



Sustainable Canadian Agricultural Partnership Framework

Phase 3 — What we heard report

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Executive summary

The Sustainable Canadian Agricultural Partnership (Sustainable CAP) launched in April 2023 and is a 5-year, \$3.5 billion investment that includes \$1 billion in federal programs and activities and \$2.5 billion in cost-shared programs and activities by federal-provincial-territorial governments. The framework represents a cost-shared federal-provincial investment of \$508 million over five years towards strategic programs and services for the agriculture and agri-food industry in Alberta.

Alberta's Sustainable CAP programs will continue to stimulate the creation of new jobs and spur growth in the agriculture sector by:

- supporting value-added processing competitiveness, attraction of new investment and expansion of irrigation capacity that will enhance crop production; and
- protecting plant and animal health and animal welfare, managing risks to our natural resources and investing in producer-led agriculture research.

During the spring 2023 transition from the Canadian Agricultural Partnership to Sustainable CAP, changes to the suite of provincial programs were minimal. This ensured program continuity between the two frameworks and facilitated a smooth transition to Sustainable CAP. The Ministry of Agriculture and Irrigation committed to following up with stakeholders in the fall of 2023 to identify if gaps and opportunities can be addressed through program changes in year two, beginning April 2024.

Representatives from industry associations, boards and commissions, value-added industry representatives, post-secondary institutions and research organizations were invited to engagement sessions in late November and early December 2023 to discuss the Sustainable CAP program suite as a whole, and to participate in targeted discussions about the following topics:

- Climate change and environment
- On-farm water and irrigation
- Sector capacity, growth and competitiveness programs
- Science, research and innovation

Stakeholders were also asked to complete online surveys for these four topics or to submit feedback through email, to help improve programming under Sustainable CAP, so it can best serve Alberta's agriculture sector.

Highlights

There was overall validation that Sustainable CAP programs are working, with no significant concerns being identified. Most of the feedback and suggested changes could be viewed as opportunities for continuous improvement to the existing suite of programs. Some of the opportunities for improvement to programs included:

- **Simplify and improve communication throughout the application process.** Participants indicated they were looking forward to the launch of the Resiliency and Public Trust programming in December 2023 as public trust, farm safety and mental health resources are a high priority to industry.
- **Provide inclusive programming**, wherever possible, to help new entrants and smaller, unique industry groups participate in the programs, as the current cost share structure is a barrier to participation. More startup funding from programs was suggested to help these groups develop the necessary infrastructure early on.

- **Better support producers who are early adopters of sustainable practices.** Given the federal target for Net-Zero emissions by 2050, industry is not seeing alignment between their organizations and these requirements (i.e. a producer may implement tactics to reduce emissions but they may not be eligible for funding under the Sustainable CAP programs available). Producer support is needed to reduce the carbon footprint and to achieve lofty goals, so more recognition is needed for the early adopters and the good things already being done in the province.
- **Expand program offerings beyond precision agriculture** to support other sustainability-focused projects like manure storage and waste reduction efforts (i.e. bio-thermal, manure/methane recovery). Increasing technology costs would also support energy efficient tractors, drones, drought management tools, animal weighing systems and electric fencing for rotational grazing.
- Improve communication surrounding the economic value of **implementing Best Management Practices.**
- **Update program maximums for Climate Change and Environment programs** to better reflect current costs and current issues to be more impactful — as the cost of technology increases, funding needs to keep pace. Climate change and drought readiness are key issues and programming in this area would be timely and impactful for industry. Building knowledge, capacity and incentivizing established producers to adopt new technologies needs to remain in programming objectives.
 - Water supply issues identified include reservoir switching, run-off, water capture and water purification that may require development of new initiatives to address climate variability in the years to come. It is felt that grants should have a higher dollar value proportional to costs for things like well drilling depth and costly irrigation technology.
- **Better recognize the varying concerns and needs across the processing sector.** More work is needed to ensure the processing industry is meeting basic on-farm requirements for food safety, biosecurity and traceability before incentivizing with the on-farm value added program. More integration of environmentally sustainable activities across the sector should be supported through programs, although industry disagrees on the ‘what’ and ‘how.’
- **Address the east/west processing diversification gap and increase market awareness of Alberta-based food products.** Trade and inter-provincial trade, regulatory challenges, unavailability of labour/minimum wage challenges and inflation were also specifically identified as key barriers to industry.

