



GROWING STRONGER

Conclusions from Agri-Food Community Consultations
on the COVID-19 Pandemic

A Collaborative Project by Arrell Food Institute at the University of Guelph and the
Canadian Agri-Food Policy Institute



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This report was produced by Arrell Food Institute and the Canadian Agri-Food Policy Institute as part of the Growing Stronger project.

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Letter from the Co-Chairs

Just like every other sector of our society, the events of spring 2020 rocked the Canadian food system. In the earliest days of lock-down, reports of empty shelves, wasted food, and illness among food workers were part of our COVID-19 story. Although the food system seemed to stabilize relatively quickly, longer term problems persist. As such, it is important to examine what lessons can be learned by our food system's experience through the pandemic. Arrell Food Institute at the University of Guelph (AFI) and the Canadian Agri-Food Policy Institute (CAPI) teamed up with a large interdisciplinary network of advisors to explore how Canadian stakeholders across the agri-food system responded to three key questions:

- **What were the impacts of COVID-19 on the food system in spring 2020?**
- **Why did these problems emerge?**
- **How should we respond to build greater resilience in Canada's food system for the future?**

To start, AFI and CAPI hosted webinars of invited experts from all aspects of the food system to provide their perspectives. This allowed us to hear directly from producers, processors, food security experts, and Indigenous communities, amongst others. In addition, AFI teamed up with the nongovernmental organization, Meal Exchange, to conduct a survey of how food insecurity among post-secondary students was affected by the pandemic. We hosted an online portal where we solicited comments from the general public and interested parties and conducted one-on-one interviews with key experts. Finally, we hosted over 100 thought leaders from across Canada to debate these issues during the 2020 Arrell Food Summit. Throughout these activities, we were motivated by a sincere desire to hear perspectives and listen to people's experiences from across the food system.

Members of Arrell Food Institute held the pen on this report, while a deeper dive into issues that affected the agricultural sector was authored by CAPI. In addition, we were gratified to have input from pan-Canadian, bilingual not-for-profit organizations such as Food Secure Canada, which submitted its own appraisal of the impact of COVID-19 on the food system. In addition, explorations on how COVID-19 has affected poultry and dairy sectors were hosted by the Ontario Veterinary College and the Livestock Research Innovation Corporation. Finally, Ontario Genomics provided input through their Canada's Bio-Revolution Webinar Series with a special session called: New Frontiers in Food Production: Growing Stronger with Cellular Agriculture.

The goal of this document is to summarize what we heard as a way of stimulating further debate, reflection, and action. Given this is a compilation of multiple perspectives, it's important to note that not every organization agrees on every point nor with all the recommendations. Rather, we hope that this document provides an accurate compilation of the inputs received that captures our collective experience of how COVID-19 affected the food system.

We hope people use this report to think further about how we can strengthen Canada's food system. We thank everyone who has been generous with their time, wisdom and insights.

Yours truly,

Deb Stark, Ted Bilyea, and Evan Fraser (co-chairs)

Executive Summary

In terms of the **impact of COVID-19** on the food system, stakeholders impressed on us that:

- The Canadian agri-food system performed reasonably well during the pandemic given the scale of national and global supply chain and demand impacts. With that said, the food sector scrambled to respond to the lack of PPE, shortages of temporary foreign workers, the upsurge in demand from consumers for grocery products and supply chain disruption as the food service industry shut down.
- Many of the problems in the food system that came to light in 2020 were not caused by COVID-19, but heightened by it. Issues around labour and food insecurity were already deeply embedded and well known; the pandemic highlighted many structural issues that were already problematic.
- We must assume there will be a next time. Government and the food system need to learn from this experience and have emergency contingency plans and strategies for responding at the ready. There is also an opportunity to build from the learning experience of this deadly pandemic to change policy and practice and fix long-standing problems to create a more resilient, sustainable and just food system.

