

Securing and Stabilizing Canada's Agriculture and Agri-food Industry for Long-term Prosperity after Covid-19

DESCRIPTION

The COVID-19 pandemic has had a detrimental effect on the Canadian agriculture and agri-food industry. From producers to processors and everywhere in between, businesses have been forced to either dramatically scale back or shut down operations entirely due to measures taken to prevent the spread of the disease. As Canada's economy moves toward the recovery phase, the industry will require further support to guarantee its long-term competitiveness and prosperity. Among other measures, the agriculture and agri-food industry will require a robust and transparent regulatory process to enhance its long-term environmental and economic sustainability.

BACKGROUND

Canada's agriculture and agri-food sector is a key player in the Canadian economy. It employs over 2.3 million people in all regions across Canada, accounts for 7.4% of the Canadian GDP, and provides 1-in-8 Canadian jobs. Throughout the COVID-19 pandemic, the industry deserves praise for its efforts to keep Canadians fed in safe, healthy, and secure ways. From farmers to retailers and all segments of the supply chain in between, the sector has demonstrated a seemingly infinite capacity for creativity, adaptability, and hard work. We are appreciative of government engagement and coordination through mechanisms such as regular supply chain roundtables and ongoing consultations.

Following on the Minister of Finance's Advisory Council on Economic Growth's recommendations, the 2018 Economic Strategy Table on Agri-Food identified the sector poised to be key driver of economic growth by 2025. It set ambitious targets of \$85 billion in exports and \$140 billion in domestic sales in the same timeframe⁸². From producers to processors and everywhere in between, the sector is poised to become a world leader in its productivity, but certain regulatory and non-regulatory barriers must be dismantled in the process.

The measures implemented during the COVID-19 pandemic, though necessary and appropriate given the widespread transmission of the disease, have significantly affected the ability of the industry to meet these objectives. Business supports announced by the federal government have been beneficial however there remain significant gaps which need to be addressed. As all orders of government in Canada look to reopening and recovery efforts, there must be a coordinated and balanced approach to doing so. The federal government can take the lead on this process by providing clear guidelines to provincial governments that benefit the entire supply chain, from farm to fork. With a vaccine likely at least a year away, these guidelines should be set against the backdrop of food security and safety without imposing extraneous regulations that inhibit economic prosperity and competitiveness.

⁸² Agri-food Economy Strategy Table, The Innovation and Competitiveness Imperative: Seizing Opportunities for Growth, September 2018, [https://www.ic.gc.ca/eic/site/098.nsf/vwapj/ISED_C_Agri-Food_E.pdf/\\$file/ISED_C_Agri-Food_E.pdf](https://www.ic.gc.ca/eic/site/098.nsf/vwapj/ISED_C_Agri-Food_E.pdf/$file/ISED_C_Agri-Food_E.pdf)

Given the precarious nature of the industry due to COVID-19 and other externalities, it is vital that governments act quickly to provide further supports and take the following action to help guarantee its long-term success and stability after the pandemic is over. In addition to these supports, more government programming is needed to coordinate the supply chain response in the medium to long-term, while mitigating ongoing challenges. Governments will need to focus their attention on re-establishing food value chains on not only a domestic scale, but also globally, which includes addressing impediments to market access.

RECOMMENDATIONS

That the Government of Canada:

1. Expand credit access beyond Farm Credit Canada programs to include other lenders, which complements the expansion of the Canadian Emergency Bank Account.
2. Undertake a review of existing regulations that impose an administrative burden on business while ensuring the health and safety of the agriculture and agri-food supply chain.
3. Promote access to international markets by making better use of existing trade agreements by addressing non-tariff trade barriers. Encourage Canada to be a leader in rules-based international trade to encourage open movement of people, goods, and services. As Canada seeks new trade agreements, the government must ensure it keeps its commitments regarding further concessions to Canada's supply management sector.