

**RESOLUTIONS to the
CANADIAN FEDERATION OF AGRICULTURE - STANDING POLICY
as Approved at the 2015 ANNUAL MEETING
OTTAWA, ONTARIO
FEBRUARY 24 – 25, 2015**

ENVIRONMENT AND SCIENCE

1. Phragmites

WHEREAS Phragmites australis is an invasive species that negatively affects farm operations; and

WHEREAS phragmites spreads quickly and thrives in drainage ditches which decreases or eliminates the function of these drains, thus affecting farmland connected to drain by increasing saturation in soils; and

WHEREAS the proper method of control to reduce the spread, growth, and impact of phragmites is to use herbicides that have minimal impact on the environment but will have a high control rate on the invasive species. A registered herbicide can be used to spray phragmites, followed by a roll and burn procedure. This procedure is the most effective means of control as found through research from reputable wetland ecologists; and

WHEREAS due to PMRA regulations this proper means of control is not permitted in many areas where phragmites persists as it would involve spraying pesticides in designated waterways.

BE IT RESOLVED that the Canadian Federation of Agriculture work with the PMRA to ensure that herbicides that control Phragmites are approved for use in “standing water” areas to enable municipalities and farmers to properly control Phragmites.

2. Sandhill Cranes

WHEREAS Sandhill cranes cause damage to both recently planted crops and to pre-harvest crops; and

WHEREAS the Sandhill Crane population has expanded greatly, their numbers not being under any threat; and

WHEREAS the time frame to obtain harassment permits is too long to allow farmers to alleviate the damage issues in a timely manner,

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the Canadian Wildlife Service to allow a managed hunt of Sandhill Cranes in eastern Canada.

3. Biosecurity

WHEREAS most industries outside of agriculture have limited knowledge of clubroot and biosecurity practices; and

WHEREAS the oil and gas industry is granted "right of entry" through legislation and the landowner or land operator has no say in refusing entry or in the operations that take place on that land; and

WHEREAS the operations of these companies are often not contained only to the land identified in the lease or easement; and

WHEREAS there have been instances where the oil and gas industry has refused to follow biosecurity guidelines for the prevention of the spread of clubroot and have stated that they will only do so if government forces them to; and

WHEREAS there have been instances where oil and gas companies operating on farmland have refused to sign landowners' or operators' biosecurity plans;

BE IT RESOLVED that CFA lobby the Government of Canada and Provincial Governments to require that persons, organizations, and businesses that are granted access to farmland and production buildings by way of legislation which prevents a landowner from denying access, have knowledge and training of biosecurity practices on farmland and accept accountability for their actions or lack thereof.

RESEARCH

4. UPOV '91

WHEREAS Canada is a signatory of UPOV '91 and the Government of Canada is moving to the Convention through Bill C-18, the 'Agricultural Growth Act'; and

WHEREAS there is more and more concentration within the seed industry; and

WHEREAS there is a great deal of ambiguity and a lack of understanding surrounding UPOV '91;

BE IT RESOLVED that CFA lobby the Government of Canada to maintain research for crops which results in a competitive marketplace, competitive seed costs, and excludes monopolistic marketing practices for seeds.

5. Off Patent Traits

WHEREAS the Agricultural Growth Act (Bill C-18) has made provisions through the implementation of UPOV '91 to allow seed developers to capture greater value for their investment; and

WHEREAS off patent pesticides can come to market fairly quickly after the patent expires; and

WHEREAS plant breeding takes at least seven years to develop a new variety;

BE IT RESOLVED that CFA lobby the Government of Canada to enable generic seed developers to have access to off patent traits at least seven years before these traits come off patent. This allows time to produce new advanced lines while utilizing off patent genes. The off patent trait would need to be available in a germ plasm base without any other patent traits.

BUSINESS RISK MANAGEMENT PROGRAMS

6. Disaster Programs

BE IT RESOLVED that disaster programs delivered through Agri-recovery be clearly defined in future program design as disaster-related and be de-coupled from regular income-related programs so that disaster payments are not clawed back under another program.

7. AgriInvest Funding Levels

WHEREAS the Agri-Invest program encourages growers to set aside funding for a rainy day, and

WHEREAS the program has benefited growers in times of financial need and helped with investments to become more efficient and with cash flow during periods of low returns, and

WHEREAS the program previously provided a higher matching contribution, and

WHEREAS Canada provides the lowest level of agriculture program funding of any industrialized nation except New Zealand, and

BE IT RESOLVED that the Canadian Federation of Agriculture lobby Agriculture & Agri-Food Canada to return the AgriInvest program to previous funding levels, matching producer contributions up to 1.5% of allowable net sales.

