

WHAT WE HEARD REPORT

Summary

Manitoba Agriculture Industry Consultation ***“Growing the Agriculture Sector Together”***

July 12, 2016



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1. INTRODUCTION

Manitoba Agriculture Minister Ralph Eichler has been given the mandate to develop a targeted growth strategy for agriculture as a key economic sector. Minister Eichler is also committed to improving the effectiveness of government services through the reduction of unnecessary red tape. An industry meeting was held on July 12, 2016 in Portage la Prairie to begin a consultation process with stakeholders for the development of a targeted growth strategy for the agriculture sector.

Representatives from 78 stakeholder groups attended the consultation, including provincial agriculture organizations, national agricultural organizations with headquarters in Manitoba, producers, processors, research centres, universities, environmental organizations, a variety of industry stakeholders such as restaurants, media, financial institutions, transportation sector, and partners such as the Manitoba Metis Federation, Manitoba Women's Institute, and Manitoba 4-H Council. There were a number of observers from Manitoba Agriculture, and Agriculture and Agri-Food Canada.

The meeting objectives were threefold:

1. Gather industry input for the development of a **targeted growth strategy for agriculture** and align industry and government growth strategies for the Manitoba agricultural sector.
2. Build relationships between industry and Minister Eichler. Support communication and collaboration amongst members of the agri-food value chain.
3. Gather industry feedback on market development, innovation and public trust to inform the development of the next policy framework.

The meeting agenda included four main sessions:

- Selling to Global Market
- Building on Innovation
- Maintaining Public Trust
- Advice to the Minister – How Do We Work Together?

After a brief presentation on each of the sessions, participants were invited to join their table discussion to discuss two questions (provided in section 3 of this document). Each session focused on hearing stakeholders' opinions on opportunities and challenges their sector faces in the four areas noted above, the best means to address the challenges and take advantage of opportunities, and what is needed from government to enable industry to be successful.

2. SUMMARY OF FINDINGS

2.1. Selling to the Global Market

Products from Manitoba and Canada are high value, and have a reputation for safety and high quality. There is a need to **promote Canada's brand in the international marketplace**. The provincial and federal governments can collaborate on this initiative, with the Manitoba government helping to create a sustainable Manitoba brand and educate potential sellers. The governments also have the opportunity to work together in:

- identifying international export opportunities
- providing market intelligence about consumer preferences
- connecting the industry with potential buyers, brokers, etc.
- expanding market development work through infrastructure investment
- enhancing market access
- resolving biotech issues and other non-tariff barriers

Industry needs to be forward thinking in terms of innovation and marketing through the identification of forward facing trends. What will be in demand in 10 years and what products are fads versus long term consumer demands?

Within Canada, participants **supported interprovincial trade agreements** and partnerships like New West Partnership Trade Agreement (NWPTA) as a way to deal with internal trade barriers. Currently, regulations impede trade and business development, thus aligning or harmonizing provincial and federal regulations would benefit industry. There is a **need for dialogue and consultation** between regulators, enforcers of these regulations and the clients they serve. Regulation barriers include regulations that limit growth opportunities, such as a lack of grading systems and approval processes for new or emerging industries such as hemp, and trade classification systems that stop trade such as bison classified as **wildlife**. Often, regulation barriers are more intrusive to small operations because the effect on their bottom line is disproportionate as compared to large operations. Small organizations are not as well equipped to meet the required standards. **Regulations need to be modernized, science and outcome-based**, with industry providing input as regulations are examined and altered.

Government needs to **enhance communication regarding its trade strategy and trade opportunities** or issues along the value chain, beginning with the producer. It also must communicate science-based practices and rules of trade internationally to other players in the market. There is a need for government to **address consumer concerns surrounding agricultural practices and food** through respectful two-way dialogue and communicating facts on science based systems and outcomes. Participants commented

the need for CFIA to have expertise with primary agriculture and the opportunity for the relationship between CFIA and producer to improve.

