

**ONTARIO AGRICULTURAL SERVICES
CO-ORDINATING COMMITTEE
(OASCC)**

ANNUAL REPORT

Presented to the

Canadian Agri-Food Research Council

2001 – 2002

Section A - EXECUTIVE SUMMARY

The Ontario Agricultural Services Coordinating Committee (OASCC) operates under the following **mandate**:

To review regularly the broad aspects of agri-food research, extension, and education in Ontario with the objective of:

- < *Facilitating communication and coordination among different groups at the management level;*
- < *Assessing immediate and future needs, and developing proposals for ways to take care of them;*
- < *Advising on joint uses of facilities and people;*
- < *Contributing information and ideas about regional and national policies affecting agriculture and food.*

The **membership** of OASCC includes Assistant Deputy Ministers and Directors from the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), the Chief Scientist, Agri-Food - Eastern Region, Research Branch and Research Centre Directors from Agriculture and Agri-food Canada, Department Chairs and Research Program Directors from the University of Guelph and the Chairs of the nine main research and services committees. In addition, industry representatives are invited to the annual meeting.

OASCC held its **annual meeting** on February 27, 2002 in Guelph, at which time highlights of the annual reports of the nine main committees were presented, along with recommendations and updates on research and service activities for the purpose of planning and for general information.

The research priorities identified for Ontario can be summarized into five directions for research. These are production and market development, rural economic development, food and food safety and life sciences and bio-opportunities.

The Field Crops, Horticultural Crops and Pest Management Research and Services Committees developed, over the past year, four year strategic plans outlining each plant industry sector's research needs as preparation for the review of the OMAFRA/University of Guelph Plants Research program.

Over the next year the Soil, Water and Air, Economic and Rural Research and Service Committees will be developing four year strategic plans in preparation for the review of the Resources Management and Environment and the Sustainable Rural Communities research programs in 2003.

Significant effort has gone into negotiating the renewal of the Enhanced Partnership agreement between OMAFRA and the University of Guelph. The new agreement will take effect April 1st and run for five years.

OMAFRA supported two competitive research programs during the year. The New Directions in Agri-Food and Rural Research in Agri-Food and Rural Program supported research in 5 areas: new value-added food, non-food products from Ontario agricultural raw materials, alternative livestock species in Ontario, a healthy environment, and pest management. Starting in 2001, the Food Safety Research Program funded research to assist in the implementation of a science-based food safety system.

Section B - STATE OF THE AGRI-FOOD RURAL SECTORS IN ONTARIO

Economic Outlook: Ontario Agriculture, Food and Rural

Ontario's agri-food sector is the largest and the most diversified in Canada, marketing more than 200 agricultural commodities with an estimated on-farm production value of nearly \$8.4 billion in 2001. Among Ontario's goods-producing industries, primary agriculture plus food, beverage and tobacco processing taken together would rank third in terms of GDP (behind transportation equipment and construction). Value of shipments in the food, beverage and tobacco processing industries reached \$31.5 billion in 2001. There are approximately 97,000 operators of the 67,500 census farms in the province, 95,000 employees in the food, beverage and tobacco processing sector, 275,000 jobs in the foodservice industry and 160,000 jobs in food retailing.

Agriculture: Ontario's 2001 net cash income is projected to reach \$1.7 billion, up from \$1.6 in 2000. Expectations are for a slight decline in net cash income for 2002. Though most crops were affected by the weather conditions during the 2001 crop year, soybean producers experienced one of the worst in history. Faced with wet weather in the spring delaying planting, extreme heat, dry conditions and aphids into August, followed by wet weather delaying harvest. Crop insurance claims have been received by 98 percent of participants.

Government payments to U.S. producers have steadily increased since 1997, reaching \$22.1 billion in the calendar year 2000. Farms specializing in grain and oilseed production receive over half of all government payments. Low commodity prices has led to significant increase in loan deficiency payments and marketing loan gains, both providing per-unit revenue insulation when prices are low.

Returns for dairy and poultry producers are expected to remain stable since they benefit from a regulated marketing system where production and price are controlled. The dairy industry continues to face international trade challenges to its export system.

The outlook for 2002 is for a modest reduction in net cash income when compared to 2001, due primarily to lower soybean marketings, slightly weaker hog prices, and possibly lower program payments. A slowdown in the North American economy and an appreciation in the value of the Canadian dollar could have a negative impact on agricultural commodity prices.

Food Processing: The Ontario food processing industry has experienced slow but steady growth over the past few years and is expected to continue for the coming year. The food industry has been able to maintain investment and profitability over the last few years and this trend is expected to continue as the economy improves. Many companies in the food industry have made significant investments in new and expanded facilities throughout the province, and the recent mergers and acquisitions in the industry reflect the global trend in this sector. In today's competitive market place, combining resources and improving efficiencies are essential to remaining competitive and strengthening investments.