8. AgriInvest Deadlines

WHEREAS the AgriInvest program's September 30 deadline to apply falls in the busiest harvest season for crops

BE IT RESOLVED that the Canadian Federation of Agriculture lobby Agriculture & Agri-Food Canada to review program deadline dates and establish dates that allow timely participation and not conflict with key production seasons.

9. AgriInvest Cap – Referred to CFA's Agriculture Policy Framework Committee

WHEREAS the AgriInvest program's limit on matching producer contributions does not currently consider the varying number of farm families operating within a single farm business

BE IT RESOLVED that the Canadian Federation of Agriculture lobby Agriculture & Agri-Food Canada to amend the maximum cap level for AgriInvest to recognize farm business that have multiple families.

TAXATION

10. Intergenerational Transfers

WHEREAS the majority of intergenerational transfer transactions within agriculture are family related and usually encompass less than six individuals;

WHEREAS accounting practices have changed, and so have land values and business transaction values;

WHEREAS farms values (i.e. land, equipment, livestock, feed, etc.) have increased significantly;

BE IT RESOLVED that the Canadian Federation of Agriculture lobby to amend the description of transfer in the federal *Income Tax Act*, section 84.1 (1) “...to another corporation (in this section referred to as the “purchaser corporation”) with which the taxpayer does not deal at arm’s length and, immediately after the disposition, the subject corporation would be connected...” to refer directly to the wording of the income tax act section 84.1 (2) (b) as to the meaning of not dealing at arm’s length:

“ in respect of any disposition described in subsection 84.1(1) by a taxpayer of shares of the capital stock of a subject corporation to a purchaser corporation, the taxpayer shall, for greater certainty, be deemed not to deal at arm’s length with the purchaser corporation if the taxpayer:

- *was, immediately before the disposition, one of a group of fewer than 6 persons that controlled the subject corporation, and)*
- *was, immediately after the disposition, one of a group of fewer than 6 persons that controlled the purchaser corporation, each member of which was a member of the group referred to in subparagraph 84.1(2)(b)(i); and”*

therefore eliminating legitimate intergenerational transfer transactions being affected by the scope of the income tax act section 84.1

11. Transfer of Farmland to a Family Member of the Taxpayer

WHEREAS transferring the family farm to the next generation is an important consideration in many farm succession plans;

WHEREAS Subsection 73(3) of the Income Tax Act of Canada permits the transfer of farmland in certain non-arm’s length transactions, at a price less than fair market value, if the transfer is made to a “child of the taxpayer”; and

WHEREAS some farmers, with or without children, may wish to transfer the family farm to another family member so that the family farm can continue;

BE IT RESOLVED that the Canadian Federation of Agriculture (CFA) lobby Finance Canada to replace the word “child” in subsection 73(3) of the Income Tax Act with the phrase “family member”, adopting a similar definition of the word “family” as defined in Ontario Regulation 697, under the Land Transfer Tax Act of Ontario, which grants an exemption from land transfer tax to certain transfers of farmed land involving certain people who are members of the same family.

TRANSPORTATION

12. Railroad Car Allocations

WHEREAS in the pre-free-market era grain car allocation was coordinated by CN and CP, the Canadian Grain Commission and the Canadian Wheat Board, and producer car users and short line railways received equitable allocations, and

WHEREAS currently there are no forces to protect the allocation interests of producer car loaders or short line railways, especially with the federal government's order which causes CN and CP to extract grain from high throughput elevators on mainline railways, therefore

BE IT RESOLVED that Canadian Federation of Agriculture lobby the federal government to order CN and CP to dedicate a portion of the grain cars allocated each week to producer cars and short line railways so they have equitable access to a constant and consistent supply of cars to meet their shipping needs.

13. Rail Penalties

WHEREAS if small shipper companies or short line railways or anyone loading rail cars are late, they can be penalized by the major rail companies, and

WHEREAS those same customers have difficulty in penalizing the major rail companies for non- or poor service, therefore

BE IT RESOLVED that the Canadian Federation of Agriculture ensure that their advocacy regarding changes to the Canada Transportation Act include:

- increased transparency with respect to detailed grain, oilseed and pulse pick-up and delivery and cars requested and delivered, and
- enhanced ability of small shippers, short-line railways and producers to be adequately compensated, without repercussions by the major rail companies, for non- or poor service and entitlement for all grain shippers, regardless of size, to similar and consistent Service Level Agreements.

