



# STANDING POLICY

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THE CANADIAN FEDERATION OF AGRICULTURE

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## INTRODUCTION

The Canadian Federation of Agriculture (CFA) is the largest general farm organization in Canada. It is a national federation of provincial farm organizations and interprovincial and national commodity organizations united to speak with an authoritative voice for the agricultural community of Canada.

First organized in 1935 under the name Canadian Chamber of Agriculture, the CFA grew out of the need for one unified national organization to represent all agricultural producers in all provinces.

The Policy Manual presents CFA's position on subjects of importance to the economic and social wellbeing of farmers and their families. The document consists of current policy statements as well as resolutions passed during the past three years at Annual Meetings and Semi-Annual Meetings. Also included are earlier resolutions which have been reaffirmed by the Federation.

Standing Policy Statements are drawn from resolutions; briefs to the federal government, its agencies, Parliamentary Committees, Royal Commissions; and other hearings. On occasion, CFA policy involves matters under federal government review or change. In these cases, the CFA policy includes recommendations which the Federation believes are relevant to the government's policy review.

In forming policy, the CFA is consistent with its corporate objectives, which are:

- To coordinate the efforts of agricultural producer organizations throughout Canada for the purpose of promoting their common interest through collective action.
- To promote and advance the social and economic conditions of those engaged in agricultural pursuits and to render such services to them as conditions may justify.
- To assist in formulating and promoting national agricultural policies to meet changing national and international economic conditions; and to collaborate and cooperate with organized groups of producers outside Canada for the furtherance of this objective.

The manual is updated annually to represent current CFA position. Amendments are made to the manual when new policy is established by the federation.

## Members of Canadian Federation of Agriculture

- Agricultural Producers Association of Saskatchewan
- Agricultural Alliance of New Brunswick
- B.C Agriculture Council
- Canadian Hatching Egg Producers
- Equestrian Canada
- Canadian Sugar Beet Producers Association
- Turkey Farmers of Canada
- Dairy Farmers of Canada
- Egg Farmers of Canada
- Foreign Agricultural Resource Management Services
- National Sheep Network
- Canadian Aquaculture Industry Alliance
- Mushrooms Canada
- Canadian Seed Growers' Association
- Keystone Agricultural Producers
- L'Union des Producteurs Agricoles
- Newfoundland & Labrador Federation of Agriculture
- Nova Scotia Federation of Agriculture
- Ontario Federation of Agriculture
- Prince Edward Island Federation of Agriculture
- Alberta Federation of Agriculture
- Canadian Young Farmers Forum
- Chicken Farmers of Canada
- Canadian Ornamental Horticulture Alliance
- Ontario Greenhouse Vegetable Growers
- Yukon Agricultural Association

## Section One - Standing Policy Statements

### TRADE POLICY STATEMENT

#### 1. Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. It is the backbone of many rural communities and contributes significantly to the well-being of Canadians in both rural and urban Canada.

Food is a fundamental human right. At all times, people should have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy lifestyle. Countries must maintain the ability to define their own food and agriculture strategies.

Primary agriculture differs from other industrial sectors. Individual farmers, not large integrated corporations, are the main drivers of the industry-- overcoming diverse challenges to produce high-quality food for both domestic and international customers in a financially and environmentally sustainable manner.

To ensure their continued success, farmers must be provided with the appropriate policy tools and framework to be successful. Federal policies must recognize, on the one hand, the global environment in which the industry operates, in addition to, the domestic requirements for a healthy and vigorous industry.

#### 2. Basic Trade Policy Goals

Canada must approach trade negotiations with the objective of achieving positive results for Canadian farmers. Clear and effective rules governing international trade will result in better functioning international and domestic markets and contribute to the improvement of Canadian farm profitability.

The CFA supports the following trade policy goals:

- Recognize the World Trade Organization (WTO) as the principal vehicle for the establishment of fair and effective trade rules.
- Work towards bilateral and regional trade agreements that strengthen trade ties with key customers for Canadian agriculture.
- Secure outcomes that benefit all Canadian agriculture by maximizing export opportunities and ensuring trade rules that allow for the maintenance of an effective supply management system.
- Across the board elimination of dumping and export subsidies in agriculture.

- Preserve farmers' right and government's ability to enable, design and operate marketing boards and orderly marketing systems necessary for the stability and profitability of Canadian agriculture.
- State Trading Enterprises (STEs) must be recognized as legitimate structures of administering Tariff Rate Quotas.
- Allow for the necessary suite of domestic programs to ensure the stability and profitability of Canadian agriculture.
- Negotiate trade agreements that uphold the principle of agriculture as an exception to other industry sectors.
- Recognize that agriculture has evolved differently between countries, resulting in each country having its own unique sensitivities.
- Ensure that one commodity is not traded off to enhance the interests of another commodity nor traded off agriculture in general for another industry sector.

### 3. Trade Negotiations Strategy

Coordination between the World Trade Organization (WTO) negotiations, various bilateral and regional free trade initiatives and different international institutions is required to ensure coherence between varying trade initiatives and a framework that truly represents Canadian agriculture. The Government of Canada's trade strategy should encompass the following:

- Recognize the inter-linkages between trade and domestic policy instruments in order to ensure a level playing field for farmers.
- Build strategic alliances to achieve its negotiating objectives.
- Evaluate each bilateral or regional free trade agreement on its own merits and perform the appropriate analysis of their impact.
- Ensure that the various technical, sanitary and phytosanitary (SPS) measures are in place for legitimate purposes.
- Seek to harmonize the application of trade remedy laws, to ensure such laws are applied in a uniform and transparent manner across countries; and terms such as "dumping", "cost of production", "reference period", etc. are defined and interpreted in a consistent manner internationally.
- Consult with farmers and industry and keep CFA and its members informed of government trade activities.

### 4. Federal Provincial Measures

In Canada, agriculture falls within shared federal –provincial jurisdiction and as a result trade negotiations must:

- Allow the federal and provincial governments to adopt the measures necessary to develop and provide safety net and domestic agriculture programs.
- Maintain the right of Provincial and Municipal governments (and agencies) to enact agri-food procurement policies that favour local production.
- Preserve the Provinces' right to prevent or limit foreign ownership of farmland.

## 5. Reciprocal Standards

Canadian commodity groups have implemented numerous on farm certification programs related to food safety, animal welfare, environmental measures, etc. to address regulatory requirements.

As these gate-to-plate programs increase the cost of doing business, Canada must ensure that, in assessing equivalency, imports are produced under equivalent certification programs and regulatory requirements.

Furthermore, Canada must ensure that all legal and regulatory measures as well as structures needed to ensure the monitoring and enforcement of Canadian standards are in place and allocated the appropriate resources. In instances where Canadian farm businesses are held to more stringent requirements than foreign farm businesses, the Government of Canada must introduce financial compensation programs to ensure that our farm businesses remain competitive.

## 6. Marketing Structures

A core component of Canadian agriculture is the Federal and Provincial legislative framework. As such, all trade must recognize the right of Canadian farmers to determine how they market their products and must continue to exempt specific aspects of federal and provincial agricultural marketing structures from the provisions of Canadian legislation.

**Investment** - Canada must ensure that investment provisions, which may be included in any multilateral, regional or bilateral agreement, do not inadvertently conflict with Canadian agricultural policies, programs and/or regulated marketing systems.

**Competition Policy** - Canada must ensure that any competition policy provisions are compatible with the manner in which Canada applies competition law to agricultural marketing bodies.

## 7. Market Access

The CFA supports Tariff Rate Quotas (TRQ's) as a legitimate and transparent policy instrument for providing market access provided that in-quota tariffs are reduced to zero and there are transparent, effective and binding WTO rules governing TRQ administration in order to ensure that the committed level of access is available and achievable. As a result, the Government of Canada must use all measures necessary to protect its sovereign right to determine and administer its own domestic policies, including the allocation of TRQs in ways that minimize the impacts on farming sectors.

Canada must ensure that all trade negotiations it enters into result in no reduction in over-quota tariffs and no increase in tariff quotas for products under supply management while also providing real, meaningful market access opportunities for Canada's agricultural exporters.

Given that primary agriculture differs from other industrial sectors, CFA is an advocate of special agricultural safeguard measures, for use by all countries. These measures must include price and volume-based safeguards.

## 8. Domestic Support

While the WTO remains the best vehicle to create a global level- playing field bilateral and regional free trade agreements are burgeoning and affect change on a bilateral level. New disciplines in government financed domestic support are required to remove the disparities between countries. Recognizing the interlinkages that exist between trade and domestic policies (tariffs and direct payments), further disciplines governing domestic support must be sought at all levels, whether multilateral, bilateral or plurilateral.

Key considerations include:

- Creating an overall cap on all domestic support payments to create a level playing field and provide meaningful limits on spending.
- The definition of what constitutes support to the agricultural industries must be reviewed to ensure all programs conferring support to agriculture and agri-food, directly or indirectly, as well as through coupled or decoupled payments, are captured by international trade rules. Notably, programs such as irrigation and transportation must be included in the mix.

## 9. Export Competition

While export prohibitions and restrictions are a legitimate policy tool to alleviate domestic food shortages, current multilateral disciplines on export prohibitions and restrictions are inadequate to address their use. CFA supports the development of rules for the use of export prohibitions and restrictions provided they are transparent and predictable in their use.

**Export promotion** - The CFA supports export promotion programs that are generic, provided to agricultural organizations only to support advertising and comply with the disciplines of the WTO Agreement on Agriculture.

**Food Aid** - The CFA considers food aid to be entirely commendable when there is a genuine humanitarian need. Strong disciplines are required to ensure that food aid responds to emergency and non-emergency situations of genuine need and prevents commercial displacement and is not used as a surplus removal program.

## 10. Dispute Settlement Mechanism

Dispute settlement mechanisms are an integral component to a well-functioning trading system. The CFA supports a more effective and transparent dispute settlement process that ensures a timely outcome.

## 11. Non-Tariff Barriers (NTB's)/Technical Barriers to Trade (TBT)

CFA respects the right of countries to implement technical regulations to fulfil legitimate domestic policy objectives related to national security; prevention of deceptive practices<sup>1</sup>; protection of human health or safety, animal or plant life or health and the environment, provided:

- imported products are accorded the same treatment as domestic products;
- with respect to Sanitary and Phytosanitary measures, they are based on sound science;
- the regulations are not more onerous than necessary to fulfil the legitimate objective;

**Labelling** - Proper labelling standards, including the labeling of country of origin, help ensure that consumers are provided with sound, factual information about the product they are purchasing. However, such labelling should not be used as a disguised means to modify the conditions of competition between imported and domestically produced products.

**Geographical indications**- The CFA opposes the outright extension of geographical indicators to agriculture products that are recognized as generic terms or protected by trademark or copyright.

**Codex Alimentarius Standards** - Codex Alimentarius must develop a low-level presence policy for trace amounts of biotechnology products and improve its process for establishing international standards for Maximum Residue Limits (MRLs) for food products.

## 12. Rules of Origin

Rules of Origin (RoO) must be transparent; administered in a consistent, uniform, impartial and reasonable manner and based on a positive standard (i.e. state what does confer origin rather than what does not).

RoO's must maximize domestic economic activity by creating an incentive for domestic processors engaged in export activity, to source primary agricultural products wholly grown and raised in Canada. However, no one rule can likely accommodate every situation and in that regard individual commodity groups must be included in the negotiations of RoO's.

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<sup>1</sup> Deceptive practices may include unjustified labelling, grade and compositional standards, etc.

### 13. Developing countries

The WTO treats developed and developing countries differently. Special and differential treatment allows for more favourable trading terms for developing countries than developed ones.

There is compelling need for objective criteria, which will determine eligibility for special and differential treatment. Countries should not have the ability to decide on their own that they are eligible.

A distinction between ‘advanced developing’ or ‘emerging economies’ and the poorer developing countries is required to ensure that special and differential treatment is effectively targeted. The “advanced developing” and “emerging economies” should not receive the same special and differentiated treatment as lower income, less-developed countries.

While special products and safeguards are important tools for developing countries to ensure the sustainability and development of domestic industries, clear criteria governing their application is required to ensure transparency and accountability.

### 14. Intellectual Property Rights

Intellectual property rights (IPR) must be designed to stimulate research and development of innovative new products.

The incorporation of intellectual property rights, including patent protection in trade agreements, must respect the interest of farmers including the adequate protection of farmer-saved seed.

### 15. Trade and Environment

Agriculture plays a unique role in conserving and protecting the environment. Therefore, international trade agreements and regulatory measures must be designed to complement and maximize the benefits agriculture provides to environmental sustainability.

Legitimate environmental concerns and management measures may act as a trade barrier. Environmental measures directly impacting trade should fully comply with all WTO agreements (i.e. GATT, Agreement on Technical Barriers to Trade and Agreement on Sanitary and Phytosanitary Measures, TRIPS) and other bilateral and regional trade agreements and be subject to full WTO disciplines and/or dispute resolution mechanisms, which must be fully functioning and effective.

In order to address these types of issues, CFA believes that the Committee on Trade and Environment should be a permanent WTO body. In addition, we support the principle that ecolabelling and other applications of environmental standards should be subject to WTO disciplines. Trade provisions in international environmental agreements should be subject to full WTO discipline. If it is deemed necessary to give special consideration to any environmentally related trade measures, clear WTO rules should be developed to prevent misuse in the cause of protectionism.

Furthermore, while the CFA is supportive of advancing international collaboration around environment and trade to advance economic and climate objectives, any movement towards the establishment of, for example, a new multilateral agreement on environment which could include the advancement of international standards, border adjustment measures, environmental goods and services, must not undermine productivity and food security objectives, be flexible in the implementation of the measure(s), be science-based and avoid taking a unilateral approach to measures addressing global environmental and trade challenges.

## 16. Environmental Assessment Framework for Trade Negotiations

The Government of Canada with the help of provinces and territories, First Nation groups, and representatives from academic, non-governmental organizations, and the private sector has developed a draft environmental assessment framework for trade negotiations.

An Environmental Assessment Committee for Trade Negotiations, comprising representatives from relevant federal government departments and chaired by GAC, will coordinate the analysis required to complete the environmental assessments. The assessments will be applied on an agreement basis for a variety of trade negotiations including bilateral, regional and multilateral. The level and scope of analysis will be determined on a case-by-case basis according to the nature of the agreement to be negotiated and the significance of the likely environmental impacts.

CFA believes the availability of analytical tools capable of assessing environmental impacts at an adequate level of detail must be a consideration when deciding whether or not to do an in-depth review. Once significant environmental impacts are identified an analysis of the options must look at both mitigation of negative impacts and enhancement of positive impacts. At this time the CFA is not confident these tools are available and therefore questions the objectivity of doing the assessments.

At this point, the CFA has concerns that the concept of doing environmental assessments on trade agreements is not workable. We caution that any guidelines developed for conducting assessments should not set the bar so high as to discourage trade rather than being used as a beneficial analytical tool.

If the government does go ahead with the development of these guidelines CFA recommends the methodologies used for the environmental assessment be science-based. The analysis must be based on scientific information, principles, objective data and documented experience. Consequently, the environmental assessment must deal with only the reasonably foreseeable environmental impacts of trade agreements. As there are a variety of trade agreements, the environmental process must be flexible enough to deal with the different methodologies which will be necessary to assess the impacts.

### **17. Trade and Labour Standards**

Trade agreements must incorporate the recognition of basic human rights and labour standards as integral to the social-fabric and economic development of a nation.

### **18. Failure to Comply with Trade Dispute Settlement Rulings**

Any trade agreement must include a strong, effective, transparent and timely dispute settlement mechanism as an integral component to a well-functioning trading system. Failure to comply with trade rules/dispute settlement rulings invariably results in immense damage being inflicted on industry sectors involved.

Consequently, CFA proposes that when a dispute panel ruling grants Canada the right to introduce retaliatory tariffs in the event of non-compliance by the offending country, the federal government provide funds, equivalent to the amount raised by the retaliatory tariffs, to the impacted agricultural sector for trade compliant mitigation programs.

## **BUSINESS RISK MANAGEMENT POLICY STATEMENT**

### **19. Introduction**

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. As a core driver of the Canadian economy, agriculture contributes to the well-being of both rural and urban communities as a key generator of Canadian jobs in rural and urban communities across Canada and as a leader in Canadian productivity growth.

Agriculture is a high-risk business that faces volatile prices, unpredictable weather, and a global market influenced by government supports to competing producers in other countries. In order to maintain its economic growth and continued innovation, Canadian agriculture must have a stable economic foundation from which to address shifting global and domestic market opportunities. For those risks that cannot be addressed through on-farm management practices, access to effective risk management programs provides Canadian producers with the income stability they need to continue investing in innovative technologies, to adapt to evolving market demands, and maintain long-term economic growth.

Canadian producers continue to focus on maximizing their income from the marketplace. The ongoing investment needed to maintain an adaptable agriculture industry requires an effective, credible suite of Business Risk Management programs that manages the effects of short-term volatility in weather and markets through bankable and timely programs. These programs must comply with WTO agreements, limit the risk of countervail from international competitors, but first and foremost, they must provide the predictable support needed to maintain a vibrant agriculture industry and healthy rural communities.

The development of a credible Business Risk Management suite of programs represents a strategic investment into Canadian agriculture, providing producers with the tools they need to affordably and effectively maintain income stability, promote flexibility, and provide the liquidity needed to ensure farm businesses are adaptable to both global and domestic market opportunities as they arise. This is only possible if producers continue to participate in Business Risk Management programs. Growing Forward 2's 2013 reduction in support and coverage levels provided under AgriStability have eroded producer confidence in the current suite of Business Risk Management programs and significant amendments are required to restore confidence and ensure a credible Business Risk Management suite of programs is available to Canadian producers.

## 20. Fundamental aspects of an effective, credible Business Risk Management suite

### 20.1 Funding

Both levels of government must be committed to Business Risk Management programming as a strategic investment into the competitiveness, adaptability, and innovative capacity of the Canadian agriculture industry.

Governments must ensure these investments are developed through agreements that provide flexibility and responsiveness to short-term industry needs, while contributing to a long-term vision that aligns with industry's goals and objectives. In developing domestic support policies, governments must ensure any supports are harmonized with international agreements to provide a sustainable and adequate financial foundation for the industry. The funding portfolio provided for any domestic support programs must be demand-driven, without any pro-rating due to budgetary restrictions, and provided in a fashion that ensures funding is available to cover their full costs.

Governments must ensure Business Risk Management funding levels are made available to:

- Pay for a credible Business Risk Management suite;
- Create a level playing field with our competitors; and
- Ensure farmers have access to useful, affordable risk management tools that provide a credible and effective foundation from which farmers can respond to short and long-term needs.

## 20.2 Business Risk Management & Trade

As a country with significant export interests, the viability and competitiveness of Canadian farmers are affected by the actions of governments in other countries. While first and foremost ensuring Canada's Business Risk Management suite of programs provide adequate support to Canadian producers, these programs must continue to be designed to be as production and trade neutral as possible, to ensure they can withstand international scrutiny and remain defensible against trade actions.

Where an injury to Canadian farmers can be identified as a result of other governments' actions, the federal government must be prepared to strategically implement and fund efforts to mitigate these imbalances. Business Risk Management program design must take into account the actions of other countries, but funding to address any specific trade injury must be new money and not draw upon existing Business Risk Management program funds.

## 20.3 Complementary Programs

Business Risk Management design should be approached comprehensively, ensuring a complementary suite of programs that addresses the entire scope of risks that confront Canadian farmers. The development of additional risk management programs and/or tools must never undermine the utility of existing programs or result in particular regions or segments of the industry being disadvantaged by their development.

Risk management design should provide a common basis for risk management programs that is sufficiently flexible to allow provinces to adapt programming to their specific set of circumstances while ensuring that equitable treatment for all producers and regions remains a fundamental design objective.

## 20.4 Program Linkages

Any links between programs must encourage program use and ensure that all producers are able to access core Business Risk Management programs without being required to adopt specific management practices or adopt additional standards. CFA believes that positive incentives should be the only means through which Business Risk Management programs promote adoption of beneficial standards or guidelines.

## 20.5 Supply Management

Supply management must be recognized as a risk management program, and the three pillars of supply management – import controls, producer pricing and production discipline -- must be identified and supported in the context of the current and future agricultural policy framework.

## 21. Risk Management Program Design

Income stabilization and disaster programs must adequately compensate farmers for significant drops in income resulting from factors beyond their control.

In general:

- Risk management programs must be demand-driven and capable of accommodating year-to-year variation and multi-year income declines, while providing credible support to producers;
- Funding for any programs with annual budget allocations must roll-over unused program dollars for future use;
- Program design should ensure flexibility so that producers can make maximum use of all applicable risk management programs;
- Effective program design should ensure delivery of funds to producers is timely, predictable, bankable, and straightforward; and
- All programs must be regularly reviewed in a transparent fashion to ensure programs are meeting their objectives and responding to industry needs.

### 21.1 Diversity of Canadian Producers

The Business Risk Management suite must be flexible enough to respond to the heterogeneity of farm businesses in Canada. Recognizing that the impacts of short-term losses can raise viability concerns for those with even the best management practices, producers of all sizes, regions, operating structures, and business approaches must be afforded equitable support when managing risk.

Business Risk Management program design should encourage investments in on-farm risk management and mitigation, such as diversification. For any suite of Business Risk management Programs to maximize use and provide credible support to most Canadian producers, it must afford risk management options to producers that can cater to their risk management needs. Any program linkages targeting increased participation must recognize this diversity and ensure all producers have access to a Business Risk Management suite that affords them credible protection.

### 21.2 Protracted Income Declines & Extraordinary Costs

Risk management program design must ensure that producers receive adequate compensation when experiencing protracted income declines due to short-term conditions beyond their control, even where those declines may extend beyond short term reference margins or as the result of a disaster with multiple years of extraordinary recovery costs.

### 21.3 Beginning Farmers

Beginning farmers face risks and challenges that are unique from those facing more established farming operations. Central to these challenges is the significant debt loads taken on in acquiring farmland, equipment, and other assets, which can weigh heavily on their operations' immediate and ongoing viability. Recognizing that good management is a prerequisite for success, any effective Business Risk Management suite must develop programs to mitigate the unique risks facing beginning farmers and ensure short-term income declines beyond their control do not jeopardize the long-term viability of their operations.

Risk management programs should be designed to ensure they remain effective, accessible and affordable to all producers, including those beginning farmers without sufficient historical reference margins or production histories. Program design features should be developed to mitigate participation barriers faced by beginning farmers.

#### **21.4 Program Complexity and Supplemental Costs**

Program design must focus on minimizing complexity to encourage program participation and avoid significant, unnecessary costs. The majority of producers should not require advisory services, such as hiring an accountant for the purposes of program participation or ongoing audit requirements.

Where complexity is unavoidable, Federal and Provincial governments must coordinate communications to ensure most producers can participate in the program without requiring advisory services in order to maximize program efficiency.

### **22. Agri-Insurance**

CFA believes that production insurance programs must be maintained and improved. Government must provide effective production insurance for commodities that are not adequately covered by traditional crop insurance. Provinces should be given the opportunity to preserve the integrity of current programs, and these programs should be available equitably to all producers in Canada.

An insurance program must meet the following basic principles:

- It must be an actuarially sound program;
- The allocation of funds must be set according to risk factors;
- The calculation of premiums to be paid by producers should be related to government contributions;
- Adequate coverage must be maintained for producers facing short-term, multi-year consequences from disaster events; and
- Programs must actively encourage participation of young and beginning producers.

### **23. AgriStability**

CFA believes that AgriStability cannot be limited to providing disaster support and must provide funding on a timely basis to ensure that the short-term impacts of significant income losses are mitigated. Significant income loss is understood to represent any variation in income below 85% of a producer's historic reference margin that also results in a lack of profitability that year.

In addition, AgriStability payments must be calculated in a transparent and straightforward fashion that allows producers to predict and bank upon impending payments. Program design features intended to limit paying into the profitability of farm businesses must ensure additional complexity is minimized as much as possible, program design features do not distort existing business practices, and any such limit does not establish disincentives to reducing farm expenses.

For those industry's facing significant but short-term income declines due to factors beyond their control, AgriStability must still be available to provide meaningful support and assistance. In order to ensure this support remains available, the negative margin viability test must be removed to help producers facing severe, short-term income declines. In addition, producers should be automatically given the better of the 5-year Olympic or previous 3-year average for reference margins, to ensure the program has the flexibility required to provide producers with support when facing income declines beyond their control.

With respect to future program design changes, any considerations that would adjust the treatment of allowable income and expenses must only be undertaken following robust consultation with industry, to ensure the program continues to provide equitable treatment to all producers. The choice of revenue and expenses to be included in the margin is key to the success of any margin-based program. Any changes to the reference margin calculation first requires a comprehensive and transparent review of eligible revenue and expenses.

In order to encourage participation in AgriStability, and reduce systemic risk within the industry, beginning farmers in the first 5 years of operation must see their AgriStability fees waived. These fees tie up valuable capital that can be vital to investing in the future viability of the operation.

## 24. AgriInvest

The AgriInvest program represents an integral component of an effective business risk management suite, providing a vital contribution to producers' financial flexibility in managing the impact of short-term losses and impacts that are not adequately addressed through other Business Risk Management Programs. CFA believes a shift in focus is required to recognize the AgriInvest program as a tool for strategic investment. AgriInvest represents a vital support to producers' stability, not only as a source of funds to weather small financial risks, but also by providing access to the liquidity necessary to invest in proactive risk mitigation and improved market incomes.

Recognizing AgriInvest is one component of a broader risk management program suite, it should strive to contribute more to the sector than simply a rainy-day fund that assists producers in addressing the short-term impacts of small risks. As a program that is bankable for producers and governments, enhancing support and capacity within the AgriInvest program provides a platform to facilitate market-based adjustments and proactive investments in risk mitigation.

The AgriInvest program must match producer contributions up to 1.5% of allowable net sales and the government-matched contribution limit must also be amended to allow for matchable annual contributions up to \$100,000.

To ensure producers are able to fully participate in this program, AgriInvest program deadline dates must ensure that application dates allow timely participation and do not conflict with key production seasons.

To assist producers with the unique risks facing the early years of an operation, AgriInvest must provide a government-only unmatched deposit of 3.25% of Allowable Net Sales spread over the first 5 years for those with a new Agri-Invest account.

The mandatory initial withdrawal of all taxable government contributions limits the capacity for producers to invest in the sector due to producers' limiting their withdrawals to those periods that will not result in increased taxation. While this does encourage maintenance of a rainy-day fund, these same tax considerations are a barrier to proactive investment of AgriInvest funds. Recognizing AgriInvest as a strategic tool for investment in future income generation and risk mitigation, program design should remove tax barriers that prevent proactive investment of producer contributions.

## 25. AgriRecovery

CFA believes that the AgriRecovery framework must be flexible, timely, responsive, and predictable in the face of increasing disaster-related events caused by climate change. Furthermore, it must define clear and precise rules such that it can respond quickly to exceptional events and take into account all losses not covered by programs such as AgriStability and AgriInsurance. To ensure consistent application and delivery of the framework across provinces, industry requests for the covering of extraordinary costs must recognize precedents set by similar previous disasters covered by the framework. In addition, the effects of disasters do not limit themselves to a particular province and often cross provincial boundaries. The AgriRecovery framework must ensure consistent treatment across provinces facing the same disaster scenario. To incorporate these principles into the program, the Federal minister must be granted the capacity to assemble a joint disaster assessment task force, in addition to the existing authority that resides with provincial agriculture ministers.

To ensure this consistency in practice, federal and provincial officials must coordinate initial assessments to ensure that initial provincial data collection and subsequent analyses are

sufficient for a comprehensive assessment and speed up the assessment process. Requests for additional information between governments and gaps in initial data collection not only delay the development of appropriate disaster programs but increase the probability that this assistance will not accurately address the entire scope of extraordinary costs resulting from the disaster, leaving producers without vital assistance in a time of need.

The AgriRecovery framework provides a necessary source of support through which producers can address those extraordinary costs required by producers to resume operations following a disaster that is beyond their control. Recognizing the exceptional nature of these events, programs delivered through AgriRecovery must be clearly defined in program design as disaster-related and be decoupled from other Business Risk Management programs so that disaster payments are not clawed back under another program.

These extraordinary costs often evolve following the disaster and can span multiple years. AgriRecovery programs must recognize the fluency of these situations and not be limited to paying out one time only, when extraordinary costs continue to develop over the subsequent years. In order to develop programs that adequately address producers' needs in this regard and communicate their availability to producers, relevant producer groups must be engaged in the program design process. This will ensure the benefits of any support are properly targeted and that these targets are clearly communicated to affected producers.

CFA believes that the AgriRecovery framework represents a last resort, where other programs fail to adequately address extraordinary costs associated with disasters. Following a disaster, a formal process must be undertaken to assess what additional measures must be made to address and/or mitigate this risk in the future. In instances of repeated, aberrant disaster situations that closely follow one another, and where subsequent mitigation efforts are unable to provide a sufficient response, AgriRecovery programs must remain available to assist affected producers with extraordinary recovery costs.