Background

Phase One of the Next Policy Framework (NPF) consultation was held June 11 to July 2, 2021. It focused on emerging priorities as well as raising awareness and feedback on the Business Risk Management (BRM) reform policy. The [Phase One What We Heard](#) report is available on [alberta.ca](#). The development of the NPF began in November 2021 during the annual federal-provincial-territorial agricultural minister conference. At the conference, agriculture ministers developed and endorsed the [Guelph Statement](#).

In late spring 2022, representatives of Alberta's agriculture, agri-food and agri-products sector shared feedback on the five priority areas identified in the Guelph Statement. Phase two engagement tactics included an online survey, virtual roundtable sessions and an email campaign. The [Phase Two - What We Heard](#) report is also on [alberta.ca](#).

Topics covered included:

- Building Sector Capacity and Growth
- Climate Change and Environmental Protection
- Science, Research and Innovation
- Market Development and Trade
- Resiliency and Public Trust

Phase three approach

Representatives from a range of agriculture stakeholder groups were invited to share their views, opinions and perspectives on the new Sustainable CAP program suite. Phase three engagement focused on gaps and opportunities for improvements or alignments.

As in previous consultations, stakeholders were engaged through in-person and virtual sessions, a survey and an email campaign to ensure a variety of audiences had an opportunity to participate. Sessions were held in late November and early December, and the survey occurred during this same timeframe, closing December 10, 2023. There were four surveys separated into program specific areas, links to the surveys were available on Alberta.ca.

This report summarizes what we heard through the in-person and virtual sessions, online surveys and comments received via email.

Detailed summary of engagement results

In-person and virtual sessions

The following sections of this report provide greater insights on what we heard during the phase three engagement period (November 24 to December 5, 2023).

Participating in the engagement sessions were 41 representatives from 36 industry associations, boards and commissions, value-added industry representatives, post-secondary institutions and research organizations. The sessions included a Sustainable CAP program suite overview presentation; and presentations about Climate Change and Environment, On-Farm Water and Irrigation, and Building Sector Capacity, Growth and Competitiveness programming, followed by table discussions about these topics.

Sustainable CAP program suite

The following questions were posed to stakeholders during the sessions:

Is the current suite of programs aligned with Alberta's agriculture and agri-food industry's needs?

- Are there gaps?
- Are there adjustments that should be considered to support opportunities within the sector?
- What are the top three priority areas?

Highlights

There was overall validation that programs are working with no significant concerns being identified. Most of the feedback and suggested changes could be viewed as continuous improvement for the existing suite of programs.

It was noted that more recognition is needed for the early adoption of environmental efforts (i.e., no till, intercropping) and to continue to put efforts and support into Environmental Farm Plans (EFP) and recognize the time and energy it takes to complete a plan.

Given the federal target for Net Zero Emissions by 2050, producers are not seeing alignment between organizations and these requirements. They understand the need to help reduce the carbon footprint and want to help achieve this goal but do not feel there is adequate support in place to help them.

New entrant access to programs with the current 50/50 cost share structure is considered too expensive for some producers and overall, it is felt there are not enough programs to participate in. The requirement of \$25,000 annual farm income also is considered prohibitive to accessing programs.

Making funding available to conduct research before the actual funding is available was suggested as it would help implement the associated practices and increased incentives could be offered to those willing to test new programs or technologies. Some respondents expressed concern that diversity in the industry is high and that it may not be understood or actioned in existing programming.

There was a need shared to simplify the application process and to improve communication during and after the process. Public trust programs and farm safety and mental health resources were also mentioned as high priorities to industry and there was excitement for these programs to launch.

Session – Climate change and environment

The following questions were posed to stakeholders during the sessions:

1. What beneficial management practices would support producers in making advances in the areas of:
 - energy management?
 - precision agriculture?
2. Are there other areas, in addition to, or instead of, energy management and precision agriculture that you would like to see programming offered?

