



Association of Canadian Faculties of  
AGRICULTURE AND VETERINARY MEDICINE

Association des Facultés canadiennes  
D'AGRICULTURE ET DE MÉDECINE VÉTÉRINAIRE

# Brief to the House of Commons Standing Committee on Finance

## Budget 2018 pre-budget consultation

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## Executive summary

The Association of Canadian Faculties of Agriculture and Veterinary Medicine (ACFAVM) **recommends support for three initiatives in the 2018 Federal Budget** to help businesses succeed through research, innovation and advanced training of their employees consistent with the Barton Report that “Canada will become the trusted global leader in safe, nutritious, and sustainable food for the 21<sup>st</sup> century”.

- **Firstly, increase funding specifically to the matching funds programs** such as the CRD, MITACS and Engage, to enhance the collaboration between the private sector and universities. Increase access for highly innovative SMEs that are challenged to meet the current cash contribution requirements, increase the percentage of in-kind contribution, and increase the types of contributions that would be included as in-kind.
- **Secondly**, support two programs to **invest in employee training and development**:
  - 1) incentivise businesses for employee tuition and living costs for advanced training, and
  - 2) increase Canadians’ familiarity with international capacity and opportunities through global experience. The ACFAVM could coordinate the approved training program.
- **Thirdly**, corporate-facing research, innovation, HQP development, internationalization of reputation and commercialization would benefit from a **specific national network of centre of excellence (NCE) in agri-vet innovation** which would include a whole-of-government approach to coordinate policy and program development. This NCE could coordinate intensive training programs in entrepreneurship for producers and food processors, big-data management, emerging opportunities, and biotechnologies amongst others. It could coordinate national research efforts in specific aspects, including policy, inter-provincial trade, climate adaptation, social license, etc. The NCE would also specifically collaborate with the ag-food supercluster to support innovative Canadian ag-food businesses as they drive towards their ambitious goals. We recommend establishing funding for the NCE to help develop the Canadian brand for innovative, safe, and nutritious food envisioned by Barton.

ACFAVM is an excellent supplier of research and human capacity development required for innovation in provision of healthy animals, safe food and bioproducts.

Agriculture and Veterinary Medicine Faculties are critical to reaching the goals of the Barton report, Supercluster innovation and investment, and a Food Policy that will enable this strategy.

## **Introduction**

The 2018 Budget theme builds on last year's focus on economic growth through investment in superclusters, productivity and competitiveness.

The 2nd report of the Advisory Council on Economic Growth (better known as the Barton report) suggests that establishing the appropriately trained workforce and innovation ecosystem will help unleash the potential in the ag-food sector.

The ACFAVM recommends building on Barton's aspirational vision that "Canada will become the trusted global leader in safe, nutritious, and sustainable food for the 21<sup>st</sup> century". The foundation to building a Canadian brand that can meet the objectives planned in Canada's Budget 2017 includes creating an ROE for the Ag-Food Superclusters, ensuring an equity return to all stakeholders – food industry, agricultural producers, and consumers.

The Agriculture and Veterinary Medicine Faculties are critical to reaching the goals of the Barton report, enabling the Supercluster innovation and investment to support Canada's economic growth including employment and exports, and to sustaining a Food Policy that will enable this strategy. Investment in knowledge transfer and research are essential and the ACFAVM is a network which can be a strategic partner in this success. Our faculties are an excellent supplier of research and innovation, as well as for economic, scientific, and human capacity development required for advancement in the provision of healthy animals, safe food and bioproducts. We are eager to lead the achievement of recommendations in the Barton and Naylor reports, through collaboration with governments and the research funding bodies – the Tri-Council/ Canada Foundation for Innovation, Genome Canada, and other public funding bodies.

A key target is to expand exports to exceed \$75 billion, an increase of some 50 percent – this can also bring significant domestic market growth. Canada needs to understand and focus on developments in our domestic and global markets, and what customers are saying. Meeting their demands is the only path to increasing our competitiveness. Canada then must understand what needs to be added on the supply side. Superclusters could help this emerge, understanding that sustaining the momentum they provide requires transfer of knowledge to employers and employees as a universal program, to establish ongoing constant upgrading of innovation and training. To achieve this, Barton suggests Canada needs to invest in equipment in facilities and in infrastructure, and in development of the skilled labour human capacity in the production and marketing workforces. To achieve exports in excess of \$75 billion, innovation must arise jointly from the agri-vet-food business and academic sectors working closely together.

Following Barton's recommendations, this submission focuses on unleashing Canada's agriculture-veterinary potential to become a global leader.

In Budget 2018, we are asking for a whole-of-government approach at the federal level. Several Ministries (Health, Environment, Indigenous Affairs, Science and Innovation, and International Trade) need to coordinate policy and program development with Agriculture and Agri-Food Canada.

## **Recommendations**

This proposal recommends support for three initiatives that address the two questions:

Question 1. What federal measures would help Canadians to be more productive?

Question 2. What federal measures would help Canadian businesses to be more productive and competitive?

The ACFAVM urges budgetary support to three specific, pertinent initiatives.

