



August 5, 2016

House of Commons Standing Committee on Finance

Finapbc-cpb@parl.gc.ca

Dear House of Commons Standing Committee on Finance Members,

The Canadian Canola Growers Association (CCGA) appreciates the opportunity to participate in the pre-budget consultation for Budget 2017. Representing the interests of Canada's 43,000 canola farmers, CCGA would like to take this opportunity to outline several key considerations for the next federal budget.

A healthy agriculture sector contributes jobs and benefits to the entire Canadian economy. In fact, 1 out of every 8 jobs in Canada is related to agriculture making the sector a fundamental pillar of Canada's economy. Within agriculture, the canola sector generates \$19.3 billion annually for the Canadian economy, supports 249,000 jobs and has a solid strategy for growth.

Trade

Canola farmers export over 90% of their production as seed, oil or meal. This trade creates jobs and generates economic activity here in Canada. Strong trade agreements are essential to open new markets and maintain access to existing ones. But agreements are only one part of the equation; Canada needs to have dedicated personnel in place to address trade barriers. Trade agreements and addressing trade barriers is work only the federal government can do and this work needs to be fully funded. This includes the Market Access Secretariat which requires suitable funding to resolve trade barriers as they arise and to promote global solutions to prevent barriers in the future.

Implementation of both the Canada-European Union Comprehensive Economic and Trade Agreement and the Trans Pacific Partnership Agreement must be pursued. Budget 2017 can send a strong signal in this regard, and also identify the importance of new trading arrangements with key markets, such as China. Budget 2017 must also ensure that the Market Access Secretariat is properly funded.



Next Policy Framework

The Agriculture Policy Framework lays the foundation for five-year programming within Agriculture and Agri-Food Canada and the provinces. The current agreement expires in March of 2018 and consultations are underway with industry and government to chart a path forward. It is critical the Next Policy Framework is adequately funded to address on farm risk management and off farm programming. This will help ensure a robust and diverse agricultural sector.

Canola growers will always look to the market for their returns, but risks beyond their control from drought, flood, pests, disease and market collapses do occur. The current suite of on-farm risk management programs helps producers manage these losses and get on with their businesses; the consultation process will be an opportunity to improve the way these programs are working.

Other programs help the industry strategically. The AgriMarketing Program provides matching funds to industry dollars to support an industry-led strategy for market development. The AgriInnovation Agri-Science cluster for canola has been instrumental in fostering a well-defined research and innovation initiative. With increasing interest on sustainable practices, the Canadian Roundtable on Sustainable Crops is helping industry navigate, measure and implement appropriate tools and has been supported through federal funding. Funding has also been available to support the work of various Roundtables through AgriCompetitiveness; the Roundtables are excellent mechanisms to identify and chart paths forward on common goals.

Adequate funding for current and future Agriculture Policy Frameworks is essential. While new priorities will be addressed through the next framework, the successes of and resources allocated to the current priorities must not be eroded.

Transportation

With the bulk of canola produced inland, it must move to export points to reach export destinations and this happens through rail. The full transportation system is currently under review through Minister Garneau and this is an opportunity to determine key infrastructure investments that could be made to improve rail now and into the future and address service issues.

Budget 2017 provides an opportunity to recognize that critical rail infrastructure investments identified through the transportation review be addressed.



Innovation

The path to a successful future lies with innovation. Canola producers are continually improving their practices, ensuring they are growing crops sustainably and maintaining the health of the soil, air and water. Agriculture must be a fundamental pillar on the Innovation Agenda, with industry and government working together to make Canada a world leader in agricultural innovation. Budget 2017 can help this happen.

Environment and Climate Change

Canada's 43,000 canola producers do their part every year to manage the land under their care and contribute positively to the environment. Canola oil is an excellent feedstock into the production of biodiesel, as it produces 90% less carbon than fossil fuels. The current 2% federal mandate could be increased to 5% with immediate benefits to the environment. Setting low carbon fuel standards would also serve to ensure the renewable fuels used meet low carbon standards.

An incremental increase in federal mandates for biofuel from 2% to 5%, and a low carbon fuel standard should be identified in Budget 2017.

Thank you for the opportunity to provide these comments.

Sincerely,

A handwritten signature in blue ink that reads "Catherine Scovil".

Catherine Scovil
Director, Government Relations