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Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget January 2023

Submitted By: National Cattle Feeders' Association (NCFA)

Recommendations

That the government **tackle the affordability of food at the farm gate** by addressing the totality of regulatory, policy and taxation burdens on Canadian farmers and its impact on the food cost for Canadians.

That the government **prioritize the approval of innovative products and emerging technologies** that contribute to profitability for farmers, health of animals and reduction of environmental impacts.

That the government **create a Foot and Mouth Disease vaccine bank** of 30 million doses to ensure the health of our national herds.

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 2023 Federal Budget. We believe these recommendations will help to address the affordability of food for Canadians by addressing inflation at the farm gate while at the same time putting animal and human health at the forefront.

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

That the government tackle the affordability of food at the farm gate by addressing the totality of regulatory, policy and taxation burdens on Canadian farmers and its impact on the food cost for Canadians.

Canadian farmers compete globally 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.

Inflation has had a significant impact on Canadian farmers. The cost of inputs has skyrocketed from feed to equipment, to fertilizer. In addition, supply chain challenges have made simply acquiring the required inputs a challenge.

High inflation is making farming unprofitable for many Canadian producers. Not all increased costs can be passed down the value chain and farmers are left to manage with reduced profits. When farming becomes unprofitable – our food security is a risk. And the increased costs that farmers are able to pass down the value chain translates into increased food prices for consumers.

While government cannot control many global events that impact inflation, 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 at the farm gate that result in inflation on the grocery shelves. Now is the time for the government to commit to agile, competitive and sustainable government policy that allows Canadian farmers to compete in international markets while providing Canadians with secure, affordable and quality food.

Recommendation

That the government prioritize the approval of innovative products and emerging technologies that contribute to profitability for farmers, health of animals and reduction of environmental impacts.

While the government continues to encourage innovation, 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, many which will address the health of animals and the environmental impacts of the sector.

Yet, increasingly 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.

While new products and technologies are rapidly available to global competitors, Canadian farmers are forced to wait as important innovations are either mired in an approval process for years or the innovators simply choose not to sell in Canada due to the cumbersome approval system. For example, a key method for methane reduction in cattle is through feed additives, yet such innovative solutions are not available in Canada.

Canada must invest the resources required to create efficient approval systems for these innovative agriculture products - so that the sector remains competitive with other countries and farmers have the tools required to meet Canada's environmental targets.

Recommendation

That the government create a Foot and Mouth Disease vaccine bank of 30 million doses to ensure the health of our national herds.

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. Investing in the health of animals is in turn investing in the health of all. Canada must strive to be a global leader on the World Health Organization's commitment to 'One Health'.

Foot and Mouth Disease (FMD) is a very real threat that has the potential be catastrophic to the Canadian beef industry and the access and affordability of our food supply. FMD is a highly contagious viral disease of wild and domesticated animals (beef, dairy, pork, sheep).

Most trade partners will refuse to accept animal protein or related agricultural imports from FMD-affected countries as even processed meat can contain viable virus for a prolonged period and pose the risk of infection to livestock exposed to it.

Government modelling shows that a FMD outbreak in highly populated livestock regions would require between 1.9 million and 2.7 million doses of vaccine. Currently, there is a significant shortfall in available emergency vaccine and there is a 14-week vaccine production timeframe to produce the vaccine. This lag time represents a significant risk to Canada. Financial impacts of an FMD outbreak to the Canadian economy is estimated at \$65 billion.

The United States has already invested in a FMD vaccine bank and this puts Canada at a significant competitive disadvantage.

A vaccine bank of 30 million doses should consist of 2.5 million doses for each of the 12 different FMD vaccine concentrates. Projected annual cost is in the range of \$3.2 -4 million including potency and licensing testing – a small investment to avoid a catastrophic health and \$65 billion economic outcome.

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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 priorities of Canadians.