Food industry investment trends are stable and global trade continues to track upwards. The industry continues to invest about \$800 million annually in capital and equipment in Ontario. Economic activity in the Ontario agriculture and food sector is over \$29 billion (Stats Can, 2000)

Strong export growth, especially to the U.S. market, has been a major contributor to the continued success of the industry. Global agriculture and food trade from Ontario increased by more than 13% in 2001 with shipments valued at more than \$7 million.

Increasingly, the use of genetically modified organisms (GMO) in food production has been the focus of consumer attention and concern. While the majority of Canadians appear to be more willing than their European counterparts to accept the new technology, consumers remain wary and are demanding more information. The food industry is responding to this concern with enhanced efforts to communicate with consumers to provide them with the information they need to make informed decisions.

The industry is preparing for significant federal and provincial regulatory changes in a number of areas including:

- Health claims
- Nutritional labeling
- Waste recycling programs (Bill 90, Waste Diversion Act, 2001)
- Food safety (Bill 87, Food Safety and Quality Act, 2001)
- Mandatory emissions reporting (Reg. 127/01 under the Ontario Environmental Protection Act)
- Industrial air quality standards
- Guidelines related to testing new substances (under the federal Canadian Environmental Protection Act, 1999).

Food companies are becoming more aware of how e-commerce and e-business could change the food retailing and distribution system in the future.

Rural Economy: Rural Ontario has a diversified economy (no one industry represents over 20% of the employment). It is estimated that 6.5% of the rural working population, and 0.55% of the urban workforce in Ontario are employed in agriculture and related service industries. The percentage of other non-agricultural rural businesses that depends on agriculture is not precisely known. The percentage of employment in the construction industry in rural Ontario is slightly higher than that in urban Ontario. Conversely, the percentage of employment in the finance and insurance industries is 2.90% lower in rural Ontario, and in business service industries it is 4.96% lower.

The performance of the rural economy moves with the greater Ontario and North American economy. However, there are regional variations to the economic diversity. Economic opportunities vary across the province. Factors that influence these variations are the proximity to an urban area; the natural landscape amenities; the infrastructure; the transportation network and the labour force.

A number of transportation and manufacturing businesses announced layoffs following September 11, 2001. However, there may be opportunities for rural businesses. Investors, in the short term, may be more comfortable making investments in the local rather than international markets. Local firms may be able to position their production facilities with head office as local

distribution and product mandate centres. The tourism and accommodation sector experienced cancellations, but has an opportunity to focus on domestic and neighbouring state markets.

Economic Outlook: Ontario – General Economy

The Organization for Economic Co-operation and Development (OECD) noted in its December 2001 Economic Outlook that: “The terrorist attacks of 11 September and the associated disturbances have... inflicted a severe shock to the world economy.” OECD-wide output contracted in the second half of 2001 for the first time in 20 years. OECD output is expected to remain very weak in the first half of 2002 but should grow by about 1% in 2002, and 3% in 2003. Unemployment is expected to continue well into 2002 before improving slightly. OECD-wide inflation is expected to remain low, due mainly to moderate oil prices.

For Canada, the OECD report has predicted a rebound to an “above-potential pace” of economic growth, fuelled by monetary and fiscal stimulus packages in both Canada and the United States. Once stronger growth returns, OECD anticipates that Canada and the US will promptly withdraw their monetary stimulus, and continue to pay-down government debt, as a priority.

In February 2001, the “Ontario Economic Update” (Ministry of Finance) reported that Ontario’s real GDP had declined by 0.8% in the third quarter of 2001 (3.3% at annual rates). The national economy during the third quarter had contracted by 0.2% (0.8% annualized), which was the first quarterly decline in real GDP since 1992. January 2002’s Ontario CPI inflation rate was 1.2%. While the national CPI rate was slightly higher at 1.3%. Food and tobacco prices were among the main contributors to growth in the index.

The September 11th terrorist attack on the U.S. had an impact on Ontario due to its close trade relations with the U.S., reduced travel, and weakened the consumer sentiment of security and spending. A rebound in U.S. growth, lower interest rates and restored confidence will contribute to a pick up in 2002. Recent private-sector forecasts for Ontario real growth, revised to reflect the impact of the terrorist attack, average 1.1% for 2001 and 1.0% for 2002. At the time of the 2001 Ontario Budget, Ontario Finance projected real growth of 2.2% for 2001 and 3.5% for 2002.

