

THE CAPI CONNECTION

Elise Bigley | Editor

Photo by Al Mussell

A Year of Challenges and Opportunities

2021 was full of challenges and opportunities for Canada's agri-food system and it drove home the reality that the policy landscape facing Canadian agri-food has become much more dynamic than in years or decades past. 2021 also drove home that despite the critical need for Canada to produce more food, with a smaller environmental footprint and more profitability for those producing it, the agri-food system may not be well prepared.

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What We're Reading

In a recent opinion piece in The Globe and Mail Donald Savoie argues Canada's rural-urban divide is only deepening. Savoie conveys two factors that increase the risk of losing key perspectives and end up with ill-fitting policies in Canada: people tend to look at issues through their own lenses and Canada's political, economic and intellectual elites live in cities and operate through an urban lens.



Savoie writes, "the machinery of government in Ottawa and the provinces must be equipped with rural lenses to help see Canada as rural Canadians do, and to deal with its unique challenges." Savoie does leave the reader with possible fixes to this, such as loosening regulations and consider tailoring existing policies to reflect unique rural needs

What's New at CAPI

Overview of Federal-Provincial-Territorial Relations and Canadian agriculture

What We Heard report



Federal-Provincial-Territorial Relations Webinar

Highlights video



The Role of Soil Health in Sustainable Agriculture

Quick Think report



2021: A Year of Challenges and Opportunities for agri-food

2021 was full of challenges and opportunities for Canada's agri-food system and it drove home the reality that the policy landscape facing Canadian agri-food has become much more dynamic than in years or decades past. 2021 also drove home that despite the critical need for Canada to produce more food, with a smaller environmental footprint and more profitability for those producing it, the agri-food system may not be well prepared. There is a pressing need for creative policy solutions that intersect food security, environment, and trade.

Throughout the year, headlines focused on the challenges that have kept those working in the agri-food system awake at night. From droughts across the Prairies and floods in BC and the Maritimes, the federal 30% nitrogen emission reduction target, an obsession with cattle at COP26, sudden prohibitions on exports of meat to China and potatoes to the US, the political pause on pesticide Maximum Residue Limit increases and increasing concerns about inflation, it has been one thing after another.

The opportunities may not grab the same headlines, but they are driving Canadian agriculture just the same.

Increased exports and domestic demand driving prices up for most farmers (for both what they sell and what they buy); resiliency through enduring COVID-19; the Federal Budget making historic investments in climate-smart agriculture; announced investments in new processing facilities; Federal-Provincial-Territorial agreement on the "Guelph Statement;" and Health Canada modernizing its approach to regulating plant breeding innovations. These are just some of the reasons Canada's agri-food system has to be optimistic at the end of 2021.

These challenges and opportunities emphasize how much ground is shifting in the policy landscape for Canada's agri-food system.

The late 90s and early 2000s were a difficult time for agriculture, with serious decline in farm incomes, the detection and fallout from BSE and increasing pressure as WTO negotiations progressed. By the mid-2000s most of those crises had past and a soft consensus on agriculture policy settled in. Building on support in the 90s for more open, liberalized trade, and a drive to increase efficiency and productivity, governments and agriculture stakeholders supported ag policy built around a reasonable level of risk management programs and strategic investments in market access and development, research and innovation and value-added processing.

However, this last year has reinforced that the expectations on agriculture and food have changed, and the soft consensus appears to be fading, with more voices offering more perspectives on what the future of agri-food policy should look like.

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The reasons for that change are complex, but they are grounded in part in the reality that at a time when it is imperative for the agri-food system to deliver significant improvements to its environmental, social and economic impacts, there are increased expectations from outside the traditional agri-food system on how that is done and what the priorities should be. Governments, investors, civil society and consumers are all demanding better, while producers and processors are demanding the ability to compete. This tension was on full display through the United Nations Food Systems Summit (UNFSS) process, which unfolded throughout 2021.

That tension is also highlighted in the critical need that CAPI identified early in the year: A more resilient agri-food system that produces more and better, environmentally sustainably, and profitably, to meet the growing needs and wants of consumers in Canada and around the world.

Finding solutions that respond to the shifting landscape and deliver on that critical need drives the agenda at CAPI. It was also front and center at CAPI's Big Solutions Forum (BSF), held over several days in May. The BSF was the culmination of the Creating Prosperity from Chaos research program, which included dialogues, research and webinars held over the previous year. The presentations from the BSF, including a presentation from Dr. Christopher Barrett on bundling innovations for food system transformations and panels with Deputy Ministers and industry leaders can be found on [CAPI's YouTube page](#).

In the final report of the BSF, CAPI highlighted two conclusions: 1) The Canadian agri-food system has great potential and the capacity to contribute to sustainable food production, global food security and climate change solutions while improving its competitive advantage and 2) the biggest and relatively untapped opportunity is in our ability to use multidisciplinary knowledge to create solutions.

CAPI then identified four key actions required to Create Prosperity from Chaos: Systems Approaches, Strategic Thinking, Public-Private Partnerships and Aspirational Leadership. These four simple actions have proven incredibly difficult for Canada's agri-food system to implement. However, they have enormous potential for mitigating the challenges and fully seizing the opportunities in front of it.

As stakeholders in the agri-food system look to 2022, with the policy landscape continuing to shift and the increasing, critical need to produce more and better while being environmentally sustainable, and profitable, we should think about how to put those four actions into action.

