

NEXT POLICY FRAMEWORK INDUSTRY ENGAGEMENT SESSIONS

Project Overview

On November 10, 2021, federal, provincial and territorial (FPT) governments signed the Guelph statement. The Guelph statement sets the Next Policy Framework (NPF) vision and priorities looking towards 2028. On July 22, 2022, FPT governments signed the Multilateral Framework Agreement in principle, launching the development of bilateral agreements that will define provincial cost share strategic initiatives.

Recognizing the diversity of the sector, the department hosted multiple small stakeholder engagement sessions organized by commodity types, marketing models, and/or production systems.

This engagement provided industry the opportunity to inform program development processes and ensure that proposed programs are reflective of the unique needs of Manitoba's sector. These engagement sessions will support the development of Manitoba specific programming that aligns with the Guelph statement and the NPF priority areas. Engagement objectives included:

- Inform stakeholders on development of the NPF to date.
- Involve stakeholders in identifying programming to support capturing opportunities and addressing barriers within the sector aligned with priority areas.
- Evaluate NPF outcomes, targets, and Manitoba-specific actions to meet deliverables.
- Seek perspective on Canadian Agricultural Partnership (CAP) – Ag Action Manitoba challenges and potential improvements for the NPF administrative and delivery process including timelines, application, cost share model, and third party delivery options.

Engagement Overview

Manitoba agriculture hosted 17 meetings with industry during the spring and early summer of 2022. Participants indicated their preference for in-person vs. virtual meetings hosted through MS Teams. Each session was a maximum of two hours. The department shared an update on the development of the Next Policy Framework after which participants answered the following questions:

- Please share your experiences under the CAP Ag-Action MB program, including your experiences with program access, funding and reporting.
- What elements of the CAP should carry over in the NPF?
- In thinking about the five new priority areas, what are your sectors' future program needs?

What We Heard

CAP Ag Action Manitoba Experiences and Recommendations:

Administration and Delivery:

Participants noted that although the administrative and delivery process has improved from one-framework agreement to the next, there is a need to continue to address timeline lags and reduce administrative burden. Key strengths:

- Program officers are supportive and build valuable relationships critical to ensuring that projects move forward.
- The administrative process is relatively clear and simple in comparison to other funding or granting bodies.

Recommendation for improvement:

- Develop communication, outreach tools, such as webinars and emails, to ensure that potential applicants are aware, and prepared for upcoming intake periods.
- Streamline the application process through autofill boxes and less data entry points.
- Provide list of program area contacts within the department.
- Improve transparency about communication and notification dates to enable responsive planning and forecasting.
- Provide reminders prior to reporting deadlines.
- Consider continuous intake windows.
- Simplify the proof of payment process, such as moving to receipt-based submissions.
- Consider a flexible reporting model, such as semi-annual reporting.
- Decrease lag from application deadline to decision to fund.

The client centric model, adopted under Ag Action Manitoba, supported clients in easily identifying programs open to them. The current portal identifies four applicant types: farmers, agri-processors, industry organizations and industry service providers. New entrants and underrepresented groups are challenged to see themselves reflected in the narrow list and recommend that this is expanded to be more inclusive.

Framework funding continues to be critical to ongoing and future research work. The current administrative process is out of sync with research timelines and lacks continuity, placing Manitoba at a disadvantage. Participants highlight key areas of consideration in planning the next framework:

- Eliminate funding gaps between framework years. There must be a seamless transition between frameworks or gap funding available so that projects continue without interruption.
- Call for research proposals must be in advance of April 1, 2023. Ideally, nine months before the program launch to allow time to find collaborative partners.
- Align the funding process, including admin and delivery, with other funding partners.

- Provide criteria for pre-approval to eliminate the backlog of complicated applications and simplify the process.
- Increase administration cost from eight per cent to 15 per cent.

Future funding mechanisms must recognize the benefit from collaborations and enhance partnerships. Enhanced collaboration will eliminate duplication of initiatives and silos. The department can further collaboration by identifying synergies in funding applications between parties, making connections and prioritizing joint applications.

The department needs to establish clear performance measures connected to targets and outcomes. In addition to outcomes and targets, it is imperative that the right criteria is being used to measure success. For example, the number of jobs created continues to be a measure, however, tech development and adoption results in fewer jobs at higher wages.

Cost Share Ratio:

Cost share ratios are a barrier to program participation for smaller organizations, businesses and producers. Alternate cost share models provide equitable program access for all sector participants and support the realization of research into alternative production models, crop types and processing opportunities.

Large organizations are better prepared to meet 50:50 cost share but require an increase in available funding dollars and cap given scale of research projects. Small organizations are better prepared to meet a 25:75 cost share, however the scale of the projects may require lower investments. Cost share flexibility models are also relevant when working with early start organizations and non-governmental organizations.

