implementation Measures

There was discussion about whether environmental standards should be voluntary or mandatory, and a suggestion that voluntary measures, if implemented, would not work without incentives.

While many saw benefits to mandatory farm plans, some cautioned that compliance costs might be prohibitive for some and assistance may be required.

Some stated that liability must be publicly, not producer funded, given the high costs involved.

It was mentioned that producers need a strategy on how to sell carbon sinks as a “Canadian advantage”. Governments should assist in this effort.

3.6 Science and Innovation

Principles and Goals

Some participants felt that science and innovation represent the foundation and the future of a sustainable agriculture sector in Canada. They urged the federal government to commit more money for these initiatives.

Participants felt that new initiatives should not be focused on the government’s matching funding plan. There must be more flexibility in how money is allocated and divided. Some innovation benefits are missed by farmers simply because they can’t access the matching funds necessary to trigger federal money.

There was a need for better coordination of funding for research projects and the establishment of research priorities. Such coordination should involve both levels of government, industry and academia.

Participants supported the goals in this element, but expressed concern about the lack of details about policies and programs.

Targets and Indicators

Discussion of how to measure the efficacy of funding for science and innovation revolved around ensuring that indicators take a long-term view, and ensuring that both input measures (amount invested) and output measures (technology transfer rates, commercialization successes) were used.

Implementation Measures

There was considerable discussion as to whether the current system of sharing the benefits of public/private research is fair, and a suggestion that the rules needed to be standardized and communicated to all parties.

Participants found production development initiatives outlined in the APF to be generally encouraging.

Participants felt that the Investment Tax Credit program required increased predictability and regulations that were more attuned to the agricultural sector.

Many participants indicated that the funding levels for agriculture-related research and development needed to be increased and should be directed through academic institutions and centres of excellence.