

An Introduction to *AgriFlex* **June, 2008**

What: Simply put, AgriFlex is a federal and provincial government fund that will enable the design of regional or commodity specific programming that is not addressed by any current national umbrella program. AgriFlex is intended to complement the “Growing Forward” suite of agricultural programming currently being implemented by the federal government through Agriculture and Agri-Food Canada. AgriFlex will provide for appropriate provincial-territorial flexibility consistent with national objectives, facilitating adaptation to changing market circumstances and helping producers improve profitability in a manner that addresses the unique needs of a sector or region.

How: AgriFlex would be a federal-provincial funding envelope that can be made available to provincial governments to fund regional programs such as enhancements to production insurance, environmental initiatives, or by supporting innovative technologies and market-oriented initiatives. The AgriFlex Fund would offer flexibility in regional programming by allowing federal funds to partner with these valuable programs which would leverage provincial funds and allow the flexibility to utilize those funds in the method that has the greatest benefit to farmers.

Why: It goes without saying that farming can be very different operation across Canada. AgriStability & AgriInvest, while an important and appreciated mechanism of support for farmers across Canada, are national programs that can sometimes be too rigid for regional or commodity-specific situations. The result is that sometimes farmers, production systems, or commodities slip through the mesh and don't receive the support they need to help them address operational difficulties or capitalize on new opportunities. Finally, Canadian farmers compete in global markets against competitors who receive significantly higher levels of direct government or product-specific support, something that AgriStability is incapable of addressing.

Who: Through established federal-provincial agricultural cost-sharing formulas, both federal and provincial governments would contribute to the AgriFlex fund, thereby encouraging the development of regional or commodity specific programming. The

resulting programs could potentially reduce reliance on unpredictable ad hoc funding, greatly benefiting both farmers and government.

Where: The AgriFlex fund can help bolster regional programs across Canada, and across all commodity groups. Regional or commodity-specific programs can be designed to assist any sector in need, such as those sectors who would potentially receive emergency ad-hoc funding under the current support structure. For example, horticulture is currently facing significant challenges with regards to a rising dollar, expensive labour, and increased energy costs. Governments and industry must design and implement programs that permit farmers to get through this challenging period if Canada is to maintain a viable horticulture sector within this country. Similarly, Atlantic Provinces are looking for ways to fund research, innovation, and encourage the adoption of novel crops and production techniques and Saskatchewan in looking at ways to improve its crop insurance program. AgriFlex would provide a method for federal and provincial governments to partner in supporting these exciting initiatives. Another example is grain and oilseeds producers, who have finally begun receiving a positive return for their crops. This makes it an excellent opportunity to design and implement programs, such as RMP in Ontario, at a minimal cost to adequately prepare for potential downturns that may occur in the future.

When: Now. This is an opportunity for the federal and provincial governments to build long-term partnerships to cooperatively develop competitive policy and programming that effectively invests in the unique needs of our diverse agriculture system. The current challenges facing the horticulture sector, the on-going requirement for investment in innovative technologies, and the necessity for regional enhancements in production insurance highlight the urgent need for an AgriFlex fund.

Farmers face enough risk in their everyday operations; the last thing they need is the unpredictability and delayed response of ad hoc aid during dire situations. Since markets alone can't ensure this, farmers want to have a partnership with government to build a foundation of certainty, and protect the long-term viability of the agricultural sector. This partnership is called AgriFlex.

For more information contact The Canadian Federation of Agriculture (CFA) at (613) 263-3633.

