

STANDING POLICY

THE CANADIAN FEDERATION OF AGRICULTURE

2016



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INTRODUCTION

The Canadian Federation of Agriculture (CFA) is the largest general farm organization in Canada. It is a national federation of provincial farm organizations and interprovincial and national commodity organizations united to speak with an authoritative voice for the agricultural community of Canada.

First organized in 1935 under the name Canadian Chamber of Agriculture, the CFA grew out of the need for one unified national organization to represent all agricultural producers in all provinces.

The Policy Manual presents CFA's position on subjects of importance to the economic and social wellbeing of farmers and their families. The document consists of current policy statements as well as resolutions passed during the past three years at Annual Meetings and Semi-Annual Meetings. Also included are earlier resolutions which have been reaffirmed by the Federation.

Standing Policy Statements are drawn from resolutions; briefs to the federal government, its agencies, Parliamentary Committees, Royal Commissions; and other hearings. On occasion, CFA policy involves matters under federal government review or change. In these cases, the CFA policy includes recommendations which the Federation believes are relevant to the government's policy review.

In forming policy, the CFA is consistent with its corporate objectives, which are:

- To coordinate the efforts of agricultural producer organizations throughout Canada for the purpose of promoting their common interest through collective action.
- To promote and advance the social and economic conditions of those engaged in agricultural pursuits and to render such services to them as conditions may justify.
- To assist in formulating and promoting national agricultural policies to meet changing national and international economic conditions; and to collaborate and cooperate with organized groups of producers outside Canada for the furtherance of this objective.

The manual is updated annually to represent current CFA position. Amendments are made to the manual when new policy is established by the federation. Dates by the policy positions indicate the year the policies were adopted.

Members of Canadian Federation of Agriculture:

- Agricultural Producers Association of Saskatchewan
- Agriculture Alliance of New Brunswick
- British Columbia Agriculture Council
- Canadian Hatching Egg Producers
- Equine Canada
- Canadian Sugar Beet Producers' Association
- Turkey Farmers of Canada
- Dairy Farmers of Canada
- Egg Farmers of Canada
- StandardBred Canada
- Foreign Agricultural Resource Management Services
- Canadian Sheep Federation
- Keystone Agricultural Producers
- L'Union des Producteurs Agricoles
- Newfoundland & Labrador Federation of Agriculture
- Nova Scotia Federation of Agriculture
- Ontario Federation of Agriculture
- Ontario-Québec Grain Farmers' Coalition
- Prince Edward Island Federation of Agriculture
- Alberta Federation of Agriculture
- Canadian Young Farmers Forum
- Chicken Farmers of Canada
- Farmers of North America (Strategic Agriculture Institute)
- Canadian Ornamental Horticulture Alliance

SECTION ONE
A Canadian Farm Bill:
A New Vision for Agriculture

A CANADIAN FARM BILL

A New Vision for Canadian Agriculture

INTRODUCTION

When the government's Agricultural Policy Framework (APF) was first developed, its purpose was to enhance the capacity, capabilities and profitability of the Canadian agriculture and agri-food industry. The programs that formed within the APF have had varying degrees of success and shortfall. Bulk exports of agricultural products have floundered over the last decade. While agri-food exports have increased, competition, regulatory and policy hurdles combine to pressure Canadian profitability and slow agri-food innovation. Canada is slow to develop and take advantage of new technologies for the benefit all Canadians. Canada continues to fall behind in agriculture and agri-food innovation, investment and competitiveness. Most notably the last three years of Canadian farm income have been the lowest in recorded history. In comparison, the last three years of US farm income have been the best in their recorded history.

There is need for fundamental changes in the industry. There needs to be fundamental shifts in focusing research and development, ensuring the regulatory environment is efficient, ensuring opportunities and the necessary tools are transferred to primary producers and perhaps most important, a fundamental shift in how policy is developed.

Why is this important? Agriculture and agri-food is a key industry for Canadians, for its contribution to the economy, for its role in sustaining rural communities, for food security and for its contributions to health and the environment. Agriculture and agri-food is a significant contributor to Canada's economic engine. It provides one in seven Canadian jobs and employs nearly two million Canadians. In 2004 the Canadian agri-food industry exported \$26.5 billion worth of products and contributed \$6 billion to Canada's trade balance accounting for 11 percent of Canada's total trade surplus.

Agriculture and agri-food is the backbone of Canada's rural communities. Every year Canadian agriculture producers pay almost \$2 billion in salaries to Canadian workers, spend \$1.9 billion for fuel, \$2 billion for fertilizer, \$570 million on veterinary services and drugs, \$800 million on electricity and telecommunications, and over \$300 million on rental and leasing of machinery, equipment and vehicles. The majority of these expenditures occurs in rural communities and in turn provide a host of spin-off industries and economic flow within these communities. Agriculture and agri-food production, innovation and service are the life-blood of rural communities.

Most importantly the industry is a provider of high quality, safe and environmentally responsible foods to the Canadian people. Into the future, Canadian producers can also be the foundation of renewable bio-solutions for the world's food, energy and health problems.

Solutions must be found to ensure primary producers remain strong, gain strength and continue to contribute significantly to Canadians. It is in our national interest to ensure the industry remains strong and spurs growth for the future.

OBJECTIVE

In 2004, the Canadian Federation of Agriculture commenced a process to look forward and be proactive in proposing practical policy solutions for the needs of Canadian producers and the agricultural industry. This document, titled the Canadian Farm Bill, is a synthesis of the ideas and concepts proposed by CFA members – producers across Canada and their representative organizations. As the APF sunsets and the consultations for the next generation of agricultural policy begin, the objective of this document is to lead debate and drive home the concerns and needs of Canadian farmers to politicians and policy makers.

Clear from those discussions, CFA members propose the clear need for a strong, new vision for the industry and an integrated framework of policy and programs that focuses on profitability of the industry and practical solutions to achieve success.

A New Vision for Agriculture and Agri-Food: Provider of Economic, Environmental and Health Solutions for the Future

Through extensive discussion our vision for the industry and the next generation of agricultural policy:

“Canadian agriculture and agri-food as a vibrant, dynamic industry, where all partners of the production chain have the opportunity to succeed, be profitable, and are world leaders as solutions providers for the world’s economic, environmental, and health objectives.”

Key Components of the New Vision

Agriculture and Agri-food as dynamic and innovative

The world is ever changing. Knowledge and perceptions change. New markets, international and domestic, continually emerge for food, energy, industrial and health products. Demand is increasing for safer, organic and locally grown foods. Agriculture faces a tremendous opportunity to be a provider of renewable fuels to meet the world’s energy needs in a sustainable manner.

Bio-based health products through food and agricultural products can be a major contributor to the world’s health care constraints. A strong, vibrant agricultural industry must be continually dynamic and innovative to meet new consumer demands for both food and non-food needs.

Increasing value-added contributions to the Canadian economy and rural communities

Not only does the industry need to be dynamic and innovative to meet consumer demands but the industry needs to maximize its opportunities to value-add and achieve greater contribution

to the Canadian economy. No longer should Canada remain a hewer of wood and drawer of water but become also a source of high-value, quality products. Increasing value-added processing and distribution will generate greater wealth, jobs and opportunity within rural communities and Canada as a whole.

Agriculture as a steward of the environment and provider of the highest quality, safe foods to Canadians

Agriculture is a primary solutions provider of environmental goods and services from water and air filtration, habitat protection, carbon sequestration and provider of renewable resources. Canadian agriculture and agri-food is also a world leader in food safety and quality systems, providing the highest quality products to Canadians and the world. Increasingly society is demanding safer, better products, renewable products and the protection of the environment. Agriculture and agri-food must continue to contribute to these objectives and incentives must be generated to make these contributions sustainable into the future.

Agriculture and Agri-food as an industry in which all parts of the production chain have the opportunity to grow and succeed

Not only must the new vision create a dynamic and innovative industry, increase the industry's value added contributions to the Canadian economy, and continue its stewardship of the land, air and water, the new vision must be of a business and investment environment with efficient policy and regulation that enables all segments of the production chain to be successful. This entails:

- 1) Creating a stable business and investment environment for all stakeholders in the industry to be efficient and responsive to consumer desires, market signals and social responsibilities;
- 2) Enabling information and opportunities to flow to all stakeholders in the industry and enabling all stakeholders to take leadership in being innovative and seeking out new markets.
- 3) Building strategic policy, based on a comprehensive view of the industry, creating an economic and regulatory environment for all stakeholders in the industry to be competitive, domestically and internationally; and,
- 4) Enabling primary producers with information, tools and abilities to achieve sustainable net incomes from the marketplace. The principal goal should be to achieve profitability and growth for every sector and, therefore, must go beyond simply identifying solutions to problems; it must also identify and strengthen the components that are successful. The next generation of agricultural policy must identify and strengthen those mechanisms that work to maintain farm incomes and bargaining power in the marketplace including cooperatives, collective marketing, supply management and its three pillars and the Canadian Wheat Board.

Canadian policy must understand what it is competing against and develop strategic plans accordingly. Canadian industries, producers and processors are competitive but to be truly competitive in the global marketplace, they need competitive policy. Value added industries

cannot succeed without stability of inputs. Livestock producers are inexorably linked to grains and oilseeds production. Processors need stable supplies of primary inputs. Producers and processors cannot innovate successfully without strong links to consumers. All industries face exchange rate risks. Not only does the industry face price distortions but also regulatory, transportation, investment and stability distortions. Strategic policy that achieves gains for Canada first and creates a strong, stable and innovative environment is the key to success.

A NEW STRATEGIC FRAMEWORK

To achieve this vision, the CFA proposes a new Agricultural Policy Framework built on three major “Pillars”:

The Public Goods and Services Pillar addresses environment programs and food safety programs – those programs that work towards contributing to the public good.

The Business Risk Management Pillar addresses programs that provide stability for disease, climate and major market fluctuations.

Finally, the proposal puts forth a new Strategic Growth Pillar that coordinates proactive policy for the generation of growth and strength in the industry. While each Pillar defines the primary roles of agriculture and agri-food policies it is understood that all programs interact and as a whole they work together for the industry.

Environment programs work towards the public good but also provide strength in international markets. Developing tools for producers to achieve stronger incomes from the marketplace contributes to rural development. Business risk management programs provide stability as a foundation for strategic growth. Missing from the original APF is a concerted development of proactive strategic policy to generate growth. Therefore in addition to the existing Public Goods and Services and BRM pillars, we propose a new pillar of Strategic Growth.

PUBLIC GOODS AND SERVICES PILLAR

Canadian agriculture and agri-food producers provide high quality, environmentally responsible foods to Canadians and the world. Canadian producers work with society at large to achieve certain environmental and production objectives and work to improve the link between production and consumer demands.

This pillar addresses issues of:

- Environment, such as ecological goods and services, water and air quality, biodiversity and land usage;
- Food safety and quality, such as the development, implementation, monitoring and recognition of assurance systems, on-farm implementation and traceability; and

- Animal and plant health, such as bio-security systems, emergency preparedness and animal welfare.

Vision of the Public Goods and Services Pillar: Canadian agriculture as environmentally, economically and socially sustainable, internationally competitive and a provider of high quality, safe and healthy food to Canadians and the world.

Four general principles were defined for this Pillar:

1) Sustainability of public good initiatives: Environment, food safety and other initiatives add cost, often without corresponding increases in revenue. This is made increasingly difficult for producers with low farm incomes. If an initiative is a public good for all society then, to ensure the sustainability of the initiative, society at large needs to bear the costs either through the market place or directly.

2) Continual innovation: To meet the environmental, economic and health goals of society, innovation strategies that promote science and research, efficiencies, integration and technology transfer are critical for success.

3) Policy Coordination: Coordinated, synergistic policies among federal, provincial, and municipal governments, as well as within governments, are needed to achieve society's goals better and more efficiently.

4) Integrated management systems: Management systems need to be integrated to reduce costs and paperwork. Integration should however, remain flexible to accommodate existing programs.

Together these four principles strengthen the ability of stakeholders to achieve competitiveness and the objectives of environmental, economic and health sustainability.

ENVIRONMENT

Producers are stewards of the land and see themselves as environmentally responsible for that land. Protection of the environment should not be a choice pitting protection of a public good versus dwindling farm incomes. To be successful, strong initiatives protecting the environment need positive incentives that build opportunity for stewardship.

- “Environmental Goods and Services”
- Environmental stewardship and habitat protection
- Carbon sequestration/reduction
- Pest Management

- Nutrient Management
- Species at Risk
- Soil Conservation
- Water Management

FOOD SAFETY AND FOOD QUALITY

Producers are making long-term commitments to programs that provide high quality, environmentally responsive and safe food, but find it difficult justify costs. To be sustainable into the future, on-going financial commitment from government would support maintenance of programs and continued participation by producers.

Support should be focused on national development, implementation, monitoring and recognition of the following:

- Food Safety and Quality systems
- Traceability systems
- Animal Health systems
- Bio-security systems
- Emergency preparedness
- Surveillance

ANIMAL AND PLANT HEALTH

Canada enjoys an excellent animal and plant health status. To ensure the continuation of Canada's strong record must develop and implement a coordinated national plan and animal health strategy. The first line of defense being disease prevention with solid biosecurity approaches coupled with timely access to competitively priced and effective inputs, including pesticides and veterinary products, is critical. The second line of defense must minimize the damage from disease, in terms of animal and plant health losses, public health and market closures. For this, it is essential that Canada have a strong emergency response system in place with clear roles and responsibilities, and avenues for appropriate compensation. Attention should be focused on:

- Animal / plant health
- Bio-security systems
- Emergency preparedness
- Animal welfare

BUSINESS RISK MANAGEMENT PILLAR

Agricultural producers face extraordinary production risk – insect, disease, frost, drought, wind, and floods. Producers face further market risks as well with volatile price risk, tariff and non-tariff barriers – expected and unexpected. With extraordinary risk comes the need for extraordinary risk management tools.

The primary objective of BRM programs is to provide disaster assistance and stability to producers who have incurred unforeseen loss. While BRM programs do not build growth, they provide stability to the industry and act as a foundation for growth.

To build that foundation, BRM programs must be strategic in how it provides stability to primary producers. That strategy requires programs to:

- Address markets that are distorted by international subsidies
- Be flexible to address regional and commodity needs
- Be predictable and bankable for producers
- Maintain supply management and its three pillars as producer tools to manage risk

CFA members have held extensive discussions on how to address this foundation. These discussions have resulted in a conceptual design of safety-nets containing seven major program components that producers would like explore:

- 1) A self-stabilization program
- 2) A CAIS-type “whole farm” disaster program
- 3) Production insurance
- 4) Companion programs
- 5) A contingency fund for catastrophes

6) Protection of supply management as a program for risk management

7) A component to address declining farm incomes due to distorted international markets.

The US Farm Bill and other international subsidies have distorted international markets. In the integrated North American system, these subsidies have distorted trade flows and competitiveness, not only for primary producers but for value added industries as well. Canadian policy must be equally strategic with what it is competing against. BRM programs must be strategic in building a foundation in which Canadian industry can be competitive in global markets and build value-added opportunities within Canada. Further, supply management systems are Federal-Provincial agreements initiated and supported by appropriate legislation that regulates the marketing of dairy, poultry and eggs in Canada.

These systems are dependent upon the support of three equally important pillars:

a) Producer Pricing

b) Import Controls, and

c) Production Discipline.

The next generation of agricultural policy must maintain supply management and the strength of these three pillars as strong risk management tools for primary producers.