Issues

Farm Income: Cash receipts for Ontario crop producers declined by 5% and livestock receipts increased by 7% for 2001 from 2000. Total direct payments in 2001 to Ontario producers totaled \$775 million: \$118 million from NISA, \$219 million from crop insurance, \$110 million from income disaster programs, \$15 million for dairy subsidy and \$313 million from other payments. Included in the \$313 million is a one-time payment of \$190 million from the Ontario Grain Stabilization Payment, Canada-Ontario Grains and Oilseeds Payment and the Canada-Ontario Edible Horticulture Payment. These payments provided assistance to producers who suffered extreme income losses in 2000 due to severe weather conditions and low commodity prices.

Agriculture and the Rural Environment: The trend towards an intensification of livestock

operations in the province has heightened the public's concern over soil, water and air contamination. The public no longer waits for the facts. Large-scale agriculture is automatically labeled a polluter and harmful to one's health regardless of the steps taken to minimize impact. The opposition to proposed, large, livestock operations can seriously divide communities. While water quality of drinking sources and beaches tends to be the reason most often given for the opposition to proposed large livestock operations, many people are also concerned about water quantity, odour and health related issues. Some also suggest that effects on animal health including the overuse of antibiotics are also a concern. The challenge facing the agri-food sector in rural communities is to once again win the confidence of the public that food is not only safe but that it is secure and has been produced in an environmental responsible manner that does not adversely affect the health of the surrounding community.

Food Safety: There is heightened public and media awareness of food safety issues. An Environics survey conducted in July 1999 found that 87% of Ontarians were concerned about food safety; 94% were concerned about pesticides in food production; 92% were concerned about pollution affecting food; and 80% were concerned about the use of antibiotics in livestock. More virulent pathogens and other hazards are emerging with greater frequency in the global food system. Pathogens such as E. coli 0157:H7, for example, have been the source of serious outbreaks in the United States, leading to thousands of illnesses, dozens of deaths and billions of dollars in corporate losses.

Genetically Modified Organisms (GMO): GMOs continue to be an issue on two fronts. Concern continues to be raised about the long-term impacts of GMOs and the need to do research in this area. The second concern is the labeling of genetically modified food and consumers' right to know. A committee reporting to the Canadian General Standards Board is currently developing a standard for voluntary labeling of GMOs.

Trade: Trade will continue to be a significant issue for Ontario's agriculture and agri-food sector. A new round of World Trade Organization (WTO) negotiations was launched at the 4th WTO Ministerial Conference in Qatar on November 9-13, 2001. The talks on trade liberalization in agriculture, which commenced in early 2000 under the auspices of the WTO Committee on Agriculture, will continue within this broader context. Ongoing and emerging trade disputes in the WTO dispute resolution process and other fora will also require continued attention by both government and industry.

Agricultural Policy Framework: Ontario has agreed to work toward developing an agricultural policy framework with the federal government and the other provinces. The framework includes five integrated elements – food safety and quality, environment, science, sector renewal and business risk management – that will provide an integrated policy approach aimed at branding the industry as the world leader in food safety, innovation and environmental protection.

Role of OMAFRA

Programs and initiatives like Healthy Futures for Ontario Agriculture, OSTAR - Infrastructure and OSTAR - Rural Economic Development, nutrient management initiatives, the Food Safety Strategy, the government strategy (led by OMAFRA) to address and profile economic

development opportunities in rural Ontario, and the safety net package, are key elements of OMAFRA's future strategy. They will help producers to manage their risks and maintain their quality of life. These programs will help the province's businesses and communities take full advantage of the new life sciences economy and other emerging business opportunities, and will position municipalities to help them build strong, healthy communities in rural Ontario.

Life Science Opportunity for Agriculture, Food and Rural Ontario

While Ontario's agri-food sector and rural communities must deal with many risks and uncertainties, they are also faced with many opportunities that could put them at the centre of the next wave of economic growth. What the computer and the Internet did for the economy in the latter part of the twentieth century, advanced agri-food technologies, or the life sciences revolution, could do in the first part of the twenty-first century. Life science is the process of using our growing knowledge of living things to produce new products that will benefit society and create new jobs and economic activity. These new products would come from renewable sources such as agriculture and forestry. Such products would provide benefits to the environment, human health and the quality of life. Some products of these new, advanced technologies might include foods that have a higher nutritive value or are designed to produce a desired medical benefit. Other examples include using crops produced in Ontario to manufacture non-food products like pharmaceuticals, plastics and gasoline substitutes.

Certain sectors of Ontario agriculture could benefit by having stronger demand for their products, resulting in new sources of income, from an expansion of the life sciences. Some Ontario food processors may benefit from capturing new domestic and export markets. Many other Ontario processing sectors could also benefit from these new products, and they may choose to locate new facilities in rural areas to be near their suppliers. The net result would be new investment in manufacturing facilities in the province, promoting the growth and development of rural Ontario. While the life sciences revolution will not provide benefits to all, it has the potential to offer unique rewards and opportunities to those who are in a position to take advantage of them.

