

**Written Submission for the Pre-Budget Consultations
in Advance of the Upcoming Federal Budget**

**By: CAPI
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Recommendation

- That the government support the Canadian agri-food sector by re-investing in the Canadian Agri-Food Policy Institute (CAPI) – specifically, that the government extend the existing funding agreement between *Agriculture and Agri-Food Canada* and CAPI, set to expire on March 31, 2022, by providing additional funding in the amount of \$10 million over 5 years.

Submission

Almost 15 years ago, the Government of Canada invested in a bilingual, independent policy think tank, focusing solely on the agri-food sector. At the time, the agri-food system was recognized as an important part of Canada's economy, but while opportunities were great, challenges were greater. Consequently, there was an identified need to create a space for objective and neutral yet difficult conversations, provocative research questions, and challenges to the status quo.

In the time since, CAPI has taken seriously its role as a catalyst for progress in agri-food. It has challenged the beef industry to fulfill its strategic potential, and stimulated the industry to implement collective action which has moved it forward as a global value chain leader¹. It has undertaken critical analysis highlighting the need for greater focus on domestic food processing, which resulted in changed perspectives and actions that are showing significant improvements (as per a recent CAPI update²). In response to the report of the 2017 *Advisory Council on Economic Growth (ACEG)*, CAPI held a series of forums discussing growth targets, which provided the roundly appreciated conclusion that the sector should aim for "quality" growth, not just growth in scale³. And more recently, provocative work on the global trade environment, undertaken in partnership with the US Farm Foundation, brought new ideas to North American policy makers. Finally, when COVID-19 hit, CAPI was one of the first organizations to look at the resilience of the agri-food sector.⁴

Clearly, much has changed since 2007, but the need for CAPI has not. Indeed, the need has grown, as have the myriad ways CAPI can contribute to critically important dialogue regarding this essential sector. The agri-food system now accounts for almost 7% of GDP and employs approximately 2 million people. It provides safe, nutritious and healthy food for Canadians, at less than 10% of the average household's budget. The government's 2017 *ACEG* called Canada's agri-food industry a key strategic growth sector, with "a strong endowment and untapped and significant growth potential"⁵. As recent events have shown, it is a critical piece of Canadian infrastructure, and has an important role to play in Canada's economic recovery.

Concurrently, the challenges facing agri-food have become more complex. Resiliency has become as important as efficiency and effectiveness. Sustainability remains poorly defined, yet it is becoming "table-stakes" for any business hoping to survive, both domestically and internationally. The global trading system is under tremendous pressure as old alliances fray, new superpowers emerge, and instability reigns within traditional

¹ https://capi-icpa.ca/explore/resources/canadas-beef-food-system-a-roadmap-for-dialogue-on-strategy/?_keyword=beef&_after=&_before=2016-01-01&_orderby=post_date&_order=desc&_paged=2

² https://capi-icpa.ca/explore/resources/canadian-agri-food-processing-competitiveness-quality-growth-and-global-opportunities-a-snapshot-of-current-trends-key-findings/?_keyword=beef&_after=&_before=&_orderby=post_date&_order=desc&_paged=1

³ https://capi-icpa.ca/explore/resources/what-we-heard-barton-forward-optimizing-growth-in-the-agri-food-sector/?_keyword=&_after=2017-01-01&_before=&_orderby=post_date&_order=desc&_paged=6

⁴ <https://capi-icpa.ca/explore/resources/what-we-heard-the-resilience-of-the-canadian-agri-food-supply-chain-a-capi-digital-dialogue/>

⁵ <https://www.budget.gc.ca/aceg-ccce/pdf/key-sectors-secteurs-cles-eng.pdf>

partners. People struggle to find information they can trust, while drowning in a sea of data. And the COVID-19 pandemic has both decimated the global economy, and underscored the essential nature of resilient domestic agricultural supply chains.

CAPI has changed too, rising to meet these new challenges. This past year has been a year of exciting renewal including a refreshed Board, new collaborations with recognized national leaders such as the Arrell Food Institute and the Canadian Centre for Food Integrity, and, most importantly, a new mandate. At this critical time for our industry and our country, CAPI has seized the opportunity to be more solutions-oriented, to create safe spaces for critical conversations, to explain research results more clearly and to a broader audience, and to be a connector between those who have creative ideas to contribute, and those who are making impactful policy decisions. CAPI has the capacity, the network and the brain power to equip Canada's policy makers and industry leaders with what they need to make the policy decisions which will define our nation's recovery and its resilient future.

CAPI's Board of Directors and industry advisors comprise strong leaders with deep agriculture, food and policy expertise. Its staff has tremendous experience in both private industry and government, in the food and agriculture sectors. A growing list of partnerships with key academic institutions and NGOs enhance its capacity and reach. And as the government – and this Committee – turn attention towards economic recovery, CAPI has an unparalleled ability to provide expert counsel as a trusted advisor.

But ultimately, success in CAPI's endeavours will also be heavily reliant on financial support from the Government of Canada. Extending the existing funding agreement will sustain CAPI, and allow it to continue fulfilling the need identified so many years ago, for a trusted, neutral, bilingual, national organization which is recognized for its thoughtful, strategic, invaluable contributions towards creating positive change in Canada's agri-food sector. For that reason, we respectfully recommend that the government extend the existing funding agreement between *Agriculture and Agri-Food Canada* and CAPI, set to expire on March 31, 2022, by providing additional funding in the amount of \$10 million over 5 years.