Written Submission for the Pre-Budget Consultations in Advance of the 2024 Federal Budget

Saskatchewan Crop Commissions

August 4, 2023

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Recommendation 1: That the government ensure it understands and incorporates primary agriculture producers' perspective and knowledge when developing policies, targeted timelines, and supporting budgets (including through the current budgetary process), in pursuit of the path to net-zero, in recognition of primary producers' contributions to the Canadian economy, sustainability, and global food security and, additionally, with appropriate recognition of Saskatchewan primary producers' singular contributions in all three areas.

Recommendation 2: That the government ensure it always considers the potential impacts on the domestic and international competitiveness of Canadian agriculture when developing policies, targeted timelines and supporting budgets in pursuit of the path to net-zero, including when seeking ways to reduce greenhouse gas emissions in agriculture.

Recommendation 3: That the government meaningfully recognize and further build on earlier innovation and investments by primary agricultural producers, including actions taken by them to date that have contributed, and continue to contribute, to progress in emissions reduction and carbon sequestration while also increasing productivity.

Recommendation 4: That the government meaningfully encourage agricultural innovation through increased investment in research that enables primary agricultural producers to both lower their carbon footprint and increase their capacity to competitively meet Canadian and global demand for their products, both of which are stated goals and targeted objectives of the government.

Recommendation 5: That the government develop and adequately fund policies and mechanisms to achieve its environmental/sustainability objectives and requirements separately from the Business Risk Management Programs (BRMs) for primary producers.

About Saskatchewan Crop Commissions
The Saskatchewan Crop Commissions, consisting of SaskBarley, SaskCanola, SaskFlax, SaskOats, Saskatchewan Pulse Growers, and Sask Wheat, represent the vast majority of grain and oilseed producers in Saskatchewan.

The commissions were established to invest producer dollars in research and market development to benefit producers. The common goal of these organizations is to ensure that Saskatchewan producers remain competitive and profitable. We support and advocate for science-based policy to create and maintain an efficient, predictable business environment for Saskatchewan primary agricultural producers.

Saskatchewan plays a vital role in Canada's agriculture sector, accounting for 43 percent of Canada's cropland.[1] Saskatchewan contributes roughly 40% of Canada's annual total field crop production. From 2018 to 2022, Saskatchewan annually produced, on average, 39% of Canada's barley, 54% of Canada's canola, 76% of Canada's flaxseed, 49% of Canada's oats, 87% of Canada's chickpeas, 89% of Canada's lentils, 51% of Canada's peas, 80% of Canada's durum wheat, and 41% of Canada's non-durum wheat.[2]

Policies under consideration in Canada to address sustainability and the reduction of greenhouse gas (GHG) emissions from agricultural production may risk the global competitiveness of Saskatchewan producers, challenging their ability to continue their well-established contributions both to global food security and to climate change solutions. The modern cropping practices Saskatchewan primary producers use have already made a number of positive impacts on environmental sustainability while, at the same time, contributing to increased agricultural production and exports in concert with the government's goals for both the economy and environment. Yet policymakers increasingly focus in isolation on the GHG emissions from the increased food production and exports that our producers have achieved – achievements that the government applauds and encourages through other policies and strategies. The future economic success of Saskatchewan primary producers is dependent on complementary environmental and economic policy solutions that achieve both the government's environmental and food production goals. Such policy must constructively recognize and support producers' past and future environmental conservation efforts, enabling them to continue to sustainably, efficiently, economically, and profitably produce food for Canada and the world.