Section C - **COMMITTEE ACTIVITIES**

OMAFRA has identified five new research directions. These are production and market development, environment, rural economic development, food and food safety and life sciences and bio-opportunities.

The research priorities identified by the nine OASCC committees can be summarized as follows:

Production agriculture

- Agronomic systems, profitable production
- Germplasm development
- Development and availability of crop protection technology
- Pest management including pest ecology and biology
- Animal health and welfare

Product and market development

- Innovative new products
- Innovative technologies to produce new products, improve production efficiency, enhance flavour, and increase shelf life
- Add value to Ontario products
- Food grade corn and alternate products
- Market responsiveness

Environment

- Manure management (biological, physical and socio-economic)
- Nutrient use efficiency
- Water management and quality (including aquaculture industry impact)
- Soil and crop management
- Biosolid and waste application and treatment
- Greenhouse gas emissions
- Rural air quality

Rural Economic Development

- Economic growth
- Response to change and restructuring
- Capacity building
- Information technology

Food Safety and Quality

- Early detection methods
- Reduce/eliminate hazards
- Improve quality and consumer acceptance
- Public health and safety
- Re-using food and containers

Life Science and Bio-products

- Animal health products
- Early detection methods for food safety and animal disease
- Germplasm development and reproductive technologies

Miscellaneous Priorities

- Rural energy – small power generation facilities
- Bio-terrorism threats
- Infrastructure – trade barriers, economics labour issues, research capacity, communication
- Water rights/allocation and other rural environmental issues.

Complete reports, for this and previous years, with the detailed recommendations and priorities from of the nine major committees are available from the OMAFRA website

<http://www.gov.on.ca/OMAFRA/english/research/oasccindex.htm>

The research and service priorities as identified by each of the committees are outlined below.

During the past year the three Plant related committees have developed strategic plans covering the next four years in preparation for the review in 2002 of the OMAFRA supported plants research program. The Soil, Water and Air, Economics and Rural Research and Service committees will be developing four year strategic plans over the next year in preparation for the review of the Resources Management and Environment and Sustainable Rural Communities research programs in 2003.

Ontario Field Crops Research and Services Committee (OFCRSC)

The OFCRSC is chaired by Gary Ablett, Ridgetown College Campus of the University of Guelph and has subcommittees concerned with Corn, Oilseed and Protein Crops, Forages, Cereal Crops, Pulses, Tobacco, Weeds and Crop Protection. The OFCRSC has developed the following list of three broad priority area for research along with one priority area for services.

Research Priorities

1. **Agonomic Systems and Environmental Stewardship**
Research leading to production systems and their components which enhance competitiveness, food quality and safety and environmental sustainability.
2. **Innovative and enhanced germplasm development and utilization.**
This section will include crop breeding, performance evaluation, physiology and the development of new molecules, gene discovery, genomics, and bioinformatics to produce knowledge and materials to advance the industry.
3. **Market Responsiveness**
Research strategies to address market development, new product development, food safety and enhancement.

Service Priorities:

1. Efficient and effective technology transfer

Development and implementation of strategies to ensure the verification and uptake of appropriate technological advancements by the field crop sector.

These recommendations represent the areas of research and technology transfer that FCRSC considers essential to the strengthening of the field crop industry in Ontario. Within each core area are commodity and pest management specific priorities. Activity is documented in each area and rate of progress, industry needs and potential for success should dictate the shifting of resources within and across these priorities.

Ontario Horticultural Crops Research and Services Committee (OHCRSC)

The OHCRSC is chaired by Annette Anderson, OMAFRA and has 16 subcommittees concerned with a wide variety of fruit, vegetable and ornamental crops. The OHCRSC has developed the following list of broad priority area for research.

Priority Areas (Not listed in priority order)

Environment including but not limited to nutrient management, climate change, water quality and quantity

Food Safety and Quality including but not limited to post harvest quality, water quality, HACCP quality assurance type programs

Infrastructure including but not limited to trade barriers and issues, economics, labour issues, research capacity, communication

New Product and Market Development value added opportunities including but not limited to life science/bio-based economy approaches

Productivity and Sustainability/Competitiveness including but not limited to breeding and cultivar development, production issues other than nutrient management

Pest Management including but not limited to Integrated Pest Management (IPM) strategies and tools, new pests, minor use registrations, diagnostic tools

Recommendations

A number of concerns were also put forward in the form of recommendations to various government and non-government organizations. Common themes found in the recommendations include:

- Improvements to the Minor Use Registration System for new pesticides
- Increased focus on Nutrient Management Research
- Research Infrastructure – maintain or increase funding and staffing levels
- Need for more GLP (Good Lab Practices) certified labs and research facilities

Ontario Pest Management Research and Services Committee (OPMRSC)

The OPMRSC is chaired by Mary Ruth McDonald, University of Guelph and focuses on the crop protection needs of the field crop and horticultural crops grown in Ontario. The committee considers weeds, insects, diseases and other plant pests. In 2000 OPMRSC developed a Vision document in addition to a list of priorities.

