

CANADIAN FEDERATION OF AGRICULTURE - RESOLUTIONS
2014 BOARD MEETING
OTTAWA, ONTARIO
FEBRUARY 27, 2014

ENVIRONMENT AND SCIENCE

1. Environmental Farm Plan (EFP) Program Funding

WHEREAS the EFP Program provides funding for on-farm projects that protect the environment; and

WHEREAS these projects are called Beneficial Management Practices (BMPs); and

WHEREAS funding is inadequate and the annual allotment of funding is often fully subscribed within a period of a few weeks; and

WHEREAS BMPs are funded 30% by government and 70% by the grower, for the public benefit of protecting the environment.

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. **(BCAC)**

2. Reusable Plastic Containers (RPCs)

WHEREAS some retailers are requesting that producers use Reusable Plastic Containers (RPCs) instead of cardboard containers; and

WHEREAS many RPCs delivered to producers bear traces of Universal Product Code (UPC) stickers, plant materials, soil, etc.; and

WHEREAS unclean packaging represents food safety, phytosanitary and biosecurity threats which may result in serious economic consequences for producers.

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. **(BCAC)**

3. Canola Seed

WHEREAS most canola seed is either a hybrid or patent protected and thus is not available as farmer saved seed;

WHEREAS all of the current seed treatments are currently under patent protection and no generics are available; and

WHEREAS seed companies sell only coated seed.

BE IT RESOLVED that CFA work with industry to lobby the CFIA for farmers to have the option to purchase untreated canola seed. **(APAS)**

4. Deep Geothermal Energy

WHEREAS Canadian agriculture strives to be sustainable and energy efficient; and

WHEREAS the federal government is committed taking action to ensure a healthy environment through demonstration projects of clean energies; and

WHEREAS deep geothermal energy produces almost zero emissions and is more predictable than solar, wind and hydroelectric; and

WHEREAS all countries of the Pacific Rim have developed geothermal energy except Canada;

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. **(BCAC)**

RESEARCH

7. Varietal Development Research Funding

WHEREAS there are many research funding models for varietal development with differing degrees of success among the countries who have implemented UPOV 91; and

WHEREAS a number of farm groups from across the prairies, headed by the Alberta Seed Growers, funded a study to look at the models and develop a made-in-Canada approach which allowed for producer input and funding for varietal research.

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. **(AFA)**

8. Variety Registration

WHEREAS the federal Agriculture Minister has requested the members of the Prairie Grain Development Committees, especially the Wheat, Rye and Triticale Committee, to look at their terms of reference in registering varieties and the Committees formed working groups to do so; and

WHEREAS the Wheat, Rye and Triticale Committee recommended a streamlined Tier One approach as defined by the Canadian Food Inspection Agency for 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. **(AFA)**

BUSINESS RISK MANAGEMENT PROGRAMS

9. Advanced Payment Program:

WHEREAS crop production in 2013 was exceptional;

WHEREAS primary elevators in Western Canada are operating at capacity; and

WHEREAS a significant portion of the crop continues to be stored on farm.

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. **(APAS)**

10. Loan Guarantee

WHEREAS producers now more than ever need to actively manage their own risk through forward pricing and hedging due to deficient government business risk management programs;

WHEREAS the financial risk involved in hedging (margin calls) is a real barrier to increased producer participation in hedging livestock and grain; and

WHEREAS the federal government has commissioned a study to investigate the feasibility of providing loan guarantees for margin calls.

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. **(APAS)**

11. Agri-Innovation Program (AIP)

WHEREAS \$468 million to fund Industry initiated Research and Innovation under the Agri-Innovation Program (AIP) under Growing Forward 2 ;

WHEREAS AAFC has received numerous applications for funding on February 1, 2013;

WHEREAS many of these applications have not received a decision from the Programs Branch for nearly a full year; and

WHEREAS continuity is critical for many ongoing agriculture research projects and lack of continuity can considerably increase cost.

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. **(BCAC)**

12. Horses as Livestock

WHEREAS results of the "Equine Industry Export Market Opportunities Study" (©2003 Equine Canada) confirmed that short-term, mid-term and long-term opportunities exist for Canada in the key markets of the United States, Mexico, Brazil, Argentina, United Arab Emirates, the

European Union (Germany identified) and Australia. China is regarded as a developing long-term market,

WHEREAS horses are deemed to be livestock by the Canadian Veterinary Medical Association, CFIA, British Columbia Horse Council and many others;

WHEREAS the current status of horses as livestock is not consistent throughout federal and provincial legislations, leading to difficulties in interpretation for farmers;

WHEREAS there is a viable horse meat processing industry in Canada where 85% of the horse meat produced in Canada is exported, 18 million kg valued at 90 million dollars in 2011;

WHEREAS the equine industry is often not included in trade talks, overseas trade conferences, and government industry stimulus programs.

