

THE CAPI CONNECTION

Elise Bigley | Editor

Taking the pulse of agriculture's most underappreciated relationship

November was a busy month for those who follow agriculture policy and the critical role that federal-provincial-territorial (FPT) relations play in it. For all the activity that took place, it is just a prelude to the work that will be done by governments as they develop the Next Policy Framework (NPF) over the next year. The decisions governments make as they do that work could have potentially significant consequences over the next five years and beyond.

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What We're Reading

"Crafting a rich arrangement out of our differences is the existential challenge facing Canada."

In the article **"Recognition and New Arrangements: The Challenges of a Multinational Federation"** Alain

Noël outlines some of the complexities Canada faces as a multinational federation. He calls for the acknowledgment of the failings and begin to contemplate possible solutions if we want to "conceive of

Canada as a resilient federation." To do this Noël argues that we need to start by recognizing the reality of internal nations within Canada and then "come to new arrangements with them."

This article was part of the **Centre of Excellence on the Canadian Federation's** inaugural essay series, **A Resilient Federation? Public Policy Challenges for the New Decade** published in 2021.



What's New at CAPI

FPT Relations: Taking the pulse of agriculture's most underappreciated relationship

Webinar Recording



Managing Surge Capacity and Boosting Resilience in Meat Supply Chains

Quick Think report
by Al Mussell



Understanding our past and present: Designing our Future: FPT Policy Making

Perspective report
by Douglas Hedley



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Just days after her reappointment, Minister Bibeau met with her colleagues in Guelph for the first in-person FPT Agriculture Ministers meeting since July 2019. While not all Ministers participated in person, the Guelph meeting was an opportunity for Ministers to come together, engage with stakeholders and begin to chart the path for the next five-year agreement.

These meetings are essential to developing personal familiarity, political trust, and commonality of view of problems and solutions facing the sector. As Douglas Hedley noted in the [**Perspective Report**](#) CAPI released in July 2021, that trust was essential to developing the first five-year FPT agreement in 2003. While Ministers have met virtually over the last 18 months, the Guelph meeting allowed for the face-to-face that can build trust in ways virtual just meetings can't.

The output of the meeting, including the [**"Guelph Statement"**](#), was a crucial step forward in the NPF process. However, it showed signs that Ministers may not yet have the trust necessary to make the choices needed to arrive at a fulsome strategic, effective, meaningful policy framework that can help sector deliver on its full potential.

It is worth acknowledging that governments did come together to agree to a lofty vision for the next 5 years. The agreement on the role of sustainability is important, and the increasing focus on how to make business risk management and other programs more "green" has the potential to play a critical role in how the agri-food sector contributes to ambitious greenhouse gas emission targets in 2030 and 2050.

What remains to be seen is whether governments can translate that high level vision into a true five-year policy framework for the sector. The Guelph Statement is written with high level language that is wide open to interpretation. Even the potentially historic language on sustainability is written so that it may be interpreted in significantly different ways.

Governments appear to have also made everything a priority, leading to the question, if everything is a priority, is nothing a priority? This is not a trivial matter given that it is unclear that governments are prepared to invest enough to deliver on all of the priorities referenced in the Guelph Statement.

In advance of the Ministerial meeting, Tyler McCann and Al Mussell [**shared their thoughts**](#) on how governments might make the NPF into be a true policy framework, reversing the trend of the five year policy frameworks being reduced to spending agreements.

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A true policy framework requires clear strategic priorities and objectives, with targets that can be measured and more detailed plans on how to deliver on them. It also requires a lens on the external context- external to agri-food, and external to Canada. Both are in flux. A more meaningful policy framework also needs to be a public-private partnership, developed not just between governments, but in partnership with the agri-food sector, who are ultimately responsible for delivering on the vision of the Guelph Statement.

Over the next year governments will answer the question as to whether the NPF can be more than a spending agreement that slightly amends or simply continues the status quo. Whether the FPT relationship is healthy enough and whether the trust exists between Ministers and governments, to deliver that outcome remains to be seen.