Best Management Practices (BMP) cost share models may limit producer participation. The cost share needs to be reflective of the amount of effort required to go through process including completion of required application and reporting requirements. In some cases, the value of adopting the BMP is less than the cost of the required administrative work.

Business Risk Management (BRM):

Participants do not support linking BRM tools to environment and climate change policy. BRM program changes should not include environment outcomes.

Current BRM programming fails to meet the needs of all sector participants. Enhancing flexibility within BRM programs will ensure responsive and timely programs that reflect the diversity of the sector, commodities and production models. Current programs work against diverse production models that naturally mitigate risk. These producer groups, often mixed farming operations, fail to receive compensation in bad years as they balance their own risk.

Small producer groups and independent producers have limited access to BRM programs. In some cases, crop kinds, such as fruits, are not eligible for any insurance

tools placing these producers at greater risk during bad years. The diversity that these producers provide is critical to the long-term sustainability of the sector. Small farmers cite the inequity of programs and seek to utilize the AgriInvest program.

Currently BRM programs are not responsive to livestock producer needs. Program change recommendations to enhance responsiveness include:

- Provide disease insurance programs.
- BRM programs to protect pastureland from crop production.
- Develop an annual tool that incentivizes the conversion of poor performing crops into a feed ingredient.
- Incentivize diversification.

Eligible producers are not maximizing the use of BRM tools despite the potential benefit and risk mitigation they do provide. Lack of communication and knowledge impact uptake. The province needs to improve communication, education and outreach to ensure to maximize the use of these tools.

Sustainable Development Targets:

The majority of participants acknowledged the importance of sustainable development principles within the framework, highlighting the importance of balancing all three pillars: economic, social and environment. However, participants were concerned that the environment and social outcomes may not be measurable or attainable over the 5-year period due to lack of base line data and benchmarking. Participants indicated that meeting these outcomes must not come at the expense of profitability and economic growth.

Greenhouse Gas (GHG) Reduction and Carbon Sequestration:

Industry stressed the importance of targets being measurable through consistent scientific data sources and standards. Prior to setting targets there needs to be investment in establishing data measurements and sustainability benchmarks. Investments in the development of a consistent GHG emission counting standard will ensure equitability in measurements and reporting across the sector and country. This data set will support the establishment of national standards and benchmarking. Benchmarking will allow for measuring progress over time and support the Canadian agriculture and agri-food sector in meeting market demands.

There is a recognized need to both mitigate and adapt to climate change. Farmers see themselves as climate solution providers; any actions to meet GHG reduction targets must be incentive-based and not punitive, nor restrict producer access to tools and technologies that support efficient profitable production. The focus should not only encourage adoption of GHG reducing practices but also recognize and reward the early adopters that made the transition in the absence of support. Early adopters can be encouraged to go further through targeted programming that supports their transition into demonstration and extension resources.

Increased Diversity and Inclusion

Overall, participants indicated support for targets tied to enhanced diversity and inclusion in the sector. The target needs to be attainable and measurable. The focus on Indigenous, women and youth participants is relevant however; this should also include seniors and newcomers. Often these groups have a strong background in the sector and transferable skill sets.

Investments in relationship building and engagement activities are critical to ensure that programming is responsive to the unique barriers that underrepresented groups face. This includes adjusting language so that it is inclusive of all potential applicants, and enhancing communication and outreach efforts. Applicants must be able to see themselves reflected in the programming.

New approaches to programs and funding models, such as enhanced knowledge sharing initiatives, sliding scale cost share ratios and non-traditional approaches for infrastructure purchases (funding community or collaborative purchases), are more responsive to the needs of new entrants and underrepresented groups. Flexible cost share models and scales linked to known financial barriers of these applicants groups may address challenges to entry and increase participation in programming.

Growth of Export and Domestic Sales

There were no concerns raised around targets tied to increased export and domestic sales of agriculture and agri-food products.

Priority Areas

Building Sector Capacity, Growth and Competitiveness

The development and adoption of digital technologies and tools present growth and efficiency opportunities across the entire sector. Technology decreases work volume and enhances ability to manage systems. Technology is evolving quickly and funding to digital agriculture tech companies and to support the adoption has the potential to move these tools into the hands of producers and processors in a timely manner. Enhanced rural connectivity and the development of data management plans are critical to ensure adoption and the long-term use of these tools. Partner data plans with communication and training to ensure that all participants and users understand what data means.