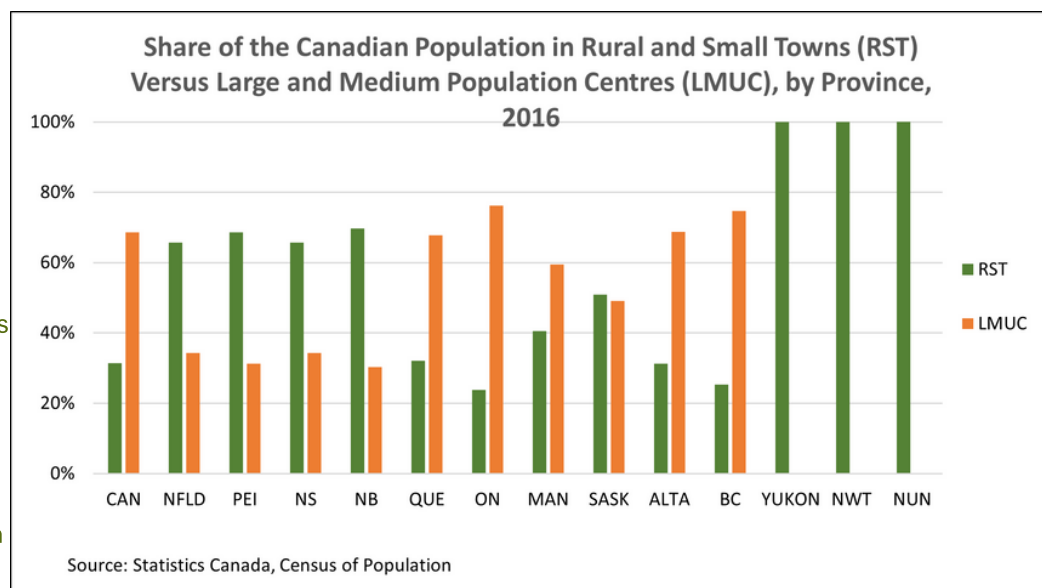
Not meeting this critical need is not an option. It is also not something that one actor can do on its own. A complex, dynamic policy landscape requires moving away from the status quo to creative solutions – solutions developed together. Policy development requires a team, and an openness to major change when the landscapes shift rapidly. If 2021 is any example, the agri-food policy team will be very busy in 2022.

Tyler McCann, Managing Director

One Great Graphic

The Rural-Urban Divide in Canada

Compared to many other countries, Canada has a relatively large share of its population living in rural areas. In 2016, about 31% of Canada's population lived in rural and small towns across the country. [1] This compares with countries such as Great Britain with only 2% of its population rural in 2014, and Finland, at 59%. The OECD average rural share of a country's population was 25% in 2014.[2]



The importance of rural and small towns varies by province. A greater share of Canadians in the Maritime provinces and Saskatchewan lived in rural or small towns in 2016. In the Yukon, the Northwest Territories and Nunavut, 100% of the population was rural and small town. On the other hand, in Quebec, Ontario, Alberta and BC, a greater share of the population resided in large or medium urban centres. Because of the concentration of Canadians in these four provinces, more than 70% of Canada's population were city dwellers, living in urban centres with population above 10,000.

Nevertheless, rural areas have their benefits and are important for Canada's economic activity and exports. As an example, 63% of employment in Canadian agriculture takes place in rural and small towns. Forestry, fishing, mining and oil and gas employment is also highly concentrated in rural areas at 31% of industry employment. Rural areas are also places to find great natural beauty and wildlife, contributing to Indigenous and other Canadians' well-being and livelihoods. It is for this reason that there is real concern that federal government policies are weighted towards urban dwellers without taking account of the importance of rural areas for providing jobs and economic activity related to food and fuel production, to feed city dwellers and supply export products for the world, in addition to providing natural beauty and wildlife habitat that contributes to the well-being and livelihoods of Indigenous and all Canadians.

[1] Rural and small towns cover non census metropolitan areas, non census aggregated areas and towns of less than 10,000.

[2] OECD database.

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!*

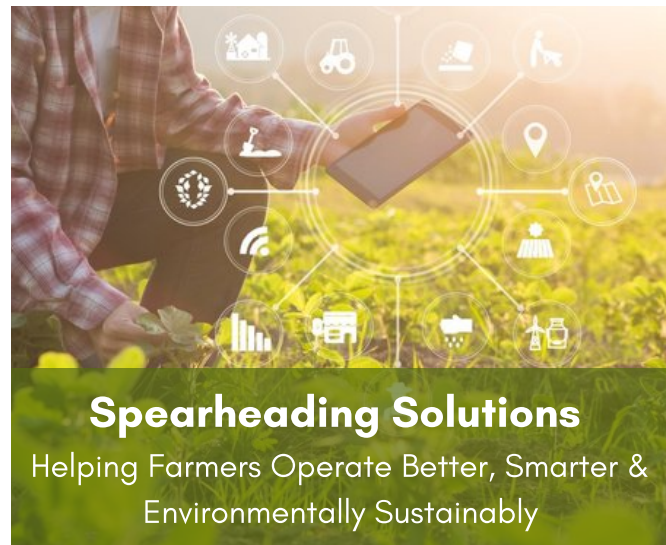
CAPI is committed to seeking out bold, innovative policy ideas that will address the Canadian agri-food system's critical need: to build a more resilient agri-food system that produces more and better with less, more sustainably and profitably, to meet the growing needs and wants of consumers in Canada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



Spearheading Solutions

Helping Farmers Operate Better, Smarter & Environmentally Sustainably

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.

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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