



## 2022 – A year in review ...

**FPT Roundtable and the Sustainable Canadian Agricultural Partnership (SCAP):** In late July, CFA hosted the FPT Roundtable, where CFA and other agricultural stakeholders presented to FPT Agriculture Ministers on the priorities of the agriculture sector for the upcoming SCAP, which is the funding envelope for Canadian agriculture from 2023-2028.



CFA recommended that the SCAP required additional investment to keep pace with the sector's aspirations and potential, in two closely related areas:

- Support for the adoption of environmental best management practices and tools to communicate evidence-based information on Canadian agricultural sustainability; and
- Enhancements to research and risk management to support producers in addressing global food security demands while on the forefront of climate change.

On July 22<sup>nd</sup>, FPT Ministers announced the SCAP, which injected \$500 million in new funds, representing a 25% increase in the cost-shared portion of the partnership. CFA was pleased to see both of the key areas highlighted in its presentation to FPT Ministers, and previous advocacy materials, reflected in the Ministers' announcement. CFA's reaction to the SCAP can be found [here](#).

CFA continues to work with the government to achieve improvements to BRM programming to improve enrollment, level of support, timeliness of payments and program structure.



**Fertilizer Tariffs and Emission Reductions:** The impacts of the 35% tariff on Russian fertilizer have largely fallen on the shoulders of farmers through higher prices, without negatively impacting demand for Russian fertilizer due to a global scarcity of nitrogen fertilizer.

CFA is calling on the federal government to provide compensation to farmers in Eastern Canada who were negatively impacted by federal government-imposed tariffs on



imported Russian fertilizer, and that further investments in domestic fertilizer production and on-farm fertilizer storage be made to ensure long-term stability.

CFA has also made four key recommendations regarding Canada's fertilizer emissions reduction strategy:

- The strategy must not lead to regulations or policies that result in a mandatory reduction in fertilizer use.
- The strategy must support producers in the uptake of best management practices and technologies through a funding and incentive-based approach.
- The strategy must further improve Canada's methodology for measuring emissions so that existing on-farm efforts are fully recognized.
- Most critically, Government must form a working group between Environment and Climate Change Canada (ECCC), AAFC and agricultural producers and stakeholders.

**Grocery Code of Conduct:** The Grocery Code of Conduct is an industry-led process to develop broad consensus around a concrete proposal to improve transparency, predictability, and respect for the principles of fair dealing within the supplier/retailer relationship. CFA is a founding member of the Code Steering Committee, overseeing the development of the Code in conjunction with 9 other associations spanning primary production, food processing, and retail.

Recently, a cross-industry Working Group examined the following topics within a code, providing expert perspectives and recommendations: Scope; Defining Agreements; Payments, Deductions, Fines and Fees; and other elements such as de-listing, forecasting, etc.

A Steering Committee has also been tasked with four workstreams that remain underway:

- Scope of products and entities covered
- Business principles (trade rules)
- Enforcement
- Dispute resolution

A high-level consensus has been achieved regarding the objectives and principles for the Code of Conduct:

### **Objectives**

- Enabling a thriving industry
- Promoting trust, fair dealing, and collaboration throughout the value chain
- Increased commercial certainty
- Effective, equitable dispute resolution

### **Principles**

- To promote fair dealing at all times and in all commercial relationships
- To promote mutually beneficial relationships where retailers and suppliers recognize each other's need for commercial certainty
- To promote transparency between retailers and suppliers



- To provide for an effective, equitable mechanism resolving commercial disputes
- To promote the efficiency, sustainability and competitiveness of the Canadian grocery supply chain, as well as to ensure that it delivers value and innovation to Canadian consumers

The steering committee is committed to providing FPT Ministers with a proposed code of conduct this fall and continues to work to resolve those areas that continue to lack consensus.

**National Workforce Strategy for Agriculture and Food and Beverage Manufacturing:** CFA is partnering with Food and Beverage Canada, the Canadian Agricultural Human Resource Council (CAHRC) and the Future Skills Centre (FSC) to develop a National Workforce Strategy for Agriculture and Food and Beverage Manufacturing.

This 2-year, \$1.7 million project is taking an action-oriented approach, bringing stakeholders together from across the industry under 5 working groups and two advisory bodies to identify urgent and long-term needs across the sector, constructive solutions, and plans to achieve them. An interim report from this strategy has been submitted to AAFC in October 2022, with further recommendations regarding the Temporary Foreign Worker Program anticipated in the coming weeks. The final strategic plan and associated action plans will be complete and made available in Spring 2023 with advocacy efforts underway to secure additional funding for a secretariat and associated research and public campaigns.

**Canada's National Adaptation Strategy:** From May to July 15<sup>th</sup>, Environment and Climate Change Canada held consultations on the Canada's first National Adaptation Strategy for climate change. The Strategy addressed five of key areas of Health and Wellbeing, Resilient Infrastructure, Natural Environment, Resilient Economy and Disaster Resilience and set objectives for 2030 and goals for 2050. CFA sat on the Resilient Economy Roundtable, one of five committees tasked with producing the strategy's framework.

CFA recommends 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 Breeding - a renewed focus and investment in the improvement of plant 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,
- Insurance – the enhancement of crop insurance programs.

Throughout the year CFA has worked on a wide range of activities beyond the highlights above, and continues to be engaged with issues as they arrive and develop. We are committed to ensuring that the farmers voice is heard on the national stage.



**International Trade:** CFA advocates for the following principles for international trade:

- The World Trade Organization (WTO) should be the principal vehicle to establish and manage an international rules-based trading system including the maintenance of a functional dispute settlement mechanism
- Canada should continue to follow an aggressive, bilateral, and regional, trade agreement agenda and secure outcomes that benefit all of Canadian agriculture by maximizing profitable export opportunities and ensuring trade rules that allow for the maintenance of an effective supply management system
- Canada should continue to advocate harmonization/alignment of regulatory regimes in present and future agreements, without compromising health and environmental standards
- Canada must continue to strive for an equitable playing field regarding agriculture domestic support and defend its own right to manage a suite of BRM programs which facilitates and stimulates farmer profitability
- Canada must ensure mitigation programs for agriculture sectors harmed through the implementation of any trade agreements and from trade wars/retaliation
- Negotiations should never result in trading off one sector to benefit another
- CFA advocates for an aggressive workplan to harmonize/align regulatory differences between provinces to facilitate free and unencumbered trade between provinces and territories

CFA attended two WTO events throughout the year. At the Ministerial Conference, CFA joined members and other Canadian farm associations in Geneva, Switzerland. CFA and members met with farm groups and government officials from around the world to share perspectives on global trade, highlight CFA's priorities in addressing domestic supports through a review of green box spending and enhanced disciplines on non-tariff barriers to trade and AMS entitlements.

CFA also participated in the WTO Public Forum in September. CFA Vice-President Keith Currie was a presenter during the session: *Food Security: What Trade Policies Balance Domestic Food Supply and Demand in Times of Crisis?*

The forum looked at how trade can contribute to post-pandemic economic recovery and, in particular, how trade rules can be strengthened, and government policies improved to create a more resilient, sustainable and inclusive trading system.

**CFA Cost of Production Committee:** Struck in July, this committee's ongoing efforts are to identify strategic responses to the inflationary pressures impacting producers and the scarcity of critical farm inputs due to global supply chain disruptions, including the conflict in Ukraine. The committee will be



providing interim recommendations to the CFA Board of Directors in October, with a final suite of recommendations to be presented at the CFA AGM in February 2023.