Manitoba has done a good job funding capital purchases for start-ups and large agri-processing businesses. Small and medium sized enterprises (SMEs) were often unable to access the available capital purchases funding. This gap relates to SME capacity challenges and financial barriers, in most cases the cost share ratio is not realistic for this client group. Industry has indicated that by failing to target the 'missing middle' Manitoba is missing large opportunities for growth and efficiency gains.

There is an identified need to financial support tied to the purchase of on-farm capital and equipment. Livestock producers flagged that support for the purchase of herd and flock management equipment and retrofitting has the potential to improve efficiency and address animal welfare concerns. Grain and oil seed producers indicated that moving

towards GHG reduction commitments requires the adoption of new tools and technologies, including purchasing on farm equipment that reduces tillage intensity, electric grain dryers and retrofitting to use bio-diesel.

Workforce development, developing tools to enhance attraction, training, and retention will ensure continued sustainability and competitiveness of the agriculture and agri-food sector. Training is a systems-level piece, with unique needs throughout the sector. Producers need continued training, specifically human resources and management skill development. Increased investments in peer-to-peer learning, such as farm clubs, is one mechanism to empower producers to share information and knowledge.

There is increased interest in the purchase of automation tools and technologies to reduce labour needs. As the sector moves forward with automation, there needs to be programs and training in place to fill required niche jobs. This requires a shift in performance measurement reporting. Success cannot be defined by the number of jobs created through a project but must look to the type of jobs created.

Education and early outreach investments will support meeting future labour and workforce needs. Enhancing partnerships with schools and educators will raise awareness about careers in agriculture and build provincial capacity. These interventions must demonstrate that there are opportunities for highly-qualified professions within the sector.

Programming to enhance industry organization capacity and skills sets continues to be important. Organizations require enhanced human resource capacity, digital skills upgrades and succession planning to better support membership. Not for profits required operational and programming grants to ensure continued support for sector growth. Funding for industry organizations to host conference and learning events has been and will continue to be valuable to all sector participants.

Climate Change & Environment

Climate change programming must address issues while continuing to protect economic viability of the sector. Funding to drive change needs to be available prior to implementation of policy decisions so that sector is prepared for change and ready to adopt new practices. Competing programs is confusing. Government needs to incentivize collaboration in this space to limit redundancy. Climate change programming needs to look beyond traditional audiences and consider investments in local and urban food initiatives as a tool to support meeting targets and reduce waste.

Environmental Farm Plan (EFP) is a good tool, but it requires increased focus on strengthening management practices and building resilience on the landscape as a whole. Enhanced EFP participation rates through programming will educate producers on the importance of adopting climate friendly practices. EFP recommendations must align with offered BMP programs to support producers in making outlined changes. Entering market places demanding sustainable products through pricing schemes, such

as offering premiums for products produced on farms with EFP, could support on farm transition and the adoption of new practices.

There needs to be stronger action to prevent the conversion of pastureland to cropland. Industry identified the need for an annual payment per acre that recognizes the value of bio-diversity, wildlife habitat and carbon sequestration from pastureland management. There needs to be enhanced support for grassland establishment that includes recognition for early adopters. Government needs to consider mechanisms to recognize producers that made the transition to sustainable practices in advance of funding.

Switching to more climate friendly practices and adopting technologies comes at a cost. Funding models to support the purchase of equipment that reduces GHG emissions and to trial novel technologies such as electric vehicle (EV) equipment is critical to support early adopters in demonstrating benefit. Small producers have the greatest flexibility and can prove technologies on a small scale, supporting transition on large operations. Education and awareness campaigns around alternative energy and the benefits of energy use reduction are critical to drive operational practice changes.

Water use and management continue to be a critical concern for the sector in Manitoba. Participants identified the importance of appropriate water management tools and infrastructure to ensure that adequate water is available at the right time to optimize production. Funding for remote sensors and irrigation upgrades will enhance water use efficiency.

Science, Research and Innovation

Research is a continued need and priority for all participants. The majority of the discussion focused on administrative changes, specifically the need to ensure that there was continuity between funding cycles. Breaks in funding may result in delays to research projects, loss of qualified staff, and impact project momentum, placing Manitoba at a disadvantage.

On-farm research and demonstration trials are valuable. Ground truthing projects demonstrate the applicability of technologies, equipment and research results from other regions within the Manitoba ecosystem and enhance peer-to-peer learning. Demonstration sites continue to be a critical need as these support transfer on the bench research to the field. Commodity groups provide knowledge transfer functions, which is growing in importance. Future programming needs to provide funding for knowledge transfer.