Highlights

There is a common concern that cost share ratios may be too much for new entrants and that smaller, unique industry groups face the same challenges. More startup grants for climate change and environment programming would be beneficial for these stakeholders and a need was recognized to provide inclusive programming wherever possible.

It is felt precision agriculture may not make a difference if there is a constant drought. The necessity to adapt to climate changes was discussed, as was a need to go beyond precision agriculture in other program areas. Some producers are encouraging their peers to adopt these practices but it comes down to some being risk adverse.

Participants indicated that conversion of equipment is an option but that it may also be cost prohibitive. To increase funding of technology costs, government could provide grant support for energy efficient tractors, drones, animal weighting systems and electric fencing for rotational grazing. New technologies need to be taught and the population is risk adverse in many cases, making change a slow process. The need to map more fields and know soil variability was discussed – funds are needed for this.

A gap was noted in the areas of updating heating and cooling costs, and ventilation technologies, as farms look to update their systems. Air exchange updates (i.e., disease prevention programs) should be included because in a reduced ventilation setting disease prevention becomes a challenge.

Transportation costs are also a barrier as hauling crops from the field to a processing area or other products, such as feed or manure, is not energy efficient and the efforts to reduce energy on farms are lost in the shipping process.

Communication surrounding the economic value of implementing Best Management Practices (BMP's) was identified as necessary to ensure producers are sharing ways to be successful.

Session – On-farm water and irrigation

The following questions were posed to stakeholders during the sessions:

1. What are the key barriers preventing producers from:
 - Preparing for climate variability?
 - Protecting water quality?
 - Reducing greenhouse gas emissions?
2. Are there activities, not covered under the Water Program, where more support is needed?
3. Are there eligible activities under the current Water Program that you recommend we retain in future programming?

Highlights

Concerns about program grant maximums were shared. Participants indicated maximums should keep pace with the increased costs related to implementing projects. The current funding of 25 per cent of eligible expenses is considered insufficient as it is not enough to counterbalance the work required. It is felt grants should have a higher dollar value proportional to expenses for well drilling and irrigation technology. Programs need to adapt as conditions change and the industry moves forward.

Water supply is a major problem facing Albertans and, in many cases, the required infrastructure is not available. Looking forward, producers may need to have ways to capture snow or high rainfall as they encounter empty dugouts. Water maintenance issues identified included reservoir switching, run-off and water capture.

Climate change and drought readiness were identified as key issues, as this programming is timely and impactful. Building knowledge, capacity and incentivizing established producers to adopt new technologies needs to remain in programming objectives.

Water purification was also discussed – there may be standing/available water but the concern is if this water is safe enough for animals to drink. New initiatives may be required to address climate variability. Research on anti-evaporation measures was noted as important to industry.

Providing support for conversion of irrigation pumps from natural gas or diesel generator to electric is considered a priority. While putting in a new pump is included in the scope of the Water program, conversion is not and it remains costly for producers.

Session – Building sector capacity, growth and competitiveness

The following questions were posed to stakeholders during the sessions:

1. What are the key barriers that are preventing agri-processors from scaling-up their operations and being competitive in domestic and international markets?
2. What kind of environmentally sustainable activities would you like to see supported in the programs?

Highlights

A need was identified to work with industry to ensure they are meeting basic on-farm requirements for food safety, biosecurity and traceability before incentivizing the on-farm value added program. It was indicated that some on-farm producers are not following regulations for off-farm sales and there seems to be a lack of follow-up to ensure standards are being met.

More integration of environmental sustainable activities across the sector should be supported through programs, although industry disagrees on the 'what' and 'how.' There needs to be recognition that different sectors of the industry have different concerns in this space.

A need was expressed to address the east/west processing diversification gap and for government to promote greater market awareness of Alberta-based food products. There is a need to have products made, grown and processed in our province and it is felt that not enough is being done to help Albertans select Alberta-made products. Trade (including interprovincial trade), regulatory challenges, unavailability of labour, the ability to pay competitive wages, and inflation were specifically identified as key barriers for industry.

It was shared that emerging opportunities applications take hours to do in comparison to other applications and the process should be simplified.