STRATEGIC GROWTH PILLAR

The keys to building growth and profitability for agriculture are strategic investments. The vision of this Pillar is of a framework of policy that proactively facilitates innovation, growth and profitability within the industry. Five principles have been outlined for this pillar:

1) Coordinated, strategic policy where all components of policy and regulation work together to strategically build industries across production chains. Building strong partnerships among production chain stakeholders is key to this strategy

2) Clear assessments of the roles of government and industry partners. In the provision of private and public goods and services, policies and actions by both government and industry can be supportive as well as regressive. Policies must continually strive to apportion appropriate roles and mechanisms that achieve social and economic objectives most effectively

3) Building of primary and value-added opportunities for Canada and rural communities

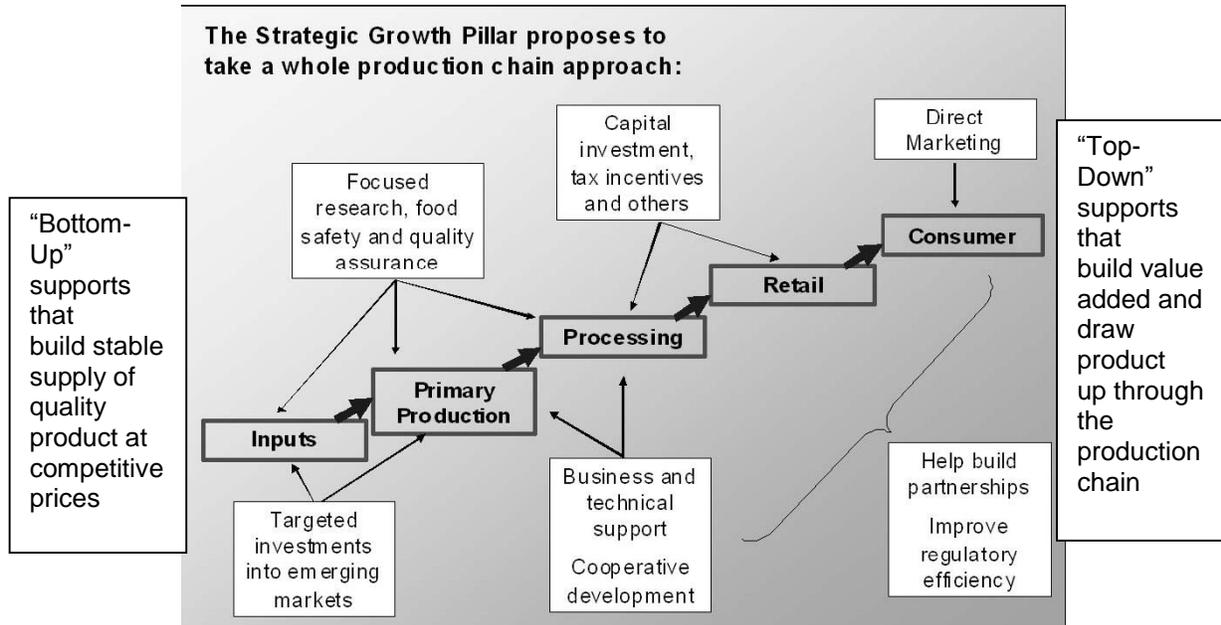
4) Innovation and continual dissemination of knowledge, new markets and innovation opportunities to all industry partners

5) Enable primary producers with knowledge, expertise, technology and policy to maintain and improve incomes from the marketplace

There are many components that can be combined to accomplish this:

- Strong market development and market intelligence with enhanced linkages with consumers
- Building and maintaining the strength of cooperatives, strategic partnerships and producer marketing tools
- Strong trade strategies
- Highly responsive and efficient regulatory framework
- Strategic investment in infrastructure
- Strong research, innovation and commercialization tools
- Strategic investment in value-added – “Top-Down”, such as capital investment tools, tax treatment and market development tools for value-added industries
- Strategic investment in inputs and production – “Bottom-Up”, such as the cash advance programs for producers, tax treatments and targeted support into emerging markets

To become world leaders in new innovations strategic support must be done to support the entire value chain. Enhancing consumer communications to meet demand, market development, and capital and tax incentives into strategic value-added industries, all work to increase profitable flow through of product by drawing product through the chain from the top. Decoupled payments, BRM programming and targeted support act to ensure steady, quality assured and environmentally responsible supplies for value-added activity. Such support increases flow of product through the chain from the bottom-up. Finally, support for cooperatives, strategic partnerships and producer marketing tools work to achieve sustainable incomes for producers from the marketplace.



Together, all three pillars work towards a Framework that can build the agriculture and agri-food industry into a true world leader in providing solutions for the world’s food, energy, environmental and health needs. Together, the policies can strategically invest into the development of the sector into new technologies and new markets. Together the policies can increase agriculture’s contribution to the Canadian economy and achieve transformative change to enable primary producers to be profitable.

SECTION TWO

Standing Policy Statements

TRADE POLICY STATEMENT**1. Preamble**

Agriculture is an essential part of the economic, political and social fabric of Canada and is critical to the well-being of all Canadians. It plays a strategic role and is the backbone of rural communities. Agriculture and agri-food are important elements of the Canadian economy, directly providing one in eight jobs, employing 2.1 million people in rural and urban Canada and accounting for 8.0% of total GDP.

Food is a fundamental human right. At all times, people should have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy lifestyle. Countries must maintain the ability to define their own food and agriculture strategies

Primary agriculture differs from other industrial sectors. Individual farmers, not large integrated corporations, are the main drivers of the industry-- overcoming diverse challenges to produce high-quality food for both domestic and international customers in a financially and environmentally sustainable manner.

To ensure their continued success, farmers must be provided with the appropriate policy tools and framework to be successful. Federal policies must recognize, on the one hand, the global environment in which the industry operates, in addition to, the domestic requirements for a healthy and vigorous industry.

2. Basic Trade Policy Goals

Canada must approach trade negotiations with the objective of achieving positive results for Canadian farmers. Clear and effective rules governing international trade will result in better functioning international and domestic markets, and contribute to the improvement of Canadian farm profitability.

The CFA supports the following trade policy goals:

- Recognize the World Trade Organization (WTO) as the principle vehicle for the establishment of fair and effective trade rules.
- Work towards bilateral and regional trade agreements that strengthen trade ties with key customers for Canadian agriculture
- Secure outcomes that benefit all Canadian agriculture by maximizing export opportunities and ensuring trade rules that allow for the maintenance of an effective supply management system.
- Across the board elimination of dumping and export subsidies in agriculture.
- Preserve farmers' right and government's ability to enable, design and operate marketing boards and orderly marketing systems necessary for the stability and profitability of Canadian agriculture.
- State Trading Enterprises (STEs) must be recognized as legitimate structures of administering Tariff Rate Quotas,
- Allow for the necessary suite of domestic programs to ensure the stability and profitability of Canadian agriculture.

- Negotiate trade agreements that uphold the principle of agriculture as an exception to other industry sectors.
- Recognize that agriculture has evolved differently between countries, resulting in each country having its own unique sensitivities.
- Ensure that one commodity is not traded off to enhance the interests of another commodity nor traded off agriculture in general for another industry sector.

3. Trade Negotiations Strategy

Coordination between the World Trade Organization (WTO) negotiations, various bilateral and regional free trade initiatives and different international institutions is required to ensure coherence between varying trade initiatives and a framework that truly represents Canadian agriculture. The Government of Canada's trade strategy should encompass the following:

- Recognize the inter-linkages between trade and domestic policy instruments in order to ensure a level playing field for farmers.
- Build strategic alliances to achieve its negotiating objectives
- Evaluate each bilateral or regional free trade agreements on its own merits and perform the appropriate analysis of their impact.
- Ensure that the various technical, sanitary and phytosanitary (SPS) measures are in place for legitimate purposes
- Seek to harmonize the application of trade remedy laws, to ensure such laws are applied in a uniform and transparent manner across countries; and, terms such as "dumping", "cost of production", "reference period", etc. are defined and interpreted in a consistent manner internationally.
- Consult with farmers and industry, and keep CFA and its members informed of government trade activities

4. Federal Provincial Measures

In Canada, agriculture falls within shared federal –provincial jurisdiction and as a result trade negotiations must:

- Allow the federal and provincial governments to adopt the measures necessary to develop and provide safety net and domestic agriculture programs.
- Maintain the right of Provincial and Municipal governments (and agencies) to enact agri-food procurement policies that favour local production.
- Preserve the Provinces right to prevent or limit foreign ownership of farmland

5. Reciprocal Standards

Canadian commodity groups have implemented numerous on farm certification programs related to food safety, animal welfare, environmental measures, etc. to address regulatory requirements.

As these gate-to-plate programs increase the cost of doing business, Canada must ensure that, in assessing equivalency, imports are produced under equivalent certification programs and regulatory requirements.

6. Marketing Structures

A core component of Canadian agriculture is the Federal and Provincial legislative framework. As such, all trade must recognize the right of Canadian farmers to determine how they market

their products and must continue to exempt specific aspects of federal and provincial agricultural marketing structures from the provisions of Canadian legislation.

Investment - Canada must ensure that investment provisions, which may be included in any multilateral, regional or bilateral agreement, do not inadvertently conflict with Canadian agricultural policies, programs and/or regulated marketing systems.

Competition Policy - Canada must ensure that any competition policy provisions are compatible with the manner in which Canada applies competition law to agricultural marketing bodies

7. Market Access

The CFA supports Tariff Rate Quotas (TRQ's) as a legitimate and transparent policy instrument for providing market access provided that in-quota tariffs are reduced to zero and there are transparent, effective and binding WTO rules governing TRQ administration in order to ensure that the committed level of access is available and achievable.

Canada must ensure that all trade negotiations it enters into results in no reduction in over-quota tariffs and no increase in tariff quotas for products under supply management while also providing real, meaningful market access opportunities for Canada's agricultural exporters.

Given that primary agriculture differs from other industrial sectors, CFA is an advocate of special agricultural safeguard measures, for use by all countries. These measures must include price and volume based safeguards.

8. Domestic Support

While the WTO remains the best vehicle to create a global level- playing field bilateral and regional free trade agreements are burgeoning and affect change on a bilateral level. New disciplines in government financed domestic support are required to remove the disparities between countries. Recognizing the interlinkages that exist between trade and domestic policies (tariffs and direct payments), further disciplines governing domestic support must be sought at all levels, whether multilateral, bilateral or plurilateral.

Key considerations include:

- Creating an overall cap on all domestic support payments to create a level playing field and provide meaningful limits on spending.
- The definition of what constitutes support to the agricultural industries must be reviewed to ensure all programs conferring support to agriculture and agri-food, directly or indirectly, as well as through coupled or decoupled payments, are captured by international trade rules. Notably, programs such as irrigation and transportation must be included in the mix.

9. Export Competition

While export prohibitions and restrictions are a legitimate policy tool to alleviate domestic food shortages, current multilateral disciplines on export prohibitions and restrictions are inadequate to address their use. CFA supports the development of rules for the use of export prohibitions and restrictions provided they are transparent and predictable in their use.

Export promotion - The CFA supports export promotion programs that are generic, provided to agricultural organizations only to support advertising and comply with the disciplines of the WTO Agreement on Agriculture

Food Aid - The CFA considers food aid to be entirely commendable when there is a genuine humanitarian need. Strong disciplines are required to ensure that food aid responds to emergency and non-emergency situations of genuine need, and prevents commercial displacement and is not used as a surplus removal program.

10. Dispute Settlement Mechanism

Dispute settlement mechanisms are an integral component to a well-functioning trading system. The CFA supports a more effective and transparent dispute settlement process that ensures a timely outcome.

11. Non-Tariff Barriers (NTB's)/Technical Barriers to Trade (TBT)

CFA respects the right of countries to implement technical regulations to fulfil legitimate domestic policy objectives related to national security; prevention of deceptive practices¹; protection of human health or safety, animal or plant life or health and the environment, provided:

- imported products are accorded the same treatment as domestic products;
- with respect to Sanitary and Phytosanitary measures, they are based on sound science;
- the regulations are not more onerous than necessary to fulfil the legitimate objective;

Labelling - Proper labelling standards, including the labeling of country of origin, help ensure that consumers are provided with sound, factual information about the product they are purchasing. However, such labelling should not be used as a disguised means to modify the conditions of competition between imported and domestically produced products

Geographical indications- The CFA opposes the outright extension of geographical indicators to agriculture products that are recognized as generic terms or protected by trademark or copyright.

Codex Alimentarius Standards - Codex Alimentarius must develop a low-level presence policy for trace amounts of biotechnology products and improve its process for establishing international standards for Maximum Residue Limits (MRLs) for food products

12. Rules of Origin

Rules of Origin (RoO) must be transparent; administered in a consistent, uniform, impartial and reasonable manner and based on a positive standard (i.e. state what does confer origin rather than what does not).

¹ Deceptive practices may include unjustified labelling, grade and compositional standards, etc.

RoO's must maximize domestic economic activity by creating an incentive for domestic processors engaged in export activity, to source primary agricultural products wholly grown and raised in Canada. However, no one rule can likely accommodate every situation and in that regard individual commodity groups must be included in the negotiations of RoO's.

13. Developing countries

The WTO treats developed and developing countries differently. Special and differential treatment allows for more favourable trading terms for developing countries than developed ones.

There is compelling need for objective criteria, which will determine eligibility for special and differential treatment. Countries should not have the ability to decide on their own that they are eligible.

A distinction between 'advanced developing' or 'emerging economies' and the poorer developing countries is required to ensure that special and differential treatment is effectively targeted. The "advanced developing" and "emerging economies" should not receive the same special and differentiated treatment, as lower income, less-developed countries.

While special products and safeguards are important tools for developing countries to ensure the sustainability and development of domestic industries, clear criteria governing their application is required to ensure transparency and accountability

14. Intellectual Property Rights

Intellectual property rights (IPR) must be designed to stimulate research and development of innovative new products.

The incorporation of intellectual property rights, including patent protection in trade agreements, must respect the interest of farmers including the adequate protection of farmer-saved seed.

15. Trade and Environment

Agriculture plays a unique role in conserving and protecting the environment. Therefore, international trade agreements and regulatory measures must be designed to complement and maximize the benefits agriculture provides to environmental sustainability.

Legitimate environmental concerns and management measures may act as a trade barrier. Environmental measures directly impacting trade should fully comply with all WTO agreements (i.e. GATT, Agreement on Technical Barriers to Trade and Agreement on Sanitary and Phytosanitary Measures, TRIPS) and other bilateral and regional trade agreements and be subject to full WTO disciplines and/or dispute resolution mechanisms.

16. Trade and Labour Standards

Trade agreements must incorporate the recognition of basic human rights and labour standards as integral to the social-fabric and economic development of a nation.

SAFETY NETS POLICY STATEMENT

Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. As a core driver of the Canadian economy, agriculture contributes to the well-being of both rural and urban communities as a key generator of Canadian jobs in rural and urban communities across Canada and as a leader in Canadian productivity growth.

Agriculture is a high risk business that faces volatile prices, unpredictable weather, and a global market influenced by government supports to competing producers in other countries. In order to maintain its economic growth and continued innovation, Canadian agriculture must have a stable economic foundation from which to address shifting global and domestic market opportunities. For those risks that cannot be addressed through on-farm management practices, access to effective risk management programs provides Canadian producers with the income stability they need to continue investing in innovative technologies, to adapt to evolving market demands, and maintain long-term economic growth.

Canadian producers continue to focus on maximizing their income from the marketplace. The ongoing investment needed to maintain an adaptable agriculture industry requires an effective, credible suite of Business Risk Management programs that manages the effects of short-term volatility in weather and markets through bankable and timely programs. These programs must comply with WTO agreements, limit the risk of countervail from international competitors, but first and foremost, they must provide the predictable support needed to maintain a vibrant agriculture industry and healthy rural communities.

The development of a credible Business Risk Management suite of programs represents a strategic investment into Canadian agriculture, providing producers with the tools they need to affordably and effectively maintain income stability, promote flexibility, and provide the liquidity needed to ensure farm businesses are adaptable to both global and domestic market opportunities as they arise. This is only possible if producers continue to participate in Business Risk Management programs. Growing Forward 2's 2013 reduction in support and coverage levels provided under AgriStability have eroded producer confidence in the current suite of Business Risk Management programs and significant amendments are required to restore confidence and ensure a credible Business Risk Management suite of programs is available to Canadian producers.

1.0 Fundamental aspects of an effective, credible Business Risk Management suite

1.1 Funding

Both levels of government must be committed to Business Risk Management programming as a strategic investment into the competitiveness, adaptability, and innovative capacity of the Canadian agriculture industry.

Governments must ensure these investments are developed through agreements that provide flexibility and responsiveness to short-term industry needs, while contributing to a long-term vision that aligns with industry's goals and objectives. In developing domestic support policies, governments must ensure any supports are harmonized with international agreements to provide a sustainable and adequate financial foundation for the industry. The funding portfolio provided for any domestic support programs must be demand-driven, without any pro-rating due to budgetary restrictions, and provided in a fashion that ensures funding is available to cover their full costs.

Governments must ensure Business Risk Management funding levels are made available to:

- Pay for a credible Business Risk Management suite;
- Create a level playing field with our competitors; and
- Ensure farmers have access to useful, affordable risk management tools that provide a credible and effective foundation from which farmers can respond to short and long-term needs.

1.2 Business Risk Management & Trade

As a country with significant export interests, the viability and competitiveness of Canadian farmers are affected by the actions of governments in other countries. While first and foremost ensuring Canada's Business Risk Management suite of programs provide adequate support to Canadian producers, these programs must continue to be designed to be as production and trade neutral as possible, to ensure they can withstand international scrutiny and remain defensible against trade actions.

Where an injury to Canadian farmers can be identified as a result of other governments' actions, the federal government must be prepared to strategically implement and fund efforts to mitigate these imbalances. Business Risk Management program design must take into account the actions of other countries, but funding to address any specific trade injury must be new money and not draw upon existing Business Risk Management program funds.

1.3 Complementary Programs

Business Risk Management design should be approached comprehensively, ensuring a complementary suite of programs that addresses the entire scope of risks that confront Canadian farmers. The development of additional risk management programs and/or tools must never undermine the utility of existing programs or result in particular regions or segments of the industry being disadvantaged by their development.

Risk management design should provide a common basis for risk management programs that is sufficiently flexible to allow provinces to adapt programming to their specific set of circumstances while ensuring that equitable treatment for all producers and regions remains a fundamental design objective.

1.4 Program Linkages

Any links between programs must encourage program use and ensure that all producers are able to access core Business Risk Management programs without being required to adopt specific management practices or adopt additional standards. CFA believes that positive incentives should be the only means through which Business Risk Management programs promote adoption of beneficial standards or guidelines.

1.5 Supply Management

Supply management must be recognized as a risk management program, and the three pillars of supply management – import controls, producer pricing and production discipline -- must be identified and supported in the context of the current and future agricultural policy framework.

2.0 Risk Management Program Design

Income stabilization and disaster programs must adequately compensate farmers for significant drops in income resulting from factors beyond their control.

In general:

- Risk management programs must be demand-driven and capable of accommodating year-to-year variation and multi-year income declines, while providing credible support to producers;
- Funding for any programs with annual budget allocations must roll-over unused program dollars for future use;
- Program design should ensure producers can make maximum use of all applicable risk management programs;
- Effective program design should ensure delivery of funds to producers is timely, predictable, bankable, and straightforward; and
- All programs must be regularly reviewed in a transparent fashion to ensure programs are meeting their objectives and responding to industry needs.

