



Submission to the House of Commons Standing Committee on
Agriculture and Agri-Food

Study on Agriculture and Agri-Food Supply Chains

About Egg Farmers of Canada

Egg Farmers of Canada manages the national egg supply and promotes egg consumption while representing the interests of all regulated egg farmers. Over 1,200 egg farms across Canada, located in every province and in the Northwest Territories, deliver the fresh, local eggs that Canadians want and enjoy. Our farmers care for nearly 28 million hens and produce over 800 million dozen eggs per year. Canada's egg farming sector contributes \$1.3 billion to Canada's GDP, delivers \$307 million in tax revenue and supports over 18,500 jobs.

Extreme climate events and disasters

Today's egg farmers are experiencing unprecedented challenges. From summer-long droughts in the prairies, to mass forest fires and flooding in BC, to incredible winter storms battering Atlantic Canada, to a global pandemic, supply chain disruptions have been constant. And farmers have been at the frontlines of it all, continuing to feed Canadians and providing strong domestic food security when we need it most.

Climate change events have been one of the top causes of extreme supply chain disruptions for our sector. These events are occurring more and more frequently, and the level of destruction caused is continuing to increase. We need proper funding to prepare for these events and strengthen infrastructure and emergency preparedness where needed.

Additionally, significant funding for research and sustainable initiatives is absolutely imperative to ensure the future of farming in Canada and to prevent more significant events from occurring. Canadian Egg Farmers are leaders in best practices. Our innovative practices and new efficiencies have allowed Canadian egg farmers to reduce their environmental footprint while still meeting Canada's growing demand for local eggs.

In just 50 years, we have reduced the environmental impact of egg production by 68% in terms of greenhouse gas emissions, 69% in terms of water use, 81% in land use and 41% in energy—a record we are very proud of. However, the adoption, innovation, and development of these new practices and efficiencies are often costly, placing financial burden on farmers. This creates a barrier to implementing and developing new sustainable technologies, which therefore limits overall reductions in resource use obstructing our path towards a possible net-zero future with predictable and mild weather events.

Additionally, hard policy, such as the carbon pricing plan and possible cap on emissions, is forcing change ahead of available infrastructure, funding and affordable alternatives. This creates significant challenges as many technologies are not advanced enough or remain too costly to adopt. In order to strengthen agriculture supply chains, farmers must be given the tools they need to deal with and prevent extreme climate events. **More government support and collaboration with industry is required to ensure a maintainable transition to net-zero that supports farmers, consumers, the environment, and Canadian supply chains.**

Insufficient Business Risk Management programs

When climate events and disasters do occur, our sector requires a quick response and appropriate assistance from government in order to prevent further damage to our supply chain. While we are pleased to have a government that provides recovery programs to farmers, these programs do not go far enough, especially for supply-managed farmers. Please find key examples outlined below:

AgriStability

AgriStability is a program designed to compensate farmers for large margin declines. There are currently several issues with the program:

- With the current set up of the program, farmers could be paying into the program when they may never receive compensation for their margin declines.
- The program only covers 70% of margin declines in situations where the margin declines greater than 30%. Coverage of only 70% is insufficient for farmers to fully recuperate their operation.
- AgriStability may be inequitable for multi-commodity farmers as the program only compensates for whole-farm losses.
 - o Multi-commodity farmers may have a margin loss of 30% in one commodity but as a whole-farm their loss may not be substantial enough to merit receiving compensation.
 - o As such, multi-commodity farmers may not benefit from this program.
- AgriStability is typically provided to farmers 18 months after the disaster occurs. This long timeframe may not enable farmers to recover from their loss as they could require compensation faster in order to reinvest into their operation

AgriRecovery

AgriRecovery is designed to compensate farmers for extraordinary costs to recover from natural disasters.