Our engagement revealed the following **strategies and recommendations**:

- **Addressing the root causes of food insecurity** must be at the core of any post-pandemic strategy and this requires programs that include reducing poverty, increasing access to healthy and sustainably produced food, and investing in food literacy for children and youth. Regardless of specific programs, stakeholders were clear: the effects of COVID-19 disproportionately fell on women, the elderly, the poor, and Black, Indigenous, and people of color. A such, change will only be achieved through meaningful engagement with all communities.
- **Positioning the agri-food sector as a driver of green growth** that helps Canada emerge stronger from this crisis. To achieve this requires investment in innovation, incentives to encourage sustainable management practices, and building our domestic capacity to build a globally competitive food system that is trusted for being safe and sustainable. These points have been made several times in numerous industry and governmental reports.¹ Contributors told us we have the vision; what is needed is action.
- We need to **foster collaboration between stakeholders** and break down the polarization and mistrust that exists between industry, civil society, and government. We cannot build a just, competitive and sustainable food system without active dialogue and collaboration among stakeholders. The creation of a National Food Policy Advisory council is an important tool in achieving this goal.

Finally, due to a host of global threats - such as trade instability and climate change - it is prudent to assume that the next major disruption to the food system may be much worse. It falls on us to act now to help create a more resilient food system so that we are able to withstand the challenges of the 21st century.

¹ Here are three such documents: (1) <https://engage.gov.bc.ca/govtogetherbc/impact/food-security-task-force-results/>; (2) <https://www.budget.gc.ca/aceg-ccce/pdf/key-sectors-secteurs-cles-eng.pdf>; (3) <https://sencanada.ca/en/info-page/parl-42-1/agfo-made-in-canada/>

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Question One

What Were COVID-19's Impacts on the Food System?

Respondents identified a number of areas where COVID-19 affected the food system. Briefly, these are:

- **Consumer response and supply chain challenges led to depleted store inventories in March and April.** Existing emergency response plans were not adequate to cope with the global shock and companies were forced to adapt quickly.
- **The collapse of the service food sector drove unemployment, supply chain chaos, increase in food waste and hurt farm incomes.**
- **In the early days of the pandemic, there was a significant rise in operating costs across the food chain. Now, these costs are still present as structural costs.**
- **COVID-19 caused serious impacts on labour. This disproportionately affected marginalized groups, the food service industry, temporary foreign agricultural workers, and the meatpacking industry.**
- **One of the most profound effects of the pandemic was felt through lost wages and massive unemployment.** Among other things, this caused skyrocketing rates of food insecurity and likely a decline in the quality of diets that may have long term health impacts if action is not taken now.

With regards to depleted store inventories, there seems to be a consensus that while dramatic, this was a relatively temporary phenomenon. Thanks to a number of policy changes (such as allowing stores to re-stock 24 hours/day, 7-days/week, flexibility in regulations around food packaging and labelling, and an open Canada-U.S. border for essential deliveries), as well as a tremendous amount of innovation and adaptability, store inventories and supply chains were restored remarkably quickly. Therefore, safe and affordable food in abundant quantities was available for the most part to Canadians throughout the crisis. There is a sense that the system as a whole “bent but didn’t break” and that Canadians should feel both proud and grateful that we responded as well as we did, especially given the scale of the perturbations.

With that said, despite lessons learned during previous pandemic scares (including SARS), it seems that the food sector scrambled to obtain PPE, maintain access to workers, resolve sharp supply/demand imbalances, and implement changes needed to ensure safe workplaces. Early lack of clarity on whether or not food production was

deemed an essential service added to the confusion. In this regard, the food sector was no different from many other industries.