- 1) To help businesses succeed through research, innovation and advanced training of their employees, Barton suggests the federal government provide initial funding to develop an innovation marketplace linking private sector start-ups with established university research centres. We suggest that this be addressed by increased funding specifically to the matching funds programs such as the CRD, MITACS and Engage, to enhance the collaboration between the private sector and universities. Further to this, we concur with Naylor that 'A stronger mechanism is needed for funding smaller- and mid-scale collaborative projects so that Canadian agencies and researchers can be more effective partners and participants in global science and inquiry' and link this to Barton's noted need to 'catalyse innovation marketplaces where researchers, start-ups, corporations & government work together'. We agree with Barton that there is a need to 'review and rationalize existing business-facing programs, scaling up those with proven impact'. We urge modifications to the funding requirements for industry partners in these programs, specifically to increase the access of the highly innovative SMEs that are challenged to meet the current cash contribution requirements. Specifically, we suggest a substantial increase to the percentage of in-kind contribution that would be matched by federal funding, and increase the types of contributions that would be included as in-kind, such as shared use of innovation facilities and resources.
- 2) To help businesses invest in the training and development of their employees, participate in global value chains and increase their international market share, and aid knowledge transfer and training, we suggest two support programs. Naylor notes that 'A clear strategy is needed to increase the recruitment of top-flight international graduate students and PDFs, and to ensure that more domestic students and trainees have opportunities to learn from international exposure' and that we need to 'promote the emergence of a more vibrant research ecosystem by encouraging international collaborations, multidisciplinary work'. Barton concurs, noting that the 'innovation ecosystem will be enhanced by streamlining immigration', and that we need to develop talent and labour markets, including international and cross-sector talent. We propose that businesses be provided with incentivising tax-breaks to support their employees'

tuition and living costs, when registered in full- or part-time advanced training. To increase Canadians' familiarity with international capacity, we propose annual in-depth tours/brief work experience of global food systems in the facilities of international corporate partners, for full-time commercial employees or registered university students. The ACFAVM could coordinate the approved training program, meeting criteria set by a joint federal/corporate advisory board. Finally, because Canada is becoming an increasingly-attractive country for highly-qualified students seeking advanced education and training, we strongly urge the establishment of sufficient capacity in our overseas offices to provide timely assessment of visa applications.

- 3) All aspects (corporate-facing research, innovation, HQP development, internationalization of reputation and commercialization) would benefit from a specific national network of centre of excellence (NCE) in agri-vet innovation. This NCE could coordinate programs such as a 10-day intensive training programs in entrepreneurship for producers, big-data management, emerging opportunities, and biotechnologies amongst others. It could coordinate national research efforts in specific aspects, including policy, inter-provincial trade, climate adaptation, social license, etc. The NCE would also specifically work with the ag-food supercluster in a collaborative and synergistic manner to support the innovative work of our leading Canadian ag-food businesses as they drive towards their ambitious goals. We recommend establishing funding for the aforesaid NCE in order to help develop the Canadian brand for safe and nutritious food envisioned by Barton. Examples abound, including environmental and climate change benchmarking and sustainability, and antimicrobial use and resistance.

## **Conclusion**

Governments, industries and universities must work together to achieve the innovation agenda. We need to create the knowledge and acquire and train the highly qualified personnel needed to catapult the country to the leading global reputation and economic potential seen by Barton. As member institutions of the ACFAVM, we are ready to play our part in achieving the promise of Agriculture and Food in Canada's economy!

## Appendix

The Association of Canadian Faculties of Agriculture and Veterinary Medicine:

- Represents 13 world-class education, training and knowledge institutions spread coast to coast – eight Faculties of Agriculture and five Veterinary Medicine Faculties
- Forms a research network of leading Canadian Food Universities – a resource that needs to be better utilized
- Our Vision: ACFAVM offers a substantial body of scientific expertise, who as public institutions can act as a tremendous resource, delivering leadership in science and innovation to support the economic growth of Canada, sustainably feed 9+ billion people, and enhance our natural environment
  - Focus on 3 pillars:
    - Education/ Training
    - Research
    - Public Service/ Policy

Together, we are the leading catalyst for the development and adoption of agricultural science and veterinary technology, providing the highly trained future leaders to serve the growing needs of industry and governments. Our world-class fundamental discoveries inform areas critical to a sustainable economy, society, and environment:

- One Health, animal health, zoonotic diseases and epidemiology
- soil sciences including remediation of damaged sites and thawing permafrost
- plant and crop sciences enhancing food production efficiency, quality, and safety
- animal genetics, production, and welfare
- bioproducts such as biofuels and biodegradable food packaging, and novel food development and processing
- economic and trade policy and consumer/purchaser priorities.

In addition, we all prioritize getting our discoveries applied and made useful to food industries, agricultural producers, and our local and global communities.

Graduates from our undergraduate, professional and graduate programs have the scientific knowledge, hands-on experience, and life-long learning skills needed to be the workers and leaders that use evidence-based decision-making to guide Canada and the world to succeed in a world of changing physical and political climates. We engage all our citizens regardless of origin, gender, or belief system in using science and technology to improve life.

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