There are several concerns with this portion of the BRM suite:

- AgriRecovery only covers events that are not recurring and are not abnormal. Typically, the disasters egg farmers experience are recurring. As such, egg farmers may not qualify for compensation under AgriRecovery even though they face extraordinary costs for the event.
- AgriRecovery only covers events that are “collectively experienced”. EFC has measures in place to mitigate the spread of certain avian diseases. These measures often limit the spread of the disease to a single farm. As a result, most egg farmers who experience an avian disease will not be part of a collective outbreak and will not qualify for AgriRecovery.
- As AgriRecovery is only a framework, each province/territory has authority on their reimbursement strategy, which may lead to an inequitable compensation for farmers across Canada.

We want to reiterate that we are appreciative to have a government provide programs such as these to support Canadian farmers. **However, in order for them to truly be successful, and to provide some level of protection to agriculture and agri-food supply chains, adjustments are needed.**

Labour emergency

Another issue we are experiencing has to do with current labour shortages. The labour emergency across this country has left few sectors untouched. When it comes to food production and processing, the situation has reached a point where food availability and supply chains are at risk as labour shortages are leading some processors to reduce processing capacity, impacting farmers, supply chains, and the availability of products for Canadian consumers.

Based on a survey Canadian Poultry and Egg Processors Council members conducted in October, there were more than 2,600 unfilled positions at processing plants across the country. Based on a recent government survey, the proportion of unfilled positions is now roughly 25% of our industry’s workforce. To make matters worse, temporary foreign workers are being lost and stolen by recruiters in the construction sector or employment agencies who seek them out¹. It can cost anywhere between \$3,000 and \$4,000 to bring a worker here, and takes several months which means that farms and organizations who have had workers stolen are out the cost and time it took to bring them in.

We are supportive of measures other organizations are suggesting such as establishing a supply chain task force and appointing a supply chain commissioner. We also greatly support immediate adjustments to bring in more temporary foreign workers, streamline the application process and speed up processing times.

However, simply increasing the influx of temporary foreign workers is not a long term solution. **Jobs in our sector are anything but temporary – long-term solutions to drive employment and reduce chronic labour shortages is absolutely imperative to ensure the long-term vitality of agriculture and agri-food supply chains.**

Support for supply management (sustainable management)

Lastly, one of the most important things that can be done to continue to protect and strengthen agriculture and agri-food supply chains, **is to support supply management** (or sustainable management as we like to call it). From supporting Canadians through the devastation of the COVID-19 pandemic to ensuring farmers receive a fair return, supply management is the ultimate example of a sustainable food system.

As we discovered early on, every crisis is a learning opportunity. Perhaps the biggest lesson from the COVID-19 crisis is there is no place like home—especially when it comes to procuring essential goods. From the earliest days of the pandemic, Canadians have seen how important it is to have domestic supply chains for necessities such as surgical gloves, masks, ventilators and vaccinations. We also saw everyday examples of what happens when supply chains break down, whether it was hunting for a bag of flour, a roll of toilet paper or trying to afford a 2x4 for a home renovation project. All Canadians saw how crucial it is to have strong domestic supply chains and the importance of having local, Canadian producers who can meet our needs.

While some may have scoured shelves for daily essentials, Canadians could nearly always find affordable, fresh Canadian eggs in their local grocery store. Throughout the pandemic, our system of supply management withstood the pressures of this global pandemic and continued to allow our farmers to provide a stable, domestic food supply for Canadians, providing Canada with food sovereignty and security. It was the strength of this system that allowed Canada to weather the COVID storm as well as it did.

To conclude, despite constant disruptions and challenges, our sector remains strong. However, in order to ensure its vitality, the severe weaknesses noted above must be addressed. The agriculture and agri-food supply chain has withstood over two years of immense pressures and disasters – we must create concrete solutions to these now well-known issues.

Additional information

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ⁱ La Terre de chez nous, *Les fermes de plus en plus nombreuses à se faire « voler » leurs TET*, 23 février 2022