

3 SUSTAINABLE AGRICULTURE STRATEGY: CULTIVATING SUCCESS



The Canadian agri-food and agriculture sector is at a critical juncture. As a sector inherently tied to the rhythms of nature, it is uniquely vulnerable to the impacts of climate change. These impacts threaten Canada's ability to produce food, fiber, and fuel for both domestic consumption and the global market. Despite these considerable challenges, the agriculture sector holds significant potential to advance solutions for achieving national and international goals or commitments such as mitigating climate impacts and reversing biodiversity loss.

The Green Budget Coalition envisions Canada as a leader in sustainable and innovative agriculture, with a resilient and diversified food system. For Canada to sustainably intensify production and drive broader food system outcomes by improving food security, adapting to climate change, and managing demands on limited natural resources, it is integral that producers are encouraged and incentivized to adopt and augment climate-smart and nature-positive practices and technologies. This must be a collective priority, balancing the immediate needs of Canadians with the long-term health of our environment.

Photos: left, Elisabeth Joly; right, Zoe Schaeffer

Agriculture and Agri-Food Canada’s Sustainable Agriculture Strategy (currently under development) aims to set a unified course for enhancing the sector’s environmental performance while supporting farmer livelihoods and the business vitality of agriculture.¹⁵ For this strategy to succeed, it requires an implementation plan that is adequately resourced and forward-thinking, promoting the widespread adoption of climate-smart and nature-positive practices, tools, technologies, and innovations across agricultural landscapes and agri-food value chains. Achieving this vision also requires robust collaboration across all levels of government and the private sector.

The Green Budget Coalition recommends that the federal government fund and implement the Sustainable Agriculture Strategy with an emphasis on continual improvement to achieve greater environmental outcomes and resiliency for producers. The following recommendations would help advance and support the implementation of the Sustainable Agriculture Strategy.

Total Recommended Investment: \$2.6 billion over five years, followed by \$87 million per year, ongoing

Specific Recommended Investments:

A) Support programs that provide biodiversity and ecosystem service benefits **\$290 million over five years** [AAFC, ECCC, PMO, StatCan, NRCan]

Key Actions:

- **Provide financial incentives to producers for the avoided conversion** of native and tame grasslands, wetlands, and forested areas. (**\$125 million over five years**).
- Support programs that maximize the economic and environmental **return of marginal land** (**\$50 million over five years**).
- Allocate start-up funding to facilitate the development of a **market-based system for quantifying and valuing ecological services on-farm** (**\$75 million over five years**).
- Develop a comprehensive and inclusive **national land use strategy** in collaboration with provinces, territories, and Indigenous peoples (**\$40 million over five years**).
- Improve the regulatory process and continuous monitoring of **pesticide use** to reduce risk and to ensure transparent, robust, and data-driven decisions. *See also Data collection to support regulatory evaluation of pesticides, later in this document.*

Rationale:

1. Environmental impact:

- Supports healthy and resilient ecosystems.
- Mitigates climate change by enhancing carbon sequestration and reducing greenhouse gas emissions.



Photo: Randy F.

¹⁵ Sustainable Agriculture Strategy: What We Heard Report <https://agriculture.canada.ca/en/departement/transparency/public-opinion-research-consultations/sustainable-agriculture-strategy/what-we-heard-report-sustainable-agriculture-strategy>

- Provides essential ecosystem services (provisioning, regulating, cultural, and supporting services) and supports climate resiliency.

2. Economic benefit:

- Enhances soil health, biodiversity, and ecosystem services which can lead to increased agricultural productivity and resilience against climate change and pests.
- Markets for ecological services can generate additional revenue streams for landowners and contribute to sustainable economic growth.
- Creates new economic opportunities such as advancing sustainable agricultural practices.