Third, the pandemic's effect on the service food sector was profound. Not only did closing the restaurants force tens of thousands of businesses to close, furloughing approximately 1 million workers, it also provoked a massive and almost instantaneous reorganization of the food distribution system. Demand for food changed in surprising and unpredictable ways. Dairy farmers were forced to dump milk as the demand for products normally sold to restaurants and coffee shops fell dramatically and we suddenly discovered that 75% of the potatoes consumed in Canada were processed and eaten in restaurants as French fries. By the same token, demand for home baking supplies soared leaving flour and yeast scarce for weeks. Food packaging also became a major challenge as the food service sector typically purchases in much larger quantities than people shopping for personal or family consumption. For instance, one dozen egg cartons became scarce and it was a shortage of the right size of packaging, and not a shortage of eggs, that caused eggs to be disposed of and made them difficult to find in grocery stores. These changes seriously affected returns for some farmers during the spring of 2020.

Fourth, COVID-19 caused a significant rise in operating costs across the food system and many of these new costs remain today. This is especially significant since this industry typically operates on very low margins. Initially, the costs borne by the sector were associated with personal protective equipment, plexiglass, temperature screening equipment and the \$2/hour COVID premium most major employers paid in the initial months. Later in 2020, stakeholders told us these costs shifted due to absenteeism, sick leave payments, enhanced sanitation, and slower line speeds in processing plants.

Another major impact of COVID-19 on the food system was in the area of labour where COVID-19 seems to have had two distinct influences. The first thing the pandemic did was to reveal how dependent Canada's food system is on labour, and in particular, temporary foreign workers. Approximately 60,000 foreign workers come each year from Mexico, Latin America or the Caribbean to work on our farms and in foodservice and processing plants. The pandemic rekindled the long-standing



photo by Jodie Aldred Photography for Arrell Food Institute

debate over Canada's reliance on these people and how able we are to protect them during a public health crisis. The pandemic also exposed a poorly understood system of informal recruiting agencies, some which may have operated "under the table." Some stakeholders suggested to us that many workers who found themselves in exploitative situations are found in this much more difficult to regulate category. A number of experts who spoke to us argued that providing pathways whereby these workers, many of whom have been working here for decades, could obtain permanent resident status would go a long way to improving the situation.

The second labour-related issue was that workers within the food system appear to have been particularly vulnerable to contracting the virus. Some of Canada's most persistent hotspots were related to both large meat processing plants and among the temporary foreign workers on farms. However, there are important nuances that must be explored here. In Canada, it seems that there were relatively few instances of transmission within meatpacking facilities as companies responded proactively with changes to protocols and investments to protect workers. At least some of the illnesses linked to these facilities were spread during car-pooling or as a result of community-spread. Consequently, some stakeholders observed that the way the disease spreads among the food processing plants is similar to how it spread in both the residences that housed temporary foreign workers but also hospitals, care home settings and other places where large groups of people congregate indoors. Solving this problem – regardless of the sector – requires collaboration between government regulators and managers of such settings, along with workers, public health authorities and governments.

Finally, one of the most serious and significant impacts of COVID-19 on the food system was that it triggered skyrocketing rates of food insecurity. For instance, NGO Community Food Centres Canada shared Stats Canada data indicating a 39% increase in food insecurity during the first two months of the lockdown². This reflected a steep rise in the number of households unable to afford or access food at this time, despite monumental actions by government to provide prompt economic relief. Although difficult to track precisely, these rising rates of food insecurity, linked with lost wages and other economic costs, are almost certain to increase the long-term burdens associated with poor-quality diets that are already linked with such public health problems, such as obesity and type II diabetes. These trends are mirrored at the international level with the United Nations projecting a doubling of hungry people this year and the head of the World Food Program warning that "famines of biblical proportions" loom due to the pandemic.³

² <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00039-eng.htm>

³ <https://news.un.org/en/story/2020/04/1062272>

Question Two

Why Did These Problems Occur?