## 26. AgriRisk Initiatives Program

CFA believes the federal government has a key role to play in supporting the ongoing exploration, development, implementation, and early administration of alternative business risk management tools. This support should be focused on establishing tools to complement a credible and robust suite of business risk management programs and further leverage the stability, flexibility, and liquidity this suite affords to producers.

CFA believes funding for the AgriRisk program should be responsive to industry demands and prioritize deficiencies in existing business risk management programs. Thus, the approval of proposals must take no longer than 90 business days and should take place through a transparent decision-making process based on criteria established and regularly reviewed in partnership with industry. These criteria must require that any alternative tool development will

not result in increased cost to producers seeking to receive the level of support provided by existing BRM programs.

Given the risks associated with implementation of novel risk management tools, regional pilot projects represent an important first step in the development of alternative risk management tools. However, where these pilot projects have demonstrated that they effectively assist producers in managing risk and significant demand for these tools exists in other regions across Canada, available funding must prioritize their expansion to producers across Canada in a timely fashion.

## 27. Advance Payments Program

The interest-bearing advance limit under the Advance Payments Program (APP) must be increased in order to address the growing size of Canadian farm businesses and the ongoing increase in costs associated with seeds and other farm inputs. The limit for interest-free advances under the APP must also be permanently increased to \$350,000. In addition, both interest-free and interest-bearing advance limits must keep pace with rising input costs and accommodate the continued growth of agricultural operations. As such, these limits should be reviewed every 5 years to ensure that increases in the Farm Input Price Index are reflected in both the interest-free and interest-bearing advance limits.

The financial loan guarantees provided through the APP are an essential tool to help producers overcome cash flow concerns that can limit their flexibility to market their products at the most opportune time. While recognizing that the provision of advances must remain tied to marketing of agricultural products, flexible repayment is essential to ensure producers are able to market their products at a time that makes the most business sense, rather than simply to meet program guidelines. Thus, producers must have the ability to repay advances at any time, while they can illustrate storage of the commodity, without a proof of sale and without penalty. Where perishability is a concern, repayment schedules should be determined in relation to perishability, eliminating any need for proof of sale.

In order to address the challenges facing beginning farmers, CFA believes that farm businesses in the first 5 years of operation should have access to interest-free advances with a limit 50% greater than that imposed on other producers. In addition, attribution rules within the program must not deem sharing of equipment and other capital-intensive farm assets as a form of relatedness. This is necessary to ensure both beginning and established operations can optimize their capital without limiting their ability to access advances.

Federal guidelines for the APP must also ensure that farmers across Canada can access advance payments for all eligible products, regardless of geographic location, by ensuring adequate administrator capacity exists to provide such advances across the country.

In any instances where conditions for reimbursement are set out in any agreement signed between farm businesses and either Agriculture & Agri-food Canada or a program administrator, once in compliance, the APP must no longer consider affected producers as being in default. This is required to ensure that producers meeting their repayment requirements on a product-specific advance are not prevented from accessing advances on other agricultural products.

## 28. Canadian Agricultural Loans Act Program

The Canadian Agricultural Loans Act (CALA), through its loan guarantees, has the potential to become a valuable contributor to the provision of capital for producers across Canada looking to improve farm assets, adopt new technologies, and improve overall financial viability. While concerns have been expressed around the level of participation in the program, CFA believes CALA represents an important pillar of Canadian agriculture's overall credit policy context.

CFA supports CALA as a low risk, low-cost support for the agricultural sector that provides favourable repayment terms, acts as a price leader for agricultural lenders, and ensures lenders have the protections required to ensure credit is available to Canadian producers. The benefits of the CALA guarantee are not limited to direct participation and CFA believes that the broader influence CALA has on agricultural credit and lending policy from financial institutions represents an important metric upon which the program's success must be measured. CFA also supports the continued inclusion of beginning/startup farmers and intergenerational transfer loans as a valuable contribution to access to capital for beginning farmers.

However, with the cost of farm equipment continuing to increase, CFA believes the maximum loan limits available to producers should be increased to \$500,000 for all purposes, not just real property. This limit should be reviewed every 5 years to ensure that increases in the Machinery and Equipment Index for Crop and animal production are reflected.

## 29. Provincially funded Programs

Provincially funded programs are an important pillar in the total Business Risk Management suite to ensure provinces have the ability to address the specific needs of their farmers. Transparent review and reporting mechanisms must be included in all provincially funded program design to ensure industry and other provinces can compare programming and identify beneficial program design features. Bilateral agreements between the Federal and Provincial governments must include flexibility and incentives for provinces to incorporate programming improvements from other provinces.

## 30. Wildlife damage prevention and compensation for depopulation

Canada must provide more robust funding, focused objectives and clearer program parameters for wildlife damage prevention and compensation programs across the country. This should include ensuring that support is available to cover the value of the livestock that is culled due to

biosecurity protocols, including the depopulation of livestock due to a processing plant closure or significant reduction in capacity.

### 31. Conclusion

In conclusion, the CFA believes that any Business Risk Management suite of programs must provide producers with the tools they need to affordably and effectively maintain income stability, promote flexibility, and provide the liquidity needed to ensure farm businesses are adaptable to both global and domestic market opportunities as they arise. Further, it is imperative that Business Risk Management programs be developed in partnership with producers and their respective industry associations.

## SUSTAINABILITY AND CLIMATE CHANGE POLICY STATEMENT

### 32. Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. It is the backbone of many rural communities and contributes significantly to the well-being of Canadians in both rural and urban Canada. The future of these communities is tightly intertwined with the future of the Canadian agricultural sector.

Canadian agriculture is a major generator of jobs in both rural and urban Canada through employment on farms, in the production of agricultural inputs, in the processing of farm products and in the service sector.

Primary agriculture is not just another industrial sector. Unlike other primary industries, most agricultural production is not carried out by large corporations. It is done by a large number of individual farms. Canadian agriculture occupies approximately 7 per cent of Canada's land resource and carries the responsibilities of the stewardship of this resource.

The continued health and development of a successful and diverse agricultural sector requires that federal policies recognize, on the one hand, the global environment in which the industry operates, and on the other, the domestic requirements for a healthy and vigorous industry. The CFA believes that Canada's agricultural environment policies must reflect the requirements arising from the unique characteristics of this sector.

While primary agriculture does contribute to Canada's greenhouse gas emissions, Canadian Farmers represent a significant opportunity for voluntary emission reductions and could be a valuable part of Canada's climate change solution. And yet, while emissions from other sectors have risen over time, the agricultural sector has demonstrated continuous improvement by both representing a smaller share of emissions within Canada and declining emissions per unit of output. Canadian agricultural producers have also positioned Canada to feed a larger, more affluent global population as harvests become less certain with the impacts of climate change.

### 33. Basic Environmental Policy Goals

Canadian agriculture occupies a large and important part of the Canadian environment. The farm community is the chief steward and manager of extensive natural resources, owner and architect of much of the landscape and protector of a precious soil resource. In its concern for the environmental fabric of Canada, the CFA believes that great importance should be placed on measures of environmental management to ensure maintenance of land resources which provide food for the people of Canada and a large part of the world's population.

There is a growing awareness in Canada of the relationship between agricultural production and environmental issues. As stewards of the land, Canadian farmers are aware of their responsibilities to the environment and are taking positive steps to ensure the environmental sustainability of their industry.

Canadian farmers are leaders in sustainable agricultural practices. Canadian farmers have a history of being proactive in developing and adopting techniques to benefit the Canadian environment.

The CFA recommends that the Government of Canada invest more financial resources to facilitate information and technology transfer.

### 34. Registration and accessibility of pest control products

The Canadian government under Health Canada's Pest Management Regulatory Agency (PMRA) regulates chemicals, devices, and organisms, that are referred to collectively as pest control products, or simply 'pesticides'. The legislative authority for the regulation of pesticides in Canada falls under the federal Pest Control Products Act and provincial/territorial legislation. Pesticides play an important role as farmers continue to work towards producing the safest and highest quality farm products possible.

In order for producers to do their jobs efficiently and effectively, they need a regulatory system that is science based and a government that is willing to provide producers with the necessary tools.

The ability of farmers to have timely access to new products for use in pest management is extremely important to farmers. If Canadian farmers are to remain competitive in the global market, we must ensure they have access to the newest products used by our competitors, which meet Canadian regulatory requirements. The CFA urges the PMRA to recognize the competitive disadvantage Canadian producers are left at by the current system that is over bureaucratic, costly and redundant and implores the government to work to harmonize systems with the U.S. and EU countries. In doing so, the CFA requests that border barriers be lifted allowing any products into Canada currently approved for similar purposes by the U.S. EPA or

the EU equivalent. In addition, the government must continue to work through the CUSMA process and through the OECD process to harmonize regulatory systems, while continuing to ensure that the health and safety of the Canadian food systems not be compromised. The CFA supports an expedited registration process for reduced-risk products in order to facilitate access to these lower risk products.

While the Minister of Health holds responsibility of the PMRA, the ineffectual performance of the agency impinges on responsibilities of the Ministers of Agriculture and Agri-Food, Environment, Industry, Treasury, and Natural Resources. As such, the CFA calls for greater accountability of the PMRA and requests intervention by the other Ministers, recognizing issues of trade, competitiveness, science policy and sound government.

The CFA also requests that more resources be directed at the registration of 'minor use' products to ensure producers of horticultural, vegetable, fruit and small acreage crops have access to the pest control tools they need.

The CFA participates in the Pest Management Advisory Council (PMAC), along with other stakeholders with the shared goal of improving the current regulatory system.

Although PMAC offers a good opportunity to address issues it must be kept in mind that the number of industry stakeholders at the table is very limited. In order to ensure the needs of the industry are being met, CFA suggests that industry representation on the PMAC be increased. We also encourage the government to continue working closely with producers to ensure they have the tools they need to continue providing Canadians with one of the safest and cheapest food supplies in the world.

### **35. Registration and accessibility of fertilizers**

Fertilizers are on average the largest input cost to farmers. For a competitive agricultural industry there needs to be a competitive fertilizer industry which must be supported by an efficient and timely registration system.

Recognizing the fine line between protection and impediments, the CFA supports the need for efficacy data for fertilizer registration as long as it does not impede the timeliness of the registration process. To enable that, the CFA supports the use of foreign data, where deemed scientifically appropriate.

The CFA will continue to encourage the government to make the fertilizer regulatory framework more efficient while simultaneously, minimizing the registration burden to promote the introduction of new and innovative products for the enhancement of a competitive fertilizer and agricultural industry.

### **36. Canadian Environmental Protection Act (CEPA)**

The Canadian Environmental Protection Act (CEPA) was passed in 1988. After a five-year review, the revised Canadian Environmental Protection Act, or CEPA 1999, was proclaimed into law on March 31, 2000. The new Act incorporates many substantial amendments to the original CEPA. The focus of this new Act is pollution prevention and the protection of the environment and human health in order to contribute to sustainable development.

### 36.1 Toxic Substances

Under CEPA 1999, there is the potential that substances can be named to the second Priority Substance List (PSL2). Once a substance is named to the PSL2 list, it triggers an assessment under the Priority Substances Assessment Program, administered jointly by Environment Canada and Health Canada. After a public comment period, a final ministerial decision is taken as to whether or not the substance is 'toxic' under CEPA, 1999.

The CFA strongly recommends that Environment Canada and Health Canada clearly distinguish between all possible sources of a substance and their respective impact on the environment. The CFA also encourages the government to carefully review the process used to declare substances toxic. CFA believes that each substance must have an individual science-based review and there must be broad public consultations prior to the listing of the substance as toxic.

Once a substance or activity is deemed toxic under CEPA, it is placed on Schedule 1 of the Act. It is then considered for risk management measures, such as regulations, guidelines or codes of practice to control any aspect of its life cycle, from the research and development stage through manufacture, use, storage, transport and ultimate disposal. Although provinces, municipalities and producer group activities normally address such environmental issues, the federal government could exercise greater authority if it felt that these measures were inadequate.

CFA recommends the government work with producer groups to ensure that any regulations are efficient and workable for the industry.

The CFA also urges the government to more widely engage the farm community in the CEPA 5-year Parliamentary review process.

## 37. Farmers and Endangered Species Protection

Farmers have clearly demonstrated their commitment to protecting and restoring habitat on their farms and ranches by their proactive and voluntary actions. Producers are aware of the need for good information about the threats that agriculture may pose to endangered species, the actions that they can take to protect species (this includes education and awareness on species and their habitat needs), and the benefits to agriculture from the protection and enhancement of biodiversity in general on our farms and ranches.

Farmers have an added interest in biodiversity because they want to ensure that there are adequate biological resources to provide them with future crop varieties and pest control methods.

Farmers recognize the need to protect endangered species. This means that methods to encourage participation and partnerships such as incentives, tax treatments, and compensation are necessary as well as agreements that protect farmers from legal prosecution. In order to meet the challenges of protecting endangered species the CFA supports a science-based approach. This would include ensuring that there is good information on habitat protection and on the factors needed to protect a species. This science-based approach must also take into consideration other factors like the economic impact of protecting species, as well as the impact of stewardship actions on the entire farm eco-system.

The CFA also supports the development of a system that is proactive rather than reactive. The government must be prepared to work with landowners to encourage wise land use choices and ensure effective implementation of action plans. The government must recognize voluntary efforts being taken by landowners and promote partnerships among sectors to increase conservation efforts.

The CFA feels the most effective and efficient way for government to protect species at risk is by focusing on incentives rather than on enforcement and prosecution. The CFA asks the federal government to come up with programs that will give property owners incentive compensation when a species at risk is found on their property and requests that incentive and compensation schemes be addressed immediately in the consultative process.

The CFA urges the government to work closely with stakeholders in the development of regulations to assist with adoption practices. Within this process, sufficient measures must be taken by government to ensure industry is well educated and informed of potential Species at Risk on their property, avoiding the possibility of inadvertent offenses. CFA also requests that the principles of full compensation be adopted by the government and established in regulation. The CFA requests that all regulations in respect to compensation be created in consultation with the agriculture industry.

### **38. Farmers and On-Farm Environmental Planning**

Starting in the early 1990's farm organizations and government began devising new methods of helping farmers become more aware of their impact on the environment. As a result, environmental farm planning programs were created. These initiatives have stemmed from a grassroots movement and producer involvement in all stages of program creation and implementation has been significant. Such initiatives demonstrate the proactive actions the agriculture industry is taking to protect and enhance the environmental sustainability of the industry.

An environmental farm plan, or an EFP, is a voluntary program for farmers to assess the environmental impact of their farming operation with the goal of identifying areas of concern and actions that can minimize environmental risk.

In general, EFPs help farmers determine environmental risks and liabilities as well as strengths and assets that can impact their operation and natural resources. The plans flag areas of concern and identify opportunities for improvement and they also inform farmers about regulations that may apply to their farm.

To date all EFPs, or versions of EFPs have been confidential and voluntary. As more provinces begin to implement on-farm planning programs and existing programs are improved, the CFA maintains that any on-farm environmental assessment and planning process must be voluntary, and the results of this activity must remain confidential. The CFA insists the federal government enact effective legislation enforced by the privacy commissioner making it illegal for a supplier, government agency or other party to demand the information contained in a farmer's environmental farm plan or use it in litigation against a producer.

Where results need to be communicated for accountability purposes or as promotion, any information must be presented in an aggregated form in order to protect the sensitive information of individual producers.

The CFA supports on-farm environmental programs which encompass the following principles:

- Federal and provincial governments must adopt policies that promote the viability of the agricultural sector. Without financial profitability, there will be no environmental planning.
- Participation in environmental planning on the part of farmers must be voluntary.
- Environmental planning must be confidential and non-threatening.
- An overall national framework must allow for and encourage province-specific structures, goals, and procedures, while setting nationally recognized standards and minimizing inter-provincial rivalry.
- EFPs must be producer driven and should be encouraged through financial incentives.
- As environmental concerns are shared by society as a whole, society must be prepared to share the cost. This also means the government must find a way to share in the costs of infrastructure.
- Environmental initiatives must be science-based, and there must be information sharing among the agriculture industry at the local, provincial, and national level.
- Environmental farm plans can be used as a marketing tool to educate the public of the environmental awareness and responsibility of Canadian farmers.
- The agricultural sector must set the agenda and vision for environmental planning. The agriculture sector must play a strong role in implementation, delivery, and promotion of these programs.

### 39. Streamside Grazing

The CFA pressures the Canadian government to enforce regulations under the Fisheries Act to ensure producers are not prosecuted for low density streamside grazing by livestock in waterways.

The CFA requests recognition for due diligence and the use of Beneficial Management Practices when applying legislation. It is also imperative that the issue be dealt with on a national basis rather than zeroing in on specific provinces.

#### 40. Renewable Energy

Renewable Energy is an essential ingredient to the government of Canada's commitments to adapt to and mitigate the impacts of climate change. The agricultural industry is already making strides towards adopting practices that generate energy on the farm. Wind, solar, and biomass energy can be harvested, providing farmers with a long-term source of income while helping to reduce the country's environmental footprint. The CFA urges the Government of Canada to increase resources towards the research of renewable energy technology as well as to the development and strengthening of renewable energy markets.

We request the government set supplementary support programs in place, offering industry direct support for adopting renewable energy practices while offering the consumer a subsidy for choosing renewable energy over non-renewable options.

In addition, we request that the government recognizes and provides support programs that encourage all renewable energy types, rather than focusing on one specific area.

#### 41. Ecological Goods and Services

Agriculture, in addition to food and fibre, produces a range of other beneficial non-commodity outputs such as fresh water, clean air, as well as erosion control, climate regulation, disease prevention and recreational opportunities. These non-commodity outputs are termed Ecological Goods and Services (EG&S) and are critical to modern economies and human quality of life. There is a need to provide a market mechanism to value these EG&S that farmers have been providing to ensure the maintenance now and for future generations of these public benefits on private land.

The concept of paying agricultural producers for rendering EG&S bridges the environmental demands of Canadians and the policy requirements of the industry to foster a socially and economically viable agriculture industry and sustainable rural communities.

The CFA requests the Government of Canada provide programs and policies that economically support the land stewardship practices of farmers by recognizing the market value of the resulting goods and services. The CFA also requests that initiatives to increase EG&S that are driven by the public must adequately offset impacted farmers.

Farmers and ranchers are in the best position to deliver environmental goods and services on their land and the CFA believes further EG&S programming must support farmers in this approach. Alternative Land Use Services (ALUS) is an example of a delivery program that exemplifies this through the provision of EG&S by creating an incentive-based, non-trade distorting vehicle for encouraging resource stewardship by landowners and integrating the environmental demands of Canadians into the mainstream of Canadian agriculture. ALUS allows farmers to lead the environmental agenda and develop workable solutions in cooperation with their communities, farm organizations, governments, non-government agencies, and the Canadian public.

#### 42. Water

Water is an essential element for agriculture and food production. Ensuring food security and a productive, thriving agricultural economy is paramount for the long-term health of Canada itself.

With increasing development and pressure on Canada's water resources, the CFA recognizes that balance must be achieved between social, economic and environmental uses of water. Producers in Canada achieve that balance through their food production, rural economic development and the significant contributions to the environment through soil filtering, riparian management and land stewardship. The vital links between water, the agricultural economy and the environment must be preserved. As such:

- Canada's water resources must be protected, and the Canadian government must protect Canadian water rights in all trans-boundary water treaties.
- No trans-boundary water treaties that impact agriculture should be renegotiated or amended without the clear consensus and participation from the Canadian agricultural community.
- The Canadian government must preserve agriculture as a priority user and caretaker of Canada's water resources.
- Governments must work with the agricultural industry to ensure the long-term quality and quantity of water resources. Governments must provide appropriate funding to support projects that ensure the long-term sustainability of water resources for the public good.
- The government should set up investment assistance programs for implementing measures that will secure and optimize water supplies for agricultural operations and minimize the risk of water-use conflicts in the context of adapting to climate change.

#### 43. Air Quality

Agriculture is an essential Canadian industry that generates safe, high quality and healthy food as well as substantial economic impacts for Canadians. As with any industry there are associated air quality emissions related to a number of diverse activities.

There are many “win-win” opportunities that increase soil and agricultural productivity while reducing atmospheric pollution. The CFA supports the development of economically feasible abatement strategies, programs and policies that will ultimately benefit the environment and agriculture. These approaches should be incentive based and not mandatory.

In addition, the CFA supports cost sharing programs that promote the adoption of new emission reducing practices in order to help farmers deal with the initial capital costs. However, in the case where there is no clear private benefit of a new practice, the CFA urges the development of economic incentives to encourage farmers to modify their operations without significant economic burden to the sensitive agricultural industry.

Where there are gaps in knowledge in the relationship that agriculture has with air quality, the CFA supports further funding for science and research and the communication and implementation of those results at the farm gate. Farmers see themselves as stewards of the land and with access to the right information, will make decisions that benefit their land and society.

Any national air quality standards should take into consideration regional differences and be set to the most attainable levels.

Currently, odour is difficult to measure and regulate, thus any effort to regulate odour should recognize the needs of farmers to continue and diversify their operations. Where conflict occurs between land uses, the CFA urges the government to support farmers in introducing mitigative measures designed to abate odour issues.

Finally, agriculture must be a partner in the development of any air quality policy of programs that relate to the agricultural sector. It is necessary to have the full involvement and the full buy-in of the agricultural community for the successful implementation of programs and policies in order to benefit the environment and Canadian agriculture.

#### 44. Soil health

Soil is a limited resource that is precious and essential for agriculture. Furthermore, it has the potential to being a carbon sink. The government should work with the different provinces and territories to develop financial incentive programs focused on improving soil health and increasing organic matter content in soils to enhance carbon capture abilities and build the capacity to adapt to a changing climate.

Furthermore, the federal government should provide additional federal government funding in the current and successor agricultural policy framework agreements to the Sustainable Canadian Agricultural Partnership for financial incentive programs focused on improving soil health and increasing organic matter content in soils.

## 45. Climate Change

### 45.1 Introduction

The CFA acknowledges that climate change is a global challenge that requires action on the part of governments, businesses, communities and individuals. The agricultural sector is unique in that the majority of emissions are from biological processes, not the combustion of hydrocarbons. Producers are also effective managers of natural carbon and nitrogen cycles, and the sector provides carbon sequestration. The Canadian agriculture sector represents a significant opportunity for voluntary emission reductions and must be recognized as a valuable part of Canada's climate change solution.

For Canadian society to benefit from the emission reduction potential within agriculture, key policies, market signals and decisions must be made by government. These include:

- A renewed dedication to supporting targeted and stakeholder driven research,
- The creation of a stable domestic carbon market accessible to the entire agriculture sector,
- Tax regimes that won't unfairly target primary producers and create an international competitive disadvantage,
- A comprehensive program to aid and prepare the agriculture sector for any adaptations required as a result of a changing climate.
- The development of a clear and precise methodology for harmonizing the calculation of the carbon footprints on farms, which will take into account the climate and soil conditions of the provinces and the particularities of each crop and animal production.

### 45.2 Climate Change Research

The further development of climate change research capacity is an essential component of any climate change strategy. The CFA encourages the federal government to work with their provincial partners in focusing climate change research on two key themes:

- Emission reduction, avoidance, and sequestration techniques and technology; and,
- Adaptation to lessen the impacts from a changing climate.

These themes will ensure that the agriculture sector will remain resilient and sustainable in the face of more extreme weather patterns and events, as well as ensuring that agriculture will continue to be a stable provider of carbon credits and part of the long-term solution to climate change. Research will support the sector to realize long-term solutions to climate change through reliable soil sequestration, and biological and non-biological emissions reductions.

The CFA encourages the federal government to define a long-term national strategy by working with Canadian farmers and the research community to facilitate the identification, coordination and funding of research priorities and technology transfer.

To date, forages and grasslands have been under-researched in general, and significantly more needs to be learned about carbon interaction within these agricultural systems, both to increase sequestration and to better quantify changes in carbon stocks over time. Therefore, a focus on research to improve carbon sequestration of cropland, forages, grasslands and ornamentals to reduce emissions across all commodities and all landscapes is required.

It is important that a central body such as AAFC play an integral role in funding and coordinating this research through its existing programs or new ones in order to reduce duplication and provide a central location for the agriculture industry to access the results.

### 45.3 Carbon Pricing

The approach that the federal, provincial and territorial governments have taken to pricing carbon differently, using varied approaches and with differing allocation of the revenues produced, significantly challenges the agricultural sector. The overall inconsistency in climate action leads to agricultural producers being negatively impacted to different degrees from one jurisdiction to the next. Similarly, potential opportunities such as offset protocols, research funding and cost-shared funding varies across provinces. This inconsistency in approach develops barriers to investment for some jurisdictions and competitive disadvantages within Canada, as well as in the global market.

A carbon price significantly increases the cost of doing business for agricultural producers. As price takers in the market, agricultural producers do not have an opportunity to pass on the additional costs of a carbon price to their customers. In fact, it is more likely that increased costs of the processor or distributor will be downloaded to producers who must compete in many cases on a price set by global markets. These increased costs coupled with the thin margins that most producers face is likely to reduce investment in agriculture at a time when it needs to be ramped up as a strategic growth sector and to reduce emissions intensity. This also holds true for available funds to invest in clean technology that would reduce emissions. If agricultural production expands in countries other than Canada to meet the growing demand, it is very likely that global emissions will increase relative to a comparable expansion in Canada. Due to the significant investments that Canadian agricultural producers have made in efficiency, technology and best practices, the responsible global action is to support and boost Canadian production and not hinder its expansion through levying additional costs.

At present, biological emissions are exceedingly difficult to measure and any attempt to impose an external price upon agricultural biological emissions could prove devastating for the industry, overly burdensome to administer and inequitable when compared to natural and biological emissions in other sectors. Agricultural biological emissions are part of natural cycles and therefore should not be subject to a carbon price. However, efforts to reduce biological emissions, through continued research, promotion of technologies, and incentives should be encouraged.

Agricultural producers must compete against producers in other countries that will not have a price on carbon or that will be exempt from it. Analysis has also shown that carbon pricing will not significantly drive down emissions from Canadian agriculture because major efficiencies have already been achieved. These include from significant investments in clean technology and Beneficial Management Practices (BMPs), ongoing education and extension, and the producer's position as a price taker in a variable global market that has driven efficiency. Coupled with this is that fossil fuel use in agricultural production tends to be highly price inelastic; meaning an increase in the price of fuels, from the application of a carbon price or otherwise, does not affect a farmer's consumption of those fuels in the process of producing food. This fact alone suggests the application of price on carbon in the agricultural sector is a questionable approach for reducing emissions. This illustrates that a more effective climate action approach for agriculture would focus on recognizing the environmental co-benefits provided and incentives and investments to reduce emissions further. As managers of both carbon and nitrogen cycles, producers are able to reduce emissions through beneficial management practices but must also remain adaptable to deal with changing consumer preferences, weather and economic pressures.

To improve competitiveness and to support the Canadian agricultural industry as one of the most sustainable in the world, CFA recommends the following:

- Governments must take action to ensure that carbon pricing policy is truly revenue neutral for agricultural producers
- Biological emissions must remain exempt from both carbon pricing and regulated mandatory reductions
- All on-farm fuel use, including but not limited to gas, diesel, propane and natural gas, must be exempt from carbon pricing
- No climate policy should have the effect of directly or indirectly negatively impacting food security
- Agriculture requires a non-carbon pricing approach that focuses on incentives, adoption of clean technology and management improvements to reduce emissions
- The co-benefits that agriculture provides must be carefully considered when designing climate policy
- Canadian agricultural producers should be recognized for their early investments and provision of climate related ecological goods and services
- Agricultural-based GHG emissions should be considered on an intensity basis to reflect food security needs and the vast differences in efficiencies that exist
- Greater recognition for the role of clean technology that has and will reduce emissions further; and,
- Governments must strive to achieve greater consistency in climate change policies in order to reduce impacts on agricultural producers.

#### 45.4 Carbon Tax

A Carbon tax significantly increases the cost of doing business for farmers. As price takers, farmers cannot pass the additional cost of a carbon tax on to consumers or the international market. In addition to direct cost increases on the fuels they use, farmers would see an increase in their indirect costs for shipping and fertilizer. A Carbon tax would create a competitive disadvantage for Canadian farmers.

The CFA believes that agriculture should be exempted from a carbon tax until measures are put in place that ensures the tax is truly revenue neutral for farmers. A revenue neutral carbon tax would require a policy mix that provides farmers with more income for the costs they incur while producing ecological goods and services including emission reduction. The policy mix should include:

- A domestic carbon market that allows agriculture to trade offset credits for all of the carbon mitigation techniques and practices available to them. This should be in conjunction with an effective cap on industrial emitters to ensure a market exists for offset credits.
- Programs that significantly increase the incentives for farmers to invest in green technology and practices, such as grants, rebates, accelerated capital cost allowances on 'green' capital investments etc.
- An enhancement of current environmental programs under the Agriculture Policy Framework. Ecological goods and services provided under other programs should still be eligible for offset credits, and the range of services farmers can provide to sequester or mitigate carbon should be expanded and developed into carbon offset protocols.
- A rebate system that acknowledges the competitive risk that carbon tax imposes upon sectors that export product as well as farmers who produce for the domestic market and must compete with imported products who are not taxed.
- Tax regimes that effectively account for the increased cost a carbon tax will impose on Canadian farmers.

