



CFA MEMBERS POLICY, PROJECT AND LEGISLATIVE UPDATE & SUMMARY



FEB 2023

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POLICY UPDATE

THE SUSTAINABLE CANADIAN AGRICULTURAL PARTNERSHIP & BRM

On July 22nd, FPT Ministers announced a multilateral agreement on the Next Policy Framework, labelled the Sustainable Canadian Agricultural Partnership (SCAP). This new five-year agreement will inject \$500 million in new funds, representing a 25% increase in the cost-shared portion of the partnership. This announcement included:

- \$250 million toward the Resilient Agriculture Landscapes Program (RALP), which will be tailored to regional needs and conditions and would be cost-shared and administered by the provinces and territories. The FPT Ministerial clarified that the previous Budget commitment of \$150 million to implement RALP would be supported with 40% provincial funding as a cost-shared program under SCAP.
- Increasing the AgriStability compensation rate from 70% to 80%, while implementing new measures to the suite of BRM programs, which will make them more timely, equitable and easy to understand as well as to better protect producers against climate risk.
- In order to receive an AgriInvest contribution under the new SCAP, the Ministers agreed that producers whose Annual Net Sales (ANS) exceed \$1 million must complete an agri-environmental risk assessment by 2025.
- A one-year review on how to best integrate climate risk and readiness into BRM programs. For the one-year review, provinces will identify potential incentives and then launch pilots for producers who adopt environmental practices that also reduce production risk.
- In principle, the Ministers agreed to reduce greenhouse gas emissions in the agricultural sector by 3-5 MT of CO₂ per year

Key Messages:

- CFA is pleased to see the new investments into the SCAP align with several of CFA's recommendations, taking a step towards our shared ambition in making Canadian agriculture a global leader in sustainable food production.
- Government has stated that emission targets will be reached in a way that will not impact food production. However, farmers will need to be consulted on environmental programming to ensure that emissions are reduced while increasing yields to meet rising food demand.
- Environmental cross-compliance with BRM programs, such as the inclusion of new requirements for AgriInvest, hold the potential to reduce access to critical risk management support and to confuse the objectives of BRM programs that will only be more important in the face of rising climate risks and supply chain disruptions.
- CFA supports the recent changes made to AgriStability and look forward to continued dialogue on further steps to improve participation including improvements to timeliness, predictability and levels of support.

FERTILIZER TARIFFS & AVAILABILITY

On March 3, 2022, the Canadian government implemented a 35% tariff on a broad range of products imported from Russia including fertilizer.

Although the tariff is intended to apply pressure on the Russian government by imposing economic hardship on Russian suppliers, some Russian suppliers have been successful, as in the case of fertilizer, in increasing the price paid by their Canadian customers. As result, Canadian farmers have been negatively impacted by the federal government-imposed tariffs on imported Russian fertilizer.

Eastern Canadian farmers have been hit disproportionately hard as an estimated 85%-90% of nitrogen fertilizer used in Eastern Canada is imported from Russia. These tariff costs add to the already inflationary environment Ontario farmers face including significant costs in farm fuel and other input costs.

It is also important to note the negative indirect impact the tariff has had. In some cases, farmers ended up paying higher market prices for fertilizer which was not directly subject to the tariff due to supply and demand market forces.

Key Messages:

- Farmers across Canada, and in particular Eastern Canada, have been severely impacted by the dramatic rise in farm input prices, specifically nitrogen fertilizer due to the recent tariff introduced on imported Russian fertilizer.
- The CFA is calling on the Government of Canada to place an immediate focus on targeted direct to farmer support that should, at minimum, equate to the revenue from the tariff on Russian fertilizer.
- The CFA is also seeking cost-shared funding to support the widespread adoption of on-farm fertilizer storage as a risk management tool. This would provide Canadian farmers with greater capacity to manage volatility in pricing by purchasing at less-than-peak pricing periods.

RURAL CONNECTIVITY

The 'broadband gap' remains a reality throughout Rural Canada, with lower average speeds compared to urban centers and with limited connectivity in the most remote regions. Meanwhile, the prospect of 5G connectivity holds the potential to unleash significant economic activity across Canadian agriculture and rural Canada.

