



**Canadian Federation of Agriculture's  
Rural Policy Committee  
Pre-Budget 2017 Consultation  
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## Executive Summary:

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The Canadian Federation of Agriculture (CFA) is an umbrella organization representing more than 200,000 farm families across Canada. These farm families operate small businesses and work hard to benefit all Canadians by contributing significantly to the Canadian economy, providing safe and affordable food and a clean, sustainable environment. CFA's mandate is to promote the interests of Canadian agriculture and agri-food producers, and to ensure the continued development of a viable and vibrant agriculture and agri-food industry in Canada.

### ***CFA's Rural Policy Committee:***

The CFA Rural Policy Committee, comprised of producers and staff from CFA members from across Canada, has a mandate to provide a venue for in-depth dialogue on diverse, rural policy issues. The committee seeks to identify policy solutions to maintain and enhance the sustainability and vibrancy of rural communities across Canada.

### ***The 2017 Federal Budget: Ensuring a Vibrant, Sustainable Rural Canada***

Agriculture is the backbone of Canada's rural communities, and its contributions are essential to the future for all Canadians. Beyond direct benefits related to the economy, food safety and security, health, and the environment, the sector has a pivotal role in sustaining Canada's thriving rural communities. The sector provides one in eight Canadian jobs and employs 2.3 million Canadians, with more than 275,000 working directly in primary agriculture. In 2014, the Canadian agri-food industry generated \$108.1 billion in GDP (6.6%) and exported \$51.5 billion worth of products, placing Canada as the world's fifth-largest exporter of agriculture and agri-food products in the world.

Farmers' contributions to other rural businesses show how their value underpins much of the rural economy. In 2014, Canadian farms alone spent \$5.1 billion in wages, \$4.9 billion on fertilizer, \$2.8 billion for fuel, with net farm operating expenses totaling over \$50 billion. These expenditures occur in communities across Canada and in turn provide a host of spin-off industries and economic flow within these communities.

CFA's rural policy committee makes the following recommendations to enable Canada's rural communities to thrive and fulfill their latent potential as resilient drivers of Canada's economic growth:

- 1)** Develop a digital infrastructure strategy for rural Canada, in partnership with rural and agricultural stakeholders, laying out clear targets and a vision ensuring affordable access to services for rural Canadians.
- 2)** Identify broadband internet as an essential service and implement more ambitious targets for basic broadband servicing alongside a stable funding mechanism for rural broadband deployment.
- 3)** Address Canadian agriculture's chronic and critical labour shortages, which limit growth and productivity in rural communities, by reducing program complexity in the Temporary Foreign Worker Program.

More broadly, it is imperative that rural communities receive a more appropriate balance of funding through the second phase of the federal government's infrastructure plan. Canada's rural communities need dedicated funding to improve roads, bridges, water systems, and other public amenities to revitalize their communities and the industries within them.

## Enabling Rural Communities — Drivers of Canada's Economic Growth

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### 1) *Access to broadband internet: Positioning Canadian agriculture as a sustainable economic driver for rural Canada*

Canadian agriculture has proven itself a resilient growth sector, all of this while 98 per cent of farms in Canada remain family-owned. However, agriculture in the 21st century has evolved into a sophisticated, innovation-driven, technology-based industry that must increasingly anticipate and respond to changing consumer demands both at home and abroad.

Why is this important? This continual growth allows Canadian producers to produce more with fewer resources, while generating considerable economic gains for the Canadian economy, benefitting both rural and urban Canadians. Focusing on sustainable practices reduces environmental impacts while simultaneously driving growth and international competitiveness. Canada continues to take a lead role in promoting sustainable agricultural practices and is renowned globally for producing safe, high-quality agriculture and agri-food products.

As a country with vast natural capital and a commitment to sustainable agricultural practices, the industry is well-positioned to grow and meet ever-increasing domestic and global demand for food. With the global population forecasted to exceed 9 billion by 2050, and a burgeoning middle class in emerging economies around the world, this is an opportunity Canada cannot afford to pass up. To seize this opportunity, Canada's agriculture industry must work in partnership with its value chain partners and with governments at all levels, and drive innovation to produce more food on a sustainable basis.

Looking at the recent history of innovations in agriculture and other sectors, productivity gains on farms are unparalleled, and are the result of many factors: mechanization, biotechnology, and more recently, precision agriculture and data-based systems. *Precision agriculture* is a data-based farm management approach that focuses on targeting inputs, reducing waste and improving management practices. This approach sees farmers using the most innovative and sustainable practices; however the widespread adoption of these practices requires a dramatic increase in internet connectivity.

At the same time, innovations in marketing, production, and product research are creating opportunities for producers to participate in both domestic and global marketplaces through online technologies, while online government services continue to evolve. Access to broadband internet also represents an important lifestyle consideration for all Canadians, particularly young people, when considering where to live. If rural Canada is to remain attractive to future generations, access to reliable, high-speed internet will be critical. Access to reliable, broadband internet has become an essential pillar of a vibrant Canadian agriculture industry and of rural communities across Canada.

A significant proportion of primary producers in Canada still lack access to broadband internet services with an even larger proportion lacking access on a reliable basis. Affordability for these services remains a major challenge and a lack of competition exists in many parts of rural Canada, leading to inadequate internet download/upload speeds, inconsistent servicing, and a lack of adequate investment in deployment of broadband internet infrastructure outside of urban centres.

While CFA would like to express our members' support for the government's commitment in the 2016 Federal budget to invest \$500 million over five years to extend and enhance broadband service in rural and remote communities, we believe that broadband internet represents an essential service for all Canadians, and that it merits a more strategic investment. The economic, social and environmental sustainability of rural communities is dependent on ensuring there is predictable, sustained investment in rural broadband deployment and enhancement moving forward.

