

WHAT WE HEARD

CANADIAN AGRICULTURAL PARTNERSHIP
INDUSTRY CONSULTATIONS (STRATEGIC INITIATIVES)
NOVEMBER 30, 2017

Executive Summary

On April 1, 2018, the Canadian Agricultural Partnership (CAP) will replace Growing Forward 2 (GF2) as the policy framework guiding Canada's agriculture industry for the next five years. The Ministry of Agriculture held a fourth industry consultation on the proposed CAP program suite Thursday, November 30, 2017, in Regina. CAP uses strategic investments to promote innovation and productivity in the agriculture sector.

In total, 59 individuals representing primary producers, researchers, value-added processors and other industry organizations participated in the event. Participants were provided with an update on the CAP negotiations, timelines, priorities and an overview of Business Risk Management (BRM) programs. They then participated in facilitated discussions to provide their views on proposed Strategic Initiatives programs.

Industry comments on the proposed CAP program suite suggest that, while there are areas of improvement, programs are moving in the right direction. Many proposed CAP programs are more targeted than the programs under GF2. This change was supported by participants, with the caveat that the Ministry:

- build flexibility into targeted programs; and
- actively communicate with producers on how targeted program eligibility supports desired outcomes.

Two areas of concern were raised at multiple tables: application burden and anxiety over potential sector regulations. Participants urged the Ministry to consider reducing program application requirements and to review those regulations seen to be negatively affecting agriculture.

Participants encouraged the Ministry to take a more active role in facilitating conversations and collaboration among industry groups to further shared goals, such as research and trade and market access, that promote the sector.

As the final design changes are considered and programming under CAP begins to roll out, consultation will continue with specific groups affected by potential program changes. Industry engagement will continue to inform CAP program design.

Introduction

The Ministry of Agriculture held industry consultations on the proposed Canadian Agricultural Partnership (CAP) program suite Thursday, November 30, 2017, in Regina. On April 1, 2018, CAP will replace Growing Forward 2 (GF2) as the policy framework guiding Canada's agriculture industry for the next five years. CAP, along with previous policy frameworks, Growing Forward (2008–2013) and GF2 (2013–2018), uses strategic investments to promote innovation and productivity in the agriculture sector.

Stakeholders have been engaged throughout the different stages of CAP development. This consultation was the fourth in a series of formal in-person and online consultations.

The event began with an update on CAP negotiations, timelines, priorities and an overview of Business Risk Management (BRM). Each of the 59 participants were asked to choose two discussion tables to provide their feedback on proposed programs in the following priority areas: Markets and Trade; Environmental Stewardship Programs; Public Trust; Irrigation and Farm and Ranch Water Irrigation Program (FRWIP); Value-Added; Science, Research and Innovation; and Assurance Programs and Farm Management.

Each program table had a program expert(s) and a facilitator to inform participants and guide the conversation. Tables reported back to the group and Agriculture Minister Lyle Stewart about their table discussions and recommended program suggestions.

As the final design changes are considered and programming under CAP begins to roll out, consultation will continue with specific groups affected by potential program changes. All engagements will continue to inform us as we finalize the CAP program design and continue our negotiations with the federal government. Ultimately, this will lead us to a new agreement and suite of programs on April 1, 2018.

Markets and Trade

Participants discussed how to maintain and grow market access by having the Ministry review regulations (e.g., transportation, Maximum Residue Levels), facilitate opportunities in trade missions and streamline program applications. Associations expressed concern that there may be significant demand for the program and the budget may be fully allocated early each fiscal year. Trade access and transportation were identified as priorities under the CAP. All participants noted that the Ministry could increase the number and value of trade missions by facilitating communication between agriculture groups and collaborating with industry when planning missions.

Small and large producer groups have different concerns when it comes to developing new markets and increasing market access. Industry felt that market access is out of their control and government needs to lead when it comes to trade. For example, government can better facilitate incoming and outgoing missions between all members of the agriculture value chain. Producers, organizations, associations and trade representatives attend trade missions for different reasons, but government can help

bring them all together with the collective goal of advancing the sector.

Participants expressed optimism that there are new markets to develop despite uncertainty around trade agreements. In particular, there was interest in the Asia-Pacific market. The Ministry should continue communicating Saskatchewan's priorities to, and collaborating with, the Federal Government on trade agreements, such as the TPP.

Environmental Stewardship Programs

Discussion highlighted linkages between Environmental Stewardship Programs and other priorities, such as public trust. There was support for targeted environmental stewardship programs that have measurable outcomes, with the caveat that the Ministry will need to be careful during implementation to ensure that producers and the public are aware of program outcomes and benefits. Participants noted the need for the Ministry to follow-up and confirm that program users are using funding appropriately.

Participants supported more targeted Best Management Practices (BMPs), including targeted funding to support more measurable results. The discussants noted there may be push-back from producers on the more targeted BMP approach, but push-back could be mitigated through proactive communication to producers on the merits of BMPs and program eligibility criteria as programs are refined.

Increased and continued communication will be vital to the success of Environmental Stewardship Programs. Enabling Indigenous participation in BMPs was considered and some participants suggested that cost-shares for First Nation producers may need to be increased. Clear messaging and communication is important to ensure First Nations communities are aware of programs.

The Province needs to ensure that the impact and benefit of the Farm Stewardship Program is communicated widely and linked to Public Trust. There was a suggestion to set up demonstration sites to increase awareness of the BMPs.

