

Manitoba Agriculture EngageMB Consultation: MCGA DRAFT Responses

The online consultation was open until Sept. 1 and found at <https://engagemb.ca/engaging-mb-ag-industry>. MCGA responded to the four topic areas of Business Risk Management, Resiliency, Innovation and Technology, and Market Opportunities.

TOPIC 1: Business Risk Management

Business Risk Management (BRM) programs are important tools that help producers manage their risk. For the past two years, Federal and Provincial governments have been exploring changes, as producer feedback has suggested that existing programming is not effective for some sectors. This is an ongoing dialogue we hope to continue in order to ensure future changes are aligned with both producers needs but also with government mandates and financial commitments.

What type of BRM programming will accelerate investment and innovation in the industry?

MCGA RESPONSE (Wording from the recent joint letter to Minister Pedersen on BRM)

The AgriStability program is failing farmers as uncontrollable risks increase and program coverage does not keep pace. AgriStability is a core pillar of Canada's BRM suite, representing the only tool currently available to all farmers to manage both production and market risks. Participation has declined precipitously since changes were made to the program in 2013, reducing the level of support available to farmers facing losses. As a result, over 2/3 of farmers are opting out of the program; leaving them exposed to immense risk. To reverse this course, we are requesting AgriStability coverage be immediately restored to 85% of historical reference margins with no Reference Margin Limit. This ask is in solidarity with a majority of farm groups, thereby creating a clear, direct ask of government.

In 2012, the decision was made to reduce the trigger and payment levels in AgriStability to 70%. At that time, the grain sector was in a very different position. Farmer incomes were on the rise, market access was growing and trade barriers were being removed. However, recent years have brought increased market and trade risk, more severe climate-related events, and increased cost of inputs. AgriStability coverage has not changed despite these significant challenges.

AgriStability is far from perfect, but it is the best available program to help those farmers that need it, when they need it. It is uniquely tailored to the realities of each farm's income, but at the current trigger level, does not stabilize income, and acts more like a disaster recovery program at best.

Our national association, the Grain Growers of Canada, has been actively lobbying the federal government to make the requested changes. They have also requested that the federal

government take a leadership role, and take on the lion's share of this new expense, recognizing that COVID has had a larger impact on provincial governments who are unable to take on the same debt load. They have been making this request to the federal government alongside the Canadian Canola Growers Association, the Canadian Federation of Agriculture, the Canadian Horticultural Council, and the Canadian Pork Council. MCGA fully supports their efforts and collaboration with other major sector representatives, to show that this is the one policy change that unites multiple sectors.

As a sector, we are asking for your leadership in advance and during the FPT meetings in Guelph. Some provinces such as Prince Edward Island, British Columbia, and Quebec have moved ahead on their own to make changes to the 70% trigger and removed reference margin limits. Ontario has provided a top up to their provincial BRM program to fill that gap. This patchwork approach, when a nationwide program exists and can easily be changed does not help Canadian farmers as a whole, and certainly not Manitoban farmers.

We recognize that the 60/40 cost sharing under the current AgriStability program may need to be adjusted for the 'top up' portion of costs to make these changes. We understand that the provincial 40% of the increased program costs may be prohibitive, particularly during COVID-19, and that is why we are asking you to work with other provinces in advance of the FPT meetings to seek an alternative federal-provincial cost arrangement that is manageable, and achieves the requested changes to AgriStability for the remainder of the Canadian Agricultural Partnership.

Groups like ours have been reaching out to provincial governments, our national associations and to the federal government, and we have yet to make progress on this critical change. We believe that it will only be through provincial coalition building and leadership that the federal government be willing to take action on this important file, and we are asking that you take the lead in building a coalition in the Prairies to make urgent and meaningful improvements to AgriStability for Manitoba farmers.

In addition, if governments wish to develop a new program to replace AgriStability, it is essential that government work with producers now before the Canadian Agricultural Partnership expires. Any new program must be developed with, reviewed by, and acceptable to farmers before it is launched.