Survey results

Overview

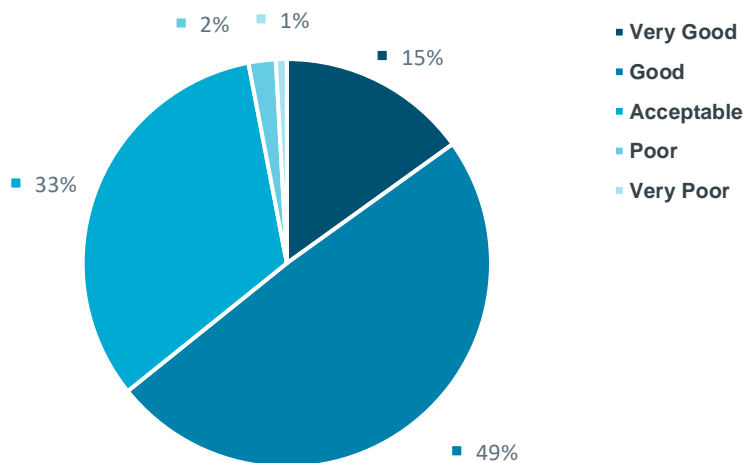
There were 232 responses across four surveys (Climate Change and Environment; On-Farm Water and Irrigation; Building Sector Capacity, Growth and Competitiveness; and Science Research and Innovation) that ran from November 24 to December 10, 2023. The surveys were available to the public and there was a dedicated effort to share the survey with key contacts and stakeholders in the agricultural sector.

Response rates for each survey were within an acceptable variance between each survey, and response rates achieved — based on potential target audiences — were as expected. Overall, 64 per cent of respondents had a “Good” to “Very good” experience completing the online surveys.

Table 1.0: Breakdown of total survey response rates by region

Region	Number of respondents (%)
Calgary	15
Central	32
Edmonton	19
North	13
South	21

Figure 1: Overall engagement survey experience rating



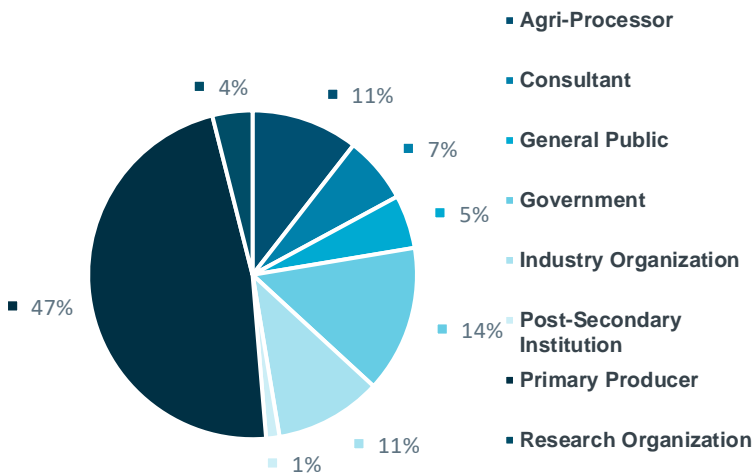
Overall, the survey results indicate positive support for existing programming and provide program staff with information that will support future Sustainable CAP program development over the remaining four years.

The following sections of the report provide greater insights into what we heard from survey respondents during the November 24 to December 10, 2023 timeframe.

Survey – Climate change and environment

There were 76 responses to the Climate Change and Environment survey.

Figure 2: What category best describes your role? (n=76)



In an effort to enhance programming, survey respondents that identified themselves as a primary producer were asked 'what is important to your operation when it comes to prioritizing energy management and precision agriculture?'

Figure 3: Which of the following statements best describes your prioritization between energy management and precision agriculture? (n=36).