2.1 Diversity of Canadian Producers

The Business Risk Management suite must be flexible enough to respond to the heterogeneity of farm businesses in Canada. Recognizing that the impacts of short-term losses can raise viability concerns for those with even the best management practices, producers of all sizes, regions, operating structures, and business approaches must be afforded equitable support when managing risk.

Business Risk Management program design should encourage investments in on-farm risk management and mitigation, such as diversification. For any suite of Business Risk management Programs to maximize use and provide credible support to most Canadian producers, it must afford risk management options to producers that can cater to their risk management needs. Any program linkages targeting increased participation must recognize this diversity and ensure

all producers have access to a Business Risk Management suite that affords them credible protection.

2.2 Protracted Income Declines & Extraordinary Costs

Risk management program design must ensure that producers receive adequate compensation when experiencing protracted income declines due to short-term conditions beyond their control, even where those declines may extend beyond short term reference margins or as the result of a disaster with multiple years of extraordinary recovery costs.

2.3 Beginning Farmers

Beginning farmers face risks and challenges that are unique from those facing more established farming operations. Central to these challenges is the significant debt loads taken on in acquiring farmland, equipment, and other assets, which can weigh heavily on their operations' immediate and ongoing viability. Recognizing that good management is a prerequisite for success, any effective Business Risk Management suite must develop programs to mitigate the unique risks facing beginning farmers and ensure short-term income declines beyond their control do not jeopardize the long-term viability of their operations.

Risk management programs should be designed to ensure they remain effective, accessible and affordable to all producers, including those beginning farmers without sufficient historical reference margins or production histories. Program design features should be developed to mitigate participation barriers faced by beginning farmers.

2.4 Program Complexity and Supplemental Costs

Program design must focus on minimizing complexity to encourage program participation and avoid significant, unnecessary costs. The majority of producers should not require advisory services, such as hiring an accountant for the purposes of program participation or ongoing audit requirements.

Where complexity is unavoidable, Federal and Provincial governments must coordinate communications to ensure most producers can participate in the program without requiring advisory services in order to maximize program efficiency.

3.0 Agri-Insurance

CFA believes that production insurance programs must be maintained and improved. Government must provide effective production insurance for commodities that are not adequately covered by traditional crop insurance. Provinces should be given the opportunity to preserve the integrity of current programs, and these programs should be available equitably to all producers in Canada.

An insurance program must meet the following basic principles:

- It must be an actuarially sound program;
- The allocation of funds must be set according to risk factors;

- The calculation of premiums to be paid by producers should be related to government contributions;
- Adequate coverage must be maintained for producers facing short-term, multi-year consequences from disaster events; and
- Programs must actively encourage participation of young and beginning producers.

4.0 AgriStability

CFA believes that AgriStability cannot be limited to providing disaster support and must provide funding on a timely basis to ensure that the short-term impacts of significant income losses are mitigated. Significant income loss is understood to represent any variation in income below 85% of a producer's historic reference margin that also results in a lack of profitability that year.

In addition, AgriStability payments must be calculated in a transparent and straightforward fashion that allows producers to predict and bank upon impending payments. Program design features intended to limit paying into the profitability of farm businesses must ensure additional complexity is minimized as much as possible, program design features do not distort existing business practices, and any such limit does not establish disincentives to reducing farm expenses.

For those industry's facing significant but short-term income declines due to factors beyond their control, AgriStability must still be available to provide meaningful support and assistance. In order to ensure this support remains available, the negative margin viability test must be removed to help producers facing severe, short-term income declines. In addition, producers should be automatically given the better of the 5-year Olympic or previous 3 year average for reference margins, to ensure the program has the flexibility required to provide producers with support when facing income declines beyond their control.

In regards to future program design changes, any considerations that would adjust the treatment of allowable income and expenses must only be undertaken following robust consultation with industry, to ensure the program continues to provide equitable treatment to all producers. The choice of revenue and expenses to be included in the margin is key to the success of any margin-based program. Any changes to the reference margin calculation first requires a comprehensive and transparent review of eligible revenue and expenses.

In order to encourage participation in AgriStability, and reduce systemic risk within the industry, beginning farmers in the first 5 years of operation must see their AgriStability fees waived. These fees tie up valuable capital that can be vital to investing in the future viability of the operation.

5.0 AgriInvest

The AgriInvest program represents an integral component of an effective business risk management suite, providing a vital contribution to producers' financial flexibility in managing the impact of short-term losses and impacts that are not adequately addressed through other

Business Risk Management Programs. CFA believes a shift in focus is required to recognize the AgrilInvest program as a tool for strategic investment. AgrilInvest represents a vital support to producers' stability, not only as a source of funds to weather small financial risks, but also by providing access to the liquidity necessary to invest in proactive risk mitigation and improved market incomes.

Recognizing AgrilInvest is one component of a broader risk management program suite, it should strive to contribute more to the sector than simply a rainy day fund that assists producers in addressing the short-term impacts of small risks. As a program that is bankable for producers and governments, enhancing support and capacity within the AgrilInvest program provides a platform to facilitate market-based adjustments and proactive investments in risk mitigation

The AgrilInvest program must match producer contributions up to 1.5% of allowable net sales and the government-matched contribution limit must also be amended to allow for matchable annual contributions up to \$100,000.

To ensure producers are able to fully participate in this program, AgrilInvest program deadline dates must ensure that application dates allow timely participation and do not conflict with key production seasons.

To assist producers with the unique risks facing the early years of an operation, AgrilInvest must provide a government-only unmatched deposit of 3.25% of Allowable Net Sales spread over the first 5 years for those with a new Agri-Invest account.

The mandatory initial withdrawal of all taxable government contributions limits the capacity for producers to invest in the sector due to producers' limiting their withdrawals to those periods that will not result in increased taxation. While this does encourage maintenance of a rainy day fund, these same tax considerations are a barrier to proactive investment of AgrilInvest funds. Recognizing AgrilInvest as a strategic tool for investment in future income generation and risk mitigation, program design should remove tax barriers that prevent proactive investment of producer contributions.

6.0 AgriRecovery

CFA believes that the AgriRecovery framework must define clear and precise rules such that it can respond quickly to exceptional events and take into account all losses not covered by programs such as AgriStability and AgriInsurance. To ensure consistent application and delivery of the framework across provinces, industry requests for the covering of extraordinary costs must recognize precedents set by similar previous disasters covered by the framework. In addition, the effects of disasters do not limit themselves to a particular province and often cross provincial boundaries. The AgriRecovery framework must ensure consistent treatment across provinces facing the same disaster scenario. To incorporate these principles into the program, the Federal minister must be granted the capacity to assemble a joint disaster assessment task force, in addition to the existing authority that resides with provincial agriculture ministers.

To ensure this consistency in practice, federal and provincial officials must coordinate initial assessments to ensure that initial provincial data collection and subsequent analyses are sufficient for a comprehensive assessment and speed up the assessment process. Requests for additional information between governments and gaps in initial data collection not only delay the development of appropriate disaster programs but increase the probability that this assistance will not accurately address the entire scope of extraordinary costs resulting from the disaster, leaving producers without vital assistance in a time of need.

The AgriRecovery framework provides a necessary source of support through which producers can address those extraordinary costs required by producers to resume operations following a disaster that is beyond their control. Recognizing the exceptional nature of these events, programs delivered through AgriRecovery must be clearly defined in program design as disaster-related and be decoupled from other Business Risk Management programs so that disaster payments are not clawed back under another program.

These extraordinary costs often evolve following the disaster and can span multiple years. AgriRecovery programs must recognize the fluency of these situations and not be limited to paying out one time only, when extraordinary costs continue to develop over the subsequent years. In order to develop programs that adequately address producers' needs in this regard and communicate their availability to producers, relevant producer groups must be engaged in the program design process. This will ensure the benefits of any support are properly targeted and that these targets are clearly communicated to affected producers.

CFA believes that the AgriRecovery framework represents a last resort, where other programs fail to adequately address extraordinary costs associated with disasters. Following a disaster, a formal process must be undertaken to assess what additional measures must be made to address and/or mitigate this risk in the future. In instances of repeated, aberrant disaster situations that closely follow one another, and where subsequent mitigation efforts are unable to provide a sufficient response, AgriRecovery programs must remain available to assist affected producers with extraordinary recovery costs.

7.0 AgriRisk Initiatives Program

CFA believes the federal government has a key role to play in supporting the ongoing exploration, development, implementation, and early administration of alternative business risk management tools. This support should be focused on establishing tools to complement a credible and robust suite of business risk management programs and further leverage the stability, flexibility, and liquidity this suite affords to producers.

CFA believes funding for the AgriRisk program should be responsive to industry demands and prioritize deficiencies in existing business risk management programs. Thus, the approval of proposals must take no longer than 90 business days and should take place through a transparent decision-making process based on criteria established and regularly reviewed in

partnership with industry. These criteria must require that any alternative tool development will not result in increased cost to producers seeking to receive the level of support provided by existing BRM programs.

Given the risks associated with implementation of novel risk management tools, regional pilot projects represent an important first step in the development of alternative risk management tools. However, where these pilot projects have demonstrated that they effectively assist producers in managing risk and significant demand for these tools exists in other regions across Canada, available funding must prioritize their expansion to producers across Canada in a timely fashion.

8.0 Advance Payments Program

The interest-bearing advance limit under the Advance Payments Program must be increased in order to address the growing size of Canadian farm businesses and the ongoing increase in costs associated with seeds and other farm inputs. The limit for interest-free advances under the Advance Payments Program must also be increased to \$400,000. In addition, both interest-free and interest-bearing advance limits must keep pace with rising input costs and accommodate the continued growth of agricultural operations. As such, these limits should be reviewed every 5 years to ensure that increases in the Farm Input Price Index are reflected in both the interest-free and interest-bearing advance limits.

The financial loan guarantees provided through the Advance Payments Program are an essential tool to help producers overcome cash flow concerns that can limit their flexibility to market their products at the most opportune time. While recognizing that the provision of advances must remain tied to marketing of agricultural products, flexible repayment is essential to ensure producers are able to market their products at a time that makes the most business sense, rather than simply to meet program guidelines. Thus, producers must have the ability to repay advances at any time, while they can illustrate storage of the commodity, without a proof of sale and without penalty. Where perishability is a concern, repayment schedules should be determined in relation to perishability, eliminating any need for proof of sale.

In order to address the challenges facing beginning farmers, CFA believes that farm businesses in the first 5 years of operation should have access to interest-free advances with a limit 50% greater than that imposed on other producers. In addition, attribution rules within the program must not deem sharing of equipment and other capital-intensive farm assets as a form of relatedness. This is necessary to ensure both beginning and established operations can optimize their capital without limiting their ability to access advances.

Federal guidelines for the Advance Payments Program must also ensure that farmers across Canada can access Advance payments for all eligible products, regardless of geographic location, by ensuring adequate administrator capacity exists to provide such advances across the country.

In any instances where conditions for reimbursement are set out in any agreement signed between farm businesses and either Agriculture & Agri-food Canada or a program administrator, once in compliance, the Advance Payments Program must no longer consider affected producers as being in default. This is required to ensure that producers meeting their repayment requirements on a product-specific advance are not prevented from accessing advances on other agricultural products.

9.0 Canadian Agricultural Loans Act Program

The Canadian Agricultural Loans Act (CALA), through its loan guarantees, has the potential to become a valuable contributor to the provision of capital for producers across Canada looking to improve farm assets, adopt new technologies, and improve overall financial viability. While concerns have been expressed around the level of participation in the program, CFA believes CALA represents an important pillar of Canadian agriculture's overall credit policy context.

CFA supports CALA as a low risk, low cost support for the agricultural sector that provides favourable repayment terms, acts as a price leader for agricultural lenders, and ensures lenders have the protections required to ensure credit is available to Canadian producers. The benefits of the CALA guarantee is not limited to direct participation and CFA believes that the broader influence CALA has on agricultural credit and lending policy from financial institutions represents an important metric upon which the program's success must be measured.

CFA also supports the continued inclusion of beginning/startup farmers and intergenerational transfer loans as a valuable contribution to access to capital for beginning farmers.

However, with the cost of farm equipment continuing to increase, CFA believes the maximum loan limits available to producers should be increased to \$500,000 for all purposes, not just real property. This limit should be reviewed every 5 years to ensure that increases in the Machinery and Equipment Index for Crop and animal production are reflected.

10.0 Provincially-funded Programs

Provincially-funded programs are an important pillar in the total Business Risk Management suite to ensure provinces have the ability to address the specific needs of their farmers. Transparent review and reporting mechanisms must be included in all provincially-funded program design to ensure industry and other provinces can compare programming and identify beneficial program design features. Bilateral agreements between the Federal and Provincial governments must include flexibility and incentives for provinces to incorporate programming improvements from other provinces.

Conclusion

In conclusion, the CFA believes that any Business Risk Management suite of programs must provide producers with the tools they need to affordably and effectively maintain income stability, promote flexibility, and provide the liquidity needed to ensure farm businesses are

adaptable to both global and domestic market opportunities as they arise. Further, it is imperative that Business Risk Management programs be developed in partnership with producers and their respective industry associations.

ENVIRONMENT POLICY STATEMENT

Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. It is the backbone of many rural communities and contributes significantly to the well-being of Canadians in both rural and urban Canada. The future of these communities is tightly intertwined with the future of the Canadian agricultural sector.

Canadian agriculture is a major generator of jobs in both rural and urban Canada through employment on farms, in the production of agricultural inputs, in the processing of farm products and in the service sector.

Primary agriculture is not just another industrial sector. Unlike other primary industries, most agricultural production is not carried out by large corporations. It is done by a large number of individual farms. Canadian agriculture occupies approximately 7 per cent of Canada's land resource and carries the responsibilities of the stewardship of this resource.

The continued health and development of a successful and diverse agricultural sector requires that federal policies recognize, on the one hand, the global environment in which the industry operates, and on the other, the domestic requirements for a healthy and vigorous industry. The CFA believes that Canada's agricultural environment policies must reflect the requirements arising from the unique characteristics of this sector.

1.0 Basic Environmental Policy Goals

Canadian agriculture occupies a large and important part of the Canadian environment. The farm community is the chief steward and manager of extensive natural resources, owner and architect of much of the landscape and protector of a precious soil resource. In its concern for the environmental fabric of Canada, the CFA believes that great importance should be placed on measures of environmental management to ensure maintenance of land resources which provide food for the people of Canada and a large part of the world's population.

There is a growing awareness in Canada of the relationship between agricultural production and environmental issues. As stewards of the land, Canadian farmers are aware of their responsibilities to the environment and are taking positive steps to ensure the environmental sustainability of their industry.

Canadian farmers are leaders in sustainable agricultural practices. Canadian farmers have a history of being proactive in developing and adopting techniques to benefit the Canadian environment.

The CFA recommends that the Government of Canada invest more financial resources to facilitate information and technology transfer.

2.0 The Canadian Federation of Agriculture and the Registration of Pesticides

The Canadian government under Health Canada's Pest Management Regulatory Agency (PMRA) regulates chemicals, devices, and organisms, that are referred to collectively as pest control products, or simply 'pesticides'. The legislative authority for the regulation of pesticides in Canada falls under the federal Pest Control Products Act and provincial/territorial legislation. Pesticides play an important role as farmers continue to work towards producing the safest and highest quality foods possible.

In order for producers to do their jobs efficiently and effectively, they need a regulatory system that is science based and a government that is willing to provide producers with the necessary tools.

The ability of farmers to have timely access to new products for use in pest management is extremely important to farmers. If Canadian farmers are to remain competitive in the global market, we must ensure they have access to the newest products used by our competitors, which meet Canadian regulatory requirements. The CFA urges the PMRA to recognize the competitive disadvantage Canadian producers are left at by the current system that is over bureaucratic, costly and redundant and implores the government to work to harmonize systems with the U.S. and EU countries. In doing so, the CFA requests that border barriers be lifted allowing any products into Canada currently approved for similar purposes by the U.S. EPA or the EU equivalent. In addition, the CFA insists the government continue to build on the fifteen year commitment under the 1986 CUSTA, and accelerate its work through the NAFTA process and through the OECD process to harmonize regulatory systems, while continuing to ensure that the health and safety of the Canadian food systems not be compromised. The CFA supports an expedited registration process for reduced-risk products in order to facilitate access to these lower risk products.

While the Minister of Health holds responsibility of the PMRA, the ineffectual performance of the agency impinges on responsibilities of the Ministers of Agriculture and Agri-Food, Environment, Industry, Treasury, and Natural Resources. As such, the CFA calls for greater accountability of the PMRA and requests intervention by the other Ministers, recognizing issues of trade, competitiveness, NAFTA agreements, science policy and sound government.

The CFA also requests that more resources be directed at the registration of 'minor use' products to ensure producers of horticultural, vegetable, fruit and small acreage crops have access to the pest control tools they need.

The CFA participates in both the Economic Management Advisory Committee (EMAC) and the Pest Management Advisory Council (PMAC), along with other stakeholders with the shared goal of improving the current regulatory system.

Although PMAC offers a good opportunity to address issues it must be kept in mind that the number of industry stakeholders at the table is very limited. In order to ensure the needs of the industry are being met, CFA suggests that industry representation on the PMAC be increased. We also encourage the government to continue working closely with producers to ensure they

have the tools they need to continue providing Canadians with one of the safest and cheapest food supplies in the world.

