



PRT: 271922

The Honourable Robert Black, Senator
Chair
Standing Senate Committee Agriculture and Forestry
c/o Ferda Simpson
The Senate
Ottawa ON K1A 0A4

Dear Senator Black :

Please find enclosed the information requested by the Standing Committee on Agriculture and Forestry following the appearance by Agriculture and Agri-Food Canada senior officials before the Committee on April 28th, 2022.

I trust that the members of the committee will find this information useful in their study regarding flooding in British Columbia.

Sincerely,

Christine Okrainec

Director, Parliamentary Relations and Portfolio Coordination
Agriculture and Agri-Food Canada

**Information Requested by the
Standing Senate Committee on Agriculture and Forestry (AGFO)
April 28th, 2022**

Question 1:

Senator Marwah: Thank you to both our witnesses.

I just want to step back and take a macroeconomic view of the floods. Clearly, the consequences have been devastating, both economically, for supply chains and around operational issues. Has there been any macroeconomic work done saying the impact of all of the floods was X billion worth of GDP? Mr. Del Bianco, you were quite clear that there were a lot of support measures that were put in place to help the farmers, and in that to inform credit as well. The support measures would have compensated what percentage of the GDP impact? Would it have compensated 10% or 20%? I'm trying to gauge how much net impact there has been on the farming industry in that area.

Mr. Del Bianco: We haven't actually looked at our program payments as a percentage of GDP, but we could certainly provide that information as a follow-up to the committee.

Senator Marwah: All I'm trying to get is some understanding that the farmers are still X billion out of pocket or X hundred million, that the impact to them is they will have the support measures over time that will more than make up for that loss that they've incurred, and I have no sense. But that's okay if you can get back to us. That would be great. I think Farm Credit Canada also would have some information from a macroeconomic standpoint. I think your people do studies on this all the time.

AAFC's Response:

The estimated flood damages suffered by agriculture producers were estimated by the province to be approximately \$285 million. Based on this estimate, \$228 million in support has been made available through the Canada-British Columbia Flood Recovery Program for Food Security.

The flooding occurred very late in 2021, so the impact on overall producer incomes for 2021 is not expected to be significant as a majority of the crops were harvested and most livestock producers were able to relocate animals to safety. As a result, the economic impact on agriculture is expected to be largely experienced in 2022 and perhaps beyond as it could impact future growing seasons.

At this point it is difficult to determine whether the flooding will have significant impacts in 2022. The ultimate impact on producer incomes and ability to produce is dependent on their ability to get back into business operations with the help of the Canada-British Columbia Flood Recovery Program for Food Security. The goal of the recovery program is to minimize the impacts of flooding and ensure producers have the assistance to get back on their feet as quickly as possible, while allowing the other suite of Business Risk Management (BRM) programs to provide support to producers to help them manage the income losses caused by the BC floods. The BRM programs are demand-driven and providing on-going support, but the final program spending in B.C. is not yet available as programs are still responding. Another complicating factor is that even at this point, the full extent of immediate damages and the longer term impacts are not known. The province of British Columbia continues to work closely with every impacted producer to ensure that the recovery process is quick and smooth.

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Question 2:

Senator Oh: Any estimated amount of the insurance payouts to farmers?

Ms. Howlett: From the piece we're doing, it is more broadly based in terms of all Canadians affected by floods. Perhaps our agriculture colleagues would have numbers in terms of the farmers.

Mr. Del Bianco: In the case of crop insurance, although the federal government pays 60% of the premiums and ensures the programs are actuarially sound, it is administered by the province. I would have to speak with the province with regards to payments to date with regards to indemnities provided for producers impacted by the flood.

Senator Oh: Can we have that figure sent to us?

The Chair: Yes, may we have the figure, Mr. Del Bianco.

AAFC's Response:

In 2021, nearly all crops were already harvested in BC when the November flooding occurred. AgriInsurance payments for crops which were still unharvested in 2021 totaled \$299,756: \$200,285 for carrots; \$89,282 for potatoes; and, \$10,188 for forage. This represents less than 1% of BC's total crop insurance payments for the 2021 crop season. Total payments in 2021 are estimated at \$34.7 million.

In 2022, crop insurance payments for BC crops damaged or destroyed by the 2021 floods is estimated at \$3.558 million (as of April 21, 2022). This includes \$1.7 million for blueberry plant loss, \$1.1 million in blueberry production loss, and \$758,000 for flower bulbs. Actual losses will not be finalized until after field inspections are completed later this spring.

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Question 3:

Senator C. Deacon: I would like to have from each of you a summary of what you are recommending being done and what you are doing as organizations to ensure we identify these risks in future and that we are putting in place proactive measures to mitigate those risks so that we're not chasing the horse once it has bolted from the barn. Thank you.

AAFC's Response:

Agriculture and Agri-Food Canada (AAFC) fully acknowledges the need to identify risks across the food supply chain proactively. National emergency preparedness and response planning for future crises that may affect Canada's entire food system, and the importance of considering system resilience and food security in our emergency planning, remain top of mind at AAFC.

In response to the recent Auditor General's Report (*Protecting Canada's Food System*), AAFC has committed to develop an action plan for FPT government and stakeholder engagement on emergency preparedness and response. We have already begun to strengthen key engagement mechanisms and departmental supports, from the newly revitalized Food Sector Network, chaired by AAFC and industry leaders and with a focus on emergency preparedness and information sharing, to the development of a new directorate dedicated to both sectoral and supply chain issues. The Food Sector Network is an invaluable mechanism for establishing strong connections quickly and effectively with industry and providing rapid analysis of issues as they arise, including the identification of risks points across the food supply chain.

The Guelph Statement, the guiding policy document for AAFC's Next Policy Framework (NPF), a five year federal-provincial-territorial strategic plan for investment in agriculture, states that the upcoming Framework will "encourage and support proactive risk management, including climate risk" through its cost-shared programming options. This critical inclusion will allow provinces and territories to identify, and take steps to mitigate, the risks that they see as most pertinent within their own food supply chains.

As Public Safety continues to lead a horizontal federal emergency management transformation process, AAFC serves as a vital contributing partner to this work, including the renewal of Canada's *National Strategy and Action Plan for Critical Infrastructure*. This strategy sets out an all-hazards risk management approach to strengthening the resilience of Canada's critical infrastructure. As a lead federal department for food, an identified critical infrastructure sector, AAFC continuously works to enhance critical infrastructure resilience by identifying threats and hazards, sharing information on these findings with stakeholders, and working with industry partners to prepare for disruptions and incidents to better protect Canada and Canadians.

AAFC is also regularly engaged in conversations with our NATO allies with a view to enhancing the resiliency of critical infrastructure assets and systems during emergency events. AAFC collaborated with its NATO allies to develop a 'Future Risks' paper in the summer of 2021. This paper focuses on food and water systems, and draws a distinction between foreseeable risks over the medium to long-term which may have systemic impacts, and those acute risks which may cause short-term disruption (i.e. climate risks; infrastructure decay). Work like this continues to inform AAFC's approach towards planning its risk mitigation and emergency preparedness planning.