#### 45.5 Cap-and-Trade and Carbon Markets

Cap-and-Trade and Carbon Markets are alternative carbon pricing schemes to the carbon tax. An acceptable domestic, continent-wide, or international carbon market for Canadian farmers would include:

- An effective cap on regulated industries to ensure a fair market exists for all offset credits.
- A system that allows for the aggregation of producers to create blocks of carbon credits.
- A wide range of Carbon offset protocols that will provide all sectors and commodities in Canada an opportunity to reduce or sequester carbon. These protocols should be developed in a fair and transparent way with farmers' input. Offset protocols should ensure that:
  - Verification of offset credits can be done quickly and effectively to limit the costs involved and ensure the integrity of the offset system is maintained.

- The variation in regulations, growing conditions/techniques and the existing incentives and policies across the country are taken into account within the protocols with flexibility provisions and conditions, specifically,
  - The techniques provided to calculate baselines recognize these differences and do not implement a normalized country wide baseline or a broad business-as-usual approach that will be the same for all farmers across the country.
- Administration of the system should be transparent and cost-effective to ensure that all review processes, project approvals and credit issuing is timely and does not serve as a barrier to farmer participation.
- The risk of sink reversals should not be managed with a liability period or with temporary credits with reduced value. The management of reversals should include a variety of mechanisms that encourage farmer participation such as:
  - Mandated hold back at the aggregated level,
  - Employing science based and trustworthy assurance factors,
  - A fair system of private insurance.
- Provisions should be included to issue full value offset credits to farmers who adopted techniques and technology to mitigate carbon emissions prior to the development of the market. Canadian farmers should be recognized for their early investment and provision of climate related ecological goods and services.
- Stacking must be a fully implemented policy. This will ensure that agricultural emission reductions are rewarded or can be used to comply with overlapping federal and provincial greenhouse gas requirements.

#### 45.6 Offsets and Opportunities

Governments must include opportunities for producers to be appropriately recognized for emissions reduction and carbon sequestration in climate policies. This requires additional investment in research into carbon sequestration of native pastures, tame forage crops, all other crops and their management practices, wetlands and forested lands across all soil types and landscapes. Further research must also be directed on reducing emissions from enteric fermentation, nutrient management and other sources. Government must include agricultural producers in the designs of programs in order to ensure relevancy and ease of use for producers in order to support strong participation rates. Agricultural producers have found it difficult to see value in offset protocols where they exist or are in development. This, in part, is due to the low rates of return that have been offered to date and the administrative burden of participation and verification. As a result, participation rates in offsets have stagnated, yet innumerable more producers are qualified for the offset through their current practices. As Canadian jurisdictions develop their own climate policies, programs must be designed to be more relevant to agricultural producers and to build upon successful incentive-based programs to drive practice change and investments.

In general, practice has demonstrated the effectiveness and efficiency in pursuing incentive-based programs with the agricultural sector rather than through regulations. There are successful programs such as cost-shared funding that has been delivered through Environmental Farm Plans and Beneficial Management Plans (BMPs) that have driven targeted investments at the farm level. This program and others must receive additional investments and a review for most efficient actions that would reduce emissions or boost adaptation. An incentive-based approach would also take advantage of tax policies like accelerated capital cost depreciation for clean technology and design offset protocols with efficiency and the protocol user in mind.

One of the challenges for agricultural producers has been governments' focus on only supporting offset protocols and providing compensation for projects that strongly demonstrate additionality. Agricultural producers are inherently adaptable and are stewards of significant carbon stocks through best management practices such as zero and minimum tillage, shelterbelts, woodlots, wetlands, forages and grasslands. However, economic pressures do not support maintaining these carbon stocks and without strong incentives to producers to manage them effectively, land-use based emissions will continue to occur. There is no business as usual for the agricultural sector in managing carbon stocks; variable product prices and changing consumer preferences can result in both significant land use changes and greenhouse gas emissions, as producers respond in order to remain financially viable.

A related challenge posed by offset protocols is that they can have the effect of rewarding those who are late to change and providing nothing to early adopters. Using conservation tillage as an example, more degraded soils have a higher potential for carbon sequestration, yet the producer who made an early change from conventional tillage has less opportunity for sequestration, is managing a larger carbon store and is not recognized for their early management/technological change. The forestry sector has developed programs to protect old growth forests from land use change that would result in significant emissions, and a similar recognition of this possibility for agriculture must be explored. Offset protocols or other initiatives should be developed that reward producers for maintaining carbon stocks, and this is all the more important as costs of production continue to rise with carbon pricing.

To incentivize agricultural producers to take climate action, the following is recommended:

- Governments must invest in incentives for producers to invest in clean technology and practices, such as accelerated capital cost allowances, rebates, grants and cost-shared funding.
- Recognition from governments that the agricultural sector is unique and requires an approach to climate action that is different than other sectors to be effective.
- Governments recognize that agricultural producers are stewards of carbon stocks and develop programs to incentivize their best management.
- Recognition of the increased carbon sequestration that has taken place with yield gains.
- Investment in programs that incentivize producers to make management decisions that avoid land use emissions.

Furthermore, the CFA supports the development of voluntary Carbon offset programs and protocols. However, these programs must be designed to be workable and practical for agricultural producers with minimum administrative constraints to participation. This approach is required to incentivize participation and includes:

- A transparent and meaningful partnership with agricultural producers to develop climate change policies and offset protocols.
- A broad range of offset protocols across all sectors and commodities.
- Allowing the aggregation of agricultural carbon offset projects.
- Stacking of credits
- A fair price to the producer for their voluntary emissions reduction or sequestration
- Recognition of the early investments and actions that producers have taken to address climate change.
- Effective and efficient verification of offset credits to minimize administrative costs.
- Recognition that there is no need for costly on-farm verification of every operation and adopt risk-based sampling for verification of credits.
- Utilization of measurable science and Beneficial Management Practices rather than impossible to prove permanency
- Exploring the development of a buffer reserve with a risk premium to manage risk of reversals instead of proving permanency; and,
- Transparent and cost-effective administration of climate policy.

Additionally, any voluntary carbon offset programs must reflect the following principles:

- Offset protocols should be designed to provide meaningful recognition of agricultural activities that reduce Carbon.
- The maintenance of existing carbon sinks like wetlands, forests and grasslands should be eligible for financial support;
- Verification systems must be effective and cost-efficient.
- Offset protocols must provide a fair price to producers for voluntary sequestration or emission reductions.
- Offset protocols must allow for the aggregation and stacking of credits.
- Offset protocol programs must reflect the diversity of different agricultural sectors.
- Offset protocol options should recognize the actions of farmers.

#### 45.7 Adaptation

The CFA urges the government to continue to direct resources towards understanding the impacts of climate change and to developing the tools, strategies and research needed to ensure Canadian agriculture remains resilient and sustainable.

Any adaptation strategy should focus on the following objectives:

- Weather - a substantially improved weather forecasting and warning system,

- Plant and animal Breeding - a renewed focus and investment in the improvement of breeding programs,
- Pest management – significant research and effort must be placed on further developing integrated pest management techniques and understanding new pests and vectors that will emerge as the climate changes,
- Investment – a long-term investment in transportation and rural infrastructure,
- Research and investment in technologies to reduce livestock heat stress,
- Insurance – the enhancement of agricultural insurance programs.

Agricultural landscapes are vulnerable to climate change impacts but can also provide Ecological Goods and Services (EG&S) when it comes to building landscape scale resiliency. Agriculture can support Canadians and municipalities in adaptation through water management in times of both drought and flooding, and water quality improvements. Furthermore, agriculture supports landscape scale adaptation through soil conservation, air quality and localized cooling during heat events. Agricultural adaption is critical for predictable yields that support food security, to support rural livelihoods and to grow a strong Canadian economy. The CFA believes that agricultural activities make the best use of arable land, and that agriculturally managed landscapes provide EG&S while producing food, fibre and fuel.

## RESEARCH POLICY STATEMENT

### 46. Introduction

Canada has long been a world leader in agricultural research. However, certain federal cuts to research and to Agriculture and Agri-Food Canada's (AAFC) internal capacity coupled with policy changes have resulted in new challenges for Canadian agricultural researchers and for all stakeholders in agriculture. Agricultural research in Canada is conducted at universities and colleges, including through support from tri-council grants, internally at AAFC, externally through AAFC Grants and Contributions and privately in industry organizations and corporations. AAFC continues to operate a national network of research centres and funds the Canadian Agri-Science Clusters initiative which has launched industry-led organizations to establish clusters of national scientific and technical resources for specific sectors.

Agricultural research priorities have changed over the years in response to drivers such as political priorities, scientific progress, markets, producer needs and societal expectations. Also, cuts in Federal spending have resulted in the closure of some agricultural research centres and less AAFC research positions. Currently, this has manifested itself in a shift away from internal AAFC research and capacity towards relying on support of the tri-council, specifically the Natural Sciences and Engineering Research Council (NSERC) and other grants and contributions that require a certain level of industry-matched funding. More generally the Federal Government of Canada has been focusing less on supporting basic research and more on promoting commercialization and end-product innovation.

The CFA recognizes the importance of applied research and innovation to the agriculture sector. However, the CFA believes that the balance between basic and applied research and innovation has been tipped with federal government funding too narrowly supporting applied research at the expense of the groundbreaking innovations which come from basic research. This represents a focus on one end of the research value chain for short-term innovations which are already close to reaching market while neglecting to support sustainable basic research at the other end. This is a trend that can be followed over previous and current Agriculture Policy Frameworks.

The strategic direction for research and development must work to enhance sustainability within the continuum and rebalance the ratio of basic and applied research to ensure that Canada's agriculture sector will have a steady stream of new research results that will continue to support sustainable improvements in agriculture. Furthermore, AAFC must be able to support and maintain its internal research and science capacity in order to stay abreast of current scientific knowledge, capitalize upon developments in agricultural research and play an effective role in undertaking valuable, credible research that would not otherwise be undertaken by the private sector. Government resources for research should remain strong and consistent even in a changing economic environment. Strong strategic direction from the federal government would ensure that research facilities do not needlessly close, and that AAFC research infrastructure and expertise can be accessed by private-sector researchers as needed.

The CFA adopts the following principles for agriculture research:

- a) Agricultural researchers and stakeholders must be partners in setting the direction of agricultural research;
- b) Investment must be appropriately allocated throughout the research value chain;
- c) Research investment within the final stages of the research value chain should maximize the benefits for primary producers and other stakeholders;
- d) Agriculture research investment must have clear and transparent reporting to ensure accountability to stakeholders.

#### 47. Research Policy Objectives

The perceived need to develop a CFA research policy developed out of the divergence in strategic direction that federal agricultural research has taken in relation to the positions and interests of agri-producers in Canada and the cuts in federal spending to this research sector that have taken place. Strong federal support for agricultural research is critical to sustaining a strong Canadian agricultural sector that is internationally competitive and in a leadership position to feed a world population that is expected to grow to more than 9 billion by 2050.

Therefore, the CFA has established the following objectives for Canadian Agriculture research:

- Achieve a strong, competitive level of agriculture research in Canada that will provide the technical knowledge, tools, and products for a competitive, innovative and profitable agriculture sector;

- Develop and maintain a world-class agriculture research community;
- Create a stronger value proposition for research investment in Canadian agriculture and Canadian scientists; and,
- Establish a strong and stable system within Canada that improves coordination, cooperation and communication among all stakeholders in the research value chain.
- The Government of Canada must increase its funding for public agricultural research in Canada.

#### 48. Research Value Chain

In order to meet the research policy objectives laid out above, consideration of all factors along the research value chain will be required. Although there will be natural areas of overlap, the CFA adopts as a tenet the following four main development stages of the research value chain:

- Primary Research – Directed at fundamental understanding (e.g. how things work, why they are the way they are);
- Applied Research – Directed at taking fundamental knowledge from primary research to practice (e.g. a specific market or client-driven purpose to solve a practical problem);
- Innovation – The leap that brings applied research within reach of the end user; and,
- Application – The point at which the research result impacts the end user.

Focusing funding disproportionately on any one of the four stages of the research value chain may lead to short-term success but will be at the expense of all stages of research once the easily exploitable gains are exhausted. As each stage of the value chain builds upon the previous stage, weakening any one of the links has a negative impact on the other stages and results in a reduction in overall return on investment for research. In order for Canadian agricultural producers to remain competitive in a global economy, strong federal funding support is necessary throughout the research value chain. A strong research value chain will lead to regular improvement and enhancement to both economic and social benefits.

#### 49. Research Approach

Canada must promote a strong domestic research community that includes well-funded research based in both universities and the public sector. This can be expedited through the creation of a NSERC agriculture sector research and development initiative that could draw from the precedent established by the forest sector initiative created in 2009. Furthermore, explicitly recognizing agriculture and agri-food as a strategic priority for both NSERC and National Research Council Canada will lead both of these organizations to play a more supportive role for primary agriculture and agri-food research. Long-term commitments are needed to keep Canada's agriculture and agri-product research at the forefront.

There should be effective promotion of international research collaboration in Canada including hosting international awards and major conferences in Canada to ensure international collaboration. It is imperative that Canadian researchers be able to leverage and build upon the

research advancements that are made outside of Canada while having the domestic support for primary research that will enable the confirmation of findings in the Canadian context and environment. The federal government should work with universities on ways to stimulate research funding and should collect information on Canadian researchers' ranking on peer-reviewed journals in order to assess progress.

## 50. Primary Research

Primary research is fundamental to all research and provides the base upon which innovation and application is built upon. Research discoveries from primary research are able to provide lasting returns on investment across disciplines and in areas never initially envisioned. Therefore, strong and consistent support for primary research promises to provide findings that will feed into new discoveries and applications further down the research chain. Corporate investment and partnership may be more traditionally thought of as contributing closer towards the end of the research value chain, yet there is a major role to be played throughout the research value chain. The Government of Canada should explore tax incentives that would encourage corporations to invest further in scientific research and experimental development.

Primary research will always require strong public-sector support. By establishing a dedicated base level of public funding support, such as through a percentage of overall AAFC funding, Canada can ensure that sufficient and predictable levels of primary research funding be provided. This base level of funding for public primary research must maintain AAFC research capacity in key targeted areas that are considered essential to the growth of the agriculture sectors across Canada that struggle with being underserved by private investment. Primary research must be approached with a long-term vision from the public sector with firm and sustainable commitments. As part of the long-term approach, a clear vision must be articulated that incorporates succession planning for research scientists and supports current research stations across Canada.

## 51. Applied Research

International as well as domestic investment for promising areas of Canadian innovation are needed. To better enable these investments, a swift and transparent regulatory regime is absolutely necessary to encourage foreign investment and innovation in Canada. Improving international marketing of potential Canadian innovations will lead to increased investment dollars flowing to Canadian innovation. On the domestic front, increased development and funding to create and enhance groups such as Bioenterprise for all universities in Canada will help link primary and applied research to promising applications.

Strengthened links between agriculture industry, academic institutions and federal researchers must be promoted. Development of Industry - Researcher Councils that meet frequently would ensure that all stakeholders view each other as valuable partners contributing to the same goals. The research cluster approach has been well received by producers and should be

maintained with commitments to continuous improvement. The development of additional producer-driven research institutions through check-off programs should be considered and supported where needed. For some commodities and minor/specialty crops, significant public investment is needed for research as it is not feasible to expect industry to make any significant funding contributions.

## 52. Innovation

Innovation is a key stage where many research advances struggle to commercialize and seek real world application. Close links and relationships between researchers and producers and other stakeholders could alleviate some of the challenges that agricultural research faces in innovation. This is a critical stage to ensure end-user involvement as it is producers and other stakeholders who will be the end-users of research products and results. The development of new ideas, processes and solutions will be most effective when it involves users in true partnership. Many of the positions found in Primary Research (50) and Applied Research (51) above can also be translated to and supportive of the innovation stage of the research value chain.

## 53. Application

Application may be the phase of the value chain that is most visible to producers as manifestation of research, but it is built upon a solid foundation of the other links in the chain. As abovementioned in other areas of the research value chain, better collaboration between industry and researchers is also critical at the application stage to complete the circle and ensure practical on-the-ground feedback will reach researchers in order to improve the relevancy of research. There are a number of different strategies that should be employed that will have a direct impact on improving the linkages between industry and researchers. These include:

- a) Solid communication and collaboration between industry, academia and government to set research priorities and programs;
- b) Increasing on-farm research and the number of demonstration and research farms;
- c) Maintaining and enhancing AAFC programs that are focused on commercialization; and,
- d) Adopting risk mitigation tools to enhance opportunities for testing preliminary results in commercial settings.

Both the public and private sectors must also focus efforts on knowledge dissemination, knowledge translation and agricultural extension. Support for agriculture extension services is one way to promote the application of scientific research and new knowledge to agricultural practices through outreach and education. It is crucial that agricultural producers be aware of, able to access and benefit from publicly supported research. Organizations that disseminate research results are encouraged to liaise closely between producers, academia and government.

Efforts should be made to track the uptake of new technologies and production methods that have been incorporated into commerce. This could be done in partnership with Statistics Canada, AAFC and industry to compile an annual compilation or identification of which technologies have been successfully applied in Canada. This crucial step will inform prioritization and funding within all stages of the research value chain.

Furthermore, AAFC should re-establish a funding ratio of 70% from government and 30% from the private sector for all research activities initiated by agricultural producers and funded under the AgriScience program and to ensure that this ratio applies even to projects that do not have clear GHG-reduction objectives.

## BIOTECHNOLOGY POLICY STATEMENT

### 54. Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. It is the backbone of many rural communities and contributes significantly to the well-being of Canadians in both rural and urban Canada. The future of these communities is tightly intertwined with the future of the Canadian agricultural sector.

Canadian agriculture is a major generator of jobs in both rural and urban Canada through employment on farms, in the production of agricultural inputs, in the processing of farm products and in the service sector.

Primary agriculture is not just another industrial sector. Unlike other primary industries, most agricultural production is not carried out by large corporations. It is done by a large number of individual farms. Canadian agriculture occupies approximately 7 per cent of Canada's land resource and carries the responsibilities of the stewardship of this resource.

The continued health and development of a successful and diverse agricultural sector requires that federal policies recognize, on the one hand, the global environment in which the industry operates, and on the other, the domestic requirements for a healthy and vigorous industry.

### 55. Basic Biotechnology Goals

The evolution and development of the Canadian agriculture sector has been driven by research, innovation and adoption of new technology. Biotechnology has added new methods to achieve genetic change in plants and animals, through active manipulation of genes. The nature of agricultural production and possibly the final products will be affected by these developments.

Our primary goal is to have a government policy and regulatory framework that ensures that biotechnology developments are compatible with the needs and expectations of the marketplace and contribute to the success and economic wellbeing of farmers. Where biotechnology develops products that compete with traditional agricultural commodities,

policies and frameworks must provide guidance to ensure safe food and fair market practices that ensure farmers have choice in the marketplace. Biotechnology holds the potential to create new opportunities and products for farmers, but farmers must have access to sound factual information regarding any market sensitivities relating to biotechnology products, to ensure they can make informed decisions regarding whether they choose to adopt new biotechnology products.

The CFA believes that:

- Research and development in biotechnology must be accompanied by the accumulation of sound factual information on the potential use, effect and safety of the biotechnology.
- Consumer information and education must be an integral component of biotechnology development, as consumer confidence and trust is critical to the acceptance of these products and the value they provide to the entire value chain.
- The legislative and regulatory framework, for agricultural biotechnology development and approval, must be balanced and respect the legitimate interests of both the developers of the technology and the farmers who may use the technology or compete with products resulting from the technology.
- Decisions to approve new biotechnology developments must be sensitive to the requirements of the market place, enhance the marketing of Canadian agricultural products, clearly distinguish between Canadian agricultural products and lab-made commodities that may compete with these products, and not allow lab-made commodities that compete with traditional agricultural products to benefit from the same marketing (e.g. characteristics, nutrition values, nomenclature, etc.) as these traditional products.
- The risk of creating unreasonable costs associated with regulatory activities, and the risk of creating legal liabilities for producers or marketers should be considered prior to approval of new biotechnology developments.
- Adequate resources must be provided for an effective, scientifically sound approach to biotechnology regulatory issues.

## 56. Labelling of Genetically Engineered Foods

Some consumers wish to know whether a food product contains or does not contain a genetically engineered component. If a supplier chooses to so label a product, the labelling should be:

- Truthful and verifiable
- Consistent with domestic regulations
- Consistent with international standards and the requirements of our international customers

Any claims related to health, safety, nutrition and/or environment are covered by existing mandatory regulations.

The CFA supports the development of a voluntary standard for the labelling of foods that contain or do not contain genetically engineered ingredients. This standard should:

- Apply only to products which contain a novel combination of genetic material obtained through the use of modern biotechnology<sup>2</sup> that overcome natural physiological reproductive or recombination barriers and that are not techniques used in traditional breeding and selection.
- Exclude processing aids (in particular the enzyme chymosin), veterinary biologics, and animal feeds.
- Apply to food sold to consumers in Canada regardless of whether it is produced domestically or imported.
- Provide for unintended, low-level presence of food from genetically engineered crops, of less than 5 per cent when making claims that a food or food ingredient is not genetically engineered.
- Allow for differentiated labelling of foods or food ingredients derived from genetically engineered crops, to indicate that they do not contain any genetically engineered materials.

### 57. Registration and Regulations of Genetically Engineered Varieties

Even if a genetically engineered variety has useful traits, it is not necessarily beneficial to register and release the variety. The success of Canadian agriculture is highly dependent on export markets. At the present time there are markets where transgenic products would not be acceptable and at times it would be difficult or impossible to maintain separation between a variety that is genetically engineered and one that is not. The CFA recommends that this is taken into consideration when registering and releasing a new genetically engineered variety.

In addition, there are serious uncertainties over the full implications of the Biosafety Protocol. We do not know what level of dockage (or if any contamination from genetically engineered product) will be allowed in a shipment of non-genetically engineered product. It is also far from clear who will bear the liability arising from the accidental contamination of a shipment with an undesired genetically engineered product.

### 58. Genetically Engineered Wheat

Wheat variety registration has been limited to the varieties with characteristics consistent with the grading system. Canada's international reputation as a major exporter of high-quality wheat is highly dependent on our consistently accurate grading system.

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<sup>2</sup> 'Modern biotechnology' means the application of:

- a) In vitro nucleic acid techniques, including recombinant deoxyribonucleic acid (DNA) and direct injection of nucleic acid into cells or organelles, or
- b) Fusion of cells beyond the taxonomic family.
- c) Novel methods of developing lab-made alternatives to traditional livestock commodities

GE wheat cannot be visually separated from non-GE wheat. And there is no practical technology that will permit the segregation of transgenic from non-transgenic wheat. The presence of a GE variety of wheat could cause serious marketing problems, because there are markets where transgenic wheat would not be acceptable.

CFA believes the Canadian government must take whatever steps are necessary to ensure that GE wheat is not registered or released until segregation questions are resolved and there are assurances that it will not disrupt the marketing of current wheat varieties.

## 59. Plant Breeding Innovations & Market Acceptance

The Canadian government plays a critical role, through the Food and Drugs Act, in regulating plant breeding innovation via independent health and safety assessments, while providing international leadership in the promotion of rational, science-based regulatory systems. Regulation of plant breeding innovations and the controls associated with these regulations play an important role in the maintenance of public trust and access to international markets. Furthermore, producers directly bear the financial consequences when an innovation lacking acceptance enters the marketplace, reinforcing the importance of both a strong regulatory regime and value chain consensus on the introduction of any approved plant breeding innovations.

Canada's regulatory framework cannot be one-size-fits-all for plant breeding innovations, as it must accommodate the diversity of approaches required by plant breeding innovations taking place across diverse sub-sectors and remain adaptive to emerging plant breeding technologies. A streamlined, risk-based approach, instituting clear regulatory triggers with decisions promptly communicated by regulators, alongside predictable timelines, and processes adapted to match the degree of trait novelty in question are needed. This is required to provide innovators with certainty regarding regulatory requirements, including up-front clarity as to the timelines and investments involved in moving a product through the regulatory system. So long as Canada maintains robust funding in public plant breeding and plant science, a tiered, risk-based approach that provides this clarity may see increased competition in plant breeding, with a greater diversity of new products being brought forward to the Canadian marketplace across all crop types.

While the product-based focus of Canada's regulatory approach presents an opportunity to demonstrate this international leadership, exporting the Canadian model is only possible if it is based on sound scientific evidence and has predictable, consistent decision pathways for the interpretation and delivery of a science-based regulatory framework. Industry and the Canadian Food Inspection Agency both play an important role in communicating the benefits of a rational, science-based regulatory framework for the approval of plant breeding innovations, domestically and in international fora.

### 59.1 Market Acceptance and Transparency

Industry value chains also have a critical role to play in assessing the level of market acceptance and market risks associated with the introduction of any new products to the marketplace. A sound, science-based, health- and safety-focused regulatory approach provides an essential foundation that ensures Canadian agri-food value chains are in a position to explore the opportunities presented by innovations derived from emerging plant breeding technologies, like CRISPR gene-editing, and make informed decisions regarding their introduction to market.

Industry value chains must also closely consider the market demands for product qualities, ensuring new technologies do not undermine existing Canadian standards or associated classifications. Greater transparency throughout the value chain, extending both up and down stream, will provide all stakeholders with access to information on how a product is produced, value developed in the marketplace, and its subsequent implications for market acceptance.

The continued development of new varieties holds the potential to improve environmental performance and provide a host of other traits that are both desirable to consumers and represent public goods. However, there are costs associated with demonstrating these traits through increased transparency and traceability systems must strive to find sustainable funding through the marketplace rather than see associated costs ultimately borne by producers.

### 60. Intellectual Property Rights for Animal and Plant Breeders

Private researchers are unlikely to invest in animal and plant breeding unless they are confident that they will have a reasonable opportunity to receive a return on their investment if their breeding research is successful. The availability of adequate intellectual property right protection<sup>3</sup> does provide such an opportunity. Effective intellectual property rights protection also helps to ensure that Canadian farmers have access to the results of private breeding research in other countries.

Private researchers are less likely to invest in basic, discovery science for certain technologies or into breeding for a minor crop where costs incurred could not be recovered in the near term. Recognizing the valuable role these crops hold in producers' crop rotations, and in meeting specific market demands, continued research into beneficial traits is essential. While current production of these products may be relatively modest, continued investment into beneficial traits holds the potential to drive greater market value moving forward.

Uncertainty and costs associated with the regulation of plant breeding innovation also pose potential barriers to entry. Strong health and safety regulatory requirements are critical, yet

<sup>3</sup> Intellectual property rights (IPRs), due to their nature as property rights, can be bought, sold or licensed. In order to ensure that such a transaction proceeds correctly, the first owner of the right needs to be identified. Moreover, the owner of an IPR is the person entitled to commercially exploit it, hence it is important to establish ownership in order to avoid disputes.

there is potential to maintain rigorous regulatory oversight through a streamlined regulatory framework that provides enhanced clarity on timelines and regulatory costs. This is required to foster further competition in Canadian plant breeding.

For these reasons, the public sector must continue to invest and engage at all stages of varietal development, from basic discovery research to varietal finishing. Public sector investment must be strategic, supporting further investment on the part of the private sector, where appropriate, while engaging in the entire spectrum of research for those crops and traits that would otherwise lack private sector investment. The public sector must also continue to support succession planning in plant research, investing in the human resources needed across the entire continuum of research to drive continued innovation and commercialization of new plant breeding innovations, including multidisciplinary, team-based approaches to basic discovery plant research.

Canada provides two types of intellectual property rights which can apply to plant or animal research developments, plant breeders' rights and patents.

### 60.1 Plant Breeders' Rights

These grant control over the sale of, or production for sale of, propagating material of a new plant variety. There are provisions related to plant breeders' rights which help safeguard the interests of affected parties such as researchers and farmers.

- Farmers are allowed to retain seed from a protected variety for their own use without paying additional royalties,
- Protected varieties are available to other researchers for further varietal development, and
- The Commissioner of Plant Breeders' Rights has the power to issue compulsory licenses if necessary to ensure that a plant variety is made available to the public at reasonable prices, is widely distributed and is maintained in quality.

Canada is a signatory to the UPOV Convention, an international agreement designed to standardize plant breeder's rights provisions between countries and to facilitate the movement of protected varieties between countries. The 1991 UPOV Convention updated those international standards. Canada has since signed and implemented the provisions of the 1991 agreement.

The farmers' privilege restricts the rights afforded to plant breeders under the Plant Breeders' Rights Act, permitting farmers to save seeds of protected varieties and use them to grow subsequent crops. Canadian producers view this privilege as a critical measure to ensure they can manage costs and remain competitive. Any proposals that would enable collection of royalties on farm-saved seed of UPOV-91 protected varieties, constraining the farmers' privilege outlined in the Plant Breeders' Rights Act, would require in-depth engagement with the farm community. Where any new plant breeders' rights and seed royalty system is implemented, it

should include government oversight and a periodic system review to ensure that producers' interests are protected.