Changing consumer and retailer preferences create inefficient and costly production systems. These preferences have led to conversations about whether industry adapts or educates. Government has a role to play in facilitating conversations regarding food and food safety for the benefit of all parties. Safe food isn't enough on its own. Producers need to know what consumers want for a story, because science can be debunked for trade reasons.

The government should recognize the need to **balance new priorities with current funding initiatives as it creates the next policy framework**. There is concern over **access to research funds for smaller and emerging organizations** and their lack of ability to match funds. Additionally, there is a desire for government to **provide longer term funding commitments** and allow industry to take advantage of non-government research dollars to maximize investment in research.

Government should **work to create the environment for growth** through increased development of local, domestic and international markets, as there is an opportunity for increased productivity and investment in the industry. There is an opportunity to **strategically support infrastructure development** (such as CentrePort) to increase Manitoba business capacity, create efficiencies in transportation and increase exports internationally. Government should **continue investing in innovation and technology** to help industry remain competitive in the marketplace, whether it is improving equipment, bringing in new technology, or developing our own.

There is a need for government to **support processing opportunities** (such as small scale livestock processing, goats and soybeans). Government could assist industry in explaining and showing the positive effects of bio-security efforts through further investment and education to the populace. Additionally, **expanding the parameters of GF2 programs** to allow funding for start-ups and allow processors to work with packaging/ingredient suppliers will help the industry innovate and thrive.

2.2. Building on Innovation

The large and diverse volume of opportunity in the agriculture sector requires that Manitoba has **strategic focus in research**. Strategizing research goals will ensure that the money is applied to areas that allow for the greatest gains. Participants felt a **prioritization of innovation needs** should be developed so that focus is applied in a direction that will garner the best results for the entire sector. It is important that **all industry groups are taken into consideration**, both the large and small players.

Participants felt that a **systems level** approach to innovation is more appropriate than a commodity based approach. A **Value chain approach is needed** to be successful. Industry should be leading the identification of research topics and objectives.

Government can work with industry to **create a strategic research plan for Manitoba** that identifies and meets the needs of the entire value chain. Once the priorities are identified, government can work with industry to help fund the projects identified as priorities for the province, while still reserving funds to work with small industry partners and on new emerging ideas.

There is a great deal of innovation in the sector; **collaboration between parties** would further build opportunities. The current resources at the industry, government and academia levels can allow for strategic approaches to help identify and deliver research targeted towards development needs. Small industry players would benefit from forming partnerships with agriculture-related or connected businesses to build their research capabilities. This collaboration can be further built and established through stakeholder engagement sessions and continued government-facilitated conversations.

Academia represents a broad-reaching, untapped research capacity. To maximize this potential, direct communication is required for focusing on specific issues. Conversations surrounding opportunities for connections between organizations and producers must happen in order to move forward. Universities need to improve their relevance and responsiveness to emerging and small sector groups.

Further **communication** between all members of the value chain; producers, processors, universities, industries and governments would maximize the potential and benefits of research, both ongoing and planned. To further encourage communication consider **slant funding programs that favor true collaboration**, meeting the needs of the entire sector—producers, processors, manufacturing, transportation and public. Information about innovative work being done in Manitoba needs to be better communicated to the public to build relationships.

Interconnectivity within the agriculture sector in Manitoba is needed. The Manitoba government should work with industry and universities to **build partnerships**. In addition, it is important the conversations surrounding innovation between the general public and the agriculture sector be facilitated. The government should be providing **educational opportunities to the public on innovation in the agriculture industry**.

Although Manitoba Agriculture does have funding opportunities to meet sector needs, there are **gaps that need to be addressed to improve the efficacy of the delivery**. The current funding time frame is too short for realization on most projects. The government is not always garnering the benefit of the funding initiatives.