3.0 Canadian Environmental Assessment Act (CEAA)

The Canadian Environmental Assessment Act sets out in legislation the responsibilities and procedures for the environmental assessment of projects involving the federal government. The Act is meant to set out a clear and balanced process that brings a degree of certainty to the environmental assessment process and helps responsible authorities determine the environmental effects of projects early in their planning stage. The Act applies to projects for which the federal government holds decision-making authority—whether as proponent, land administrator, source of funding, or regulator.

The CFA supports any effort to improve the implementation of the CEAA. The process must be made more predictable, consistent and timely. It is also imperative that while implementing the CEAA, that logical steps are taken to eliminate redundancy, specifically as it applies to Beneficial Management Practices under the National Farm Stewardship Program.

The CFA urges the government to add BMPs to the Exclusion list (Paragraph 56 of the Act) exempting BMPs from the requirement of an Environmental Assessment. It is also important that consistency, especially on items such as terminology and scope, is maintained with work being done in other departments e.g. Canada's Environmental Review of Multilateral Trade Negotiations at the World Trade Organization (Department of Foreign Affairs and International Trade). Environmental assessments must provide for opportunities for effective public participation and must be based upon sound scientific analysis.

4.0 Canadian Environmental Protection Act (CEPA)

The Canadian Environmental Protection Act (CEPA) was passed in 1988. After a five-year review, the revised Canadian Environmental Protection Act, or CEPA 1999, was proclaimed into law on March 31, 2000. The new Act incorporates many substantial amendments to the original CEPA. The focus of this new Act is pollution prevention and the protection of the environment and human health in order to contribute to sustainable development.

4.1 Toxic Substances

Under CEPA 1999, there is the potential that substances can be named to the second Priority Substance List (PSL2). Once a substance is named to the PSL2 list, it triggers an assessment under the Priority Substances Assessment Program, administered jointly by Environment Canada and Health Canada. After a public comment period, a final ministerial decision is taken as to whether or not the substance is 'toxic' under CEPA, 1999.

The CFA strongly recommends that Environment Canada and Health Canada clearly distinguish between all possible sources of a substance and their respective impact on the environment. The CFA also encourages the government to carefully review the process used to declare substances toxic. CFA believes that each substance must have an individual science-based

review and there must be broad public consultations prior to the listing of the substance as toxic.

Once a substance or activity is deemed toxic under CEPA, it is placed on Schedule 1 of the Act. It is then considered for risk management measures, such as regulations, guidelines or codes of practice to control any aspect of its life cycle, from the research and development stage through manufacture, use, storage, transport and ultimate disposal. Although provinces, municipalities and producer group activities normally address such environmental issues, the federal government could exercise greater authority if it felt that these measures were inadequate.

CFA recommends the government work with producer groups to ensure that any regulations are efficient and workable for the industry.

The CFA also urges the government to more widely engage the farm community in the CEPA 5-year Parliamentary review process.

5.0 Cartagena Protocol on Biosafety

The Biosafety Protocol is an international agreement, negotiated under the United Nations' Convention on Biological Diversity (CBD), which was formally adopted on January 29, 2000 in

Montreal. The objective of the Protocol is 'to contribute to ensuring an adequate level of protection in the safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking into account risks to human health and specifically focusing on transboundary movements.' (Article 1)

The Canadian agriculture industry and Canadian agriculture producers will be the most affected domestic stakeholders from this Protocol. For this reason it is imperative that the Protocol work effectively and efficiently for the movements of agricultural products.

CFA has several concerns regarding the Protocol and we encourage the government to work diligently to address these issues so that Canadian agriculture producers will not be adversely affected.

5.1 Biosafety Clearinghouse

Each country will notify new living modified products onto a Biosafety Clearinghouse in advance of any shipments taking place. As this will be a huge undertaking, Canadian farmers encourage governments to be vigilant in keeping administrative costs and time delays to a minimum.

In addition, CFA stresses that Canada only notify those living modified organisms produced through modern biotechnology (as defined by the Protocol) onto the Biosafety Clearinghouse for exporters prior to Canada ratifying this Protocol.

5.2 Documentation Requirements for Commercial Shipments

CFA requests that dockage and tolerance levels must be agreed to by all parties and set out clearly for exporters prior to Canada ratifying this Protocol. The levels must be attainable under commercial handling and transportation systems, while recognizing the capability of modern testing technology to identify trace amounts of a substance.

5.3 Testing and Sampling Methods for Shipments

The CFA requests the testing and sampling methods for shipments be standardized to ensure the methods used by the exporter will also be accepted by the importer.

5.4 Scope of Products Covered Under the Protocol

The scope of products covered under the Protocol must be clearly understood by all parties. It has come to our attention that several agricultural products, which present no potential risk to a country's biological diversity, may be covered under the scope of the Protocol.

The CFA sees it as imperative that the Canadian government clearly define what products are covered under the Protocol and that this be communicated domestically and internationally.

5.5 Illegal Transboundary Movements, Liability and Redress Issues

Agricultural producers are very concerned with the potential costs, which may be borne by exporters of non-genetically modified commodities if a small percentage of genetically-modified dockage is contained in the shipment.

Until tolerance, tolerance in dockage levels, as well as standardized testing and sampling methods are agreed upon under the Protocol, the CFA urges the government not to ratify the Protocol until the implications are agreed to by the Canadian agri-food industry.

5.6 Implementation of Canada's Regulatory Requirements Under the Protocol

CFA stresses that imports under the Protocol be subject to the same requirements as Canadian exports and that any additional regulatory requirements fall under the commodity specific regulations, which currently govern trade in agricultural commodities.

5.7 Disputes Arising From the Protocol

The CFA urges the government to ensure that a clear method for resolving any dispute that might arise under the Protocol, or under any other international agreements in relation to the Protocol, is devised. It should be clear domestically and internationally where disputes will be resolved.

5.8 Risk Assessments and Risk Management

CFA believes the Canadian government must ensure that all risk assessment and risk management decisions made under the Protocol continue to be based on a science-based system in conformance with the WTO Agreements on Sanitary and Phyto-sanitary (SPS) Measures and Technical Barriers to Trade (TBT).

6.0 Farmers and Endangered Species Protection

Farmers have clearly demonstrated their commitment to protecting and restoring habitat on their farms and ranges by their proactive and voluntary actions. Producers are aware of the need for good information about the threats that agriculture may pose to endangered species, the actions that they can take to protect species (this includes education and awareness on species and their habitat needs), and the benefits to agriculture from the protection and enhancement of biodiversity in general on our farms and ranges.

Farmers have an added interest in biodiversity because they want to ensure that there are adequate biological resources to provide them with future crop varieties and pest control methods.

Farmers recognize the need to protect endangered species. This means that methods to encourage participation and partnerships such as incentives, tax treatments, and compensation are necessary as well as agreements that protect farmers from legal prosecution.

In order to meet the challenges of protecting endangered species the CFA supports a science based approach. This would include ensuring that there is good information on habitat protection and on the factors needed to protect a species. This science-based approach must also take into consideration other factors like the economic impact of protecting species, as well as the impact of stewardship actions on the entire farm eco-system.

The CFA also supports the development of a system that is proactive rather than reactive. The government must be prepared to work with landowners to encourage wise land use choices and ensure effective implementation of action plans. The government must recognize voluntary efforts being taken by landowners and promote partnerships among sectors to increase conservation efforts.

The CFA feels the most effective and efficient way for government to protect species at risk is by focusing on incentives rather than on enforcement and prosecution. The CFA asks the federal government to come up with programs that will give property owners incentive compensation when a species at risk is found on their property and requests that incentive and compensation schemes be addressed immediately in the consultative process.

The CFA urges the government to work closely with stakeholders in the development of regulations to assist with adoption practices. Within this process, sufficient measures must be taken by government to ensure industry is well educated and informed of potential Species at Risk on their property, avoiding the possibility of inadvertent offenses. CFA also requests that

the principles of full compensation be adopted by government and established in regulation. The CFA requests that all regulations in respect to compensation be created in consultation with the agriculture industry.

7.0 Climate Change

Primary agriculture is responsible for approximately 10% of Canada's greenhouse gas emissions. Although this is a relatively small percentage, Canadian Farmers represent a significant opportunity for voluntary emission reductions and could be a valuable part of Canada's climate change solution.

For Canadian society to benefit from the emission reduction potential within agriculture, key policies, market signals and decisions must be made by government. These include:

- A renewed dedication to supporting targeted and stakeholder driven research,
- The creation of a stable domestic carbon market accessible to the entire agriculture sector,
- Tax regimes that won't unfairly target primary producers and create an international competitive disadvantage,
- A comprehensive program to aid and prepare the agriculture sector for any adaptations required as a result of a changing climate.

Research

The further development of climate change research capacity is an essential component of any climate change strategy. The CFA encourages the federal government to work with their provincial partners in focusing climate change research on two key themes:

- Emission reduction and sequestration techniques and technology,
- Adaptation.

These themes will ensure that the agriculture sector will remain resilient and sustainable in the face of more extreme weather patterns and events, as well as ensuring that agriculture will continue to be a stable provider of carbon credits and part of the long term solution to climate change.

The CFA encourages the federal government to define a long-term national strategy by working with Canadian farmers and the research community to facilitate the identification, coordination and funding of research priorities and technology transfer. It is important that a central body such as AAFC play an integral role in funding and coordinating this research through its existing programs or new ones in order to reduce duplication and provide a central location for the agriculture industry to access the results.

Mitigation

Carbon Tax

A Carbon tax will significantly increase the cost of doing business for farmers. As price takers, farmers cannot pass the additional cost of a carbon tax on to consumers or the international market. In addition to direct cost increases on the fuels they use, farmers will see an increase in their indirect costs for shipping and fertilizer. A Carbon tax will create a competitive disadvantage for Canadian farmers.

The CFA believes that agriculture should be exempted from a carbon tax until measures are put in place that ensures the tax is truly revenue neutral for farmers. A revenue neutral carbon tax would require a policy mix that provides farmers with more income for the costs they incur while producing ecological goods and services; including emission reduction. The policy mix should include:

- A domestic carbon market that allows agriculture to trade offset credits for all of the carbon mitigation techniques and practices available to them. This should be in conjunction with an effective cap on industrial emitters to ensure a market exists for offset credits.
- Programs that significantly increase the incentives for farmers to invest in green technology and practices, such as grants, rebates, accelerated capital cost allowances on 'green' capital investments etc.
- An enhancement of current environmental programs under the Agriculture Policy Framework. Ecological goods and services provided under other programs should still be eligible for offset credits, and the range of services farmers can provide to sequester or mitigate carbon should be expanded and developed into carbon offset protocols.
- A rebate system that acknowledges the competitive risk that carbon tax imposes upon sectors that export product as well as farmers who produce for the domestic market and must compete with imported products who are not taxed.
- Tax regimes that effectively account for the increased cost a carbon tax will impose on Canadian farmers.

Cap-and-Trade and Carbon Markets

An acceptable domestic or continent-wide carbon market for Canadian farmers will include:

- An effective cap on regulated industries to ensure a fair market exists for all offset credits.
- A system that allows for the aggregation of producers to create blocks of carbon credits.
- A wide range of Carbon offset protocols that will provide all sectors and commodities in Canada an opportunity to reduce or sequester carbon. These protocols should be developed in a fair and transparent way with farmers input. Offset protocols should ensure that:
 - Verification of offset credits can be done quickly and effectively to limit the costs involved and ensure the integrity of the offset system is maintained.

- The variation in regulations, growing conditions/techniques and the existing incentives and policies across the country are taken into account within the protocols with flexibility provisions and conditions, specifically;
 - The techniques provided to calculate baselines recognize these differences and do not implement a normalized country wide baseline or a broad business-as-usual approach that will be the same for all farmers across the country.
- Administration of the system should be transparent and cost-effective to ensure that all review processes, project approvals and credit issuing is timely and does not serve as a barrier to farmer participation.
- The risk of sink reversals should not be managed with a liability period or with temporary credits with reduced value. The management of reversals should include a variety of mechanisms that encourage farmer participation such as:
 - Mandated hold back at the aggregated level,
 - Employing science based and trustworthy assurance factors,
 - A fair system of private insurance.
- Provisions should be included to issue full value offset credits to farmers who adopted techniques and technology to mitigate carbon emissions prior to the development of the market. Canadian farmers should be recognized for their early investment and provision of climate related ecological goods and services.
- Stacking must be a fully implemented policy. This will ensure that agricultural emission reductions are rewarded or can be used to comply with overlapping federal and provincial greenhouse gas requirements.

Adaptation

The CFA urges the government to continue to direct resources towards understanding the impacts of climate change and to developing the tools, strategies and research needed to ensure Canadian agriculture remains resilient and sustainable.

Any adaptation strategy should focus on the following objectives:

- Weather - a substantially improved weather forecasting and warning system,
- Plant Breeding - a renewed focus and investment in the improvement of plant breeding programs,
- Pest management – significant research and effort must be placed on further developing integrated pest management techniques and understanding new pests and vectors that will emerge as the climate changes,
- Investment – a long term investment in transportation and rural infrastructure,
- Insurance – the enhancement of crop insurance programs.

8.0 Trade and the Environment

While the WTO is not equipped to resolve environmental problems, there is an interaction between trade and environmental issues. Legitimate environmental concerns could be used as an excuse to introduce disguised trade barriers while neither international trade nor the environment would benefit from such an action.

In order to address these types of issues, CFA believes that the Committee on Trade and Environment should be a permanent WTO body. In addition, we support the principle that ecolabelling and other applications of environmental standards should be subject to WTO disciplines.

Trade provisions in international environmental agreements should be subject to full WTO discipline. If it is deemed necessary to give special consideration to any environmentally related trade measures, clear WTO rules should be developed to prevent misuse in the cause of protectionism.

9.0 Environmental Assessment Framework for Trade Negotiations

The Government of Canada with the help of provinces and territories, First Nation groups, and representatives from academic, non-governmental organizations, and the private sector has developed a draft environmental assessment framework for trade negotiations.

An Environmental Assessment Committee for Trade Negotiations, comprising representatives from relevant federal government departments and chaired by DFAIT, will coordinate the analysis required to complete the environmental assessments. The assessments will be applied on an agreement basis for a variety of trade negotiations including bilateral, regional and multilateral. The level and scope of analysis will be determined on a case-by-case basis according to the nature of the agreement to be negotiated and the significance of the likely environmental impacts.

CFA believes the availability of analytical tools capable of assessing environmental impacts at an adequate level of detail must be a consideration when deciding whether or not to do an in depth review. Once significant environmental impacts are identified an analysis of the options must look at both mitigation of negative impacts and enhancement of positive impacts. At this time the CFA is not confident these tools are available and therefore question the objectivity of doing the assessments.

At this point, the CFA has concerns that the concept of doing environmental assessments on trade agreements is not workable. We caution that any guidelines developed for conducting assessments should not set the bar so high as to discourage trade rather than being used as a beneficial analytical tool.

If the government does go ahead with the development of these guidelines CFA recommends the methodologies used for the environmental assessment be science-based. The analysis must be based on scientific information, principles, objective data and documented experience.

Consequently, the environmental assessment must deal with only the reasonably foreseeable environmental impacts of trade agreements. As there are a variety of trade agreements, the environmental process must be flexible enough to deal with the different methodologies which will be necessary to assess the impacts.

10.0 Farmers and On-Farm Environmental Planning

Starting in the early 1990's farm organizations and government began devising new methods of helping farmers become more aware of their impact on the environment. As a result, environmental farm planning programs were created. These initiatives have stemmed from a grassroots movement and producer involvement in all stages of program creation and implementation has been significant. EFPs demonstrate the proactive actions the agriculture industry is taking to protect and enhance the environmental sustainability of the industry.

An environmental farm plan, or an EFP, is a voluntary program for farmers to assess the environmental impact of their farming operation with the goal of identifying areas of concern and actions that can minimize environmental risk.

In general, EFPs help farmers determine environmental risks and liabilities as well as strengths and assets that can impact their operation and natural resources. The plans flag areas of concern and identify opportunities for improvement and they also inform farmers about regulations that may apply to their farm.

To date all EFPs, or versions of EFPs have been confidential and voluntary. As more provinces begin to implement on-farm planning programs and existing programs are improved, the CFA maintains that any on-farm environmental assessment and planning process must be voluntary and the results this activity must remain confidential. The CFA insist the federal government enact effective legislation enforced by the privacy commissioner making it illegal for a supplier, government agency or other party to demand the information contained in a farmer's environmental farm plan. In addition the CFA requests that AAFC obtain an MOU with all environment, health and resource ministries and other departments that would prevent EFPs from being used as evidence in litigation against the producer.

Where results need to be communicated for accountability purposes or as promotion, any information must be presented in an aggregated form in order to protect the sensitive information of individual producers.

The CFA supports on-farm environmental programs which encompass the following principles:

- Federal and provincial governments must adopt policies that promote the viability of the agricultural sector. Without financial profitability, there will be no environmental planning.
- Participation in environmental planning on the part of farmers must be voluntary.
- Environmental planning must be confidential and non-threatening.

- An overall national framework must allow for and encourage province-specific structures, goals, and procedures, while setting nationally recognized standards and minimizing inter-provincial rivalry.
- EFPs must be producer driven and should be encouraged through financial incentives.
- As environmental concerns are shared by society as a whole, society must be prepared to share the cost. This also means government must find a way to share in the costs of infrastructure.
- Environmental initiatives must be science-based, and there must be information sharing among the agriculture industry at the local, provincial, and national level.
- Environmental farm plans can be used as a marketing tool to educate the public of the environmental awareness and responsibility of Canadian farmers.
- The agricultural sector must set the agenda and vision for environmental planning. The agriculture sector must play a strong role in implementation, delivery, and promotion of these programs.