Vision

“To seek progressive crop protection strategies that will keep Ontario’s food supply safe and secure, the environment clean, and agricultural and rural sectors competitive, strong, and viable.

Goals

The-OPMRSC fosters the development of sustainable crop protection systems with emphasis given to practices that reduce risk, produce high quality crops and safe food and minimize environmental impact.

Strategies

OPMRSC will fulfill its vision and goals through the following strategies:

- Promote integration of all available pest management strategies into crop production systems.
- Promote continued development and access to new crop protection tools.
- Promote practices that reduce the risks inherent with crop protection
- Promote the exchange of information, ideas and the development of synergies within the crop protection community.
- Encourage the availability of funding to address short term and long term needs
- Champion the recommendations and priorities of the committee to decision-makers

Research and Service Priorities of OPMRSC

- Availability of crop protection technologies
 - biological, chemical, genetic, regulatory
- Pest ecology and biology
 - existing and emerging pests
- Research and development of new and improved crop protection measures
 - integrated control and alternative methods
- Development and delivery of effective IPM programs
 - new and existing
- Compilation and evaluation of existing knowledge
 - updates to Environmental Impact Quotient (EIQ), databases and forums

Ontario Soil, Water, and Air Research and Services Committee (OSWARSC)

The research issues identified by the committee are unchanged from previous reports including manure management, nutrient use efficiency, water management, soil and crop management, identification/validation of Best Management Practices, biosolid/waste application and treatment

and greenhouse gas emissions. Specific research needs and priorities have been identified within each issue.

Rural Air Quality has been added to the list of research issues. There are no new research priorities and needs associated with this issue although several existing priorities concerning ground level ozone, smog, odours, ammonia, bio-aerosols and particulates fit within the issue.

Water quality has remained a high profile issue along with the impact of weather on crops and environmental quality. Hot, dry conditions during the summer produced a record number of smog alerts and significant stress on crops. As well, there are concerns with low stream flows in many watersheds. Wet conditions in many areas in the fall have led to problems of soil compact during a wet harvest season.

New research priorities have been added on biological, physical, and socio-economic effects of manure management, scale of farming vs losses to the environment, water and nutrient management to improve water use-efficiency and water quality, and quantification of impacts/benefits of climate change. Existing priorities have been amended to address concerns with survivability of pathogens in the treatment and application of manure and biosolids.

The impact of aquaculture on water quality was identified as an emerging issue.

The committee will be developing a new four-year strategic plan in the coming year in preparation for the review of OMAFRA's environmental research programs.

Ontario Animal Research & Services Committee (OARSC)

The Ontario Animal Research and Services Committee (OARSC) met in 2001 to identify and prioritize service priorities. This year marked the initiation of a four-year rotation cycle, agreed upon in 2000, to focus the meetings in successive years on research, service, technology transfer and emerging issues.

Six common service priority themes were identified by all or the majority of the subcommittees. These include Deadstock Collection, Nutrient Management Planning, Centralized Information Management Services, Veterinary Services, Animal Health Diagnostics, Public Awareness and Communication.

In 2001, new issues came to the attention of the livestock sectors in Ontario as the extensive media coverage of the Foot and Mouth Disease outbreaks in the U.K. and E.U. brought to light the extent and ease at which infectious diseases of animal origins can spread. Ontario and the rest of Canada responded with added levels of biosecurity – at the national, provincial and farm levels, and increased attention to developing robust and co-ordinated emergency response plans.

In Ontario, conflicts continue over large livestock operations. In the absence of provincial legislation, municipalities are increasingly developing by-laws to restrict the size, location or land base required for new operations. The lack of consistency amongst municipalities and ongoing uncertainty has negatively impacted livestock sector expansion.

Provincial and national livestock commodity groups continue to invest heavily in the development and implementation of HACCP-based on-farm food safety systems.

Prices remain strong for animals and products of animal origin, with every sector except eggs showing increased producer returns. Provincial slaughter capacity continues to decline for cattle and calves but a moderately increasing slaughter trend continues for hogs, sheep and lambs. As a percent of total Canadian livestock numbers, Ontario continues to lead in sheep and lambs (approximately 27%) and poultry (30 – 37%), ranks second to Quebec in hog (approximately 25%), second to Quebec in dairy production (approximately 32%), and second to Alberta in cattle on feed (approximately 16 – 18%). Ontario ranks fourth in Canada for beef cow-calf numbers (approximately 9 %, Alberta #1 rank). Across Canada, per capita consumption of red meat continues to decline while egg, cheese, yogurt and poultry consumption continues to increase.