14. Canadian Transportation Act

WHEREAS Bill C-30, *The Fair Rail For Grain Farmers Act*, extended the limit for rail interswitching from 30km 160km in Western Canada;

WHEREAS the 160 km limit for rail interswitching now provides a large number of grain shippers with competitive transportation options;

WHEREAS, the Bill C-30 is set to expire on August 1, 2016;

BE IT RESOLVED that the CFA lobby the federal government to retain the 160 km interswitching provisions in future legislation following the expiration of Bill C-30, *Fair Rail for Grain Farmers Act*.

15. Open Running Rights

WHEREAS the current rail freight system in Canada has failed those who rely on Canadian railways to move commodities;

BE IT RESOLVED that CFA lobby the Government of Canada to force railways to offer open running rights to increase competition in the rail freight shipping industry.

GRAINS AND OILSEEDS

16. Clubroot Management

WHEREAS equipment moving across the Prairies has the potential to spread clubroot across provincial boundaries;

WHEREAS an interprovincial approach is essential if effective management policies are to be identified and implemented;

BE IT RESOLVED that CFA support the establishment of a national clubroot management initiative and awareness campaign.

17. Fast-tracked Registration of Cost-Effective Fungicides

WHEREAS years of excessive moisture have given rise to new challenges to grain production on the prairies;

WHEREAS the development of new varieties that are better adapted to these new environmental conditions, although a worthwhile endeavour, is a long term process;

WHEREAS chemical controls, such as fungicides, can provide partial control of diseases such as Fusarium Head Blight (FHB), but have variable efficacy and are a high cost for producers;

WHEREAS Canada's expensive and complex regulatory approval process may be impeding or delaying producers' access to generic products and foreign fungicides that are more effective and cost efficient than those currently available;

BE IT RESOLVED that CFA lobby the federal government to ensure the fast-tracked registration of generic fungicides products.

BE IT FURTHER RESOLVED that CFA lobby the federal government to ensure the fast-tracked registration of foreign products that are more effective and cost efficient than products currently available in Canada.

18. Railroad Fines & Western Grains Research Foundation

WHEREAS Under Order in Council, the federal government has ordered CN and CP rail to haul a prescribed volume of grain or face fines for non-compliance;

WHEREAS there was at least one breach under the last Order in Council and the Minister of Transport has renewed the Order for the current crop year;

WHEREAS the ultimate costs of railway underperformance are borne by agricultural producers;

BE IT RESOLVED that all fines levied for railroad non-performance be invested into the Western Grains Research Foundation for crop development and research initiatives.

TRADE

19. Mandatory Country of Origin Labelling Retaliatory Tariffs

WHEREAS the United States has imposed country of origin labelling requirements that adversely affect Canadian livestock and that have been deemed unacceptable by World Trade Organization Panels;

WHEREAS if the US does not comply with the Panel rulings, Canada may be granted the right under the WTO to introduce retaliatory tariffs on unrelated products;

WHEREAS Canada's livestock industry has suffered immense damage from the US measures and any retaliatory tariff is designed to put pressure on the US to change its practices and not provide a direct benefit to the adversely affected livestock sector;

BE IT RESOLVED if Canada introduces retaliatory tariffs, that CFA lobby the federal government to provide funding equivalent to the amount raised by these tariffs to the impacted sector for research and market development initiatives.

20. The Right to Limit Foreign Ownership of Farm Land

WHEREAS farm land is a strategic resource for agriculture and for Canadians; and

WHEREAS current legislation in parts of Canada limit foreign ownership of farm land; and

WHEREAS food sovereignty is imperative for the long term sustainability of our country;

BE IT RESOLVED that in future international trade negotiations and agreements, Canada must maintain the right of provinces to regulate foreign ownership of farm land.

