June 8, 2020

The Honourable Marie-Claude Bibeau, P.C., M.P.
Minister of Agriculture and Agri-Food
1341 Baseline Road
Ottawa, ON K1A 0C5

Dear Minister Bibeau:

On behalf of the thousands of businesses in the agriculture and agri-food economic sector, we want to express our appreciation for the government’s continued engagement with the business community as Canada continues to weather the health and economic effects of the COVID-19 pandemic. We, as Presidents and CEOs of Canada’s national, provincial, and territorial chambers of commerce, are writing to provide proposals on how to mitigate the impact of COVID-19 on the agriculture and agri-food sector.

As you know, the agriculture and agri-food sector plays a key role in the Canadian economy. It employs over 2.3 million people, accounts for 7.4% of the Canadian GDP, and provides 1-in-8 Canadian jobs. The sector is the backbone of Canadians’ access to affordable, safe, and high quality food.

While business supports announced by the federal government over the last few weeks will be beneficial to businesses, more action is required. We were glad to hear the Prime Minister express a willingness to further support the sector when the first tranche of support was announced earlier this month. In the context of ensuring food security for Canadians and creating the conditions for economic recovery, there are a number of recommendations we wish to put forth.

1. **Risk Management**: Risk management programs play a vital role in providing a backstop for producers when market conditions deteriorate. This process is critical, given the rapidly-evolving landscape for producers, and fluctuations inherent in the sector in normal times. In respect of changes, we would encourage the government to remove the $3 million payment cap, removing the Reference Margin Limit and increasing the AgriStability trigger to 85% for the 2019-2020 program year and for the remainder of the Canadian Agricultural Partnership.
2. **Livestock Supply:** Beef producers across all sectors have been forced to extend the feeding time of their livestock as a result of processing delays. The recently announced federal set-aside program will help producers offset the costs of holding back their products in response to slowdowns in processing capacities, as well as assisting with market recovery. We recommend monitoring closely the need to increase funding for this program especially in case a second wave of COVID-19 in the coming again disrupts these supply chains.

3. **Credit Access:** We appreciate the government’s increased funding of Farm Credit Canada to help farmers with loans and payments. However, producers have highlighted concerns about the loans only applying to Farm Credit Canada programs and not to those from other lenders. These provisions need to be changed, which will also complement the expansion of the Canadian Emergency Bank Account announced on May 19.

4. **Access to PPE:** In addition to financial supports, the agriculture and agri-food industry is focused on ensuring the safety of employees and customers. Although we are supporting industry-led initiatives like the Rapid Response Platform, it remains critical that the government not lose sight of the sector’s need to access PPE. The government should continue to work with industry to explore how the supply chains being developed to meet public health inventories can eventually be leveraged to support industry needs.

5. **Support for Supply-managed Sectors:** The members of the supply-managed sector are continuing to prepare for the implementation of the Canada-United States-Mexico Agreement. At our 2019 AGM, chambers overwhelmingly passed a resolution calling on the government to provide supports in response to the adverse impacts CUSMA will have on supply-managed sectors. As the July 1st implementation date is rapidly approaching, the government must redouble its efforts with the sector to complete this support package.

6. **Access to International Markets:** Although the focus on supply chains has understandably shifted to reshoring, many of our agriculture and agri-food products are export-dependent. As well, manufacturers in the agriculture and agri-food industry must rely on the predictable flow of ingredients, products, packaging, and labour to maintain operations. As pressures increase for governments to enact protectionist measures, it will be important for Canada to continue to lead in making the case for rules-based trade. This includes enabling better use of existing trade agreements, and particularly leveraging provisions to tackle non-tariff trade barriers.
7. **Labour:** Access to labour is not a new challenge for the agriculture and agri-food sector, but it is one that is seriously compounded by the COVID-19 pandemic. For instance, while greatly appreciated by many workers, the Canadian Emergency Response Benefit has had a detrimental effect on the ability of many businesses to hire new workers. There are numerous sector-specific stories of farmers having to eliminate product because of labour shortages. To fill those gaps, we are calling on the government to provide a further financial incentive for workers in the sector, such as a wage top-up for private sector essential agriculture and agri-food workers. We are also asking for support to help offset the costs of training the workforce, which can vary from $2,000 for a production line worker to $50,000 for a highly skilled specialized worker.

8. **Agri-technology:** The agriculture and agri-food in sector continues to rely on technology in to support Canada’s economic activities. We ask the government to support the deployment of agri-tech to increase productivity and food quality, and to support the deployment of high-speed broadband to rural communities.

9. **Regulatory Modernization:** As we begin shifting the conversation towards economic recovery from COVID-19, we urge the government to review existing regulations that impose an administrative burden on businesses. This does not mean eliminating frameworks that ensure the health and safety of the agriculture and agri-food supply chain, but the review should act as a guide in government conversations with businesses and industry stakeholders to find appropriate ways of accomplishing policy objectives. The government should set clear accountability standards and progress reporting on the deliverables as outlined in the Agri-food and Aquaculture Roadmap.

In keeping with the overarching objective of food security, we urge the government to continue to assist the industry through this period of significant disruption. We would be glad to support your work as we begin the process of economic recovery.

Sincerely,

Hon. Perrin Beatty, O.C., P.C.
President and Chief Executive Officer
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