

Growing Manitoba Together: Submission to Manitoba Agriculture and Resource Development Engaging Manitoba's Agriculture Industry Consultation

August 24, 2020

Introduction

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, representing and promoting the interests of agricultural producers in the province. KAP's membership consists of approximately 4,500 farm families and 25 commodity associations.

KAP is grateful for this opportunity to provide input so that Minister Pedersen can represent interests of KAP members at the upcoming meeting of agriculture ministers.

We appreciate the department taking steps to continue dialogue while following public health guidelines for social distancing to help keep our industry safe.

We have also appreciated the regular conference calls that Agriculture and Agri-Food Canada and Manitoba Economic Development and Training have been holding throughout the pandemic. We hope that kind of open communication continues after the risk has subsided.

COVID-19 Reactions and Resiliency

KAP appreciates the effort of both the provincial and federal governments to support the people of Manitoba and Canada during this difficult time. The financial and other accommodations provided to the agriculture industry are helping farmers do their part in this time of continued uncertainty.

We must stress that agriculture production and processing, and the supporting supply chains and services, are essential activities and the provincial government should continue to classify them as such as we look forward to economic recovery in Manitoba.

Shocks to the supply chain, starting at the retail and food services level, and then processing capacity, have hit the beef, pork, and potato sectors. However, agriculture and the communities that support it have pulled together. In our Growing Manitoba Together campaign, KAP expressed gratitude to all those that kept feed, seed, fertilizer, and equipment parts moving to farmers, and the grain and livestock moving to market.

These are the times that show us the vulnerabilities in our supply chain, risk management programs, and infrastructure. Let us use this information to make lasting improvements.

Business Risk Management

Business risk management programming needs to work better for Manitoba and Canadian farmers. KAP members have been clear on this issue since well before the pandemic started

and now is the time to get stakeholders together to fix these programs so they are effective and equitable to all commodities.

On April 14, KAP called for a whole-of-government approach to food security that included a coverage rate of 85% under AgriStability with no reference margin limit in 2020.

On April 28, KAP communicated its concern that the immediate impact from COVID-19 felt by beef, pork, and potato producers in Manitoba could have a lasting effect. Both demand and price have been negatively affected by shifts in consumption and processing capacity.

In addition to the improvements across programs, KAP called for a targeted approach for the most affected producers, including:

- Reduced crop insurance premiums for potato producers
- Reduced livestock price insurance premiums
- Targeted advance payments under AgriStability to beef and pork producers

On May 5, the federal government announced \$252 million in new funding for the agriculture industry across this country. For the first time since this pandemic started two months ago, we have seen a measure of progress and support from Ottawa in terms of business risk management programming.

Included in that announcement was additional federal money in the AgriRecovery program. We called for the provincial government to step up with their portion of the funding. That did not come to fruition. In fact, the Manitoba government has not supported primary producers in a significant way up to this point.

We were disappointed with messaging that came from both the federal and provincial agriculture ministers that suggested that support for agriculture was not needed because of the balance in AgriInvest accounts, including \$330 million in Manitoba AgriInvest accounts. What was not shared was information about AgriInvest balances and participation rates by sector. There was also a lack of information about how farmers use the AgriInvest accounts and how they fit into a farm's overall financial picture. Many producers are relying on the AgriInvest funds as their last resort and should not be punished for having made use of other means to maintain their farm business financial viability.

AgriInvest is an efficient program. This is why we have joined our colleagues in the Canadian Federation of Agriculture to request a stimulus program under the AgriInvest program.

However, the federal and provincial governments misuse of AgriInvest balance information needs to be addressed. We reiterate the request of the AG Growth Coalition for the establishment of an industry-government technical working group that allows farm groups to actively participate in BRM data and impact analysis.

Interprovincial Trade of Provincially Inspected Meat

COVID-19 has highlighted weaknesses in our dependence on a few large packers to deliver food supply in crisis. Federally inspected facilities, built to specification for international export markets, are limited in Manitoba and building more is cost prohibitive.

There are provincially inspected abattoirs struggling to maintain year-round viability. These businesses perform a vital function in many rural communities throughout Manitoba. These facilities are all inspected at the highest provincial standards for health and safety compliance.

In May, CFIA put in place a temporary exemption process to permit interprovincial movement of meat and poultry products from establishments that are not federally licensed if such trade becomes necessary to alleviate meat shortages during the COVID-19 pandemic.

We request that Minister Pedersen push to allow for interprovincial meat trade from provincially inspected facilities on a permanent basis.