Public Trust

Overall, feedback on the proposed changes to Public Trust programming was positive. Discussion groups identified communication and collaboration, skills, youth leadership, collaborative planning towards consumer trust, an emergency planning framework and safety outreach partnerships as key priorities.

Communication and collaboration were identified as two vital areas for government to support industry in public trust efforts. Government can contribute to the creation of more safety outreach partnerships by developing relationships between industry groups. Public trust is an emerging area in the agriculture sector and it is important that all producers and groups involved in the sector work collaboratively to reach both agriculture and non-agriculture audiences.

Youth leadership programming was seen to be moving in the right direction. One suggestion was to continue this momentum by increasing more hands-on initiatives for

Ag in the Classroom. More skills training is needed in the sector, as well as a focus on continuing to develop leaders once they complete their post-secondary training.

Discussions noted that all organizations –big and small– are able to participate in public trust activities. Cost-shares for programming were noted as a difficulty for smaller organizations to match. Streamlining the application process could encourage more organizations to collaborate and engage in public trust programming.

Irrigation and Farm and Ranch Water Irrigation Program (FRWIP)

Table participants generally supported the proposed structure of the new Irrigation and FRWIP programs though there were a number of concerns regarding program eligibility and application.

There was positive feedback on changes to the Irrigation, including combining irrigation programs under one umbrella program and focusing eligibility criteria in order to maximize funding. Prioritizing the rehabilitation of irrigation infrastructure was also supported by the group. Changing the cost-share to a 67 per cent government: 33 per cent irrigator split for irrigation development was seen to increase program equity, although it will limit new, major irrigation projects. Participants noted that water management is a huge priority but they are still looking for more Government leadership on a water management strategy outside of the CAP.

Participants expressed concern that increasing the FRWIP minimum gross farm income eligibility requirements of \$50,000 may lead to decreased program uptake, but participants did acknowledge that the impact of funding will be maximized through eligibility changes. There is a need to improve clarity on eligible components in the new program. Participants noted the value of extension services (e.g., Agri-Environmental Group Plans, Regional Services). Participants suggest that the Ministry consider including non-agriculture projects in FRWIP for homesteads and those living on their farm.

Value-Added

Participants noted the effectiveness of the Saskatchewan Lean Improvements in Manufacturing (SLIM) program and supported its continuation in the CAP.

The introduction of Product 2 Market was supported due to its potential to provide more targeted support for projects with the greatest impact. However, program application criteria should be monitored to ensure there is a balance between existing and new entrants. Participants noted that there was not enough funding in the proposed program budget to support all the projects in the sector and, therefore, merit-based program eligibility criteria would make the greatest impact with the program funding available. Table participants predicted that Product 2 Market would produce consistent and incremental value-added outcomes that would contribute to Ministry of Agriculture growth goals in Value-Added, as well as Public Trust and Risk Management.

Overall, participants appreciated the short turnaround on program applications and the technical expertise provided by Ministry staff. However, we heard that the Ministry needs more staff continuity and needs to ensure that new program staff are connected quickly with industry contacts.

Concerns about potential changes to the Safe Food for Canadians Act (SFCA) were discussed. Participants wanted to know how changes would affect industry operations and how the Food Safety Systems Program (FSSP) would assist them in meeting new regulations. There was concern that the SFCA may put undue burden on small businesses.

Science, Research and Innovation

Discussion participants generally favoured a more strategic, targeted approach to investment in science, research and innovation. Participants were interested in choosing strategic research areas based on projects that have high-impact in high-risk areas. Participants also expressed an interest in being consulted during identification of strategic research areas. There was agreement that targeted funding may accelerate research results in priority areas and limit the chances of spreading the funding too broadly to have an impact.

A number of suggestions were made to further a targeted approach:

- Strategic priorities may best be met using a tender process rather than an application process.
- Evaluate results on a 10-year cycle rather than a five-year cycle.
- Involve more researchers in strategic research areas.
- Hire a project manager to lead large strategic research programs.

Participants stressed the need to include flexibility in the budget to accommodate new research areas. Options proposed were:

- Allocating 50 per cent of the budget to targeted research and 50 per cent to other areas; or
- Allocating the bulk of funding to targeted research while reserving a portion of the budget for new ideas.

Discussion participants indicated a sector-wide knowledge-gap, where those involved in the agriculture sector struggle to learn more about the research undertaken in Saskatchewan and Canada. Technology such as a digital information hub garnered attention as a valuable information-sharing tool.

Assurance Programs and Farm Management

Participants were pleased about targeted plant and animal assurance programs. However, participants noted that industry groups need individual program budgets finalized prior to disseminating information to producers.

Achieving targeted outcomes in the plant pest bio-security network requires consistency in program delivery and messaging, so participants recommended that the Ministry coordinate bio-security controls. Programs should intervene aggressively if plant health concerns are identified in the province. Discussion for livestock assurance programs centered on ensuring livestock diseases were monitored and targeted based on risks posed to industry. Promoting producer awareness of available programs was identified as a key focus to ensure program success.

There was emphasis that Farm Management programs need to remain flexible, and that the \$50,000 threshold may be limiting. Industry agreed that the Farm Management program should focus more on group training than hiring individual consultants, although it was noted that some producers prefer one-on-one training. Participants supported a fifty/fifty training cost-share as long as applications were still evaluated on an individual basis. Producer groups, industry newsletters, third-party magazines and online advertisements were seen to be the best methods of increasing producers' awareness of learning and the rebate program available to them.