



Team Alberta – EDTT Meeting

November 25, 2019

Alberta's crop sector is an engine for growth and jobs even with significant challenges

The crop sector is a major contributor to Alberta's economy – supporting nearly 20,000 jobs and generating over \$6 billion in economic activity in the province. Our four crop commissions represent the 20,000 farmers who grow canola, pulses, wheat and barley in Alberta.

The majority of the agriculture industry is export dependent. The potential for agriculture and agri-food production and export growth will only increase over the next decade with continual advancement and adoption of new technologies. Alberta's grain, oilseed and pulse exports were close to \$5 billion in 2017. There continues to be strong global demand for our crops, but blocked market access puts significant pressure on our trade-exposed agriculture industry. Farmers have seen historically low prices and significant uncertainty remains, which will reduce the crop sector's ability to contribute to Alberta's economy and provide jobs.

Urgent efforts by the agriculture industry and the federal and provincial governments are needed to restore stability and retain the prosperity of the crop sector.

What is needed?

1. Restore CN's rail service immediately

If the federal government fails to take decisive action ordering CN's union to return to work the damage will be irreversible across the entire nation. The rail strike:

- Compounds financial strain on farms in what was already an extremely challenging year from blocked markets, low prices, extreme weather, excessive moisture, and early snows that delayed harvest and degraded grain quality,
- Impacts Alberta and Canada's international reputation as a reliable supplier of agricultural exports, and
- Endangers rural communities across Alberta with possible layoffs at elevators and processors.

The crop sector needs timely, predictable and efficient rail service to take advantage of export market opportunities and benefit from trade agreements.

Action required: Press the federal government for immediate action to restore CN's rail service.

2. Restore access to China for canola seed and create better rules of trade

China is a significant and growing market for canola, pulses, wheat and barley – customer demand is strong.

- Actions by the Chinese government since March 2019 are having a significant impact on the canola industry.
- Canada must continue to voice our support for rules-based trade to reduce the uncertainty from rising protectionism and trade tensions.
- Canada must continue its leadership at the WTO to restore the dispute settlement mechanism.

Action required: Press the federal government to restore access to the Chinese canola seed market and maintain the relevance of the WTO to create better rules of trade.

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3. Prevent and resolve market access issues in Asia

Asia, including China, is a priority region for market diversification because of the significant growth potential for Canadian exports. However, there are market access challenges and rapidly evolving regulatory requirements that create risk for new trade barriers in Asian markets, as well as in India for pulses, Italy for durum wheat, and Saudi Arabia for barley (e.g. food and feed safety, plant health regulation, and seed and pesticide regulation).

While the federal government leads market access efforts, Alberta's trade offices around the world have been a tremendous resource placing people in key markets to assist with Alberta's export and investment interests.

Action required: Partner with the federal government to enhance market access capacity to prevent and resolve market access issues in Asia.

4. Robust, science-based environmental monitoring data

A large number of pesticides used to protect our crops will be re-assessed by the Pest Management Regulatory Agency (PMRA) in the next 5 years. In recent years, the PMRA has made overly conservative decisions based on precaution and inadequate data.

Recent proposed decisions of the PMRA to ban neonicotinoids would be devastating to the crop sector. The loss of these pesticides, which are critical seed treatments that protect seedlings from insect damage, could cost farmers billions annually from yield losses, increased foliar spray applications and re-planting costs.

To ensure PMRA has the robust evidence needed to assess risk and make sound decisions the crop sector supports the implementation of a national water monitoring program.

Action required: Encourage the federal government to base its final decisions on important crop protection tools on sound science and support the development of a national water monitoring program.

5. Carbon tax exemption for natural gas and propane used on farms

Alberta farmers are among the most sustainable in the world. For decades they have adopted beneficial practices and invested in new technology and equipment that allowed them to capture more carbon in their soil.

Alberta farmers compete in a global market against countries that do not have a price on carbon. When the federal system applies, farmers will pay the carbon tax on natural gas and propane for irrigation and grain drying, as well as on fuel used by agri-retailers to transport inputs like fertilizer to the farm.

Action required: Encourage the federal government to exempt all sources of energy used by farmers because regulation that reduces GHG emissions must not put our sector at a competitive disadvantage.

Alberta's crop sector is a primary driver of our economy

- Alberta farmers produce **20 MMT** of wheat, canola, pulses and barley annually
- Farm cash receipts for Alberta crops reached **\$6.93 billion** in 2017
- Total crop exports (unprocessed) were close to **\$5 billion** in 2017
- In the last decade Alberta's grain and oilseed **value-added processing has grown over 90%** – millers and crushers exported **\$1.7 billion** in 2017
- Nearly **20,000 Albertans** were employed by the crop sector in 2017
- Alberta's crop sector contributes over **\$6 billion** to our economy

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