

## OCA Submission to the Prime Minister's Caucus Task Force on Future Opportunities in Farming

October, 2001

The Ontario Cattlemen's Association (OCA) is pleased to make this submission to the Prime Minister's Caucus Task Force on Future Opportunities in Farming. It is based on our submission to the Odyssey Group, which is looking toward a vision for agriculture in Ontario.

Key points in this submission:

- Agriculture remains a significant generator of wealth in Canada. Commodity organizations and coalitions must implement an effective communications plan. This is needed to ensure recognition by society of the importance of agriculture. Communications also need to focus on the many proactive initiatives undertaken by agriculture with respect to environmental and other issues of concern to society.
- Society views agriculture through a very different lens than in the past. In many respects, agriculture is seen merely as a business producing a product that will be sourced in a global marketplace at the lowest cost. At the same time, however, society is placing increased demands on domestically produced products.
- The demand for simple solutions to issues is leading to unrealistic rules governing agricultural production. Those involved in agriculture must be proactive in developing workable solutions to issues as they arise. These developments must be based on a philosophy of risk management rather than the attractive, but unrealistic, notion of risk elimination.
- Existing programs such as the highly successful Environmental Farm Plan must be allowed to evolve to meet changing needs and at the same time be funded on a permanent basis. The Ontario Cattlemen's Association supports the requirement of all farmers to complete an EFP.
- For priority areas such as water quality, there need to be programs developed for all farmers to access. An example would be the need for a universal buffer strip program rather than the county/region specific programs currently available in some areas.
- Provincial databases with basic farm information (name location, livestock housed, etc) are needed to allow effective management of emergency situations such as an outbreak of Foot and Mouth disease. It would also allow effective implementation of on-farm food safety programs.
- Leadership within the agriculture sector must be addressed through a comprehensive leadership development program, more sharing of resources amongst commodity organizations and, in some cases, a rationalization of the number of organizations.
- An industry/government direction for agriculture must be developed. This direction would guide industry initiatives and government policies alike to ensure a viable future for the industry.
- Food security is a concept that embodies environmentally sustainable production, food safety and viable production to ensure a national supply. Many government and industry initiatives should be blended together into a national food security policy. Recent federal / provincial Ministers meetings have identified the pillars of environment, food safety and quality recognition. These fit nicely into an overall policy of food security.
- Securing the health status of our national livestock herd is paramount. The recent outbreak of Food and Mouth Disease in the UK has clearly demonstrated the disastrous effects of failing to avoid and eradicate an outbreak of a foreign animal disease. Government and industry must work closely together to safeguard our herd health status and protect important export markets.
- It appears that governments want to invest in the area of Life Sciences. This area remains poorly defined with many interpretations of the term in use. A primary benefit of investment in this area appears to be the development of new products and non-traditional uses of existing agricultural products. While this shows potential, we must not lose sight of the fact that the majority of agricultural production will remain in the traditional realm.

### **Environment**

While always a concern to society, awareness around the impact of agriculture on the environment has been greatly heightened by events in Walkerton. This tragedy was in fact caused by years of complacency, ignored warnings and unusual weather events. To those wishing a simple answer, however, agriculture production played a significant role. Society in general now views agriculture through a different lens.

For several years now, Ontario agriculture has been calling for provincial legislation on nutrient management. Standards related to nutrient management will have a significant financial impact on Ontario producers. Only by setting equivalent standards of production (e.g. environmental impact) for products imported from outside Ontario with those from Ontario will a level playing field be ensured. This is crucial to the survival of a domestic agriculture industry.

A significant issue facing the beef industry is that of cattle access to waterways. Should fencing of all waterways be made mandatory, it is expected that the provincial beef cowherd would be reduced significantly. Fencing is simply not an economically viable option, nor is it necessary, in many situations. The OCA has been very active on this issue: funding research to quantify the impact of cattle access; identifying management options for producers; speaking on the issue to raise producer awareness; initiating the development of a Best Management Practices for Buffer Strips on Farms book; and working toward a provincial buffer strip program. Environment Canada, Department of Fisheries and Oceans, and provincial ministries must recognize the impact of simplistic but unworkable regulations and be willing to work with industry toward realistic solutions.

Climate change is an issue that lacks the immediacy needed to warrant significant use of commodity organization time and/or resources. The desire to reduce greenhouse gas emissions, however, may lead to significant, and perhaps unrealistic, expectations on the agriculture sector. OCA is represented on the Ontario Agriculture Advisory Committee with respect to climate change. There is a clear need for federal and provincial levels of government to work together on this issue. It must be recognized that agriculture contributes a relatively small portion of the total emissions while it offers tremendous opportunity through the effective management of farmland as carbon sinks.