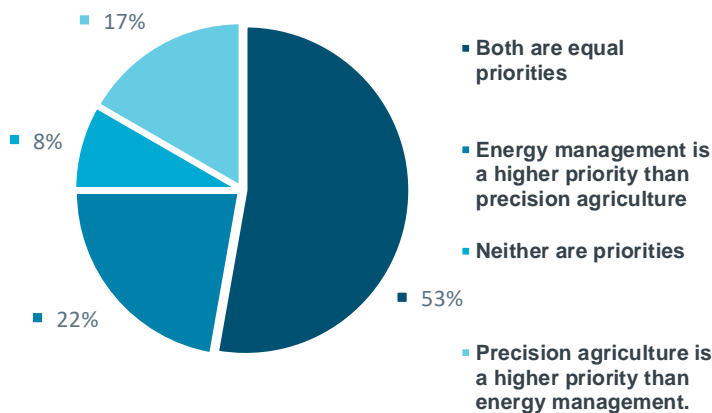


Figure 3 indicates that respondents consider both precision agriculture and energy management as priorities in their operation, indicating that there is a need for programming support in these areas. Only 8 per cent of respondents saw neither as a priority for their operation.

As precision agriculture is known to have several barriers in its adoption, a follow-up question was asked to better understand current barriers faced by producers looking to implement the 4Rs (right source, right rate, right time and right place).

When asked about 4R nutrient stewardship, survey respondents

identified several unique factors that prevent them from implementing the 4R principals, however the top recurring responses were centered on cost of adoption (65 per cent), weather impacts (18 per cent) and having time to implement (15 per cent).

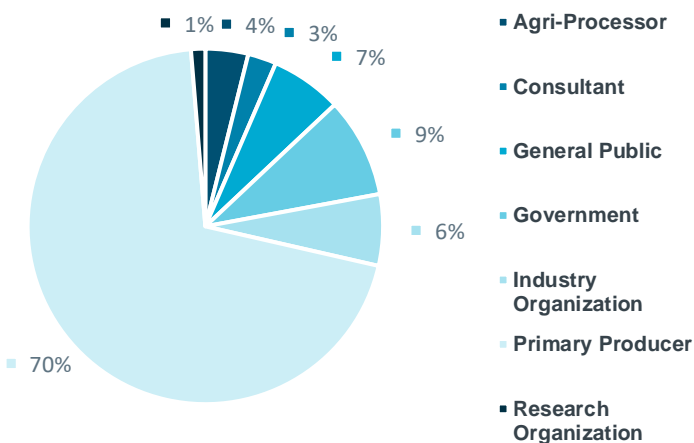
When expanding to overall supports that respondents feel would be helpful to support primary producers with on-farm environmental efficiency and sustainability, there were over 40 unique opinions and items shared by the 65 respondents to this question. Access to funding was identified by 20 per cent of respondents as being the main support they would like to see and was the strongest consensus observed of any response provided by respondents.

There is clearly demand for continued support for producers as they look to improve their on-farm environmental efficiency and sustainability which is evidence that Climate Change and Environmental programming is meeting the needs of Albertan farmers.

Survey – On-farm water and irrigation

There were 77 responses to the On-Farm Water and Irrigation survey.

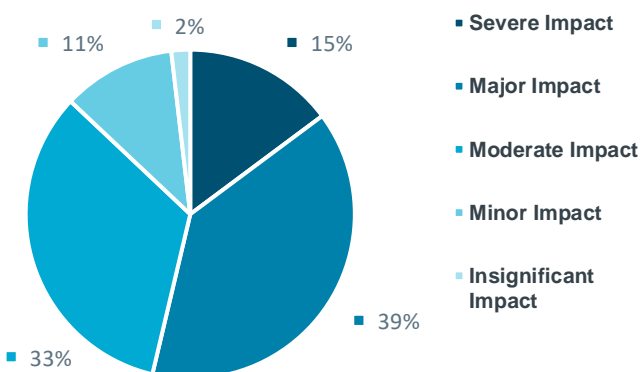
Figure 4: What category best describes your role? (n=77)



Those respondents that identified as primary producers were asked if dry conditions or drought impacted the water supply used in their farming operation over the last five years.

54 per cent identified a severe or major impact to their operation in that timeframe.

Figure 5: Have dry conditions or drought impacted the water supplies used in your farming operation in the last five years? (n=54)



A key area supported by Water programming helps producers manage the water supply on their operation. With over 50 per cent of respondents stating they dealt with severe or major water issues, relating to dry conditions in the past five years, it was determined that the existing programming goals align with the needs of those being served.

In an effort to better serve producers in Alberta, the program is looking to increase grant amounts that offset rising costs. In both the irrigation and water supply streams, this was seen as a positive change to help incentivize producers to make changes and participate in programs.

