

# OFA – Policy Advisory Council (PAC) Meeting

September 6, 2023

Best Western Hotel, Orangeville & Virtual via Zoom

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## Welcome

Peggy Brekveld, President welcomed everyone to the meeting and introduced co-host Paul Buckley from the PAC Steering Committee.

## Local Federation & Commodity Updates/Emerging Issues

### *Dundas County – Farm Tax Rebate*

Our township used to receive 75% of our tax rebate from the Ontario government to be put back into the township for various forms of infrastructure, including roadways, schools, housing and agribusinesses. The money has been cut back over the years by OMAFRA and the Ontario government and could be as low as 25%. The mayor reached out to Dundas Federation about this with the hopes that OFA could lobby for it. Improving infrastructure is always a key goal for OFA.

*Jason Bent, OFA Director of Policy Research explained that the Farm Tax Rebate Program was replaced 30 years ago. In 1993, legislation was changed to allow municipalities to get direct transfers from the province. In 2005 Ontario municipal partnership fund was \$605 Million Dollars and has been reduced to \$500 Million. Rural municipalities are suffering by not getting the same support as other municipalities.*

*Jason explained that Ben Lefort, Senior Farm Policy Analyst, has completed six cost of community studies that show farmland contributes more in tax revenue than what is spent on municipal services. When presented the study helps the municipality see the sources of revenue and where they are spending and demonstrates the need for adequate funding.*

*Ask OFA to do a cost of community study in your area to provide you with support documents to take to your local council.*

Questions:

Where do we get a copy of the studies?

The case studies are specific, for example you cannot take the Elgin study and extrapolate it to another municipality.

Is there a cost to municipalities?

The information and numbers to complete the cost of community study must come from the municipalities. The municipality must be onboard at the staff level to provide in kind support.

#### *Kent County – FBR Member Information*

Kent would like to know if a check-off box and statement could be added to our membership renewal to allow the OFA to share this with the districts of our member's contact info. With this, we can have more regular contact regarding events, issues and meetings with our district members.

*Cathy Lennon commented that staff looked at the request and members can give that permission – it only happens when they first sign up not on an annual basis. OFA can assist by advertising with our news eblast.*

#### *Essex – Farmland Preservation & Battery Storage*

Essex commented that the 2.1 million acres of farmland being pulled out of agriculture for battery storage and electrification, that hydro and is pushing for it and we have not seen OFA speaking against farmland loss to battery storage.

Ian Nokes, Farm Policy Researcher commented that the number - 2 million acres going to energy capacity generation in Ontario comes from IESO in a report they wrote for the government. In that report they talk about current capacity in Ontario by 2050 due to electrification, manufacturing, zero emissions etc.

OFA supports energy efficiency programs that will help stop large build outs. Bruce nuclear and Darlington announced they are doing studies to provide additional capacity on existing sites, it reduces pressure on farmland. Also, a 250-megawatt facility announced recently on the North shore of Lake Erie will be put on an existing industrial plant site.

Battery storage is a small part of the vision to get to 2050. OFA asks the government when putting in new transmission corridors that they use existing lines. We advocate they reuse existing sites for wind and solar.

OFA will be commenting on a submission this month.

Peggy Brekveld commented that OFA has not changed their position on land use. Farmland needs to be protected. OFA must work with the government that is in power, conversations are continuing. Government has the resources and tools; they need to use those tools and information. OFA continues to be very active on this file.

Ian Nokes reminded the PAC that the OFA Board established an energy sub-committee, that is very active in the background. Paul Maurice on the sub-committee commented that the committee is taking this file seriously and has met with 7 different agencies and will present a report to the OFA Board at the end of October.

## **OFA Update**

### *County Engagement*

Peggy commented that she has seen a large amount of engagement with government during the busy season amongst counties. She commented that she hosted MP John Barlow at her farm at the end of August.

The OFA Board has engaged in lots of conversations with all levels of government, have been invited to numerous events that allow for politician reach outs. Best to get to know them when there is no crisis, the relationship will help during a crisis.