Future Resiliency Through Strong Public Service and Research

One of the best investment government can make is in knowledge, both to develop it and to share it through a strong public service. KAP members have expressed support for both in recent resolutions.

In July 2020, members passed a resolution for the Government of Canada to increase its funding for public research on grains, oilseeds, pulses, and other crops grown in Western Canada. Further, in February 2019, members supported the federal government's continued work to research, develop and finish wheat varieties that set the standards in the milling industry.

Provincially, in February 2020, members expressed their support for the Manitoba Crop Variety Evaluation Trials (MCVET), the only independent third-party crop variety evaluation testing performed regionally for Manitoba's producers. Members note that the peer-reviewed regionally tested data every year helps Manitoba farmers in the selection and sourcing of varieties that would work best for their individual production needs, regardless of where they live in the province. We encourage Manitoba Agriculture and Resource Development to maintain funding for the MCVET program, and Manitoba Agriculture and Resource Development staff support for the MCVET Program.

Production insurance remains an important risk management tool for farmers. KAP enjoys a good working relationship with Manitoba Agricultural Services Corporation (MASC) and we appreciate the collaboration as we work to continually improve programs to meet the needs of Manitoba farmers. AgriInsurance must remain flexible so that it can be adapted to the unique needs of the provincial regions. We would like to highlight the recent work to improve production insurance for forages and fruit.

KAP members are concerned about any move by the provincial government that undermines the administration of services provided by MASC. In a July 2020 resolution, members communicated that cuts in staffing at MASC and the department have been noticed.

We recognize the current emphasis on balancing budgets and reducing expenditures of all provincial departments, however, that cannot come at the expense of access to staff for claims or production advice. KAP requests its involvement in discussions about staff reductions or department restructuring. We must stress the importance of the Manitoba Agriculture and Resource Development department to the success of Manitoba producers.

Market Opportunities and How to Capture Those

Government's main role in in market development is to ensure the policy environment is conducive so that the private sector can undertake the necessary work. This means having in place risk management programs that support innovation, market information to identify opportunities, and effective bilateral and multilateral trade relationships.

Programming for Innovation

In February 2019, members asked that the Government of Canada and the Government of Manitoba provide more resources to help innovative farms and value-added enterprises get established in Manitoba. Members noted that farming is capital intensive. Start up farms and value-added enterprises are often innovative and meeting emerging markets. An interest free cash advance is available to many niche crops in other provinces. We would like to see innovative farms and value-added enterprises access the interest free cash advance program in Manitoba with an enhanced crop list like other provinces.

Market Information

During a February 2020 resolution discussion, members noted that the food system has become globalized and there is some concern that in the event of political or natural disruptions Manitoba's food supply and availability may be jeopardized.

They further noted that there may be a new opportunity to supply local markets due to this heightened sense of food vulnerability. We did ask the Government of Manitoba to summarize and publicly release reports on domestic food and agricultural production, domestic food and agricultural surpluses, and food and agricultural imports into Manitoba, and we were glad to see that request come through.

Market Access

Of course, the government is responsible for country to country and bilateral and multilateral trade relationships. The issue with canola exports to China remains.

In February 2020, members reminded the Government of Canada to resolve the Chinese canola market access issue as quickly as possible so the Canadian agricultural industry can begin the process of regaining lost agricultural markets in China.

The Use of Technology and Innovation to Advance the Sector

Rural Connectivity

Manitoba's poor rural connectivity is holding it back. KAP's March 2020 rural connectivity survey showed that internet service disruptions affect the ability of farmers and others in rural communities to conduct regular business interactions, resulting in missed business opportunities and lost sales, and making it impossible to invest in new technologies.

Data from the Canadian Radio-television and Telecommunications Commission shows that rural and first nations communities in Manitoba have the lowest levels of availability of 50/10 speeds than all the other provinces and face the second highest discrepancy in prices for communications services between urban and rural areas. Rural Manitoba is paying a lot more for a lot less.

Improved rural connectivity is critical for economic recovery, technology adoption, working and learning from home, virtual health care and quality of life.

Other Manitoba industry organizations have raised this as a priority, particularly during the pandemic. Some good initiatives are underway, but a coordinated government-industry-community effort will be needed to achieve significant improvements.

We request this be put on the front burner for federal-provincial-territorial discussions and that it not be left to private companies or to individual municipalities to go it alone.

Conclusion

Thank you again for this opportunity to provide input.

Our best wishes for a productive meeting.