

Final Trip Report

Minister Evan Berger

Mission to Washington, D.C.

Dates: January 4-7, 2012

**AGRICULTURE AND RURAL
DEVELOPMENT**

Purpose of travel:

Meet with key United States (US) industry and government officials; attend the Legislative Agriculture Chairs Summit (LACS) and the State Agriculture Rural Leaders (SARL) Board Meetings.

Overview:

The LACS brings together senior US state agriculture legislators and Canadian provincial Ministers, elected officials and industry leaders to discuss agriculture issues, challenges and potential solutions. This year over 200 legislators and industry sponsors representing 48 states and eight provinces attended. Canadian attendance included Ministers, elected officials and rural leaders from the provinces of Alberta, Manitoba, Saskatchewan, New Brunswick, Nova Scotia, Ontario, Prince Edward Island and Quebec. Representatives from the Canadian Pork Council, the Canadian Cattlemen's Association, the Alberta Livestock and Meat Agency (ALMA) and Tactix attended as Canadian industry sponsors. Partnership with our federal colleagues included the Canadian Embassy, Washington, D.C., the Canadian Consulates of Denver and Minneapolis, and Agriculture and Agri-Food Canada.

Prior to the Summit, the Alberta delegation, led by the Honorable Evan Berger, Minister of Agriculture and Rural Development (ARD), met with key US industry leaders, think tanks and Alberta's legal council in Washington D.C., to discuss US agriculture policies and their potential impact to Canada – US trade.

Mission Objectives:

- advance Alberta's trade policy priorities with key US legislators and influential industry leaders;
- foster an exchange of ideas, cooperation and coordination in agriculture and rural issues;
- assess US federal, state and industry priorities and positions on agriculture policy development;
- build strategic networks with key US influencers; and
- enhance Alberta / Canada's profile and generate interest amongst Summit participants to attend the 2013 Summit, being held in Vancouver.

Pre-Summit the Alberta delegation met with the National Cattlemen's Beef Association (NCBA) and the American Meat Institute (AMI) industry organizations to discuss the US industry's response to the World Trade Organization (WTO) panel

ruling on mandatory country of origin labeling (COOL). NCBA and AMI do not support a US appeal of the WTO panel ruling and are working with other industry groups to develop a legislative amendment that would bring the mandatory COOL legislation in compliance with US trade commitments as a member of the WTO.

Meetings with Informa Economics provided insights on US Farm policy and the 2012 Farm Bill. Perspectives on the US elections and the outlook for the US economy were also shared.

Arnold and Porter, Alberta's legal counsel in Washington D.C., shared their perspective on potential next steps that the US would initiate in their appeal of the WTO ruling against COOL. Arnold and Porter also shared their views on US trade policy in general and the general climate for new trade agreements and trade initiatives in the US Congress.

A Canadian delegation meeting, co-hosted by the Canadian Embassy and ARD, provided an update on the US file. Ambassador Doer provided welcome remarks and highlighted the importance of the Canada-US relationship. As co-host of the briefing, and lead of the Alberta delegation, Minister Berger addressed the Canadian delegation articulating the unique opportunity the Summit offers to forge valuable linkages and advance our interests with US legislators. The meeting provided an opportunity for Canadian delegates to streamline messaging on Canada - US advocacy priorities.

Canadian SARL Board Member and member of the Manitoba Legislative Assembly (MLA), Ralph Eichler, provided background on Canada's engagement at the Summit. He shared past Summit results and advocated for delegates to fully engage with US participants in the pursuit of advancing mutual interests and seeking areas of collaboration. The Summit is a high impact invitation only event that allows participants access to the most highly influential US legislators and industry in the agriculture sector.

John Masswohl, Director of Government Relations, Canadian Cattlemen's Association, updated participants on the WTO panel ruling against US COOL legislation and the efforts by US meat industry groups to develop a legislative amendment to bring mandatory COOL in compliance with US commitments as a member of the WTO.

The XI LAC opened with a Canada/Alberta hosted breakfast event attended by 200 Summit delegates. As a co-host, Minister Berger provided opening comments encouraging engagement between provinces/states on priority issues. He articulated the benefits of working collaboratively on common challenges to advance respective agriculture industries.