### *Board Engagement*

OFA Board invited Robin Jones, Chair of Rural Ontario Municipalities Association (ROMA) to the August Meeting. Had a conversation on taxes and in general ROMA's goals and how to have synergies. OFA asked to be on the ROMA meeting agenda.

### *Farmer Wellness Initiative*

Peggy announced that there is willingness from the government to extend the Farmer Wellness Initiative to employees, no announcement yet. This was an ask in a resolution brought to the 2022 OFA AGM.

## **Sustainable Agriculture Strategy (SAS), Agriculture and Agri-Food Canada**

*Christopher Tolton, Senior Industry Development Officer  
Jessica Norup; Director responsible for Sustainable Agriculture Strategy  
Hadley Carpenter; Ontario Regional Director*

Jessica Norup provided a summary of what was heard during the initial consultation process that ran from December 2022 until March 2023 and planned next steps.

Jessica commented that Farmers are producing food for a growing population, we want to create a thriving agriculture sector in a sustainable way. It is the intent of the SAS to bring together several issues under one umbrella.

Seven key themes emerged from the consultations:

1. Producers are business owners first.
2. SAS needs to be developed with an economic and social lens, not just environment.
3. Regionality needs to be reflected in the SAS –a one size approach will not work.
4. Producers who are early adopters of BMPs and technology want to be recognized and rewarded.
5. Producers want more information and knowledge transfer to scale up adoption of BMPs and technology.
6. Improvements to current AAFC programming.
7. Climate and environment data challenges.

The next steps of the SAS committee are to release a “What We Heard” document this fall and actions to support the goals and objectives.

The committee anticipates the SAS will be released in the first half of 2024.

*AAFC PowerPoint presentation will be included in a separate file with notes.*

## **Q&A**

Economics being an issue, things are getting more expensive, heading into tough economic times. What economic concerns are realistically addressed in the SAS?

*Jessica commented that we recognize margins are thin and getting thinner. What we can put in place to offset some of the cost is with Best Management Practices (BMP), understanding that some BMP's can have a positive profitability impact and give producers the information to make those decisions.*

Systems that we manage on our farms are the focus of government programs. How with biodiversity can this be built in an economic diversity way. How are you dealing with additionality?

*There are a lot of tradeoffs we are trying to figure out. Soil health and water are also important. We are trying to look at the intersections on several issues. Touching on regional concerns, additionality has come up a lot and we will work towards finding a way to provide support,*

Who is on the SAS Committee?

*We are nationally based, with representation from all sectors including the Canadian Federation of Agriculture, Cereals Canada, Pork Council, Canadian Cattle Association, Fruit and Vegetable Growers of Canada, Egg Farmers, Dairy Farmers, Canola Council, Soy Canada and many more. A list is available on AAFC's website.*

Farmers should be paid back for our carbon sequestering, recycling back with farming practices.

*We do have a federal offset program that is still being developed and this support could come from there. Most fuel currently used on-farm is exempt from a carbon tax.*

Competitiveness example: I grew a lot of wheat this year, but none came off dry, I had to pay a tax to dry the wheat. Producers cannot gain any money from drying the wheat, it is a cost that we absorb.

*We appreciate hearing the on the ground experience. Farmers are experts on their own operations. We do recognize there are not a lot of non-emitting options. Research & Development may help to discover new technologies that are less emitting.*

No recognition that vast majority of emissions are cyclical, producers are being punished for not capturing and storing others carbon. If we want a strong program, we need to talk about the

cycle and talk about the good. If you want us to store others carbon, there needs to be a financial contribution.

*Agree agriculture is misunderstood. SAS is an opportunity to tell that story. The positive things that have been done. Make sure we tell the story correctly in the SAS. Every sector needs to contribute, it is a balancing act.*

How does all this tie into food security? Domestic markets are important, however an emphasis on export markets - need to start at home first.

*We are focusing the SAS on what we can do domestically – not get too far into the trade aspect.*

Small European producers receive an environmental payment from the EU treasury. Why can't we do this for our farmers in Canada?