11.0 Streamside Grazing

The CFA pressures the Canadian government to enforce regulations under the Fisheries Act to ensure producers are not prosecuted for low density streamside grazing by livestock in waterways.

The CFA requests recognition for due diligence and the use of Beneficial Management Practices when applying legislation. It is also imperative that the issue be dealt with on a national basis rather than zeroing in on specific provinces.

12.0 Renewable Energy

Renewable Energy is an essential ingredient to the government of Canada's climate change initiative. The agricultural industry is already making strides towards adopting practices that generate energy on the farm. Wind, solar, and biomass energy can be harvested, providing farmers with a long-term source of income while helping to reduce the country's environmental footprint. The CFA urges the Government of Canada to increase resources towards the research of renewable energy technology as well as to the development and strengthening of renewable energy markets.

We request the government set supplementary support programs in place, offering industry direct support for adopting renewable energy practices while offering the consumer a subsidy for choosing renewable energy over non-renewable options.

In addition, we requests that the government recognize and provide support programs that encourage all renewable energy types, rather than focusing on one specific area.

13.0 Ecological Goods and Services

Agriculture, in addition to food and fibre, produces a range of other beneficial non-commodity outputs such as fresh water, clean air, as well as erosion control, climate regulation, disease prevention and recreational opportunities. These non-commodity outputs are termed Ecological Goods and Services (EG&S) and are critical to modern economies and human quality of life. There is a need to provide a market mechanism to value these EG&S that farmers have been providing to ensure the maintenance now and for future generations of these public benefits on private land.

The concept of paying agricultural producers for rendering EG&S bridges the environmental demands of Canadians and the policy requirements of the industry to foster a socially and economically viable agriculture industry and sustainable rural communities.

The CFA requests the Government of Canada provide programs and policies that economically support the land stewardship practices of farmers by recognizing the market value of the resulting goods and services. The CFA also requests that initiatives to increase EG&S that are driven by the public must adequately offset impacted farmers.

13.1 Alternative Land Use Services

Alternative Land Use Services (ALUS) is delivery program that promotes the provision of EG&S by creating an incentive-based, non-trade distorting vehicle for encouraging resource stewardship by landowners and integrating the environmental demands of Canadians into the mainstream of Canadian agriculture.

ALUS offers payments for the maintenance of existing natural assets, particularly where a viable alternative exists for converting natural assets into other (agricultural) uses and provides incentives for landscape improvement. Further, ALUS invests in the capacity of citizens and rural communities to support local conservation by allowing flexible decision-making at the community level that respects local agricultural and environmental priorities.

Since farmers and ranchers are in the best position to deliver environmental goods and services on their land, ALUS allows farmers to lead the environmental agenda and develop workable solutions in cooperation with their communities, farm organizations, governments, non-government agencies, and the Canadian public.

14.0 Water

Water is an essential element for agriculture and food production. Ensuring food security and a productive, thriving agricultural economy is paramount for the long term health of Canada itself.

With increasing development and pressure on Canada's water resources, the CFA recognizes that balance must be achieved between social, economic and environmental uses of water. Producers in Canada achieve that balance through their food production, rural economic development and the significant contributions to the environment through soil filtering, riparian

management and land stewardship. The vital links between water, the agricultural economy and the environment must be preserved. As such:

- Canada's water resources must be protected and the Canadian government must protect

Canadian water rights in all trans-boundary water treaties.

- No trans-boundary water treaties that impact agriculture should be renegotiated or amended without the clear consensus and participation from the Canadian agricultural community.

- The Canadian government must preserve agriculture as a priority user and caretaker of Canada's water resources.

- Governments must work with the agricultural industry to ensure the long term quality and quantity of water resources. Governments must provide appropriate funding to support projects that ensure the long term sustainability of water resources for the public good.

15.0 Air Quality

Agriculture is an essential Canadian industry that generates safe, high quality and healthy food as well as substantial economic impacts for Canadians. As with any industry there are associated air quality emissions related to a number of diverse activities.

There are many "win-win" opportunities that increase soil and agricultural productivity while reducing atmospheric pollution. The CFA supports the development of economically feasible abatement strategies, programs and policies that will ultimately benefit the environment and agriculture. These approaches should be incentive based and not mandatory.

In addition, the CFA supports cost sharing programs that promote the adoption of new emission reducing practices in order to help farmers deal with the initial capital costs. However, in the case where there is no clear private benefit of a new practice, the CFA urges the development of economic incentives to encourage farmers to modify their operations without significant economic burden to the sensitive agricultural industry.

Where there are gaps in knowledge in the relationship that agriculture has with air quality the CFA supports further funding for science and research and the communication and implementation of those results at the farm gate. Farmers see themselves as stewards of the land and with access to the right information, will make decisions that benefit their land and society.

The development of any national air quality standards should take into consideration regional differences and be set to the most attainable levels.

Currently, odour is difficult to measure and regulate, thus any effort to regulate odour should recognize the needs of farmers to continue, and diversify their operations. Where conflict

occurs between land uses, the CFA urges the government to support farmers in introducing mitigative measures designed to abate odour issues.

Finally, agriculture must be a partner in the development of any air quality policy of programs that relate to the agricultural sector. It is necessary to have the full involvement and the full buy-in of the agricultural community for the successful implementation of programs and policies in order to benefit the environment and Canadian agriculture.

16.0 Fertilizer Registration Modernization

Fertilizers are on average the largest input cost to farmers. For a competitive agricultural industry there needs to be a competitive fertilizer industry which must be supported by an efficient and timely registration system.

The CFA supports the modernization of the fertilizer program. Recognizing the fine line between protection and impediments, the CFA supports the need for efficacy data for fertilizer registration as long as it does not impede the timeliness of the registration process. To enable that, the CFA supports the use of foreign data where deemed scientifically appropriate.

The CFA will continue to encourage the government to make the fertilizer regulatory framework more efficient while simultaneously, minimizing the registration burden to promote the introduction of new and innovative products for the enhancement of a competitive fertilizer and agricultural industry.

17.0 Research

Canada has long been a world leader in agricultural research. However, certain federal cuts to research and to Agriculture and Agri-Food Canada's (AAFC) internal capacity coupled with policy changes have resulted in new challenges for Canadian agricultural researchers and for all stakeholders in agriculture. Agricultural research in Canada is conducted at universities and colleges, including through support from tri-council grants, internally at AAFC, externally through AAFC Grants and Contributions and privately in industry organizations and corporations. AAFC continues to operate a national network of research centres and funds the Canadian Agri-Science Clusters initiative which has launched industry-led organizations to establish clusters of national scientific and technical resources for specific sectors.

Agricultural research priorities have changed over the years in response to drivers such as political priorities, scientific progress, markets, producer needs and societal expectations. Also, cuts in Federal spending have resulted in the closure of some agricultural research centres and less AAFC research positions. Currently, this has manifested itself in a shift away from internal AAFC research and capacity towards relying on support of the tri-council, specifically the Natural Sciences and Engineering Research Council (NSERC) and other grants and contributions that require a certain level of industry-matched funding. More generally the Federal Government of Canada has been focusing less on supporting basic research and more on promoting commercialization and end-product innovation.

The CFA recognizes the importance of applied research and innovation to the agriculture sector. However, the CFA believes that the balance between basic and applied research and innovation has been tipped with federal government funding too narrowly supporting applied research at the expense of the groundbreaking innovations which come from basic research. This represents a focus on one end of the research value chain for short-term innovations which are already close to reaching market while neglecting to support sustainable basic research at the other end. This is a trend that can be followed over previous and current Agriculture Policy Frameworks.

The strategic direction for research and development must work to enhance sustainability within the continuum and rebalance the ratio of basic and applied research to ensure that Canada's agriculture sector will have a steady stream of new research results that will continue to support sustainable improvements in agriculture. Furthermore, AAFC must be able to support and maintain its internal research and science capacity in order to stay abreast of current scientific knowledge, capitalize upon developments in agricultural research and play an effective role in undertaking valuable, credible research that would not otherwise be undertaken by the private sector. Government resources for research should remain strong and consistent even in a changing economic environment. Strong strategic direction from the federal government would ensure that research facilities do not needlessly close and that AAFC research infrastructure and expertise can be accessed by private-sector researchers as needed.

The CFA adopts the following principles for agriculture research:

- a) Agricultural researchers and stakeholders must be partners in setting the direction of agricultural research;
- b) Investment must be appropriately allocated throughout the research value chain;
- c) Research investment within the final stages of the research value chain should maximize the benefits for primary producers and other stakeholders; and,
- d) Agriculture research investment must have clear and transparent reporting to ensure accountability to stakeholders.

17.1 Research Policy Objectives

The perceived need to develop a CFA research policy developed out of the divergence in strategic direction that federal agricultural research has taken in relation to the positions and interests of agri-producers in Canada and the cuts in federal spending to this research sector that have taken place. Strong federal support for agricultural research is critical to sustaining a strong Canadian agricultural sector that is internationally competitive and in a leadership position to feed a world population that is expected to grow in excess of 9 billion by 2050.

Therefore, the CFA has established the following objectives for Canadian Agriculture research:

- Achieve a strong, competitive level of agriculture research in Canada that will provide the technical knowledge, tools, and products for a competitive, innovative and profitable agriculture sector;
- Develop and maintain a world class agriculture research community;
- Create a stronger value proposition for research investment in Canadian agriculture and Canadian scientists; and,

- Establish a strong and stable system within Canada that improves coordination, cooperation and communication among all stakeholders in the research value chain.

17.2 Research Value Chain

In order to meet the research policy objectives laid out above, consideration of all factors along the research value chain will be required. Although there will be natural areas of overlap, the CFA adopts as a tenet the following four main development stages of the research value chain:

- Primary Research – Directed at fundamental understanding (e.g. how things work, why they are the way they are);
- Applied Research – Directed at taking fundamental knowledge from primary research to practice (e.g. a specific market or client-driven purpose to solve a practical problem);
- Innovation – The leap that brings applied research within reach of the end user; and,
- Application – The point at which the research result impacts the end user.

Focusing funding disproportionately on any one of the four stages of the research value chain may lead to short-term success but will be at the expense of all stages of research once the easily exploitable gains are exhausted. As each stage of the value chain builds upon the previous stage, weakening any one of the links has a negative impact on the other stages and results in a reduction in overall return on investment for research. In order for Canadian agricultural producers to remain competitive in a global economy, strong federal funding support is necessary throughout the research value chain. A strong research value chain will lead to regular improvement and enhancement to both economic and social benefits.

17.3 Research Approach

Canada must promote a strong domestic research community that includes well-funded research based in both universities and the public sector. This can be expedited through the creation of a NSERC agriculture sector research and development initiative that could draw from the precedent established by the forest sector initiative created in 2009. Furthermore, explicitly recognizing agriculture and agri-food as a strategic priority for both NSERC and National Research Council Canada will lead both of these organizations to play a more supportive role for primary agriculture and agri-food research. Long-term commitments are needed to keep Canada's agriculture and agri-product research at the forefront.

There should be effective promotion of international research collaboration in Canada including hosting international awards and major conferences in Canada to ensure international collaboration. It is imperative that Canadian researchers be able to leverage and build upon the research advancements that are made outside of Canada while having the domestic support for primary research that will enable the confirmation of findings in the Canadian context and environment. The federal government should work with universities on ways to stimulate research funding and should collect information on Canadian researchers' ranking on peer-reviewed journals in order to assess progress.

17.3.1 Primary Research

Primary research is fundamental to all research and provides the base upon which innovation and application is built upon. Research discoveries from primary research are able to provide lasting returns on investment across disciplines and in areas never initially envisioned. Therefore, strong and consistent support for primary research promises to provide findings that will feed into new discoveries and applications further down the research chain. Corporate investment and partnership may be more traditionally thought of as contributing closer towards the end of the research value chain, yet there is a major role to be played throughout the research value chain. The Government of Canada should explore tax incentives that would encourage corporations to invest further in scientific research and experimental development.

Primary research will always require strong public-sector support. By establishing a dedicated base level of public funding support, such as through a percentage of overall AAFC funding, Canada can ensure that sufficient and predictable levels of primary research funding be provided. This base level of funding for public primary research must maintain AAFC research capacity in key targeted areas that are considered essential to the growth of the agriculture sectors across Canada that struggle with being underserved by private investment. Primary research must be approached with a long-term vision from the public sector with firm and sustainable commitments. As part of the long-term approach, a clear vision must be articulated that incorporates succession planning for research scientists and supports current research stations across Canada.

17.3.2 Applied Research

International as well as domestic investment for promising areas of Canadian innovation are needed. To better enable these investments, a swift and transparent regulatory regime is absolutely necessary to encourage foreign investment and innovation in Canada. Improving international marketing of potential Canadian innovations will lead to increased investment dollars flowing to Canadian innovation. On the domestic front, increased development and funding to create and enhance groups such as Bioenterprise for all universities in Canada will help link primary and applied research to promising applications.

Strengthened links between agriculture industry, academic institutions and federal researchers must be promoted. Development of Industry - Researcher Councils that meet frequently would ensure that all stakeholders view each other as valuable partners contributing to the same goals. The research cluster approach has been well received by producers and should be maintained with commitments to continuous improvement. The development of additional producer-driven research institutions through check-off programs should be considered and supported where needed. For some commodities and minor/specialty crops, significant public investment is needed for research as it is not feasible to expect industry to make any significant funding contributions.

17.3.3 Innovation

Innovation is a key stage where many research advances struggle to commercialize and seek real world application. Close links and relationships between researchers and producers and

other stakeholders could alleviate some of the challenges that agricultural research faces in innovation. This is a critical stage to ensure end-user involvement as it is producers and other stakeholders who will be the end-users of research products and results. The development of new ideas, processes and solutions will be most effective when it involves users in true partnership. Many of the positions found in 3.1 and 3.2 above can also be translated to and supportive of the innovation stage of the research value chain.

17.3.4 Application

Application may be the phase of the value chain that is most visible to producers as manifestation of research, but it is built upon a solid foundation of the other links in the chain. As abovementioned in other areas of the research value chain, better collaboration between industry and researchers is also critical at the application stage to complete the circle and ensure practical on-the-ground feedback will reach researchers in order to improve the relevancy of research. There are a number of different strategies that should be employed that will have a direct impact on improving the linkages between industry and researchers. These include:

- a) Solid communication and collaboration between industry, academia and government to set research priorities and programs;
- b) Increasing on-farm research and the number of demonstration and research farms;
- c) Maintaining and enhancing AAFC programs that are focused on commercialization; and,
- d) Adopting risk mitigation tools to enhance opportunities for testing preliminary results in commercial settings.

Both the public and private sectors must also focus efforts on knowledge dissemination, knowledge translation and agricultural extension. Support for agriculture extension services is one way to promote the application of scientific research and new knowledge to agricultural practices through outreach and education. It is crucial that agricultural producers be aware of, able to access and benefit from publically supported research. Organizations that disseminate research results are encouraged to liaise closely between producers, academia and government.

Efforts should be made to track the uptake of new technologies and production methods that have been incorporated into commerce. This could be done in partnership with Statistics Canada, AAFC and industry to compile an annual compilation or identification of which technologies have been successfully applied in Canada. This crucial step will inform prioritization and funding within all stages of the research value chain.

BIOTECHNOLOGY POLICY STATEMENT

Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. It is the backbone of many rural communities and contributes significantly to the well being of Canadians in both rural and urban Canada. The future of these communities is tightly intertwined with the future of the Canadian agricultural sector.

Canadian agriculture is a major generator of jobs in both rural and urban Canada through employment on farms, in the production of agricultural inputs, in the processing of farm products and in the service sector.

Primary agriculture is not just another industrial sector. Unlike other primary industries, most agricultural production is not carried out by large corporations. It is done by a large number of individual farms. Canadian agriculture occupies approximately 7 per cent of Canada's land resource and carries the responsibilities of the stewardship of this resource.

The continued health and development of a successful and diverse agricultural sector requires that federal policies recognize, on the one hand, the global environment in which the industry operates, and on the other, the domestic requirements for a healthy and vigorous industry.

1.0 Basic Biotechnology Goals

The evolution and development of the Canadian agriculture sector has been driven by research, innovation and adoption of new technology. Biotechnology research and development is a new facet of this ongoing process. The nature of agricultural production and possibly the final products will be affected by these developments.

Our most primary goal is have a government policy and regulatory framework that insures that biotechnology developments are compatible with the needs and expectations of the marketplace and contribute to the success and economic well being of farmers.

The CFA believes that:

- Research and development in biotechnology must be accompanied by the accumulation of sound factual information on the potential use, effect and safety of the biotechnology.
- Consumer information and education must be an integral component of biotechnology development.
- The legislative and regulatory framework, for agricultural biotechnology development and approval, must be balanced and respect the legitimate interests of both the developers of the technology and the farmers who may use the technology.
- Decisions to approve new biotechnology developments must be sensitive to the requirements of the market place and enhance the marketing of Canadian agricultural products.

- The risk of creating unreasonable costs associated with regulatory activities, and the risk of creating legal liabilities for producers or marketers should be considered prior to approval of new biotechnology developments
- Adequate resources must be provided for an effective, scientifically sound approach to biotechnology regulatory issues.

2.0 Labelling of Genetically Engineered Foods

Some consumers wish to know whether a food product contains or does not contain a genetically engineered component. If a supplier chooses to so label a product, the labelling should be:

- Truthful and verifiable
- Consistent with domestic regulations
- Consistent with international standards and the requirements of our international customers

Any claims related to health, safety, nutrition and/or environment are covered by existing mandatory labelling regulations.

