



Possibility grows here.

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Local Food and Climate Smart Agriculture Friends of the Greenbelt Foundation & Greenbelt Fund

Pre-Budget Submission House of Commons Finance Committee

1. Introduction

Canada is missing an opportunity to create new jobs, put more locally-grown food on Canadian tables, and reduce the impact of farming on climate change. Local food is big business in the US and Europe – and Canada needs to close the gap. Between 2009-2015, the US Department of Agriculture invested \$1 billion in local food businesses and infrastructure projects, generating a return on investment of \$5 billion in increased local food sales from 2008-2014. Canada can make the same leap.

The House of Commons Standing Committee on Finance has asked Canadians to provide suggestions on:

“What federal measures would ensure that urban, rural and remote communities throughout Canada enable residents to make their desired contribution to the country’s economic growth and businesses to expand, prosper and serve domestic and international customers in order to contribute to growth?”

On February 28, 2005, the Ontario Government established the “Greenbelt.” Stretching from the Niagara Peninsula around the GTHA to Northumberland County, the Greenbelt added one million acres of farmland and environmentally sensitive areas to the already protected Niagara Escarpment and Oak Ridges Moraine, totaling nearly 2 million acres of protected land.

A world-class model for preservation, Ontario’s Greenbelt is the largest of its kind, spanning almost 2 million acres of protected farmlands, forest and wetlands in the Greater Golden Horseshoe, which is projected to grow to more than 11 million inhabitants by 2031.

By harnessing the collective potential of Canada’s local farms, food businesses and public institutions, the Friends of the Greenbelt Foundation and Greenbelt Fund (the “Greenbelt Fund”) can build on the successful programs that it has already developed to connect local food buyers and sellers while adopting climate smart agricultural practices. In doing so, the Greenbelt Fund would further the ability of residents of rural communities to contribute to the country’s economic growth.



2. New investments to amplify local food and climate smart agriculture

A total investment of **\$20 million over 4 years** by the Government of Canada would allow the Greenbelt Fund to boost its support of local food and climate smart agriculture, amplifying its past successes, best practices and proven solutions.

Building on the Greenbelt Fund's local food track record, we want to continue to identify and foster investment opportunities in local food and farming, with federal support to:

- Improve market access for “local food”
- Address the government's significant commitment to address climate change in the agricultural sector – through agricultural practices and energy conservation measures

The Greenbelt Fund would continue to focus its efforts in Ontario, and would look for opportunities to extend its expertise and best practices to other agricultural hubs across the country – assisting them in adopting leading edge practices that have been developed to maximize sustainable agricultural growth.

3. Improving Market Access for “Local Food”

Since 2010 the Greenbelt has invested \$8.4 million in projects to increase local food sourcing and processing, benefitting:

- Small and medium-sized farmers
- Small and medium-sized food processors
- Small and large distributors
- Public institution food procurement
- Small and large food service companies

3.1. Investment in Local Food Production and Distribution

The Greenbelt Fund would build on its a proven track record of supporting Canadian agriculture and the agri-food industry, aligning with the federal government's key priorities for these sectors, including food processing, food policy and food research. With additional support, we would:

- Invest in the development and scaling up of small and medium scale farms, processors, commercial aggregators/hubs and food incubators
- Identify and grow innovative financial mechanisms for new and emerging farm and agri-food businesses
- Provide technical assistance as appropriate and facilitate connections along the local food value chain to grow local food economy
- Document lessons learned and case studies to share across the country

A \$10 million investment over four years in local food production and distribution would help the Greenbelt Fund increase its local food impact, which has **achieved an ROI of 13:1 for every dollar invested** in on-the-ground projects, while supporting an estimated 1,000 jobs.

3.2. Due Diligence in Local Food Opportunities

The Greenbelt Fund's success lies in its ability to conduct rigorous due diligence for investments in the local food value chain. Our staff spends hours with each promising investee, visiting their locations, and reviewing business, communication and evaluation plans. We expect significant financial contribution by the investee and conduct a thorough assessment of their financial health. Once a prospect passes the staff assessment, independent experts review the investment opportunity and provide a detailed analysis. Finally, the Board of Directors of the Greenbelt Fund reviews all available information and makes the final decision. Investments are closely monitored and assistance is provided to address any issues encountered. Investees report regularly their financial performance and results, and we audit their reports as needed.

The Greenbelt Fund can share these practices across the country and help other organizations to apply them effectively.

4. Climate Smart Agriculture

The Greenbelt Fund believes much more can be done to help the agricultural sector address **climate change** and to better address water and soil conservation issues. The federal government made significant commitments to address climate change as part of the Paris COP 21 agreement, and we believe that the federal government has a role to play in making our agriculture sector world leaders in low carbon and sustainable production.

The Greenbelt Fund has championed the development of **climate smart agriculture** (CSA) and now we want to help more small and medium farms to adopt CSA best practices, innovate throughout the supply chain, measure the benefits and educate the public. CSA can further differentiate Canadian food products in the marketplace, make farm businesses more profitable, stimulate the clean economy, and deliver a range of environmental and social benefits.