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. **(BCAC)**

13. Insurance-Based Programs

WHEREAS corn silage, pasture silage, haylage, and hay acreage are extremely important crops to all herbivore based agriculture,

WHEREAS these hay and silage based crops are growing in importance as cash crops,

WHEREAS there are not insurance based safety net programs for these crops in all provinces,

BE IT RESOLVED that the CFA 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. **(AANB)**

14. Livestock Tax Deferrals

WHEREAS flooding and severe storms are in part due to climate change and can cause extensive damage to hayland, pasture, and other resources causing feed shortages; and

WHEREAS in 2011, the Government of Canada offered tax deferrals to eligible livestock producers in designated areas of Manitoba who were struggling as a result of excess moisture.

BE IT RESOLVED that CFA 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. **(KAP)**

15. Cash Advance Program

WHEREAS there is currently no movement of grain in Western Canada;

WHEREAS farmers rely on money from the Advance Payments Program for seeding and crop inputs;

WHEREAS many farmers in Canada will have reached their cash advance limits without purchasing seeds and inputs for the upcoming crop year; and

WHEREAS the Advance Payments Program has a limit of \$400,000.

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

16. 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. **(KAP)**

TAXATION

17. Sibling Farm Transfers

WHEREAS there are currently no tax deferrals for farmers in Manitoba for sibling to sibling farm ownership transfers; and

WHEREAS ease of transfer of farm ownership between siblings will help family farms in Manitoba; now, therefore,

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

TRANSPORTATION

19. Service Level Agreement Penalties

WHEREAS the Canadian Transportation Agency is responsible for monitoring Canada's rail industry to ensure that it meets the requirements of the Canadian economy and Canadian shippers;

WHEREAS the *Fair Rail Freight Service Act* became law on June 26, 2013;

WHEREAS, Shippers can use the new arbitration process now outlined in section 169 of the *Canada Transportation Act* to establish the terms of service to which they are entitled, in the event that rail companies and shippers cannot reach a service level agreement through commercial negotiations;

WHEREAS the Canadian Transportation Agency will administer this arbitration process, and may issue a penalty of up to \$100,000 against a railway company for each violation of an arbitrated service level agreement;

WHEREAS fines are collected and retained by the Government of Canada and not provided to shippers as compensation for economic losses due to a railways inability to meet the agreed upon level of service; and

WHEREAS the shipper has no alternative recourse of contract should the railway not comply with the service agreement and could potentially lose money and contracts based on a railways action or inaction.

BE IT RESOLVED that CFA 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. **(KAP)**

20. Domestic Grain Resolution

WHEREAS the BC livestock industries require the steady, reliable, cost efficient transport of domestic feed grain from the grain producing regions to the feed mills;

WHEREAS annual requirements are 900,000 tonnes annually, which equates to approximately 100+ railcars weekly;

WHEREAS elimination of the Canadian Wheat Board has left a void in the coordination of grain shipping and rail car allocations;

WHEREAS other products- oil, fracking sand, lumber – may be getting priority to grain;

WHEREAS railways are running trains to maximize their bottom lines, and those of their large customers;

WHEREAS domestic grain users pay full freight cost but get inferior service; and

WHEREAS domestic grain customers and domestic grain need to be given priority in shipping schedules – otherwise animals could go hungry.

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. **(BCAC)**

22. 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. **(BCAC)**

FOOD SAFETY

23. CFIA Inspection Model

BE IT RESOLVED that CFA continue to monitor and participate in the Canadian Food Inspection Agency's development of a new inspection model. **(APAS)**

25. Transportation of Compromised Animals

WHEREAS the federal authorities have considerably tightened the application of Part XII of the Health of Animals Regulations, regarding the transportation of animals;

CONSIDERING the amendments made in February 2013 to the Compromised Animals Policy as regards the definition of lameness;

WHEREAS the assessment of an animal's fitness for transport contains a subjective component;

CONSIDERING that at the time when an animal is loaded, it may be difficult for the producer and carrier to foresee changes in the animal's condition while in transit and at destination; and

WHEREAS some animal carriers have been fined under the Health of Animals Regulations and are increasingly timid when assessing an animal's condition, going so far as to refuse to transport a compromised animal to avoid all risk;

WHEREAS producers endorse the principles set out in the regulations, reiterate their commitment to animal well-being, and do not want to be penalized wrongfully;

CONSIDERING the delays of up to two years between a producer or carrier receiving a notice of alleged offence and receiving the CFIA's opinion on it;

WHEREAS the excessive amounts of penalties can go up to \$4,000 for a first offense; and

WHEREAS this context argues in favour of a gradual enforcement of the regulations (issue a warning then gradually increase fines).