The CFA was pleased to see the recent rules announced for 3800 MHz Spectrum auction to implement spectrum caps and stronger deployment conditions, which, over time, should increase both the speed and availability of mobile and internet services across rural Canada.

The CFA and Telus hosted a webinar on January 25th, 2022 "5G Connectivity – What does it mean for Canadian farmers?" [Click here to view a recording of the webinar.](#)

Key Messages:

- If rural Canada is to remain attractive to future generations and Canadian agriculture is to thrive, access to reliable high-speed internet will be critical.
- Despite the billions of dollars allocated to rural broadband deployment, many rural communities are struggling to access the funding programs currently available.
- 5G connectivity has the potential to add \$40 billion to Canada's economy by 2026 if infrastructure allows for its widespread adoption.
- A streamlined, single window of application for connectivity funding would help communities know where to secure funding and clarify what funding may be available.
- Federal connectivity programming must consider both geographic and population coverage within a region, ensuring a single community's connectivity does not disqualify that entire region from accessing support.
- The CFA is also calling on the Government to establish a High-Cost Service Area Fund to ensure financial sustainability for service providers serving less dense, high-cost areas. Existing supports solely target deployment, but a sustained level of support, potentially derived from spectrum auction proceeds, is required to encourage deployment and maintenance of services in areas that otherwise lack a case for private investment.



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CANADA'S FERTILIZER EMISSION REDUCTION STRATEGY

From March 4th to August 31st, Agriculture and Agri-Food Canada launched consultations to help guide the development of an approach for achieving Canada's fertilizer emissions reduction target of 30% from 2020 levels by 2030.

The Canadian Government has stated that it is not proposing a mandatory reduction in fertilizer use and is aiming to leverage several existing approaches to meet this target, including: 4R Nutrient Stewardship; enhanced efficiency fertilizers and inhibitors; cover cropping and pulse crops; transitioning from fall to spring fertilizer applications; increased split application; precision agriculture techniques; and nutrient management planning and funding for precision nutrient application technologies.

Key Messages:

- There is growing concern amongst stakeholders that the fertilizer emission reduction target cannot be met without a cap on fertilizer use.
- The CFA recommends that the strategy must not lead to regulations or policies that result in a mandatory reduction in fertilizer use.
- The CFA also recommends that the strategy support producers in the uptake of best management practices and technologies through a funding and incentive-based approach.
- In addition, the strategy must further improve Canada's methodology for measuring emissions so that existing on-farm efforts are fully recognized.

BILL C-234, AN ACT TO AMEND THE GREENHOUSE GAS POLLUTION PRICING ACT

Private Member's Bill C-234 was introduced into the House of Commons by MP Ben Lobb in November 2021 and a Committee report was presented with amendments to the House of Commons on November 23, 2022.

The Bill aims to amend the Pollution Pricing Act to include natural gas and propane under farm fuel eligible for exemptions from carbon surcharges. It also aims to add machinery used to dry grain, irrigate land, and heat and cool barns and other agrifood growing structures to eligible farming machinery. CFA has undertaken significant advocacy efforts in support of this Bill through the Agricultural Carbon Alliance, an industry group of 15 agricultural organizations that we co-chair with the Canadian Canola Growers Association.

Key Messages:

- Grain drying and livestock heating and cooling are key activities needed to mitigate severe climate impacts such as extreme autumn rainfall and summer heat-domes.
- Unfortunately, the natural gas and propane needed to fuel this machinery are not exempt from carbon surcharges, driving up costs for climate change mitigation.
- This Bill will help ensure that these critical activities are exempt from carbon surcharges, providing producers with critical working capital to invest in the sustainability, productivity and competitiveness of their operations.
- We are pleased to see multi-party support from opposition parties to date, but the agriculture sector must continue to advocate in support of this Bill to ensure it ultimately receives royal assent.