The Summit included a visit to Congress where United States Department of Agriculture (USDA) Farm Services Agency Undersecretary, Michael Scuse and congressional staff from the Agriculture and Energy Committees provided updates on the US Farm Bill. Development of the US Farm Bill remains speculative. Undersecretary Scuse emphasized that one out of 12 jobs in the US are agriculture related. He stressed the need to ensure food remains affordable. The 6-7% of US income spent on food remains marginal compared to other countries. Risk Management that expedites disaster assistance remains a priority in the Farm Bill. There is an expected increase in crop insurance coverage directed to specialty crops. Development of on line tools will contribute to decreasing food safety hazards for agriculture producers.

President Obama has initiated a national export initiative that would double exports over the next few years. The North American Free Trade Agreement (NAFTA) was highlighted as having been instrumental in increasing trade. Undersecretary Scuse stressed the importance of science not political based trade regulations.

In 2011, US exports to China have moved from fourth largest export market to the largest export market. Vietnam, as a fast growing economy, is a focus for US exports. USDA Secretary Tom Vilsack, is leading an industry trade mission to China in March. Scuse took a question on COOL when asked by a Canadian delegate on its status given the WTO ruling, Scuse replied, that USDA "were looking at ways to deal with the ruling."

Priorities for the Environmental Protection Agency included a comprehensive energy policy that likely won't be inked; water issues and nutrition management regulations; mobile source regulations (standards on vehicles) and a renewable fuel standard. Key pieces of legislation being introduced will be analyzed to better determine the cost and unintended consequences of compliance and impact to competitiveness.

The Senate Agriculture Committee shared information on the Farm Bill. Many programs terminate at the end of 2012 if no replacement farm bill is passed. Budgetary pressures are expected to have a large influence on the farm bill and the priority given to agriculture and farming. Over 70% of the Farm Bill is allocated to nutrition programs. Commodity programs are closely paired with nutrition programs.

A session at the White House included an address by USDA Secretary Tom Vilsack. He shared USDA's priorities: increasing agriculture trade, opening beef markets in China/Japan, developing bio-based economies, connecting rural communities, rural conservation and business loan programming, educating consumers and developing policies that inspire young people towards careers in agriculture. He emphasized that investment in research and development will be critical to future global food security. An opportunity that cannot be addressed without expanding food production in the US by 70%.

Elizabeth Hagen, Undersecretary for Food Safety, highlighted targeted promotion campaigns that will strive to decrease food borne illness. The ability to use new technologies, such as social media, will expedite food recall and food safety information. Development of “Karen the Avitar ,” a smart phone App will further expand the reach of messaging to today’s sophisticated technologically astute consumer.

Doug O’Brien, Deputy Undersecretary Rural Development, provided an overview on his divisions’ responsibilities that include: financing, electrical generation and distribution, water systems, direct/granted loans and business programs.

David White, Chief, Natural Resources Conservation Service, applauded Canada for a number of Canada US research partnerships. These currently include: the sharing of research on greenhouse gas emissions in agriculture systems and the International Wheat Research Initiative, mapping genomes of wheat for improved varieties. Mr. White stated that these types of partnerships will be critical to addressing required agriculture productivity by mid-century.

US Chief Agriculture negotiator, Issi Siddiqui provided an update on agricultural trade. The South Korea Free Trade Agreement (FTA) continues to progress with expected increases of 40% in US agriculture exports. Tariffs in agriculture commodities will be eliminated in 5-15 years. Beef market access to China/Japan remains a high priority. On the WTO Doha round, Siddiqui stated that, “countries must come to the table without exclusions such as poultry and dairy.”

Siddiqui stated that the Trans-Pacific Partnership (TPP) will create additional market access opportunities by creating partnerships with the most vibrant economies in the Asia Pacific.

Nebraska Governor Dave Heineman opened the second day of the Summit stressing the importance of agriculture and its contribution to low levels of unemployment in Nebraska. He shared his insights on ensuring the continued sustainability and viability of agriculture by aggressively addressing animal rights lobby groups and their myopic mandate to destroy agriculture. The Governor advocated for fully engaging youth and the Future Farmers of America in agriculture’s future prosperity.

