

The Environment Pillar and the Next APF

Kenneth Poon & Alfons Weersink

Principal Paper Session
CAES Annual Meeting

Portland, Oregon

July 30, 2007

Introduction

- Environmental sustainability: major focus in agricultural politics since 1989 policy reform
- 1997: AAFC released documents summarizing environmental conditions at on-farm level, the other laying visions on achievement of environmental sustainability
- April 2003: signing of the first nation-wide Agricultural Policy Framework (APF), with environments as one of 5 pillars of focus

Outline

- 1) Overview of current APF on environment
- 2) Environmental and the next generation of APF
- 3) Outline criteria for the assessment of APF
- 4) Assessment and critique of current APF and next generation of APF using outlined criteria

Current APF - A summary

- Focuses on 4 facets of environment
 - Water, soil, air, and biodiversity
- 12 programs in total, 3 types of programs
 - 4 Policy-based
 - 2 research-based
 - 6 Support-based

Policy-based programs

- Analyze environmental policies within APF and those related to agriculture on a economic and on-farm level
- Develop means to market Canadian agricultural sector nationally and internationally as leader of environmentally friendly agriculture

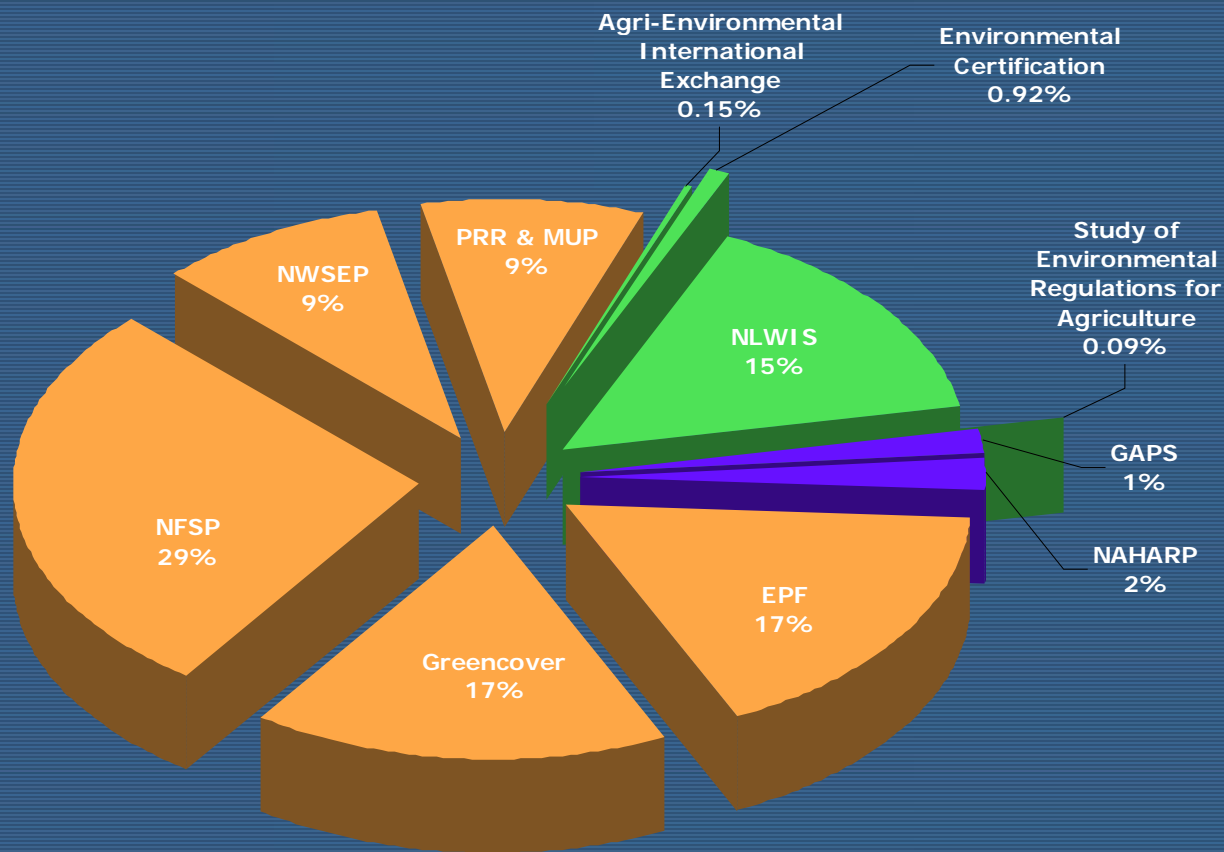
Research-based Programs

- Development and improvement of Best Management Practice (BMPs)
- Research to better measure environmental impacts of BMPs
- Development of measurement endpoints and models
- Provide grants for research

