

MANITOBA AGRICULTURE, FOOD AND RURAL INITIATIVES

SUMMARY OF NEXT GENERATION OF AGRICULTURAL POLICY CONSULTATIONS WITH MANITOBA INDUSTRY AND STAKEHOLDERS

Held October 24, 2006 & November 23, 2006 Winnipeg

Preamble: This is a summary document and is not meant to reflect every comment made at the consultation meetings.

PART 1: Assessment of Current APF programs

➤ **Environment Chapter**

The **National Farm Stewardship Program** (NFSP) includes the Environmental Farm Plan (EFP) process and associated Beneficial Management Practices (BMP).

EFP

There has been a high rate of producer participation in EFP, as they are seen as producer-driven. EFPs help make producers aware of the impact of their actions on the environment, and an increasing number of producers accept the need for environmental planning.

Government-funded financial incentives connected with EFPs and BMPs are popular, as there are typically monetary costs for producers in addressing issues that benefit the public good.

An EFP provides a base for measuring progress of BMPs, and is a short-term process.

Ecological Goods and Services

The Alternative Land Use Service (ALUS) Ecological Goods and Services (EGS) Research Project recognizes the importance of natural capital and alternative (non-agricultural) land uses, and has been well-received. Farmers are "landscape managers", rather than just producers.

ALUS and EGS are long-term, sustainable, market-driven processes.

The emphasis on “green” initiatives, including research and environmental funding, and infrastructure, is appreciated.

Changes Needed:

- The focus on environmental farm plans should **shift from liabilities to the environmental assets provided** by producers, such as clean water, carbon sequestration or clean air.
- **Environmental challenges**, such as on farm waste, can be **turned into opportunities**, such as the production of bio-fuels.
- Farming practices are driven by economics and profitability. Therefore, environmental policy that protects the **public good** must be recognized and **paid for by society**, with the establishment of clear environmental objectives, ongoing monitoring evaluation of program effectiveness, and programs adapted as more research information becomes available. Incentives need to be fiscally responsible and based on the percentage of measurable environmental benefit to the public.
- BMPs should cover the costs of maintaining existing wetlands, all natural capital on private lands, improving riparian areas, and establishing native plant forages on fragile cultivated lands.
- Funding for environmental programs should come from **beyond agriculture**, and ongoing funding sources need to be secured. Carbon credits can encourage positive environmental practices.
- Water usage, watersheds, water management, drainage, and irrigation have not been adequately addressed. International agreements on watersheds are becoming a bigger issue.
- Environmental Farm Plans can conflict with environmental regulations, yet producers must meet all regulatory requirements. Agencies need to **coordinate** their **regulations** so they do not conflict. Next Generation environmental programming needs to be flexible enough to adapt to changing regulations across various jurisdictions. Linkages are needed between Agriculture departments and other Governmental departments in the same and other jurisdictions, and between Next Generation of Policy theme areas.

➤ Food Safety and Quality Chapter

Link between Food and Health Participants noted that consumers associate food safety with personal and public health. The real goal of food safety and quality is to have a healthier public. Agriculture should partner with Health to **promote the health benefits of foods made in Manitoba**, such as canola oil. Government could provide support to product and restaurant labelling of Manitoba food products with health benefits.

Links should be developed with other APF chapters and with other departments.

Changes Needed:

- The existing pillar does not address sanitary / phytosanitary issues not related to food, such as disease outbreaks that don't affect humans but damage the industry. There needs to be **programming for animal health emergencies** (e.g. production insurance or disaster assistance for animal agriculture). Animal health needs to be linked across pillars, such as the management of dead stock.
- Food safety issues may have arisen in other countries, but impact the Canadian and our export markets. Consumers may not distinguish the country of origin and stop eating all such products, e.g. the E. coli outbreaks in the US associated with the consumption of bagged fresh spinach.
- There is a **distinction** among industry **between safety and quality**. Safety is a necessity whereas quality can be variable / subjective depending on the target market and price point (relates to branding and marketing). The existing pillar does not recognize the distinction. The quality issue should fall under the Trade and International Development pillar.
- Consumers will not pay more for safe food as safe food is considered a "given". Thus, a food safety system needs to be developed by government where producers are **compensated for "public good" aspects of food safety** such as tracking and tracing systems, and food recalls, so that producers do not have to bear the additional costs.
- **Canadian standards** developed as part of a food safety and quality pillar **should be enforced for both domestic and imported foods**. Food safety policies and standards should be standardized inter-provincially.
- Canada should be **self-sufficient in food safety testing**, rather than relying on testing done in other countries, such as the US.