BE IT RESOLVED that the CFA ask AAFC and the CFIA:

- To review, with the organisations 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. **(UPA)**

GRAINS AND OILSEEDS

26. Canadian Grain Commission – Inward Inspection

WHEREAS as of August 1, 2013, if a producer car shipper or his agent who causes grain to be delivered to an export terminal so requests, the authorized third party inspector chosen by the terminal elevator operator shall sample, inspect and/or weigh the grain received in a manner authorized by the Canadian Grain Commission;

WHEREAS the terminal elevator has sole authority to select a third party inspector and producers feel this could be a conflict, and may cause the producer to request a re-inspection if the inward car inspection does not match the loading sample, at an additional cost to the producer; and

WHEREAS the producer car shipper may prefer a staff member of the Canadian Grain Commission conduct the 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. **(AFA)**

27. Canadian Grain Commission – Re-inspection

WHEREAS five days to request a re-inspection of a producer car sample is too short a time.

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. **(AFA)**

TRADE

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

WHEREAS the Federal and Provincial Governments have tentatively signed a Comprehensive Economic & Trade Agreement (CETA) with the European Union;

WHEREAS the implementation of this agreement will potentially result in the Canadian dairy industry losing an additional 17,700 tons of cheese production; and

WHEREAS the Federal and Provincial Governments have stated their support for supply managed commodities yet are deliberately eroding one of the pillars and this system; that is, border controls.

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. **(AANB)**

29. Canada-European Union – Comprehensive Economic And Trade Agreement Ratification(CETA)

WHEREAS on 18 October 2013 the Prime Minister of Canada, Stephen Harper, signed an agreement in principle on the major negotiated outcomes of CETA;

WHEREAS under this agreement in principle the Government of Canada agrees to give to the European Union an additional access of 17,700 tonnes of cheese;

WHEREAS in addition to being in breach of the motion on the balanced trade position adopted unanimously by the Canadian House of Commons in 2005, these concessions will have a major impact on Québec's dairy sector, principally on the high-quality fine cheese market;

WHEREAS the additional imports from Europe will affect all cheese manufacturers, with a more dramatic impact on the mid-sized and small businesses whose activity is concentrated in the fine cheese sector and which will hardly be able to compete with subsidized European imports; and

WHEREAS these additional imports could account for up to 30% of the Canadian fine cheese market in the retail sector;

WHEREAS the revenue losses linked to the arrival of these additional 17,700 tonnes of cheese on our market is measurable and will annually exceed 300 million dollars for cheese producers and sellers;

WHEREAS this concession on Canada's part has the effect of giving to the European Union the fruit of all the effort deployed by the industry over the last 20 years to develop the fine cheese sector, including the promotional investments from milk producers totalling over 100 million dollars;

WHEREAS in the context of other agreements such as the Trans-Pacific Partnership, the Government of Canada will continue to be pressured to open markets for its products under supply management; and

WHEREAS the federal and provincial governments are formally committed to defend supply management in its integral form.

BE IT RESOLVED that the CFA 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. **(UPA)**

OTHER

30. Fairness within the Agri-Food Supply Matrix

WHEREAS considering the almost total lack of transparency in setting profit margins at the various links in the food supply chain, in distribution practices, and in setting retail prices;

WHEREAS the sharing of risks is imbalanced between agricultural inputs suppliers, buyers and producers;

WHEREAS the mechanisms of collective marketing permit greater transparency in the information on the conditions and prices offered to agri-food producers and a better balance of power for bargaining in a context where buyers and distributors are increasingly concentrated;

WHEREAS investigations into production costs prove that producers have intensified their business effort and have adopted various measures designed to enhance their productivity gains; and

WHEREAS considering, however, that this improvement is captured by the other players in the supply matrix.

BE IT RESOLVED that the CFA 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. **(UPA)**

31. 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. **(KAP)**