The CFA supports the development of a voluntary standard for the labelling of foods that contain or do not contain genetically engineered ingredients. This standard should:

- Apply only to products which contain a novel combination of genetic material obtained through the use of modern biotechnology² that overcome natural physiological reproductive or recombination barriers and that are not techniques used in traditional breeding and selection
- Exclude processing aids (in particular the enzyme chymosin), veterinary biologics, and animal feeds
- Apply to food sold to consumers in Canada regardless of whether it is produced domestically or imported
- Provide for an adventitious (accidental) inclusion of food from genetically engineered crops, of less than 5 per cent when making claims that a food or food ingredient is not genetically engineered
- Allow for differentiated labelling of foods or food ingredients derived from genetically engineered crops, to indicate that they do not contain any genetically engineered materials

² 'Modern biotechnology' means the application of:

- In vitro nucleic acid techniques, including recombinant deoxyribonucleic acid (DNA) and direct injection of nucleic acid into cells or organelles, or
- Fusion of cells beyond the taxonomic family.

3.0 Registration and Regulations of Genetically Engineered Varieties

Even if a genetically engineered variety has useful traits, it is not necessarily beneficial to register and release the variety. The success of Canadian agriculture is highly dependent on export markets. At the present time there are markets where transgenic products would not be acceptable and at times it would be difficult or impossible to maintain separation between a variety that is genetically engineered and one that is not.

In addition, there are serious uncertainties over the full implications of the Biosafety Protocol. We do not know what level of dockage (or if any contamination from genetically engineered product) will be allowed in a shipment of non-genetically engineered product. It is also far from clear who will bear the liability arising from the accidental contamination of a shipment with an undesired genetically engineered product.

4.0 Variety Registration Regulations

The registration of varieties is governed by regulations under the Seeds Act and is administered by the Canadian Food Inspection Agency. It is not at all clear that the current regulations give the government the authority to prevent the registration and release of GE variety because of market acceptability issues. CFIA has stated “The Variety Registration system is not the appropriate mechanism to delay the release of a transgenic variety which may not have regulatory approval or market acceptance in foreign markets.”

CFA therefore urgently requests that the Canadian government take the steps necessary to ensure that it has the ability to prevent the registration and release of a genetically engineered variety until any significant handling, storage or marketing problems, associated with the presence of that variety in the market place, are resolved.

In registration decisions consideration should be given to the agronomic effects of registering the variety (e.g. glyphosate resistant wheat). Agronomic issues include possible contamination of other varieties and their products, and the effect on the sustainability of various cropping systems.

5.0 Genetically Engineered Wheat

Canada's international reputation as a major exporter of high quality wheat is highly dependent on our consistently accurate grading system. Visual kernel identification is a key part of this grading system. Wheat variety registration has been limited to the varieties with characteristics consistent with the grading system.

An application has been made for the registration of a variety of genetically engineered wheat. GE wheat cannot be visually separated from non-GE wheat. And there is no practical technology that will permit the segregation of transgenic from non transgenic wheat. The presence of a GE variety of wheat could cause serious marketing problems, because there are markets where transgenic wheat would not be acceptable.

CFA believes the Canadian government must take whatever steps are necessary to insure that GE wheat is not registered or released until segregation questions are resolved and there are assurances that it will not disrupt the marketing of current wheat varieties.

6.0 Intellectual Property Rights for Animal and Plant Breeders

Private researchers are unlikely to invest in animal and plant breeding unless they are confident that they will have a reasonable opportunity to receive a return on their investment if their breeding research is successful. The availability of adequate intellectual property right protection does provide such an opportunity. Effective intellectual property rights protection also helps to insure that Canadian farmers have access to the results of private breeding research in other countries.

Canada provides two types of intellectual property rights which can apply to plant or animal research developments, plant breeders' rights and patents.

6.1 Plant Breeders Rights

These grant control over the sale of, or production for sale of, propagating material of a new plant variety. There are provisions related to plant breeders rights which help safeguard the interests of affected parties such as researchers and farmers.

- Farmers are allowed to retain seed from a protected variety for their own use without paying additional royalties,
- Protected varieties are available to other researchers for further varietal development, and
- The Commissioner of Plant Breeders Rights has the power to issue compulsory licenses if necessary to insure that a plant variety is made available to the public at reasonable prices, is widely distributed and is maintained in quality.

Canada is a signatory to the UPOV Convention, an international agreement designed to standardize plant breeder's rights provisions between countries and to facilitate the movement of protected varieties between countries. The 1991 UPOV agreement updated those international standards. Canada has signed but not implemented the provisions of the 1991 agreement.

6.2 Patents

Patents grant total control over the production, use or sale of a new invention. To date the patents related to plants or animals have been primarily gene patents. The patent act does not provide the same type of safeguards for the interests of others as provided under plant breeder's rights.

6.3 Achieving a Balance in Intellectual Property Rights

CFA supports the provision of effective intellectual property rights for plant and animal breeders provided that the provisions related to these rights are balanced and respect the interests of farmer and other affected parties as well as the breeders.

To help insure that this balance is achieved and maintained CFA asks that Canada:

- Maintain the current safeguards provided by plant breeders rights
- Implement the provision of the 1991 UPOV Agreement in a manner that insures that adequate safeguards of farmer's interests are maintained
- Amend the Patent Act to provide, in the case of patents related to agricultural plants and animals, safeguards comparable to the safeguards provided under plant breeder's rights

CFA believes these provisions should:

- Ensure the right of a farmer to save seed for his or her own use; or if contracts are used to regulate the use of the patented material provide a mechanism for intervention if necessary to ensure that the contract conditions respect the interests of the farmer as well as the interests of the patent holder.
- Ensure that only one royalty is charged for each reproduction of the patented material, and provide the ability to limit how far down, or when, in the reproductive chain a royalty can be charged.
- Ensure the right of researchers to use patented materials as the basis for developing a new variety or other research use.
- Ensure that compulsory licenses can be issued if necessary to secure that the patented development is made available to the public at reasonable prices, is widely distributed and is maintained in quality.
- Protect agriculture producers from claims of patent infringement with respect to natural/accidental spreading of patented plant genetic material, or the insemination of an animal by an animal with patent protection.

In addition we believe there is a need to address, both nationally and internationally, issues of liability for undesired natural/accidental spreading of patented seed, patented genetic material, or the insemination of an animal by an animal with patent protection. The patenting or production of new genetic material, should not create liability traps for producers or marketers.

6.4 Patenting of Life Forms

The 'inventions' have been changes in genes and other lower life forms. They can be and are patented. This type of patent would appear to give the patent holder adequate control over an organism containing the patent. If the patent holder believes that they have developed a distinct variety (containing the patent or otherwise) they can obtain a plant breeders right on the variety. In animal science or for livestock, the biotechnical changes would relate to genes and current patent capability should be sufficient to protect the interests of animal breeders. CFA does not support the patenting of whole agricultural plants or animals.

We believe the first priority should be the establishment of patent provisions which will strike a balance between the interests of the patent holder and others. That should be achieved and more experience gained regarding the use of patents related to agricultural plants and animals before consideration is given to the extension of patents to whole plants and animals.

7.0 Cartagena Protocol on Biosafety

CFA believes that Canada's approach to the Cartagena Protocol on Biosafety must meet the basic biotechnology goals identified above. Detailed policy on the Protocol is contained in the CFA Environmental Policy Statement.

ANNEX 1

Excerpt from CFA environment policy statement:

1.0 Cartagena Protocol on Biosafety

The Biosafety Protocol is an international agreement, negotiated under the United Nations'

Convention on Biological Diversity (CBD), which was formally adopted on January 29, 2000 in Montreal. The objective of the Protocol is "to contribute to ensuring an adequate level of protection in the safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking into account risks to human health and specifically focusing on transboundary movements."

The Canadian agriculture industry and Canadian agriculture producers will be the most affected domestic stakeholders from this Protocol. For this reason it is imperative that the Protocol work effectively and efficiently for the movements of agricultural products.

CFA has several concerns regarding the Protocol and we encourage the government to work diligently to address these issues so that Canadian agriculture producers will not be adversely affected.

1.1 Biosafety Clearinghouse

Each country will notify new living modified products onto a Biosafety Clearinghouse in advance of any shipments taking place. As this will be a huge undertaking, Canadian farmers encourage governments to be vigilant in keeping administrative costs and time delays to a minimum.

In addition, CFA stresses that Canada only notify those living modified organisms produced through modern biotechnology (as defined by the Protocol) onto the Biosafety Clearinghouse.

1.2 Documentation Requirements for Commercial Shipments

CFA requests that dockage and tolerance levels must be agreed to by all parties and set out clearly for exporters prior to Canada ratifying this Protocol. The levels must be attainable under commercial handling and transportation systems, while recognizing the capability of modern testing technology to identify trace amounts of a substance.

1.3 Testing and Sampling Methods for Shipments

The CFA requests the testing and sampling methods for shipments be standardized to ensure the methods used by the exporter will also be accepted by the importer.

1.4 Scope of Products Covered Under the Protocol

The scope of products covered under the Protocol must be clearly understood by all parties. It has come to our attention that several agricultural products, which present no potential risk to a country's biological diversity, may be covered under the scope of the Protocol.

The CFA sees it as imperative that the Canadian government clearly define what products are covered under the Protocol and that this be communicated domestically and internationally.

1.5 Illegal Transboundary Movements, Liability and Redress Issues

Agricultural producers are very concerned with the potential costs, which may be borne by exporters of non-genetically modified commodities if a small percentage of genetically-modified dockage is contained in the shipment.

Until tolerance, tolerance in dockage levels, as well as standardized testing and sampling methods are agreed upon under the Protocol, the CFA urges the government not to ratify the Protocol until the implications are agreed to by the Canadian agri-food industry.

1.6 Implementation of Canada's Regulatory Requirements Under the Protocol

CFA stresses that imports under the Protocol be subject to the same requirements as Canadian exports and that any additional regulatory requirements fall under the commodity specific regulations, which currently govern trade in agricultural commodities.

1.7 Disputes Arising From the Protocol

The CFA urges the government to ensure that a clear method for resolving any dispute that might arise under the Protocol, or under any other international agreements in relation to the Protocol, is devised. It should be clear domestically and internationally where disputes will be resolved.

1.8 Risk Assessments and Risk Management

CFA believes the Canadian government must ensure that all risk assessment and risk management decisions made under the Protocol continue to be based on a science-based system in conformance with the WTO Agreements on Sanitary and Phyto-sanitary (SPS) Measures and Technical Barriers to Trade (TBT).

RURAL POLICY STATEMENT

Introduction

Canadian agriculture is an essential part of the economic, political and social fabric of Canada. It is the backbone of many rural communities and contributes significantly to the well-being of Canadians in both rural and urban Canada. The future of these communities is tightly intertwined with the future of the Canadian agriculture sector.

Canadian agriculture is a major generator of jobs in rural Canada through employment on farms, in the production of agricultural inputs, in the processing of farm products, in the transportation sector and in the service sector.

Primary agriculture is not just another industry sector. Unlike other primary industries, agricultural production is not carried out primarily by large corporations. It is done by a large number of individual farms. Canadian agriculture occupies a significant portion of Canada's land resource and is an integral player in the stewardship of this resource.

The continued health and development of a successful and diverse agricultural sector requires that federal policies recognize, on the one hand, the global environment in which the industry operates and, on the other, the domestic requirements for a healthy and vigorous industry. The Canadian Federation of Agriculture believes that Canada's rural policies must reflect the requirements arising from the unique characteristics of this sector.

1.0 Basic Rural Policy Goals

Canadian agriculture dominates the rural landscape in many diverse forms. The agricultural community, along with other rural citizens, has social and economic concerns that must be addressed in government policy and programs. In principle, CFA supports the work of the federal Secretary of State for Rural Development, and maintains that this office must continue to examine federal policy and legislation that impacts rural Canada.

The CFA looks to the federal government to develop and enhance policies with the goal of creating an environment that promotes the long-term viability and sustainability of agriculture, agri-business and the rural community, and ensures equity between rural and urban areas.

Issues that need to be addressed include: sustainable farm incomes, taxation, rural infrastructure, farm safety, farm transitions, insurance, labour, etc

2.0 Sustainable Farm Incomes

The most effective way to maintain a viable, sustainable rural Canada is to maintain strong, sustainable rural incomes. Farm incomes have been falling steadily for 30 years and this has had a direct affect on the viability of rural communities. The CFA defines seven Common Principles as essential for the long term improvement of farm incomes into the future:

- Producers have the ability to achieve sustainable income
- Producers work together to achieve common goals
- Producer empowerment in marketplace
- Better sharing of benefits along the Value-Chain
- Shared responsibility and accountability
- Full producer participation in policy development
- Recognition of primary production as a significant contributor to Canadian society and economy

Governments can directly aid producers in achieving these goals through full support for farm organizations and marketing entities, the development of tools for more equitable sharing of benefits in the production chain, full consultation in policy development and promotion of Canadian agriculture to Canadians and consumers abroad.

3.0 Taxation

Rural Canada continues to face numerous economic and social challenges: volatile commodity prices, difficult labour conditions, and shifting demographics, amongst others. Changes to taxation regulations and additional tax incentives would assist rural Canadians in meeting these challenges.

CFA recommends:

- That the federal government reinstate the interpretation of off-farm income and restricted farm losses decided upon by the Supreme Court of Canada in *The Queen v. Craig*
- That agriculture be given the same access to research and development tax credits as other industry sectors
- That the federal government continues support for zero-rating Goods and Services Tax for agricultural items and expand its application to include all livestock-related agriculture and a broader array of farm purchases
- That the federal government reinstate the previous interpretation bulletin on the tax treatment of the sale of standing timber from farm properties
- That the 4.0 cent per litre Federal excise tax on coloured diesel be removed

CFA further recommends that the federal government implement tax credits or tax incentives for environmental stewardship initiatives. Proposed changes include:

- Increasing the capital cost allowance for new manure storage from 4 per cent of declining balance to 50 per cent of declining balance

- The reinstatement of an accelerated depreciation schedule for on-farm environmental capital expenditures

Tax provisions already in effect need to be reviewed periodically to ensure they are still current. In particular, CFA recommends:

- That the Department of Finance should review, in consultation with the agricultural industry, the Capital Cost Allowance rates applicable to farm capital with a view to updating them and encouraging farm investments

To accommodate the large, impending transfer of assets resulting from significant demographic shifts in Canadian agriculture and rural Canada, CFA further recommends that the federal government establish tax policies to facilitate and reduce complexity involved in the intergenerational transfer of farm businesses. Proposed changes include:

- That the Department of Finance treat siblings as related for the purposes of subsections 55(2) and 55(3)(b) to facilitate tax-deferred corporate divisions between siblings
- That the Department of Finance address tax barriers relating to the use of holding companies between farm corporations involved in intergenerational farm transfers (*Income Tax Act* Section 84.1)

4.0 Rural Infrastructure and Services

4.1 Transportation Infrastructure

a) Railways

The railways are critical to the agricultural economy. The CFA believes:

- Policies and regulations must create a competitive environment in the rail transport sector, with open access to all rail lines for all rail companies, to ensure that producers can access efficient rail transportation at the best price.
- Changes to the rail system, rail policies and regulations, and freight rates must begin with stakeholder consultations, and must consider the needs and interests of agricultural producers.
- Responsibility and cost for railway safety and access measures must not be devolved from the railway owner to the agricultural landowner.
- A Transportation Appeal Tribunal of Canada (TATC) must be established as a third party option for swift, simple and effective dispute resolution.
- The Canada Transportation Act should be amended to include crossings and non-facility sidings under abandonment provisions within the Act and to subject siding and lease rates to

the scrutiny of the agency upon request of producers directly involved in siding lease rate negotiations.

- The federal government should maintain the existing level of service provisions and shipper protections and should amend the Canada Transportation Act to include reverse-onus running rights.

b) Roads

The health of rural Canada, both economically and socially, depends upon well-structured and well-maintained road infrastructure. Roads are increasing in importance as primary transportation conduits for agricultural producers and rural society. CFA encourages the establishment of national standards for rural road networks. Federal tax dollars raised from fuel sales should be applied to the maintenance and construction of the rural road system. CFA also suggests the establishment of a rural infrastructure partnership, with a sharing of the responsibility and costs divided between federal, provincial and municipal levels of government.

c) Waterways

Many agricultural producers rely on Canada's waterways as a major transportation conduit. In recent years the federal government has been transferring responsibility for ports and waterways to locally-based governing authorities. CFA believes the federal government should make renewed, firm commitment to maintaining ports and water transport systems to support commerce.

d) Air

Air transportation also remains important to the agriculture sector. The federal government must work to ensure the maintenance and improvement of accessible and competitive air services.

4.2 Telecommunications Infrastructure

All farm producers should have access to modern communications technology, equal in price to services in urban areas. Farmers should have access to:

- Private lines with the capacity to handle faxes
- Internet access
- 911 service
- Competitive long distance and cellular service
- Touch-tone and other customized services

The federal government should invest in the development of new and emerging telecommunications technology, and ensure that rural Canada is included in these developments.

4.3 Health Infrastructure and Services

Health infrastructure and services in rural Canada are on the decline. It is becoming increasingly difficult to attract health professionals to rural areas, and the availability of extended health care is shrinking. The federal and provincial governments need to make a renewed investment in providing full, accessible health care to rural Canada.

