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# Overview of Federal-Provincial-Territorial Relations and Canadian agriculture

What We Heard Report



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The relationship between Canada's federal government, the provinces and territories are a central feature of the nation's governance and its policymaking. Understanding the nature of this relationship is important. Characteristic of this complex relationship are the themes of shared responsibility, authority, funding requirements and much more.

Agriculture is relatively unique in Canada, with the constitution giving jurisdiction to both levels of government. Immigration is the only other file with concurrent jurisdiction. The shared jurisdiction can be complicated by the regional nature of Canada's agri-food system, where the federal government's desire for strong national programs may not align with the distinct nature of provincial agri-food systems.

Following decades of different approaches across the country, Federal-Provincial-Territorial (FPT) governments reached a historic agreement in 2003 with the launch of the first Agriculture Policy Framework (APF). The APF was a 5-year agreement that laid out responsibilities for both levels of government and established a program framework that attempts to deliver equity across the country through a mix of federal, provincial and joint programs.

Governments also set unofficial areas of jurisdiction, with provincial governments responsible for what happens on farm, that stays within its provincial boundaries and federal governments responsible for interprovincial, national and international trade and other issues.

However, the 2021 federal budget investments in on-farm climate action, and the proliferation of provincial trade offices around the world underscore the fluidity of lines between federal and provincial responsibility.

That fluidity, and potentially competing national and provincial visions underscore why governments must come together to develop agri-food policy in Canada, and why FPT relations are so critical to the future of the agri-food system.

FPT relations take wide ranging forms, including regular calls between officials, informal meetings between Ministers, or the large planned FPT events aimed at facilitating and encouraging dialogue.

The following is an expert-driven discussion on the topic of Canada's FPT relations, its current status in Canada and the role it plays (and has played) in making our agriculture sector thrive.





## Federal-Provincial-Territorial Relations: Taking the Pulse of Agriculture's Most Underappreciated Relationship

We don't know enough about the relationship between the federal government, the provinces, and Canada's territories. That statement was made by former Agriculture and Agri-Food Canada Assistant Deputy Minister, Dr. Douglas Hedley during a webinar hosted by the Canadian Agri-Food Policy Institute (CAPI) hosted on November 15, 2021.

Somewhere between a basic understanding of soil and an understanding of how agricultural policy is formed sits the often overlooked but critical body of knowledge surrounding FPT relations.

The webinar, which was moderated by journalist and policy student Kelsey Johnson, featured Dr. Douglas Hedley, Farmer at Coldbrook Farms Amy VanderHeide, Co-Chair of Institut Jean-Garon Michel Saint-Pierre and University of Toronto Professor of Political Science Dr. Grace Skogstad.

"Because of the constitution, because of the laws of Canada, because of the rights that people have both at federal and provincial level the only way that one can work toward a common policy for agriculture across the country is to do it through the federal-provincial-territorial ministers and their cabinets," said Dr. Hedley. "That's why I'm quite taken with this topic. We don't know enough about it, it's not been studied very well in my view, and I don't think farm groups, other industry groups recognize the detail the relationship requires. It is the most fundamental relationship we have informing policy."

FPT relations is a complex topic. Understanding it and the role it plays in the development of good agricultural policy is not as easy as describing, say, the House of Commons, regardless of them both being features of the Canadian political framework.

"It's a kind of fine art to find that compromise between national policies while allowing sufficient scope and flexibilities for provinces to do the things that really matter most to their own provincial agricultural sectors," said Dr. Skogstad.

FPT relations is a piece of Canada's agricultural scaffolding that, if missing or structurally unsound or underutilized, would compromise the greater framework of which it is a part. This was a key message that resonated throughout the webinar and underscores why it is imperative to better understand the subject and the role it plays in Canadian agriculture.

"We have to understand that federal and provincial ministers of agriculture started getting together on an annual basis or more frequently starting in 1935 and they have every year since that time," said Dr. Hedley. "And they are the only federal and provincial ministers that meet regularly. So, the issues of the 1930s drove home the fact that we had to use federal-provincial relations to set agricultural policy in Canada. You can't get around it!"



Presenter Amy VanderHeide has made several trips to FPT meetings and is one of the few producers who has sat at the FPT table multiple times. She is herself a producer, someone who is directly affected by the policies that stem from this political phenomenon. For VanderHeide, the challenge for farmers is to know how to navigate the various levels of government making the process of political engagement less cumbersome and more clear.

"Depending on the issue and of course where you are in Canada you can get two different answers from each level or get passed around a lot," said VanderHeide. "So, I think that finding the right information or getting through the red tape to get from one level to the other can be a challenge for producers to navigate and to figure out."

The meetings that take place during FPT gatherings are instrumental in ensuring governments understand the issues they are tasked with addressing and know how best to do so.

"Yes. We have had bad periods. There were governments that just didn't want to talk to each other. That doesn't work so well," said Saint-Pierre, adding that in his experience working in Quebec's agriculture department it was invaluable having meetings with other ministers in the FPT context and others in order to better understand the issues.

Underscoring the complexity of the FPT process, Dr. Skogstad highlighted how Canada's agricultural policy formation differs from the EU, emphasising the importance of negotiations between levels of government.

"There are going to have to be trade-offs," said Dr. Skogstad. "There are going to have to be compromises. I don't think we are any more antagonistic in agriculture policy formation than I would say the EU is. Although, I do think that the EU has made much better progress than Canada has in terms of redirecting farm support; redirecting agriculture support away from farm income support to support environmental goods and services."

Throughout the webinar, which drew more than 130 participants, many of whom are active and influential in Canada's agricultural policy landscape, attendees were able to ask questions, which were addressed by the presenters.

While Michel's quote below was not the quote that ended the session, it captures the spirit of partnership and togetherness needed to make agriculture policy thrive in Canada.

"Agriculture is a contributor to GHGs," said Saint-Pierre. "But [agriculture is] also a solution in how to reduce GHGs. We need to work together. We have before us many issues that impact many of us and it's in adversity that we find agreements."



## Constitutional Breakdown of Provincial vs. Federal Responsibilities in Agriculture

"One of the things that we have to understand is that anything that happens inside the farmgate is covered under Section 95 [of Canada's Constitution Act, 1867], which is a shared jurisdiction," said Dr. Hedley. "Once you go beyond the farmgate, it is covered under sections 91 and 92, which are the federal and provincial powers. Hence, commerce for example, under the provincial governments, is the authority to run a crop insurance program. The feds joined the program only because of their superior fiscal capability and have said we'll fund it if you live to certain rules all the way across Canada. That's how we got crop insurance put together. The other thing that happened in BRM, when we set it up in the early 2000s, is we shifted everything from a demand-driven system. Prior to that, we spent hours dividing money up out of the federal pot into which province it would go. And there were a number of formulas used in the 1990s, but the moment you move to demand-driven, then that determines the shares of the federal money going to those provinces. If the provinces don't participate in the joint programs, the farmers get less."

