

## Invest Today ~ Prosper Tomorrow

An outtake on sustainable production from the Prime Minister's Caucus Task Force on Future Opportunities in Farming

Chair: Bob Speller, MP

(to view the report in its entirety at [www.liberal.parl.gc.ca/agriculture](http://www.liberal.parl.gc.ca/agriculture))

### Recommendations on Sustainable Agriculture:

Agriculture and Agri-Food Canada include, within the Canadian vision for the future of the agriculture and agri-food industry, the sustainability principles adopted by other agricultural nations, including the United Kingdom and the United States. More generally, the federal government must increase its investment in agricultural programs that have environmental benefits. The next federal budget contains incentives for the construction and expansion of bio-fuel processing plants, the equalization of tax incentives among bio-fuels, and funding for continuing bio-fuel research.

#### SUSTAINABLE AGRICULTURE

Stakeholders from across Canada told the Task Force that agriculture must be sustainable, and from three perspectives: environmental, financial and within a community context.

##### **Stewards of the Environment**

Environmental sustainability draws on the role already played by Canadian farmers as responsible stewards of the land and other elements of the environment. They recognize that the land is our heritage, and that they must take care of it if it is to continue to provide a livelihood for themselves and future generations. It is why Canadian farmers strive to produce the food that Canadians and citizens worldwide desire in a manner that is the least harmful for the environment.

The health of Canada's agricultural soils has generally been maintained or improved as a result of conservation practices over the past two decades. Both federal and provincial governments have actively addressed soil erosion, salinization, loss of organic matter and compaction. The Agricultural Policy Framework will continue – and expand upon – this record of achievement.

A number of other countries recognize the important role played by farmers in environmental sustainability. Many European countries are planning to decouple their agricultural support from production and instead direct it to environmental conservation and rural enhancement.

In the United Kingdom, the Department for Environment, Food and Rural Affairs is pursuing a strategy of sustainability for its agricultural industry. In the past, agriculture has been blamed for a significant loss of wildlife habitat, a decline in soil health and increased water pollution. Policies that encouraged over-production are being reviewed, and environmental legislation is being strengthened. Policy reform will see payments for environmental enhancement and the maintenance of the countryside, rather than support based on production. In developing its strategy for the sustainability of agriculture, the Department has adopted a definition of sustainable agriculture that includes the following components:

- ensuring the continuing availability to the consumer of adequate supplies of wholesome, varied and reasonably priced food, produced in accordance with generally accepted environmental and social standards;
- maintaining a competitive and flexible industry that contributes to an economically viable rural society;
- ensuring effective protection of the environment and prudent use of natural resources;
- conserving and enhancing the landscape, wildlife, cultural and archaeological value of agricultural land; and
- respecting a high level of animal welfare.

This concern for sustainability in a number of European countries and in the United Kingdom's strategy mirrors, to some extent, elements of the recently-passed Farm Security and Rural Investment Act – or Farm Bill – in the United States. The US legislation provides greatly enhanced funding for the Conservation Reserve Program as well as substantial funding for such other initiatives as the Environmental Quality Incentives Program, the Wetlands Reserve Program, the Wildlife Habitat Incentives Program, the Farmland Protection Program, the Grassland Reserve Program and the Conservation Security Program. The recent Farm Bill provided for an 80% increase in funding for conservation initiatives.

The Task Force believes that an accelerated policy on climate change is important in implementing recommendations concerning sustainable agriculture. We also feel that the direction being taken by the United Kingdom and the United States is correct and should also be pursued in Canada. It is from this perspective that we recommend that:

**•Agriculture and Agri-Food Canada include, within the Canadian vision for the future of the agriculture and agri-food industry, the sustainability principles adopted by other agricultural nations, including the United Kingdom and the United States. More generally, the federal government must increase its investment in agricultural programs that have environmental benefits.**

Another environmental initiative related to agriculture that is receiving increased attention is bio-fuels. These fuels could lead to reduced greenhouse gas emissions and could create new employment opportunities for rural Canadians. The most common bio-fuel is ethanol, which can be made from most grains. Research is also underway on the manufacture of ethanol from wood chips and grain straw. Ethanol is usually blended with gasoline, taking the place of lead or MMT, raising the octane level and providing for more complete combustion. A blend of 10% ethanol in gasoline provides a 30% reduction in carbon monoxide and a 6-10% reduction in carbon dioxide emissions. Since carbon monoxide and carbon dioxide are key gases in air quality and climate change, their reduction through the use of ethanol is both good for the environment and good for farmers who would have another use and market for their agricultural production.