4.4 Education Infrastructure and Programs

a) Access to Education

Access to quality education is important for maintaining the viability and vibrancy of Canada's rural communities. Rural school closures and school board amalgamations are impacting negatively on the infrastructure of rural areas. Federal, provincial and municipal governments must work to ensure that rural families have equal access to education for their children.

Internet and other emerging technologies are valuable tools for rural students. Governments at all levels must work to ensure that they are available in all rural schools

b) Education and Training

In terms of technology, agriculture is one of the most rapidly advancing industries in Canada. As well, the need for more sophisticated management and leadership skills in the agricultural sector is apparent. Canada's education system at all levels, from primary to post-secondary, through to continued education, must develop programs to meet the needs of agriculture. The federal government must make a renewed commitment to human resources management training for agriculture employers. Examples of different educational components are academic training, leadership training, as well as skills-based training.

4.5 Child Care Infrastructure

Rural Canada needs child care programs that recognize the unique character and needs of the rural community and the agriculture sector. These programs must follow standards which incorporate the four pillars of child care: affordability, accessibility, flexibility and quality. Programs must accommodate the differing seasonal demands of the sector, and the frequent need for services outside of standard working hours.

4.6 Energy Infrastructure

Energy availability and cost is of vital importance to rural communities and businesses, including farms. Considering the importance of energy costs to the profitability of farm businesses, all forms of energy, such as farm fuels, natural gas, electricity, propane, etc., need to be accessible

at reasonable rates in rural areas. As one way of promoting this, the CFA recommends that the excise tax be abolished as it applies to agriculture.

4.7 Farm Safety

CFA continues to promote safer farm environments through regular awareness campaigns and activities. CFA welcomes the partnership of government departments and agencies, and encourages the federal government to maintain its involvement and support of varied initiatives promoting safer agriculture in Canada. As one example, CFA recommends that farm machinery manufacturers develop a standardized, universal shut-off system for motorized equipment.

4.8 Farm Transitions

The agriculture sector is witnessing significant transitions of many different types: diversification of production, expansion of farm operations, transition of farms to the next generation, and even transition from agriculture to other career sectors. The federal government needs to provide information and consult with stakeholders on appropriate policies. As well, to assist all these different transitions, the federal government should look at such issues as:

- Allowing the assets of unincorporated family farms to be divided and/or exchanged among siblings on a tax-deferred basis, and; allow assets of family farm corporations owned by siblings to be divided on a tax-deferred basis
- Agricultural stakeholders must be involved in any discussions on the creation of options for a dignified transition from the agriculture industry

4.9 Insurance

The needs of agriculture are unique, different from the needs of other sectors in many areas including insurance. Insurance industry programs for agriculture should create an environment of stability where producers can engage in good risk management. CFA asks the insurance industry to recognize risk management programs that have been developed by the agriculture sector. CFA encourages the insurance industry to develop policy packages that meet the unique needs of agriculture. For example, policy options like environmental insurance should exist to protect farmers who have exercised all due diligence and respect for best management practices, but find themselves caught by circumstances beyond their control.

4.10 Labour

If Canadian agriculture is to prosper and grow, it must be built upon the efforts of a skilled, well paid, secure and satisfied labour force. The federal government can promote a healthy employment climate for Canadian agriculture by developing programs to help farmers offer competitive salaries.

Employment insurance must recognize the special nature and needs of agriculture particularly with regards to seasonal, short-term employment in agriculture. Regulations for payroll

deductions should be amended to recognize the needs of agricultural producers employing short-term labourers.

Governments at all levels must work to ensure an adequate labour supply to meet the needs of all agriculture sectors, which can include adequate off-shore worker programs. The federal and provincial governments should work together to harmonize labour standards, practices and codes to allow for the free movement of agricultural labour across Canada.

4.11 Agricultural Awareness

CFA supports the promotion of the industry by highlighting:

- Its economic contribution
- Its impact on rural and urban areas
- Agriculture and agriculture-related careers
- The broad range of issues that agriculture encompasses

One example of promoting awareness is the partnership between CFA, Human Resources Development Canada and Agriculture and Agri-Food Canada to develop agriculture career awareness programs for students. CFA expresses its hope that the federal government will continue this strong commitment to promoting agriculture through education in the years to come. The federal government needs to use and promote more initiatives like it.

4.12 Adaptation Councils

The funding provided through provincial adaptation councils has become an important resource for farm organizations and their memberships in adapting to changing expectations with respect to markets, economic, social and environmental responsibilities. CFA supports the continuation of the adaptation council model with an enhanced funding commitment as one important avenue to attaining the goals set out for the Canadian agricultural industry by Canada's new agricultural policy framework.

5.0 Pipelines

The Canadian Federation of Agriculture recognizes the importance of appropriate, effective and reliable infrastructure to ensure the economic competitiveness of Canada's natural resource sectors. The development of energy infrastructure, particularly linear features such as pipelines and power lines that cross private agricultural land must be done in a responsible way.

Long term transportation infrastructure Development

A consistent national transportation infrastructure strategy is needed to ensure Canada's natural resources can effectively meet the demand of international and domestic markets. This

requires the effective balance between transportation modes, from rail freight to energy pipelines. The overall capacity and efficiency of all modes of transport needs to meet the demands of all industries and be developed in a way that is socially responsible and respects the rights of landowners.

Landowner Requirements in the Energy Project Lifecycle

Project Planning and Public Hearings

Participant Funding

Public hearings are an important component of all projects and should be held whenever new projects are being planned or forthcoming changes to existing projects will impact landowners in any way.

Sufficient financial assistance should be provided to support timely and meaningful involvement for landowners or their designated representative when public hearings are held.

Easement Agreements

Landowners should be entitled to a clear and accessible process for negotiating the terms of access to their land, including for surveying activities and easement agreements that allow for the construction, operation and maintenance of energy infrastructure.

The easement agreement regime should be strengthened in the following ways:

- A standard easement agreement should be developed and made public that standardizes the information provided to landowners and clearly outlines the legal ramifications of the agreement on landowners.
- The methods for the calculation of the compensation provided to landowners should be made public and freely available to all landowners.
 - Details on compensation should include but not be limited to:
 - compensation for the acquisition or purchase of the land by the company to locate a pipeline or workspace.
 - compensation for any and all damages suffered as a result of the construction, operation or maintenance of the infrastructure.
- The Minister of Natural Resources should establish a fair, transparent and efficient arbitration procedure for instances where parties cannot agree on the terms of the easement agreement.

In addition, regulations should be expanded to include additional provisions a company must include in a land acquisition agreement (for example, an easement agreement) to include but not be limited to:

- A separate biosecurity agreement.
- A separate transit agreement outlining the terms and conditions by which land may or may not be accessed from areas outside of the right of way.

- General rules which pipeline company employees must abide by including but not limited to: moving vehicles when requested, accommodating different practices throughout the crop year, and farm safety practices.

Construction, Operations and Maintenance

Liability

The ultimate responsibility for the safety of energy infrastructure during the construction, operation and maintenance of active and abandoned pipelines should be held by the infrastructure owner. Landowners should not be held liable, or criminally responsible for damage to oil and gas pipelines resulting from regular farming practices or for damage to construction or maintenance equipment when it is on a landowner's property.

The regulatory regime governing pipeline safety should provide clarity on the liability and should not shift the burden of pipeline safety unduly onto landowners.

Communication

Landowners should receive clear and consistent messaging about activities that can or cannot occur in and around energy infrastructure and the associated Administrative Monetary Penalties for non-compliance.

For specific regulatory items that address agricultural activity, language should be clear and set out the chain of communication between regulatory agency, company and landowner and their respective responsibilities. All communication requirements should include defined protocols and the schedule by which information will be delivered to landowners and its frequency should be, at minimum, yearly.

Biosecurity

Regulatory language should be developed regarding the responsibilities of energy infrastructure owners and operators to develop biosecurity protocols and Administrative Monetary Penalties should be established in the event of non-compliance.

If biosecurity protocols are not developed the employees of the pipeline companies must defer to the landowners biosecurity procedures and follow them accordingly.

Ground Disturbance Depth

The depth of cultivation or other agriculture activities that classifies as ground disturbance should be based on the risk associated with the specific attributes of the pipeline and the agricultural land it passes through. Legislation or regulation can set a baseline depth of 45cm at which no leave is required but should then allow flexibility for the board or pipeline companies in consultation with landowners to specify increased depths of disturbance related to agricultural activity depending on specific circumstances.

Abandonment

The National Energy Board should adopt all necessary measures to ensure companies maintain funds or security so they will have the ability to pay for all costs or expenses related to the abandonment of its pipelines, including for their complete removal from all agricultural land.

FOOD SAFETY POLICY STATEMENT

Introduction

The Canadian agriculture and agri-food industry produces safe, high quality and environmentally sustainable foods. Since the early nineties Canadian farmers, in partnership with governments, have taken leadership in developing national systems to strengthen our food safety commitment.

In 1997, Canadian farmers proactively led and designed the Canadian On-Farm Food Safety Program that would help them set up a system that could be nationally recognized and would allow them to demonstrate due diligence in food safety. Later through the broader Canadian Food Safety and Quality Program (CFSQP) Canadian producers, CFA and national commodity organizations, continue to work in partnership with AAFC and CFIA to develop the Canadian approach to on farm food safety. The Canadian approach entails the development of national commodity specific programs, developing strategies and necessary tools to educate producers and to implement national on-farm food safety initiatives consistent with the Codex Alimentarius' Hazard Analysis and Critical Control Point (HACCP) definitions and with the Canadian Food Inspection Agency's On-Farm Food Safety Recognition Program. Agriculture and Agri-Food Canada has co-funded and assisted in the development and implementation of the national on farm food safety programs since 1997. It is a primary goal of CFA to ensure the continued development of strong, sustainable, industry-led food safety, traceability and animal health systems for the greater public benefit of Canadians.

1.0 Sustainability

Canadian farmers have taken leadership in developing national systems for food safety but their implementation and on-going management are costly. These initiatives contribute to the public good and greater welfare of Canadians but have returned little to no value from the market place. With already extremely low incomes the sustainability of these food safety systems is strained. In order to support the continuation and strengthening of these systems, on-going financial commitment and partnership from the public and from governments are required.

The CFA also advocates for government support for enhancing Canada's reputation as a provider of high quality, safe food through a government funded communication plan that raises awareness at domestic and international levels on the strong food safety and quality systems that Canadian production has implemented. The plan would aid in achieving marketplace value for the initiatives the industry is putting in place and support the competitiveness of Canadian agriculture.

2.0 Industry Leadership, Industry-Government Partnerships

First through a program called the Canadian On-Farm Food Safety Program (1997 to 2004) and later through the Canadian Food Safety and Quality Program (CFSQP) Canadian producers, in partnership with AAFC and CFIA, have proactively led and designed the Canadian approach to on-farm food safety. It is through this industry leadership 98 per cent of all Canadian production

has now completed or is completing the development phases of its HACCP based on-farm food safety systems.

Producers, continuously wary of increased costs in a very competitive marketplace, are extremely concerned about government downloading of costs, administration and regulation. Producers, however, are also keenly aware of the need to ensure the safety of their production. It is for these reasons industry must continue its leadership in on-farm food safety and its development be a strong industry led partnership with governments. Through CFA, the national commodity organizations and the Canadian On-Farm Food Safety Working Group, development of on-farm food safety systems has been a success, efficiently allocating funds, conducting industry research, building buy-in from producers through their own organizations and maintaining accountability to Canadians through yearly third-party financial and compliance audits. Without that partnership, the CFA believes the strong progress, producer buy-in and ultimately, success in developing strong on farm food safety systems would not have occurred. CFSQP has been an excellent example of how industry-government partnerships can be a very effective tool in delivering services while saving costs to taxpayers.

3.0 On-Farm Implementation

The CFA believes it is imperative to have a strong On-Farm Implementation program providing valuable tools for national producer organizations and provincial counterparts to implement developed food safety systems. The on-farm implementation component of the first APF requires increased incentive-based systems for the food safety component. Encouragement through incentive-based systems will increase buy-in from producers and improve uptake successes at the development phases.

Moving from the APF to the Next Generation of Agriculture Policy, CFA supports an enhanced version of this program and recommends amendments including:

- Streamlining the approval, processing or agreements to improve the ability to obtain contracts or extensions in a timely fashion and,
- Much greater flexibility for use of funding in the areas of training, human resources, purchase of equipment and full audit cost recovery.
- Clearer language on equivalency that will make it more incumbent on countries to allow imports where the food safety protection afforded by exporting countries' inspection programs is at least equivalent to that of the importer, even if the modus operandi is different in certain respects CFA welcomes such incentive-based systems for food safety initiatives. CFA strongly believes flexibility and incentive-based programs are much more effective at achieving progress compared to inflexible regulatory approaches.

4.0 Traceability

Traceability, the ability to track movements of animals and goods throughout the supply chain, is an important tool for agriculture. There is a significant public good in the development and

implementation of traceability systems, in the areas of the protection of plant and animal health, and food safety. Many initiatives are currently underway to implement traceability systems at farm level and throughout the chain. It is important for there to be leadership and dependability from government support to ensure the various traceability initiatives work and are able to communicate with each other. The government roll will benefit industry in the event of an incident with trade loss or when receiving compensation. Clear communication between the various stakeholders will ensure an effective total system, and serve to minimize duplication.

CFA welcomes the Federal, Provincial and Territorial Ministers of Agriculture's decision to develop and implement a National Agriculture and Food Traceability System (NAFTS) in Canada.

CFA calls for a system comprising all food production (including primary production) and along the value chain, building on national standards. A national identification and traceability system would constitute a risk management tool that can greatly improve the competitiveness of our industry as it would allow for identification of contamination sources, reduction of response time in the event of a crisis and minimizing the economic impacts of a foreign animal/plant disease outbreak or a food safety crisis disease outbreak in Canada. This system would also allow the industry to see opportunities for reinforcing our domestic and export market access while responding to the growing need of consumers across the globe to know the origin of their food, support Canada's on-farm food safety systems, aid efforts of eradicating domestic animal/plant diseases and elimination of foreign animal disease incursions. CFA supports a national traceability system that is compatible across the country, across commodities, along the value chain and technologically compatible with international standards.

5.0 Animal/Plant Health systems

Canada enjoys an excellent animal and plant health status. Despite this success it is imperative Canada be ever vigilant and prepared. Threats to animal and plant health can have tremendous impacts on producers, their operation, the agriculture and agri-food industry as a whole, and on Canadians from coast to coast. Incidence of animal / plant diseases appears to be the potential for market disruption and loss of capital. Solid biosecurity approaches and pro-active contingency planning is critical. CFA urges the government to ensure Canada has a strong emergency response system in place with clear roles and responsibilities, and mechanisms for disaster compensation. The approaches must be coordinated through a national plant and animal health strategy paying special attention to bio-security systems, emergency preparedness, animal care and zoning.

SECTION THREE

Policy resolutions

Each year, CFA members develop and debate policy resolutions at the Federation's Annual General Meeting. These resolutions establish CFA's official position on specific policy issues and serve as a basis for planning future activities. They also form the basis of CFA's Standing Policy statements. The following pages contain resolutions passed during the last three years. They are grouped by category and sorted by year, with most recent resolutions appearing first.

TRADE**2016- Standards for Imported Products**

BE IT RESOLVED that the Canadian Federation of Agriculture ask the federal government to:

- Prohibit the entry of any food product or by-product that fails to comply with the Canadian standards;
- Exempt producers from the measures whose reciprocity cannot be enforced, or compensate producers financially for required upgrading.

2016- Reciprocity for Imported products

BE IT RESOLVED that the Canadian Federation of Agriculture ask the federal government to clarify the notion of reciprocity of standards as currently perceived in the agricultural and agri-food sectors to ensure that it is clearly defined within the scope of international trade law during negotiations.

2016- Canadian market access for Imported products

BE IT RESOLVED that the Canadian Federation of Agriculture ask the federal government to promote the quality of Canadian agricultural products, in particular by informing the public of the terms and scope of the applicable standards.

2016- Trans-Pacific Partnership

BE IT RESOLVED that the Canadian Federation of Agriculture ask the federal government to:

- Definitively and permanently resolve, within the early months of its mandate, the tariff circumvention problems in the milk and poultry sectors in order to stop the unlimited non-tariff imports and use of these products;
- Ensure that compensation benefits fully compensate the producers under supply management for all losses resulting from trade agreements;
- Grant Canadian producers support that is at least equal to that offered to producers in other countries.

2015– Mandatory Country of Origin Labelling Retaliatory Tariffs

BE IT RESOLVED if Canada introduces retaliatory tariffs, that the Canadian Federation of Agriculture 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

2015– The Right to Limit Foreign Ownership of Farm Land

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.

2015– Trans-Pacific Partnership (TPP)

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.

2015– Agreement on Internal Trade (AIT)

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.

2015– Agreement on Internal Trade (AIT) (b)

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.

2014– Canada-European Union - Comprehensive Economic And Trade Agreement (CETA)

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the Federal government to work with, and support, the Dairy Farmers of Canada to repair this negative action on the Canadian Dairy Industry.