Damages to crops by wildlife and losses of livestock to predators are issues of growing concern to producers. While society at large may support the reintroduction of species and the maintenance of endangered species and wildlife in general, there must be recognition of the negative financial impact to agriculture. Once again, society needs to compensate for these losses. New and innovative methods of preventing losses to wildlife must be explored.

Deadstock disposal is an immediate issue facing all livestock producers. Recent, drastic declines in the value of rendered products as well as the issue of carcasses containing residues have highlighted the need for alternate solutions. Commodity organizations have worked closely with the Ontario government to develop a program for deadstock collectors. This is likely a short-term solution. Significant effort and resources must be devoted to finding sustainable solutions. These may include appropriate disposal methods or ways to create new products from deadstock with sufficient value to sustain a collection system.

The Environmental Farm Plan (EFP) program has been very successful, yet faces an uncertain future. OCA supports the EFP and the requirement for all Ontario farmers to complete an environmental farm plan. A new philosophy of Continuous Improvement needs to be adopted by the EFP program to ensure that the program continues and to attract government support. The EFP holds the potential of becoming the umbrella program for the requirements facing producers. The EFP should become national in scope, comprehensive in nature and permanently funded. Commitment by provincial and federal levels of government is needed.

### **Water and Nutrient issues**

Protection of water quality and quantity is on the top of everyone's priority list. Agriculture must continue to be consulted on appropriate strategies and programs. Agricultural production must remain a very high priority for water usage in times of water shortage. The various sectors of agriculture should be challenged to investigate and implement production practices that reduce the amount of water required in production.

Assistance is available to landowners interested in water and riparian zone protection, however, availability tends to be county-specific. For example, farmers in Waterloo and Wellington counties have a Rural Water Quality program available that provides financial assistance while farmers in most other counties do not have access to such assistance. A program is needed to assist all landowners to make

changes as needed to protect water quality. A small percentage of Ontario residents own a majority of land on which such changes can be made, while all in Ontario benefit from improved water quality. Land ownership should not become a liability due to unrealistic regulatory requirements without adequate financial compensation.

The Ontario Ministry of the Environment estimates that there are 100,000 abandoned wells in Ontario. This represents a serious threat to aquifers and must be addressed. Funding should be provided to assist landowners identify and properly close abandoned wells.

### **Food safety**

Food safety has moved down the food supply chain to the source of product. On-farm food safety programs are being developed for all commodities. Many industry groups (including OCA) are actively involved in the development and implementation of such programs. Implementation will be much less onerous for those commodities that have legislated powers and field staff already in place. There will need to be specific government assistance, both federal and provincial, for those commodity organizations that do not have the resources to implement such programs.

One challenge to the implementation of on-farm food safety programs is the lack of data that exists for agriculture in general. While some commodities have excellent databases of producers, others do not. This is also a challenge that animal agriculture in Ontario has identified with regard to the containment of any outbreak of a foreign animal disease. A database of farms needs to be created, preferably in a Geographical Information System (GIS) format. The OCA supports, in principle, the creation of such a database.

For both on-farm food safety programs and creation of a GIS database, there are funds available from government. While this is helpful, the reality is that ongoing maintenance costs will be significant, higher than can be sustained by commodity organizations.

#### **Industry concentration**

The trend to fewer and larger units has affected many aspects of society, including farms. Various sectors (e.g. swine) and subsectors (e.g. beef feedlot) have concentrated to a higher degree than others. Based on the average age of producers and high capital cost for new entrants, concentration at the farm level is likely to accelerate. Agriculture must deal effectively with a changing image as farm size increases.

### **Leadership**

There are several programs that help to develop future leaders, including 4H, Junior Farmers, Advanced Agriculture Leadership Program. These programs have seen tremendous change in recent years and so, while there is a real need for emerging leaders, the path is less clear than in the past. The need for new leaders is likely to increase considering the demographics of current leaders. A coordinated and integrated approach to leadership development is required.

### **Farm income**

Society has traditionally viewed agriculture in a favourable light, different than other businesses, since the product is an essential commodity: food. This view seems to have shifted substantially in recent years, perhaps due to the emergence of a global economy; the economic adjustments that members of society have had to make themselves; differing expectations regarding agriculture's impact on the environment or the continued trend toward fewer and larger farms. Government programs to assist agriculture, such as Safety Nets, seem harder to justify to the public with their new perception of agriculture as "just another business". Agriculture needs to position itself as an essential, contributing part of Canada rather than merely a business that can begin, change or die as do other businesses. An effective safety nets program is critical to the ongoing ability of Canadian agriculture to remain productive.