Following the Governor’s address, a series of breakout sessions led by subject matter expert panel members allowed for open dialogue amongst legislators and industry members in the pursuit of lessons learned and potential solutions.

Summit Session topics included: How State Policy Makers can Support Producers and Communities?; Nutrient Management and Water Quality; Trade a Federal State Partnership; State/Provincial Meat Inspection Programs; Valuation and Taxation of

Farmland; Animal Welfare-State/Provincial Response; Where is Rural Energy Headed?; Invasive Species; and Building Trust in our Food Systems.

Dr. Judith L. Capper, Assistant Professor of Dairy Sciences, Department of Animal Sciences, Washington State University provided a compelling presentation on dispelling animal myths. She highlighted the ways in which the global livestock industry is under threat by environmental and animal activists. Dr. Capper validated improved productivity and decreased environmental impact of the livestock industry as a result of conventional agriculture production methods. She shared that “improving productivity is a key factor in mitigating the environmental impact. Producers must be encouraged to improve productivity in order to maintain sustainability.”

As a featured panel member in the State/Provincial Meat Inspection Programs session, Assistant Deputy Minister, Industry Development and Food Safety Sector, ARD, Jason Krips provided Alberta/Canada’s perspective on federal / provincial partnership on addressing and advancing cross-provincial meat trade. US legislator engagement at the roundtable revealed a high level of discontent with lack of US federal-state collaborative progress on protocols for cross-state meat inspection programs.

Director Brent Paterson, Executive Director, Irrigation and Farm Water Division, ARD, made a presentation as a member on the Nutrient Management and Water Quality Panel session. Director Paterson demonstrated Alberta’s national leadership in nutrient management and water quality. Alberta currently partners with US research institutions to share best practices and build potential partnership linkages.

The SARL Board meeting provided legislators an opportunity to nominate and vote for open positions on the SARL Board. MLA Eichler was successfully reinstated by LAC members as the Canadian Board Member for a second and final two year term. The meeting also provided members an opportunity to introduce resolutions. MLA Eichler introduced a resolution on COOL. The resolution was passed by delegates with an amendment to deal with strong concerns in the room about the sovereign right of the US to pass legislation. The resolution was supported by Representative Randy Baumgartner, Colorado House of Representatives. The resolution as passed states:

Be it resolved that SARL encourages the U.S. to waive an appeal of the WTO Dispute Panel’s ruling on COOL and further encourages the United States Congress to make a legislative amendment that would bring COOL into conformity with the U.S. WTO obligations, without hindering the ability of the United States to continue to implement COOL for informed consumer decisions.

The LAC Summit affords Canadian provinces and the federal government an excellent opportunity to network and advance key Canadian interests in agriculture,

but also in other areas such as energy, trade, and border issues. While the program is structured around panel presentations, it is intentionally designed to allow legislators the ability to meet and discuss issues in an informal manner. The strengthening of provincial-state relationships provides the federal and provincial governments the ability to intersect with key US state influencers and policy makers in a non-contentious environment. Robust representation this year from delegates from 8 provinces and 4 federal posts is indicative of the value proposition this premier event delivers.

The XII LAC Summit, taking place in Vancouver, June 7-9, 2013, provides Canada a unique opportunity to amplify the importance of the Canada – US relationship, advance our agriculture interests and showcase Canada and its position on the world stage.

Results:

- Enhanced Canada's profile by securing a strong Canadian presence with representation from eight provinces and four federal posts;
- Expanded Alberta's contact network of key US legislative, and industry influencers;
- Facilitated the development of strategic provincial/state and federal/provincial/state partnerships;
- Exchanged information on priority agriculture issues;
- Collaborated with Canadian elected officials and industry to advance priority agriculture issues; and
- Successfully introduced and advocated for the passing of the COOL Resolution.

Delegation:

Honorable Evan Berger
ADM Colin Jeffares
ADM Jason Krips
Director Brent Paterson