3. Social and community impact:

- Enhances community well-being through provisioning services (e.g., food and water), cultural services (e.g., recreational and spiritual), and supporting services (e.g., nutrient cycling) to enhance quality of life and overall health.
- Promotes sustainable land use practices and secure livelihoods for producers and rural communities.
- Engages communities in conservation efforts fosters a sense of stewardship and collective responsibility for the environment.



Photo: N. Carens

- B) Build knowledge and technology transfer capacity to improve economic, environmental, and social benefits **\$1.040 billion over five years** [AAFC, StatCan, ECCC, NSERC, SSHRC].

Key Actions:

- Improve climate and biodiversity **data collection, harmonization, transparency, dissemination, and utilization** to improve measuring, reporting, and verifying data to inform the National Inventory Report, encourage the adoption of natural climate solutions, improve agricultural policy-making and programs, and decisions across the value chain (**\$500 million over five years**).
- Support the transition of the **Living Labs Program** from pilot to permanent program (**\$25 million over five years**).
- Advance social science research to ensure **Best Management Practices (BMPs)** are fiscally sound and financially attractive to encourage full-spectrum participation (**\$250 million over five years**).
- **Enhance technical assistance and training** by expanding the extension program to fund 1,500 new extension service agents; improving access to resources, training, and education; supporting farmer-to-farmer and peer-to-peer learning opportunities, and developing a training and certification program to help producers accelerate the adoption of best management practices (**\$250 million over five years**).
- Support the development and implementation of a **Pan-Canadian soil health strategy** that will provide farmers access to information, technical support, and financial resources needed to improve soil health (**\$15 million over five years**, to grow over time (\$1 million in 2025-26, \$2 million in 2026-27, \$3 million in 2027-28, \$4 million in 2028-29, \$5 million in 2029-30)).¹⁶



Photo: Damiel Fazio

Rationale:

1. Environmental impact:

- Enables evidence-informed decisions that enhance environmental outcomes.
- Enhanced data transparency will promote sustainable practices and land use.
- Contributes to mitigating climate change and improving ecosystem health.

2. Economic benefit:

- Ensures that resources are allocated efficiently, maximizing return on investment.
- Leads to cost savings for producers and new sustainable economic opportunities.
- Enhances the competitiveness of Canadian agriculture in global markets.

¹⁶ Consider ongoing efforts by the Soil Conservation Council of Canada to develop a national soil health strategy as well as recommendations made by the Standing Senate Committee on Agriculture and Forestry in their recent report.

3. Social and community impact:

- Addresses factors that contribute to mental health pressures on producers.
- Fosters collaboration and knowledge transfer among producers.
- Improves the capacity of producers to adopt sustainable practices, benefiting communities.
- Strengthens community ties and collective action towards sustainability.



Photo: Eric Prouzet

C) Enhance producer resiliency and sustainable productivity **\$1.215 billion over five years, followed by \$87 million per year, ongoing** [AAFC]

Key Actions:

- Support pilot innovations in business risk management design and integrate climate risk management and adaptation into **Business Risk Management (BRM) programs** that are additive and incentive-based (**\$615 million over five years, then \$87 million per year, ongoing**).
- Integrate **Livestock Price Insurance** into AgriInsurance program (**\$350 million over five years**).
- Develop **early warning sign systems** for climate-related events (e.g., drought, floods) (**\$250 million over five years**).
- Review agricultural policies to realign subsidies that may be harmful to nature. *See also Subsidy reform: Aligning investments with halting and reversing biodiversity loss by 2030, later in this document.*

Rationale:

1. Environmental impact:

- Promotes the adoption of best management practices that enhance environmental sustainability.
- Helps producers prepare for and mitigate the impacts of climate-related events, reducing environmental degradation.

2. Economic benefit:

- Reduces the long-term costs associated with climate-related risks and improves the financial stability of producers.
- Supports income stabilization and reward practices that contribute to long-term economic resilience.

3. Social and community impact:

- Contributes to the overall resilience and sustainability of rural communities.
- Helps secure livelihoods for farmers, enhancing food security and community well-being.

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Photo: Zoe Schaeffer