



# POLICY PAPER

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## “The Voice of Manitoba Farmers”

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## Strategic Growth Principles

*Adopted by General Council, July 2006*

### **BACKGROUND:**

At the March 2006 Executive Meeting of Keystone Agricultural Producers there was discussion on CFA's Strategic Growth Pillar of its Canadian Farm Bill (APFII) which can be accessed at [www.cfa-fca.ca](http://www.cfa-fca.ca). The outcome of the meeting was the creation of a KAP Strategic Growth Committee to provide input into the CFA process as well as develop a strategy for a Manitoba position for growth and producer advantage in the value chain.

The strategic growth pillar is meant to be proactive as opposed to reactive. To maximize agriculture's economic engine, strategic policy must ensure that all players, including primary producers, can be profitable, must maximize profitable flow through of product and minimize transaction costs. The CFA pillar includes producer ability to maintain profits (bargaining power); trade (international, interprovincial); improve regulatory efficiency; strategic investment in infrastructure; research/innovation in agriculture & agri-food; enhanced linkage with consumers and strong market development; strategic investment in value-added (top-down); and strategic investments in inputs and production (bottom-up).

### **COMMITTEE MEMBERS:**

The committee is made up of chairs of KAP's policy committees and include: David Rolfe, Ian Wishart, Robert McLean, Bruce Dalgarno, David Day, Doug Chorney, Rob Brunel, Weldon Newton, Tom Kieper, Les Felsch, and staff resource Yvonne Rideout.

### **PRINCIPLES:**

The following principles were adopted by KAP's General Council in July of 2006 and will serve as the basis for discussion and policy development in the area of strategic growth.

#### *SUSTAINABILITY:*

Production agriculture must have enough net income to attract and sustain the resources of labour, capital and effective management and also have early measurement indicators to determine what is really taking place so corrective action can be taken if necessary.

*VALUE ADDED:*

Agriculture needs to be involved in value added industries through incentives and governments should target their investments to the initiatives that have producer involvement.

*BRANDING RECOGNITION:*

We need branding recognition, whether it is Manitoba or Canada; however, such labelling cannot be at a cost to producers. There is a role for provincial involvement for some niche products.

*REGULATORY FRAMEWORK:*

We must ensure that our regulatory framework is in line with what is actually happening on the landscape, to ensure that producers can get a premium for their product.

*HARMONIZATION:*

We should have a holistic view on the industry as a whole. We need harmonization of all aspects of the system (eg. transportation, inspection, standards of imports), including all aspects that relate to trade.

*HOME GROWN:*

Governments should encourage the retail industry to promote home grown products by designating shelf space to the local industry.

*EMPLOYMENT:*

The regulatory system of EI should promote employment in agriculture thus encouraging re-entering the workforce.

*MARKETING EXPERTISE:*

Marketing expertise for new food products needs to be readily available and promoted, so that producers have the essential tools for product development and marketing.

*RECOVERING COSTS:*

We need public awareness of farmer's inability to pass on costs.

*RESEARCH:*

There is an extremely important role for public research and technology transfer for practical application of public research to producers. Research should not always be contingent on private investment but rather for the benefit of farmers and the public as a whole through health, wellness and economic growth factors. There is a role for public and private research and it needs to be a balanced approach. Research also needs to respond to market signals. (Strategic research - maintenance & advancement of current crops, research in emerging markets, public research in other product development/sustainable practices and they all have to coincide with others needs).

*GREEN LABEL:*

Green Label (CFA concept\*) can be an incentive for producers to get a fair dollar from the market place. There is potential for an independent board to oversee this concept. It would be difficult on an individual basis but not on an aggregate basis. There would have to be a certification process in place.

**\*(Excerpt from CFA: Green Label is a CFA concept where a value added label branding Canada products would mean that the product was grown & processed in Canada; it is of high quality, safety, and protects the environment; and producers received a sustainable price for that product. Food processors would have to be certified to use the label).**

***INVESTMENT:***

Strategic investment must be done with a holistic view (regulatory changes) and ensure that all levels of the chain from top to bottom benefit from such an investment. The bottom can not be at the mercy of gains at the top of the chain.

***PARTNERSHIP WITH PRODUCERS:***

Producer involvement into companies in order to get investment (research & technology) credits. For research dollars to be available there would be a requirement of producer ownership in the company.

***INPUT INVESTMENT:***

For commodity specific price support, if we enable producer investment in a process, there is a role for strategic input investment at the start-up but not on an ongoing basis.

***MEETING THE STANDARDS:***

Imported products, destined for industrial or human consumption, must meet the same standards as Canadian produced products with regards to health, bio-security, food safety and labour standards of agricultural workers.

***PURCHASE LOCAL:***

Governments (both federal and provincial) should purchase local products for their educational, correctional & health institutions.

***COMPETITION ACT:***

Governments should be more rigorous in enforcing the Competition Act to avoid certain business practices that are a detriment to our industry.

***JUST ASK CAMPAIGN:***

A campaign such as "JUST ASK", which urges consumers to ask if the product is Canadian, could be beneficial to create and increase awareness of Canadian products with the goal being increased consumption of our products.

***LABOUR POOL:***

Establish a practical and easy to use program and training so that the farm labour pool remains adequate.

***PUBLIC GOODS:***

Public benefit, public pays; such as ecological goods & services, food safety, etc.