



ACFA Election Key Messages

May 2023

Who is ACFA

- The Alberta Cattle Feeders' Association has set the pace in industry for 50 years and is the voice of cattle feeders: hard-working, forward-looking women and men who believe in a strong, profitable, and sustainable cattle feeding industry.
- Our mission is to champion innovative and collaborative solutions for a thriving Alberta beef industry on behalf of our members.
- Alberta beef producers sell to the world the highest quality of beef raised in an environmentally sustainable manner while following strict codes of practice for animal welfare.

Impact of Cattle Feeding in Alberta

- Alberta is Canada's largest beef producing province hosting over 70% of the fed cattle sector
- Alberta is home to approximately 155 feedlots with 1,000+ head of cattle totaling over 1.3 million head capacity
- Alberta's fed cattle sector contributes over \$2.9 billion in economic output to the economy and employs over 19,000 people. That's approximately 1 job per 100 cattle

Current State of Alberta Cattle Feeding Sector

- While the beef industry plays a leading role in Alberta's economy, competitiveness can be quickly eroded by legislative, regulatory, taxation and policy decisions of the Alberta government. These must track alongside our competitors in a high integrated North American beef market.
- Alberta offers tremendous potential for the agriculture and agri-food sector, particularly within the beef and value-added beef processing sector.
- For the Alberta beef sector to remain engaged, the government must foster a business environment that encourages growth and investment and eliminates impediments including red-tape and non-competitive costs. This means consistent and deliberate policies to stimulate Alberta's agriculture and agri-food opportunities.
- Some of the main issues impacting the fed cattle industry's competitiveness in Alberta include:
 - Access to foreign labour and resolutions to rural labour challenges
 - Compounded impact of increased taxes, higher fuel costs, increased feed and input costs, and additional one-off taxes
 - Increased regulatory barriers not faced by competitors – including climate policy
 - Lack of rural infrastructure necessary for agriculture including intranet, roads & bridges
 - Concentration of the processing industry in Canada

Key Issues

Growth and Competitiveness

The beef sector holds tremendous opportunity for economic growth in Alberta. But this growth can only be harnessed with a business environment that stimulates investment and eliminates impediments to profitability in Alberta. Current impediments to a competitive Alberta beef industry include non-competitive costs for electricity, water and natural gas, inconsistent and targeted taxation practices at the municipal level and intended and unintended barriers to the expansion of farm operations.

To encourage investment and economic growth, agricultural producers, particularly feedlots, need the assurance that there are opportunities for growth and expansion as originally laid out under the Agricultural Operation Practices Act (AOPA). Unintended consequences around the application of land use provisions of municipal and intermunicipal development plans have eroded assurances and opportunities for farm operation expansions. Currently, municipalities are implementing exclusion zones at the expense of agricultural operations even when the agriculture operation has demonstrated due diligence and meets all regulatory requirements. This precedent will directly impede the expansion of agriculture throughout the province and deter future investment both in farms as well as supply chain development and value-added initiatives.

In addition, the competitiveness of Alberta's feeding sector is challenged by ever-increasing taxation and inconsistent municipal taxation. Farmers have suffered due to the implementation of alternative methods of taxation such as Lethbridge County's head tax that unfairly targets livestock operations. Producers, as price-takers, are unable to pass along the cost of any added taxation. The sector simply will not be able to sustain itself if this taxation practice continues.

Recommended Action

Ensure the Natural Resources Conservation Board (NRCB) has authority under Agricultural Operation Practices Act (AOPA) for agriculture approvals in conflict with Municipal Development and Intermunicipal Development Plans.

Modernize the provincial agricultural property tax system to provide transparency and consistency to agricultural operations and reduce the implementation of unfair municipal taxes.

Truck Driver Shortage

Truck drivers are integral to the cattle feeding sector in order to transport every-day cattle across the Canada-US border and cattle to and from feed yards, auction marts and processing plants. In addition, trucking is required to remove manure and to transport feed and supplies.

However, there is a current and growing trucker shortage in Canada. According to a recent report by Trucking HR Canada, there was over 20,000 truck drivers' job vacancy at the end of 2022. Agriculture is one of the industries where the shortage of truck drivers is even more pronounced due to the rural location and the stress of working with live animals.