Ontario Agriculture and Food Engineering Research and Services Committee (OAFERSC)

The OAFERSC is composed of four committees covering the areas of crop, livestock, rural environment and food engineering. In addition, to discussing research priorities, the engineering committee has discussed how best to develop a strategic plan for engineering research.

The crops engineering committee identified rural energy issues, rural roads and equipment transport safety, development of new grain and forage drying systems and manure and biosolids application as priorities for research and service.

Livestock engineering priorities were identified as development of standards for manure storages and structures, integrity of large roof systems and air quality in livestock buildings.

The focus of the Rural Environment sub-committee continues to be manure handling and the impact of livestock operations on the environment. The top three priorities were methods to determine if manure is present in tile water, environmental benefits of pasturing floodplain areas and improved systems for applying manure.

The top three research priorities identified by the food engineering committee are improved technologies for pasteurization, inexpensive in-line methods of detecting contaminants in food processing and separation, concentration, and purification of nutraceuticals.

Ontario Agricultural Economics & Business Research and Services Committee (OAE&BRSC)

The OAE&BRSC's mandate is to identify and prioritize future agricultural economics and business research and service needs of Ontario's agri-food industry stakeholders.

The Agricultural Economics Research and Services Committee (AE&BESC) met twice last year. The research priorities were amended and re-ordered to reflect current issues and needs. 2002 is the strategic review year for the Committee. An exhaustive analysis of issues, trends and needs will be carried out for that review.

The 2001 research priorities are ranked to reflect the current needs of the agri-food.

The seven main research areas, in priority order, are:

- 1) Environment
- 2) Linkage between the Agriculture Industry and the Rural Countryside
- 3) Marketing
- 4) Trade
- 5) Risk Management
- 6) Competitiveness of the Agri-Food Industry
- 7) Economic Data and Benchmarking

The Committee also undertook an analysis of economic and business research and services recommendations contained in the year 2000 reports of other Research and Services Coordinating Committees and Sub-Committees. This information, and a follow up analysis of the 2001 reports, will be used in the industry scanning process for the coming strategic planning year.

Ontario Rural Research and Services Committee (ORRSC)

The ORRSC's mandate is to identify and prioritize future research and service needs that affect the sustainability of the economic, social and environmental conditions of rural Ontario as determined by Ontario rural stakeholders.

In 1998, ORRSC set four priorities for rural research and services for a 4-year period. As 2002 is an interim year in this cycle, there was a review and confirmation of the four priority areas. Based on current issues and identified gaps/barriers in rural research, the information needs within the priority areas were adjusted.

The priorities are:

- A. Economic Development:** *The need to strengthen economic growth and entrepreneurship in rural Ontario with a focus on regional development rather than business development. Environmental and social concerns should be integrated with economic development – not segregated. An “asset view” of rural, as an expanded view of economic development should be explored.*
- B. Response to Change and Restructuring:** *The need to understand, facilitate and assist rural communities as they plan for and act in response to change and restructuring. There is a need to address “innovation” which is a driver and essence of change.*
- C. Capacity Building:** *The need to understand community capacity building and enhance rural leadership, organization and community management. There is a need to measuring the progress in rural; benchmarking is vital.*
- D. Information Technology:** *The need to understand the roles of, and promote the availability*

and use of information technology in rural Ontario. There is a need to understand the implications of increased or lack of access to information technology in rural Ontario.

Ontario Food Processing Research and Services Committee (OFPRSC)

The Ontario Food Processing Research and Services Committee (OFPRSC) met in 2001 and did not identify any new research priorities. These recommendations, which continue to be priority, include:

- Food Quality and Safety
 - Methods for the early detection, and reduction/elimination of food safety hazards/contaminants.
 - “Farm to fork” processes for ensuring food safety.
 - Methods to improve the quality and consumer acceptance of Ontario products.
 - On-line methods for monitoring and predicting quality during processing.
- Value-added Products and Innovative Technologies
 - Methods to enhance the value of Ontario products.
 - Development and evaluation of processing technologies that will limit the impact of the processing industry on the environment without unduly affecting cost and competitiveness.

A new research recommendation was added to the *value-added products and innovative technologies* category in 2000:

- Development of innovative technologies to improve the manufacturing effectiveness of existing food products or to facilitate the production of new food products.

As in 2000, the issue of consumer acceptance of new technologies, especially genetically modified foods, was regarded as an important non-research and development priority.

Enhanced Partnership with the University of Guelph

Effective April 1, 1997 OMAFRA entered into a 5 year Enhanced Partnership Agreement with the University of Guelph for the delivery of research, education and laboratory programs funded by the ministry.

