



Growing Forward 2

Saint Andrews Statement



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GROWING FORWARD 2

SAINT ANDREWS STATEMENT

1. PREFACE

Canada's agriculture, agri-food, and agri-products sector is a dynamic, modern industry that reflects both Canada's national achievements and the local character of the provinces and territories. It adapts to a fast-evolving environment to create new value-added products, to lower production costs, and to reduce its environmental footprint.

Canada's agricultural sector operates in a rapidly-changing global environment. Demand is rising in response to ever-growing world population, rising incomes, and increased non-food uses of agricultural products. Markets in emerging economies are growing rapidly, while Canada's traditional markets, including the domestic market, are mature and rather stable. Rising incomes are also leading to a shift in demand for higher-value food products such as meat, vegetable oils, and processed foods. At the same time, consumers are seeking a broader range of food products with specific characteristics, and climate variability affects production. By 2020 the world of agriculture, while full of potential, will be different.

Canada has abundant natural resources and know-how to meet the challenges and benefit from the opportunities to come. Nonetheless, to safeguard the sector's competitiveness and sustainability, there is a need to continuously adapt policies and practices and to attract new capital and new participants to the sector to meet the challenge of aging population and the need for renewal this creates. To stay ahead of competition, Canada needs to be well-positioned to do this rapidly.

Over the past decade, federal, provincial, and territorial governments have worked collaboratively through policy frameworks to ensure consistent, effective support for industry across the country. With the current policy framework, Growing Forward, set to expire in 2013, a new framework is needed, with coherent policies and programs, to position the sector for success by 2020.

Growing Forward 2 (GF2) represents an evolution of previous frameworks, the Agricultural Policy Framework (APF, 2003–08) and Growing Forward (GF, 2008–13), towards creating an adaptable and profitable sector. GF2 will continue to build on previous frameworks towards a renewed focus on competitiveness and sustainability, and recognition that enabling innovation and providing the right institutional and physical infrastructure are critical to the sector's success. Continued partnership between governments and industry will be key in positioning the sector to compete profitably and sustainably in 2020.

Ministers of Agriculture agree that officials should work to develop a draft agreement giving form to Growing Forward 2 on the basis of this document.

2. INTENT OF THE FRAMEWORK

The intent is to achieve a profitable, sustainable, competitive and innovative agriculture, agri-food and agri-products industry that is market-responsive, and that anticipates and adapts to changing circumstances and is a major contributor to the well-being of Canadians.

3. PRINCIPLES

In developing Growing Forward 2, Ministers and industry expect that the following broad and operational principles will be respected:

Overarching Principles

- All parts of the sector have a role to play in contributing to a profitable agriculture, agri-food and agri-products sector. Collaboration and partnership are key factors in success.
- Governments and industry each have a role to play in the different components of the framework:
 - Competitiveness in domestic and international markets;
 - Adaptability and Sustainability for the Industry;
 - Innovation; and,
 - Institutional and Physical Infrastructure.
- Governments would ensure that a smooth and timely transition takes place between the two frameworks.
- Policies:
 - would demonstrably contribute to achieving agreed-to outcomes;
 - would contribute to positioning Canada as a leader in developing opportunities at home and abroad;
 - would be integrated and complementary to achieve common goals where appropriate; and
 - would respect the responsibilities of the Parties.

Operational Principles

- Programs:
 - would be clearly described with stated objectives;
 - would be streamlined to achieve efficient delivery with the minimum administrative burden possible for participants;

- would incorporate performance and evaluation measures for each party that ensures effective programming and value for money;
 - would treat producers and other stakeholders equitably across commodities and regions;
 - would be consistent with Canada's international trade obligations and minimize the risks of adverse trade action, including countervail;
 - would not distort comparative advantage between the products of one province or territory and those of another; and,
 - would not distort production or other business decisions that would otherwise be based on market considerations.
- Governments would establish mechanisms for managing costs to sustain program affordability for all governments over the duration of the framework while respecting the 60:40 federal/provincial cost-share ratio.
 - Governments would share information promptly with other governments with respect to programs implemented under the framework.
 - In achieving agreed-to objectives, governments would make provisions where appropriate for flexibility in approaches, program design, implementation, and in the management of the framework, to facilitate governments' efforts to adapt to new priorities and respond better to provincial and territorial needs.
 - Flexibility provisions under the framework would take into account the need for coherence in programming across the country to meet the objectives set out in this framework, and to ensure that all recipients are treated equitably and that Canada's industry is not made vulnerable to countervail. In establishing the framework consideration will be given to developing innovative FPT funding and program arrangements to allow for provincial flexibility. This would address priority needs while at the same time ensuring FPT coherence.
 - The provisions of the framework would govern the operation of cost-shared business risk management (BRM) programs and recognize supply management as a BRM program.

4. POLICY FRAMEWORK

Ministers and industry expect that the new policy framework, GF2, will constitute an integrated approach to agriculture, agri-food, and agri-processing policies by focusing on two broad policy outcomes and two key drivers.

Two broad outcomes for the industry, which encompasses producing, processing and supporting industries:

- Competitiveness in domestic and international markets; and,
- Adaptability and sustainability for the sector.

Two key drivers to achieve these outcomes:

- Innovation; and,
- Institutional and Physical Infrastructure.

Each policy outcome and driver will be supported by objectives for implementation.

4.1 POLICY OBJECTIVES

The two outcomes of Growing Forward 2 have the following objectives:

Competitiveness in Domestic and International Markets

A primary agriculture and processing sector that is competitive in domestic and international markets by:

- Being cost competitive;
- Meeting customer requirements for attributes;
- Taking advantage of new market opportunities; and,
- Gaining and maintaining market access.