### CFA recommendations:

- **Develop a rural digital infrastructure strategy for rural Canada.** Bring together telecommunications providers, rural communities, and agricultural stakeholders to lay out a clear vision and a strategy with clear targets to ensure that digital infrastructure, including internet and cell phone services meet the needs of all rural Canadians and contributes to a sustainable and vibrant rural Canada for decades to come.
- **Define a clear goal for all Canadian households to be able to access 25 Mbps broadband internet service by 2020 (the “25 Mbps by 2020” goal), subject to annual updates to the definition of “basic” broadband.** This would ensure Canada remains competitive with broadband access goals of Canada’s major trading partners, while providing a foundation through which the CRTC and service providers could address the growing disparity in service availability between rural and urban communities.
- **Establish a new funding mechanism, supplemental to the existing National Contribution Fund, designed directly to target expansion, rather than maintenance of existing services.** This mechanism should explicitly focus on reducing the broadband Internet access services gap between and within regions, including urban-rural discrepancies.

## **2) *The future of Canada's farm and food workforce: Capitalizing on agriculture's continued success as a provider of employment opportunities in rural Canada***

CFA members continue to identify chronic and critical labour shortages as one of the most pressing risks facing Canadian agriculture and a major constraint on both growth and global competitiveness. Agriculture is a complex industry that faces unique workforce challenges due to rural depopulation, seasonal production, and highly perishable products.

The Canadian Agricultural Human Resource Council (CAHRC) recently published statistics<sup>1</sup> demonstrating the increasing challenges that labour constraints place on the agriculture sector:

- Annual farm cash receipt losses to Canadian producers due to unfilled vacancies are \$1.5 billion, or 3% of the industry's total value in sales and production.
- Primary agriculture still has the highest industry job vacancy rate of any industry at 7%.
- The current gap between labour demand and the domestic workforce is 59,000 and projections indicate that by 2025, the Canadian agri-workforce could be short workers for 114,000 jobs.

Labour now represents one of the most significant constraints on the competitiveness and sustainability of Canadian agriculture, which has direct bearing on rural Canada. The agri-food industry provides more than 2.3 million Canadian jobs, and as vacancies continue to mount and threaten the viability of operations, these other positions become more tenuous.

While the aforementioned issues are common to the whole industry, there are different needs in each sub-sector. While some farms have very specific seasonal requirements, others need labour on a year-round basis, with a wide range of skill sets, anywhere from livestock handling to driving high-tech, heavy machinery.

In response to these challenges, the Canadian agriculture and agri-food industry has come together as a "value chain" to develop permanent solutions for primary production and food processing. The resulting action plan equips government and industry with a clear roadmap forward, laying out short-, medium-, and long-term actions. [\*The Canadian Agriculture & Agri-Food Workforce Action Plan\*](#) has two important goals:

1. To increase the supply of labour for skilled and unskilled workers
2. To improve the knowledge and skills of workers in the industry

If Canadian producers can't access the right labourers, the industry is seriously constrained in its ability to maintain growth. Canada is uniquely well-positioned to meet the increasing demands of an increasing middle class around the world and the global population of over nine billion people forecasted by 2050. To overcome these challenges and ensure that the sector can continue to grow and employ millions of Canadians in both rural and urban communities, Canada's immigration and employment programming must adapt to accommodate agriculture's unique needs. Benefits of such policy changes will lead to stronger rural communities, and will help address food security for Canadians and consumers worldwide.

### **CFA recommendations:**

- **Address the multi-faceted, evolving nature of primary agriculture's chronic and critical labour shortage by putting in place an interdepartmental task force.** Bring together officials from all relevant departments with agricultural stakeholders to share information and work in partnership to address the short, medium and long-term needs of the sector.

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<sup>1</sup> Canadian Agricultural Human Resource Council - <http://www.cahrc-ccrha.ca/news-events/news/vacant-jobs-agriculture-costs-producers-15-b-and-impacts-canadians>. Note: Statistics refer only to primary agricultural positions.

- **Work in partnership with agricultural stakeholders to review the *National Commodities List* and ensure all interested agricultural commodities have access to agriculture-specific temporary foreign worker program streams.** The National Commodities List currently dictates which producers can access the Seasonal Agricultural Worker Program (SAWP) and the agricultural stream. However, many agricultural commodities continue to be excluded from this list, requiring them to apply through the low-wage stream of the TFWP, adding unnecessary complexity and preventing primary producers from accessing those programs designed for them.
- **Maintain the SAWP program for seasonal, on-farm labour needs,** which has been lauded internationally as a successful means of providing a steady, reliable source of seasonal labourers, which is built upon robust, mutually-beneficial relationships with the individual workers and partner countries.
- **Remove the cumulative duration limit of 48 months for seasonal workers hired outside of the SAWP,** providing all Canadian producers with access to seasonal labourers when they have proven an inability to hire Canadian workers. The current limit leads to excessive retraining costs for the industry, leads to de-skilling of the available labour pool, and provides our competitors with skilled labourers that were trained on Canadian farms.
- **Work with CFA and other agricultural stakeholders to establish pathways to permanent residency that recognize the unique skills required for agricultural work.** Where Canadians cannot be hired, international workers also represent a vital source of labour in addressing permanent agriculture and agri-food positions. Current permanent residency programs across Canada impose significant barriers to workers deemed 'low-skilled', in many cases excluding them outright, despite significant unfilled vacancies within the agriculture industry and many international workers interested in establishing their lives in Canada's rural communities.