2014– Canada-European Union - Comprehensive Economic And Trade Agreement (CETA)

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

To ratify the CETA agreement in principle only if all of the following conditions are met for dairy products:

Terms and conditions of the agreement

- That the transition period for introducing the conceded new access for dairy products be the longest possible;

Border controls

- In the short term, that a tighter control be applied at the Canadian borders and that means be found to stop supplemental import permits used to fulfill ongoing markets;
- That the circumventing of tariff quotas be stopped (e.g., pizza topping kits) and that the Canada Border Services Agency’s tariff classification decisions take account of the government support of maintaining effective border measures for supply management;
- That the production and processing conditions for all agricultural products be at least as demanding for imported products as the conditions imposed in Canada;

Other

- That federal regulations governing the labelling and composition of dairy products be made comprehensive, tightened and strictly enforced;
- That the allocation and management of the additional quotas conceded to Europe be done in such a way that the impact on Canada's dairy producers and cheese makers is attenuated;
- That the financial compensation promised by the government be comprehensive and permits the development of the domestic dairy industry. In addition, this compensation, as well as all other compensatory measures, must be defined, known and consistent with the expectations of milk producers and cheese makers prior to the final ratification of the agreement;
- That, in order to maintain its integrity, no concessions affecting supply management be granted under other trade negotiations;
- That the financial compensation promised by the government be allocated with due regard for niche markets such as goat and sheep milk.

BUSINESS RISK MANAGEMENT

2016- Canadian Agricultural Policy Framework

BE IT RESOLVED that the Canadian Federation of Agriculture ask the federal government to:

- As a priority, restore the level of coverage offered by the AgriStability program to what it was before Growing Forward 2;
- Increase the maximum base contribution rate in the AgriInvest program to 1.5% of allowable net sales from eligible commodities and set an annual maximum limit of \$100,000 for the amounts paid in return;
- Amend the AgriRecovery program such that, when extraordinary losses result from the consequences of a one-time event or from recurring events that are not managed effectively by other mechanisms, the program will cover not only the short-term consequences but also multiple-year consequences;
- Offer more flexibility to agriculture businesses as regards the order of withdrawal of funds amassed under the AgriInvest programs when these funds are to be used for production investments in the business.
- Have significant farmer input into the funding decision for Growing Forward 3.

2016- Universal Producer Payment Security Program

BE IT RESOLVED, that CFA lobby the Government of Canada for a producer payment security program that covers all agricultural commodities for all producers.

2016- BRM

BE IT RESOLVED that CFA advocate for development of an add on program so that commodity losses within a diversified farm are recognized and result in a payment for the particular commodity regardless of other commodity prices on the farm.

2016- Financial Payment Protection for fruit and vegetable sellers

BE IT RESOLVED that the Canadian Federation of Agriculture advocate for the creation of a limited (limited specifically to produce accounts receivable, and any cash and inventory from the

sale of the produce) deemed trust to provide financial protection for produce sellers in Canada in a manner that is equivalent to the US PACA protections for produce sales to US buyers, and

BE IT FURTHER RESOLVED that this protection, once in place be extended to US sellers to permit reinstatement of the preferred access to PACA protection for Canadian produce sellers into the US and the elimination of this unnecessary trade irritant.

2015– 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.

2015– AgriInvest Funding Levels

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.

2015– AgriInvest Deadlines

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.

2015– AgriInvest Cap

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.

2014– Advance Payment Program

BE IT RESOLVED that CFA lobby Agriculture and Agri-Food Canada to extend the Advanced Payment Program's September 30, 2014, deadline into the next crop year to allow producers more time to repay cash advances without penalty, provided the 2013 commodity is still stored on the farm.

2014– Loan Guarantee

BE IT RESOLVED that CFA work with the Canadian Pork Council and the federal government to initiate a pilot program for the pork industry for the concept of loan guarantee for margin calls.

2014– Agri-Innovation Program (AIP)

BE IT RESOLVED that the Canadian Federation of Agriculture work with Agriculture and Agri-Food Canada to adhere to existing service standards of 100 business days for adjudicating funding under AIP.

2014– Horses as Livestock

BE IT RESOLVED that the Canadian Federation of Agriculture CFA lobby the Federal government to consistently designate horses as livestock for the purposes of export, meat processing, taxation and capacity building initiatives.

2014– Insurance-Based Programs

BE IT RESOLVED that the Canadian Federation of Agriculture work with its provincial members, as well as the Federal and Provincial Governments to ensure farmers across Canada have access to cost-shared tame and corn forage Insurance and can access Advance payments for these crops.

2014– Livestock Tax Deferrals

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the Government of Canada to allow deferral of income from the forced sale of all classes of livestock if the sale was necessary due to a catastrophe.

2014– Cash Advance Program

BE IT RESOLVED that CFA lobby Agriculture and Agri-food Canada (AAFC) to increase the program limit for the Advance Payments Program.

2014– Cash Advance Program

BE IT RESOLVED that CFA lobby Agriculture and Agri-food Canada (AAFC) to increase the interest free portion of the Advance Payments Program to \$400,000.

ENVIRONMENT AND SCIENCE**2016 – Infrastructure Funding for Climate Change Projects**

BE IT RESOLVED that the CFA lobby the federal government that the federal infrastructure program for the private sector be used to promote water-saving and energy-saving technologies, both on-farm and in packing plants.

2016- Credit for Carbon Sequestration

BE IT RESOLVED that CFA lead farm organizations in exploring a common strategy to ensure that growers are recognized and rewarded for removal of carbon from the air and its storage in the soil.

2016- Indian Head Shelterbelt Centre

BE IT RESOLVED that CFA urge the federal government to commit to working with agricultural organizations, communities and concerned citizens in western Canada to re-open the Indian Head Shelterbelt Centre.

2016- Water Development and Conservation Programs

BE IT RESOLVED that the CFA immediately consult with the federal government to ensure that there are adequate programs, including those acknowledging the value of ecological goods and services, in place to maintain the use and development of surface water resources in drought prone regions of Canada.

2016- Expansion of Weather Radar Network

BE IT RESOLVED that the CFA lobby Environment Canada to ensure the weather radar network provides radar coverage for all agricultural lands in Canada.

2016- Proposed Buffer Zones for Fumigation

BE IT RESOLVED that the CFA support the ongoing efforts of the Canada Grains Council and other industry groups to ensure the PMRA decision to change the terms of use for phosphide/phosphine is based on reasonable monitoring data and sound, science based evidence, prior to the implementation of mandatory buffer zones.

2016- PMRA

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the government of Canada to ensure PMRA has the ability and mandate to quickly process comprehensive scientific assessments of pest control products to enable agriculture in Canada to remain sustainable.

2016- River Bank Erosion

BE IT RESOLVED that the Canadian Federation of Agriculture work with the proper department(s) to do a comprehensive study and formulate an action plan to address serious river bank erosion and loss of valuable farm land.

2016- Forage Research and Green Cover Program

BE IT RESOLVED that CFA lobby the Government of Canada to support more research focused on using forages to combat rising salinity issues and for improving water use and soil holding capacity; and be it further

BE IT FURTHER RESOLVED that CFA lobby the Government of Canada to establish a new Green Cover Program to help Canadian farms overcome environmental extremes and improve the sustainability of livestock farmers.

2016- Emission Offset Programming

BE IT RESOLVED that CFA investigate carbon sequestration and the potential impact it may have on Canadian farmers' incomes; as well, investigate a cap and trade system and the potential it may have as a source of income for Canadian farmers.

2016- Harmonization of Pesticides

BE IT RESOLVED that the Canadian Federation of Agriculture, in concert with other interested organizations petition the Privy Council Office, which is the body responsible in Canada for the Regulatory Cooperation Council, with a demand that all differences in the evaluation and registration of pesticides that are preventing harmonization between Canada and the USA be resolved.

2015– Phragmites

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.

2015– Sandhill Cranes

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.

2015– Biosecurity

BE IT RESOLVED that the Canadian Federation of Agriculture 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.

2014– Environmental Farm Plan (EFP) Program Funding

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the federal government to institute and support EFP funding in every province to meet demand.

2014– Reusable Plastic Containers (RPCs)

BE IT RESOLVED that the Canadian Federation of Agriculture work with the Canadian Food Inspection Agency to ensure that a full and comprehensive scientific study is carried out to examine the possible areas of biosecurity concern including plant pathogenicity to determine if there are possible risks to crop production, and to make recommendations on RPCs management, handling and use practices to eliminate these risks.

2014– Canola Seed

BE IT RESOLVED that the Canadian Federation of Agriculture work with industry to lobby the CFIA for farmers to have the option to purchase untreated canola seed.

2014– Deep Geothermal Energy

BE IT RESOLVED that the Canadian Federation of Agriculture work with the federal government to initiate a pilot program to determine the feasibility of deep geothermal energy for Canadian agriculture.

RESEARCH**2015– UPOV'91**

BE IT RESOLVED that the Canadian Federation of Agriculture 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.

2015– Off Patent Traits

BE IT RESOLVED that the Canadian Federation of Agriculture 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.

2014– Varietal Development Research Funding

BE IT RESOLVED that the Canadian Federation of Agriculture support the research-funding model for varietal development proposed by the Alberta Seed Growers and other interested farm groups which allows for strong producer input and funding.

2014– Variety Registration

BE IT RESOLVED that the Canadian Federation of Agriculture advocate that the variety registration recommendations of the Working Committees of the Prairie Grain Development Committee be accepted by the Minister of Agriculture and Agri-Food Canada.

FOOD SAFETY**2014– CFIA Inspection Model**

BE IT RESOLVED that the Canadian Federation of Agriculture continue to monitor and participate in the Canadian Food Inspection Agency’s development of a new inspection model.

2014– Transportation of Compromised Animals

BE IT RESOLVED that the Canadian Federation of Agriculture ask Agriculture and Agri-Food Canada and the CFIA:

- To review, with the organizations representing producers, how one determines the status of a compromised animal or an animal unfit for transportation, such that the assessment methods used by inspectors are clarified, made more flexible and validated;
- To cooperate with the partners concerned by the transportation of animals in developing and disseminating means for helping producers take action before an animal becomes unfit for transportation and evaluate an animal’s condition prior to transportation;
- To ensure that an opinion is remitted to producers and carriers within thirty days at most of receiving a notice of alleged offence under the regulations governing the transportation of compromised animals;
- To issue warnings to producers and carriers before issuing notices of offence;
- To reduce the amount of the penalties and apply penalties more gradually.

FARM SAFETY**2016- Farm Safety**

BE IT RESOLVED that CFA establish a comprehensive policy on farm safety; and

FURTHER BE IT RESOLVED that CFA actively lobby for farm safety programs and funding to be delivered through the APF Agreement.

BE IT FURTHER RESOLVED that due to the provincial nature of safety legislation that the focus of funding be through provincial delivery and that the model promoted be provincial government supported and industry delivered.

TAXATION**2015– Intergenerational Transfers**

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.

2015– Transfer of Farmland to a Family Member of the Taxpayer

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.

2014– Sibling Farm Transfers

BE IT RESOLVED that CFA lobby the Canada Revenue Agency to create a tax deferral for the transfer of farm ownership between siblings.

TRANSPORTATION**2016- Railway Crossing Maintenance**

BE IT RESOLVED that CFA enter into discussions with CN Rail and CP Rail and Transport Canada to resolve provincial railway crossing maintenance issues.

2015– Railroad Car Allocations

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.

2015– Rail Penalties

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.

2015– Canadian Transportation Act

BE IT RESOLVED that the Canadian Federation of Agriculture 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*.

2015– Open Running Rights

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

2014– Service Level Agreement Penalties

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the Government of Canada to pay penalties assessed by the Canadian Transportation Agency as a result of a railway failing to meet a service level agreement to the affected shipper as compensation.

2014– Domestic Grain Resolution

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the Federal Government, and more specifically, the Ministry of Transport, for the implementation of service standards with respect to the transport of domestic grain.

2014– Pipelines

BE IT RESOLVED that the Canadian Federation of Agriculture put forward to the Federal Government, and more specifically, the National Energy Board, the costly implications to agriculture of delaying the building of oil pipelines such that much needed rail capacity is diverted away from grain.

GRAINS AND OILSEEDS

2016- Maximum Revenue Entitlement Program

BE IT RESOLVED that CFA lobby the federal government to retain the maximum revenue entitlement program on rail movement of grains and oilseeds.

2016- Forage Seed Standards

BE IT RESOLVED that the CFA lobby Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency to conduct a full review of forage seed grades to ensure standards are current with modern seed cleaning technology;

BE IT FURTHER RESOLVED that these government agencies closely consult general farm organizations as part of this review and conclude the review by December 31, 2016.

2016- PFRA Pastures

BE IT RESOLVED that the Canadian Federation of Agriculture request the Federal government to freeze the divestiture of the federal community pastures until there is close and meaningful consultation with all concerned groups; and

BE IT FURTHER RESOLVED that the purpose of this consultation be to determine an appropriate level of public financial support for the public benefits provided by well managed grasslands and to develop a new administrative model for these pastures that includes pasture patrons, conservation groups, and the federal government.

2016- Training and Certification – Grain Graders

BE IT RESOLVED that CFA investigate the feasibility of requiring all grain graders to be appropriately trained and certified.

2016- Canadian Grain Commission – Public Good

BE IT RESOLVED that CFA petition the federal government to recognize that those activities are on behalf of the public good as opposed to individual good and the public purse should fund the Canadian Grain Commission for those activities.

2016- Export Grain Reporting

BE IT RESOLVED that CFA lobby the Government of Canada and relevant government agencies to require weekly reporting and publication of all export sales of grain.

BE IT FURTHER RESOLVED that CFA lobby the Government of Canada to mandate that grain terminal operators report what grains are being loaded for export.

2015– Clubroot Management

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

2015– Fast-tracked Registration of Cost-Effective Fungicides

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.

2015– Railroad Fines & Western Grains Research Foundation

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.

2014– Canadian Grain Commission – Inward Inspection

BE IT RESOLVED that the Canadian Federation of Agriculture advocate that Canadian Grain Commission inspectors perform inward inspections on producer cars, with fees for inspection applied to the producer.

2014– Canadian Grain Commission – Re-Inspection

BE IT RESOLVED that the Canadian Federation of Agriculture encourage the Canadian Grain Commission to extend the time for re-inspection of a producer car sample to ten days.

PIPELINES

2015– Availability in French Language of Documentation Filed By Energy East Pipeline Regarding the Project Submitted to the National Energy Board

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.

ANIMAL WELFARE

2016- Truck Wash and Disinfect

BE IT RESOLVED that CFA lobby the Canadian Food Inspection Agency, and the Government of Canada to extend the exemption which requires trucks and trailers used for transporting hogs across the border to be washed and disinfected at facilities in Canada, rather than in the U.S.

LABOUR

2016- Review of National Commodity List

BE IT RESOLVED that the CFA review the national commodity list and lobby the federal government to add grains and oilseeds, the maple-product sector and any other commodity that may be missing, where the commodity has expressed interest in joining the national commodity list, to ensure the list accurately reflects the labour needs of Canadian agricultural producers.

2016- Local Labour Force

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the proper government agencies to provide changes to allow agricultural producers to access the local labour force without affecting their Guaranteed Income Supplement or incurring any penalties.

2016- Temporary Foreign Worker Program

BE IT RESOLVED that the Canadian Federation of Agriculture ask the federal government to:

- Include general farm organizations, Beekeepers' associations, and commodity associations in their stakeholder consultations regarding the cumulative duration provision for the Temporary Foreign Worker Program.
- Amend the temporary foreign agricultural worker programs to exempt agricultural workers from the cumulative duration-of-work limit of 48 months in Canada;
- Provide workers arriving under the agricultural component of the Temporary Foreign Worker program with a work permit enabling them to transfer easily and quickly from one employer to the next during the season;
- Revise the Temporary Foreign Worker program to eliminate the 10% limit of temporary foreign workers for a processing business whose operations are directly dependent on seasonal agricultural productions;
- Ease the administrative burden borne by businesses that have already filed an application under a temporary foreign worker hiring program.

RURAL

2016- Rural Cell Phone Service

BE IT RESOLVED that CFA lobby the Canadian Radio-television and Telecommunications Commission to work with Canadian cellular phone service providers to improve rural cellular phone service and reduce cellular phone rates.

2016- Farmland Inventory Database

BE IT RESOLVED that the Canadian Federation of Agriculture work with its provincial members to ensure collection of vital statistics for farming via a farmland inventory that will be readily available to the public.

2016- National Rural Health Strategy

BE IT RESOLVED that the Canadian Federation of Agriculture lobby the federal government to introduce a National Rural Health Strategy that will consider the unique factors and challenges of rural life and also address the emerging needs of rural life – including but not limited to:

- Definition of rural areas;
- Demographic trends;
- Per capita government resources;
- Emerging technology;
- Emerging professional development of health practitioners;
- Special accreditation and compensation for rural health practitioners; and
- Special needs of rural areas.

OTHER**2016- BSE Lawsuit**

BE IT RESOLVED that CFA lobby the Government of Canada to resolve outstanding BSE crisis compensation by entering into settlement negotiations in good faith or allowing the 2005 BSE class action lawsuit to proceed through the court system expeditiously.

2016- Dow/Dupont Merger

BE IT RESOLVED that CFA work with general farm organizations in Canada and the United States to lobby the Government of Canada and the Canadian Competition Bureau to halt the Dow/Dupont merger or otherwise ensure competition in the farm inputs market.

2014– Fairness within the Agri-Food Supply Matrix

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

- To set up monitoring mechanisms for the prices and margins of the various links in the agri-food supply chain (inputs suppliers, processors, distributors, retailers) such that there is greater transparency all along the chain;
- To develop, with input from the CFA, a strategy for fostering a more equitable distribution of revenues among the industry partners such that producers receive a fair price for their products that respects the value of production costs.

2014– Government Consultation

BE IT RESOLVED that CFA request that the Government of Canada hold consultations with general farm organizations and commodity groups before any government agricultural programs are terminated or altered.