A new agreement effective April 1, 2002 has been signed between the University of Guelph and OMAFRA to deliver OMAFRA’s research, education and laboratory programs. The current annual transfer payment is \$50.5 million.

A copy of the Agreement will be available on the OMAFRA and University web-sites in the near future.

Competitive Research Programs

OMAFRA recognizes that research and technology development is essential to the

competitiveness and sustainability of Ontario's agri-food and rural sectors. Competitive research programs has been being funded to support areas of research which will enhance Ontario's position as a leader in agriculture and food and build upon existing research programs funded by OMAFRA through the Enhanced Partnership with the University of Guelph.

During the 2001-2002 fiscal OMAFRA has supported two competitive research programs, the New Directions in Agri-Food and Rural Research Program (formerly Special Research) and the Food Safety Research Program.

Special Research Program

Since its inception in 1998 the Special Research program has supported 99 projects with \$4.2 million. In 2001, the program incorporated Food Systems 2002 as an integral part of the program. The OMAFRA website lists title, researcher, and executive summary of all approved projects.

New Directions in Agri-Food and Rural Research Program

The New Directions program replaced the Special Research program offered in previous years and was open to researchers from academia, government and industry. As in previous years proposals must address defined priority areas and demonstrate a benefit to Ontario.

This year's program supported research in 5 areas: value-added food, non-food products from Ontario agricultural raw materials, alternative livestock species in Ontario, a healthy environment, and pest management.

Funding was increased to a maximum of \$100,000 per project. Collaboration with the associated industry and support from non-government sources are important components of the program and remain unchanged from Special Research.

Food Safety Research Program

In February 2001 OMAFRA launched a four-year, \$4 million, competitive Food Safety Research Program. The program is a part of the Ontario Food Safety initiative commenced by three ministries: OMAFRA, Ministry of Natural Resources (MNR) and Ministry of Health and Long Term Care (MHLTC), three years ago. The initiative, being led by OMAFRA, is helping the Government of Ontario plan and implement food safety enhancements through establishing:

- A modernized, science-based food safety system founded on the principles of risk analysis/risk management;
- A seamless system that covers the food chain from field to fork;
- Market-friendly systems consistent with Ontario's trade responsibilities and industry needs.

The purpose of the program is to fund research to assist in the implementation of a science-based food safety system. The research outcomes generated through this program will enhance knowledge and new technologies that will help scientists carry out systematic assessments of risk to public safety, support the implementation of HACCP and quality assurance programs and

provide diagnostic tools to support field and laboratory testing for regulatory programs. The Innovation & Risk Management Branch is managing the program by providing Research Requirements Document (with program criteria, application timelines and guidelines), expert review of proposals and contract administration.

In the first two years (2000-2001 and 2001-2002), the program has completed two rounds and allocated \$1.7 million to 13 research projects. These projects focus on:

- Development of test methods to detect pathogens and chemical residues in food and water
- Risk assessment of *Campylobacter* in chicken sold at retail locations in southwestern Ontario.
- Surveillance of Ontario pig farms for diseases of public health significance
- Community trial to determine an effective intervention for the delivery of hazard analysis and critical control points (HACCP) program to the food service sector
- Assessment of the incidence of antimicrobial resistant *E. coli* and *Salmonella* bacterial isolates in Ontario dairy herds

Descriptions of funded research projects are available from the web site:

<http://www.gov.on.ca/OMAFRA/english/research/food/foodsafety/2001/index.html>

OMAFRA is committed to ensuring the broad dissemination of research results. Information about the funded projects is available on the OMAFRA website and is highlighted in the *Agri-food Research in Ontario* magazine published by OMAFRA. Also, the successful applicants are required to register their project with the *Inventory of Canadian Agri-food Research (ICAR)*. Project results will be shared with government and industry representatives. Successful applicants are encouraged to publish their results in the appropriate journals, as well as to commercialize the inventions where possible.

The process for the next round of proposals has begun and the program will allocate \$1.3 million to successful projects.

Section D - NATIONAL ISSUES

National issues and specific recommendations identified by the major committees will be forwarded to the respective Canada Committees.

APPENDIX

COMMITTEE ORGANIZATION AND MEMBERSHIP

The OASCC operates under the following terms of reference:

To review regularly the broad aspects of agri-food research, extension, and education in Ontario with the object of:

Facilitating communication and coordination among different groups at the management level;

Assessing immediate and future needs, and developing proposals for ways to take care of them;

Advising on joint uses of facilities and people;

Contributing information and ideas about regional and national policies affecting agriculture and food;

To carry out special assignments on behalf of the Canadian Agri-food Research Council (CARC) which are appropriate to the above objectives; and

To meet at least once a year and report through a delegated representative to the annual meeting of CARC. Summary reports are sent to the Chairman of CARC with copies to the Deputy Minister of Agriculture, Food and Rural Affairs for Ontario.

