



January 30, 2017

Standing Committee on Alberta's Economic Future
c/o Aaron Roth, Committee Clerk
3rd Floor, 9820-107 Street NW,
Edmonton, AB T5K 1E7

Dear Standing Committee members,

Re: The Study on Growing and Diversifying the Agri-Food and Agribusiness Sectors in Alberta (29th Legislature) Submission

On behalf of Alberta Beef Producers (ABP), I thank you for the opportunity to express our ideas for growing and diversifying Alberta's agricultural sector, particularly in the beef industry. We see some great opportunities in agriculture that will drive the expansion of the Alberta economy.

In the cattle and beef industry, we strongly support value-added production, particularly for primary products such as beef that are produced locally here in Alberta. Although we may need to import some ingredients for adding value to our primary products, it doesn't make sense for us to import raw products, add value to them here, and then export the final products. We recommend that the government build a policy and economic environment that supports and encourages primary production as the foundation of all our value-added agriculture and beef business opportunities.

While we appreciate and support small business opportunities and niche marketing, it is important for the government to recognize that the nature and size of agricultural businesses has changed. Family ranches and farms are now becoming large businesses where real growth and diversification can and will occur. It is important that there is support for these large farms, as well, especially in the areas of continued and increased investment in research and innovation that could be more readily adopted by these businesses.

Availability of labour continues to be a major challenge in agriculture that could severely constrain our ability to take advantage of opportunities to grow and diversify. Although we are seeing some increase in available labour due to the downturn in the energy sector, our processing plants are still facing severe labour shortages. When the Alberta economy recovers its strength, we expect that our labour challenges will be increased. It is important that the government support programs that bring foreign workers here to work in the agriculture industry.

In the long term, it will be important to recognize that competition for land and water resources in Alberta will only increase and could put pressure on our ability to farm and raise livestock. Preservation of existing agricultural land, including grazing lands, will be necessary to ensure a sustainable beef industry here. We must pay particular attention to the conservation of native rangelands, which are continuing to be lost. Continued use of both private and public grazing lands will be essential for the future of our cattle



and beef industry. Cattle are an excellent way to maintain and enhance the health of Alberta's native rangelands and the value they provide to all Albertans.

There are other opportunities to add value to primary production. ABP recommends the government continue with programs that recognize the value of the ecosystem services that ranchers and farmers provide to society. ABP also recommends that further payment for ecosystem services (PES) programs be explored and supported.

One example of payments for ecosystem services that should be explored are access or entry fees for recreational opportunities (hiking, horseback riding, wildlife viewing, hunting, and fishing) on private and lease land. This type of program adds value for primary producers, but also assists in the conservation of native rangelands, water bodies, and biodiversity. Opportunities for recognizing the value of carbon sequestration in agricultural soils also are becoming more clear. This carbon sequestration not only enhances the health of the soil, but also reduces fertilizing and other input costs, while reducing carbon in the atmosphere.

Growth and diversification of the agri-food and agribusiness sectors will require close attention to economic factors and full use of all available business management tools. Market volatility has made risk management a key aspect of agricultural economic viability. Programs such as [AgriProfit\\$](#), delivered by Alberta Agriculture and Forestry, support knowledge of per unit cost of production and ways of handling different risks in primary production.

Finally, because we are an exporter of many agricultural products in Alberta, increased export market access is essential for adding value to our products, while minimizing the risk of being too reliant on any single export market. We appreciate the Alberta Government's recent work in export markets like China and would encourage the government to continue seeking export market opportunities around the world.

ABP clearly has a strong interest in the growth and diversification of the agri-food and agribusiness sectors. We would welcome the opportunity to meet with the Standing Committee on Alberta's Economic Future to discuss these ideas and other initiatives that you are considering. We look forward to future discussions as you prepare to submit your report to the Legislative Assembly this spring.

Respectfully submitted,

Rich Smith, P.Eng.,
Executive Director

Cc: Graham Sucha, MLA, Chair, Standing Committee on Alberta's Economic Future
Colin Piquette, MLA, Member, Standing Committee on Alberta's Economic Future