



Written Submission for Pre-Budget Consultations

For The Government of Alberta

By

Alberta Cattle Feeders' Association (ACFA)

January 2024



Who We Are

The Alberta Cattle Feeders' Association (ACFA) has laid the foundation for a **thriving beef industry that is a vital part of Alberta's economy**. In fact, Alberta is home to over 70% of Canada's feedlots. Our industry contributes \$2.9 billion to the provincial economy and employs close to 20,000 people.

ACFA respectfully submits the following recommendations to the Government of Alberta ahead of the 2024 provincial budget. These recommendations aim to uphold Alberta's cattle sector as a vital economic and employment contributor in rural Alberta while ensuring affordable food for consumers. Our recommendations also ensure Alberta's beef industry tracks alongside our international competitors.

Summary of Recommendations

Recommendation #1 **Clear the path for the growth and expansion of feedlots in Alberta**

Recommendation #2 **Address the current and growing truck driver shortage in Alberta**

Recommendation #3 **Streamline the approval process for biodigesters**

Recommendation #4 **Champion changes to Agri-Stability**

Details of Recommendations

Recommendation #1 Clear the path for the growth and expansion of feedlots in Alberta

RECOMMENDED ACTIONS

- The Government of Alberta **recognize the original intent of the Agriculture Operations Practices Act (AOPA)** - *"...ensure that the province's livestock industry can grow to meet the opportunities presented by local and world markets in an environmentally sustainable manner..."*
- Ensure that Natural Resource Conservation Board (**NCRB**) **has the authority to responsibly issue permits for confined feeding operations (CFOs)**, including setting and enforcing manure management standards, and establish and enforce consistent exclusion zones using NRCB's calculation of minimum separation distances.

WHY THESE RECOMMENDATIONS?

ACFA is deeply concerned over the erosion of Agricultural Operation Practices Act's (AOPA) capability to preserve and protect CFO's ability to expand and grow.

Alberta's fed cattle sector is a major economic driver for Alberta. Alberta's climate, geography, and proximity to processing capacity allows the beef sector to expand and flourish. However, feedlot operators require assurances that growth and expansion opportunities, as initially outlined in AOPA, remain available.





The province of Alberta designed the AOPA legislation to ensure permitting of agricultural operations is fair, independent and consistent across the province. This process provides transparency for all stakeholders, including both farmers and municipalities, allowing for rural and urban expansion. This transparency and consideration of the importance of agriculture has led to the success of the Alberta agriculture industry.

Unintended consequences around the application of land use provisions of municipal and intermunicipal development plans have eroded these assurances and opportunities for farm operation expansions. Currently, municipalities are implementing exclusion zones at the expense of agricultural operations, even when agriculture operations have demonstrated due diligence and met all regulatory requirements. This precedent will directly impede the expansion of CFOs throughout the province and deter future investment, both in farms as well as supply chain development and value-added initiatives.

In addition, the Rural Municipalities of Alberta is looking for even more control over approvals based on a recently issued report on QUASI-JUDICIAL agencies (Alberta Energy Regulator, Alberta Utilities Commission and NRCB <https://rmalberta.com/advocacy/rma-committee-on-quasi-judicial-agencies/>).

Recommendation #2 Address the current and growing truck driver shortage in Alberta

RECOMMENDED ACTIONS

- **Designate truck driving as a skilled trade.** Increasing the awareness of trucking as a desired occupation and providing drivers with the accomplishment of having a skilled trade will work to encourage increased enrolment in this occupation by Albertans. Changing this designation will also allow provincial training programs to be eligible for use under RESPs and increased access to student loans and grants.
- **Implement an agriculture-specific training program** where drivers are trained and certified with an agriculture specific license designation. Transporting livestock necessitates a distinct skill set compared to hauling other commodities and would benefit from a more condensed and targeted course. And on-farm transportation presents an opportunity for an apprentice-style program. Specialized agricultural training would yield drivers who are better equipped and more dedicated to forging a career in livestock transportation.
- **Create a program to encourage women and youth to enter the profession.** For example, last year the US Infrastructure and Jobs Act enacted the [Safe Driver Apprenticeship Pilot Program](#) that allows for 3,000 adults ages 18 to 20 to begin an apprentice program.
- **Improve the accessibility and delivery of the program,** particularly the written portion of the program and testing, to make it more easily understandable for individuals whose first language is not English.
- **Mandate affordable insurance options for livestock transporters and cap costs for new drivers** to ensure the livestock sector has one less barrier to accessing transporters.
- **Clear the path for foreign drivers.** With the expansion of NOC 2021, classify truck driving as a skilled trade. This would enable the targeting and recruitment of foreign workers possessing a Class 1 license to come to Alberta. Additionally, it will support the training for Class 1 licenses and facilitate the reciprocity, recognition, and transfer of experience or licenses equivalent to Class 1 from other nations.



WHY THESE RECOMMENDATIONS?