Canada's annual demand for gasoline is about 33 billion litres. A 10% blend would create a market for 3.3 billion litres of ethanol. Canada currently produces 238 million litres of ethanol annually, and although there are plans to build additional ethanol plants and production could soon reach 675 million litres, this is still well below the 3.3 billion required for a 10% ethanol blend. In the United States, ethanol production rose as a result of mandated content in gasoline and federal tax exemptions.

World demand for ethanol is estimated to be 27 billion litres annually and it is growing. The Task Force believes that enhanced production of ethanol in Canada would have environmental benefits; it would also provide an additional market for Canadian agricultural production, and would enable Canadian farmers to move into value-added processing. In turn, employment in rural communities would be increased. Recognizing the benefits to the environment – and thereby all citizens – as well as to farmers and rural communities of enhanced bio-fuel use, we continue to support the interim recommendation made regarding bio-fuel, and also recommend that:

**•The next federal budget contain incentives for the construction and expansion of bio-fuel processing plants, the equalization of tax incentives among bio-fuels, and funding for continuing bio-fuel research.**

Finally, agriculture is responsible for about 10% of Canada's greenhouse gas (GHG) emissions, producing a great deal of methane and N<sub>2</sub>O, much of it from livestock digestion as well as from manure and fertilizer management. As well, clearing land for ranching or for crops releases CO<sub>2</sub> into the atmosphere.

The impact of GHG emissions on Canadian agriculture will be seen in the response of crops, livestock, soils, weeds and insects to the warmer conditions. An estimated three-to five-week extension of the frost-free period would be of considerable benefit to commercial agriculture in Ontario and Quebec, and on the Prairies; however, it is also expected that dry soil conditions will intensify and may result in net reduced yields in many regions. Reliance on irrigation may increase, provided water resources are available.

Agricultural practices can remove GHGs from the atmosphere. While these practices are being promoted through the Agricultural Policy Framework, the Task Force believes that the importance of this issue requires that it receive priority as stakeholders implement the Framework.

Moreover, Task Force members believe that measures should be implemented that would encourage farmers to convert marginal land to other uses such as forests or natural grass lands. This goal could be accomplished through the tax system. Given concerns about global warming and the implications it might have for drought and water resources, we urge federal and provincial governments to consider a joint secretariat, perhaps within the Prairie Farm Rehabilitation Administration, that would be given responsibility for long-term planning in this area.

### **Financial Sustainability**

Financial sustainability requires many actions: having the right set of safety net programs in place to ensure that farmers can make it through the difficult times and still be on the land when times improve; ensuring that Canada is party to international trade agreements that ensure a level playing field; recognizing the global desire for Canada's high quality food that has been produced in an environmentally responsible manner; ensuring that the high standards that have made us a world leader continue to be upheld; and, devoting adequate resources to the development and maintenance of markets, particularly for those commodities where Canada has a comparative advantage.

The Task Force made many interim recommendations in these areas. While most are being addressed with the Agricultural Policy Framework and the bridge funding announced by governments, we urge governments to ensure that all of the Task Force's interim and final recommendations are implemented on a priority basis in order to ensure

the health of Canadian farmers, farm families and the rural communities of which they are a part.

### **Community Partners**

Farmers do not live in – and farming does not occur in – a vacuum. Farmers are an integral part of the rural communities in which they live. These communities benefit farmers by providing opportunities for off-farm employment, educating farm children and ensuring family health. The Task Force believes that the presence of the agriculture and agri-food industry in many rural communities is essential to their continued existence. We know that farmers and rural communities often have a symbiotic relationship, with the health and prosperity of one helping to ensure the same for the other. The Task Force made a number of interim recommendations in this area, including the importance of addressing basic infrastructure deficiencies (such as Broadband Internet). While we do not reiterate them here, we do continue to stress their importance. Our thoughts in this area are augmented by the comments made herein regarding rural economic development.