*Different countries have different approaches, and we are looking at what is being done around the world.*

### **Breakout Session #1**

Attendees were divided into nine breakout rooms and asked to consider the following questions:

1. How would you define Sustainable Agriculture?
2. What do you like about the framework described in the presentation?
3. Where do you think the framework falls short?
4. Are farmers comfortable sharing the information described in the presentation?
5. Should economic impacts be considered when developing a sustainable Ag Strategy?  
How important is this?
6. Do you think a sustainable ag strategy will make Canadian agriculture competitive, would it positively or negatively affect your livelihood as a farmer?
7. Do you think a sustainable ag strategy will help or hinder growing demand for Canadian food and ag products?
8. What would prompt more innovation on your farm? Choose the top 3.
  - a. Alleviating taxes and regulations to make our operations more profitable and able to reinvest.
  - b. Providing more taxpayer money to invest in areas specified by the government.
  - c. Engaging with people who have experience innovating.
  - d. Engaging with people with theoretical ideas on innovation.
  - e. Guidelines on innovation determined by someone else.
  - f. Regulations on innovation are determined by someone else.
  - g. Innovative ideas with a business case to show benefit to your operation.
  - h. Other – please list.

*Responses are recorded in a separate document.*

## **National Index – Is Canadian Food, Sustainability Produced?** **Dave McInnes, DMci Strategies**

Dave explained that Canada is recognized as a world leader in sustainable agriculture and agri-food production, but how do we know if Canadian agriculture & food is sustainable?

A coalition that has over 135 partners representing the entire food system has been established.

Dave explained that we are seeing big global shifts, the race to show sustainability is happening all around the world. For both market and competitive advantage.

Companies like McDonalds and others are tracking progress of sustainability and future net zero goals. Companies are goals, making them public, they need the producer and others in the supply chain to meet these targets. This creates a new collaborative environment and the need to work differently together to meet the targets.

If Canada chooses to do nothing we will continually be measured. If we don't benchmark ourselves, we will be benchmarked by others globally.

Increase focus on climate and credit risk. As banks assess their risk performance to perform globally they will look at borrowers. High end of corporate borrowing currently being looked at but eventually all borrowers will be assessed for these risks.

Mandatory ESG disclosures, companies are using this in their own corporate performance as a global base line. This will have implications for supply chains as disclosures will continue to be pushed down.

Coalition has created Canada's first agri-food sustainability index. The four pillars are Environment, Economic, Food Integrity and Societal Well-being.

Hallmarks of a sustainable sector is all about the metrics. Need to identify where the data gaps are.

Dave mentioned three things that are needed to move forward. Build on the coalition momentum, improve the index, and launch the Centre for Agri-Food benchmarking.

### **Q&A**

I have concerns with indexing ourselves in this way. Down the road, what assurances this information won't be used to do these things to coerce us to fulfill what they want done?

*Government and banks can ask you to disclose things now. Regulations only raise the bar on what you need to disclose, If the index isn't here – water, soil, animal health etc. this is already well regulated, pressure is on. Taking ownership to influence the agenda on what the best measures are going forward, will not prevent regulation but maybe minimize. If we don't have the index, we will lose the ability to demonstrate what we do as a sector.*

Regulation looks like they will be applied to Canadian producers how will they be applied from outside of our borders? Level playing field.

*The global standard that dictates the trade and flow of agricultural ingredients, those standards are driven by processors. Hopefully use this index tool in global dialogues on future standard development. Global standards will be developed with us or with us there.*

Understand the need for some of these decisions, being made from a place of privilege. There are those in our country that don't have the financial means to pay for this added regulation. How do we justify an added expense on a staple like food to meet a social box or to check a box?

*This index is not about regulation, and we are not government. We are trying to demonstrate how sustainable the system view is. That is why we have measured food insecurity. If we don't consider the social aspects of food, we would be rightfully criticized. This index is not regulation, and it is not a program.*

We need some talk of farmland preservation; we will lose our sustainability. How does that relate to this?

*Land use change is part of our work and something we will have to pay more attention to. We do address it in part in the pilot project, and it will occupy a lot of attention going forward. We need the right folks around the table. Do we have the data to measure? This is an issue we confront in every level of our work. I echo your point. Need to keep attentive to.*

I see a lot of similarities in your work to the environmental farm plan. How do we market this that will benefit producers. It will benefit government and not producers.