THE SUSTAINABLE AGRICULTURE STRATEGY

On December 12, 2022, the Government of Canada launched consultations for a Sustainable Agriculture Strategy (SAS), which aims to serve as a guide to support the livelihoods of farmers while growing a sustainable sector. This strategy aims to establish goals and outcomes, while identifying a clear path to achieve them. In supporting sector sustainability, the strategy looks to equip producers to recover quickly from extreme events, thrive in a changing climate, and contribute to world food security, while also contributing to Canada's overall efforts to cut emissions. The strategy focuses on five priority issues – soil health, climate adaptation and resilience, water, climate change mitigation, and biodiversity.

Recognizing that producers have already taken considerable action on sustainability in a variety of ways, the strategy looks to amplify and further these efforts through close collaboration with the agricultural sector, provinces and territories. The process is supported by an Advisory Committee chaired by Agriculture and Agri-food Canada and the CFA, and is comprised of industry experts, including producers, representatives of associations and non-governmental organizations.

Key Messages:

- The SAS, formerly known as the Green Agricultural Plan, is a strategy centred around producers, and must be developed in close concert with producers.
- CFA is pleased to see a long-standing ask realized in the formulation of the SAS Advisory Committee and looks forward to working with industry and NGO partners to formulate a pragmatic strategy that takes a triple-bottom-line approach to sustainability.
- Agriculture has immense potential as a source of climate solutions as a source of carbon sequestration, GHG emissions reductions, biodiversity enhancements, and other critical ecosystem services. However, these opportunities can only be fully realized if supported by an enabling environment that supports the livelihoods of producers, targets sustainable productivity growth, and identifies opportunities for enhanced global competitiveness.
- As co-chair of the SAS Advisory Committee, CFA will look to drive strong sector engagement around these shared objectives and identify pragmatic sustainability measures as a means of achieving them.

PEST MANAGEMENT REGULATORY AGENCY (PMRA) TRANSFORMATION PROCESS

This spring, the PMRA initiated its transformation process with a consultation on a Targeted Review of the Pest Control Products Act, running until June 30th. The effort was supported by a Transformation Steering Committee, supported by five working groups on Maximum Residue Limits (MRLs), Modernized Business Processes, Improved Transparency, and Increased Use of Real-World Data. CFA sat on the Steering Committee as well as the Technical Working Group on MRLs.

Key Messages:

- The transformation looks to address the significant backlog caused by its 15-year product review cycle.
- The goal is to implement a continuous oversight approach that expedites reviews of low-risk products and grants stakeholders advanced notice of upcoming product reviews.
- CFA is continuing to lobby the government for a number of longstanding resolutions on pesticides, including, for example, the harmonization of evaluation and registration processes between Canada, the US and EU and that regional allowances are made for products based on scientific data for that region.



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INTERNATIONAL TRADE POLICY GOALS

Canada must approach trade negotiations with the objective of achieving positive results/profitable opportunities 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.

Key Messages:

- 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 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 aim to 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.

TRANSPORTATION

CFA understands the importance and the complexity of an integrated system comprised of a multi-faceted network of rail, road, air and waterways, connecting 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. To achieve this, the National Trade Corridors Funding Program must continue to be a priority for the Federal Government as well as implementation of the recommendations made in the recent Supply Chain Task Force Report.

Key Messages:

- 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. Canada must ensure a competitive environment is created through regulatory and legislative guidance.
- The CFA supports the recommendations made in the recent Supply Chain Task Force Report, particularly the Task Force's recommendation to give shippers more rail options and help address the power imbalance with the railways (e.g., immediately expand the 30km inter-switch distance across Canada).



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CANADA GRAIN ACTS

The CFA supports the CGC's current mandate: "The Canadian Grain Commission works in the interests of grain producers. Guided by the Canada Grain Act, the CGC strives to establish and maintain standards of quality for Canadian grain, regulate grain handling in Canada and ensure a dependable commodity for domestic and export markets."

The CFA recently made a submission to the Canada Grain Act review in 2021, which can be found [here](#). The CFA has subsequently provided further feedback on the importance of a stronger in-country role for CGC in promoting consistency and producer protections through testing, sampling, grading, and documentation.

