

**Written Submission for the Pre-Budget Consultations in
Advance of the 2023 Federal Budget**

By: The Agriculture and Food Budget Coalition

The Agriculture and Food Budget Coalition (AFBC) was established as an informal coalition to highlight the opportunity Budget 2023 presents to leverage the significant economic, environmental, and social contributions of Canada's agriculture and food industries. AFBC came together in recognition of the need for Canada's agriculture and food industries to speak with a unified voice at this pivotal time, where our collective responses to the globally disruptive influences of climate change, supply chain disruptions, and the current inflationary environment will influence the trajectory of our industries for years to come. By prioritizing agriculture and food production as a key strategic sector, Budget 2023 presents an opportunity to solidify Canada as a global leader in sustainable agriculture and food production to the benefit of all Canadians.

Each of the associations listed below has made detailed submissions outlining the critical measures in Budget 2023 that will realize this potential for their respective subsectors of the agriculture and food industry. However, under the AFBC banner, we wish to draw particular attention to three cross-cutting recommendations that can elevate our industries as a whole.

Signatories to this submission include the following associations:



Agriculture and food production are essential to Canada, and we are fortunate to have an abundance of natural resources that allows our country to be a global leader in sustainable agriculture and food production. However, Canada's agriculture and agri-food value chain has been under incredible strain over the past few years from erratic weather events, animal disease, transportation and supply chain disruptions, labour shortages, the COVID-19 pandemic, high input prices and the current high-inflationary environment.

As Canada and the broader global community come to terms with the realities of this new era, it is paramount that industry and government work together to meet today's challenges head-on so that our agriculture and food production systems can continue to feed Canadians and the world through sustainable growth.

The greenhouse gas emissions associated with agriculture and food production are often focal points, yet our sector has the unique potential to be one of the most valuable tools to support Canada's goal of becoming net-zero by 2050. While many sectors can only reduce emissions, the agriculture and agri-food value chain has the ability to become a net-carbon sink through activities that promote carbon sequestration. However, increased support, investments and research are all required to make this potential a reality.

With global inflation rising steadily, the efforts that governments take to reduce its effects on businesses and consumers will have significant impacts on countries' international competitiveness. Canada's largest trading partner, the US, recently implemented the *Inflation Reduction Act* – the single largest investment in climate and clean energy solutions in American history, which provides billions of dollars to farmers, businesses and rural communities. As outlined in the 2022 Fall Economic Statement, the success of Canada's own response to inflationary pressures will be critical to our ability to remain competitive in this rapidly changing environment and to seize the opportunities ahead.

The following recommendations outline three critical measures to prioritize agriculture and food production and, in doing so, help fully realize the economic, environmental, and social contributions of Canada's agriculture and food industries.

Recommendation 1: Adopt a whole-of-government agriculture and food production lens

As Canada's agriculture and agri-food value chain is highly integrated, policy development must be undertaken with a whole-of-government lens which examines relevant policy impacts on each link of the agriculture and agri-food value chain and explores opportunities to further regulatory agility. The mandate of this policy lens should be to avoid unintended consequences that might limit the production of agriculture and food products, impact food security or constrain future growth opportunities.

Recommendation 2: Engage sector expertise early in the policy development process

Through early engagement with the agriculture and agri-food value chain, we can ensure the development of practical policies that fuel the sector to become an even more powerful economic engine for Canada, while also meeting the needs of the sector, the government and the Canadian public.

In this vein, we applaud the Government of Canada for its recently announced Sustainable Agriculture Strategy Advisory Committee. This forum has the potential to be a model for early engagement in the policy development process that supports both the agriculture and agri-food value chain and the government's climate change agenda. To prioritize agriculture and food production across all government departments, this approach to leveraging sector expertise at the outset of relevant policy-making should be replicated whenever possible.

Recommendation 3: Implement a consistent competitiveness lens to regulation-making, reviews, and regulatory capacity

In keeping with a whole-of-government lens to regulation-setting that examines impacts on agriculture and food production, regulators should consistently apply a competitiveness lens and consider cumulative regulatory burden as part of their mandates, while also maintaining the rigour of Canadian regulations, and with clear plans for how they will be implemented in practice. This lens could build on the current One-for-One Rule.

To further the application of a competitiveness lens, engage agriculture and agri-food stakeholders to re-allocate and prioritize resources in critical regulatory agencies such as at Health Canada, the Canadian Food Inspection Agency (CFIA) and the Pest Management Regulatory Agency (PMRA) to ensure responsiveness, support efficient supply chains and streamline innovation approvals. Examples include adequate on-the-ground testing, inspection capacity and expedient trade services.