*To your point on the environmental farm plan (EFP). We don't measure compliance within the index. EFP's are largely about practices, this index is about measuring outcomes. We would catch your outcomes of your farm practices. This could complement our EFP process. Compliments your story on what you do at the farm level to position your self with your customer, media and neighbours.*

Clarify how do producers with this index tell the story when marketing is not a skill, we all have?

*We tried to tackle that last year when we published these narratives. Try to reflect on what does the index say. Ran out of time and funding because of the spilt program. Going forward – if there is a centre for ag benchmarking, the results can be interpreted and boil this down to have the story. As the data gets finer with better satellite imaging, testing and AI tools we will get a better understanding more Insite. This is an enormous opportunity but must be very cautious.*

## **Breakout Session #2**

Attendees were divided into eight breakout rooms and asked to consider the following questions:

### **Second break out session**

1. Are the metrics doable for farmers?
2. Is there a metric out there to measure sustainability that hasn't been discussed yet?

3. Should the government be the one taking the information and making decisions, or should we be proactive and collect the information and make the case on our behalf?
4. At what level of data collection does the process become too burdensome to be done?

*Responses are recorded in a separate document.*

### **PAC Restructuring Update**

Peggy Brekveld explained that the PAC was created 15 years ago, it was a solution to the situation at the time with the restructuring process. The Board of Directors, in conducting good governance, decided to conduct a review of the PAC structure. This review has been ongoing for 18 months and is now complete.

Peggy explained that part of the process was to hire an outside facilitator to review the data collected and to prepare an unbiased report for the Board of Directors to review.

The facilitator provided the Board of Directors with three options to consider:

1. Maintain status quo.
2. Revise the current PAC membership and size.
3. Create a new forum.

Peggy explained that at the August board meeting; the OFA Board of Directors reviewed all material, had extensive discussion, and concluded that creating a new forum was the best path forward for OFA.

Throughout the consultations it was made clear that there is a desire for training opportunities. The Board of Directors is committed to training and development opportunities for OFA members and local federations.

Peggy explained that moving forward in 2024, there will no longer be any PAC positions up for election at OFA's regional meetings. Ahead of the 2024 OFA Annual General Meeting, county/regional federations will designate a representative from their local federation to participate in the new forum and attend the AGM.

To officially implement this new structure a vote of the membership will be required at the Annual General Meeting. OFA will need two-thirds of the membership attending to vote in favour of the amended by-law.

*PowerPoint presentation will be included in a separate file with notes.*



## **Q&A / Comments**

Concern with new structure on the representation piece. Large areas with lots of members will be less represented on the new forum by one person not the best coverage of that membership. Might be valuable to have a representation based on members.

Perth is a large county, and we will lose 2 PAC members, we are not concerned. We feel like we can talk and have easy access to Directors. We did ask that the number of votes at AGM go unchanged.

The PAC steering committee will be going away, there is value to have members involved in the planning of meetings.

*Peggy commented that regardless of one voice or three in the room, it doesn't change that we heard it. There are many ways to engage in conversations with the board. Different paths that are not just PAC*

Happy that the Board chose to have a closer connection with counties on making sure the representative of the new forum is from county Boards.

Northern Federations will have more representation, a good thing.

Options 1 and 3 – The Board could have gone with one of these options with a requirement that all future PAC members were from their local Board. I am concerned about losing PAC it was used for development.

PAC meant something to me. I saw value in the conversations. I have also felt we are being paid a per diem to bring value. We are here because we want to be actively involved. Where do you see the energy and dedication going with us being made redundant from this decision?

*Peggy commented that you are not redundant – I want you to call and communicate with your director if there is a new idea of how to do something better. I really hope you will bring energy to your local and bring back feedback to us and how we can be engaged together.*

What are OFA's plans with commodity groups?

*Peggy commented that OFA is extremely engaged with commodity groups through OFA staff and board liaisons.*

Has OFA ever used ad hoc committees?

*Peggy commented that it is not standard practice right now.*

## **Adjournment**