Adaptability and Sustainability for the Sector

A sector that is adaptable and sustainable, in that it:

- Maintains and improves its productive capacity:
 - By making effective use of appropriate skills and knowledge
 - By managing human, natural, and financial resources; and
 - By attracting young farmers and new investors to the sector;
- Anticipates and adapts to changing external circumstances;
- Manages risks effectively;
- Contributes to key food policy objectives such as health or food safety; and,
- Recognizes and responds to society's demands.

The two policy drivers of Growing Forward 2 have the following objectives:

Innovation from Discovery to Adoption

A sector that continuously develops and adopts new products and practices to remain competitive and sustainable through:

- Sustained commitment to public research and development (R&D);
- Improved collaboration/partnerships among key institutions (governments, universities, industry etc.); and,
- Increased private sector leadership and investment.

Institutional, Physical, and Human Resource Infrastructure

A sector that is equipped with the modern infrastructure (institutional, physical and human resources) needed to secure its long-term competitiveness and sustainability:

- Through access to modern regulatory structures and institutions; and
- By developing mechanisms and systems to enable the sector to respond to issues it faces; and,
- By enhancing the capacity of the sector to further develop skills and knowledge.

4.2 POLICY DIRECTIONS

The following policy directions describe how the two outcomes are achieved through innovation and institutional and physical infrastructure.

Competitiveness in Domestic and International Markets

A sector that is competitive on the basis of product attributes and costs

- Facilitate the sector's ability to effectively compete on costs and attributes to meet customer requirements through:
 - the availability of competitively-priced inputs to reduce costs;
 - the adoption of new products, processes, technologies, and business models developed domestically and abroad;
 - access to meaningful and timely information on markets and customer requirements; and,
 - new business models that enable competitiveness and market access.
- Foster innovation to respond to market demands, and improve productivity and efficiency through:
 - Public-private partnerships and investments to foster knowledge creation and increased industry capacity to leverage research; and,
 - increased commercialization of new ideas, products and processes.
- Improve institutional and physical infrastructure to support competitiveness through:
 - the increased ability of the sector to meet customer requirements and influence private standards;
 - address regulations that impede competitiveness; and,
 - greater efficiency in transportation and distribution systems, including the development of identity preserved systems.

A sector that is able to compete in domestic and international markets

- Foster easier access to domestic markets by addressing barriers to internal trade and facilitate movement of agricultural products across provincial/territorial boundaries.
- Maintain and gain access to traditional and emerging export markets through:
 - improved access to information on market and trading requirements;
 - enhanced industry capacity to be well-positioned to meet national and international food safety, animal and plant health standards; and,
 - continued work with trading partners to reduce barriers to trade and distorting support, including the development of international (multilateral or bilateral) trading agreements.

Adaptability and Sustainability for the Sector

A sector that improves and maintains its productive capacity (natural, human and financial resources) to be sustainable

- Support industry's efforts to enhance its productive capacity through more efficient and responsible use of resources through:
 - the development and transfer of knowledge, skills, tools and services necessary to enable industry players to be profitable and sustainable;
 - industry capacity to mitigate risks to productive assets; and,
 - knowledge and innovation to improve resource-use productivity and efficiency.
- Move toward more targeted, collaborative and result-oriented approaches to address environmental challenges through:
 - better integrated and targeted science efforts to meet existing and new challenges; and,
 - collaboration among governments, industry and academia to increase sustainability and profitability for the sector.
- Enable the industry to attract new entrepreneurs, investments and business models, including facilitating farm transfers.
- Enable market-based solutions to broad environmental challenges.

A sector that is adaptive and resilient

- Enhance the capacity of industry—collectively—to anticipate and adapt to changing demands and external pressures through:
 - improved availability of information relating to markets;
 - the development and implementation by industry of longer-term strategies to adapt to challenges and seize opportunities;
 - private risk management tools; and,
 - collaboration among governments, industry and academia to increase the sector’s capacity to adapt, be sustainable and increase market-based profitability.

- Enhance the capacity of individual players to effectively anticipate and manage challenges and risks by facilitating:
 - risk management capacity at the farm/firm level—through use of sound on-farm management practices and private sector tools—to improve market-based profitability;
 - knowledge, skills and tools—across all business models—for enhanced adaptability and sustainability at the farm/firm level; and,
 - innovative capacity at the farm/firm level to enable sustainability and the ability to address economic and environmental challenges.

- Leverage more insurance-like approaches to address risks, where appropriate.

A sector that responds to society’s demands and contributes to the well-being of Canadians

- Enable the industry to contribute solutions to broad sustainability challenges;
- Enable the industry to contribute to challenges related to food policies;
- Facilitate public awareness of food safety and quality, as well as industry accredited practices; and,
- Enable industry to better understand citizen attitudes toward food and supply-chain production processes.

5. CONCLUSION

Federal, provincial, and territorial Ministers of Agriculture expect that the directions laid out in this document will lead to the development of a new framework that will aid Canada’s agriculture, agri-food, and agri-products industry in becoming more market-responsive, and able to anticipate and adapt to changing circumstances while contributing to the well-being of Canadians.

Growing Forward 2 is also an opportunity to foster a sector that continuously innovates and adopts new products and practices and that is equipped with the

modern institutional and physical infrastructure needed to secure its long-term competitiveness and sustainability.

Growing Forward 2 represents the next phase of a longstanding, successful and collaborative relationship between governments and industry in achieving a profitable, sustainable, competitive, and innovative sector.

Ministers ask officials to return with a draft multilateral agreement that will articulate in greater detail how governments will work together under Growing Forward 2 to achieve the outcomes set out in this document.