Figure 6: The increased grant amount will incentivize more water security projects over the next four years (n=54).

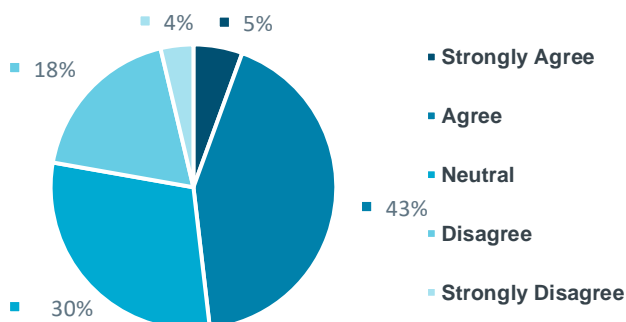
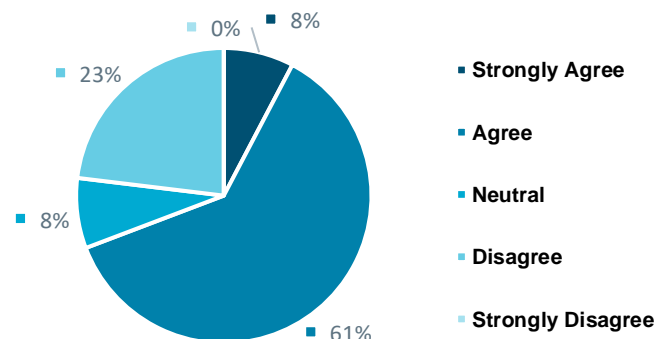


Figure 7: The increased grant amount will incentivize more on-farm irrigation efficiency projects over the next four years (n=13).



Respondents indicated they agreed that the proposed \$2,500 increase to on-farm water projects would be significant enough to offset rising costs. Similarly, 31 per cent agreed a \$5,000 increase for irrigation projects was significant enough to offset rising costs.

Figure 8: The increased grant amount is substantial enough to offset rising construction costs for new water supply developments (n=54).

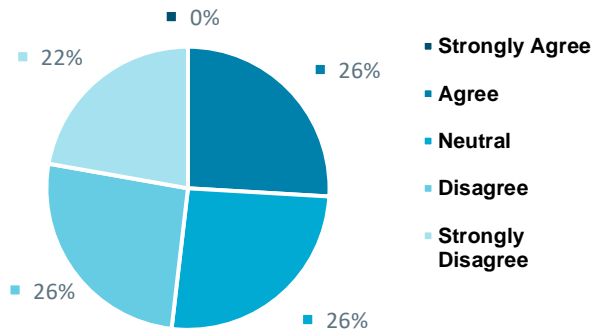
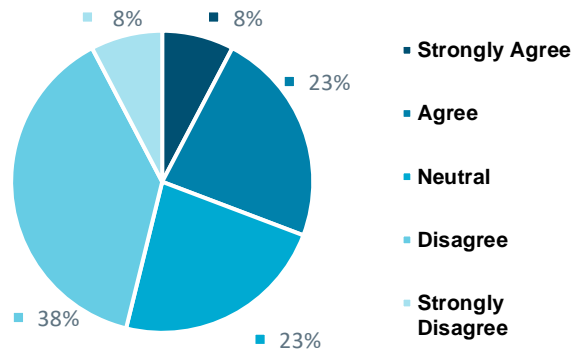


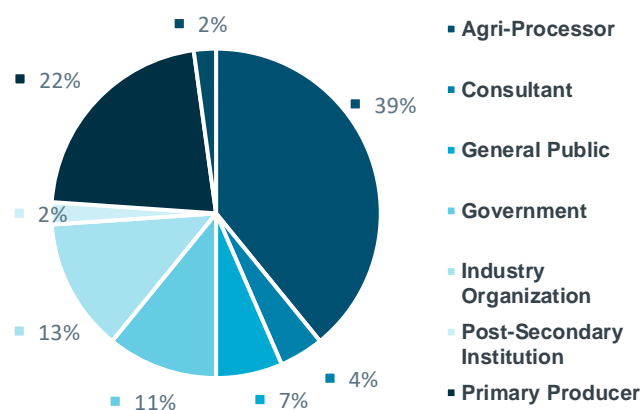
Figure 9: The increased grant amount is substantial enough to offset rising costs for new efficient on-farm irrigation efficiency equipment (n=13).



