

## Canadian Federation of Agriculture – Written Responses to Committee Member Questions

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On behalf of the Canadian Federation of Agriculture (CFA), we welcome the opportunity to provide further information to the Standing Senate Committee on National Finance as part of their Study of the government's response to the COVID-19 pandemic.

This brief includes responses to a series of questions Senators raised for written response during Meeting no. 13 on Tuesday, June 2<sup>nd</sup>. CFA greatly appreciates the continue study of this important matter and attached an additional briefing in both official languages for the Committee's reference.

If further information is required with respect to the contents of this submission, please contact Scott Ross, Assistant Executive Director of the CFA, at [scott@canadian-farmers.ca](mailto:scott@canadian-farmers.ca) or 613-315-2334.

### 1. Question from Senator Galvez:

“You have described substantial problems and very difficult situations that were prevailing before the beginning of the pandemic.

So the economic measures to the recovery and to cope are directed first to keep the sector afloat, and secondly to provide an economic stimulus and to hopefully develop sustainability in your specific sector.

Can you tell me some of the recommendations in your specific sectors in order to solve both problems, the ones that were there before and the one that was created by COVID-19?”

### CFA Response:

The Canadian Federation of Agriculture has attached a brief alongside these responses that lays out the CFA's recommendations to address the challenges created and exacerbated by COVID-19. While many of these recommendations are specific to acute COVID-related challenges, the call for enhancements to AgriStability would not only provide a critical response to the rising costs, lost revenue and instability COVID has introduced for many primary agricultural operations, but would also address long-standing challenges related to the increases in market and climate risk that predated the COVID pandemic.

The most recent example of increased climate and weather-related risk is the widespread harvest challenges that plagued regions across Canada in 2019, leaving many crops in the ground over winter, such as the 2.7 million acres of Canola left under snow throughout the winter. Meanwhile, the increase in market risk facing many Canadian farms is evident through the recent loss of key international markets for a number of agricultural commodities due to non-tariff barriers to trade. These include the loss of canola seed exports to China, pulse exports to India, and durum wheat exports to Italy, amongst others.

Enhancements to AgriStability would not only provide agricultural producers with the confidence and stability needed to invest in production throughout this difficult COVID-affected production season, but would similarly facilitate greater investment in the post-COVID economic recovery.

## **2. Question from Senator Duncan:**

“I was particularly heartened to hear that food production is able to feed our country, and there was talk of exports. I would like to draw the attention of our panellists to the prior discussion the National Finance Committee had about the transport of goods across the country and the interprovincial barriers that have been referenced.

Please, when you’re providing your report about the situation in Canada, would you also look north and consider that food security is a near and dear issue, a very important issue, particularly in Canada’s Arctic, and access to those food resources is incredibly important.

I look forward to a fulsome report that considers the North and the issues of food production, food security, transport and interprovincial barriers.”

### **CFA Response:**

When it comes to interprovincial trade barriers, CFA welcomed the Canadian Free Trade Agreement (CFTA) when it came into force July 1 2017. Canadian agriculture has long struggled with an asymmetrical regulatory system across Canada and the resulting trade barriers between provinces. Without jeopardizing health and safety there remains a real need for harmonization. While the agreement did not eliminate all the barriers nor did it move provinces to full harmonization, the CFTA was an important step in the right direction. More importantly, the agreement created the Regulatory Reconciliation and Cooperation (RCC) table, designed to implement an ongoing process of identifying regulatory differences with a goal to move to enhanced alignment. CFA believes this will serve the agricultural industry well and encourages an aggressive work plan and agenda for the RCC.

With regard to Northern Food Security, CFA recognizes that there are still acute food security challenges facing many Canadians, particularly for those living in remote, Northern communities. As an organization representing Canada’s primary producers, CFA is committed to ensuring Canadian producers are able to produce food as efficiently and productively as possible, to do their part in providing affordable food to all Canadians. CFA would note that Canadians have access to some of the most affordable food in the world, with Canadians spending, on average, 10.9% of their disposable income on food and beverages in 2019. Despite this reality, logistical and income-related challenges continue to constrain a subset of the Canadian population from accessing this food on an affordable basis. As a systemic issue that extends beyond agricultural policy and production itself, CFA views the recently announced Food Policy for Canada as a critical means of bringing diverse stakeholders together to explore and address the drivers of these food insecure populations.

## **3. Question from Senator Gagné:**

“I believe the current health crisis has highlighted our dependence on foreign foods. What is the percentage of food self-sufficiency in Canada? Are the business model of the various types of agriculture in Canada suitable for self-sufficiency? We know that it is important to support the development of production and processing, but is the consumer willing to pay more for their food?”

### **CFA Response:**

The impacts of COVID-19 on food supply chains around the world has brought considerable attention on the issue of food self-sufficiency or self-reliance in Canada and in many other jurisdictions around the

world. Canada produces significantly much more food than our domestic population can consume. As a result, approximately 70% of the food Canadians consume domestically is produced within Canada, but Canada's agri-food sector also exports approximately half of what it produces, exporting \$65 billion a year in agriculture and agri-food products around the world. These exports, in conjunction with the \$110 billion in domestic sales, are critical to the economic contributions of the agri-food sector, which already employs 2.3 million Canadians while contributing over \$143 billion to Canada's GDP. The economic contributions of Canada's agri-food industries are spread across Canada and growth in this sector was identified by the Government of Canada's 2017 Federal Budget as a driver of inclusive economic growth and, by extension, improved food security outcomes for many Canadians,

However, Canada's ability to produce food is limited by the climate and conditions our producers operate within. The average Canadian diet is diverse, incorporating products from around the world in addition to the diversity of affordable, Canadian products they have available to them. COVID has certainly brought Canada's reliance on imports under greater scrutiny than in the past, given the supply chain disruptions occurring around the world and concerns around more protectionist policy measures. This only serves to highlight the importance of a strong Canadian agri-food sector, as a source of affordable, nutritious food for Canadians, but also as a source of these same products to consumers around the world at a time where the UN is predicting concerning famine conditions in a number of developing economies.

With regard to Northern Food Security, CFA would note our continued support for the Food Policy for Canada, as noted in our previous response, as an important venue to explore and address any barriers to food security for those living in the North.