CAPI hosted a webinar in November to take the pulse of the FPT relationship. The dialogue amongst panelists explored how complex agriculture's most underappreciated relationship is, how difficult it can be for governments and stakeholders to navigate and how critical it is for advancing agriculture policy in Canada. The dialogue also highlighted how much opportunity there is for governments to come together in the NPF to put the policies in place that can unlock agriculture's full potential to contribute to ambitious environmental, economic and social objectives.

Policy development in the agri-food sector is increasingly complex, with a growing number of voices trying to achieve a growing number of outcomes. The FPT dynamic makes agri-food policy development more complex. However, it also has the potential to make policies more meaningful. Multiple levels of government coming together with stakeholders from across the country to agree to a five-year policy framework can enable the NPF to be more ambitious, more strategic, and more powerful than a framework developed by one public or private actor on its own.

Perhaps the critical question, raised by Michel Saint Pierre in the mid-November FPT webinar is, can the threat of adversity create the impetus to make FPT governments work better together on the NPF (and more broadly)?

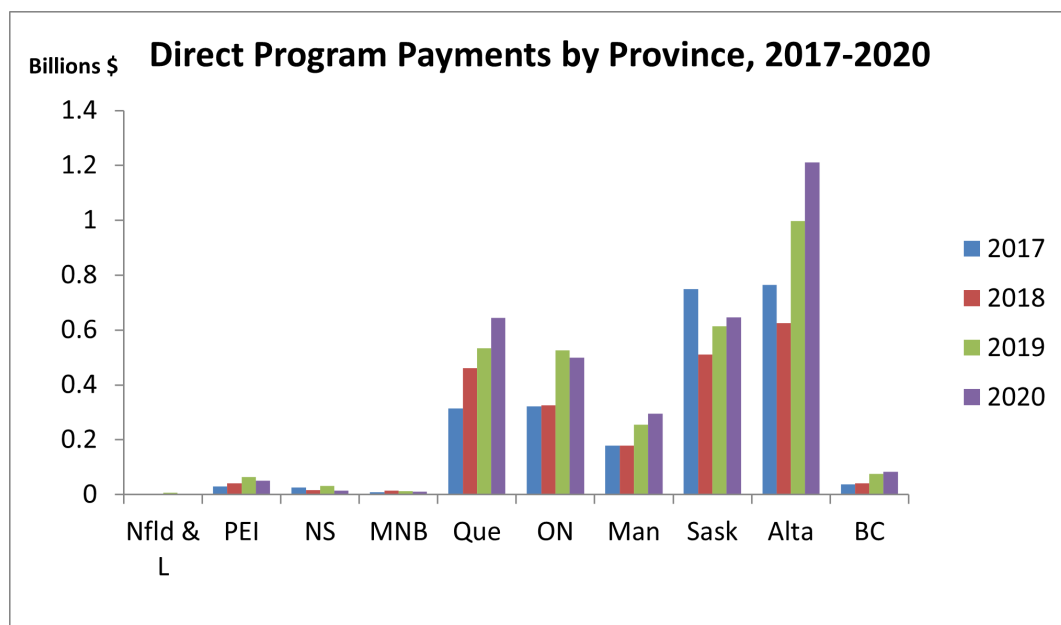
Canada's abundant natural resources and increasing demand for food have fueled growth in the past, however it is not clear that will continue. Challenging international trading rules, increasing innovation from Canada's competitors and a changing climate are a few examples of the increasing pressure the agri-food system is facing.

Now more than ever the system cannot rest on its laurels. Now more than ever the system needs an ambitious, strategic, NPF that helps unlock agri-food's full potential can be substantial. We need FPT relationships and ambition in the policy process that is healthy enough to deliver it.