We heard several themes from the stakeholders we interacted with. In particular, we heard that:

- **As a country, we could have been better prepared for the pandemic. Lessons learned after SARS seem to have been lost.**
- **The pandemic has not created many new problems but simply shone a light on existing vulnerabilities.**
- **Over time, we have become dependent on temporary fixes to systemic problems related to labour and food insecurity.**
- **Canada's dependency on complex global food supply chains is economically efficient and essential for our competitiveness but may compromise the resiliency of our agri-food system.**
- **The response of governments was very helpful but also hindered swift action.**

Some stakeholders told us that key players in Canada's food system - including government - were caught off guard by this pandemic despite earlier emergency preparations. We heard that early warning systems were developed in response to SARS in 2003 but were shut down as recently as November 2019. It was interesting to learn that, unlike the United States, there is no Canadian agri-food emergency response and recovery plan. In May, when Public Safety Canada included food in its list of critical infrastructures, the significance was unclear given so much of the ability to make changes lies in the hands of AAFC/CFIA and the provinces and territories. Despite significant investment by individual businesses to create pandemic plans in response to influenza threats several years ago, we heard that at least some of those plans - including governmental ones - sat on the shelf.

Next, although the problems of 2020 have been dramatic, stakeholders from across the spectrum told us that most of the problems exposed by COVID-19 have existed for decades. Concerns over the insufficient supply of labour in the agri-food sector have been demonstrated again and again and have been the subject of numerous reports by the sector and government. Our emergency response systems are built on the assumption that threats are usually local and time-limited events (such as a food safety recall or a drought) and are not built to address global challenges such as climate change or pandemics. When stakeholders stated to us that the pandemic did not create new problems, but shone a light on existing vulnerabilities, this is what they meant.

Similarly, many stakeholders pointed out that in some very important ways, we have become dependent on temporary fixes to systemic problems related to labour and food insecurity. In terms of labour, the temporary foreign worker program that brings people from Latin America, Mexico, Central America, and the Caribbean to Canadian farms was established in the 1960s as a short-term stopgap to address what was

then perceived of as a temporary labour shortage. Sixty years later, we find ourselves structurally dependent on this program. Many participants believe there are better ways to protect and manage this element of the workforce.

Prior to the pandemic approximately one in 10 Canadians experienced food insecurity every year. Furthermore, our country's food security problem does massive collateral damage to health due to the long-term implications of a poor diet. It is also well acknowledged that food banks, which first became established in Canada in the 1980s, should be nothing more than a short-term intervention based on food charity. Fundamentally, too many Canadians simply cannot afford to eat, and/or eat properly. The Canadian Emergency Response Benefit (CERB) was fast and helped to alleviate this issue. Likewise, emergency food aid offered by community food centres and food banks helped alleviate the problem. Neither, however, address the systemic inequalities, poverty, marginalization, racism and colonialism that cause food insecurity in the first place.

The systemic nature of Canada's food insecurity problem was reinforced by some of the conversations we had with leaders from Indigenous communities who noted that the federal government's response in the spring was relatively ineffective in terms of enabling people in remote communities, and in particular Indigenous communities, to access help. In particular, when the federal government allocated \$100 million to five charities with limited relationships in Indigenous Communities, we heard that the government privileged those with the capacity to engage with the charities and left others unsupported. This may have been partially addressed in the second round of funding but it's important to recognize the unique needs and authority of Canada's Indigenous peoples.

Third, some stakeholders told us that today's food system, which is dominated by global food supply chains, is efficient but needs to build in more resiliency. Given the system did function relatively well, the question may be how to best address gaps or shortfalls. We heard a number of elements to this argument. First, we heard that Canada's land base, climate and geography mean that international trade is a vital aspect of our food supply and that trade is necessary to maintain year-round supplies of key ingredients. The resilience of these supply chains, however, was thrown into question during the pandemic and we heard from many stakeholders that bringing supplies from other countries proved extremely challenging. The corollary of this was that local businesses, which were already struggling in terms of capacity, had difficulty keeping up with the COVID-19 related surge in demand for products produced close to home. While this suggests that local producers and processors may enjoy a longer-term benefit in terms of bigger local markets, managing the rapid rise in demand in mid 2020 was extremely challenging.