The majority of participants expressed the need to continue ongoing research projects that target key needs for respective commodities. Some key areas include:

- Developing and enhancing sustainable production practices for prairie climates
- Increasing investments in small crop research to support and enhance crop rotation options

- Investing in research to meet sustainability demands, such as modifications that improve gut health in animals, reducing carbon footprint and reducing phosphorus in manure
- Investing in data storage, access and application to support measuring the value of interventions and change from the adoption of research and technology
- Utilizing waste products to create new feeds and foods
- Increasing benefit of feed additives, feed alternatives and gut health

Collaboration is increasingly important. Government has an opportunity to identify partners and potential collaborators to ensure that every dollar is leveraged and maximized. Viewing projects through multiple lens can maximize benefit, for example, considering the climate change and environment benefit presented by a feed conversation project. It is critical that research projects have consideration for sustainability demands.

There was a clear need to ensure Indigenous partners are able to leverage innovation and research opportunities. Rights Holders identified the need to incorporate Indigenous knowledge and values at the start of the project. This requires investment in early relationship development between researchers and communities to explore ideas, concepts and partnerships prior to creating and finalizing project proposals.

Market Development & Trade

Market development work must include a strong focus on both export and domestic opportunities. Domestic and local markets ensure that money is circulating in the local economy which creates jobs and enhances community well being. The focus must not be solely on export market growth as this excludes smaller producer groups.

Market demands are rapidly shifting, including an increased preference for products produced under sustainable and/or green practices. Provincial government programming must support producers in meeting these new commitments and market demands. Specifically, there is a need to develop a common Canadian sustainability index. This index must recognize regional difference and align with Manitoba-specific constraints and opportunities.

Currently, organizations are missing opportunities to expand markets due to lack of resources and capacity, specifically market development staff. Focused market development leadership will support increased access to export markets. Market access and growth will be further enhanced through participation at trade shows, both domestic and internationally. Manitoba producers and processors have limited to no presence at these events, which may in future limit Manitoba's growth opportunities. Funding is required to recruit marketing support staff and address the lack of Manitoba representation at trade shows.

Resiliency and Public Trust

All focus groups stressed the importance of enhancing public trust. Participants identified government as the appropriate leader to drive the dialogue and ensure coordinated outreach and messaging. Outreach efforts must be part of long-term strategies and communication plan focused on raising awareness about what the sector is doing. Other key programming considerations:

- Enhancing direct marketing to consumers to build direct relationships with consumers
- Increasing in school programming from industry participants
- Increasing societal awareness around the value of animal proteins
- Leveraging urban agriculture initiatives to bridge the urban and rural divide

There is a growing need to ensure appropriate and sector specific mental health literacy, resources and support services are available. Sector participants are experiencing increasing mental health challenges heightened by climate change, disease pressure, emergencies and financial challenges. Directing funding to support services that understand the sector and provide targeted support for participants, such as the Manitoba Farmer Mental Wellness program, will provide the greatest benefit. Industry also indicated the benefit of supporting social systems, such as farm clubs, as alternative mechanisms to address and deliver mental health support services directly to producers.

COVID-19 demonstrated supply chain vulnerabilities and opportunities to enhance supply chain infrastructure. Encouraging the growth of small local processors and abattoirs will reduce reliance on imports and build local market places. Local production and processing systems can be enhanced through support measures targeting new entrants and non-traditional producer groups. Barriers to entry can be overcome through the provision of mentorship and hands on training programs such as farm schools and support for the purchase of cooperative equipment.

Northern food security continues to be a challenge for many Manitobans. Vertical farm production models have demonstrated benefits in addressing this challenge. Partnering production tools with enhanced community kitchen infrastructure will build capacity and increase the availability and storage of local foods. Urban areas also experience food insecurity. Urban agriculture initiatives will enhance education and outreach efforts while increasing access to safe and nutritious food.

Other funding areas that would enhance sector resiliency:

- Support for access to quality assurance expertise
- Address the chronic shortage of vets
- Investment in emergency planning and preparedness
- Continue to monitor and track disease (plant and animal)
- Support transition to organic production models
- Support transition to mixed farm operations (maximize benefit of circularity)
- Increase access to on-farm testing and monitoring equipment
- Increase access to storage facilities and technologies

- Investments in animal welfare solutions (animal comfort, automation, monitors)
- Support for fencing to reduce wildlife damage
- Continue funding for farm safety programming

In Closing

Manitoba Agriculture appreciates the participation of stakeholders and right holders in dialogues to date. The information shared during the focus group sessions supported the development of Manitoba's Sustainable Canadian Agricultural Partnership programming. The department looks forward to continued conversations over the life of the S-CAP to ensure that programs are responsive to industry's needs.

Active Offer Statement

This information is available in an alternate format on request. Please contact agrpolicy@gov.mb.ca

Questions?

Industry Participants are welcome to send questions to agrpolicy@gov.mb.ca