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**Written Submission for the Pre-Budget Consultations in Advance
of the Upcoming Federal Budget**

By

National Cattle Feeders' Association (NCFA)

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Recommendations

1. That the government **consult on and develop a Critical Farm Input Strategy** to ensure Canadian producers have an affordable and stable supply for critical farm inputs needed to competitively produce high quality agriculture and agri-food products.
2. That the government provide **increased and predictable funding to the Canadian Integrated Program for Antimicrobial Resistance Surveillance** for an enhanced national antimicrobial use, resistance and surveillance program. This funding would support a 'one-health' approach for use of antibiotics that protect human health, animal health and food security.
3. That the government maintain the **interest-free portion of the Advanced Payments Program at a level of \$350,000.**
4. That the government foster a business environment that supports Canadian agriculture through **regulatory, policy, and taxation requirements that track alongside those of our international competitors.**

Who we are

The National Cattle Feeders' Association (NCFA) is the voice of Canada's cattle feeders. We work to improve the growth, sustainability, and competitiveness of the beef sector in Canada.

NCFA respectfully submits the following recommendations to the House Standing Committee on Finance in anticipation of the 2024 federal budget. These recommendations help to address the affordability of food for Canadians through tackling challenges at the farm gate. Our recommendations also ensure Canadian agriculture is sustainable while tracking alongside our global competitors.

Canada's beef industry contributes \$9.7 billion in farm cash receipts annually, contributes \$21.8 billion to national GDP annually and accounts for 347,000 jobs, each one of which supports another 3.9 jobs elsewhere in the economy.

Recommendation #1

*That the government **consult on and develop a Critical Farm Input Strategy** to ensure Canadian producers have an affordable and stable supply for critical farm inputs needed to competitively produce high quality agriculture and agri-food products.*

Recent years have presented unprecedented challenges to the accessibility and affordability of farm inputs. Inputs include items such as fertilizer, feed, seed, machinery and fuel.

The cost of inputs has skyrocketed. The majority of these costs cannot be passed down the value chain, making farming in Canada increasingly less profitable.

Transportation challenges have made obtaining inputs a significant challenge in recent years due to rail and port labour disputes as well as roads and bridges that are unable to withstand the extreme weather being experienced. Extreme weather is not only destroying crops used for human consumption, but those that are used to feed livestock. An extreme weather response needs to be part of this strategy.

For the livestock sector, these supply chain challenges create significant animal welfare concerns when the availability of feed is in question.

Geopolitics will continue to challenge access to farm inputs and alternative pipelines need to be considered if Canadian agriculture is to compete globally.

For some agriculture inputs, Canada is a key global provider with an increasing demand that presents significant economic growth potential.

Just as the government has invested in a Critical Minerals Strategy, it now must turn an equal focus to building and funding a Critical Farm Input Strategy. Without one, the consequences will be severe, both for producers and for Canadians at the grocery shelves.

Recommendation #2

*That the government provide **increased and predictable funding to Canadian Integrated Program for Antimicrobial Resistance Surveillance** for enhanced national antimicrobial use, resistance and surveillance activity. This funding would support a 'one-health' approach for use of antibiotics that protects human health, animal health and food security.*

If we have learned one thing as a society in recent years, it is that the health of animals, humans, the environment, and the economy are undeniably linked and an investment on all fronts is essential.

The Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS) is a national one-health surveillance program coordinated by the Public Health Agency of Canada.

CIPARS collects, analyzes, and communicates trends in antimicrobial use and antimicrobial resistance for humans and food animals. The CIPARS surveillance program is essential to monitoring anti-microbial use in cattle and surveillance for resistance. We can't manage what we don't measure.

For Canadian cattle producers, responsible antimicrobial usage is critical to treat and control infectious bacterial diseases that make cattle sick. Healthy cattle are needed for a safe and sustainable beef supply which is a critical part of global food security.

Limited budgets for CIPARS results in limited surveillance activities. Additional funding for the cattle component of CIPARS would allow for increased consistent sampling and monitoring of more pathogens in more cattle. Funding would also offset the rising cost of sampling, analysis and research.

This funding will contribute to continued efficacy and access of existing antimicrobials, targeted research to continually improve health and management practices, and support global market access for the beef industry.

We are aware that CIPARS funding was increased through Budget 2021 supporting a basic ongoing CIPARS cattle component. However, NCFA is calling for a **funding increase of \$200,000 per year for the CIPARS cattle component for 5 years for a total increase of \$1 million** to conduct the appropriate level of surveillance to support human and animal health.