Prior to formal consultation, government must work closely with breeder and producer associations to communicate any proposals under consideration, including independent analysis on the associated costs, benefits and risks at the farm-level and more broadly. This analysis and engagement with the producer community is essential to ensure there is buy-in across Canada's diverse regions and will benefit all involved by ensuring producers support and voluntarily participate in any royalty or value creation model that is put in place.

### 60.2 Patents

Patents grant total control over the production, use or sale of a new invention. To date the patents related to plants or animals have been primarily gene patents. The Patent Act does not provide the same type of safeguards for the interests of plant breeders, other researchers and producers as provided under plant breeder's rights.

### 60.3 Achieving a Balance in Intellectual Property Rights

CFA supports the provision of effective intellectual property rights for plant and animal breeders provided that the provisions related to these rights are balanced and respect the interests of farmers and other affected parties as well as the breeders.

To help ensure that this balance is achieved and maintained CFA asks that Canada:

- Maintain the current safeguards provided by plant breeders' rights under UPOV '91
- Implement the provision of the 1991 UPOV Agreement in a manner that ensures that adequate safeguards of farmer's interests are maintained.
- Amend the Patent Act to provide, in the case of patents related to agricultural plants and animals, safeguards comparable to the safeguards provided under plant breeder's rights.

CFA believes these provisions should:

- Ensure the right of a farmer to save seed for their own use; or if contracts are used to regulate the use of the protected material, provide a mechanism for intervention if necessary to ensure that the contract conditions respect the interests of the farmer as well as the interests of the rights holder.
- Ensure that only one royalty is charged for each reproduction of the protected material, and provide the ability to limit how far down, or when, in the reproductive chain a royalty can be charged.
- Ensure the right of researchers to use protected materials as the basis for developing a new variety or other research use.

- Ensure that compulsory licenses<sup>4</sup> can be issued if necessary to secure that the patented development is made available to the public at reasonable prices, is widely distributed, and is maintained in quality.
- Protect agriculture producers from claims of patent infringement with respect to natural/accidental spreading and crossing of patented plant genetic material, or the insemination of an animal by an animal with patent protection.

The patenting or production of new genetic material should not create liability traps for producers or marketers.

#### 60.4 Patenting of Life Forms

CFA does not support the patenting of whole agricultural plants or animals. The 'inventions' have been changes in genes and other lower life forms. They can be, and are, patented. This type of patent would appear to give the patent holder adequate control over an organism containing the patent. If the patent holder believes that they have developed a distinct variety (containing the patent or otherwise) they can obtain a plant breeders' right on the variety. In animal science or for livestock, the biotechnical changes would relate to genes and current patent capability should be sufficient to protect the interests of animal breeders.

The CFA believes the first priority should be the establishment of patent provisions which will strike a balance between the interests of the patent holder and other stakeholders. That should be achieved, and more experience gained regarding the use of patents related to agricultural plants and animals before consideration is given to the extension of patents to whole plants and animals.

#### 61. Lab Made Commodities

Lab Made Commodities (LMCs) refer to the generation of agricultural commodities, or ingredients derived from agricultural products, in both small and industrial-scale laboratory settings. They can be divided into two categories:

- Cellular Agriculture: Products that are made from living or once living cells – such as stem cell cultivated protein, and plant-based alternative protein.

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<sup>4</sup> A compulsory license may be granted to anyone who can demonstrate to the PBR Commissioner that the holder of PBR of a particular variety has unreasonably refused to authorize them to conduct any of the acts which are the exclusive rights of the holder. The Commissioner may issue a compulsory license to ensure that:

- the variety is available to the public at reasonable prices.
- the variety is widely distributed.
- reproductive material of high quality is maintained; and/or
- royalty rates are kept reasonable.

- Acellular Agriculture: Products that are made of organic molecules – such as proteins and fats – that contain no living material. Methods include microorganism-produced alternative protein.

Further information on acellular and cellular methods are detailed in the following subsections. LMCs carry with them a number of claims with respect to environmental benefits.

The Canadian Government requires all environmental claims to be verified with accurate supporting data that is readily available to agencies such as the Competition Bureau of Canada. However, international standards such as the CSA ISO 14021 (“Self-declared environmental claims” states that comparison shall only be made against comparable products serving similar functions in the same marketplace. This standard also states that comparative claims involving the environmental aspects of the product's life cycle shall be quantified and calculated using the same units of measurement; based on the same functional unit; and calculated over an appropriate time interval.

Given the above information, the CFA believes:

- That all comparative environmental claims must be verified before being used to promote LMCs,
- That the Canadian Government should support CSA best practices by requiring producers of acellular and cellular LMCs to verify their comparative environmental claims using lifecycle assessments (LCAs),
- That these LCAs should use metrics comparable to those used to calculate LCAs conducted on products produced by agricultural commodity groups here in Canada; and
- That the Canadian Government should work with farmers and LMC producers to determine appropriate metrics to calculate and compare LCAs conducted here in Canada.

Such comparison studies have already been conducted in the United Kingdom<sup>5</sup> and the United States<sup>6</sup>. We reaffirm that comparisons must be made to Canada’s own traditional livestock production methods before any such claims are made domestically.

Additionally, the names and/or labels of LMC products that have reached Canadian markets imply that the products are suitable as substitutes for agricultural products and for ingredients derived from these commodities, despite the fact that it is not clear that these products provide a similar health or nutritional value. This poses the risk of consumer confusion or an invitation to false inference as a result of the labelling and packaging of these commodities.

As such, CFA believes:

<sup>5</sup> [Lynch, J.; Pierrehumbert, R. \(2019\) Climate Impacts of Cultured Meat and Beef Cattle. \*Frontiers in Sustainable Food Systems\* 19, Feb. 2019](#)

<sup>6</sup> [Mattick, C., Landis, A., Allenby, B., Genovese, N. \(2015\). Anticipatory Life Cycle Analysis of In Vitro Biomass Cultivation for Cultured Meat Production in the United States. \*Environmental Science & Technology\* 2015, 49,19, 11941-11949.](#)

- That the Standards of Identify of Foods in Canada should be modernized to clearly distinguish between natural and "true" forms of foods, and new alternative forms; and
- That LMCs should not be labelled as traditional food ingredients nor traditional foods – which include, but are not limited to, chicken, beef, pork, eggs, dairy, fish and other seafoods.

Lastly, CFA believes that Federal departments must be coordinated in implementing consistent rules governing LMCs. As such, it is critical that clear roles be set for Health Canada, Agriculture and Agri-Food Canada, CFIA and any other department or agency who may be responsible for the regulation of LMCs.

### 61.1 Stem Cell Cultivated Protein

The cultivation of protein from stem cells is a form cellular agriculture that is under development<sup>2024</sup>. Impacted commodities are projected to include ground beef, duck, turkey, chicken, pork, lobster, crab, finfish and sushi-style salmon. No regulatory routes or guidelines currently exist for stem cell cultivated protein in Canada.

We believe that any Canadian regulations developed for stem cell cultivated protein should adhere to the Safe Food for Canadians Regulations and the Labelling Requirements for Meat and Poultry Products (LRMPP)<sup>7</sup>, as provided by the Canadian Food Inspection Agency. These requirements state that foods containing 2% meat product or less are not considered a meat product as they include an insignificant quantity of meat. A meat product, as defined under the SFCR, means the carcass of a food animal, the blood of a food animal, or a product or by-product of its carcass or any food that contains the blood of a food animal or a product or by-product of its carcass. Additionally, under the Standards of Identity Volume 7 – Meat products, incorporated by reference into the SFCR, meat is defined as the edible part of a carcass.

As such, CFA believes:

- That stem cell cultivated protein does not meet the requirements to be labelled as a meat product, as the cells used to produce stem cell cultured protein constitute far less than 2% of the original meat product;
- That any protein cultivated from stem cells that were harvested from a live animal do not meet the definition of meat, defined as the edible part of a carcass; and
- That stem cell cultivated protein commodities should not be labelled as meat, given that they do not meet the necessary Federal regulatory and guideline requirements.

### 61.2 Plant-based Alternative Protein

Deriving imitations of products such as beef, pork, eggs, poultry and seafood products from plant-based alternatives is a form of cellular agriculture that has reached Canadian markets as of

<sup>7</sup> [Canadian Food Inspection Agency \(2019\). Labelling requirements for meat and poultry products.](#)

2024. Notable examples include the Beyond Meat Burger and Maple Leaf Foods' LightLife ground beef.

These commodities are currently subject to the Novel Foods Regulations (NFR) under Canada's Food and Drugs Act and are subject to the Health Canada Food Directorate's Guidelines for the Safety Assessment of Novel Foods Derived from Plants and Microorganisms.

Given the above information provided in the previous section regarding the SFCR and LRMPP, CFA believes:

- That plant-based alternative protein commodities do not meet the regulatory or guideline requirements to be labelled as meat products; and
- That the Canadian Government should investigate why products not meeting these requirements are currently advertised as "meat" in Canadian markets.

Egg, as defined under the SFCR, means an egg of a domestic chicken of the species *Gallus domesticus* or, in respect of a processed egg product, means that egg or an egg of a domestic turkey of the species *Meleagris gallopavo*. Plant-based egg replacers do not meet the standards and requirements for eggs or egg products, including the prescribed common names and standards for dried egg products under sections B.22.028 through B.22.038 of the Food and Drug Regulations (FDR) and the Standards of Identity that deal with "Processed Egg Products" and that are incorporated by reference to the SFCR in Volume 2<sup>8</sup>.

As such, CFA believes:

- Plant-based alternative protein commodities do not meet the regulatory requirements to be labelled as eggs or processed egg products.

### 61.3 Microorganism-Produced Alternative Protein

Producing proteins from microorganisms such as yeast, bacteria, algae and fungi is a method of acellular agriculture that is under development as of 2024. Examples include inserting protein-producing genes into fermenting yeast to produce casein and whey dairy proteins and egg white proteins. Notable companies include 'Perfect Day' and 'Clara Foods' in the United States.

These commodities are currently regulated by the Novel Foods Regulations (NFR) under Canada's Food and Drugs Act and are subject to the Health Canada Food Directorate's Guidelines for the Safety Assessment of Novel Foods Derived from Plants and Microorganisms. The NFR defines genetic modification to mean a change to the heritable traits of a microorganism by means of intentional manipulation. Inserting genes into microorganisms to trigger them to produce dairy and egg white type proteins is captured by this definition. As such, CFA's position on "Labelling of Genetically Engineered Foods" applies to these products.

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<sup>8</sup> [Canadian Food Inspection Agency \(2019\). Canadian Standards of Identity Volume 2 – Processed Egg Products](#)

The Canadian Food Inspection Agency (CFIA)'s Labelling Requirements for Dairy Products<sup>9</sup> defines a "Dairy Product" as milk or a food that is derived from milk and defines "Milk" as the normal lacteal secretion obtained from the mammary gland of an animal.

As such, CFA believes:

- That alternative proteins derived from microorganisms do not meet the CFIA's definition of dairy products; and
- That the CFIA should not allow these products to be labelled as dairy.

Part B.22.036 of the Food and Drugs Regulations (FDR) state that liquid dried and frozen egg white shall be the product obtained by removing the shell and yolk from wholesome fresh eggs or wholesome stored eggs.

Given this and the above information provided in the previous section regarding the SFCR and FDR, CFA believes:

- That egg white-style proteins produced by microorganisms do not meet the description set out in Part B.22.036 of the FDR; and
- That egg white-style protein produced by microorganisms should not be labeled as egg whites.

## RURAL POLICY STATEMENT

### 62. Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. It is the backbone of many rural communities and contributes significantly to the well-being of Canadians in both rural and urban Canada. While this economic activity extends across all regions in Canada, a large proportion takes place in rural communities and demonstrates how tightly intertwined the future of these communities is to the future of the Canadian agriculture sector.

Canadian agriculture is a major generator of jobs in rural Canada through employment on farms, with the agriculture and agri-food industry providing one in eight jobs in Canada through primary agriculture and a wide range of ancillary industries that provide inputs and services to those farms. The economic contributions of agriculture and its associated industries provide a critical foundation to the viability and vibrancy of rural communities across Canada.

Unlike other primary industries, agricultural production is not carried out primarily by large corporations. Instead, production takes place across nearly 190,000 individual family farms that reside and undertake businesses in rural communities across Canada. Canadian agriculture occupies a significant portion of Canada's land base, and is an integral player in the stewardship of natural capital across rural Canada.

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<sup>9</sup> [Canadian Food Inspection Agency \(2019\). Labelling Requirements for Dairy Products](#)

The continued development of a successful and diverse agricultural sector requires that federal policies recognize, on the one hand, the global context in which the industry operates and, on the other, the domestic context needed for a healthy and vigorous industry. The vibrancy of rural communities, their ability to provide a high quality of life with available amenities and services, and their ability to connect to the global marketplace are all critical to the continued success of Canadian agriculture. This continued success requires that Canadian producers can continue to produce safe, affordable food while maintaining a sustainable income from the marketplace.

The Canadian Federation of Agriculture believes that Canada's rural policies must account for and recognize agriculture's key role in maintaining vibrant rural communities, and as such, reflect the requirements arising from the unique characteristics of this sector.

### 63. Basic Rural Policy Goals

Canadian agriculture dominates the rural landscape in many diverse forms. The agricultural community, along with other rural citizens, has social, environmental and economic concerns that must be addressed in government policy and programs. In principle, CFA believes that the federal government must examine all federal policy and legislation with a lens to assess and address any potential impacts facing rural Canada.

The CFA looks to the federal government to develop and enhance policies with the goal of creating an environment that promotes:

- the long-term viability and sustainability of agriculture;
- the entire agri-food value chain,
- rural communities, and;
- ensures equitable services and quality of life between rural and urban areas.

In order to ensure this equity is achieved and maintained, the Canadian Federation of Agriculture believes the following key rural policy areas need to be addressed, including:

- farm transitions,
- taxation,
- rural infrastructure and services,
- farm safety,
- insurance,
- labour,
- agricultural awareness,
- farmland protection, and
- pipelines.

The CFA believes this policy statement, articulated in the sections that follow, provides a clear template laying out what all levels of government must consider and strive towards, in order to

provide the infrastructure, services, and supports required to maintain vibrant rural communities. In meeting the commitments specified in each of these critical policy areas, CFA believes rural communities across Canada can leverage rural Canada's existing and potential contributions to Canada's natural capital and its economy as a whole.

#### 64. Farm Transitions

Canadian agriculture is in the midst of a significant transition. Population growth has disproportionately occurred in Canada's urban centres. The lack of population growth in rural communities compounds the challenges of an aging demographic, with rural populations aging at a much faster. At the same time Canada is seeing an ongoing trend towards farm consolidation, increasing capital requirements for those entering the industry, while also facing a smaller pool of potential successors. As a result, farmers no longer expect to have their children necessarily remain on the farm; with only a small proportion of farms indicating that they have a succession plan in place.

In succession planning, the viability of both parties is paramount. The increased capital tied up in agricultural operations poses new challenges to the continuation of family farming in Canada, a model recognized for sustainable growth, environmental stewardship, and spending within local communities. Effective tax planning is essential in this new environment.

#### 65. Facilitating farm transfers

However, Canada's *Income Tax Act* does not recognize or address this shifting context, including a dramatic rise in incorporation which reflects the ongoing expansion of operations, with farms increasing sustaining multiple families, raising the potential for a broader range of potential family successors. To ensure the sustainability of family farms, the provisions of the *Income Tax Act* originally designed to assist with farm family transfers must remain accessible.

#### 66. Access to capital

To facilitate financial viability for all parties, governments must also ensure continued access to preferential financing and grants for new entrants at a scale that enables commercially viable operations. This is best achieved through a breadth of programs and private sector options that address both transitional funding for intergenerational farm transfers and seed capital requirements for the establishment of new operations.

#### 67. Labour market transitions

In addition to financial viability, new entrants to agriculture and those choosing to exit the industry require access to appropriate skills training programs to facilitate the necessary transitions. Agriculture requires a diverse skill set, including on-the-job skills training and more formal business management skills. Skills training programs provided through federal-provincial

labour agreements must ensure their criteria provide the flexibility to accommodate skill deficiencies that affect new entrants to the industry.

Similarly, self-employed individuals leaving agriculture to pursue a second career must also have access to skills training programs and associated financial supports through federal-provincial labour agreements. This support will assist with positive labour force engagement outcomes and will ensure that a lack of perceived future career opportunities is not unduly preventing farm transitions to the next generation.

## 68. Competition and grocery prices

The CFA and its members support measures to improve competitiveness across the agriculture and agri-food sector, including in the railway sector, telecommunications sector, as well as across the grocery supply chain. While commercial mergers can have a significant benefit for consumers in terms of creating efficiencies associated with economies of scale, they can also create negative conditions for Canadian producers who are generally price-takers in the marketplace. As a result, the Government of Canada should make changes to the Competition Bureau requiring it to monitor corporate mergers after they are completed to make companies financially accountable to commitments they put forward while going through the merger process.

In addition, when it comes to food prices, the evidence has shown that the underlying commodity does not account for the entire price increase in the final food product. As a result, the Government of Canada must ensure that the voice of farmers is heard at the table whenever governments discuss grocery prices, and the impact food chain infrastructure has on them.

## 69. Taxation

Rural Canada continues to face numerous economic and social challenges: volatile commodity prices, difficult labour conditions, and shifting demographics, amongst others. Changes to taxation regulations and additional tax incentives would assist rural Canadians in meeting these challenges.

CFA recommends:

- That the federal government reinstate the interpretation of off-farm income and restricted farm losses decided upon by the Supreme Court of Canada in *The Queen v. Craig*
- That agriculture be given the same access to research and development tax credits as other industry sectors.
- That the federal government continues support for zero-rating Goods and Services Tax for agricultural items and expand its application to include all livestock-related agriculture and a broader array of farm purchases

- That the federal government reinstate the previous interpretation bulletin on the tax treatment of the sale of standing timber from farm properties
- That the 4.0 cent per litre Federal excise tax on coloured diesel be removed

CFA further recommends that the federal government implement tax credits or tax incentives for environmental stewardship initiatives. Proposed changes include:

- Increasing the capital cost allowance for new manure storage from 4 per cent of declining balance to 50 per cent of declining balance
- The reinstatement of an accelerated depreciation schedule for on-farm environmental capital expenditures

Tax provisions already in effect need to be reviewed periodically to ensure they are still current. In particular, CFA recommends:

- That the Department of Finance should review, in consultation with the agricultural industry, the Capital Cost Allowance rates applicable to farm capital with a view to updating them and encouraging farm investments.

To accommodate the large, impending transfer of assets resulting from significant demographic shifts in Canadian agriculture and rural Canada, CFA further recommends that the federal government establish tax policies to facilitate and reduce complexity involved in the intergenerational transfer of farm businesses. Proposed changes include:

- That the Department of Finance treat siblings as related for the purposes of subsections 55(2) and 55(3)(b) to facilitate tax-deferred corporate divisions between siblings
- That the Department of Finance address tax barriers relating to the use of holding companies between farm corporations involved in intergenerational farm transfers (*Income Tax Act* Section 84.1)

## 70. Rural Infrastructure and Services

The development and maintenance of rural infrastructure and the provision of rural services are both critical to the vibrancy of rural communities and the farm businesses within them. At the same time, a successful and diverse agriculture industry is critical to the economic development of rural Canada, and for this reason any installation of new infrastructure or other rural development project must include an agricultural impact assessment to determine the costs and benefits to the sector before proceeding.

However, rural infrastructure and service needs are diverse and the following sub-sections of CFA's policy lay out considerations specific these varied infrastructure and service demands to ensure they contribute to the vibrancy of Canada's rural communities and the agricultural businesses within them.

## 71. Digital Infrastructure

Agriculture in the 21st century has evolved into a sophisticated, innovation-driven, and technology-intensive industry that must increasingly anticipate and respond to changing consumer demands both at home and abroad. Innovations in marketing, production, and product research are creating opportunities for producers to participate in both domestic and global marketplaces through online technologies, while online government services continue to evolve.

Access to broadband internet also represents an important lifestyle consideration for all Canadians, particularly young people, when considering where to live. If rural Canada is to remain attractive to future generations, access to reliable high-speed internet will be critical. Access to broadband internet has become an essential pillar of a vibrant Canadian agriculture industry and of rural communities across Canada.

A significant proportion of primary producers in Canada are without access to broadband internet services with an even larger proportion lacking access on a reliable basis. Affordability for these services remains a major challenge and a lack of competition exists in many parts of rural Canada, leading to inadequate internet download/upload speeds, inconsistent servicing, and a lack of adequate investment in deployment of broadband internet infrastructure outside of urban centres.

The CFA supports the Canadian Radio-television and Telecommunications Commission (CRTC) that broadband internet access is a basic telecommunications service for all Canadians, and believes it merits ongoing, strategic investment. The CRTC's decision to implement and maintain a fund focused on the deployment of broadband internet to underserved areas should be furthered by a requirement from the CRTC that internet service providers cover all rural Canada regardless of the low profitability prospects in certain areas. The economic, social and environmental sustainability of rural communities is dependent on ensuring there is predictable, sustained investment in rural broadband deployment and enhancement moving forward.

Without access to fast, affordable and reliable internet services, rural Canada also faces undue challenges in attracting investment and housing research and design facilities, even for industries prevalent in rural communities. As providers of high-skilled jobs and sources of innovation, rural communities must have access to the digital infrastructure required to attract these critical investments and contribute to promoting the innovations already taking place across rural Canada. In the absence of reliable, effective digital infrastructure, the gap in investment between urban and rural Canada will continue to expand, affecting rural quality of life and the potential for revenue generation amongst rural communities. As a priority common to industries and governments across Canada, rural Canada requires the infrastructure to participate, on a level playing field, with Canada's urban centres in contributing to Canada's innovation continuum.

*Recommendations:*

- Develop a rural digital infrastructure strategy for rural Canada – The government of Canada must bring together telecommunications providers, rural communities, and agricultural stakeholders to lay out a clear vision and a strategy with clear targets to ensure that digital infrastructure, including internet and cell phone services meet the needs of all rural Canadians and contributes to a sustainable and vibrant rural Canada for decades to come. This strategy should explore opportunities that exist to reduce installation costs associated with installation of fiber optic cables by partnering with other utilities, such as natural gas, to concurrently install cables and pipes at a reduced total cost to the individual, and diversify service provider options for rural Canadians in order to foster competitive pricing
- Establish and maintain a minimum service standard for all Canadian households to be able to access broadband internet service at speeds consistent with current and emerging technological needs, subject to annual updates to the definition of “basic” broadband – This would ensure Canada remains competitive with broadband access goals of Canada’s major trading partners, while providing a foundation through which the CRTC and service providers could address the growing disparity in service availability between rural and urban communities.
- The broadband deployment funding mechanism must focus funding directly to expansion and enhancement of networks in underserved areas, rather than maintenance of existing services – This mechanism should explicitly focus on reducing the broadband internet access services gap between and within regions, including urban-rural discrepancies.
- The Canadian Radio-television and Telecommunications Commission (CRTC) should require and enforce cellular and internet providers to ensure services cover all of rural Canada, despite low profitability prospects in certain areas.

## 72. Health Infrastructure and Services

### *A National Rural Health Strategy*

All Canadians are entitled to accessible health services specific to both physical and mental health, yet many Canadians who required health care reported difficulty accessing those services. Although it is well understood that rural health infrastructure and services face unique challenges that must be addressed through a dedicated rural health strategy, a lack of up-to-date, aggregated data is published to adequately capture the state of Canada’s rural healthcare. Rural Canada’s healthcare challenges result from demographic pressures, dispersed population and remote locations, inconsistent adoption of emerging technologies, trends in medical education and professional development, and skill requirements facing rural physicians and healthcare practitioners.

A national rural health strategy requires that the federal government take a leadership role in promoting best practices in healthcare provision, healthy eating and disease prevention. The strategy must also put in place relevant information-sharing networks and develop appropriate

venues through which stakeholders from across all provinces can tackle both emerging and chronic challenges facing rural healthcare.

#### *Attracting and Retaining Medical Professionals*

Rural communities struggle to attract and retain medical professionals. A national rural health strategy must ensure Canada's medical schools and skills development programs remain responsive to the diverse needs of all communities. This begins with ensuring adequate investments are made in rural infrastructure and services to ensure rural communities remain vibrant and attractive to physicians and health practitioners. Attracting physicians and health practitioners to rural areas requires services, such as childcare, high-quality schools for their children, and employment opportunities for spouses.

In addition, this strategy must include targeted incentives for future physicians and health practitioners, rural educational opportunities, and continued skills development opportunities for rural physicians. Rural healthcare provision requires a broad skill set. Canada's medical schools must ensure all graduates have the necessary breadth of skills required for rural healthcare practice and competency requirements must be attuned to the needs of communities across Canada, ensuring no undue barriers to entry. Medical students across Canada must also be provided with opportunities to interact and engage with rural stakeholders throughout the course of their education, to raise awareness of the realities and unique lifestyle offered by rural communities.

However, retaining and attracting rural physicians also requires that rural communities maintain and develop appropriate infrastructure and amenities. Rural communities require appropriate referral networks, telehealth initiatives that reduce the burden on individual practitioners and communities, and provision of temporary human resources support to ensure short-term vacancies do not result in the long-term loss of critical assets and infrastructure. This requires collaborative regional approaches that can leverage funding from all levels of government.

#### *Recommendations:*

Developing and implementing a rural health strategy requires significant collaboration and input from a diversity of rural stakeholders and representatives from across the medical education, accreditation, and professional communities. Therefore, the federal government must put in place and provide ongoing support to:

- a national advisory council of rural stakeholders tasked with reporting rural Canada's healthcare challenges and needs to the federal government, and following this;
- a national rural medical roundtable must be established to develop, implement, and monitor the progress of a national rural health strategy.

### **73. Education Infrastructure**

Access to quality education within a reasonable distance is important for maintaining the viability and vibrancy of Canada's rural communities. Rural school closures are negatively affecting the infrastructure of rural areas, with longer distances to schools undermining the quality of education available to youth, negatively affecting family life, limiting access to off-farm employment opportunities, and preventing rural children from participating in a full range of extra-curricular services and programs.

Federal, provincial and municipal governments must invest in incentives that encourage maintenance of rural schools, ensuring that rural families have equal access to education for their children; important hubs for community activities and services; and critical lifestyle amenities in the maintenance and attraction of rural residents. These investments should also seek to leverage private sector support through tax incentives and public-private partnerships, encouraging Canada's local businesses to contribute to the maintenance of long-term, quality education across rural Canada. Without access to quality education, the lack of population growth and demographic pressures facing rural communities will be exacerbated, constraining local businesses, diminishing the vibrancy of Canada's rural communities, and reducing their capacity for economic and cultural contributions to Canada as a whole.

Access to broadband internet and emerging technologies are essential to ensuring a quality education for rural students. Governments at all levels must work to ensure these tools are available in all rural schools.

#### 74. Child Care Infrastructure

Rural Canada needs childcare programs and subsidies that recognize and accommodate the unique character and needs of the rural community and the agriculture sector. These programs must follow standards which incorporate the four pillars of childcare: affordability, accessibility, flexibility and quality. Programs must accommodate the differing seasonal demands of the sector, the frequent need for services outside of standard working hours, and the limited, formal childcare infrastructure available to many remote, rural communities. For example, care outside the home by a relative remains far more prevalent for children who live in a rural community than for children living in an urban setting. Alternative arrangements, such as these, must be recognized as assets in many rural communities, and better supported through childcare programs and subsidies.

To leverage existing assets, rural childcare programs must take advantage of existing, additional school capacity, focus on providing tools and services that build local infrastructure, and make funding available to compensate community and/or family-based childcare alternatives.

Access to rural childcare is not only an essential facet of rural community livability and vibrancy, it is also a key contributor to farm safety and productivity, by providing supervision during busy production seasons and distinct spaces away from the working agricultural landscape.

## 75. Community Centres & Social Fabric

Community centres play an important role in providing multi-functional spaces that house local services, access to community information, and a venue for social interaction. Given the isolated and often remote location of agricultural operations and rural households, communities require a space for interaction and community events that directly contribute to the vibrancy of rural communities and quality of life. Regardless of the density of rural areas, community centres provide rural citizens with a means of coming together and building a common identity rooted in their own communities. This contributes directly to a rural way of life that remains attractive to many Canadians. When funding infrastructure across Canada, programs must incorporate social infrastructure such as recreational facilities, community centres, libraries, and other community assets that contribute to the long-term vibrancy of rural communities.

## 76. Energy Infrastructure

Energy availability and cost is of vital importance to rural communities and businesses, including farms. Considering the importance of energy costs to the profitability of farm businesses, all forms of energy, such as farm fuels, natural gas, electricity, and propane, amongst others, need to be accessible at reasonable rates in rural areas. When developing any related energy infrastructure, such as power transmission lines, minimization of road crossings and maintenance of infrastructure must be prioritized to ensure modern agricultural equipment does not face any undue mobility restrictions. This must include stringent enforcement of minimum height standards, to ensure that subsequent maintenance efforts continue to follow those standards.

With the continued emergence of on-farm, renewable energy production as a key contributor to reducing Canada's carbon footprint, rural communities and farm businesses need support from all levels of government in establishing power grids capable of both providing and receiving energy from distributed/decentralized sources. At the same time, renewable energy investments must not remove prime agricultural land from production and governments at all levels must implement appropriate land use planning protections.