Survey – Building sector capacity, growth and competitiveness

There were 46 responses to the Sector Capacity, Growth and Competitiveness survey.

Figure 10: What category best describes your role? (n=46)



The questions for this program area were tailored toward gaining understanding of current issues with programming and identifying what is important to the agri-processing sector.

Respondents with experience in current and past framework funding who support value-added processing were asked about their knowledge of program elements.

These respondents indicated that the explanation of all elements of the program could be improved. Perceived clarity on program eligibility and merit assessment criteria returned the lowest scores.

Figure 11: The merit assessment criteria used to evaluate program applications was clear (n=17).

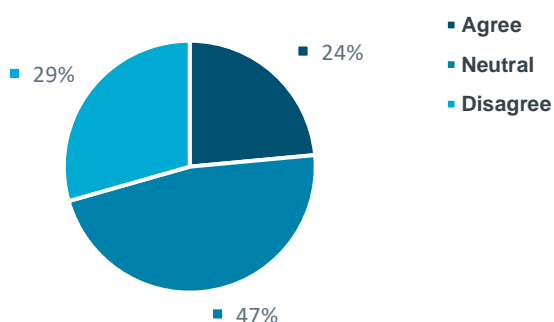


Figure 12: The program eligibility criteria was clear (n=17).

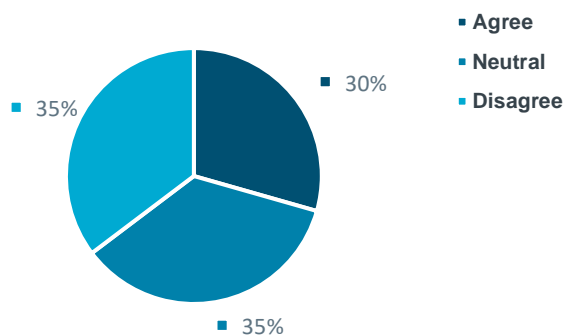


Table 2: Which of the following activities are most important for the growth of Alberta's agri-processing sector? (1 being most important and 4 being least important).

Selection option	Average rank
Processing capacity expansion capital expenses (e.g., purchased processing equipment, third party engineering / processing software).	1.84
Product development non-capital expenses for product development (e.g., sensory / shelf-life testing; formulation development; scale-up trials; first run of labels and/or package printing).	2.67
Market development and access non-capital expenses (e.g., marketing material design for new product or market launch; tradeshow / conference registration fees; ecommerce development support).	3.05
Training costs when adopting new technology, equipment or automation processes.	3.62
Food safety improvement non-capital expenses (e.g., food safety system development/implementation).	3.71

Processing capacity expansion capital expenses were identified as the item of highest importance which supports the approach to provide grant funding in this area. Respondents deeming this as most important for growth in the agri-processing sector demonstrates that the program is in alignment with the needs of industry.

Future types of environmentally sustainable agri-processing practices were presented to respondents with support shown for all of the proposed activities.

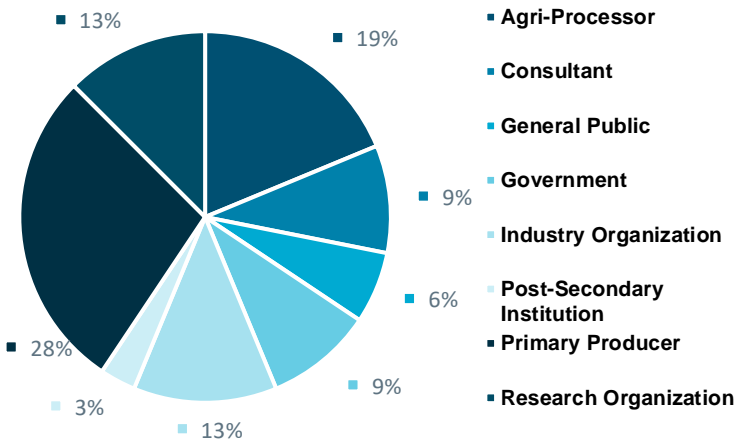
The four activities that were seen as most important by respondents were:

- Processing efficacy improvements (85 per cent rating this as Important or Very Important).
- Installing/retrofitting increased efficiency heating and refrigeration (85 per cent rating this as Important or Very Important).
- Waste reduction (83 per cent rating this as Important or Very Important).
- Purchasing new energy efficient equipment (83 per cent rating this as Important or Very Important).