Topic 2: Resiliency

COVID-19 impacted all Manitobans in different ways. It also taught us how a global crisis can impact our entire food supply chain. Many in our sector have pivoted their business, charted a path forward and discovered new ways to work in a changing world. COVID-19 highlighted the need to increase the sector's resilience to emergencies or mass disruptions, whether due to pandemics, climate events or trade barriers.

What actions and policy were effective and what do we need now to ensure that our sector continues to be resilient in the face of future disruptions or crisis?

MCGA RESPONSE:

Farmers face a mounting suite of pressures in their businesses. Global trade issues such as trade barriers in China and other key markets, are threatening price stability and grain selling predictability. Increased cost of inputs and equipment continues to increase the debt load that farmers face in running their businesses, increasing the importance of predictable and accessible cash flow, and risk management programs that work. Public pressure on production methods continues to influence market demands, regulations and policies, requiring farmers to achieve more with fewer and less effective tools. More extreme weather events increase risk and unpredictability even further. Farmers need clear, transparent, user-friendly, accessible, predictable and bankable support if they are to continue to make a living at farming.

Work is already underway to help growers improve resiliency on their farms. Government support for collaborative projects like the Extreme Moisture research that is ongoing in the province will help growers find workable solutions to moisture issues, improving their resilience to flooding and drought conditions.

Strong programs like AgriInsurance help farmers maintain financial resilience in extreme conditions. Ensuring these programs continue to provide farmers with predictable coverage, flexible coverage options to meet their individual needs, and timely support to ensure that coverage is available, predictable and bankable, is critical to maintain financial resilience in crisis situations. The yearly consultations with MASC are very valuable and keep dialogue open between program management and farmers to ensure the program continues to meet growers' needs.

Improving the Business Risk Management programs, such as the broadly supported industry request that AgriStability coverage be immediately restored to 85% of historical reference margins with no Reference Margin Limit, would fill a gap that many farmers currently face without a functional income stability program.

Ensuring that regulations are science and evidence based is also paramount to ensuring public pressure and politics do not shape public policy at the whim of current perceptions, without consideration or understanding of how and why agricultural practices exist, nor the benefits or detriments that farmers and all agriculture would face when decisions are not based on sound science and an understanding of the full impact of such decisions. Recent regulation on water management in Manitoba, and proposed decisions by the Pest Management Regulatory Agency on key crop protection products in Canada, are recent examples of changes that have not fully considered the impact and alternatives for farmers in complying with such changes. Public policy decisions must consistently include consultation with farmers impacted by those decisions in a timely and meaningful way ahead of those decisions being made. We appreciate this opportunity to share feedback with you on these topics ahead of the FPT meetings this fall.

Government should also take a lead role amongst the public and our trade partners in building understanding and support of new technologies that are demonstrated to be safe and adhere to federal and provincial regulations. New technology like gene editing has the potential to provide paradigm shifting positive change for farmers, consumers, food production, and the environment, and will only be realized if public policy and international trade supports this technology. Gaining public understanding and support for technology is a critical part of advancing agriculture, and government shares the responsibility to ensure the public understands the technology, how it is regulated, and why it is needed. Providing a regulatory environment that support technology development is critical. Motivating our trade partners to adopt science and rules-based trade policies, and holding them accountable to those policies, is essential to ensuring technology accepted in Canada is accepted in our major markets as well.

Topic 3: Innovation and Technology

Innovation is becoming increasingly ingrained into the agriculture and agri-food sector. Technology has the capacity to prepare for and mitigate risk, address labour shortages, improve animal health and welfare and build increased sustainability into our sector. We seek to work with industry to build our sectors capacity through the use of Ag Action Manitoba programs. We are proud to have been able to fund projects that focus on building and capturing the value from innovation in our sector and fostering partnerships between industry and educational institutions to ensure we have the skills training required for our future workforce.

Where should we focus future policy and programming to ensure our industry has access to the technology and work force required for continued resiliency, sustainability and risk mitigation?