Another point raised about resilience is that over the past few decades many aspects of our food system have become extremely concentrated. For example, beef processing in Canada is largely undertaken by a handful of large packing plants. The sector faced a short-lived but significant challenge in the spring when one of our key beef processing facilities was closed, while others significantly reduced their capacity

to deal with the challenges of COVID-19. Our processing capacity dipped by about 50% at that time. While capacity recovered relatively quickly and reached back to more normal levels by May-June, the industry still needed to face the challenge of working through the backlog of cattle within the supply chain as well as the market impact and uncertainty that had developed.

Similar challenges were faced in other meat sectors. As such, we heard from some groups that the resiliency of Canada's food system may be increased if we create more local systems and bring people closer to their food.

Others, however, argued that smaller systems are often less economically efficient, and price remains a very important factor in the eyes of the consumer, both locally and around the world. Also, local systems are vulnerable to local events (such as diseases or droughts). In the end, we heard that there seems to be an interest to strengthen Canada's local food systems but to do this in a way that is economically efficient is challenging.

Fourth, many commented on the response of governments during the pandemic. It must be stressed that the majority of leaders in the sector expressed strong appreciation for the way that the government stepped up to provide key aspects of support. This included an initial tranche of \$100 million that supported many of Canada's charities involved in emergency food aid, support for costs associated with quarantining temporary foreign workers, and more general programs like business grants (CEBA) and wage subsidies (CEWS) that were made available to the sector. As the months have gone by, additional funds have been made available. Outreach and consultation by Ministers and senior officials at all levels of government was also appreciated. We heard from the meat sector that they were proud at how well some groups collaborated with government, noting that there were no interruptions in CFIA services in meat packing plants and how quickly industry/government came together to ensure trade with the US was not disrupted. By the same token, in their attempt to manage and mitigate the crisis, governments also added to the burden on front-line businesses. In particular, we heard of changing recommendations, repeated requests for information, and a lack of consistent messaging between various levels of government.

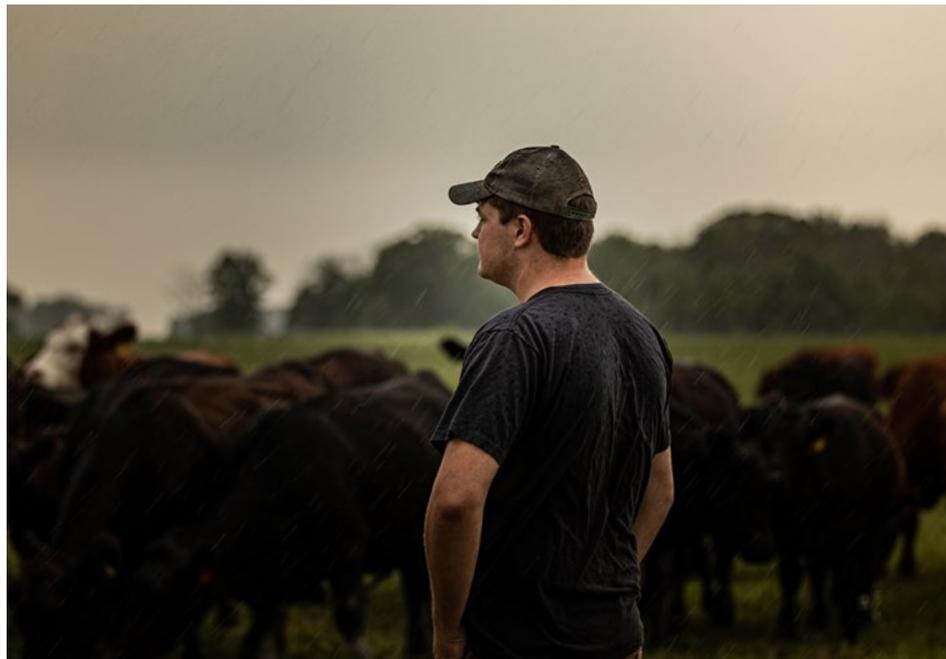


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Question Three

How Should We Respond?