Survey – Science, research, and innovation

There were 32 responses to the Science, Research and Innovation survey.

Figure 13: What category best describes your role? (n=32)



Respondents felt that current Science, Research, and Innovation programming was meeting the needs of the industry as illustrated in the following charts that address the four key research areas under the framework.

Figure 14: Current programming allows science and innovation to pursue economic growth opportunities (n=32).

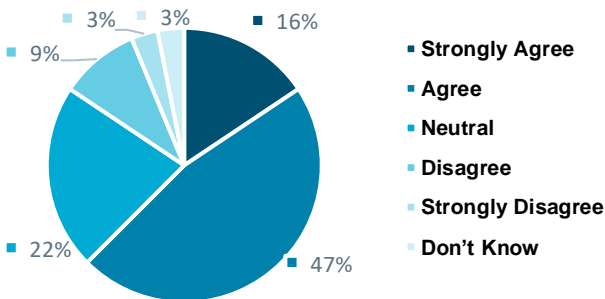


Figure 15: Current programming allows science and innovation to enhance food security (n=32).

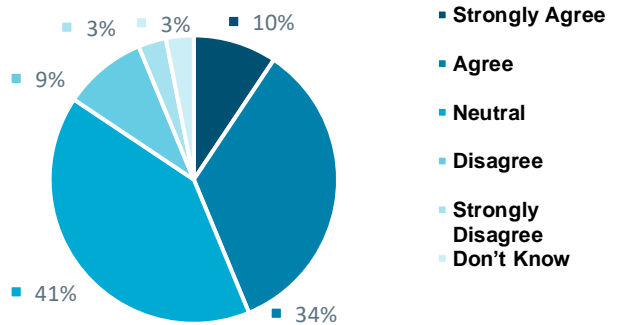


Figure 16: Current programming allows science and innovation to address climate change and other environmental issues (n=32).

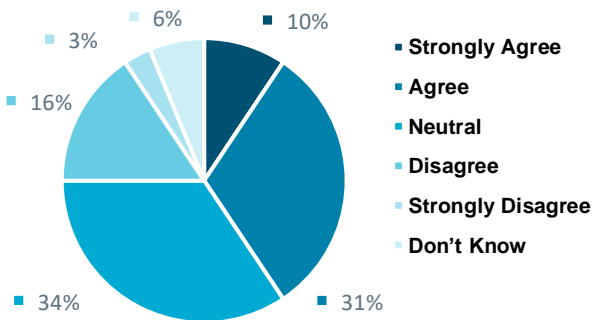
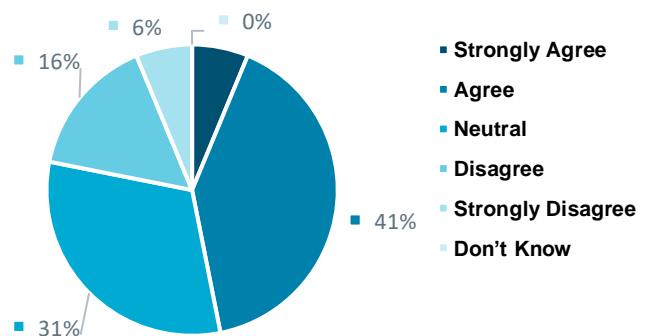


Figure 17: Current programming allows science and innovation to strengthen the long-term resilience of the agriculture sector (n=32).





Next steps

Alberta Agriculture and Irrigation is currently reviewing and analyzing input from the. Engagement results may inform program adjustments that could be implemented during the Sustainable CAP framework.

There will be an ongoing review of Sustainable CAP programs throughout the partnership to ensure any further adjustments required are handled in a timely way.