

Ag manufacturing in Ontario hits a growth spurt

AMC is working to ensure short-line manufacturing has support from government and dealers



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Toronto – Agriculture manufacturing in Ontario is a well kept secret in spite of seeing growth in the industry.

Speaking to Ag implement dealers in Toronto during the Canada East Equipment Dealers Association (CEEDA) annual general meeting Leah Olsen, Agriculture Manufacturers of Canada (AMC) president said both Manitoba and Saskatchewan have seen a decline in exports of short-line Ag manufacturing in recent years.

“Canada’s Exports to the U.S have gone down in the last couple of years,” Olsen said, pointing to a graph depicting sales by province. “But that nice Ontario blue line is actually going in the opposite direction.”

Olsen attributes the increase to two factors, the products being created in the province and the relationship manufacturers have with their farm customers and dealer networks.

When she relayed this information to a senior member of the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), he was surprised to learn of how robust Ag manufacturing was in the province.

Olsen said it isn’t because provincial and federal politicians aren’t intelligent, but it’s because they industry itself hasn’t been pushing its own success and sharing the data that shows the economic value the industry brings to Ontario and Canada.

That motivated Olsen to revamp the AMC strategic plan when she was elected president in 2015 and focus on lobbying the government for incentives for innovation and a positive sharing of information to help shape regulations that would affect the Ag manufacturing segment’s ability to grow its industry nationally and internationally.

“For the last year and a half the issues we talked to all levels of government about are innovation,” she said. “Innovation is not just about being in a white coat and doing stuff that’s really great in a science lab. There’s innovation happening in our industry.”

Olsen, who grew up in Southern Saskatchewan, pointed to the dry, desert-like conditions that put the squeeze on farmers in the 1980s and compared it to the good yields produced in 2015 in spite of it being the driest on record in 50 years.

“The reason we got more yield in 2015 and the conditions were worse is because the equipment has adapted,” she said. “Now instead of taking away a lot of the nutrients and the moisture out of the ground we’re actually conserving it.”

But innovation comes at a cost – and the deepest cut is for product testing.

“One AMC member said that without the government funding he got through the Industrial Research Assistance Program (IRAP) he would not have been able to test his product,” said Olsen.

That test revealed a fatal flaw in the product just before the company was set launch it in Europe. It saved them millions and protected their brand from feeling the sting of losing product confidence from their dealers and end-users, the farmers.

Olsen added innovation remains a key part in driving the industry forward, but the government needs to create rebates or tax incentives that motivate or reward innovation to maintain the forward momentum.

A second issue facing the AMC membership is accessing customers, not just on an international level, she said, but in the domestic market as well.

“We were looking at various reports that come out and it talks about dealer’s inventories going at a historic high,” said Olsen. “That makes us nervous because what it says to us is that things aren’t moving.”

This is where building communication bridges between dealers and manufactures can have a positive impact on the future of both industries, she said.

It’s key for manufactures to understand why inventory isn’t moving and what they can do

to help alleviate some of those issues.

In 2017 Canadian dealers listed their top five concerns as farm commodity prices, increasing prices of new equipment, farming costs, a shrinking farm customer base and fifth was product reliability, said Olsen.

“These are issues that, when talking about accessing customers, the manufacturers are watching and want to make sure they are working with you,” she said. “I’m here to help grow and expand ag manufacturing in Canada and, by virtue of that, I would hope the dealers would be able to grow also.”

The third major concern Olsen said is facing the AMC membership is government regulations and Acts that have an effect on the Ag manufacturing industry, as well as its customer base.

She pointed to the efforts AMC has gone to already in engaging ministers on a provincial and federal level on what Ag manufacturing has to offer.

The AMC has created a provincial advisory committee dedicated to getting into the details of these regulations, understanding the minutia and



Leah Olsen, Agriculture Manufacturers of Canada president, explains why Ontario (blue line) is in an upward trend while other provinces’ ag manufacturing growth is stalling out.

developing a position that will help them lobby on key policies, such as climate change and the environment, that would have the greatest impact on the industry, and the industry is already having positive, if unrecognized, impact on.

“I had an MP say to me, ‘What are the biggest challenges (for the industry),’” said Olsen.

“I said, ‘It’s infrastructure.’” Olsen pointed to a lack of broadband internet access for many smaller rural commu-

nities, adding most AMC members are based out of towns with a population less than 10,000. She added roads are another area needing attention.

But Olsen feels the tide may be changing for the better.

“AMC is at a point where government is now saying, ‘What can we do to help your industry,’” she said. “What I’m challenging our membership to do is get into the details, lets develop our position to we can help.”

Mandatory goat traceability takes shape

The Canadian National Goat Federation continues to progress in its preparations for mandatory traceability under the Health of Animals Act.

In consultation with the National Goat Traceability Committee, CNGF recently put forward goat indicators for consideration to the Canadian Cattle Identification Agency (CCIA) Technical Advisory Committee, who will in turn make the request to the Canadian Food Inspection Agency (CFIA).

According to the federation, it is anticipated that the following will be put forward to the CFIA for approval as national goat indicators:

1. A clip style tag – to be available in both RFID and visual, for application to ear or tail web
2. A RFID leg band
3. A RFID ear tag – for application to ear

This recommendation is based on the completed research and analysis that CNGF has done, including an extensive field trial and collection of producer feedback on tag perfor-

mance, application and retention rates.

CNGF had the field trial data analyzed by the University of Guelph to ensure it met the Canadian Food Inspection Agency’s statistical criteria, the federation says. The federation has been involved in negotiations with CCIA for them to be the goat traceability administrator. It is expected that a Memorandum of Understanding between the two organizations will be finalized and signed in the coming weeks, the group says.

Once the agreement is finalized, CNGF anticipates that approved goat indicators will be offered for sale to producers and dealers through the CCIA Tag Webstore, in advance of the regulations coming into effect. Producers will be required to register an account with the CCIA in order to purchase approved goat indicators.

Additionally, CNGF has finalized the development of a Sustainability and Implementation Plan. It outlines the activities and financial resources that will be

needed by CNGF and the goat sector to implement traceability on an on-going basis. The cost analysis that CNGF conducted in the summer of 2016 and the information gathered in the process informed the development of the plan.

The plan provides a strategic roadmap for CNGF to guide the goat sector in the coming months of traceability regulations. It also provides clear research and analysis supporting CNGF’s position that bridge and long term funding are needed to conduct the work outlined in the plan.

CNGF will continue research into low cost tagging options for low value animals such as drop kids. Another tag trial may be conducted in the coming months; if you are interested in participating or in other information related to traceability implementation go to the federation’s website and Facebook page. You can also contact CNGF by phone 1-888- 839-4271 or email: info@cangoats.com.