While there were some recent changes to the Mandatory Entry Level Training (MELT) program in Alberta, it still results in excessive costs, time and red tape for farms looking to train employees.

Part of the solution lies in designating truck driving as a skilled trade. This will increase awareness of trucking as a desired occupation followed by increase in enrolment in this occupation. Providing this designation will also allow provincial training programs to be eligible for use under RESPs; and increased access to student loans and grants.

An additional challenge is the increasing difficulties and costs to insuring new drivers.

Recommended Action

- Provide further government funding and programs for producers to obtain a MELT license at a reduced cost for particular scenarios.
- Recognize truck driving as a designated skilled trade to encourage Canadians to pursue it as a career and improve access to foreign drivers with experience, and make training programs eligible for student loans and grants.
- Include MELT training, or portions of the training, as course credit for high school students wanting to obtain a Class 1 when they are eligible.
- Mandate affordable insurance options for livestock transporters and cap costs for new drivers.
- Create a program to encourage diversity in the profession.

Business Risk Management (BRM) Reforms

While there are multiple BRM programs available to the agriculture sector, Agri-Stability is the only program that is accessible for cattle feeders and yet the program does not reflect the realities of the sector today.

The main constraint to the program is the \$3 million cap and the compensation rate. The \$3 million cap has not changed in 20 years, while inflation is up 47%, the price of finished cattle is up 50%, and feedlot input costs are up 70%. In addition, the scale of feedlot operations has increased due to the need for consolidation. BRM programs should not discriminate on operation size.

Recommended Action

Work with the federal government to eliminate the current \$3 million *Agri-Stability* payment cap or increase it significantly to at least \$20 million so as to reflect the realities of Alberta cattle feeders.

Labour

Labour shortages continue to be the single largest barrier to growth and sustainability of agriculture. In the beef sector, this labour shortage manifests both on-farm and in our beef processing facilities and is making it exceedingly difficult to maintain current beef production levels and grow our international beef exports.

Agriculture and agri-food has the highest job vacancy rate of any industry in Canada, and according to a recent survey by the Canadian Agriculture Human Resources Council (CAHRC), 49% of beef producers were not able to hire the full number of workers required. This led to a loss of \$334 million in sales; 3.7% of the total sales for the sector.

Farmers want to hire Albertans first, but significant labour gaps still exist. Many individuals do not want to live in rural communities, are not aware of the career opportunities in agriculture, or simply just don't want to work in the sector.

The solution lies both in increased access to foreign labour in the short term and strategies to build the domestic workforce in the long term.

It takes significant time and resources to source workers internationally, and our sector has an excellent reputation, with people wanting to work on Canadian farms. But currently, the only avenue to recruit foreign workers is via the Temporary Foreign Workers program, which is slow, inefficient and inconsistent.

Cattle feeders are seeking permanent long-term workers and so the next step is to move the temporary foreign worker into permanent resident status, but the process is no less onerous. Work permits for agriculture span for two years, which given the lengthy, slow and backlogged process of moving to employees into permanent residency, is often not enough time before the temporary worker permit expires.

Recommended Action

- Work with the federal government to improve the Temporary Foreign Worker program including the development a 'trusted employer status' stream and/or the creation of an agriculture specific program.
- Remove provincial red tape that prevents the timely pathway to permanent residency for foreign workers in Alberta that accurately reflects the labour needs in the province's agriculture sector.
- Work with the sector to develop and execute strategies that drive Albertans to want to live in rural communities and want to embrace work opportunities in the agriculture sector.

On Farm-Safety

ACFA research has demonstrated an excellent safety record of Alberta feedlots. In fact, current WCB statistics show that claims have continuously decreased since 2017 (165) to 2021 (93). This safety record is achieved through building a culture of safety within the agriculture industry and strengthening the commitment that already exists, particularly in partnership with the industry-led association *AgSafe* <https://agsafebc.ca>.

On Alberta feedlots, workers are currently provided with insurance coverage through private carriers or the Workers' Compensation Board (WCB). ACFA believes that feedlot operators should have a choice between WCB or parallel private insurance based on the model that works best for their business and their workers. Imposing one insurance program over another program onto farm operators will not improve safety on farms.

Recommended Action

- Focus government action as it relates to farm safety on working with the sector to improve services and resources as opposed to imposing specific insurance programs.