The current system is set up to favor large industries and often small industries and entrepreneurs are unable to access the available funds. The **allocation process needs to be reviewed** to ensure monies are not simply awarded to **the first in line**. Funding

through GF2 is sometimes delayed. Participants felt the application and administrative process for innovation programs sometimes is onerous. The funding process is limiting to small industry and entrepreneurs because they are not always able to match dollars or have the support required to navigate the application process.

Currently, infrastructure for innovation centres and technical centres of expertise are clustered in urban settings. This limited associability may limit the involvement of the rural population in the innovation discussion. **There is value in creating rural infrastructure** that supports the movement of the discussion and work into rural centres to capture more insight from the entire industry.

The government needs to play a regulatory and assurance role within the industry that **creates a predictable and stable environment for investment.**

2.3.Maintaining Public Trust

Building public trust has become a key element in the growth and sustainability of the agriculture sector. Maintaining and building public confidence and trust is the responsibility of all stakeholders as the loss of public trust affects the entire supply chain.

Industry needs to demonstrate and communicate both what they are doing and the value of their practice to the public. Producers and processors implement best practices and recognized standards. These processes address issues of public concern surrounding the environment, food safety and quality, animal health, animal welfare, etc. All stakeholders in the ag sector need to lead the public trust conversation and communicate openly on the good work they do, with correct and accurate information.

Communication builds public trust and promotes transparency, thereby creating and maintaining trust with the consumer. Part of this equation is that all sector members be willing to listen objectively to all views, even those oppositional to their own. Existing forums (e.g. value chains and Farm & Food Care Canada) have created opportunities for the sector to work together on public trust issues. Moving forward there is a need for a more collaborative, inclusive and transparent process engaging all stakeholders in this conversation. This process needs to target new audiences and address related issues meaningfully.

The sector needs to work collaboratively to coordinate activities that enhance public trust. Suggestions include the creation of communication tool boxes for farmers and industry that facilitate conversations with the public. It is imperative that all levels of industry are included in this process. Smaller commodity groups face challenges in this area because resource restraints limit their ability to communicate good stories.

Industry feels government should continue to advocate for the agriculture industry, participating at various tables where public trust is discussed, such as in sustainable crop and beef value-chain meetings. Industry would like to see government as a facilitator in public trust discussions; helping develop alliances, working across government and influence the activities in other departments, particularly education. However, in a crisis situation, government must play an unbiased role, speak to the issue, develop resolutions and provide assurance.

Participants raised the need for government to establish internationally recognized science-based standards, protocols and best practices to support their implementation. Although the certification process works with third party groups, industry would like government to maintain an oversight role on the verification process, ensuring the standards are effective and acknowledged.

Education is a tool to provide the consumer and the public with more relevant information. Industry representatives recognize that the work of initiatives such as Ag in the Classroom develops an appreciation and awareness of the importance of agriculture. These programs create linkages of accurate agriculture resources to existing course curriculum. Overall participants felt education is important for creating awareness and understanding.

Participants would like government to continue investments targeted to rural youth such as 4-H while enhancing investments in educating urban consumers. This process will work to bridge the gap to plate gap that has resulted from urbanization. Several representatives raised their desire to have agriculture education as part of the school curriculum.

Social media presents an important communication vehicle that industry needs to master to take advantage of its reach and impact. Currently there is a great deal of information disseminated via social media and not all of it is accurate. All members of the ag sector need to recognize the value of this communication tool in reaching out to the public.

2.4. Advice to the Minister – How Do We Work Together?

Industrial, academic and government representatives **complimented the minister on the consultation**, and on his openness and willingness to meet with the groups. His decision to remain at the conference for the entire day was seen as a demonstration of the minister's commitment.