21. Trans-Pacific Partnership (TPP)

WHEREAS on November 12, 2011, Canada asked to join in the negotiations of the proposed Trans-Pacific Partnership; and

WHEREAS this announcement has been interpreted by some stakeholders and columnists as a concession on Canada's part in the area of supply management, and by others as a pretext for asking the Government of Canada to abandon supply management even before the talks are started; and

WHEREAS Canada's Prime Minister has responded firmly to these statements and positions by indefectibly supporting supply management; and

WHEREAS the protocol of negotiation recognizes that all countries have sensitive sectors and that Canada supports supply management, which has never prevented it from signing several free-trade agreements in the past; and

WHEREAS in addition to the market access issues, this proposed agreement would also cover all aspects of the trade relations among the TPP member countries, including the protection of investments; and

WHEREAS, among the other aspects of the trade relations on the table, there is also the issue of public procurement (government calls for tender);

BE IT RESOLVED that the Canadian Federation of Agriculture ask the Government of Canada:

- To keep the CFA informed of developments in the TPP talks; and
- To keep supply management and collective marketing intact as an end result of the TPP negotiations; and
- To ensure that this agreement cannot in any way prevent the Government of Canada from adopting the measures necessary for domestic agricultural and agri-food development; and
- To challenge every clause that would allow investor to government dispute resolution mechanisms; and
- To ensure that no clause in any proposed agreement prevent provincial and municipal governments (and agencies) from enacting agri-food procurement policies that favour local production.

22. Agreement on Internal Trade (AIT)

WHEREAS Chapter 17 - Dispute Resolution Procedures of the Agreement on Internal Trade (AIT) sets out a process by which parties to the AIT can initiate a dispute resolution proceeding ; and

WHEREAS the current dispute resolution process does not contain an appeal mechanism for any type of dispute proceeding that can be brought under Chapter 17 of AIT and it is important that any dispute resolution process contains such an appeal process; and

WHEREAS many international dispute resolution processes, for example, the WTO, provide for appeals; and

WHEREAS the Ministers of Internal Trade have already asked have their government staff to draft certain proposed changes to Chapter 17;

BE IT RESOLVED that the Canadian Federation of Agriculture ensure that any proposed changes to Chapter 17 – Dispute Resolution Procedures also include changes that would provide for an appropriate independent appeal mechanism to enable parties to institute an appeal from any decision of a panel established to render a decision in an AIT dispute.

23. Agreement on Internal Trade (AIT)(b)

WHEREAS on October 15, 2009, the ministers approved the proposed amendments to Chapter 9 of the Agreement on Internal Trade (AIT), which is the chapter on agricultural and food goods; and

WHEREAS the ministers stated, in a news release issued after adopting these amendments, that the revised chapter 9 “will not apply to measures relating to supply management systems regulated by federal or provincial governments or provincially regulated marketing boards”; and

WHEREAS the Ministers of Internal Trade, at the same time, asked their government workers to draft proposed changes to Part B of Chapter 17 – Dispute Resolution Procedures; and

WHEREAS during the talks held thus far, some provinces have proposed that section 17B provide, inter alia, monetary penalties and constraint mechanisms for person-to-government disputes; and

WHEREAS on June 16, 2011, the federal, provincial and territorial Ministers responsible for Internal Trade published a news release in which they indicated that they had agreed to undertake a more effective enforcement mechanism under the Agreement on Internal Trade (AIT) for disputes brought by “persons” (individuals, businesses and other organizations) against a government; and

WHEREAS this dispute resolution process allows persons to challenge a government’s actions that appear to be contrary to the AIT; and

WHEREAS it is necessary to ensure that a person’s use of this process will not endanger our collective marketing tools; and

WHEREAS the ministers have also given their government workers a mandate to include all changes agreed upon in the 14th Protocol of Amendment and introduce an explanatory note intended to clarify the scope of the measures in Chapter 9 (agriculture); and

WHEREAS this explanatory note was reviewed and adopted at the meeting of the Ministers of Trade in June 2012, but not publically released;

BE IT RESOLVED that the Canadian Federation of Agriculture ensure that this explanatory note state that the dispute resolution process established in the AIT does not have a negative impact on the supply management system or on collective marketing, or on the province's regulatory authority over labelling and compositional standards for food products.

PIPELINES

24. Availability in French Language of Documentation Filed By Energy East Pipeline Regarding the Project Submitted to the National Energy Board

WHEREAS January 16, 2015, UPA sought the collaboration of the National Energy Board to ensure that all of the documentation filed by Energy East Pipeline Ltd. is fully available in French through Energy of the National Office;

WHEREAS the National Energy Board has already indicated to the Quebec Centre for Environmental Law that he did not intend to do so;

WHEREAS nearly half of the new infrastructure would be located in Quebec, where nearly 86% of the population communicates primarily in French;

WHEREAS this situation leads to discrimination against francophone in the overall understanding of the project and its impacts

BE IT RESOLVED to require the National Energy Board that all of the documentation filed by Energy East Pipeline Ltd. is fully available in French through the National Energy Board and have the same legal status than the English version, and ask the Prime Minister of Canada to intervene with the Board.