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August 25, 2021

Erin O'Toole  
Leader of the Conservative Party of Canada  
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*Re: National Cattle Feeders' Association (NCFA) Election Priorities*

Dear Mr. O'Toole:

The National Cattle Feeders' Association (NCFA) serves as the voice of cattle feeders across Canada. Our focus is to pursue to improved growth, sustainability, and competitiveness of beef cattle production across the country. Canada's beef industry contributes \$18 billion to national GDP annually and accounts for an estimated 228,000 jobs.

The impact of the COVID-19 pandemic on Canada's beef producers has been significant, with 2020 losses reaching upwards of \$500 million. Beef processors endured shut-downs and slow-downs, cattle backed-up on feedlots, and the cost of feed rose while fed cattle prices fell. And now, a drought stunning in both scope and scale has arrived, causing feed grain shortages and wholesale decline in the national beef herd.

Both the COVID-19 pandemic and drought serve as stark reminders of the federal government's responsibility to protect and preserve the nation's food supply. This depends heavily on having the right policies, programs, and supports in place.

Even in the face of such challenges, Canadian agriculture remains poised as an economic driver of the nation's post-pandemic future. Canadian agriculture is at a critical juncture and must be a primary focus of the next government.

We look forward to receiving your written response to the attached questions. We will share your responses widely with our members so they can make an informed decision on September 20<sup>th</sup>.

Sincerely,

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Janice Tranberg  
President and CEO

# National Cattle Feeder's Association

Questions to Party Leaders - 2021

## Rural Infrastructure

A lack of rural infrastructure investment is a significant barrier to future growth of agriculture and agri-food in Canada. While agriculture is a primary engine of economic growth, its activities are often carried out in small rural municipalities with an insufficient tax base to fund all the required local capital investments. The federal infrastructure funding envelope supports national trade corridors, but few funds flow into rural communities to connect to those corridors. Infrastructure is much more than universal broadband—it includes other critically important and economically productive assets such as local roads and bridges.

*If elected, will your government:*

- *Commit to a strong rural component in all infrastructure stimulus funding? This will better position agriculture for contributing to the economic recovery and building a reliable rural-based workforce.*
- *Create an infrastructure funding envelope dedicated to rural infrastructure and the transportation needs of agriculture? This strengthens food security within Canada's borders.*
- *Expand the focus of rural infrastructure beyond broadband to include essential investments in hard economic assets such as rural roads, bridges, and local transportation networks?*

## Labour

A shortage of labour is the single largest challenge to growth and sustainability of Canadian agriculture, costing the industry \$3 billion in lost sales annually. Despite best efforts, agriculture simply cannot secure sufficient domestic labour. This has resulted in a reliance on the Temporary Foreign Workers Program (TFWP) which is costly, inefficient, and is a bad fit for the needs of the beef industry.

*If elected, will your government:*

- *Create a new class of economic immigrants within the Canadian immigration system that can meet the clear and established labour needs of Canadian industry, including agriculture and agri-food?*
- *Create more efficient and timely pathways to permanent residency for temporary foreign workers?*
- *Enhance initiatives to attract and train domestic labour sources in rural Canada?*

## Climate Action

Cattle feeding is a vital component of environmental sustainability. Cattle feeders continue to produce more pounds of beef using less land, consuming less water, and emitting fewer GHGs. Environmental stewardship is a critical component of beef industry sustainability.

*If elected, will your government:*

- *Ensure that climate policy preserves the ability of Canadian agriculture to effectively compete in a highly integrated North American market?*
- *Focus on positive financial incentives and recognize existing leadership of Canadian farmers?*
- *Ensure that the proposed federal GHG offset system accommodates the unique needs of agriculture and will secure meaningful participation from farmers, ranchers, and cattle feeders?*
- *Ensure that government follows through on a critical 2021 Budget commitment—returning to agriculture the carbon tax revenues generated by agriculture for investment in GHG-reducing technologies?*
- *Support additional exemptions for on-farm fuels (e.g., natural gas for grain drying and livestock feed preparation) through the policy lens of maintaining Canadian food security?*

## Competitiveness

Canadian farmers compete on the world stage and require governments to maintain a business environment that fosters success. Canada's regulatory, policy, and taxation requirements must track alongside those of our international competitors.

*If elected, will your government:*

- *Ensure that the totality of business taxation affecting agriculture is internationally comparable?*
- *Commit to an agriculture and agri-food regulatory regime that is science-based, agile, competitive, sustainable, and responsive to industry innovation and emerging technologies?*

## Next Agriculture Policy Framework and Business Risk Management (BRM) Programs

Federal and provincial governments are now working to develop Canada's next Agriculture Policy Framework, which is set to come into effect in April 2023.

*If elected, will your government:*

- *Incorporate a new pillar into the framework—building a competitive business environment? This addition would strengthen the current pillars of market access, science and innovation, risk management, environmental sustainability, value-added, and public trust.*
- *Ensure that the next generation of BRM programs meet the unique needs of different agriculture sectors and factor in the realities of increased farm size, higher production costs, and changing business and economic realities?*
- *Improve Agri-Stability by making the program more responsive and timely, eliminating or increasing the \$3 million cap on program payments, and increasing the payout rate to 80% from the current 70%?*
- *Improve the Livestock Price Insurance Program (LPIP) by ensuring premiums are affordable?*

## Trade

Each year, Canada exports up to 50% of the value of all cattle and beef we produce. In 2020, the value of these exports was \$4.8 billion. While up to 75% of these exports go to the US, other key markets include Japan, Hong Kong, Mexico, China, South Korea, and Vietnam. The government must support the sector to harness the tremendous growth potential of these trade relationships.

*If elected, will your government:*

- *Support Canadian agriculture by maximizing the benefits of CUSMA, minimizing the impact of "Buy American" policies, and preventing any resurgence of Country-of-Origin Labelling (COOL)?*
- *Harness more meaningful benefits for Canada's agriculture sector from existing trade deals such as the Canada-EU CETA and the CPTPP?*
- *Ensure that Canada's new "negligible risk" status for BSE will bring tangible benefit to the beef industry through more appropriate and competitive regulation vis-a-vis our US competitors?*
- *Defend Canadian agriculture exports from unfair and non-WTO compliant trade actions?*

## **Animal Health and Welfare**

The intersection of animal health and human health is growing in importance. NCFA is committed to animal health surveillance systems, emergency and disease preparedness, and programs monitoring anti-microbial usage (AMU) and resistance (AMR) in beef cattle.

*If elected, will your government:*

- *Establish federal funding for CIPARS activities monitoring AMU and AMR in beef cattle? Such funding is currently in place for other livestock sectors such as pork and poultry.*
- *Establish a Canadian FMD vaccine bank for beef cattle? Such a bank would cost about \$3 million annually, but would protect against a potential multi-billion dollar hit to the industry.*
- *Support the ongoing development of Animal Health Canada (AHC), a new industry-government partnership, designed to improve Canada's ability to prepare, respond, and recover from animal disease outbreaks?*