Tyler McCann, Managing Director

Federal Provincial Territorial Agricultural Policies and Provincial Distribution of Direct Payments to Farmers in 2020

Since 2003, agricultural policy objectives and approaches have been set out in five year Agricultural Policy Frameworks (APF), developed cooperatively by federal, provincial and territorial (FPT) governments. Business risk management programs (BRM) under the current APF, called the Canadian Agricultural Partnership (CAP), help farmers manage market volatility and disaster risks, such as the impact of extreme weather



weather events and trade disruptions through direct program payments (DPP). Agri-stability, Agri-insurance, and Agri-recovery are three such programs offered at the federal level, but provincial programs are also available to address these risks, often shared on a 60:40 federal-provincial cost share basis.

According to Statistics Canada, DPP was \$3.5 billion in 2020, up 11% from \$3.1 billion in 2019 and up 40% compared to the previous 5 year average. 2020 was a difficult year for farmers as a result of COVID, and federal and provincial governments increased support to help address its impacts. For example, a backlog in slaughter of hogs in Quebec and cattle in Alberta due to meat packing plant outbreaks and shutdowns, lowered prices which led to higher support. DPP in Quebec and Alberta were up significantly as a result, by 21% in 2020 over 2019 in both provinces. Also, severe weather events led to higher Agri-Insurance payouts in Manitoba (56%) and Quebec (110%) and Agri-stability payments, up 74% in Ontario and 23% in Quebec.

Source: Statistics Canada

CAPL in the News



«Les USA vont revenir à la charge pour exiger des concessions sur la gestion de l'offre»-John Weekes



A quest for sustainable management practices



VIEWPOINT

Opinion: Canada needs a more ambitious agri-food policy

Agri-food is responsible for one in eight Canadian jobs and seven percent of the country's GDP.

FINANCIAL POST

Fears about skyrocketing dairy prices may be misplaced, economists say

Scholars say the relationship between farm prices and supermarket prices is messy and a big bump on one end doesn't always result in an equally big bump on the other

Jake Edmiston
Nov 05, 2021 • November 5, 2021 • 4 minute read • 11 Comments

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AgriStability not expected to be replaced



Edmonton's Nabati Foods hoping to bring its vegan 'Eggz' to stores around the world

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CWD makes an appearance in Manitoba



Future Canadian farm policies face novel balancing act

Farmtario

New ag policy direction suggested for government

A panel urges politicians to take another look at trade policy, climate change mitigation and animal disease protection

Partnership Opportunities at CAPI

Your commitment is vital. The risks have never been greater and the opportunities never bigger. Now is a pivotal moment for the agri-food system to lead as an essential solution provider for the economy, environment and global food security. But creative policy changes are critical.

**Here for Today,
Ready for Tomorrow**
Join CAPI in Building Better
Agri-Food Policy Together

CAPI is pleased to announce our capital campaign *Here for Today, Ready for Tomorrow!*

CAPI is committed to seeking out bold, innovative policy ideas that will address the Canadian agri-food system's critical need: to build a more resilient agri-food system that produces more and better with less, more sustainably and profitably, to meet the growing needs and wants of consumers in Canada and around the globe.

We need all hands on deck. CAPI invites you to join our efforts to lead bold transformational change to the agri-food system. To learn more about what's on the horizon, visit [**CAPI**](#).

Investing in the Environment

New technologies and tools are changing the way today's farmers operate. However, there can be a cost to adopting new technologies or changing the way food is produced that can prevent farmers from increasing their contributions to the fight against climate change and protecting biodiversity. These new technologies and practices can positively impact the environment, but that only happens if farmers adopt them.

This project aims to determine what public and private policies can be used to rapidly increase the implementation of new tools, and the adoption of beneficial management practices to maximize environmental and social outcomes.

This project is funded in part by the RBC Foundation. We are actively seeking private and foundation partners to advance this project and the agri-food system.



Spearheading Solutions

Helping Farmers Operate Better, Smarter & Environmentally Sustainably

Support CAPI

You can make a difference! Become a partner or supporter of our work through the Canadian Agri-Food Foundation, a registered charity. Your commitment is vital as it is urgent to intensify our efforts as agriculture and agri-food can be essential solution providers for the economy, environment, health, food and global security but creative policy changes are essential. Click [**here**](#) to learn more.

CAPI acknowledges the overall support of its many partners particularly Agriculture and Agri-Food Canada.

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