Everyone we talked to in the drafting of this report had suggestions on how we can improve Canada's agri-food system. Many more Canadians now have experienced the devastating impact of food insecurity. Access to safe, affordable and nutritious food for all should be a measure of success as we reimagine our society. Just as importantly, the potential economic contribution of the sector cannot be discounted. While we heard a great many specific ideas and recommendations, overall, we have tried to distill the advice down to the following topics:

- **Addressing the root causes of food insecurity must be at the core of any post-pandemic strategy.** There was a consensus that to address this issue requires a combination of strategies to reduce poverty, increase food access and improve nutrition, as well as meaningful engagement with affected communities.
- **The agri-food sector can and should be positioned as a driver of green economic growth that helps Canada emerge stronger from this crisis.** Focusing on sustainable systems and investing in innovation can improve the existing system, support Canada's commitment to the Paris Climate Accord and create valuable new products for both export and domestic markets.
- **There was broad agreement on the vital importance of collaboration.** Governments, industry and civil society must work together, not only to prepare for the next global disruption but to address solutions and encourage resilience in responding to an evolving world.

Regarding food insecurity, the following two messages resonated. First, although this report is not the place to advocate for specific policy instruments, addressing food insecurity requires us to redouble our efforts in terms of poverty alleviation. Many participants suggested that income support programs that help create universal livable income floors, education initiatives that focus on food literacy/nutrition, and capacity building for equity-seeking groups deserve careful consideration. We heard that existing programs and policies including tax credits and childcare are needed to create a baseline income floor below which no one should fall. Doing this will create a healthier society and reduce long-term costs in terms of chronic disease. Many participants told us that while the federal government's support of the emergency food system helped alleviate some of the worst short-term consequences of the economic costs of the pandemic, the experience in 2020 highlights the need to establish a more comprehensive social security net such that low-income Canadians have the resilience needed to withstand future shocks and live with dignity and health.

The second point made is that developing the specific policies and programs to address Canada's systemic food insecurity crisis is best done by engaging with

all communities. It was noted that food insecurity disproportionately affects Black, Indigenous, and people of color, who are the same groups disproportionately impacted by COVID-19. Those with a lower income and the elderly also experience higher rates of food insecurity. Regardless of the merits of any specific policy or program, stakeholders consistently told us that programs are more relevant and effective if co-designed through consultation and engagement with leaders of marginalized communities and groups. Given Canada's commitment to realizing the calls to action in the Truth and Reconciliation Commission, the challenges posed by Indigenous food insecurity deserves particular focus.

We heard a tremendous amount about the fact that the agri-food sector can and should be positioned as a driver of green economic growth that helps Canada emerge stronger from the economic crisis (see, for example the summary report of CAPI's dialogue on Green Growth). Stakeholders acknowledged that Canada is, and will remain, a country that both imports and exports large amounts of food. We have too many natural advantages not to consider our global responsibility and the economic opportunity to be an increasingly important contributor to global food supplies. But there are challenges. For instance,

international trade is critical for Canada's agri-food system to be successful and this requires a fair and rules-based trading system. There are also new opportunities, and we heard a sense of optimism that this is Canada's moment to emerge as a global leader in technologies that will reduce our dependency on labour, shorten and make more transparent supply chains, strengthen domestic capacity, create new markets and improve the environmental performance of the sector. Also, new technologies such as automation, genomics and computational platforms are opening up a new world of food production and Canada is well positioned to seize that opportunity. The appropriateness, affordability as well as ethical, environmental, economic, legal and social aspects of various technologies all requires careful debate and attention. Ensuring the agri-food sector reaches this potential requires collaboration between government and industry including the need for creating incentives for farmers to deliver green products and engage in practices that protect the environment. It was noted that benefits like clean water and greenhouse gas sequestration are not priced into the market and that policies are needed to fill such gaps.