We would achieve this by starting a new program targeting on-farm and supply chain initiatives. This program would focus on two areas:

- enhancing soil health by increasing soil organic carbon (SOC)
- improving the viability of agriculture through energy conservation

While Canadian agriculture has made progress in these areas, we believe there is significant untapped potential in Ontario that the Greenbelt Fund can help realize. The Greater Golden Horseshoe contains a rich mix of farming types in close proximity to each other, including some of Canada's most important export crops. This diversity

makes it an ideal region to pilot this program, for example by exploring cross-farm synergies relating to animal manures and forage crop rotations.

4.1. Soil Organic Carbon

One of the agricultural specific responses coming out of the Paris Accord is the 4/1000 soil initiative, which sets the global goal of increasing Soil Organic Carbon (SOC) by 0.4% annually. This recognizes the fundamental role that agricultural soils will play if mitigation and adaptation goals are to be met. Soil Organic Matter (SOM) acts as a major sink and source of soil organic carbon (SOC). The process of increasing SOC helps reduce the concentration of CO₂ in the atmosphere. It also builds resiliency and adaptive capacity in agricultural production because high levels of SOM along with soil aggregate stability and active microbial populations provide many benefits to soil functions. For example, it helps to moderate drought by holding water for plant roots to exploit, while at the same time improving infiltration of water into soil when there excess precipitation.

Most existing government funding programs targeted to soil health incentivize certain management practices (e.g. no-till soil management). This approach doesn't ensure the actual desired outcome of better soil health or increased SOC is achieved, nor does it maximize the potential economic and environmental benefits of systemic changes to farm management.

The Greenbelt Fund would deliver a program with partners to provide a holistic approach to helping farms make systemic changes while supporting them through throughout the supply chain by leveraging existing partnerships with processors and retailers. The program would also address soil health measurement issues by working with world-leading agricultural experts at University of Guelph and provide learning that can be applied across Canada.

4.2. Energy Conservation

The Greenbelt Fund supported energy initiatives through a Greenbelt Green Energy Program for Agriculture. In financial terms, our \$200,000 investment leveraged more than \$1.2 million from farm businesses to implement a range of energy efficiency projects. Over the two-year program, the projects saved almost \$150,000 in annual electricity and natural gas costs for participating farmers. Enough energy was conserved to power nearly 1,800 homes annually.

There is significant opportunity in the agriculture sector for energy conservation. Improving energy efficiency will reduce greenhouse gas emissions and significantly contribute to the long-term financial viability of farm businesses. We will target resources to investments that offer the highest potential benefits while also supporting a range of farm sizes and types.

For the Soil Organic Carbon and Farm Energy Conservation work, we would require a budget of \$10 million over 4 years. Specifically, this investment would enable the Greenbelt Fund to support climate adaptation practices on over 20 farms, and a measurable improvement in soil health on over 50 farms, demonstrating best practices that could be adopted across Canada. Farms participating in the program would benefit from increased competitiveness through greater sustainability, targeting a 10% reduction in non-energy operational costs and a 20% reduction in energy related costs, in addition to income diversification. Along with reduced GHG emissions from farm to fork, we would target a 10% reduction in GHG emissions from on-farm energy use and a 2% increase in Soil Organic Content.

5. Real Results: Local food, economic development and climate change track record

Canada's economy has benefitted from the Greenbelt Fund's support of farmers and local food leaders, which has ensured more local food is served and distributed in Canadian grocery stores, farmer's markets and public institutions, including hospitals, schools, and long-term care facilities.

Since our inception, we have invested and leveraged more than \$54 million into farming, environmental protection, and tourism projects to make the Greenbelt a great place to live, work, play, and grow.

These investments help to sustain the Greenbelt, which provides the province with \$9.1 billion in economic benefits each year and 161,000 full-time equivalent jobs.

We believe that the mechanisms and practices that we have developed over the past 11 years can be transferred to other agricultural hubs across the country, resulting in similar local food results achieved by the Greenbelt Fund so far:

- 13:1 return on investment: for every dollar invested in on-the-ground projects, an additional \$13 of Ontario food was bought/sold
- Over \$1 million in average local food sales/purchases increases per grant in the agriculture and agri-food sectors
- Facilitated food value-chain relationships, resulting in new supplier/buyer relationships
- Operate Canada's largest B2B local food website, *Ontariofresh.ca*, where more than 2000 businesses connect to buy and sell local food
- Doubled number of farmer's markets in Greater Golden Horseshoe region to more than 100 from 2005-2010 and facilitated 8% average annual revenue growth
- Funded the creation, facilitated the introduction, and led the marketing of new "World Crops" on Greater Golden Horseshoe farms.
- Generated an average of more than 130 million media impressions regarding about our work and the Greenbelt each year

6. Conclusion

The Friends of the Greenbelt Foundation and Greenbelt Fund are leaders in identifying opportunities to create economic growth in the food value chain, while achieving environmental improvements.

The federal government has a critical role to play in spurring economic progress while developing a resilient, climate smart agri-food system across Canada.

We would welcome the opportunity to foster collaboration on this high-visibility subject of importance to Canadians, as the leading organization in Canada's most populous environmental, food and farming arena.