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Selected presentation for the International Agricultural Trade Research Consortium's (IATRC's) 2023 Annual Meeting: The Future of (Ag-) Trade and Trade Governance in Times of Economic Sanctions and Declining Multilateralism, December 10-12, 2023, Clearwater Beach, FL.

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Supporting Environmental sustainability: Perspectives From Canada

IATRC Annual Meeting – December 11, 2023





Some Ag Production, Trade and Environmental Facts

Canada is mostly North of US, except for Alaska

Canada is vast country with very diversified landscapes and agriculture

Canada's agricultural sector is trade dependent

- In 2022 Canada imported 67.5 billion worth of agrifood and seafood products. The US was Canada main supplier of agri-food products followed by Mexico and China.
- Canada exported 95.7 billion in 2022, the US was our top export market followed by China and Japan.
- Canada is the 7th world exporter of cereals, for 13.5 billion, and large exporter of oilseeds, in particular Canola, as well as meat, fish & seafood.
- Canada is large importer and exporter of vegetables and processed foods.

Agriculture is significant contributor to (GHG), 10% of the country's total emissions, mainly through animal production, on-farm fuel use, and fertilizer application

• Total emissions from sector have increased since 2005 by 4.5%, to 69 megatonnes in 2020.

Federal-Provincial-Territorial (FPT) Initiatives

- April 2023: Sustainable Canadian Agricultural Partnership (Sustainable CAP):
 - \$3.5 billion over five years to help drive sustainability, innovation, economic growth, and competitiveness.
 - In sustainability area, bolster action across the framework objectives
 - \$2.5 billion in FPT cost-shared programs and activities, up 25% from the 2018-2023 agreement.
 - Facilitates collaborative efforts to promote sustainable practices, reduce emissions, and enhance the sector's environmental performance.
 - Commitment to reduce GHG emissions by 3 to 5 megatonnes, strengthen the resiliency of the food system, and encourage diversity and inclusion in the sector.
- Commitment to better integrate climate risks in suite of Business Risk Management (BRM) programs
- Establishment of Resilient Agricultural Landscapes Program (RALP) \$250 million investment to support ecological goods and services provided by the agriculture sector.
 - RALP is first instance in Canada's agriculture policy framework of a cost-shared environmental program based on an agreed to national set of principles, but finalized and implemented by the provinces and territories
- Sustainable CAP environment and climate change commitments shows increased willingness and ability for FPT governments to more closely coordinate their activities to drive towards ambitious collective outcomes. Action on the environment since frameworks began in 2003,
- Continue to Improve Data Sharing, Measurement and Monitoring

Federal Initiatives – Financial Incentives and Sustainable Agricultural Strategy

FINANCIAL INCENTIVES FOR SUSTAINABLE PRACTICES

- Since 2021, \$1.5 billion for the agriculture sector, which could yield up to 13 megatonnes of GHG emission reductions by 2030 (emissions from agriculture in 2020 were 69 megatonnes).
- Incentivizes producers to adopt practices and technologies to reduce GHG emissions and sequester carbon in soils.

SUSTAINABLE AGRICULTURE STRATEGY (SAS)

- Canada developing a (SAS) guiding efforts towards 2030 and 2050 to enhance sustainability, resilience, and environmental performance within the agriculture sector.
 - In consultation with the agriculture and agri-food sector, Indigenous Peoples, and other partners and stakeholders.
- Focus on five areas: soil health, climate adaptation and resilience, water, climate change mitigation, and biodiversity.
- Identify research priorities in science and innovation to support agri-environment outcomes and promote data collection methods that minimize the reporting burden on producers.
- Create connections between environmental programming in agriculture to provide more clarity, less overlap, and fill policy gaps while considering farming realities

Federal Initiatives – Living Labs and Agricultural Climate Solutions

- In **2018**, AAFC launched a **network of living labs** to accelerate the development and adoption of sustainable practices and technologies by Canadian farmers.
- Living labs help break down barriers between research and practical on-farm application to ensure that:

1) farmers have tools they need; and,

2) scientists producing research that is both relevant to farmer's needs and provides evidence of the resiliency and sustainability of innovative practices.

- Initial 4 living labs co-developed more than 50 beneficial management practices with producers actively involved in the innovation process and testing the practices on their own farms.
- Launched in **2022**, **Agricultural Climate Solutions (ACS)** is a \$185 million, 10-year program that seeks to develop and implement farming practices to tackle climate change.
- Part of ACS, new Living Labs focused on finding on-farm climate solutions, particularly in sequestering carbon and reducing GHG emissions, all while providing environmental and socio-economic benefits.
- Since implementation, network of living labs has grown in phases. The result is a network of 13 living labs, with at least one in every Canadian province, representing over 1000 people actively involved.
- In addition, Living Labs has mobilized up to 48 partner groups across the four original sites to apply a user-centered approach in resolving local agri-environmental issues.

Other Federal Targets and Initiatives

- Economy-wide Carbon Tax, but farming mostly exempt
- National target of reducing GHG emissions by 40-45% below 2005 levels by 2030, reaching netzero emissions by 2050.
- Support for the Global Methane Pledge, which aims to reduce global methane emissions from all sources by 30 percent below 2020 levels by 2030.
- National target to reduce emissions from (not use of) fertilizer use in the agriculture sector of 30 percent below 2020 levels by 2030.

Agriculture Sustainability and Trade

NO UNIVERSAL APPROACH TO AGRICULTURAL SUSTAINABILITY

• sustainable productivity growth:

- sustainability practices vary among countries: domestic sustainability regulations and standards are science and risk-based, taking into consideration countries' varying landscapes, communities and production systems.
- regulations developed so that farmers can access the most appropriate tools for their production system, adapted to their environment and local circumstances.
- Focus on outcomes: countries should design goals, results and measures that detail the sustainability outcomes to be delivered, rather than prescriptive about practices farmers and other food chain actors must use to be "sustainable".

SUSTAINABILITY MEASURES MUST BE SCIENCE-BASED

- Use risk analysis, standards and guidance provided by the ISSBs
- Over-application of the precautionary principle results in delay or non-approval of new agriculture technologies and affect increases in sustainable productivity.
- Encourage agriculture innovations, including biotechnology, for environment and food security.

SUPPORTING A CONSISTENT MULTILATERAL TRADING SYSTEM

- Multilateral trading system can facilitate trade, empower innovation, and access to new technologies to help achieve food security.
- Discussions on sustainability and food security should complement, not supplant, existing guidance under the General Agreement on Tariffs and Trade (GATT), the WTO Technical Barriers to Trade (TBT) Agreement, the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS), and the WTO Agreement on Trade and the Environment (T&E).