Support-based Programs

- Biggest focus in the environmental pillar of current APF (most number of programs, largest share of funding)
- Most funding are geared towards farm-level adoption of BMPs, though funding are also available for larger projects undertaken by community/municipality
- Main policy tool = monetary incentives, though some program offer technical incentives as well

Distribution of Funding



Policy-based programs

Research-based programs

Support-based programs

The funding process

- Farmers wishing to apply for funding must complete an environmental farm plan (EFP)
- After identifying problems on farm, an action plan is drafted and reviewed by a local community
- Once deemed appropriate, the BMPs specified in the action plans are eligible for funding
- The process is handled by commodity groups or farm coalitions. Process is voluntary.

Federal Programs

- Provide funding on a cost-share basis
- Funding for BMPs vary in cost share ratio (30%-50%) and funding cap (\$2,000 to \$30,000).
Maximum funding per farm = \$50,000
- Amount of funding and eligible BMPs varies between provinces (36 BMPs in Ontario)
- BMP adoption aims to improve air, water, soil quality and biodiversity, but effects are still being studied.

Provincial programs and additional funding

Provinces, municipalities and NGOs also provide additional funding for certain BMPs. Mostly requires EFP adoption also. Some funds are area dependent

In Ontario...

- Nutrient Management Funding Assistance Program
- Oak Ridges Moraine Environmental Enhancement Program
- Greenbelt Farm Stewardship Program

Next generation of APF

- Still under formulation, not likely to significantly differ from current APF
- Public consultation suggestions include...

On-farm programs	Science
<ul style="list-style-type: none">•Expand BMP list•Take into account maintenance costs for some BMPs (i.e. load/credit program for expensive BMPs)•More extension programs	<ul style="list-style-type: none">•Research new BMPs•More information about science behind BMPs•Better information consolidation and sharing between stakeholders
Reporting	Coordinated Action
<ul style="list-style-type: none">•System for evaluation process•Performance bench mark wanted•Who should bear cost of BMP adoption•Recognize self-regulation does not always work	<ul style="list-style-type: none">•Standardize regulation and reduce administrative burden

Criteria for Evaluation

- Objective is to get the biggest environmental improvement per dollar
- Criteria include:
 - Environmental effectiveness
 - Cost effectiveness
 - Administrative costs
 - Political feasibility

Program Evaluation

1. Science and Reporting Programs
 - Important for
 - Determining the extent of environmental problems stemming from agriculture and possible causes/solutions
 - Identifying reference levels for quality measures
 - Finding effective, long-run solutions
 - BMPs that are profitable

Program Evaluation

2. On-Farm Programs

- Advantages
 - Politically feasible
 - Provinces/municipalities do unpopular enforcement
 - Relatively low administrative costs
 - Part of existing programs
 - No continuous monitoring and enforcement
 - Common requirement of EFP
 - Identifies environmental risks for an individual farmers
 - Creates awareness

Program Evaluation

2. On-Farm Programs

- Disadvantages

- Environmental Effectiveness

- What is the environmental target?
- BMPs are indirectly related even if target is defined?
- Which BMPs improve

- Cost Effectiveness

- Money spread widely but thinly
- Farmers with greatest contribution to problem might not apply or
- Farmers not contributing to problem might apply or
- Farmers apply who would adopt BMP regardless

Summary

- Environmental pillar of AFP is arguably the least contentious
 - Dealing with “win-win” options
- Consensus suggests the likely continuation of existing efforts
 - Science
 - Reporting
 - Coordinated Action
 - On-farm Programs

Summary

- Science and reporting programs important for establishing environmental targets and technical solutions that are profitable
- On-farm Programs should be targeted
 - The BMPs that improve environmental target will vary by location
 - Fully support the environmentally effective BMPs
 - Involves understanding the public and private net benefits of BMPs