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Federal Sustainable Development Strategy

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of all Manitoba farmers and 18 commodity associations.

Sustainability plays an important role for Manitoba producers. Environmental, social, and economic sustainability all factor into a producer's decision-making, and government must not overlook how each factor interlinks with one another when drafting its strategy. KAP is pleased to provide feedback to the Department of Environment, Climate Change and Nature regarding its Sustainable Development Strategy.

Agriculture's Target

Environment and Climate Change and Nature aims to strengthen the resiliency and sustainability of Canadian agriculture. The department's target sets financially healthy farms above 90 percent. In 2021, this number was 86 percent and increased to 92 percent in 2023. Today, the number is 92 percent—a number referred to as the starting point within the strategy. The department lists 30 other starting points and their respected targets, and agriculture has the only target that is worse than the starting point. In other words, the percentage of financially healthy farms could decline while still achieving the target. This is concerning.

Any target, whether it is environmental, economical, or social, should focus on improvement, not regression. Farmers continue to adapt in an increasingly competitive environment through adopting new technology, incorporating new practices, and acquiring new knowledge. Farmers strive for improvement in all areas. And government can signal support through setting financial targets that improve the status quo. At its worst, the 90 percent target signals a pessimistic view of Canadian agriculture. KAP recommends that the department change the target from 90 percent to 95 percent.

Cash Flow and Debt-to-Asset Ratio

Measuring farm financial health is complex, and the chosen financial indicator should best represent current farm financial health in Canada. Choosing a debt-to-asset ratio presents a few problems. (1) Farmers own valuable land, but rising farmland values do not equate to profitability or business efficiency. (2) A farmer can have a low debt-to-asset ratio but still struggle to make payments. The free cash flow metric does not have these problems. Instead, the metric shows what cash is left over after the bills are paid. KAP recommends that the department measure financially healthy farms by sufficient free cash flow, not by the low debt-to-asset ratio.

Goals

Achieving goals established in the Sustainable Development Strategy requires moving past the status quo. Implementing the same policies will achieve the same results. The implementation strategies laid out for agriculture do not explain *how* the department will specifically achieve its goals. The implementation strategies require more detail. Making Canadian products available nationwide is a worthy goal, but unclarity exists with *how* this will be achieved. And the implementation strategies become more perplexing considering recent government announcements. E.g., AAFC will cut 665 positions and close seven research facilities while the implementation strategy (2.2.1.1) mentions supporting farmers through innovation, education, research, and climate and disaster resilience initiatives. Producers are innovative and adaptive, but as the sector grows both government support and applicable strategies must align.

The listed goals require collaboration. The environment, sustainability, trade, diseases, labor, research, and innovation all affect farm financial health and involve various government departments. But the implementation strategies 2.2.1.1 and 2.2.1.2 only list AAFC, CFIA, HC, and GAC. If one goal involves creating new economic opportunities, then producers require an adequate labor supply. Immigration, Refugees and Citizenship Canada plays an important role here. If producers wish to access new international and domestic markets, reliable and efficient infrastructure becomes critical that requires Transport Canada's leadership. Including all relevant departments ensures that each department understands the strategies and how to achieve them.

Thank you for the opportunity to provide feedback on the draft 2026-2029 Sustainability Development Strategy. KAP welcomes continued engagement to ensure the strategy supports a resilient and sustainable agricultural sector. If you have any questions regarding this submission, please contact KAP policy manager, Neil Van Overloop, at neil.vanoverloop@kap.ca.

Sincerely,

Colin Hornby
General Manager, Keystone Agricultural Producers Inc.