Truck drivers are integral to the livestock sector. Due to the size of Alberta's cattle industry, transport of cattle across the US-Canada border is an everyday occurrence. Locally, truck drivers are needed within Alberta for the removal of manure and the transport of feed and supplies.

There is a current and growing trucker shortage in Canada. The Canadian trucking industry currently shows over 20,000 vacant driver positions, according to a recent report from Price Waterhouse Coopers. And 34,300 truck drivers are expected to leave the industry this year, according to Trucking HR Canada's Labour Market Snapshot: November 2022.

Agriculture is one of the industries where the shortage of truck drivers is even more pronounced, mainly because of the requirement to move to rural areas and the complexities associated with handling live animals.

Recommendation #3 Streamline the approval process for biodigesters

RECOMMENDED ACTIONS

- Direct the government resources such that **approvals for anaerobic digesters can be done within three months** – as is the service standard in other jurisdictions.
- Streamline the regulatory approval process.
- Ensure the required number of government officials with the required knowledge are in place to provide timely approvals.
- Develop an approval process specifically for on-farm anaerobic digestors.
- Offer incentives to support the capital investment required from farmers to harness this opportunity.

WHY THESE RECOMMENDATIONS?

Alberta is home to 70% of Canada's fed cattle population, and the amount of manure produced by them would be a significant and reliable source of feedstock for biodigesters.

Anaerobic digesters present a significant opportunity for Alberta's feedlot sector in terms of reducing environmental footprint. They also have the potential for revenue generation through sale of renewable energy, sale of digestate and capturing of carbon credits. Anaerobic digesters present an opportunity for the province of Alberta to stimulate sustainable economic growth.

The current regulatory approval process in Alberta for bio-digesters is convoluted and inefficient. Currently, the process includes multiple regulators and the additional layer of municipal influence on project approvals.

The excessive approval timelines (>2 years), deters investment opportunities, and disadvantages the province of Alberta. Uncertainty around the regulatory process and the lack of incentives to build biodigesters is hindering the growth of this economic opportunity for Alberta.



Recommendation #4 Champion changes to Agri-Stability

RECOMMENDED ACTION

Significantly increase the Agri-Stability payment cap to reflect the realities of cattle feeding today.

WHY THIS RECOMMENDATION?

ACFA has consistently called upon federal and provincial governments to significantly increase the Agri-Stability payment cap. The current \$3 million cap has not changed in 20 years while inflation and feedlot input costs have skyrocketed. Producers must invest significantly more to achieve the same production margins.

Feedlots in Alberta range in size but they remain Alberta family operations - often involving multiple family members and generations. While the total number of feedlots in Canada may not seem large, the economic volume and value of these feedlots is profound – especially in Alberta. BRM programs need to reflect the needs of feedlots accordingly.

In reality, Agri-Stability is the only BRM program that is relevant for Alberta cattle feeders, yet the program caps are severely outdated. Payments reach the \$3 million limit very quickly, leaving Alberta farmers shouldering losses in the tens of millions of dollars.

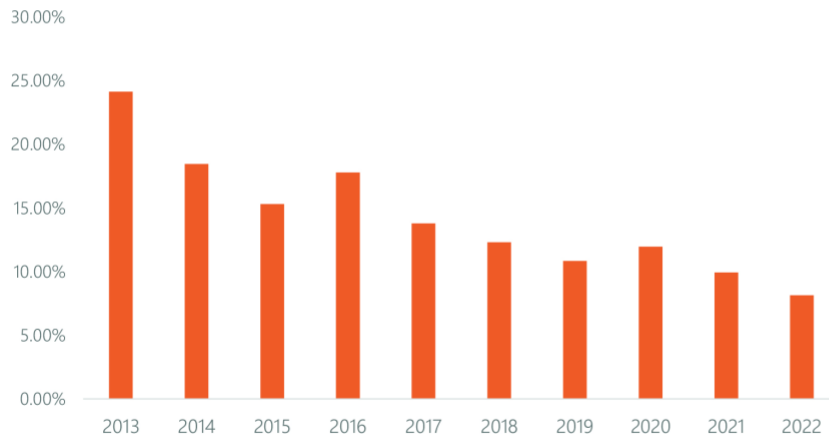
The chart below outlines how Agri-Stability is no longer providing meaningful coverage to feedlots.

AgriStability \$3,000,000 Cap

How well does \$3M cover allowable expenses?

MNP

AgStab Cap as a % of allowable expenses



In 2013, our sample showed on average that the \$3,000,000 cap covered 24.14% of eligible expenses, while in 2022 it covers 8.14%.

Regardless of size of feedlot, we noticed that the cap as a % of allowable expenses dropped by 2/3 for all feedlots.

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Conclusion

ACFA appreciates due consideration of these recommendations. We look forward to continuing to work with the Government of Alberta to harness the tremendous growth opportunities for the province's beef industry.