Key Messages:

- No legislative or regulatory changes should be contemplated or even considered that would dilute the voice, empowerment, and protection of producers.
- Any consideration of expanding or reducing the CGC's mandate/legislation must only be done with a clear analysis and understanding of the business case for, and scope of, change and how it changes the role of the Commission and the position of farmers.
- No legislative/regulatory changes should be considered that would transfer additional risk to farmers or that could create inequity for farmers in the value chain.
- The CGC must maintain its legislative authority, maintain, and build Canada's international reputation, guarantee farmers a position of power in the value chain, and foster trust between farmers and grain companies.
- The CGC has extensive powers and authority in current legislation and should ensure it uses all that authority to improve farmers' position in the grain value chain.
- The CGC should put more confidence and trust in the recommendations from the Eastern and Western Standards Committees and, in the work done by the Ontario Cereal Crops Committee on varietal registrations in Ontario.

ACTIVISM

CFA supports legislation and regulation, including criminal charges, to foster deterrence of the activism events including, for example: bio-security breaches in livestock operations and crop production; food tampering, trespassing and intrusive behaviour, etc.

Key Messages:

- CFA supports Bill C-205 An act to amend the Health of Animals Act. This bill makes it an offence to enter a place where animals are kept if it can result in the exposure of animals to a disease or toxic substance.
- CFA continues to work with its members on how to best achieve legislative and regulatory support on this issue if Bill C-205 does not achieve Royal Assent.
- CFA also believes the Government of Canada must provide a legislative or regulatory response to ensure the rights of farm families are respected, and that their animals and operations are adequately protected from the malicious and/or intrusive on-farm activities of activists.

PROJECTS

NATIONAL WORKFORCE STRATEGY

As is the case in many developed countries across the globe, attracting and keeping labour in the agriculture, food and beverage manufacturing sectors is increasingly challenging. The agriculture industry cannot continue to produce healthy, safe and affordable food for Canadians and for global consumers without ensuring workers are in place that have the skills needed to do their jobs. The COVID-19 pandemic has put a spotlight on existing agricultural labour challenges and confirmed that there is no time to waste – together, industry and government must work toward long-term solutions to persistent labour and skills shortages in the agriculture sector.

Key Messages:

- Farmers across the country face different problems depending on what they grow or raise, where their farm is located, the weather, and how successful they are in acquiring labour.
- Difficulties in attracting Canadians to work on farms has required producers to rely on temporary foreign workers (TFWs) throughout the growing season, while looking increasingly to permanent residency where year-round jobs are concerned.
- The CFA recommends building on the lessons learned through the agri-food immigration pilot and establishing a pathway to permanent residency for agriculture and agri-food workers. Limited uptake of this pilot demonstrated the need to place greater emphasis on Canadian work experience and existing job offers, while reducing undue barriers associated with existing language and educational criteria.

- CFA is pleased to be playing a partnership role alongside Food and Beverage Canada in co-chairing the National Agriculture, Food & Beverage Manufacturing Workforce Strategy, a 2-year, \$1.7 million project being led by the Canadian Agricultural Human Resources Council and funded by the Future Skills Centre.
- This strategy takes an action-oriented approach, bringing stakeholders together from across the industry to identify urgent and long-term needs, constructive solutions, and plans to achieve them. Current timelines will see the strategy developed by fall 2023.
- The CFA recommends funding to establish a Secretariat that will support implementation of the National Workforce Strategy for Agriculture and Food and Beverage Manufacturing.

GROCERY CODE OF CONDUCT

In July 2021, Federal, Provincial, and Territorial (FPT) ministers called for 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.

Following the July 2021 announcement, a Steering Committee comprised of individuals from ten key stakeholder groups was formed with the goal of developing terms of reference and a work plan aimed at facilitating development of a formal Grocery Industry Code of Conduct. CFA was a founding member of this committee and remains engaged in this leadership capacity to date.