Recommendation #3

*That the government maintain the **interest-free portion of the Advanced Payments Program at a level of \$350,000.***

The Advance Payments Program (APP) is a federal loan guarantee program which provides Canadian agricultural producers with access to low-cost cash advances required for inputs.

Budgets 2022 and 2023 increased the limit to interest-free loans under the APP due to rising inflation. In Budget 2022, the limit was increased from \$100,000 to \$250,000. And, in 2023, it was increased to \$350,000 for the year. At the end of this year, the interest-free portion will decrease back to \$100,000 unless Budget 2024 initiates such a change.

Allowing the APP interest-free limit to return to \$100,000 does not accurately reflect the profound inflation of farm input costs (i.e., fertilizer, feed, seed, machinery, fuel). Keeping the interest-free limit at \$350,000 provides meaningful support to Canadian farmers.

In addition, the increase will help producers who are looking to grow their operations. While not all producers reach the limit currently, for the producers that do, an increased APP limit allows for economic growth and investment in on-farm sustainability and innovation.

Increasing the interest-free portion also gives producers more leverage to better negotiate the terms of their existing funding arrangements with their financial institution.

Recommendation #4

*That the government foster a business environment that supports Canadian agriculture through **regulatory, policy, and taxation requirements that track alongside those of our international competitors.***

While the Canadian government cannot control many global events, they can control the regulatory, policy and taxation burdens on Canadian farmers. The total costs resulting from the government 'piling on' requirements to farmers is a catalyst to inflation and a threat to food security.

Now is the time for the government to commit to agile, competitive and sustainable government policy that contributes to profitability of farmers, animal health, food security and environmental sustainability.

The non-monetary requests outlined below are simple regulatory and policy changes that will have a significant economic impact on the sector. Below are examples of government-imposed barriers on the success of the agriculture sector.

Underused Housing Tax – This tax is having an unintended and negative impact on Canada's farmers who own multiple homes required to house their farm workers. Farmers rely on the Temporary Foreign Worker and the Seasonal Agricultural Worker programs to secure labour. These programs require that the farmer have housing arrangements in place and inspected months before the arrival of the foreign workers. So, by default, the home remains vacant while government processes the entry of the foreign worker. It should be noted that for cattle feedlots, foreign workers require long-term housing and thus housing arrangements are not bunk-style, but are permanent apartments or houses.

While the tax provides an exemption process for which farmers can apply, the professional fees (i.e., accountants) to complete the exemption application are significant and are simply one more financial burden upon farmers. NCFCA calls for an **automatic exemption from the Underused Housing Tax for farmers who own homes for the purpose of housing farm workers.**

Approval of Innovation - The government continues to encourage innovation, but it also remains the primary barrier between Canadian farmers and new products and technology. Agriculture is one of the most innovative sectors with a pipeline of emerging technology, yet the government is focusing efforts on regulating the sector as opposed to focusing efforts on providing an **efficient and timely approval process for new innovative products and technology** that will deliver better and more cost-efficient solutions that are already available to our global competitors.

SRM Requirements - Since Canada obtained its bovine spongiform encephalopathy (BSE) negligible risk status in 2021, a government/sector working group has been reviewing Canada's specified risk material (SRM) requirements. The results from the review will be presented imminently and NCFA calls for a science-based approach by **aligning SRM regulations in Canada to match the United States SRM regulations**. Currently, the differences between Canada and the United States SRM regulations add approximately C\$31 million in costs to the Canadian agriculture sector and thus impacting competitiveness.

Agriculture Sustainability Strategy – Canadian beef producers have long been leaders in sustainability. As the federal government develops of the ***Agriculture Sustainability Strategy***, NCFA calls for cross-government funding of the initiatives within this Strategy. Funding within provincial and federal agriculture departments will not begin to be sufficient for the work that needs to be done to reach targets. Funding from central government agencies and multiple departments will be required. Farmers should not and cannot bear the brunt of costs for environmental initiatives that are not contributing to their bottom line but instead are providing significant societal benefit. NCFA calls for the government to **match the ambitious targets within this Strategy with the required funding**.

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In closing, the NCFA thanks you for your consideration of these recommendations and looks forward to the opportunity to work with the federal government to harness the opportunities that agriculture presents to addressing the environmental and economic priorities of Canadians.