➤ Science and Innovation Chapter

ARDI

The Agri-food Research & Development Initiative (ARDI) is seen as being effective in matching researchers with funding, with participants noting:

- the capability of the group that reviews applications (professional advisors and ARDI Program Council);
- the pillars (food safety and food quality, science and innovation, environment, and renewal) are broad enough to fit most proposals; and
- It has been effectively matching researchers with funding.

Technology Transfer Co-ops and other organizations are undertaking technology transfers, with government facilitating participation and benefits along entire value chain.

Changes Needed:

- **More “public good” research** must be encouraged.
- Current programs encourage matching with private industry. Therefore, private industry is driving priorities without consideration of the “public good”. New innovations become proprietary to large companies.
- The ARDI program is hampered by limited funding, a restrictive matching fund requirement and an inability to share publicly funded research results due to intellectual property restrictions brought on by corporate involvement.
- Research in public institutions should stay in the public domain. Public funding can direct priority areas for research that focuses on the “public good”.
- **A new paradigm for research funding** must be developed (beyond one for one matching) that includes:
 - **Funding for basic research** (which is the responsibility of the federal government) that allows scientists the freedom to research creatively (recognizing that some of the greatest scientific innovations have come serendipitously).
 - **Funding for research into the application** of basic research. A facilitator is needed to take innovations developed in basic research to the applied level. This type of technology transfer requires marketing and management and may go beyond the expertise of a traditional research institution or university. Funding should be provided to co-ops, small businesses or other enterprises to ensure that this does not become the domain of only large corporate driven companies. Government must facilitate to ensure participation and benefits along the value chain.
 - Need programs and incentives to take **applied research results** and change them into marketable consumer goods. Government’s role is to provide an enabling policy environment, for adaptation and growth to occur, e.g. removing red tape.
 - Need to ensure that the regulatory environment within and across jurisdictions is consistent with moving applied research forward.
 - Need a balance between privately and publicly funded research. Industry and government can also collaborate technically on research.
- Use of **check-off funding for research** is not uniform across Canada. This could be modified and would enhance matching opportunities.
- The **lack of human resources** in research and technology transfer and commercialization is a concern. A strategy to develop these human resources, such as through graduate research programs, is needed.

- More research and development is needed in Manitoba. The industry needs to prioritize what is needed.
- Government needs to **increase its research spending** for the public good and should be able to target that research in areas like by-products of processing (wheat DDG), marketing research, specified risk material disposal, or other long-term and/or complex research problems.

➤ Renewal Chapter

CASS The Canadian Agricultural Skills Service (CASS) has been so popular that it is expected to expend its budget in half the time that was originally projected. Other Renewal programs that have had lower take-up should be reviewed for barriers to participation, such as eligibility criteria that is too high.

Opportunities For Youth Stakeholders feel that there are increasing opportunities for youth to stay in, or return to, rural areas.

Changes Needed:

- The CASS program's **income ceiling** for eligibility was **too low**.
- Farmers' eligibility for renewal programs should be based on their farm income only, not off farm income.
- More educational **infrastructure for distance education** is needed.
- **Generic feasibility** studies could be sourced with public funds and shared with communities.
- A **review of regulations** is needed to avoid restricting diversification and value added and value chain initiatives.
- Intergenerational transfer and financial assistance for **young farmers** are not adequately addressed.
- Transfer or sale of locally developed value added initiatives could be simplified.
- The Next Generation of Policy should focus on the **renewal of rural communities**, not just primary agriculture and farmers. Therefore, program eligibility should be broadened to include groups, companies, and communities. Support should be provided by government in assessing communities' strengths against arising opportunities and in providing advice and information regarding potential partnerships, start-up, etc.
- Need to have **more public ownership of research**, including general feasibility studies and financial benchmarks, and share these with everyone.
- Need to include programs for financial management skill training, and **urban youth** agricultural and agri-food processing **awareness**.
- Programs need to be **better communicated** to their target audiences, including awareness campaigns.

- Value-added opportunities such as processing should be encouraged in Manitoba. Ownership options should be reviewed.
- Development of value-added partnerships (**value chains**) should also be encouraged in Manitoba.
- There could be **incentives to use Manitoba-produced bulk commodities** in any Manitoba processing plants. Government institutions should model the use of Manitoba bulk commodities.