Instead, utilities must work with the agriculture industry to identify its unique need and develop strategies to maximize existing assets and develop modern, appropriate infrastructure. This strategic approach would enable rural communities and utilities to expand their service offerings, create value through increased on-farm energy production, and tap into the value that can be leveraged through modern technology, underutilized farm assets, and associated bioproduct production.

As modern farming continues to become more mechanized and reliant on access to innovative, advanced technologies, the need for larger electric motors also increases. As a result, continued improvements in farm competitiveness requires access to more diverse power distribution and services, including three-phase power and associated expertise.

## 77. Pipelines

The Canadian Federation of Agriculture recognizes the importance of appropriate, effective and reliable infrastructure to ensure the economic competitiveness of Canada's natural resource sectors. The development of energy infrastructure, particularly linear features such as pipelines and power lines that cross private agricultural land must be done in a responsible way.

### **77.1 Long term transportation infrastructure Development**

A consistent national transportation infrastructure strategy is needed to ensure Canada's natural resources can effectively meet the demand of international and domestic markets. This requires the effective balance between transportation modes, from rail freight to energy pipelines. The overall capacity and efficiency of all modes of transport needs to meet the demands of all industries and be developed in a way that is socially responsible and respects the rights of landowners.

### **77.2 Landowner Requirements in the Energy Project Lifecycle**

#### Project Planning and Public Hearings

##### *Participant Funding*

Public hearings are an important component of all projects and should be held whenever new projects are being planned or forthcoming changes to existing projects will impact landowners in any way.

Sufficient financial assistance should be provided to support timely and meaningful involvement for landowners or their designated representative when public hearings are held.

##### *Easement Agreements*

Landowners should be entitled to a clear and accessible process for negotiating the terms of access to their land, including for surveying activities and easement agreements that allow for the construction, operation and maintenance of energy infrastructure.

The easement agreement regime should be strengthened in the following ways:

- A standard easement agreement should be developed and made public that standardizes the information provided to landowners and clearly outlines the legal ramifications of the agreement on landowners.
- The methods for the calculation of the compensation provided to landowners should be made public and freely available to all landowners.
  - Details on compensation should include but not be limited to:

- compensation for the acquisition or purchase of the land by the company to locate a pipeline or workspace.
- compensation for any and all damages suffered as a result of the construction, operation or maintenance of the infrastructure.
- The Minister of Natural Resources should establish a fair, transparent and efficient arbitration procedure for instances where parties cannot agree on the terms of the easement agreement.

In addition, regulations should be expanded to include additional provisions a company must include in a land acquisition agreement (for example, an easement agreement) to include but not be limited to:

- A separate biosecurity agreement.
- A separate transit agreement outlining the terms and conditions by which land may or may not be accessed from areas outside of the right of way.
- General rules which pipeline company employees must abide by including but not limited to: moving vehicles when requested, accommodating different practices throughout the crop year, and farm safety practices.

#### Construction, Operations and Maintenance

##### *Liability*

The ultimate responsibility for the safety of energy infrastructure during the construction, operation and maintenance of active and abandoned pipelines should be held by the infrastructure owner. Landowners should not be held liable, or criminally responsible for damage to oil and gas pipelines resulting from regular farming practices or for damage to construction or maintenance equipment when it is on a landowner's property.

The regulatory regime governing pipeline safety should provide clarity on the liability and should not shift the burden of pipeline safety unduly onto landowners.

##### *Communication*

Landowners should receive clear and consistent messaging about activities that can or cannot occur in and around energy infrastructure and the associated Administrative Monetary Penalties for non-compliance.

For specific regulatory items that address agricultural activity, language should be clear and set out the chain of communication between regulatory agency, company and landowner and their respective responsibilities. All communication requirements should include defined protocols and the schedule by which information will be delivered to landowners and its frequency should be, at minimum, yearly.

*Biosecurity*

Regulatory language should be developed regarding the responsibilities of energy infrastructure owners and operators to develop biosecurity protocols and Administrative Monetary Penalties should be established in the event of non-compliance.

If biosecurity protocols are not developed, the employees of the pipeline companies must defer to the landowner's biosecurity procedures and follow them accordingly.

*Ground Disturbance Depth*

The depth of cultivation or other agriculture activities that classifies as ground disturbance should be based on the risk associated with the specific attributes of the pipeline and the agricultural land it passes through. Legislation or regulation can set a baseline depth of 45cm at which no leave is required but should then allow flexibility for the board or pipeline companies in consultation with landowners to specify increased depths of disturbance related to agricultural activity depending on specific circumstances.

Abandonment

The National Energy Board should adopt all necessary measures to ensure companies maintain funds or security so they will have the ability to pay for all costs or expenses related to the abandonment of its pipelines, including for their complete removal from all agricultural land.

**78. Farm Safety**

CFA continues to promote safer farm environments through regular awareness campaigns and activities. CFA welcomes the partnership of government departments and agencies and encourages federal and provincial governments to maintain their involvement and support of varied initiatives promoting safer agriculture in Canada through Agriculture Policy Frameworks, Workers' Compensation programming, and other funding sources. Support for farm safety contributes directly to the sustainability of the Canadian agriculture industry, by ensuring safe workplaces conducive to attracting new workers and maintaining public trust. Due to the provincial nature of safety legislation, the focus of prevention support must be delivered to producers provincially by industry groups with adequate support from their respective provincial governments enabling them to deliver this support to farms that have Workers' Compensation coverage as well as those that do not. Meanwhile, national support allows for national networking and resource development in support of the aforementioned provincial efforts, thus reducing duplication, facilitating shared learning, while providing a means of embarking on pan-Canadian projects, where industry deems this to be necessary. Safe farm workplaces require access to workplace safety training, safety plans, and assistance to support associated upgrades in on-farm equipment and infrastructure. To support these

improvements, the Canadian Standards Association must develop and adopt occupational health and safety standards for farm equipment.

In addition, government must support industry in undertaking comprehensive data collection of farm-related fatalities, non-fatal injuries, and information illustrating industry's commitment to International Labour Organization conventions ratified by the Canadian government.

## 79. Insurance

The needs of agriculture are unique, different from the needs of other sectors in many areas including insurance. Insurance industry programs for agriculture should create an environment of sound asset management and liability protection. With increasing capital tied up in equipment and other farm assets, CFA encourages insurance providers to develop policy packages that meet the unique asset management needs of agriculture. At the same time, new pressures continue to confront agricultural operations, in terms of how they produce their food. Canadian producers need policy options to protect them when they have exercised all due diligence and respect for best management practices but find themselves caught by circumstances beyond their control.

Recognizing the constant evolution and change facing agricultural producers, insurance providers must engage agricultural stakeholders in understanding their needs and providing a full range of insurance offerings to meet the needs of the sector.

## 80. Labour

If Canadian agriculture is to prosper and grow, it must be built upon the efforts of a skilled, well paid, secure and satisfied labour force. Research into Canada's primary agriculture industry has consistently identified a significant and growing labour shortage, which has been increasing steadily over time. This shortage is expected to continue growing. The impact of the ongoing labour gap has ramifications for agriculture and rural communities across Canada, costing businesses millions of dollars.

Unfilled vacancies and the lost opportunities they create threaten the viability and competitiveness of Canadian agriculture and, as a result, place these existing jobs in peril and raise broader concerns for the vibrancy of rural economies across Canada. The lack of available labour to meet the sector's diverse needs, both seasonal and year-round, represents one of the most significant constraints facing the competitiveness and sustainability of Canadian agriculture, which has direct bearing on rural Canada. As agriculture continues to evolve and adopt new technologies, the sector offers exciting new careers but also faces new challenges in accessing appropriately skilled labour. If Canadian producers can't access the right labourers, the industry is seriously constrained in its ability to maintain growth

Canada is uniquely well-positioned to meet the demands of an increasing middle class around the world and the global population of over nine billion people forecasted by 2050. To overcome these challenges and ensure that the sector can continue to grow and employ millions of Canadians in both rural and urban communities, Canada's immigration and employment policies and programs must adapt to accommodate agriculture's unique needs. The benefits of such policy changes will lead to stronger communities across Canada and will help address food security for Canadians and consumers around the world.

### **81. A long-term strategy**

The federal government must work closely with industry to develop a long-term, strategic plan to address these critical, chronic labour shortages and ensure Canadian producers are able to meet both current and future labour needs. Maintaining access to adequate agricultural labour is a complex, multi-faceted challenge. Any long-term strategy must consider Canada's approach to:

- labour market information collection, analysis, and dissemination;
- the availability of agricultural education and career promotion supports;
- flexible skills training to accommodate the unique training needs of agricultural employers;
- programs funded through payroll deductions, such as employment insurance and workers' compensation, ensuring they recognize and accommodate the unique nature and needs of agriculture;
- barriers facing under-represented groups in the domestic workforce;
- immigration policy, and
- ensuring adequate, timely access to international workers where domestic recruiting efforts fail.

### **82. Improved labour market information**

The success of any such strategy is rooted in access to effective information and governments at all levels must commit to the ongoing improvement of regional labour market information by engaging employers and providing support for industry-directed labour market research. As labour markets continue to evolve, Canada's labour market information must remain responsive. Agricultural employers make considerable financial commitments to Canada's labour market information through their Employment Insurance contributions. In light of this, employers must play a direct role in oversight of Canada's labour market information collection, dissemination, and analysis.

### **83. Agricultural education & career promotion**

As Canadian agriculture continues to advance, through adoption of innovative products, practices, and technologies, the industry offers more new and exciting career opportunities than

ever before. However, awareness of career opportunities in Canadian agriculture remains limited, with outdated portrayals of the industry preventing many Canadians from looking to the industry as a source of high-skilled careers, often working with highly advanced technologies. To address these misconceptions, federal and provincial governments must support industry in developing a coordinated, industry wide career promotion initiative to increase access to an interested and qualified Canadian workforce.

Agricultural career promotion must begin with early education. This education must not be limited to food production, but must extend to cover the wealth of careers that exists in agricultural technology, research, and other domains. This education must be continued through its inclusion in secondary and post-secondary curricula. For this to occur, federal and provincial levels of government must work closely with industry to develop and maintain accurate and up-to-date insights into the opportunities in the industry and the skills needed to meet them.

#### **84. Recruitment/retention in agriculture and rural communities**

In addition to formal educational institutions, Canada's agricultural employers need to have equitable access to the training supports available to other Canadian industries that facilitate continued recruitment and retention of Canadian workers. Skills training in Canada is primarily offered through a series of Labour Market Transfer Agreements (LMTAs) from the federal government to the provincial governments.

Currently, agricultural employers are significantly undersubscribing to these skills training supports despite urgent skills shortages in many positions, including many high-skilled positions that have unique skill requirements. There continues to be a lack of awareness of available skills training programs, which is exacerbated by narrow program parameters that exclude support for on-the-job training and other non-traditional skills training venues. In order to ensure Canada's LMTAs are more responsive to the skills training needs of Canadian agriculture, they must:

- support research to better understand sectoral training needs, assess demand for programming in these areas, and ensure that criteria governing eligible training costs do not prohibit provinces from aligning programming with such specific needs;
- accommodate on-farm training, workshops and online-based educational approaches, and also provide support for the travel costs associated with connecting workers in remote, rural locations to education that often takes place in larger urban centres; and
- maintain formal, ongoing engagement with agricultural employers to ensure programs provide for unique, sector-specific training requirements.

In addition to LMTAs, rural and regional economic development strategies play an important role in addressing the reality that urban growth continues to outpace growth in rural communities across Canada. These instruments provide an important vehicle through which rural municipalities, rural regions, and mixed urban/rural regions can address issues of rural youth retention, talent attraction, and overall rural economic development. These factors are vital to the long-term success of agriculture and rural communities across Canada.

Modern agriculture increasingly requires a broad skill base, with young operators more likely to have post-secondary education than ever before. However, given that the majority of post-secondary education is in large and medium-sized urban centres, rural communities face unique challenges in maintaining a skilled workforce across most industries. Agriculture is no exception.

Given the size and limited capacity of many smaller rural communities, support and investments are required to assist in developing rural economic development strategies and associated tools to assist in addressing youth out-migration and focus on getting youth to return to their hometowns.

### **85. Payroll deductions & agriculture's unique needs**

Employment insurance must recognize the unique nature and needs of agriculture particularly with regards to seasonal, short-term employment in agriculture. Recognizing the seasonal nature of many forms of agricultural production, regulations pertaining to payroll deductions should accommodate the needs of agricultural producers employing short-term labourers. The federal government must review the Employment Insurance system to ensure it does not create disincentives to workers that would prevent them from retaining skilled workers or undermine the viability of those industries.

The federal government can promote a healthy employment climate for Canadian agriculture by ensuring payroll deductions do not unduly prevent farmers from offering competitive salaries. Workers compensation programs represent risk management tools that protects both farm owners and farm workers, however these programs must be developed in consultation with industry to ensure the most effective protection can be offered on an affordable basis. Producers must maintain oversight and input into the use of any funds generated through payroll deductions. These funds are deducted, with the understanding of employers, to support specific outcomes. Payroll deductions should ultimately be limited to maintaining the funds needed to achieve their stated outcomes. Any funds generated through payroll deductions must be maintained within dedicated program accounts, ultimately being used to achieve their associated outcomes or result in reduced future deductions.

### **86. Integrating under-represented groups**

Despite agriculture's presence in communities across Canada, a number of subsets of the Canadian population continued to be under-represented in the agricultural labour force. These groups include women, persons with disabilities, indigenous peoples, and new Canadians. Addressing this under-representation is critical to ensuring that agricultural employers are fully leveraging Canada's domestic workforce.

While isolated research initiatives and pilot projects are already underway to assess and confront any barriers that may be limiting these groups' participation, continued support is

needed to expand these initiatives and better connect these populations to employment opportunities in the agriculture industry.

## 87. International labour

Canadian farmers have, and continue to, look to hire Canadians first. However, agriculture is a complex industry that faces unique workforce challenges due to rural depopulation, seasonal production, and highly perishable products. Different sectors within agriculture also require very different skills sets and labour needs. Some producers facing acute seasonal needs, while others require labour on a year-round basis. These positions range from field work harvesting fruits and vegetables to piloting highly advanced farm equipment that continues to evolve at a rapid pace. The chronic labour shortages facing the sector continue to demonstrate that Canada's domestic workforce cannot currently meet industry's labour needs, and forecasts suggests this is unlikely to change in the foreseeable future.

### *Timely & Efficient Access to International Workers*

Therefore, Canada's agricultural employers need consistent, stable access to dedicated agricultural programs that provide timely, efficient access to international workers in order to fill those positions that Canadians cannot. This programming must ensure access to workers for seasonal purposes, as well as for those on a year-round basis and must ensure continued access to these workers to reduce associated retraining costs. Those international workers already working in Canadian agriculture on a year-round basis represent an ideal means of retaining appropriate skilled workers for long and fulfilling careers in Canadian agriculture.

### *Pathways to Permanency*

The chronic nature of skills shortages facing Canadian agriculture require that, where possible and desired by all parties, pathways to permanent residency must be made available to existing international agricultural workers and to appropriately skilled individuals seeking careers in Canadian agriculture. Canada's immigration policies must not discriminate against sectors currently deemed to require 'low-skilled' or 'semi-skilled' positions, as entry level positions in Canadian agriculture present significant opportunities for advancement and life-long careers in the sector.

Agriculture's ability to attract and retain new Canadians is paramount to the long-term vibrancy of rural communities and Canada's immigration must be flexible enough to accommodate the diverse and unique skill sets required by Canadian producers. Achieving this flexibility in Canada's immigration policy requires that government put a rural immigration strategy together for all of Canada, developed in concert with rural municipalities, settlement agencies, and agricultural stakeholders, amongst others.

## 88. Agricultural Awareness

CFA recognizes the need for continued awareness raising and promotion of Canadian agriculture to the broader Canadian public. Many Canadians no longer have agricultural backgrounds and, as a result, have a limited understanding of agricultural practices, its role in environmental stewardship, its impact on rural and urban communities, and the career opportunities it presents to all Canadians. Industry and government must work together and provide ongoing support to initiatives highlighting these areas and promoting agriculture's multifunctional role in Canadian society. Canadian agriculture's considerable growth potential can only be fully capitalized upon by promoting broader awareness of the industry and its contributions to the Canadian environment and economy.

With fewer and fewer urban Canadians having any direct relationship to the farm, increasing awareness as to the interconnectedness of urban and rural communities is an essential component of overall agricultural awareness. Canada's agriculture industry represents an important facet of this interconnectedness, with urban food systems heavily dependent on production that largely takes place in rural Canada. Interest in farmers' markets and value-added agricultural goods continues to increase, providing an important interface through which Canadian agriculture can demonstrate the value that rural Canada provides to its urban counterparts. In order to improve agricultural awareness and spur rural economic development and growth, all orders of government should work closely with rural communities and agricultural industry stakeholders to promote value-added agriculture, agri-tourism, and identify associated opportunities to establish rural tourism destinations.

Agricultural landscapes contribute directly to Canada's natural capital and provide an aesthetic value to all Canadians. As environmental stewards over this vast landscape, farmers and ranchers play a unique role in maintaining Canada's natural heritage. The value of this stewardship remains ill-defined, in terms of the ecological goods and services provided. Governments and industry must work together to establish metrics and make these connections more visible to demonstrate and define the value that agriculture and rural communities provide to urban communities.

## 89. Farmland Protection & Preservation

Farmland is a strategic and finite resource for Canada. Approximately 6.7 million hectares is used for agriculture, representing less than 7 percent of Canada's overall landmass. However, not all of this agricultural production is on high-quality agricultural land. Despite Canada's size, dependable agricultural land is a scarce resource in this country, with only 4.5 million hectares, or less than 5 percent, classified as 'dependable' farmland for crop production (classes 1,2 & 3).

Although the farm population continues to decline, Canadians still retain a deep emotional attachment to Canada's farming heritage, illustrating that agricultural land is essential not only to the agriculture industry, but to broader Canadian culture, the economy and the well-being of all Canadians. As an industry already providing a wealth of agricultural products that exceed

domestic requirements, the availability of resources like arable agricultural land are critical to increasing Canada's presence in international markets and to ensuring Canadian agriculture can capitalize on its full potential as a key driver of the Canadian economy.

Recognizing the economic, environmental, and social potential of agriculture as a natural resource with potential for perpetual production, it is important to recognize that in almost all instances, farmland loss is permanent. As a result, the industry's long-term capacity and future potential are dependent on Canada maintaining its agricultural land base amidst a wide range of competing land-uses, driven by both public and private interests. However, according to Statistics Canada, more than four million hectares of farm area disappeared from cultivation between 1971 and 2011, with nearly 1 million hectares of dependable farmland lost between 2001 and 2011. This represents the greatest rate of farmland loss since 1971.

In 2021, the Government of Canada launched the 2 Billion Trees Commitment, which offers financial incentives to facilitate the planting of 2 billion trees by 2031, in order to support carbon capture and limit further biodiversity loss. It is critical that both the government of Canada, as well as the provincial and territorial governments ensure that funding to support reforestation efforts, such as the 2 Billion Tree Commitment are not used to the detriment of cultivated land and preservation of agricultural lands is taken into consideration.

Achieving the industry's economic, environmental, and social potential requires provincial legislative frameworks capable of balancing these interests and minimizing conflicts, all while maintaining strong, consistent, and effectively implemented farmland protections. Provincial legislative frameworks are not limited to the laws, regulations and bylaws of a given province, but also include strategies, plans, and governance structures that are relevant to land use planning.

As a national voice for Canadian agriculture, the Canadian Federation of Agriculture believes it is in the interest of all Canadians that decision-making governed by provincial legislative frameworks are informed by the challenges and successes of other jurisdictions. As the result of a pan-Canadian review of farmland protection challenges, policies, and their implementation, CFA strongly recommends that all provinces consider the following objectives and best practices when reviewing, developing, and implementing their respective legislative frameworks relating to land-use planning and farmland protection.

## 90. Common Objectives

Despite the common, fundamental and strategic importance of maintaining an agricultural land base across all Canadian provinces, the Canadian Federation of Agriculture recognizes that the unique histories, natural assets, and socio-political contexts facing each province have led to a number of distinct approaches to farmland protection and preservation. Nonetheless, the drivers of farmland loss and the challenges facing farmland protections reflect the same core issues, largely varying from province to province only by degree. The continued, permanent loss

of Canadian farmland runs counter to Canada's increasing presence in global markets, domestic consumers desire to eat more Canadian food, and the critical role agriculture plays as an environmental steward, source of community self-sufficiency, and economic driver for Canada's economy.

In an open market, improved profitability in agriculture would represent the ideal means of protecting Canadian farmland. However, in instances where non-farm interests compete with those of individual producers, the economic conditions typically leave farmers unable to compete financially, with little incentive to ensure land remains in agriculture. In addition, the value of farmland is directly related to the ongoing transition of agriculture from one generation to the next. While higher land values might benefit farmers looking to retire, new entrants to the industry face greater hurdles in acquiring ownership. Competing land uses that drive-up farmland prices can exacerbate transition planning, posing threats to long-term sovereignty of this key, strategic asset. Meanwhile, land-use planning that is overly restrictive to non-farm uses can negatively impact the financial health of individual farms and create distinct challenges for retiring farmers that wish to keep land in agricultural production.

This tension among competing land uses is further evident when reflecting on the continued growth of Canada's population, its ongoing urbanization, and the importance of food security, regionally, nationally, and globally. In the 25 years between 1971 and 1996, urbanization removed nearly 600,000 hectares of dependable farmland, roughly equivalent to the size of Prince Edward Island's total land base. Since that time, the rate of farmland loss to competing land uses has actually increased.

Canadian provinces, regions, and municipalities need to recognize and prioritize the strategic, multifunctional nature of Canadian farmland at all geographic scales, recognizing the importance of farmland preservation and sovereignty for generations to come. Meanwhile, these same authorities must ensure land-use planning does not disrupt the financial health of individual farms nor the current or future livelihood of their owners. The challenge is to achieve an appropriate balance between protecting farmland as a public good and accommodating non-farm development that benefits individual farmers.

To improve farmland protections across Canada, a set of common objectives should be agreed upon, looking to directly address the primary drivers of farmland loss. These drivers can be broadly understood to fall within five key areas:

1. **Urban development & encroachment:** Urban growth continues to result in significant, ongoing losses to Canada's most productive agricultural lands.
2. **Idling & Abandonment:** A lack of profitability in agriculture continues to result in abandoned land in many regions across Canada.
3. **Speculation & non-farm ownership:** Real estate speculation, rural estate developments, conservation groups, and non-farming corporate interests continue to buy-up farmland, reducing the availability of farmland, industry sovereignty over this strategic asset, and the long-term stability needed for ongoing investment.

4. **Foreign Ownership:** Investor interest in Canadian farmland from out-of-province and outside of Canada continues to raise concerns around long-term sovereignty of this strategic resource and pose challenges for affordability moving forward.
5. **Insufficient Information:** A lack of comprehensive, publicly available information continues to limit policymakers in their ability to understand and address issues related to farmland ownership and changing land use.
6. **Balancing market and policy objectives:** The challenge for all land-use planning approaches is balancing the urgent need for farmland protection while accommodating the flexibility required by producers to maintain financially viable operations across generations.

In addressing these challenges, a common set of objectives provides all provinces with a foundation from which to develop the appropriate protections required to preserve scarce agricultural land for current and future generations:

- **Maximize Stability:** Ensure the precedence of farmland protection versus other competing interests through well-entrenched legislation, regulations, and rules that are not susceptible to change. This stability is required for producers to make the necessary investments for continued competitiveness.
- **Minimize Uncertainty:** Clearly define how the framework will be implemented and applied to ensure consistent treatment under different circumstances.
- **Integrate Policy across jurisdictions:** Ensure a clear framework is in place to integrate policymaking and enforcement across all relevant jurisdictions.
- **Accommodate flexibility:** Provide for regular review, clear processes and defined rules governing decision-making to ensure local interests are accommodated where needed and changing circumstances are addressed without undermining the other objectives.

There is tension between some of these objectives, requiring provinces to balance them appropriately. While the ideal solution to this issue would be enhanced profitability in the agriculture sector, provinces can accommodate their individual contexts and the degree to which specific challenges increase or decrease in prominence by focusing on these core objectives when developing their respective legislative frameworks.

## 91. Access to Farmland & Sustainable Production

Sustainable agricultural production maintains multifunctional landscapes that provide a range of ecological goods and services. However, this multifunctionality also poses unique challenges for farmland protection, with access to productive land often hindered due to wildlife cohabitation, a variety of environmental protection zones, and the use of inflexible conservation easements. The CFA supports the conservation and restoration of natural capital including the protection of environmentally sensitive lands and the adoption of voluntary conservation easements.

However, agricultural production and the maintenance of productive agricultural land must also be recognized as supporting a multitude of ecological goods and services. Different types of

agricultural landscapes provide different types of environmental goods and services and producers are well qualified to determine the most effective and efficient use of the land to balance the need for productivity and the provision of environmental services.

Therefore, the ecological benefits provided by conservation practices and environmental protection measures must be balanced against the multitude of ecological goods and services afforded by healthy agricultural ecosystems, ensuring that conservation and environmental outcomes are achieved without undermining producers' ability to access the land necessary to develop their businesses and compete in both domestic and global markets.

## 92. Consistent & Accessible Information

The most significant challenge when looking to understand the scope and nature of farmland loss or address farmland protection comprehensively is the lack of reliable, up-to-date, and comparable data on farmland ownership and changes in land use. Jurisdictions across Canada vary considerably in the extent to which they monitor this information, and there is little effort to coordinate and compile information in a consistent or comparable format. With a multitude of municipal and regional authorities directly responsible for many land-use planning activities, this valuable information continues to be underleveraged through lack of aggregation or any national initiative to compile it. Lack of comprehensive, comparable information prevents government and non-governmental stakeholders from making informed policy decisions capable of responding to the farmland loss that continues, too often unabated.

In order to improve the stability of provincial legislative frameworks and reduce the uncertainty facing producers, a consistent approach is needed to ensure information is made publicly available to assess and analyze farmland loss. This would include:

- Detailed, up-to-date soil mapping across Canada through investments in special data collection and analysis, ideally using remote sensing;
- a federally-led initiative to establish consistent and comparable provincial land use monitoring programs, measuring and reporting on changed uses and losses of agricultural lands;
- an inventory of foreign and non-farm, corporate ownership in farmland to better understand and respond to growing concerns over the long-term sovereignty of this strategic resource base.

Without better information on the drivers of farmland loss, the scale and type of this loss, and the associated changes in ownership, the capacity of provincial legislative frameworks to respond to these issues will continue to be undermined.

Providing better information requires federal leadership, bringing the authorities responsible for provincial land-use policy together, with engagement from relevant stakeholders, to agree upon common metrics and data collection/publication practices for their respective provincial land use monitoring programs. The breadth of interests from civil society, industry, and governments

at all levels requires that this approach be inclusive and transparent, while adequately balancing the demands of all parties with the challenges and costs associated with meeting these needs.

The outcome of this coordinated approach should be:

- up-to-date soil mapping across Canada,
- regular reporting of farmland loss at multiple scales (regional, provincial and national), and
- an inventory database that includes information on foreign and non-farm ownership of farmland.

This information must be held by government and brought together in a farmland inventory database that will be readily available to the public, ensuring the privacy needs of individual producers and landowners are respected.

### 93. Provincial Policy Statements & Statements of Provincial Interest

Provincial policy statements (or statements of provincial interest) provide a coherent policy framework through which the precedence of farmland protection should be clearly defined in relation to competing land uses. Land-use planning and farmland protection should not be addressed in isolation but should be situated and articulated clearly through broader growth management plans that provide all relevant levels of government with clear mandates and specific targets to guide policymaking.

These policy statements must:

- clearly define the precedence of specific classes of farmland relative to competing land-use interests in the land-use planning activities undertaken by any and all levels of government;
- accommodate the strategic import of land classes within specific sub-regions by recognizing and addressing regional farmland scarcity and predominant drivers of farmland loss;
- support the precedence of farmland protection through specific metrics, such as municipal/regional intensification targets that mandate specific prohibitions and provide a clear baseline to guide municipal/regional decision making;
- encourage municipalities to meet aspirational targets that extend beyond those mandated by the provincial policy statement; and
- lay out clear roles, responsibilities, and authorities to all levels of government, ensuring consistent application regardless of municipal or regional structures.

The same standards and rules must apply regardless of whether an area is under direct provincial authority or that of a specific municipality/region.

### 94. Agriculture's Precedence & the Right to Farm

The protection of farmland extends beyond land-use planning and strong provincial legislative frameworks must also incorporate the definition and protection of ‘normal farm practices’ against nuisance complaints and urban encroachment. In order for these measures to be effective, ‘right to farm’ legislation, as it is commonly referred to, should provide a clear mechanism to mediate in instances where a complaint has been lodged. A number of provinces maintain industry review boards to deal with complaints that arise, in order to provide a credible and transparent venue for farmers to appeal and respond to undue complaints. The normal farm practices that are protected through such legislative frameworks must be consistently protected across all regulatory domains. Regulatory development processes across all provincial ministries and agencies must ensure that technical standards are not developed that effectively undermine the protection of normal farm practices.