### **Marketing**

The emergence of a global marketplace is having significant impacts on agriculture. Meeting the demand of consumers for an environmentally benign agriculture, producing globally competitive (quality and price) products is increasingly difficult. Agriculture must deal with the consumer expectation of risk elimination in a world where reality dictates risk management. To do so, agriculture must be seen as an integral part of rural Canada rather than just a business.

The introduction of the national identification program for all beef cattle provides a basic platform to

provide valuable information on the final product to flow back through the production system. This would encourage changes in all segments of the production system to enhance the quality of the final product. It also allows true market signals (payment for value) to emerge.

The Canadian beef industry is heavily dependent upon the U.S. market with about 50% of Canadian beef and cattle production being exported to the U.S. A recent trade action against the Canadian beef industry by a splinter US group cost the national industry over five million dollars (over \$800,000 to OCA) in legal fees to defend our position. Although the defense was successful, the experience was a severe financial draw on resources. International trading rules must be modified to change the definition of dumping to exclude selling below the cost of production for commodities that trade freely in the international marketplace.

The role that genetically modified products will play in the future is currently under debate. Consumers much more readily accept genetic modification when it deals with products affecting health rather than products such as food. The benefits of GM products must be understood by consumers and, in fact, they must see benefit to themselves as well. The agriculture community itself appears split with respect to the development and use of genetically modified products. Most likely, the adoption of these products will be on an individual merit basis rather than a universal acceptance or rejection of GM technology. In coming years, producers will need to remain current with the evolution of designer foods, nutraceuticals and basic branded products.

#### Rural economy

Agriculture, while still a significant contributor to the economy, is viewed by some in society as having negative impacts on the environment while employing few people in the production of a product that can easily be attained from other sources.

The agriculture and agri-food sector is a very large employer, creating a great deal of wealth. It is not uncommon, now, to hear some people differentiate the agriculture sector from the agri-food sector. The agriculture sector, as a separate entity, is significantly smaller employing fewer people and worth much less in production due to the lack of value added activities that occur during processing. A key question, then, is whether or not the two components can be separated. If agriculture diminished, or even disappeared what would be the impact? Would the processing sector simply import raw product? Would the processing sector and associated jobs disappear? The agriculture community must address this question as it positions itself as an important part of the economy.

#### **Working with Government**

Those involved in agriculture strongly believe that it is a worthwhile and desirable part of Canada. Do the federal and provincial governments share this view? If so, then what type of partnerships are they prepared to enter with commodity organizations?

There has been a clear, if somewhat silent, downloading of government services to commodity organizations. At a time when various branches of government are looking to commodity organizations for increased roles (and often, financial contribution) to issues and programs, many commodity organizations simply do not have the financial resources to do so. The roles of government and industry are evolving and there needs to be a clear direction developed.

Commodity organizations have access to various funds including CanAdapt, Agriculture Environmental Sustainability Initiative (ASEI), Healthy Futures, etc. Unfortunately, each of these programs has a different set of rules and requirements. In order to effectively access these funds, commodity groups must spend a tremendous amount of time investigating options, developing partnerships, acquiring matching funds, completing applications and, finally, administering contracts with all the associated paper flow. There are times when the investment in attaining funds is marginally worth the effort. A consolidation of funding sources or, at minimum, administrative procedures is needed. The value in having one administrative body for all available funding (e.g. Agriculture Adaptation Council) should be explored.

Government funding is available to commodity organizations for priority areas but usually on a short term rather than a long-term basis. An example of this would be the creation of an animal movement tracing system. Commodity organizations and industries are often expected to absorb the ongoing costs of programs and services, which, often, represent the larger cost. Future partnerships with government and industry must address issues of common priority with long term involvement from both parties.

**Programs**

Over recent years, there has been an increasing expectation of farmers to become certified in a number of areas. It is not unthinkable that a beef farmer, in ten years time, will require: a nutrient management plan, an environmental farm plan, a grower pesticide safety certificate, a manure applicator certificate, on-farm food safety validation and a livestock medicines certificate. An umbrella for these and other programs needs to be developed to avoid the scenario in which farmers would simply have no time left to farm.

**Vision**

The creation of the Task Force is timely. There are many issues facing individual producers, commodity organizations and agriculture in general. No single entity has the resources to deal with this multitude of issues, many of which are interconnected. All involved in agriculture, including government, need to agree on, and work together toward, a vision that will allow agriculture to thrive. Such a vision will require compromises from all parties. It will also require sharing of resources, through coalitions, improved communications, possibly shared locations, or perhaps amalgamations.