➤ Trade and International Development Chapter

Stakeholders consider this pillar to be fundamental, due to Manitoba's continued reliance on export to foreign markets.

Participants are pleased by any progress towards overcoming technical and regulatory barriers.

Changes Needed:

- GREEN programs (considered non trade and production distorting by the WTO) should be developed for infrastructure, such as highways, other roads, hydro, bridges, inspection services, and for Ecological Goods and Services.
- More bilateral trade agreements should be pursued.
- Trade barriers, such as tariffs, need to be dealt with more proactively.
- Manitoba should work with the other prairie provinces or just Saskatchewan to pursue trade issues on a regional level. This may give Manitoba's concerns more clout.
- Government should pay for an agricultural awareness campaign that encourages Manitoba consumers to buy locally for a variety of reasons, including the reduction of "food miles".
- Branding Manitoba products in general for an international or inter-provincial marketplace doesn't make sense, but Branding Prairie products or Branding Canadian products or specific Manitoba products may be effective if the products are of discernible higher quality than products from other sources or if consumers have been encouraged to buy Manitoba products. Canada's higher safety standards should be marketed internationally.
- Producers and businesses need help in selling locally as well as internationally, including marketing, how to export, where the markets are, e.g. for organic pork from non-confined pigs, but there was no consensus on Government's role.

PART 2: Current APF Gaps that should be addressed under the Next Generation of Policy:

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| Vision Statement | Stakeholders wish to see a vision statement of what Canada wants to achieve, with an outline of the goals of the APF pillars and the outcomes that these programs support, e.g. farm profitability, food safety and quality, or knowledge transfer. Programs should be evaluated part way through implementation to see if these goals are being met, or if programming adjustments are needed. |
| Expand Focus | <p>Structure of AAFC restricts programming and focusing under the Next Generation. e.g. rural development, entrepreneurship, aquaculture, agro forestry are currently excluded from APF. The Next Generation should not just be about agriculture. Agricultural production should be linked to beneficial impacts on health care costs and on the environment, with program costs shared with other partners/beneficiaries such as Health Canada. Aboriginal issues need to be addressed.</p> <p>Regulatory reform is still needed to review and eliminate unnecessary regulations, perhaps through a task force. A provincial regulations authority is needed to verify compliance with regulations for international buyers.</p> |
| Better Linkages between pillars | Participants also expressed a desire for better linkages between pillars. Existing pillars are seen as silos, and programs provide mixed messages/outcomes. Programs should reinforce outcomes across pillars. e.g. Mesh farm profitability with environmental goals by using environmentally friendly energy as the bridge. |
| Value Added | <p>The goals should provide opportunities for smaller scale producers to focus on value added production. Opportunities may exist to increase producer returns by focusing on bulk production for the industrial market instead of for the food market. The challenge is to make producers into price makers not price takers.</p> <p>More support is needed at the individual and small enterprise level to develop business plans into a viable business or product.</p> |

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| Investment in Infrastructure | Need more infrastructure investment in rural regions such as high speed internet, water and sewage treatment, roads and rail service, so that producers and communities can take advantage of value-added processing and other economic development opportunities. |
| Rural Development | Rural development needs to be an integral part of the next generation of policy. The broader rural economy must be the focus of future policy planning. The structure of agriculture policy may be restricted by AAFC jurisdiction. Areas such as woodlot management, fishery and rural development may be overlooked because they fall outside AAFC's mandate. |
| Government Funding for the Public Good | Industry supports government funding of programs for the public good, e.g. food safety, traceability programs, research and development, and agricultural or agri-food products or practices, such as water management, that enhance public health or the environment. The funding for research infrastructure should go beyond buildings and equipment to include operating costs, especially for start-ups. |
| Awareness Gap | Stakeholders observed that there appears to be a gap between producers, consumers, and society as a whole. Producers lack awareness of consumer needs and market demands / intelligence. Consumers and society lack awareness of health, safety, and environmental issues in food production, and of the cost of providing public goods. |
| Agri-tourism | Opportunities to promote natural capital and the value of rural landscape through agri-tourism should be included in Next Generation programs. |
| Clean Energy | Economic challenges / opportunities, environmental and societal issues, and other implications related to clean energy, including bio-fuels, need further study and consideration in the next generation of policy. |