However, many right to farm provisions are not well understood and lack awareness within the general public. Therefore, provinces should establish awareness raising campaigns in regard to normal farm practices, legislative protections and associated processes that exist to address such matters. Reciprocal setbacks and buffers should be established to ensure that current and future developments do not undermine the viability of existing operations. To further support farmland protection and preservation, provincial legislative frameworks should look to implement policies that ensure that any development activities taking place on farmland would require a commitment to preserve and protect additional land of a similar quality and productive capacity.

## FOOD SAFETY POLICY STATEMENT

### 95. Introduction

The Canadian agriculture and agri-food industry produces safe, high quality and environmentally sustainable foods. Since the early nineties Canadian farmers, in partnership with governments, have taken leadership in developing national systems to strengthen our food safety commitment.

In 1997, Canadian farmers proactively led and designed the Canadian On-Farm Food Safety Program that would help them set up a system that could be nationally recognized and would allow them to demonstrate due diligence in food safety. Later through the broader Canadian Food Safety and Quality Program (CFSQP) Canadian producers, CFA and national commodity organizations, continue to work in partnership with AAFC and CFIA to develop the Canadian approach to on farm food safety. The Canadian approach entails the development of national commodity specific programs, developing strategies and necessary tools to educate producers

and to implement national on-farm food safety initiatives consistent with the Codex Alimentarius' Hazard Analysis and Critical Control Point (HACCP) definitions and with the Canadian Food Inspection Agency's On-Farm Food Safety Recognition Program. Agriculture and Agri-Food Canada has co-funded and assisted in the development and implementation of the national on farm food safety programs since 1997. It is a primary goal of CFA to ensure the continued development of strong, sustainable, industry-led food safety, traceability and animal health systems for the greater public benefit of Canadians.

## 96. Sustainability

Canadian farmers have taken leadership in developing national systems for food safety but their implementation and on-going management are costly. These initiatives contribute to the public good and greater welfare of Canadians but have returned little to no value from the marketplace. With already extremely low incomes the sustainability of these food safety systems is strained. In order to support the continuation and strengthening of these systems, on-going financial commitment and partnership from the public and from governments are required.

The CFA also advocates for government support for enhancing Canada's reputation as a provider of high quality, safe food through a government funded communication plan that raises awareness at domestic and international levels on the strong food safety and quality systems that Canadian production has implemented. The plan would aid in achieving marketplace value for the initiatives the industry is putting in place and support the competitiveness of Canadian agriculture.

## 97. Industry Leadership, Industry-Government Partnerships

First through a program called the Canadian On-Farm Food Safety Program (1997 to 2004) and later through the Canadian Food Safety and Quality Program (CFSQP) Canadian producers, in partnership with AAFC and CFIA, have proactively led and designed the Canadian approach to on-farm food safety. It is through this industry leadership 98 per cent of all Canadian production has now completed or is completing the development phases of its HACCP based on-farm food safety systems.

Producers, continuously wary of increased costs in a very competitive marketplace, are extremely concerned about government downloading of costs, administration and regulation. Producers, however, are also keenly aware of the need to ensure the safety of their production. It is for these reasons industry must continue its leadership in on-farm food safety and its development be a strong industry led partnership with governments. Through CFA, the national commodity organizations and the Canadian On-Farm Food Safety Working Group, development of on-farm food safety systems has been a success, efficiently allocating funds, conducting industry research, building buy-in from producers through their own organizations and maintaining accountability to Canadians through yearly third-party financial and compliance

audits. Without that partnership, the CFA believes the strong progress, producer buy-in and ultimately, success in developing strong on farm food safety systems would not have occurred. CFSQP has been an excellent example of how industry-government partnerships can be a very effective tool in delivering services while saving costs to taxpayers.

## 98. On-Farm Implementation

The CFA believes it is imperative to have a strong On-Farm Implementation program providing valuable tools for national producer organizations and provincial counterparts to implement developed food safety systems. The on-farm implementation component of the first APF requires increased incentive-based systems for the food safety component. Encouragement through incentive-based systems will increase buy-in from producers and improve uptake successes at the development phases.

Moving from the APF to the Next Generation of Agriculture Policy, CFA supports an enhanced version of this program and recommends amendments including:

- Streamlining the approval, processing or agreements to improve the ability to obtain contracts or extensions in a timely fashion and,
- Much greater flexibility for use of funding in the areas of training, human resources, purchase of equipment and full audit cost recovery.
- Clearer language on equivalency that will make it more incumbent on countries to allow imports where the food safety protection afforded by exporting countries' inspection programs is at least equivalent to that of the importer, even if the modus operandi is different in certain respects CFA welcomes such incentive-based systems for food safety initiatives. CFA strongly believes flexibility and incentive-based programs are much more effective at achieving progress compared to inflexible regulatory approaches.

## 99. Traceability

Traceability, the ability to track movements of animals and goods throughout the supply chain, is an important tool for agriculture. There is a significant public good in the development and implementation of traceability systems, in the areas of the protection of plant and animal health, and food safety. Many initiatives are currently underway to implement traceability systems at farm level and throughout the chain. It is important for there to be leadership and dependability from government support to ensure the various traceability initiatives work and are able to communicate with each other. The government roll will benefit industry in the event of an incident with trade loss or when receiving compensation. Clear communication between the various stakeholders will ensure an effective total system and serve to minimize duplication.

CFA welcomes the Federal, Provincial and Territorial Ministers of Agriculture's decision to develop and implement a National Agriculture and Food Traceability System (NAFTS) in Canada. CFA calls for a system comprising all food production (including primary production) and along the value chain, building on national standards. A national identification and traceability system

would constitute a risk management tool that can greatly improve the competitiveness of our industry as it would allow for identification of contamination sources, reduction of response time in the event of a crisis and minimizing the economic impacts of a foreign animal/plant disease outbreak or a food safety crisis disease outbreak in Canada. This system would also allow the industry to see opportunities for reinforcing our domestic and export market access while responding to the growing need of consumers across the globe to know the origin of their food, support Canada's on-farm food safety systems, aid efforts of eradicating domestic animal/plant diseases and elimination of foreign animal disease incursions. CFA supports a national traceability system that is compatible across the country, across commodities, along the value chain and technologically compatible with international standards.

### **100. Food Safety and Inspections**

Furthermore, the Canadian Food Inspection Agency (CFIA) must implement regulations that would alleviate the shortage of professional resources needed to inspect federally inspected slaughter plants by allowing the use of remote inspection or the delegation of certain acts to animal health technicians or food safety technicians in slaughter plants.

### **101. Inspection of Imported Products**

The CFIA and CBSA should also be provided with the additional resources and training needed to adequately enforce regulations and production standards on products that cross the border and production standards, including conducting inspections to validate these products, and audits of foreign farms and processing plants.

### **102. Animal/Plant Health systems**

Canada enjoys an excellent animal and plant health status. Despite this success it is imperative Canada be ever vigilant and prepared. Threats to animal and plant health can have tremendous impacts on producers, their operation, the agriculture and agri-food industry as a whole, and on Canadians from coast to coast. Incidence of animal / plant diseases appears to be the potential for market disruption and loss of capital. Solid biosecurity approaches and pro-active contingency planning is critical. CFA urges the government to ensure Canada has a strong emergency response system in place with clear roles and responsibilities, and mechanisms for disaster compensation. The approaches must be coordinated through a national plant and animal health strategy paying special attention to bio-security systems, emergency preparedness, animal care and zoning.

## **TRANSPORTATION POLICY STATEMENT**

### 103. Introduction

A dynamic transportation system with sound infrastructure and an efficient low-cost transportation network is critical to the success of Canadian agriculture. The importance of a seamless network to move agricultural goods is undisputed, and spans the industry, with increasing demand from international and inter-provincial trade. On average, Canadian agriculture already exports at least 60% of its output, with some regional levels much higher than that.

CFA welcomes the Government of Canada's recent focus on transportation issues under its *Transportation 2030* theme, calling for a safe, secure, green, innovative and integrated transportation system...."so we can get products to market and grow our economy." CFA applauds Government initiatives including, the National Trade and Transportation Corridors Initiative (TTCI), the Trade and Transportation Information System, the Canada Infrastructure Bank, and the allocation of \$180 billion by 2028, targeted at shared infrastructure spending together with provincial and municipal governments. As these initiatives evolve, agriculture, with its increased competitiveness, and productivity, resulting in increased demand to move products to market, must insert itself as a major benefactor.

Canada has an aging infrastructure – in fact many would agree, it is quite old. Whether it is the age of roads and bridges, or the complexity of synchronizing various modes of transportation with increasing demand, major investment is needed.

CFA understands the importance and the complexity of an integrated system comprised of a multi-faceted network of rail, road, air and waterways, interlocking the country from coast to coast to coast.

A consistent national transportation infrastructure strategy is needed, ensuring Canada's natural resources, and its manufacturing and agricultural output, can effectively meet the demand of international and domestic markets. The overall capacity and efficiency of all modes of transport needs to meet the demands of all industries.

### 104. Railways

Canada's railways, and an efficient low-cost rail grain transportation system, are critical to the country's agricultural economy and the financial health of grains and oilseeds producers. Transportation costs represent one of the highest input costs in a grain farming operation, and the bulk of western Canadian grains and oilseeds is held captive by Canada's national railway duopoly. It is therefore imperative that a competitive environment is created through regulatory and legislative guidance, employing diligent Canadian Transportation Agency (CTA) oversight in areas such as inter-switching, the Maximum Revenue Entitlement (MRE), and own motion authority. Furthermore, a claim of inconvenience by the railways should never prevent due diligence in forcing competitiveness.

Decision makers must always consider the vast expanse of our transportation needs, including distances from farm gate to inland terminal to export terminal. Canada's unprecedented average distance to tide water from its major grain and oilseeds growing regions, the difficulty in finding competitive alternatives to rail transportation, and how these factors impact on our competitiveness in international markets must be considered in the development of transportation legislation and regulation.

### **105. Railways: Farmers as Primary Stakeholders**

The CFA believes that policies and regulations should create an environment in the rail transportation sector that emulates a competitive system with open running rights. Consulting with farmers on the issue of grain transportation on an ongoing basis must be a Government and Ministerial priority.

Changes to policies, regulations, and freight rates which manage our grain rail transportation system, must always begin with farmer stakeholder consultations and include the needs and interests of agricultural producers. Decision makers must recognize farmers are the primary stakeholders that pay for the entire freight bill, including the costs of disruptions, delays and general inefficiencies. As well, eliminating and consolidating grain terminals has forced farmers to pay for the additional costs of transporting their grain much further than before. Fewer pick up points accrue significant cost savings to railways. These savings have never been included in the calculation of the MRE.

### **106. Railways: Safety and Access Measures**

Responsibility and cost for railway safety and access measures, including accountability for maintenance of those measures and subsequent liabilities, must always remain the responsibility of the railways.

Fencing regulations must be developed and implemented that accommodate the need for our rail transportation system without creating liability, inconvenience, safety and increased cost issues for farmers. They cannot be liable and accountable for the risks derived from encroachment.

The Canada Transportation Act should be amended to include crossings and non-facility sidings under abandonment provisions within the Act and should subject siding and lease rates to the scrutiny of the agency upon request of producers directly involved in siding lease rate negotiations.

Furthermore, the Government of Canada should clarify the roles and responsibilities of federally regulated entities, such as railways and pipelines, in controlling weeds in their right of ways.

**107. Railways: High Speed Rail (HSR)**

Given the recent discussions of High-Speed Rail (HSR) lines in Ontario, the impact on agriculture and farmers must be considered when these systems are built in any part of Canada. According to a consultant's report the proposed HSR line would have trains operating at speeds up to 250 kmph.

Transport Canada regulations prohibit all level crossings (roads, highways, farm crossings) where train speeds exceed 177 kmph. If implemented an HSR corridor would sever farm parcels, and close numerous townships, county and municipal low volume highways and rural roads.

From an agricultural perspective, an HSR line severing farms would force farmers to make long trips to access fields on the opposite side of the tracks. It would create irregularly shaped fields, making planting, tillage and harvest operations more difficult and time-consuming. To avoid significant cost increases and operational disruptions farmers would be faced with the only option of "swapping" parcels of land and abandon small parcels with no access.

In the case of the Ontario government's proposal no consideration was given to the financial impacts on rural residents, community and on farm businesses as a result of traffic access being obstructed since travel times would increase significantly. In addition, emergency response times (police, fire, ambulance) would also increase. School bus routes would be longer due to more dead-end roads, increasing the time children would spend going to and from school.

Furthermore, a fenced HSR line would negatively impact wildlife movements, eventually isolating populations on either side of the HSR right-of-way, negatively impacting biodiversity.

When the installation of a public good requires significant safety costs and imposes considerable inconvenience with collateral economic hurt, the burden must not be placed solely on the agriculture industry, rural businesses, and farmers.

All levels of government must work together to ensure that encroachment into rural areas does not cause further and irreparable damage and impair agriculture's booming contribution to the Canadian economy.

**108. Railways: Discontinuance**

Because Canada's national railways together form a monopoly, governments and regulatory agencies are responsible to prevent abuse of this monopoly and to ensure the entire industry is served adequately, regardless of convenience and cost.

The CTA must use its authority within Bill C-49 to ensure all western Canadian grain farmers have access to grain rail transportation including, the maintenance of low traffic rail spurs. It should also provide guidance and oversight on the continuance of railway sidings to make sure

farmers' access to short-line rail and producer car loading sites are maintained providing optimum opportunities for farmers. Producer car loading sites as a competitive option even when not regularly used, provide a critical check on the market power of grain companies. Railways cannot be allowed to arbitrarily and randomly close lines or sidings without, due diligence in consulting with farmers and, without oversight provided by the CTA. The CTA should also facilitate a process that allows for appeals and farmer interventions and must have the authority to reverse the decision of the railways.

### **109. Railways: Costing Review**

Railway costing data must be current and must reflect cost efficiency gains made by the railways, including efficiency gains made at the expense of farmers. Using up to date costing data is the only way to create a credible regulated rate. Keeping cost data current will also help ensure that the railways are not abusing their monopolistic position. A railway costing review should be initiated immediately, followed by subsequent reviews every 5 years, to reflect the difference in base costs brought about by changes to rail transportation infrastructure.

### **110. Railways: Maximum Revenue Entitlement (MRE)**

The Maximum Revenue Entitlement (MRE) must be maintained so railways cannot impose higher freight rates simply because the industry lacks competitive options. MRE calculations must use actual and current railway cost data and must emulate a rate that would be available if there was an open, competitive, and commercial rail transportation system in place.

The CTA needs to have the authority to scrutinize and amend the costs that railways are including in the MRE calculation. For example, they should not be allowed to include administrative penalties in the calculation since it mitigates the “punitive impact” of not complying with regulations/service obligations.

As well, the Agency needs to be aware when railways offer “discounted” rates, either because of long haul inter-switching (LHI) or other “competitive” factors, the aggregation of cost and volume in the MRE allows them to compensate for it in other regions. Because of this aggregation factor, railways can reimburse themselves for the cost of being more competitive in certain areas by increasing freight rates in other areas.

Because Canadian agriculture's success is contingent on developing profitable export markets a competitive transportation system is an absolute priority for farmers. An effective MRE, to constrain freight rates, is an essential component to achieve that objective. Consequently, it is important all grains and oilseeds destined for export markets be included in the MRE.

### **111. Railways: Level of Service**

Since grain companies and shippers pass the cost of any disruptions back to farmers, compliance with level of service obligations and an effective compliance mechanism for the collection and administration of reciprocal penalties is critical. Transportation regulations must also include an effective dispute settlement mechanism. A Transportation Appeal Tribunal of Canada (TATC) must be established, funded and maintained, as a third-party option for swift, simple and effective dispute resolution.

Level of service standards, timely movement of adequate volumes, and railway compliance, are critical to farmers' financial wellbeing. To avoid system failure, they must be strictly monitored, and managed, through appropriate regulation.

The Federal Minister must also retain the legislative authority to mandate the volume of grain movement by the railways on a monthly basis to help avoid a repeat of the 2013/14 backlog.

### **112. Railways: CTA Own Motion Authority**

The Canadian Transportation Agency is the regulatory body mandated to manage grain transportation in Canada. Subsequently it has to be the agency that reviews data, projects outcomes, and mandates solutions to potential problems.

Bill C-49 provided the Agency with own motion authority, but only with the Minister's approval. Agency own motion authority is important since it has the information and the expertise to proactively investigate network developments and complaints, implement solutions, and enforce compliance.

CFA is a strong advocate of CTA Own Motion Authority. Transport Canada should provide the CTA the authority and resources to monitor the rail transportation system, proactively collect information from shippers about rail service, investigate issues as they arise, apply penalties, and make orders to ensure compliance with service standards and obligations set out in the Canada Transportation Act. CTA's responsibility as a regulatory agency managing compliance is to facilitate an efficient well-functioning grain transportation network, minimizing delays, disruptions, and inadequate service, ensuring that Canadian grain moves to international markets in a timely manner. It should include monitoring railway capacity and redundancies so that sudden spikes in demand/weather events do not result in disastrous backlogs. The entire system must be better prepared to handle the vagaries of Canadian winters through adaptation and the use of updated technology, even though it may increase operational costs.

The CTA must have the authority to recommend proactive solutions when it sees potential problems developing. Bill C-49 provides them the authority to investigate and mandate solutions, but only with Ministerial approval. To make this new authority more effective, the process should be transparent. Industry interventions with the Agency must be public. Whether the Agency sees merit in approaching the Minister for authority must be public, and the Minister's response must be public. If the Minister decides against approving an Agency request

for intervention and solutions, the government has to be accountable for the damaging fall out. Only then will the Agency be effective in using its authority to determine the need for proactive interventions and mandated solutions.

### **113. Railways: BC Livestock Industry**

It is important for railways to commit resources and dedicated grain cars, to provide a consistent supply network for feed grain demand in BC. Government must be prepared to implement regulation to solidify railways' commitment to the BC livestock industry.

### **114. Railways: Data/Information Requirements**

The importance of data requirements and the commitment of shippers and railways to provide information necessary to forecast grain movement, potential bottlenecks, volume demands and projected disruptions cannot be overstated. With its oversight authority, the CTA must gather all necessary data required to accurately project grain rail movement. This includes capacity requirements, grain inventories, redundancies in the system, market destinations and volumes, and timelines. This, however, is not just a requirement for railways. It is essential for Grain shippers/companies to comply with the request for data as well.

### **115. Railways: Short-line**

Consideration must be given to short line rail railways which play an integral role in the transportation of agricultural commodities direct from farm as well as from rural agriculture companies. They further play a key role in creating efficiencies and improving traffic control for Class 1 railways.

Short line railways are mainly privately owned, and make a significant contribution to the Canadian economy and to opportunities for farmers, with their limited finances and data information have no means of planning for or forecasting the amount of grain they will handle and rely heavily on Class 1 partners to provide competitive freight rates from the point of exchange

The increasing costs of replacing aging infrastructure have created situations where projects simply cannot be completed or are causing companies to suffer financial strain which compromises their profitability; now, therefore,

Consequently, given short-line railways' restricted ability to provide farmer empowerment, all the while providing a competitive alternative, CFA contends the Government of Canada should provide funding for short-line infrastructure projects.

### **116. Grain Rail Transportation**

There should be an institutionalized partnership between the Government of Canada, railway companies, grain companies and farmers to diligently work together at identifying and fixing existing bottlenecks and in addition, to build and improve the current grain transportation system.

### 117. Recognition of Farmers' Position in the Industry

Governments and industry stakeholders must recognize that farmers pay the entire bill to transport export grain to port. Western Canadian grain farmers' financial livelihoods are vulnerable to all the related costs of transportation disruptions and, to a railway monopoly that is trying to maximize profits for its shareholders. Consequently, the Federal Government must ensure that any overhaul of the system works to the benefit of those that are most reliant on, and most vulnerable to, an inferior and/or prohibitively costly transportation network. In addition to paying the rail freight to export terminals, farmers also pay for transporting grain inter-provincially, farm-gate to local terminal, domestic processors, U.S. destinations etc.

### 118. Consultation

Consulting with farmers on the issue of grain transportation on an ongoing basis must be a Government and Ministerial priority.

### 119. Costing Review

CFA continues to hold the strong view that: To protect farmers who pay the bill for grain transportation to a rail monopoly, it is of critical and urgent importance that the Minister initiates a costing review. Only with current up to date costing data can a credible regulated rate be implemented. Only with current costing data can the government ensure that the railways are not abusing their monopolistic position. In an industry where up to 40 million tonnes of grain annually are captive to a rail monopoly, albeit with a regulated freight rate, there is no justification for using 1992 cost data. Current costing data is imperative to creating a regulatory environment that emulates open competition. ***"After 23 years, it is time to update the arithmetic"***

### 120. Maximum Revenue Entitlement (MRE)

The MRE must be maintained, and brought up to date by using updated costing data to ensure farmers do not pay higher freight rates because the industry lacks competitive options. MRE calculations must incorporate the new data from a full rail transportation costing review i.e. actual costs.

As a result of using current data from a full costing review, the MRE must result in a freight rate that reflects as accurately as possible a rate that would be applicable if there were competitive options for shippers to choose from. Railways have always resisted "open running rights".

However, an updated MRE must emulate a rate that would apply if there was an open, competitive, and commercial rail transportation system in place.

### **121. Inter-switching**

Inter-switching is a tool to create a more competitive playing field between the two railways. However, there must be a compliance mechanism/incentive to ensure that railways work within the spirit of inter-switching objectives and that the benefits, of subsequent competition, accrue to the farm gate.

An updated MRE using current cost data, together with effective inter-switching where the railways compete with each other for freight must result in emulating an open and competitive rail transportation system.

### **122. Level of Service**

Since grain companies a.k.a. shippers, pass the cost of any disruptions back to farmers, it is critical that railways comply with level of service obligations and that an effective compliance mechanism be put in place for allocation and collection of penalties. Transportation regulation must include an effective dispute settlement.

### **123. Regulated Volume**

The Federal Minister must retain the legislative authority to mandate the volume of grain to be moved by the railways on a monthly basis.

### **124. West Coast Livestock Feed Issue**

Railways must commit resources and dedicated grain cars, to ensure a consistent supply network for feed grain demand in BC.

Government must be prepared to implement regulation to solidify railways' commitment to the BC livestock industry

### **125. Grain Contracts**

In order to ensure clarity and fairness in all agricultural contracts, the CFA will partner with relevant Canadian stakeholders in their pursuit to make grain contracts clearer and more balanced.

In addition, the Canadian Grain Commission should bring producers and grain companies together and provide oversight to a collaborative approach in re-structuring grain contracts that are clear and fair for both the grain company and the producer.

## 126. Roads

The health of rural Canada, both economically and socially, depends upon well-structured and well-maintained road infrastructures. Roads are increasing in importance as primary transportation conduits for agricultural producers and rural and urban society.

CFA encourages the establishment of national standards for rural road networks that take into account the realities of modern farming equipment and the safety concerns that come with it. For example, the increasing prevalence of roundabouts poses real challenges for farm equipment, as equipment is often too wide to safely maneuver through conventional roundabout designs.

The Government of Canada along with Provincial Governments collects approximately 13 billion dollars in excise taxes every year. Even though Transport Canada claims that provincial and territorial governments are responsible for the planning, construction, and maintenance of roads within their jurisdiction, it does contribute, albeit on a somewhat adhoc basis. Federally however, only \$2 billion from a total of \$5 billion in excise taxes is targeted to go to municipalities for infrastructure. CFA continues to advocate that all federal tax dollars accrued from fuel sales should be dedicated to the maintenance and construction of Canada's entire road network and adequate funds must be committed to help address the ever-increasing rural infrastructure deficit facing rural Canada. As well, excise taxes, collected by provincial governments, should be dedicated to the maintenance and building of a stronger road infrastructure to accommodate increasing volumes of public and transport traffic.

In the interests of building and strengthening trade corridors to facilitate inter-provincial trade, Canada needs to review its long-term strategy for a network of highways managing the national flow of traffic. For example, provinces may have a road infrastructure that serves the region well, yet the trans-Canada highway may no longer be adequate to accommodate the heavy flow of traffic from the provincial network, or the cross Canada traffic, including truck traffic for inter-provincial movement.

CFA also supports a rural infrastructure partnership, with consistent terms established and agreed upon, to share the responsibility and costs divided between federal, provincial and municipal levels of government.

Regulations managing the maintenance of road infrastructure, and safety across Canada i.e. weight restrictions, axel configurations, and vehicle length must be harmonized in the Canadian Free Trade Agreement (CFTA). This should be a priority of the working group in the Regulatory Reconciliation and Cooperation Table (RCT) process. Similar regulatory alignment must be achieved with the US to facilitate trade flows and industry integration.

As regulators try to synchronize increasing public traffic with increased truck traffic, safety is becoming an ever-bigger concern. Several provinces have responded by implementing mandatory driver training for transport operators. Given the interprovincial flow of truck traffic, it will be important for the RCT to maintain a level playing field between provinces.

The use of Electronic Logging Devices (ELDs) has already become mandatory in the US and will soon be mandatory in Canada. The call for electronic logging has been driven by the need to improve record keeping by transport drivers and ensure compliance with restrictions that regulate the number of consecutive hours transport drivers are allowed to operate. While farmers support safety as a priority, implementation of mandatory electronic logging will have to be done in a way that synchronizes with farmers' needs to operate several different transport vehicles in a day, coupled with the down time that often occurs between operating those vehicles.

### 127. Waterways

Many agricultural producers rely on Canada's waterways as a major transportation conduit. In recent years, the federal government has been transferring responsibility for ports and waterways to locally based governing authorities. CFA believes the federal government should make a renewed, firm commitment to maintaining ports and water transport systems to support commerce. That includes maintenance of facilities already in place and insuring adequate capacity for future needs that reflects Canada's goals in providing goods to international markets.

The current port system has served Canada well in supporting economic development and international commerce. However, a lot has changed over the years, not the least of which is the increased volume of exports. If Canada is to live up to its agricultural export goal of \$85 billion by 2025 in addition to the trade goals of other industries, it will need an aggressive program of ongoing evaluation and examination of all transport components. More specifically, this must include the Canada Port Authority, to ensure it is well positioned to innovate and compete for years to come. A full review of Canada Port Authorities is needed to help optimize their role in the transportation system as strategic assets that support and drive sustainable growth and trade.

### 128. Air

Air transportation also remains important to the agriculture sector. The federal government must be committed to the maintenance and improvement of accessible and competitive air services.

At the same time, the federal government must ensure that aerodrome projects satisfy social acceptability criteria and comply with current provincial laws and standards for land use and development. To confirm these conditions are achieved, and that aerodrome projects which fail

to meet these criteria do not proceed, the *Aeronautics Act* must make public consultations mandatory for any proposed aerodrome development. These consultations must be transparent and independent, taking into account the concerns of all citizens. The *Aeronautics Act* should be reviewed to recognize the constitutional powers of provincial legislatures in matters of land use, land development, land protection, and the protection of agricultural activities.

With the recent introduction of Unmanned Aerial Vehicles ('UAVs') as an important tool for a variety of precision agriculture applications, CFA supports a regulatory environment that ensures UAV safety, minimizing administrative burden and allowing for agricultural functionality. Given the myriad of UAV uses and agricultural operating environments, regulations must clearly differentiate between the level of risk presented by commercial airports, and rural air strips/airfields, when determining associated safety requirements. The prevalence of small airstrips in agricultural areas could prevent many farmers from being able to access this innovative technology, despite minimal air traffic. Thus, the federal government must ensure that UAV safety regulations promote safety through a risk-based framework that recognizes and accommodates the myriad of agricultural applications and operating scenarios. Furthermore, Federal, Provincial and Municipal governments must harmonize and synchronize their respective authorities to prevent contradictory overlap of jurisdiction and regulation.

## **ANNEX: Cartagena protocol on biosafety**

### **Cartagena Protocol on Biosafety**

CFA believes that Canada's approach to the Cartagena Protocol on Biosafety must meet the basic biotechnology goals identified above. Detailed policy on the Protocol is contained in the CFA Environmental Policy Statement.

Excerpt from CFA environment policy statement:

#### **1.0 Cartagena Protocol on Biosafety**

The Biosafety Protocol is an international agreement, negotiated under the United Nations' Convention on Biological Diversity (CBD), which was formally adopted on January 29, 2000 in Montreal. The objective of the Protocol is "to contribute to ensuring an adequate level of protection in the safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking into account risks to human health and specifically focusing on transboundary movements."

The Canadian agriculture industry and Canadian agriculture producers will be the most affected domestic stakeholders from this Protocol. For this reason it is imperative that the Protocol work effectively and efficiently for the movements of agricultural products. CFA has several concerns

regarding the Protocol and we encourage the government to work diligently to address these issues so that Canadian agriculture producers will not be adversely affected.

### **1.1 Biosafety Clearinghouse**

Each country will notify new living modified products onto a Biosafety Clearinghouse in advance of any shipments taking place. As this will be a huge undertaking, Canadian farmers encourage governments to be vigilant in keeping administrative costs and time delays to a minimum. In addition, CFA stresses that Canada only notify those living modified organisms produced through modern biotechnology (as defined by the Protocol) onto the Biosafety Clearinghouse.