Appropriate recognition in policy goals, targets and funding of the sustainable innovation that Saskatchewan producers have adopted over time is imperative. These innovations include sequestration of carbon and improvement of soil health through the widespread adoption of

[1] Statistics Canada, 2022. Canadian Agriculture at a Glance. Saskatchewan continues to live up to the title of breadbasket of Canada https://www150.statcan.gc.ca/n1/pub/96-325- x/2021001/article/00008-eng.html
[2] Statistics Canada. Table 32-10-0359-01. Estimated areas, yield, production, average farm price and total farm value of principal field crops, in metric and imperial units.

reduced tillage and continuous cropping practices and the implementation of other beneficial land management and production practices that reduce the carbon footprint of agricultural production in Saskatchewan, key focus areas of the federal Sustainable Agriculture Strategy. The research that Saskatchewan producers have invested in over the past several decades, and continue to invest in through our commissions, supports the sustainability of our farms. The result is that Saskatchewan primary agricultural production is a major contributor to the Canadian domestic and export economies, while also playing a significant role in sequestering carbon and removing GHG's from the atmosphere.

With that in mind, the Saskatchewan Crop Commissions would like to make the following recommendations:

Recommendation 1: That the government ensure it understands and incorporates primary agriculture producers' perspective and knowledge when developing policies, targeted timelines, and supporting budgets (including through the current budgetary process), in pursuit of the path to net-zero, in recognition of primary producers' contributions to the Canadian economy, sustainability, and global food security and, additionally, with appropriate recognition of Saskatchewan primary producers' singular contributions in all three areas.

Primary agricultural producers have a key role to play in working with the federal government to help it meet its environmental and sustainability goals; however, policies, timelines, and supporting budgets need to reflect that these producers are a part of the solution to moving toward net-zero. Ensuring producers are involved early on and meaningfully in policy, including budgetary discussions is crucial to developing programming and regulatory solutions that work for both producers and government.

Recommendation 2: That the government ensure it always considers the potential impacts on the domestic and international competitiveness of Canadian agriculture when developing policies, targeted timelines and supporting budgets in pursuit of the path to net-zero, including when seeking ways to reduce greenhouse gas emissions in agriculture.

Primary agricultural producers are concerned that environment-centric policies based on assumptions rather than sound science will not be beneficial to the environment but will reduce their global competitiveness. Saskatchewan crop producers have to export much of their production and are largely price takers in global markets. As such, they cannot pass additional costs they incur onto their customers. The government has endorsed a goal of significantly increasing Canadian agricultural production and exports and recently has expressed related support for the importance of Canada's role in ensuring global food security. Policy objectives such as the proposed fertilizer emissions reduction target or the Sustainable Agriculture Strategy (SAS) must work in concert with this goal of increased production and exports. Currently, these goals appear to work at odds with each other.

The tension between these goals is exacerbated by the short target timelines attached to each of them, especially when the emissions reduction target is currently not supported adequately by accurate measurement techniques and protocols that yield sound, sufficient, representative baselines and data applicable to individual regions and farms across Canada. The costs of this imbalance between economic and environmental policy will be directly incurred by primary agricultural producers, limiting their efficiency, productivity, and economic returns, but there will also be negative effects throughout the wider Canadian economy and on Canada's contribution to meeting the challenges of sustainably feeding the world. Careful analysis of the aggregate effects of individual proposed policies is required in order to identify potential negative impacts on primary agriculture and unintended harmful consequences to both environmental and economic sustainability.

Recommendation 3: That the government meaningfully recognize and further build on earlier innovation and investments by primary agricultural producers, including actions taken by them to date that have contributed, and continue to contribute, to progress in emissions reduction and carbon sequestration while also increasing productivity.

Saskatchewan crop producers have been global leaders in the early adoption of technologies and production practices such as reduced tillage and continuous cropping that have greatly lowered our emissions compared to other agricultural regions of the country and, indeed, the world. A major benefit, among others, is that since 1991, these reduced tillage and continuous cropping practices have reduced summerfallowed acres in Saskatchewan (and the associated negative environmental impacts of summerfallow) by 90% or 13 million acres. The carbon that has been sequestered and will continue to be sequestered through these practices is a major asset that can help the government meet its emissions reduction target. Therefore, the conservation efforts producers have undertaken and continue to undertake need to be recognized in future policy development.