MCGA RESPONSE:

Manitoba has a strong network of researchers and innovators that are continuously improving their connectivity to better identify and seize opportunities to combine resources and achieve more. Commodity groups like MCGA are increasingly pushing to develop a broad culture of collaboration among all potential stakeholders, and seeking to identify new stakeholders that bring unconventional perspectives and help us challenge the limits of our knowledge to help us do more with less. Consolidation in the agriculture industry has necessitated new collaborations and partnerships, and we would welcome more opportunities to collaborate more closely with government. Timely and clear communication, and a strong understanding of each others' goals and potential, will be key to building a stronger culture of collaboration.

Manitoba is uniquely diverse in its cropping and livestock sectors, making it a true keystone uniting many crops in eastern and western Canada. We can leverage this diversity to build

unique and valuable research projects, and be a leader in innovative ways to blend our many crop options into new farming and food models for agriculture.

There are many groups engaged in research and collaboration continues to grow. Funding of this research remains critical, but generating new research is not the limiting factor from our perspective. Gaps include effective collaboration on research; transparent communication about past, ongoing, and planned research; and programs that offer research extension or take research to product commercialization.

Government is vastly under-resourced for research extension and grower support. With mounting pressure from regulatory change, increasing input prices, trade instability, and now pest and disease pressure like clubroot and blackleg in canola that threaten the future productivity and quality of these crops in Manitoba, farmers have likely never needed support more than they do now. Thanks to technology, there are more accessible resources, but government support through crop experts and extension specialists remain critical conduits in getting new information out to farmers.

Coordination is also a gap. Manitoba Agriculture and the Manitoba Agriculture Research and Innovation Committee (MARIC) hosted some highly valuable joint discussions in 2019 that opened new understanding across agriculture sectors. MCGA would strongly encourage the government to continue and formalize these consultations as an annual opportunity to generate innovative ideas and projects to continue to build synergy and advance agriculture in Manitoba. At these consultations, many groups involved in research expressed their limited knowledge about the assets and related research work done in Manitoba. Could government host a central website that links to lists of research, equipment and assets to improve coordination of work in Manitoba? Could we utilize existing research to pull new data? Manitoba is too small to waste resources - we must complete and share an assessment of what we have before moving ahead with something new that could duplicate existing efforts.

Topic 4: Market Opportunities

Manitoba's agriculture industry continues to be export driven and we want to ensure that our producers and processors have continued access to current and new market opportunities. Capturing these opportunities may require us to think beyond the sale and movement of goods but also consider the role public trust, innovation, infrastructure, climate change and technology play.

How has the recent pandemic shed light on hurdles or process changes we need to consider when looking at strengthening our market opportunities or reducing risks associated with those market opportunities?

MCGA RESPONSE:

MCGA and others in the canola sector are already at work supporting farmers by expanding markets for canola and canola products. Expanding and securing markets provincially, domestically, and abroad became a priority action when the China market closed to canola seed in March 2019. Manitoba government support to follow through on increasing the biodiesel mandate to 5% in Manitoba is key to expanding a reliable local market. Your support of alternative uses for canola, such as Merit Functional Foods, helps expand new markets and build new global demand for canola products. Ensuring the federal Clean Fuel Standard is built in a way that encourages – not discourages – the demand for Canadian canola that is already recognized internationally as being sustainably produced, will also be critical to supporting the expansion of Canadian canola demand.

As MCGA and its partners began exploring alternative markets for canola products in Manitoba, we recognized that government does not currently have the skills in person to handhold companies doing scale up as innovative ideas move from research to commercialization.

- Could government have a role offering in-kind technical expertise for innovators and SMEs?
- Can government recruit and retain a person or people with applied expertise in commercial scale up?

The agriculture and food science programs are strong in Manitoba, but retention of students could be improved with more job opportunities for Bachelor degree students, particularly in the food production and processing sector. There is a gap in available careers between the education requirements for line worker (high school) compared to a food science researcher (grad school). How does Manitoba create demand for Bachelor degree employees? Which companies would have the size to offer this employment?

Infrastructure could always improve as technology changes at an ever-increasing pace. However, it can also be unclear what infrastructure is available to researchers and innovators when taking on a project that expands beyond their usual area of expertise. Could government become a central point of coordination for researchers and innovators to learn what is at their disposal as they seek to commercialize or implement their innovations in Manitoba?