MEMBERSHIP OF OASCC 2000-2001

Chair Dr. Deb Stark, Assistant Deputy Minister, Research and Corporate Services Division (RCSD), Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)

Recording Secretary Ms. Leah Jones, RCSD, OMAFRA

Chairs and Vice-chairs/Secretaries of Major Subcommittees

Agricultural Economics Research and Services Committee

- Mr. Clarence Haverson, Manager, Agriculture and Rural Business Development, OMAFRA

Agriculture and Food Engineering Research and Services Committee

- Mr. Ron Fleming, Ridgetown College of Agriculture and Food Technology, University of Guelph

Animal Research and Services Committee

- Dr. Gwen McBride, Director, Livestock Technology Branch, OMAFRA

Field Crops Research and Services Committee

- Dr. G. Ablett, Ridgetown College of Agricultural Technology, University of Guelph

Food Processing Research and Services Committee

- Mr. Doug Chapman, Director, Food Industry Competitiveness Branch, OMAFRA

Horticultural Crops Research and Services Committee

- Ms. Annette Anderson Crop Technology, OMAFRA
-Pest Management Research and Services Committee
- Dr. M.R. McDonald, Muck Research Station, University of Guelph
Soil, Water, and Air Research and Services Committee
- Mr. Keith Reid Crop Technology, OMAFRA
- Dr. Ivan O'Halloran, Ridgetown College of Agricultural Technology, University of Guelph
Ontario Rural Research and Services Committee
- Ms. Lera Ryan, Rural Development, OMAFRA

Ontario Ministry of Agriculture, Food and Rural Affairs

Dr. F. Ingratta	Deputy Minister
Mr. J. Wheeler	Assistant Deputy Minister, Agriculture and Rural Division
Dr. B. Archibald	Assistant Deputy Minister, Policy & Farm Finance Division
Mr. Don Taylor	Assistant Deputy Minister, Food Industry Division
Mr. Rod Stork	Chair, Farm Products Marketing Commission
Mr. Bill Ingratta	Director, Crop Technology, ARD
Mr. D. Hope	Director, Policy Analysis Branch, PFFD
Mr. R. Jackiw	Director, Resources Management, ARD
Mr. D. Chapman	Director, Food Industry Competitiveness Branch, FID
Mr. K. Smith	Director, Communications Branch
Mr. M. Tombs	Director, Economic Development, ARD
Dr. G. Zellen	Director, Food Safety Systems Development Branch, PFFD

Agriculture and Agri-Food Canada

Dr. Y. Martel	Director General, Eastern Region, Research Branch
Dr. J-M Deschenes	Director, Eastern Cereal and Oilseed Research Centre
Dr. G. Saindon	Director, London Research Centre
Mr. G. Poushinsky	Director, Food Research Program
Dr. G. Whitfield	Director, Harrow Research Station

University of Guelph

Dr. A. Wildeman	Vice President, Research
Dr. C. Pearson	Dean, Ontario Agricultural College (OAC)
Dr. A. Meek	Dean, Ontario Veterinary College (OVC)
Dr. G. Fox	Acting Chair, Dept. of Agricultural Economics & Business, OAC
Dr. S. Kruth	Chair, Dept. of Clinical Studies, OVC
Dr. K. Armstrong	Director, Equine Research Centre
Dr. A. Gibbins	Chair, Dept. of Animal & Poultry Science, OAC
Dr. M. Goss	Director, Agrifood System Resources and Environment Research Program
Dr. P. Shewen	Chair, Dept. of Pathobiology, OVC
Dr. R. Hacker	Director, Animal Research Program, Dept. of Animal Science,
Dr. C. Swanton	Chair, Dept. of Plant Agriculture, OAC
Dr. S. Hilts	Chair, Department of Land Resource Science, OAC
Dr. J. Fitzgibbon	Executive Director, Faculty of Environmental Design and Rural

	Development
Dr. D. Hume	Associate Vice-President, Research, Argi-Food Partnership
Dr. C. Ribble	Chair, Dept. of Population Medicine, OVC
Dr. T. Fuller	Director, Sustainable Rural Communities Program, University of Guelph
Dr. J. Leatherland	Chair, Dept. of Biomedical Science, OVC
Dr. John O'Sullivan	Director, Plants Research Program, Department of Plant Agriculture
Dr. G. Ablett	Director, Ridgetown College of Agricultural Technology
Dr. P. Collins	Director, Laboratory Services Division
Mr. B. Curnoe	Director, Kemptville College of Agricultural Technology
M. G Heroux	Director, Alfred College of Agriculture & Food Technology
Dr. V. Davidson	Director, Food Research Program, Dept of Engineering
Dr. A. Hill	Acting Chair, Dept Food Science