Recommendation 4: That the government meaningfully and constructively encourage agricultural innovation through increased and accelerated investment in research that will enable primary agricultural producers to lower their carbon footprint and increase their capacity to competitively meet Canadian and global demand for their products, both of which are stated goals and targeted objectives of the government.

Innovation will be crucial to ensuring producers remain competitive and profitable as the government moves towards net-zero. Innovations and incentivized practices need to be thoroughly tested and funded to ensure they provide value to producers, mitigate producers' risks of adoption and costs of adjustment, and are practical for wide-scale adoption across varying individual farms and regions, especially in the abbreviated time frames the government is targeting.

Funding through the Agricultural Climate Solutions (ACS) Living Labs and On Farm Climate Action Fund (OFCAF) streams targets the testing and adoption of new practices and technologies for producers. However, no annual crop production-specific Living Labs are in operation in Saskatchewan. Saskatchewan annual crop producers' confidence in practices or technologies that are targeted and tested elsewhere will be reduced. Additionally, the $200 million OFCAF stream which supports the costs of adopting new practices or technologies is inadequate to service wide-scale uptake given the vast scale of prairie, particularly Saskatchewan, crop production, the large size of many individual prairie farms, and the maximum funding caps per farm.

It is also vital that the Government of Canada continue to adequately fund research activities through the AgriScience Cluster Program. Saskatchewan annual crop producers invest millions of dollars each year through our organizations into research through such programs as the AgriScience Cluster. SaskCrops views variety development and agronomic research as primary ways to overcome barriers and increase agricultural sustainability and resiliency. Recent research conducted at the University of Saskatchewan shows that over the past 20-30 years, for every $1 that western Canadian farmers have invested into research and variety development, they have received $20-$60 in returns and benefits. Any reductions in the funding of research activities forgoes considerable returns that such funding would provide.

Given the high returns to research and variety development, it is important that new funding for the AgriScience Program reflect and consider the value of program outcomes and the increasing costs of completing research and development. We believe, and history shows, breeding activities that develop trait technology and innovation 'ingrained' in the seed will help to meet sustainability goals by providing farmers with higher yielding varieties with improved nutrient use efficiency, reduced herbicides needed, and better ability to withstand abiotic and biotic stressors.

Recommendation 5: That the government develop and adequately fund policies and mechanisms to achieve its environmental/sustainability objectives and requirements separately from the Business Risk Management Programs (BRMs) for primary producers.

BRMs are intended to address specific production and economic risks through program designs that avoid influencing management and production decisions. Implementing linkages between environmental best management practices (BMPs) and existing BRM programs may reduce the actuarially soundness of BRM programs and may create moral hazard for producers in terms of choice of crops and agronomic practices where none exists now. In addition, if funding is not increased along with such linkages, the effectiveness of the available funding is in danger of being diluted across numerous objectives. The government must design separate programs to achieve its environmental/sustainability goals using focused and adequate funding.

SASK CROPS

Saskatchewan primary agricultural producers are making important contributions to help the government meet its economic, trade, and environmental goals through increasing production in a sustainable way. These contributions must be taken into consideration as the government undertakes GHG mitigation and develops other environmental policy. The Saskatchewan Crop Commissions want to be involved in discussions with the government on environmental policy including fertilizer emissions reduction and the path to net-zero. Finding solutions that work for both primary agricultural producers and government is vital to ensure producers remain competitive and profitable, producing food for a growing world population and, at the same time, ensuring a healthy sustainable environment for future generations. Saskatchewan producers must be profitable to be sustainable. They must be globally competitive to be profitable.

Sincerely,

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SaskBarley DEVELOPMENT COMMISSION SaskCanola SaskFlax SaskOats DEVELOPMENT COMMISSION SASKATCHEWAN pulse Growers Sask Wheat DEVELOPMENT COMMISSION