

July 23, 2021

Next Policy Framework  
Agriculture and Agri-Food Canada  
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Dear FPT Ministers,

Canadian Canola Growers Association (CCGA) is writing to you to provide comments and share canola farmers' perspective and priorities for the Next Policy Framework (NPF). CCGA represents Canada's 43,000 canola growers on national and international issues, policies and programs that impact their farm's success.

Developed in Canada, canola is a hallmark of Canadian science and innovation and a foundational crop on most Canadian grain farms. Today it is Canada's most widely seeded crop and is the largest farm cash receipt of any agricultural commodity, earning Canadian farmers over \$10.2 billion in 2020. Annually the canola sector provides \$29.9 billion to the Canadian economy and provides for 207,000 full time Canadian jobs. Exports drive canola's success – more than 90% of all canola grown in Canada is exported as seed, oil, or meal. Exports of canola were valued at \$11.9 billion in 2020.

The government recognized the strong contribution of the agri-food sector to the Canadian economy and established an ambitious objective for the sector by setting a target of \$75 billion in agriculture and food exports by 2025. The canola sector is poised to be a significant contributor to that objective with its own ambitious target to increase canola production to 26 million metric tonnes by 2025. If realized this target could contribute an additional \$4.5 billion in export sales annually.

Beyond economic goals, the Canadian canola industry has also set bold sustainability targets for 2025 to improve energy and land efficiency, sequester more carbon, improve soil and water health, and protect biodiversity. They include reducing fuel use per bushel by 18%, decreasing amount of land required to produce one tonne of canola by 40%, sequestering an additional 5 million tonnes of greenhouse gas emissions in Canadian soils every year and utilizing 4R nutrient stewardship practices on 90% of canola acres.

Canola farmers set these goals because they take their responsibility to protect our environment seriously and want to play an important role in Canada's efforts to reduce emissions. Farmers have a long history of adopting new technologies and practices that have significantly softened their environmental footprint and established Canadian canola farmers as leaders in sustainable production.

The Next Policy Framework can play a key role in facilitating canola farmers ability to be strong drivers of economic growth while advancing Canada's collective environmental goals. To achieve this CCGA views the following three areas as key priorities for the NPF:

- Business Risk Management (BRM);
- Research;
- Market access and trade diversification.

### **Business risk management**

From extreme weather to international trade restrictions and rail disruptions, canola farmers are facing increasing volatility and uncertainty. Farmers are also on the front lines of dealing with a changing climate that has brought droughts, heavy rainfalls, floods, new pests and disease all of which significantly affect productivity. Farmers rely on BRM programs to help manage these types of risks that are beyond their control. These programs support economic stability at the farm level which foundational to the aspirational goals of the sector as a whole to be driver of economic growth for Canada. Given that, CCGA asks the FPT Ministers to consider the following on BRM:

1. Investing in BRM is critical to the long-term success of Canada's farm businesses and the sector as whole. The funding envelope for the suite of BRM programs should be increased.
2. Crop insurance continues to be an effective tool for farmers to manage production risk and should be maintained.
3. While AgriStability is not viewed as an effective program by most farmers, a margin-based coverage in some form is an important part of the BRM suite of programs.
4. It is critical the governments work closely with industry to ensure the programs in the new BRM suite provide effective, timely and predictable risk management options for farmers. This should be done through the establishment of an industry-government technical working group that allows farm groups to actively participate in BRM data and impact analysis.

### **Research**

Investing in research is how canola was developed, how it has grown to become Canada's most widely seeded crop and further investment in research is how canola will continue to be an economic driver and a global leader in sustainable production. To remain competitive in a global market and to achieve our economic and environmental goals, canola farmers will need both improved production tools such as new seed varieties and crop protection products as well as improved agronomic practices.

From pest or drought resistance, to improved nutritional traits, the advancements made through government-supported research has been extremely beneficial and must continue. With a return on investment for producer focused research ranging between 10:1 and 20:1, increasing our overall investment in agricultural research will leverage private investment, drive sector growth and, in turn, drive Canada's post-pandemic economic recovery. Investing in research allows farmers to continuously improve and remain competitive. The AgriScience Clusters

program in particular has been beneficial to canola farmers and the envelope for this program should be increased.

Research should remain a key priority in the NPF. However, it is also critical to ensure that Canada has an enabling and predictable regulatory environment that encourages investment and allows Canadian farmers access to the latest innovations in the timely manner.

Lastly, research is only able to drive innovation when it gets in the hands of those who can use it. Support for provincial grower groups to fund programs aimed at training and extension opportunities for farmers should be available.

### **Market access and trade diversification**

Trade is critically important to canola farmers with over 90% of Canadian canola being exported. Over the last few years, trade has also been a source of unprecedented volatility. The NPF has the potential to help manage this risk through efforts to diversify markets as well as to maintain them. For example, NPF funding directed towards programs that would fund industry groups to work alongside government trade officials to address new and ongoing trade disputes could help manage and identify trade challenges early on and allow for more timely resolutions.

### **Additional comments**

Beyond the key priority areas listed above, CCGA sees value in directing NPF funding towards the following three areas:

#### **Public trust**

There is an increasing disconnect between consumers and the realities of modern farming practices. The erosion of the public's trust in farmers' production practices has the ability to significantly affect farmers' ability to access innovative tools that are needed to support economic and environmental sustainability. Program funding that supports farmers' ability to communicate with consumers could help mitigate the risks of eroding public trust.

#### **Data**

Science-based decision making is the foundation of the canola sector and access to timely and relevant data underpins this. Funding industry's efforts to collect data that relates to both environmental and economic impacts of policies is a worthy investment. For example, for farmers to reduce emissions we must first understand current levels and which practices most effectively impact change. Rail transportation is another example – access to rail service data is critical to the industry's ability to understand issues and develop solutions.

### Public good

Priorities and policies that provide benefit beyond the agricultural sector should be funded outside of the NPF. Farmers are increasingly being asked to provide ecological services such as protecting wetlands and other habitats, removing marginal lands from production and providing other stewardship activities. Programs should be developed to incentivize and recognize farmers' efforts in these areas. However, these programs should be funded outside of the NPF given society as a whole is the beneficiary.

### Three pillars of sustainability

There are three pillars to sustainability – economic, environmental and social. Like a three legged stool, the NPF must keep all sustainability pillars in balance. Putting too much emphasis on one leg will cause the whole stool to collapse. Canola farmers want to play a role reaching Canada's environmental targets but must be able to do so in a manner that ensures they remain economically sustainable. Environmental policies that do not also consider economic impact should be funded outside of the NPF.

Thank you for the opportunity to provide comments on the priorities for the Next Policy Framework. CCGA is looking forward to working with you to ensure that NPF enables the agriculture sector to grow and to contribute to Canada's prosperity.

Sincerely,

Original signed by

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