A cross-industry working group was established, reporting directly to the Steering Committee, and meetings occurred throughout the April – July period to provide expert perspectives on various facets of the code. Subsequently, an Industry Sub-Committee Working Group of 8 individuals spanning the constituencies involved was brought together to resolve outstanding aspects of the code's trade provisions and help the steering committee finalize a complete set of draft trade provisions.

Concurrently, the Steering Committee has continued work on administrative governance, an adjudication model, and enforcement mechanisms.

Key Messages:

- The objective of the Code of Conduct is to enable a thriving industry; promote trust, fair dealing, and collaboration throughout the value chain; increase commercial certainty; and, develop an effective and equitable dispute resolution process.
- While not explicitly targeting food inflation, we do believe it will help improve supply chain dynamics, particularly where one link in the supply chain is unduly shouldering the costs and risks of inflationary pressures.
- Once all aspects of a draft code are ready for public engagement, CFA looks forward to engaging members in the coming weeks on the contents of the code provisions and the integrated measures including: (a) principles, (b) trade rule provisions supported by clear definitions, (c) a dispute resolution mechanism, (d) an adjudication process, (e) mediation and arbitration models, and (f) enforcement mechanisms, which work together to promote fair and ethical trading and contractual certainty.
- We hope, that when the time comes to implement this Code of Conduct, Government will be a strong supporter.



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ENGAGING AND ADVANCING WOMEN IN AGRICULTURE

Despite continued progress, in many respects women are underrepresented in the Canadian agriculture sector. They face both systemic and attitudinal barriers to entering the industry and securing leadership positions, constraining the sector's capacity, resiliency, and innovation.

The Engaging and Advancing Women in Agriculture (EAWA) project is funded in part by the Government of Canada under the Canadian Agricultural Partnership's AgriDiversity Program, with further support provided by the Chicken Farmers of Canada and the Prince Edward Island Federation of Agriculture (PEIFA). CFA is working with Karolyn Godfrey of Winding Path Inc. to leverage previous work done in PEI to develop, in consultation with a working group of female agricultural leaders, a strategic plan focused on the implementation of policies and programs to address barriers to women's full participation in the sector.

The EAWA project will develop, pilot, and document a framework through which producer associations can systemically address the underrepresentation of women in Canadian agriculture, support women in the sector to develop skills to take on greater leadership roles and raise awareness of the benefits of women's full participation, barriers women experience, all while addressing those barriers. The framework will be completed by March 31st, 2023, and CFA looks forward to sharing the framework with other producer organizations in the months that follow.

Key Messages:

- The EAWA project looks to develop a framework to address systematic barriers to women's participation in agriculture.
- The framework will involve skills training, mentorship, raising awareness of leadership opportunities and more.
- More details will be available when the framework is completed by the end of March 2023.



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Legislative Update

UPDATED AS OF JANUARY 2023

- Senate Public Bill
- - -■ Private Members Bill
- House Public Bill



C-234 - - -■

Private member's bill that would exempt natural gas and propane used on farms for drying grain and heating barns from the federal carbon tax (awaiting Third Reading in the House).

S-241 - - -■

Animal protection legislation that may have legal and jurisdictional implications for agriculture i.e., "animal advocate amendments" (at Second Reading in the Senate).

C-244 - - -■

Important implications here regarding the right for diagnosis, maintenance and repair of farm machinery (currently under consideration at Standing Committee on Industry and Technology)

C-282 - - -■

Would safeguard the sustainability of Canadian dairy, poultry, and egg production by preventing further market access concessions in future trade agreements (at Second Reading in the House).

S-211 - - -■

This Act amends the Customs Tariff to allow for a prohibition on the importation of goods manufactured or produced by forced labour or child labour. No known impacts on farm inputs at this stage (awaiting 3rd reading in the House of Commons).

C-21 - - -■

Proposes several amendments to federal gun control legislation. Amendments put forward at Committee could have implications for producers (currently under consideration at Standing Committee on Public Safety and National Security).

*The Bill is introduced in either the Senate or the House of Commons. If the Bill passes the vote at 3rd reading, it is sent to the other Chamber where it repeats the same process.