



July 18, 2022

Honourable Marie-Claude Bibeau, P.C., M.P.

Minister of Agriculture and Agri-Food

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Sent via email: marie-claude.bibeau@parl.gc.ca

cc: Provincial/Territorial Agriculture Ministers

Dear Ministers:

We are writing to you on behalf of Canada's leading agriculture and agri-food businesses, associations, and transportation companies ahead of the scheduled Federal-Provincial-Territorial Agriculture Ministers' meeting this month. As a multi-sector coalition, the Canadian Chamber of Commerce's Food Supply Council represents all components of the supply chain, including inputs, primary agriculture, value-added products, among others.

Canada's agriculture and agri-food sector is a global leader and a significant source of economic strength, providing 1 in 9 jobs across the country and contributing \$139 billion to GDP. Our food system is highly integrated, innovative, and sustainable, continuing to evolve in response to ongoing threats to global supply chains. Despite threats that include the ongoing COVID-19 pandemic, the war in Ukraine and labour stoppages, the sector continues to lead the fight against climate change.

To help the sector grow and surpass the ambitious economic objectives established in the 2018 Agri-food Economic Strategy Table, the federal government must foster the adoption of tools to sustain economic growth and recovery. Consequently, the Food Supply Council calls on the federal government to work with industry and provincial/territorial counterparts to take the following steps.

Recognize the agriculture and agri-food sector's significant contribution to Canada's economy and post-pandemic economic recovery

Notwithstanding its overwhelming contribution to Canada's economy and employment, the agriculture and agri-food sector continues to be constrained by excessive regulation that places an undue burden on businesses. To reduce that burden, the Food Supply Council calls on the federal government to add economic competitiveness mandates for all regulators, including Health Canada.



Commit to an evidence-based regulatory regime that increases productivity while facilitating innovation and protecting public health and safety

In order to achieve the economic objectives established in the Agri-food Economic Strategy Table while concurrently meeting the needs of a rapidly growing global population, the agriculture and agri-food sector requires a regulatory regime that is robust, flexible and evidence-based. Enabling innovation must be a top consideration for regulators, alongside protecting public health and safety.

Ensuring certainty for businesses and consumers will require regulatory modernization and alignment with global trading partners. For instance, Health Canada's regulations for supplemented foods include warning labels that discourage businesses from innovating and confuse consumers, while being out of step with Canada's major trading partners. At the same time, food companies will need to make additional costly labelling changes with new Front-of-Package labelling (for foods high in sugar, salt and fat) with unrealistic implementation timelines, which is especially difficult to achieve with ongoing supply chain disruptions and inflationary pressures. Additionally, the decision to pause the increase to Maximum Residue Limits (MRLs) deviates significantly from a science-based regulatory regime. Divergence from international practices risks hurting Canada's key trading relationships and further disrupting international trade and supply chains during a continued period of uncertainty.

Facilitate an evidence-based approach to environmental sustainability that enables global market access

As natural disasters and other extreme weather events continue to create uncertainty within the agriculture and agri-food sector, Canada's approach to fighting climate change should be evidence-based and facilitate global market access.

Canada must play a leadership role in advocating for, and implementing science-based regulations that facilitate global trade to enable predictable and sustainable food production. Additionally, harmonization of global trading rules in the agriculture and agri-food sector is key for ensuring accessibility and competitiveness. However, Canada stands at odds with its international partners by freezing the increase to Maximum Residue Limits (MRLs), which would otherwise improve market certainty and predictability.

Additionally, domestic programming like Business Risk Management Programming, need to be adequately funded and must sufficiently help producers manage uncontrollable risks on farm so they can continue to adopt innovative sustainable practices that support food production to supply foreign markets.

Coordinate strategic investments in critical infrastructure and technology to address supply chain vulnerabilities



The COVID-19 pandemic has laid bare current and future challenges for the sector, but threats to domestic and global supply chains will continue to emerge even after the pandemic is over. Supply chain disruptions caused by rising costs of inputs, increased costs of transportation, and labour shortages continue to threaten the return to “normal.”

To mitigate the impacts of these vulnerabilities, the Food Supply Council urges the federal government to coordinate and prioritize investments in critical transportation infrastructure, particularly in rails and ports, and to partner with the private sector to support the development of Canadian technologies to de-risk and optimize production and distribution. These types of investments are vital to ensuring that goods and services move unfettered within Canada and abroad, and that Canada is at the forefront of global agriculture and providing food security.

Given the increasing need for greater innovation throughout the transportation sector, some companies and modes of transportation are already digitalizing supply chains through real-time data sharing and increased visibility of the supply chain. The federal government can play a key role in coordinating and standardizing a national approach that benefits providers and users of the transportation network. As supply chains continue to face disruptions, technology can help reduce the effects of those vulnerabilities.

The next Agricultural Policy Framework and increased federal-provincial-territorial coordination will play an important role in supporting these important objectives. Working together, we can achieve a prosperous future for the sector and contribute to the economic well-being of all Canadians.

Sincerely,

Hon. Perrin Beatty, P.C., O.C.
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