### **1.2 Documentation Requirements for Commercial Shipments**

CFA requests that dockage and tolerance levels must be agreed to by all parties and set out clearly for exporters prior to Canada ratifying this Protocol. The levels must be attainable under commercial handling and transportation systems, while recognizing the capability of modern testing technology to identify trace amounts of a substance.

### **1.3 Testing and Sampling Methods for Shipments**

The CFA requests the testing and sampling methods for shipments be standardized to ensure the methods used by the exporter will also be accepted by the importer.

### **1.4 Scope of Products Covered Under the Protocol**

The scope of products covered under the Protocol must be clearly understood by all parties. It has come to our attention that several agricultural products, which present no potential risk to a country's biological diversity, may be covered under the scope of the Protocol. The CFA sees it as imperative that the Canadian government clearly define what products are covered under the Protocol and that this be communicated domestically and internationally.

### **1.5 Illegal Transboundary Movements, Liability and Redress Issues**

Agricultural producers are very concerned with the potential costs, which may be borne by exporters of non-genetically modified commodities if a small percentage of genetically-modified dockage is contained in the shipment.

Until tolerance, tolerance in dockage levels, as well as standardized testing and sampling methods are agreed upon under the Protocol, the CFA urges the government not to ratify the Protocol until the implications are agreed to by the Canadian agri-food industry.

### **1.6 Implementation of Canada's Regulatory Requirements Under the Protocol**

CFA stresses that imports under the Protocol be subject to the same requirements as Canadian exports and that any additional regulatory requirements fall under the commodity specific regulations, which currently govern trade in agricultural commodities.

### **1.7 Disputes Arising From the Protocol**

The CFA urges the government to ensure that a clear method for resolving any dispute that might arise under the Protocol, or under any other international agreements in relation to the Protocol, is devised. It should be clear domestically and internationally where disputes will be resolved.

### **1.8 Risk Assessments and Risk Management**

CFA believes the Canadian government must ensure that all risk assessment and risk management decisions made under the Protocol continue to be based on a science-based system in conformance with the WTO Agreements on Sanitary and Phyto-sanitary (SPS) Measures and Technical Barriers to Trade (TBT).

## **Section Two - Policy resolutions**

Each year, CFA members develop and debate policy resolutions at the Federation's Annual General Meeting. These resolutions establish CFA's official position on specific policy issues and serve as a basis for planning future activities. They also form the basis of CFA's Standing Policy statements. The following pages contain resolutions passed during the last three years. They are grouped by category and sorted by year, with most recent resolutions appearing first.

### **TRADE**

#### **2025 - Water in U.S. Trade Negotiations**

**BE IT RESOLVED** that the CFA clearly request that the Federal Government refrain from using potential water sales, transfers or diversions as a bargaining chip in any trade negotiations with the United States.

#### **2025 - Response to possible tariffs on Canadian exports to the USA**

**BE IT RESOLVED** that the CFA engage with the Government of Canada on the following actions:

- Ask Canadian officials to emphasize to the U.S. to continue to respect current CUSMA trading rules.
- Have the Government of Canada identify a targeted list of US products imported into Canada in order to have a targeted list for strong retaliatory tariff action;

- Investigate the opportunities for Canada to be the preferred supplier of agricultural products to replace US exports to countries affected by US tariffs.
- Support agricultural businesses and producers that will be affected by tariffs through direct financial aid, if tariffs are applied.

### 2025 – Trade and Market Development Programs

**BE IT RESOLVED** that CFA work with Agriculture and Agri-Food Canada to ensure federal trade and market development programs meet the needs of smaller acre crops and niche commodities through program changes that provide:

- Funding for domestic market development, including activities to promote the health benefits of agriculture and agri-food products to Canadians;
- Financial assistance to help sectors resolve emerging non-tariff trade restrictions, including technical and political barriers to trade in overseas markets; and
- Flexible funding agreements for commodity associations that are unable to meet existing cost-shared funding ratio requirements.

### 2025 – Market Access

**BE IT RESOLVED** that the CFA ask the federal government:

- To allocate the necessary resources and authority to the Canadian Food Inspection Agency to ensure that imported agricultural and forestry products and foods are produced according to the same production and processing standards as those in force in Canada, which could be used to set up a monitoring office for imported products along with measurement and control tools in collaboration with the Canada Border Services Agency; and
- To maintain if not improve access to the markets of our trading partners and remove all trade barriers concerning export-oriented agri-food products.

### 2025 – Chinese Market Access

**BE IT RESOLVED** that the CFA ask the federal government to obtain concrete commitments China to allow Canadian slaughterhouses and producers of canola or other potentially affected products, to deliver their products to the Chinese market.

### 2025 – Negotiate an exemption for private-forest lumber in the future agreement on lumber exports to the US

**BE IT RESOLVED** that the CFA ask the Government of Canada to negotiate an exemption from countervailing and anti-dumping duties for private-forest lumber in the future agreement on softwood lumber exports to the United States.

### 2024 - TRQ Administration

**BE IT RESOLVED** that the CFA advocate that the Canadian government use all measures necessary to protect its sovereign right to determine and administer its own domestic policies, including the allocation of TRQs in ways that minimize the impacts on farming sectors.

**2024 - Tracking and Reporting of Exports**

**BE IT RESOLVED** that CFA lobby the Government of Canada for mandatory reporting of import and export sales of all agricultural commodities, to be made available on a weekly basis.

**2024 - Inspection of Imported Products**

**BE IT RESOLVED** that the CFA call on the Canadian government to ensure CFIA and CBSA are provided with the additional resources and training needed to adequately enforce regulations and production standards on products that cross the border and production standards, including conducting inspections to validate these products, and audits of foreign farms and processing plants.

**2023 - CBSA-CFIA Training Programs:**

**BE IT RESOLVED** that the CFA lobby the federal government to ensure CBSA and CFIA should receive funding for commodity-specific training programs so that they are better positioned to monitor and enforce Canada's commodity-specific regulations and standards for agri-food products.

**2023 - International Trade**

**BE IT RESOLVED** that the Canadian Federation of Agriculture in its lobbying efforts with the Federal Government advance and undertake the following:

- Oppose any changes to NAFTA that would i) undermine the agricultural market access Canada negotiated under the Canada-U.S. Free Trade Agreement (CUSTA) or NAFTA for Canada's export oriented commodities; or, ii) modify the size of any TRQs and/or the level of over-quota tariffs for dairy, poultry, and egg products;
- Work with and support the poultry, egg and dairy sectors to oppose any weakening of the three pillars of supply management, namely (1) import control; (2) production discipline; and, (3) fair prices to producers, at the WTO or in any other trade negotiations; and,
- Request that the Government of Canada provide transparency by holding regular and detailed briefings and consultations with general farm organizations and commodity groups as trade negotiations unfold.

**2023 - Trade War Mitigation Program**

**BE IT RESOLVED** that the CFA lobby the Government of Canada to work with farm organizations from trade exposed sectors to develop a trade war mitigation program that is:

- Federally funded;
- Compliant with Canada's international trade commitments;
- Equivalent to the demonstrated hurt caused by trade actions;
- Production neutral to prevent market distortions and influence on individual management decisions;
- Provided for the duration

**2023 - Reimbursement of the 35% tariff on fertilizers from Russia:**

**BE IT RESOLVED** that CFA lobby the Government of Canada to return the funds generated by agricultural businesses because of the 35% tariff on fertilizer from Russian to the primary agriculture sector.

## BUSINESS RISK MANAGEMENT

### 2025 - Adapt Agri-Insurance to Climate Change

**BE IT RESOLVED** that the Canadian Federation of Agriculture (CFA) ask Agriculture and Agri-Food Canada:

To improve the Agri-Insurance program so that it adequately covers new climate risks and enables the governments to assume the full risk of losses incurred during exceptional climate-caused disasters.

### 2025 - AgriStability Eligible Expenses for Feed and Input Costs

**BE IT RESOLVED** that CFA request the federal government to support changes to AgriStability eligible expense category to better capture the full livestock sector input costs (pasture and feed).

### 2025 – Livestock Tax Deferral

**BE IT RESOLVED** that CFA lobby Agriculture and Agri-Food Canada to implement changes to the Livestock Tax Deferral Program to ensure:

- All producers in need of a tax deferral due to drought or excessive moisture have access to the Livestock Tax Deferral program, irrespective of administrative boundaries;
- Decisions regarding deferral eligibility are timely and in sync with the production season to allow for informed business decision-making and tax planning on the part of producers;
- That the program is utilizing new technology such as satellite vegetative mapping into their drought and excessive moisture assessment process;
- Individual producers, when excluded from a designation, are afforded an appeal mechanism; and
- That all classes and types of livestock are provided a deferral when AgriRecovery is triggered.

### 2025 – Agricultural Policy Framework 2023-2028: AgriStability

**BE IT RESOLVED** that CFA ask Agriculture and Agri-food Canada to increase AgriStability program coverage to 85% of the reference margin, without requiring the agreement of all the provinces.

### 2022 – Agricultural Policy Framework 2023-2028: Investment

**BE IT RESOLVED** that CFA ask the Government of Canada to increase the overall budget for the agricultural sector in order to close the gap with the European Union so that public investment in agriculture is consistent with the size and strategic importance of this sector within the Canadian economy, while reducing the administrative burden on agricultural producers.

**2022 – Agricultural Policy Framework 2023-2028: Agri-environmental**

**BE IT RESOLVED** that CFA ask Agriculture and Agri-Food Canada:

- To introduce a new program, called Agri-Green, to remunerate producers who will comply with certain environmental requirements or implement certain practices;
- To offer a dedicated support and guidance program for all the adjustments required of agricultural enterprises enabling them to cope with climate changes and make greater use of existing advisory services; and
- To increase funding for agronomic research and innovation as well as for strategic agro-environmental initiatives (e.g., Living Laboratory Initiative, coaching, training, knowledge transfer, etc.).

**2025 – Insurance**

**BE IT RESOLVED** that the CFA work with members to identify insurance barriers and gaps and work with stakeholders to address these gaps.

**BE IT FURTHER RESOLVED** that the CFA work with the Federal Government and its members to create a publicly (government) owned farm insurance company to underwrite, issue and manage for the farming industry in Canada.

**2025 – Access to Government Funding for All Agricultural Producers**

**BE IT RESOLVED** that the CFA lobby the Government of Canada through AAFC to insist that the program parameters and priorities of the Next Policy Framework are jointly developed and applied by the federal, provincial and territorial governments to ALL agricultural producers, and

**BE IT FURTHER RESOLVED** that if the Government of Canada is otherwise restricted in its implementation of equal access for all farmers due to provincial jurisdictions, the CFA insist an alternate emergency fund be created with accessibility granted to farmers excluded from current CAP funding within their province.

**2025 – Business Risk Management 1**

**BE IT RESOLVED** that when improvements to business risk management programs are proposed by the federal government, provinces can individually select whether or not to adopt the program, without the current requirement of a ‘strong majority’.

**2025 – Business Risk Management 2**

**BE IT RESOLVED** that should the Federal government allow individual provinces to opt into proposed improvements to risk management programs negating the requirement of a ‘strong majority’ of provinces, CFA lobby Agriculture and Agri-food Canada to allow individual producers in those provinces that do not opt in to access the federal portion of funding improvements proposed by the federal government.

**2024 - Improving the Advance Payments Program**

**BE IT RESOLVED** that the CFA ask AAFC to improve the APP by permanently increasing the program's interest-free portion to \$350,000 and by updating the program's eligibility criteria in consultation with the producer groups using the program.

#### **2024 - Compensation for poultry flocks depopulated due to plant closures**

**BE IT RESOLVED** that the CFA lobby the federal government that support will be available to cover the value of the birds in the event of a depopulation of flocks due to a processing plant closure or significant reduction in capacity.

#### **2024 - Wildlife Damage Prevention and Compensation**

**BE IT RESOLVED** that the CFA lobby the Government of Canada to provide more robust funding, focused objectives and clearer program parameters for wildlife damage prevention and compensation programs across Canada.

#### **2024 - Ensuring Responsive BRM Programs**

**BE IT RESOLVED** that the CFA continue its advocacy on BRM programs, and request that the government provide additional financial support to improve resilience against extreme natural disasters and work closely with producers and their associations to begin the revision of BRM programs, particularly AgriRecovery and AgriStability, to ensure that they are more flexible, timely, responsive, and predictable in the face of increasing disaster-related events caused by climate change.

#### **2024 - Fully Funded Yield Cushioning**

**BE IT RESOLVED** that the CFA request the federal government to work with provincial crop insurance agencies to fully fund a crop insurance yield cushioning policy to ensure that any previous years' yields used to calculate producers' production guarantees are capped at 70% of their Individual Long-term Average.

#### **2023 - Complimentary Financial Assistance in the Event of Trade of Diplomatic Disputes**

**BE IT RESOLVED** that the CFA ask the federal government to:

- o Institute financial assistance that complements current risk management programs to help farm businesses affected by these disputes so that the level of intervention of all available programs is comparable to what is offered to American and European producers to maintain the competitiveness of the agricultural sector;
- o Support the agricultural sectors and businesses affected by the trade disputes through budgets and compensation programs tailored to the situation.

#### **2023 - Enhancement of the Risk Management Programs of the Canadian Agricultural Partnership**

**BE IT RESOLVED** that the Canadian Federation of Agriculture (CFA) ask:

- AAFC to:
  - o Rapidly enhance the Business Risk Management (BRM) programs of the Canadian Agriculture Partnership (CAP) as follows:

- AgriStability – offer 85% coverage of the reference margin;
- AgriInvest – increase the government contribution and return the action level to \$75;
- Set up a program to address the risks associated with sanitary crises, with funds earmarked for that purpose;
- The Canada Revenue Agency to:
  - Exempt from taxation drawdowns from the AgriInvest program used to improve business productivity;
- The federal government to:
  - Adjust the AAFC’s budget to cover the additional costs of enhancing the BRM programs
  - Implement a real income support program.

### **2023 - AgriCompetitiveness Program**

**BE IT RESOLVED** that the CFA support and advocate for increased funding for the AgriCompetitiveness program and lobby to ensure that the provincial organizations may be eligible for the program.

### **2023 - Recognition and Support for Active Equines and Active Equine Facilities for the purpose of accessing Government agriculture and farming programs:**

**BE IT RESOLVED** that the CFA work with the Equine Industry and Federal Government departments and agencies to recognize Active Equines and Active Equine Facilities and their significant contribution to the Canadian agriculture sector and the economy.

**BE IT FURTHER RESOLVED** that the CFA continue to work with the Canadian Equine industry and the Federal Government departments and agencies to advocate for improved recognition, programs and benefits for Active Equines and Active Equine Facilities currently limited by legislation which is uniquely and adversely affecting the Canadian equine sector.

### **2023 - Elimination of Disaster Financial Assistance Arrangement Program’s \$2 million gross sales limit for farm businesses**

**BE IT RESOLVED** that the CFA request the federal government eliminate the Disaster Financial Assistance Arrangement’s \$2 million gross revenue limit.

### **2023 - Cow/Calf Production Insurance:**

**BE IT RESOLVED** that the CFA call on the federal government to work with farm organizations to examine and support the development of national cost-shared insurance programming for livestock, including the potential development of a cow/calf production insurance program.

### **2023 - Improving the Advanced Payment Program (APP):**

**BE IT RESOLVED** that the Canadian Federation of Agriculture (CFA) lobby AAFC (AAFC) to make the temporary increase in the interest-free limit under the Advanced Payment Program (APP) permanent prior to the 2024 program year; and

**FURTHER BE IT RESOLVED** that CFA lobby AAFC to remove the APP's proof of sales requirement; and

**FURTHER BE IT RESOLVED** that CFA lobby AAFC to allow APP administrators to advance 60% of the loan amount to APP borrowers on November 1st and the remaining 40% on April 1st; and

**FURTHER BE IT RESOLVED** that CFA lobby AAFC to thoroughly review the APP program and remove all unnecessary red tape and complexity to make the program more efficient and easier to access for farmers.

## ENVIRONMENT AND SCIENCE

### 2025 - Federal Government Investment in Greenhouse Gas Emissions Reductions by Farms

**BE IT RESOLVED** that the Canadian Federation of Agriculture (CFA) ask Agriculture and Agri-Food Canada:

To recognize the strategic role of the agricultural sector in meeting climate challenges by targeting and funding projects that promote the reduction of GHG emissions on the farm, and by increasing support for research, knowledge transfer and the adoption of efficient, cost-effective technical practices and solutions for reducing GHG emissions.

### 2025 - Federal Government Investment in Farm Adaptation to Climate Change

**BE IT RESOLVED** that the Canadian Federation of Agriculture (CFA) ask Agriculture and Agri-Food Canada:

To provide greater support for the research and investment needed to adapt Canadian farms to the challenges of climate changes in order to improve their resilience and profitability and thus promote sustainable agricultural production that delivers food security to our fellow citizens.

### 2025 - Incentives for Producers to Install Weather Stations for Data Collection

**BE IT RESOLVED** that CFA request the federal government provide an incentive for producers to provide data from verified weather stations, new and existing, to be used for weather data collection and the delivery of rainfall insurance and other weather-based government programs.

### 2025 - Implementing the recommendations from the Standing Committee on Agriculture and Forestry's report, "Critical Ground: Why Soil is Essential to Canada's Economic, Environmental, Human, and Social Health"

**BE IT RESOLVED** that the CFA lobby the federal government to allocate the resources necessary to implement the recommendations contained in the Senate report, "Critical Ground: Why Soil is Essential to Canada's Economic, Environmental, Human, and Social Health", including provisions to recognize the contributions of early adopters.

### 2025 – Funding for Breeding Programs

**BE IT RESOLVED** that CFA lobby Agriculture and Agri-Food Canada to protect the viability of

public crop breeding programs by ensuring that AgriScience Clusters provide funding for all crops breeding activities necessary to bring a new crop variety to market, and

**BE IT FURTHER RESOLVED** that CFA lobby Agriculture and Agri-Food Canada that a minimum 70:30 (government-producer) cost share funding ratio is reinstated for smaller acre crops that cannot afford to meet the full cost share ratio.

#### **2025 – Revocation of the maximum residue limits for Imported Products when active ingredients are removed in Canada**

**BE IT RESOLVED** that the Canadian Federation of Agriculture:

- Meet with Agriculture and Agri-Food Canada and Health Canada officials to inform them of the economic consequences and food safety implications of this situation;
- Ask the Government of Canada and the PMRA to set the MRL at 0.01 PPM for imported products when these active ingredients are subject to complete removal in Canada;
- That any MRLs applicable to unregistered active ingredients set by the Canadian Department of Health for imported products apply to products originating in Canada
- Ask the Government of Canada and the Canadian Food Inspection Agency to block at the border any imported agricultural product presenting MRLs higher than those for Canadian products as a result of the PMRA's re-evaluation of a phytosanitary product.
- Ask the Government of Canada to work with the U.S. Government to harmonize the MRL to 0.01 PPM for active ingredients that are no longer registered

#### **2025 – Farm Animal Veterinarians**

**BE IT RESOLVED** that CFA work with members and other stakeholders to address the issues with accessing farm animal veterinarians.

#### **2025 – Approval of safe-use alternative antimicrobials**

**BE IT RESOLVED** that the CFA work with agricultural stakeholders to lobby Health Canada to facilitate the swift approval of alternative antimicrobials with a history of safe use in other jurisdictions.

#### **2025 – Reserving animal-based imagery and words for animal products**

**BE IT RESOLVED** that CFA lobby for stricter and more proactive enforcement of existing labelling regulations and legislation.

**BE IT FURTHER RESOLVED** that CFA lobby Agriculture and Agri-Food Canada, the Canadian Food Inspection Agency and Health Canada to reserve to animal-based products the use of images of animals as well as any names/words commonly used to describe such products.

#### **2025 – Support for additional sustainability tools, technologies and practices**

**BE IT RESOLVED** that the CFA lobby government to ensure effective and targeted funding to support the development and implementation of additional sustainability tools, technologies, and practices on farms, such as: ecological goods and services programming, infrastructure

supporting renewable energy, standardized tools and technologies to measure greenhouse gas emissions on-farm, and research towards on-farm green technologies.

#### **2025 – Maintenance Funding for Weather Radar Stations**

**BE IT RESOLVED** that the CFA lobby Environment Canada to ensure the weather radar network provides radar coverage for all agricultural lands in Canada.

**BE IT FURTHER RESOLVED** that CFA lobby the Federal Government to ensure Environment Canada has the direction and resources to ensure that radar stations are kept functioning in a consistent and reliable manner.

#### **2025 – Canadian Agriculture Competitiveness**

**BE IT RESOLVED** that CFA lobby the Federal Government to focus on supporting those strategies that will result in the largest emissions mitigation effects (i.e. methane and nitrogen oxides), including methane inhibitors for both feedlot and cow-calf operations, manure management, fertilizer management, etc.

**BE IT FURTHER RESOLVED** that CFA lobby the Federal Government to ensure that agriculture is not penalized where there are no feasible alternatives, as the past has shown with conservation tillage that agriculture will adopt better practices when able, and to recognize and address climate policies that, while necessary for other industries, negatively affect Canada's agricultural competitiveness.

**BE IT FURTHER RESOLVED** that CFA lobby the Federal Government so that when realistic alternatives are identified, transition and implementation plans for agricultural businesses are also supported (backgrounder, follow-up, etc.)

#### **2025 - Expansion of Weather Radar Network**

**BE IT RESOLVED** that the CFA lobby Environment Canada to ensure the weather radar network provides radar coverage for all agricultural lands in Canada.

#### **2025 - Emission Offset Programming**

**BE IT RESOLVED** that CFA investigate carbon sequestration and the potential impact it may have on Canadian farmers' incomes; as well, investigate a cap and trade system and the potential it may have as a source of income for Canadian farmers.

#### **2025 - Harmonization of Pesticides**

**BE IT RESOLVED** that the Canadian Federation of Agriculture, in concert with other interested organizations petition the Privy Council Office, which is the body responsible in Canada for the Regulatory Cooperation Council, with a demand that all differences in the evaluation and registration of pesticides that are preventing harmonization between Canada and the USA be resolved.

**2024 - Standards, regulations and Canadian market access for imported products****BE IT RESOLVED** that CFA ask the government of Canada and AAFC

- to ensure that all legal and regulatory measures as well as structures needed to ensure the monitoring and enforcement of Canadian standards are in place and allocated the appropriate resources;
- to introduce financial compensation programs to ensure that our farm businesses remain competitive when they are held to more stringent requirements than foreign farm businesses.

**2024 - Fisheries Act exemption for agriculture drainage and irrigation infrastructure**

**BE IT RESOLVED** that CFA lobby the federal government to amend the *Fisheries Act* to exclude man-made infrastructures that were built to support agricultural activities, such as soil drainage and crop irrigation, from what is considered to be fish habitat for the purposes of the Act, and that the death of any fish in these man-made, agriculturally-purposed infrastructures as a result of the normal operation and/or maintenance of these infrastructures not be prohibited.

**2024 - Carbon Sequestration and Plant Breeding**

**BE IT RESOLVED** that the CFA lobby the federal government to invest in research programs for the development of crops varieties that would increase carbon sequestration through innovations such as enhanced root mass and increased photosynthetic efficiency.

**2024 - Measurement System for Soil Carbon Sink**

**BE IT RESOLVED** that CFA lobby the Government of Canada to develop a methodology to quantify the relationship and role of microbial activity with regards to carbon sequestration of agricultural soils.

**2024 - Sandhill Crane Hunt**

**BE IT RESOLVED** that the Canadian Federation of Agriculture lobby the Canadian Wildlife Service to allow a managed hunt of Sandhill Cranes in eastern Canada.

**2024 – Weather Radar Stations**

**BE IT RESOLVED** that CFA, lobby the Federal Government to ensure Environment Canada has the direction and financial resources to ensure that radar stations are kept functioning in a consistent and reliable manner.

**2024 - Voluntary Offset Programs**

**BE IT RESOLVED** that the CFA support the development of a national carbon offset program that reflect the following principles:

- I. Offset protocols should be designed to provide meaningful recognition of agricultural activities that reduce carbon;
- II. The maintenance of existing carbon sinks like wetlands, forests and grasslands should be eligible for financial support;
- III. Verification systems must be effective and cost efficient;

- IV. Offset protocols must provide a fair price to producers for voluntary sequestration or emission reductions;
- V. Offset protocols must allow for the aggregation and stacking of credits;
- VI. Offset protocol programs must reflect the diversity of different agricultural sectors;
- VII. Offset protocol options should recognize the actions of farmers.

**2024 - Inclusion of Biogas and Renewable Natural Gas (RNG) in Market-Based Biofuels Policies**  
**BE IT RESOLVED** that the CFA advocate that the government support the development of biogas and RNG through an Investment Tax Credit equivalent to what is currently available to clean hydrogen (refundable at up to 40%, based on carbon intensity).

**2024 - Agricultural Land Protection and Preservation**

**BE IT RESOLVED** that the CFA ask the federal government to ensure that the government funding to support reforestation are not used to the detriment of cultivated land.

**2024 - Water Withdrawal**

**BE IT RESOLVED** that the CFA ask AAFC to set up investment assistance programs for implementing measures that will secure and optimize water supplies for agricultural operations and minimize the risk of water-use conflicts in the context of adapting to climate change.

**2024 - Carbon footprint of agricultural businesses**

**BE IT RESOLVED** that the CFA ask the Government of Canada to establish, in collaboration with agricultural producers, a clear and precise methodology for harmonizing the calculation of the carbon footprints on farms, which will take into account the climate and soil conditions of the provinces and the particularities of each crop and animal production.

**2024 - Incentive programs for soil health and soil carbon sequestration**

**BE IT RESOLVED** that CFA lobby the federal government to work with provinces and territories to develop additional financial incentive programs focused on improving soil health and increasing organic matter content in soils to enhance its carbon capture abilities and build capacity to adapt to a changing climate, and

**BE IT FURTHER RESOLVED** that CFA lobby the federal government to provide additional federal government funding in the current and successor agricultural policy framework agreements to the Sustainable Canadian Agricultural Partnership for financial incentive programs focused on improving soil health and increasing organic matter content in soils.

**2024 - International movement of Bombus (Bumblebee) queens**

**BE IT RESOLVED** that the Canadian Federation of Agriculture advocate to the CFIA to re-approve the application for the international movement of Bombus queens.

**2024 - Payment for Carbon Sequestration on Livestock Grazing Land**

**BE IT RESOLVED** that the CFA lobby to ensure agricultural producers receive direct compensation from the federal government for the carbon that they are sequestering in their grasslands and grazing lands.

#### **2024 - Renewable Diesel**

**BE IT RESOLVED** that CFA lobby the Government of Canada to incentivize the use of renewable diesel as an alternative fuel source for agriculture, letting us be one step closer to net zero.

#### **2023 - Exemption to the Carbon Pricing**

**BE IT RESOLVED** that the Canadian Federation of Agriculture lobby the government to protect all primary agricultural production from the negative effects of carbon pricing.

#### **2023 - Investment in Practical and Useable Net Zero BMPs:**

**BE IT RESOLVED** that CFA lobby the Government of Canada to invest more into researching, logical, easy-to-use, scalable and cost-effective technologies that would assist farmers in being financially sustainable when striving towards the Canadian goal of clean growth and net zero by 2050.

#### **2023 - Reusable Plastic Containers**

**BE IT RESOLVED** that the CFA ask:

- The federal government to:
  - o Work with the CFIA to carry out a comprehensive scientific study to examine the potential biosecurity hazards, including plant pathogenicity, in order to determine if reusable plastic containers pose a threat to crop production and to make recommendations concerning the management, handling and use of these containers to eliminate these hazards and threats.
- Ensure that single-use agricultural plastics not be banned until a viable solution exists
- Define recycling standards and best practices, including expanded collection and recycling responsibilities for companies that manufacture plastic products or that sell plastic-wrapped products.

#### **2023 - Fertilizer Emissions Reduction:**

**BE IT RESOLVED** that CFA lobby the Government of Canada to provide further information on how producers will meet agricultural export targets while achieving the 30% reduction in nitrous oxide emissions from fertilizer.

#### **2023 - Recognizing the Historical Provision of Environmental Goods and Services by Canadian Farmers:**

**BE IT RESOLVED** that the CFA lobby AAFC to ensure farmers who have adopted a beneficial management practice prior to the Resilient Agricultural Landscape Program (RALP) implementation date are eligible for financial support.

#### **2023 - Climate emergency and agriculture:**

**BE IT RESOLVED** that CFA lobby the Government of Canada to:

- Recognize the strategic importance of the agricultural sector in a context of climate changes, prioritize and channel investments in favour of structuring initiatives that will ensure the sustainability and resilience of our agriculture and our businesses, and take concrete action to strengthen our food autonomy and counteract food insecurity, both nationally and internationally;
- Support the required investments in water catchment and retention facilities so as to secure the water supply required for agriculture and to help minimize the risk of conflicts of use;
- Enhance the income support programs to more adequately protect agricultural producers from the financial risks of extreme weather events and to adequately support them in their efforts to adapt to climate changes.