The consultation session was viewed as a valuable opportunity to bring stakeholders and government to the table for discussion on important issues in the industry. These sessions allow for **identification of linkages and opportunities between stakeholders**, which need to be communicated further. All parties felt there would be value in holding similar sessions more frequently. A need was expressed to mimic these sessions on a

smaller, sector-specific scale, allowing for more focussed discussion. The participants felt that other communication tools, such as surveys and questionnaires surrounding policy, regulations and program decisions would be of value. Feedback from the process needs to be provided to participants in a timely fashion.

A core message brought forward by all participants identified the need for **continued conversation between the minister, stakeholders, the public and the federal government** on topics that relate to and influence agriculture in Manitoba. The minister has an advocacy role to play in agriculture and how it fits into other provincial and federal departments, **highlighting the interdependency and building the partnerships.** All stakeholders agreed that more consideration and discussion needs to take place surrounding the potential impacts of regulations and the added costs to those participating in the industry.

Participants felt there was need for long term strategic planning on behalf of the Manitoba government that moves the sector forward, taking into consideration other departments, all levels of government, associations and industry. This needs to be a **forward-thinking plan and identify available resources across the value chain.** Although the industry is looking for continued government support and facilitation, there is a need to allow the industry to determine its own growth and direction with self-regulation. Industry feels the government has a role to play in assisting commodity associations with facilitating procurement to grow the industry and maintain contact with emerging industry around policy and regulation development. Additionally, stakeholders would feel more supported if positions with Manitoba Agriculture located in rural areas were staffed.

There was a consistent message about the value of collaboration within the sector. Participants expressed a desire to work with the government to **create an environment that fosters partnerships between commodity groups or within project proposals.** These partnerships would open lines of communication, minimize duplication of work, move ideas from inception to production faster and meet mutually beneficial goals.

The current labour shortage and the skill gap being felt by the agriculture industry is a risk. Industry and government need to work together to address the issues and identify areas of common interest that may serve to build the agriculture labour force in Manitoba. Stakeholders felt the government has a role to play in **creating and funding apprenticeship programs in the industry, establishing recruitment systems and advocating for careers in the sector.**

Currently, an entire generation of farmers are approaching retirement. Succession planning discussions need to be ongoing as this will impact the future direction of farming. The **trend from smaller family run farms to large corporate farms is causing a shift in dynamics** in the industry. Participants at the session expressed a desire for government to facilitate discussions with both large and small operations moving forward.

The overall impression from all participants is that Manitoba has opportunity to continue to **grow our agribusiness through capitalization on investments in value-added processing, and supporting market development**, locally, nationally and internationally. Development of geographic labels for products and ingredients at all market levels would serve to build the reputation of Manitoba products in the marketplace. The agriculture sector in Manitoba has opportunity to grow our processing sector and embrace new emerging markets such as those in organic foods.

Participants expressed a desire to have regulations harmonized with other jurisdictions and a cost benefit analysis done on existing regulations. They noted that the objectives of regulations are critical.

Adaptations to the current funding structure need to be reviewed. Moving forward, industry would like to see support in covering the administration costs. **Consideration and funding of projects should be based on the best return on investments.** Government needs to work with and for industry to seek out other funding avenues. The majority of commodity associations currently lack the expertise and capacity to identify funding opportunities.

Participants expressed the need for **academic work to have connection with the industry** to help drive research and innovation. Participants would like government to continue funding basic research, even if it might not result in marketable products.

3. QUESTIONS FOR TABLE DISCUSSION

Selling to the Global Market

- What opportunities exist for Manitoba agriculture stakeholders to enter or compete successfully in the marketplace?
- How can government help access opportunities?

Building on Innovation

- How do we improve the innovation environment in Manitoba to provide for growth of Manitoba's agriculture sector?
- How can we better collaborate and organize provincial research and innovation activities among the public, private and not-for-profit members of the community to maximize returns to the sector?

Maintaining Public Trust

- What is industry's role in building and maintaining public trust?
- What is government's role?

Advice to the Minister – How Do We Work Together?

- How can members of the agriculture value chain work together more successfully?
- How can government facilitate this conversation and collaboration?