## FOOD SAFETY

### 2025 - Safe Food for Canadians Regulations

**BE IT RESOLVED** that the Canadian Federation of Agriculture ask Agriculture and Agri-Food Canada and the Government of Canada:

- To provide an investment assistance program to support the purchase and installation of equipment required to comply with CFSR standards, including labelling;
- To strengthen the capacity of agricultural businesses to adapt specifically to the CFSR by means of financial support for the use of consulting services;
- To ensure that foreign suppliers are subject to the same regulatory requirements and to the same production standards as Canadian producers, with rigorous identification of their products.

### 2024 - Specified Risk Material (SRM) Removal Requirements

**BE IT RESOLVED** that the Canadian Federation of Agriculture, along with relevant stakeholders, lobby the Federal government for regulatory changes to reduce the burden and costs associated with Specified Risk Material removal in Canada; and

**BE IT FURTHER RESOLVED** that the Canadian Federation of Agriculture with relevant stakeholders lobby the Federal government to create harmonization of Specified Risk Material removal requirements with the standards in the United States.

### 2024 - Federally inspected slaughter plants – remote inspection and delegation of veterinary procedures

**BE IT RESOLVED** that the CFA ask the Canadian Food Inspection Agency (CFIA) to implement regulations that would alleviate the shortage of professional resources needed to inspect federally inspected slaughter plants by allowing the use of remote inspection or the delegation of certain acts to animal health technicians or food safety technicians in slaughter plants.

**2023 - Monitoring of Wild Ungulates**

**BE IT RESOLVED** that the CFA lobby the federal government to ensure that managed herds of wild ungulates on federal Crown lands are monitored for infectious diseases, such as Bovine Tuberculosis and Chronic Wasting Disease.

**TAXATION****2025 - Enhancing Capital Cost Deductions for Canadian Farms**

**BE IT RESOLVED** that the CFA advocate for:

- a. A permanent accelerated capital cost allowance measure that mirrors U.S. Section 179—that enables farm businesses to deduct 100% of capital costs for new farm equipment (up to a certain threshold) in the first fiscal year; and
- b. A temporary “bonus” depreciation provision—mirroring the U.S. model—that, at least in the near term, allows farm businesses to deduct an additional portion (ideally 100%) of larger capital purchases in Year 1, to close the competitiveness gap with U.S. producers.

**2025 - Expansion of Farm Rollover Provisions**

**BE IT RESOLVED** that CFA request Finance Canada to immediately expand eligibility of farm rollover provisions to include aunts, uncles, nieces and nephews, stepchildren, and adopted children.

**2025 - Carbon Tax Revenue for Grassland Retention**

**BE IT RESOLVED** that CFA request the federal government to ensure that a portion of carbon tax revenue is directed towards payment to incentivize the retention and maintenance of native grass and pastureland and hay land.

**2024 – Federal Escalator Tax on Alcohol**

**BE IT RESOLVED** that CFA lobby the Government of Canada to remove the escalator tax on alcohol in Canada.

**2024 - Specific Tax Credit for Food Donations made by Producers**

**BE IT RESOLVED** that the CFA ask the federal government to implement a refundable tax credit for food donations made by all types of agricultural businesses and to ensure that donations to local food banks are recognized.

**2024 - HST/GST as Eligible Input Tax Credit for On-Farm Housing**

**BE IT RESOLVED** that the Canadian Federation of Agriculture advocates to the federal government to consider HST/GST on the construction, maintenance, and furnishing of housing for seasonal agricultural and temporary foreign workers as a commercial activity, which would result in those HST/GST costs being treated as an eligible input tax credit.

**2023 - Excise Tax Escalator**

**BE IT RESOLVED** that the CFA agree to support the ongoing campaign to eliminate the federal government of Canada's 2017 budget implementation of an automatic annual escalator tax mechanism on beer, wine and spirits sales.

**2023 - CRA Farm Equipment Depreciation Rates**

**BE IT RESOLVED** that the CFA lobby the Federal Government to allow Canadian Farmers to claim depreciation of 100% for farm machinery in the first year.

**2023 - Tax Rebate for Renting Land to Young Farmers**

**BE IT RESOLVED** that the CFA work with the Department of Finance Canada to develop a program that would allow a landowner to be eligible for a full tax rebate on land rental income earned from renting land and/or selling land to a young farmer whose eligibility in the program would be defined under specific parameters.

**2023 - Farm Corporations' Access to the Capital Gains Exemption:**

**BE IT RESOLVED** that the CFA advocate for changes to the Income Tax Act to provide shareholders in a farm company the ability to transfer their personal Lifetime Capital Gains Exemption, in whole or in part, to the small business corporation when selling land.

**2023 - Increase to the Lifetime Capital Gains Exemption:**

**BE IT RESOLVED** that the CFA advocate that the Government of Canada increase the Lifetime Capital Gains Exemption (LCGE) from \$1,000,000 to \$5,000,000.

**2023 - Farm Family Succession:**

**BE IT RESOLVED** that CFA lobby the Government of Canada to eliminate the policy of 'deeming fair market value' for non-arm's length family farm succession transactions; and be it further

**BE IT FURTHER RESOLVED** that CFA lobby the Government of Canada to expand current family farm succession provisions that would include other kin relations where a family farm working relationship can be proven; and be it further

**BE IT FURTHER RESOLVED** that CFA lobby the Government of Canada to ensure the capital gains exemption be intended for retiring or succeeding family farms.

**2023 – Federal Carbon Tax:**

**BE IT RESOLVED** that CFA lobby the Government of Canada to make the carbon tax, and the associated GST, visible on all receipts and invoices involving petroleum products.

**2023 - Underused Housing Tax (UHT):**

**BE IT RESOLVED** that the Canadian Federation of Agriculture lobby the Canadian Department of Finance to exempt farm private corporations and partnerships from the requirement to file an Underused Housing Tax (UHT) return and that the exemption be granted before the filing date at the end of April 2023.

## TRANSPORTATION

### 2025 – Mandatory Entry Level Training for Truck Drivers

**BE IT RESOLVED** that CFA work with the Federal government to establish license reciprocity for Class 1 Drivers both in Canada and with the U.S to increase the availability of drivers for the sector and for improved inter-provincial and international transport,

**BE IT FURTHER RESOLVED** that CFA lobby the Federal Government to invest in the training of Class 1 Drivers to help reduce the financial burden on agriculture producers and reduce the shortage of truck drivers available.

### 2025 - Coast Guard Services at Churchill

**BE IT RESOLVED** that CFA ask the federal government to ensure the establishment of Canadian Coast Guard Services, stationed at Churchill.

### 2024 - Railway Company Private Grade Crossing Agreements

**BE IT RESOLVED** that the Canadian Federation of Agriculture, along with relevant stakeholders, lobby Transport Canada to advise the railway companies that they should not require a new private crossing agreement from landowners where an existing private crossing already exists.

### 2024 - Grade Crossings – Amendments to the Canada Transportation Act and renewal of the Rail Safety Improvement Program

**BE IT RESOLVED** that the CFA ask the Department of Transport (Transport Canada) to amend the *Canada Transportation Act* (S.C. 1966, c. 10) such that the costs associated with the construction, modification and maintenance of new and existing grade and railway crossings on agricultural and forestry land be assumed in full by the railway companies and, pending adoption of the requested regulatory amendments, to promptly renew the Rail Safety Improvement Program to fully cover the costs associated with the upgrading, maintenance, modification and closure of private grade crossings used to connect sections of agricultural and forestry land.

### 2024 - Canada Transportation Agency Investigative Authority

**BE IT RESOLVED** that CFA lobby Transport Canada to provide the Canada Transportation Agency the authority and resources to monitor the rail transportation system, proactively collect information from shippers about rail service, investigate issues as they arise, apply penalties, and make orders to ensure compliance with service standards and obligations set out in the *Canada Transportation Act*.

### 2024 - Railway Carbon Surcharges

**BE IT RESOLVED** that the CFA request the federal government to ensure that carbon taxes on railway fuel and other inputs are not passed onto shippers in increased freight charges;

**BE IT FURTHER RESOLVED** that any carbon taxes collected from rail transportation be made available in a separate fund for railways to invest in projects to reduce their emissions and improve efficiency in Canada’s rail transportation sector.

## GRAINS AND OILSEEDS

### 2025 - Conversion of Grain Weight to Dry Matter Basis

**BE IT RESOLVED** that CFA request the Canadian Grain Commission to establish a conversion factor for grains and oilseeds that calculates weight on a “dry matter basis”, such that the weight of grain at final settlement is calculated at its maximum dry moisture level (e.g. 14.5% for wheat).

### 2025 - Protecting Producers from Payment Default

**BE IT RESOLVED** that CFA urge the Canadian Grain Commission undertake operational changes to ensure:

- a. licensed grain buyers are current with their contractual obligations to producers;
- b. have bonds or insurance coverage in place to fully compensate for all payment defaults;
- c. bonds and insurance include interest owing for the delays in processing claims and settlements;
- d. proper licensing of grain brokers to ensure compliance with the regulations, protection and transparency for producers; and
- e. public information for producers to understand the risks of deferring payments when the financial position of buyers is unknown.

### 2025 - Changes to Bankruptcy and Insolvency Act

**BE IT RESOLVED** that CFA requests changes to the Bankruptcy and Insolvency Act to prioritize farmers as secured creditors in the dispersal of grain in store that is being dispersed in the liquidation of assets to creditors.

### 2024 – Regulation of Grain Assessment

**BE IT RESOLVED** that CFA, in consultation with the prairie grain commissions, prairie general farm organizations and the Canadian Grain Commission, work towards a national standard of assessment procedures to protect producers’ interests with respect to grain assessment.

### 2024 - Representation on CGC Grading Review

**BE IT RESOLVED** that the CFA lobby that general farm organizations be provided representation to the Canadian Grain Commission review of Canada’s grain grading system.

### 2024 - Grain Contracts

**BE IT RESOLVED** that CFA partners with relevant Canadian stakeholders in their pursuit to make grain contracts clearer and more balanced, and

**BE IT FURTHER RESOLVED** that CFA call on the Canadian Grain Commission to bring producers and grain companies together and provide oversight to a collaborative approach in re-structuring grain contracts that are clear and fair for both the grain company and the producer.

**2024 - Canada Grain Act Review**

**BE IT RESOLVED** that the CFA request Agriculture and Agri-Food Canada recommence the *Canada Grain Act* review to address key areas of concern to producers while reaffirming the Canadian Grain Commission's mandate to maintain standards and regulate grain handling in the interests of grain producers.

**2024 - Producer Majority on the Western Grain Standards Committee**

**BE IT RESOLVED** that the CFA request the Canadian Grain Commission (CGC) fill its four discretionary positions to Western Grain Standards Committee with producer representatives.

**2023 - Falling Number Used in Grain Contracts**

**BE IT RESOLVED** that the CFA lobby the Canadian Grain Commission and the Western Grain Elevator Association to investigate methods to standardize and increase precision and speed of the determination of falling number.

**2023 - Payment Protection Fund**

**BE IT RESOLVED** that CFA urge the CGC to establish a pool payment protection fund similar to that currently in place with the Alberta Farm Implement Board, such that all licensed grain traders pay an annual proportionate levy into the pool to ensure that producers are adequately protected against payment default of grain traders.

**2023 - Canadian Grain Commission (CGC)**

**BE IT RESOLVED** that the CFA with the assistance of AFA campaigns to ensure that the updated Canada Grain Act clearly states the CGC mandate is to work in the interest of grain producers.

## ANIMAL WELFARE

**2024 - Pregnancy Detection Services by Ultrasound Technicians**

**BE IT RESOLVED** that CFA lobby the Canadian Veterinary Medical Association to allow ultrasound technicians to offer pregnancy detection services.

**2023 - Access to Anti-Microbials and Alternatives:**

**BE IT RESOLVED** that the CFA lobby the federal government to set a goal to increase the availability of veterinary health management products and alternatives in the Canadian market and that initiatives be prioritized to keep veterinary health management products accessible and prompt new products to enter the Canadian market.

**2023 - Animal Activism**

**BE IT RESOLVED** that the Canadian Federation of Agriculture lobby to improve and enforce

federal legislation to address animal activist actions and protect farmers, their families, their employees, their animals and farm-related industries.

**2023 - Increased Cost of Prescription Drugs for Animal Use**

**BE IT RESOLVED** that the CFA lobby Health Canada and the Canadian Veterinary Association to review and continue monitoring the veterinarian-client-patient relationship as it relates to the legislation on antimicrobial use in farmed animals.

**2023 - Canadian Border Import and Biosecurity**

**BE IT RESOLVED** that the CFA lobby the proper authorities to step up the actions and increase the penalties to deter African Swine Fever and other serious infectious diseases from entering Canada.

**2023 - Vaccine Bank for Foot and Mouth Disease:**

**BE IT RESOLVED** that the CFA support Canadian livestock associations by encouraging the federal government to make a fully funded Canadian FMD Vaccine Bank an urgent priority.

**2023 - Protecting Canada's High Standards for Animal Welfare:**

**BE IT RESOLVED** that the CFA lobby the federal government to ensure they maintain Canada's sole discretion to set, direct, and improve its own robust model for the protection and improvement of animal welfare here at home by not entertaining any discussions on the inclusion of animal welfare provisions in any current or future trade negotiations.

**BE IT FURTHER RESOLVED** that CFA lobby the federal government and the FPT Agriculture Ministers to implement third party recognition of animal welfare/care programs to strengthen the programs industry already has in place.

## LABOUR

**2025 - Seasonal Agricultural Worker Program and Processing**

**BE IT RESOLVED** that CFA engage members in defining how, and to what extent, on farm processing should be accommodated in the Seasonal Agricultural Worker Program (SAWP) and the Agricultural Stream of the Temporary Foreign Worker Program.

**2025 - Temporary Foreign Worker Program: Mobility**

**BE IT RESOLVED** that the CFA ask the Government of Canada:

- To ensure that seasonal TFWs in the Agricultural Stream have the same access to inter-farm transfers as TFWs in the Seasonal Agricultural Worker Program to ease their mobility within the agricultural sector;
- To explore mechanisms that would allow for greater mobility between farms and structured work-sharing arrangements for smaller operations that do not require TFWs on a full-time basis;

- To ensure both employers and TFWs abide by the terms of both the TFWP and their employment contracts; and
- To provide a rapid replacement mechanism in the event of a worker's unplanned departure.

#### **2025 – Temporary Foreign Worker Program: Housing**

**BE IT RESOLVED** that the CFA ask the Government of Canada:

- In the event that new TFW housing standards are introduced, to preserve the competitiveness of the agricultural sector with, among other things, adequate government financial support and an adequate timeframe for their implementation; and
- To extend the time limits for housing inspections to a minimum of 12 months.

#### **2025 – Temporary Foreign Worker Program: Impartial Support**

**BE IT RESOLVED** that the CFA ask the Government of Canada to provide support to employers, TFWs and community organizations throughout the employment relationship in a neutral and impartial manner.

#### **2025 - Local Labour Force**

**BE IT RESOLVED** that the Canadian Federation of Agriculture lobby the proper government agencies to provide changes to allow agricultural producers to access the local labour force without affecting their Guaranteed Income Supplement or incurring any penalties.

#### **2024 - Funding for Colleges of Veterinary Medicine**

**BE IT RESOLVED** that the CFA call on the federal government to invest in the expansion and enhancement of the Canadian colleges of veterinary medicine to support the recruitment and accreditation of foreign-trained veterinarians.

#### **2023 - Expedited Application Process**

**BE IT RESOLVED** that an expedited process be considered, a *trusted employer* class, for farms that have a specified history of good standing with the SAWP program.

#### **2023 - Housing Deduction**

**BE IT RESOLVED** that the CFA ask the federal government to index the amount of the housing deduction to reflect the various cost increases borne by employers.

#### **2023 - Application Simplification**

**BE IT RESOLVED** that the CFA ask the federal government to simplify the applications to the TFWP from an administrative standpoint (reduce the number of programs, abolish the agricultural commodity list) and shorten the timeframes prior to the arrival of the workers.

**RURAL****2025 - Rural-Agricultural Lens to Policy Development**

**BE IT RESOLVED** that the CFA lobby the federal government to ensure all departments are mandated to duly consider the perspective of, and any implications for, Canada's rural communities and the agri-food sector within the policy development process.

**2025 – Legislative measures to prohibit unauthorized entry into agricultural businesses and food-processing sites**

**BE IT RESOLVED** that the CFA ask the Government of Canada:

- To table and adopt a bill based on Bill C-205, as tabled on February 18, 2020, making it a punishable offence to enter a place where animals are present without authorization or lawful excuse while creating a risk of contamination, which was abandoned when the federal election was called, and
- which will include plants as well as animals.

**2025 – Water Infrastructure Funding**

**BE IT RESOLVED** that CFA advocate for enhancements to federal water infrastructure and water supply programming, including;

- Infrastructure programs which mandate consideration and recognition of financial, organizational and technical challenges faced by rural and remote communities,
- A review of program design to identify solutions to the challenges in accessing public funding by rural communities and agricultural producers,
- The adoption of the principle that programs providing public funding for infrastructure should provide benefits to all citizens in the region, urban and rural, and that proponents demonstrate the consideration of regional water needs.
- The adoption of the principle that connections to publicly funded water infrastructure projects be accessible to neighbouring communities at a reasonable cost.
- That the Federal government work with the Provinces to develop programs to assist rural and remote communities with the ability to build local capacity in planning, developing, and implementing water projects to meet local needs and enhance future resilience.

**2025 - Protecting Canadian Agricultural Land from Foreign Ownership**

**BE IT RESOLVED** that the CFA advocate for the Government of Canada to amend the Investment Canada Act to classify agricultural land as a critical resource requiring review of foreign purchases to ensure they align with Canada's food security, sustainability, and rural development goals.

**2024 - Access to high-performance cellular services and high-speed Internet networks**

**BE IT RESOLVED** that CFA ask

- The federal government

- to recognize that efficient cellular and broadband Internet services (at current and future speed of commerce standards) are essential services;
  - to ensure that reliable, efficient and secure cellular and Internet services are available everywhere in rural areas;
  - to ensure that efficient high-speed Internet services are offered to all agricultural and forestry producers by more than one service provider, at competitive prices;
- The Canadian Radio-television and Telecommunications Commission
- To force cellular and Internet service providers to cover all of rural Canada, despite the low profitability of certain areas.

### 2023 - Impact of the Propane Crisis

**BE IT RESOLVED** that the CFA ask the federal government to:

- Make the necessary legislative changes such that the rail transportation of propane be deemed essential services;
- Improve the agricultural sector's access to natural gas at a reasonable cost;
- Support research and farm investment aids targeting the use of energy sources other than propane.

### 2023 - Aeronautics Act

**BE IT RESOLVED** that the CFA ask the federal government (federal Minister of Transport) to:

- o Amend the *Aeronautics Act* to recognize the constitutional powers of provincial legislatures in matters of land use planning, land protection and agricultural activities.
- o Invoke section 4.32 of the *Aeronautics Act* when a proposed development of an aerodrome or landing strip is not in the public interest or does not meet the criteria of social acceptability.

## COMPETITION

### 2024 - Competition Bureau

**BE IT RESOLVED** that the CFA lobby the Government of Canada to make changes to the Competition Bureau requiring it to monitor corporate mergers after they are completed to make companies financially accountable to commitments they put forward while going through the merger process.

### 2024 - Grocery Prices

**BE IT RESOLVED** that the Canadian Federation of Agriculture, along with relevant stakeholders, lobby the Federal Government to be included in conversations regarding grocery prices and the impact the food chain infrastructure has on them.

### 2024 - Funding for the Grocery Code Adjudicator Office

**BE IT RESOLVED** that the CFA ask the Government of Canada to fund the start-up and initial years of the Grocery Code Adjudication Office to ensure its sustainability and viability, and to enable its internal resources to concentrate their efforts on their mission.

**2023 - Greater price transparency, a fair income for agricultural and forestry producers, and better identification of food products**

**BE IT RESOLVED** that the CFA ask the federal government to promote the adoption of market-price reference tools or information disclosure tools that producers can use when organizing their marketing.

**BE IT FURTHER RESOLVED** that the CFA encourage the government to work with stakeholders from the agricultural, pharmaceutical, and veterinary sectors to explore a pull incentive model to support antimicrobial access and innovation in the Canadian market.

## PLANT HEALTH

**2025 - Waterhemp and Palmer Amaranth**

**BE IT RESOLVED** that CFA lobby the Government of Canada to fund research that would provide farmers with integrated weed management strategies to help manage waterhemp and Palmer amaranth.

**2025 – Noxious Weed – Amaranthus Palmeri**

**BE IT RESOLVED** that CFA lobby the Canadian Food Inspection Agency to have Amaranthus palmeri added as a prohibited noxious weed seed under the Weed Seeds Order.

**2025 - Regulation of Strychnine**

**BE IT RESOLVED** that the CFA request Pest Management Agency (PMRA) to issue a decision to allow for continued use of Strychnine and its associated end-use products until viable alternatives are available; and

**BE IT FURTHER RESOLVED** that the CFA lobby Agriculture and Agri-Food Canada to actively pursue research and development of viable, effective and economic alternatives to Strychnine.

**2024 - Weed Management – Federally Regulated Industries**

**BE IT RESOLVED** that the CFA request the federal government to clarify the roles and responsibilities of federally regulated entities, such as railways and pipelines, in controlling weeds in their right of ways.

## STANDARDS AND REGULATIONS

### 2024 - Bring CFIA back under AAFC

**BE IT RESOLVED** that the Canadian Federation of Agriculture advocate for the return of CFIA to direct AAFC oversight.

### 2024 - Industrial Hemp

**BE IT RESOLVED** that CFA lobby the Government of Canada to amend regulations surrounding industrial hemp to expand allowable sales and processing to whole plants, and simplify licensing and seed testing requirements. This includes:

- 1) Amending the Industrial Hemp Regulations to allow for the harvest, sale and processing of whole plants;
- 2) Removing the requirement for a criminal record check to obtain a license; and
- 3) Formalizing the current requirement of seed level THC testing only;

**BE IT FURTHER RESOLVED** that CFA lobby the Government of Canada to make changes to legislation affecting industrial hemp to clearly distinguish it from cannabis. This includes:

- 1) Listing hemp and hemp plant parts as item 5 under Schedule 2 “Exemptions” in Bill C-45 The Cannabis Act; and
- 2) Amending Schedule II of the Controlled Drugs and Substances Act to either carve “industrial hemp” out of the definition of Cannabis or carve out non-psychoactive cannabinoids from Cannabis containing less than 0.3% THC.

### 2024 - Mandatory Seed Purity Declarations

**BE IT RESOLVED** that the CFA lobby the federal government to make it mandatory that seed purity declarations, stating weed seed content and species, be provided to producers prior to the purchase of pedigreed forage, cereal, pulse and other crop seed.

### 2023 - Reserving Word Meat for Products Produced from Non-Lab Based Animal Products

**BE IT RESOLVED** that the CFA lobby the Canadian Food Inspection Agency to be directed to enforce the requirements that cultured or manufactured protein products be labelled to reflect that they are simulated, contain no meat products and are not meat replacements.

### 2023 - Maximum Contamination Levels for Mycotoxins Within Feed Regulations

**BE IT RESOLVED** that the CFA lobby the Government of Canada to include maximum contamination levels for mycotoxins such as Deoxynivalenol (DON) and Ergot Alkaloids within the Feed Regulations to provide additional regulatory authority to the Canadian Food Inspection Agency over mycotoxin levels that exceed maximum allowable tolerances.

### 2023 - CFIA Decision-making:

**BE IT RESOLVED** that the CFA lobby the federal government to ensure CFIA adheres to its values of making science-based decisions and meeting international standards (i.e., International Plant Protection Conventional standards for pest-free areas).

**2023 - Access to Lambda-cyhalothrin or Equivalent:**

**BE IT RESOLVED** that the CFA strongly urge the Pest Management Regulatory Agency to work closely with product registrants to expedite reviews and consider the use of emergency exemptions to provide access to Lambda-cyhalothrin or an equally effective alternative in a timely manner.

**2023 - Electronic Log Mandate Exemption for Livestock:**

**BE IT RESOLVED** that the CFA strongly advocate for a livestock exemption from the federal Electronic Logging Device (ELD) mandate that took effect on January 1, 2023, based on the need for humane treatment of livestock.

**2023 - Bill C-21:**

**BE IT RESOLVED** that CFA work with relevant stakeholders to ensure that Bill C-21 does not negatively impact a producer's ability to access and possess certain rifles and shotguns for the purpose of pest control.

**2023 - Drone Application of Pesticides:**

**BE IT RESOLVED** that the CFA encourage the Federal government to expedite the approval of drone application of pesticides by harmonizing labelling procedures respecting drone applications where the pesticide involved is already approved for ground and aircraft application in Canada and where drone application is already permitted by the Environmental Protection Agency in the United States.

**2023 - Aquaculture development mandate at Agriculture and Agri-Food Canada (AAFC):**

**BE IT RESOLVED** that the CFA lobby the federal government to designate AAFC as the lead department responsible for supporting the sustainable growth of aquaculture in Canada and be given all aquaculture sector development responsibilities.

**ORGANICS****2024 - Development of the Organic Production Sector**

**BE IT RESOLVED** that the CFA ask AAFC to adopt a government action plan to support the organic production sector, in particular for developing organic pest controls and organic seeds, among other developments.

**2023 - Rigour, scope and revision of the Canadian Organics Standards**

**BE IT RESOLVED** that the CFA ask:

- The federal government to:
  - o Ensure that the rigour of the COS and the regulations governing them are strengthened so as to guarantee the added value of organic products based on the fundamental principles of organic agriculture;

- o Reject any proposal that would lead to denaturing the mode of organic production in Canada, thus ensuring respect for natural cycles and the principle of organic soil as a complex ecosystem that produces nutrients from organic matter;
- o Assure Canadian consumers that imported organic products meet the requirements imposed on domestic businesses, particularly the ones related to animal access to the outdoors and to the substances permitted by the Canadian Organic Standards;
- o Thoroughly investigate the critical variances between the Canada Organic Regime, the existing systems, and their application abroad when negotiating equivalency agreements for organic products, and subsequently enforce these variances through rigorous border controls;
- o Ensure long-term, permanent funding for the revision and maintenance of the Canadian Organic Standards by introducing a specific program that provides the CGSB with a sufficient budget to carry out the revision work

## INNOVATION

### 2024 – Increased Funding for Public Research

**BE IT RESOLVED** that CFA lobby the Government of Canada to increase its funding for public agricultural research in Canada.

### 2024 - Drones and Agriculture Research

**BE IT RESOLVED** that CFA lobby the Pest Management Regulatory Agency to amend the Pest Control Products Regulations which would allow for greater flexibility, timeliness and simplicity for the application of pesticides using drones for research purposes.

### 2024 - Support Programs for agriculture and research and AgriScience

**BE IT RESOLVED** that the CFA ask AAFC to re-establish a funding ratio of 70% from government and 30% from the private sector for all research activities initiated by agricultural producers and funded under the AgriScience program and to ensure that this ratio applies even to projects that do not have clear GHG-reduction objectives.

### 2023 - Support for Research and Innovation:

**BE IT RESOLVED** that the CFA ask the federal government to increase public investment in research and development by guaranteeing adequate five-year funding for the various support programs, such as the AgriScience and AgriInnovation programs, among others.

### 2023 - Support for Research and Innovation

**BE IT RESOLVED** that the CFA ask the federal government to increase public investment in research and development by guaranteeing adequate five-year funding for the various support programs, such as the AgriScience and AgriInnovation programs, among others.

## PUBLIC TRUST/EDUCATION

### 2024 – Ag Literacy for All

**BE IT RESOLVED** that CFA lobby the Federal Government continue to support and champion Ag in the classroom and continue to challenge provincial governments to support and collaborate with provincial Ag In The Classroom Branches.

### 2023 - “Canadian Periodical Fund – Aid to Publishers” assistance program

**BE IT RESOLVED** that the CFA ask the Government of Canada to maintain the “Canada Periodical Fund – Aid to Publishers” assistance program in its entirety.

### 2023 - Media Campaign to Promote Agriculture

**BE IT RESOLVED** that the CFA work with other farm organizations and commodity groups across Canada to launch a media campaign to promote a positive image of Canadian farmers from all sectors.

## OTHER

### 2025 – The Barton Report

**BE IT RESOLVED** that the CFA lobby the Canadian Government to implement the initiatives outlined in the Barton Report including:

- 1) Attracting the talent Canada needs through immigration,
- 2) Positioning Canada as a Global Trading Hub,
- 3) Unlocking innovation to drive sales and growth, thus increasing agriculture’s contributions to Canada’s GDP.

### 2024 - Support for Indigenous Engagement

**BE IT RESOLVED** that CFA lobby the federal government to provide federal government funding that supports efforts by industry associations to engage with Indigenous Peoples on policy development and program design.

### 2023 - Increase Fertilizer Production in Eastern Canada:

**BE IT RESOLVED** that the CFA lobby the Federal government to provide financial support and incentives to encourage more fertilizer production in eastern Canada.