To realize these opportunities, it was expressed that if agriculture is to emerge as a

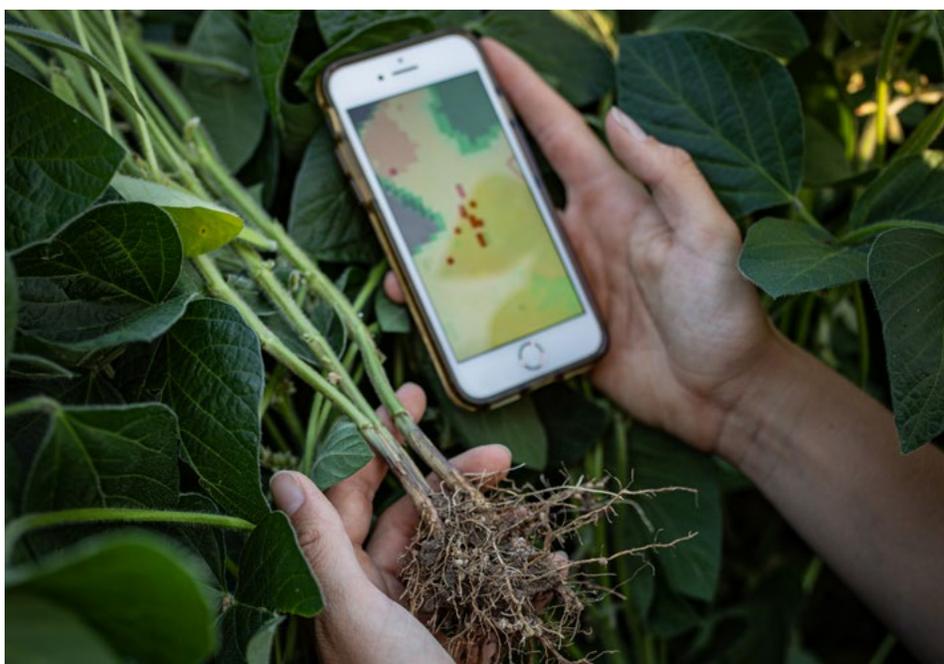


photo by Jodie Aldred Photography for Arrell Food Institute

driver of green growth we must invest in innovation, create incentives to encourage sustainable management practices, and build our domestic capacity to produce food that is trusted for being safe and sustainable (See the summary report of CAPI's dialogue on Green Growth). These points have been made several times in numerous industry and governmental reports.⁴ Contributors told us we have the vision; what is needed is action.

There was broad agreement on the vital importance of collaborating and working better together and including everyone in the work. In particular, stakeholders identified three concrete areas where more integrated governance would help. First, it was observed that federal-provincial-territorial (FPT) cooperation was important in almost all aspects of the response whether it was worker health and safety, emergency food relief measures, income loss for producers and processors, or essential worker designations. Integrated FPT planning and decision-making play an important role for a speedy response. Second, numerous stakeholders thought that federal government action to appoint the National Food Policy Council could have played a vital role in helping streamline communications and regulations in the sector through the pandemic. Establishing this council is an important tool in achieving the goals of the Food Policy for Canada.⁵ Another example suggested to us was the proposed "Animal Health Canada", an initiative driven by Canada's meat and livestock sector. This proposed entity would create an enhanced approach to animal health management that would include a joint governance model.

Finally, everyone agreed we must prepare for the next time. The world ahead looks more chaotic, not less. Governments and agri-food system players in general need to learn from this experience and have at the ready emergency contingency plans and strategies for responding when the inevitable future disruptions arise.

⁴ Here are three such documents: (1) <https://engage.gov.bc.ca/govtogetherbc/impact/food-security-task-force-results/>; (2) <https://www.budget.gc.ca/aceg-ccce/pdf/key-sectors-secteurs-cles-eng.pdf>; (3) <https://sencanada.ca/en/info-page/parl-42-1/agfo-made-in-canada/>

⁵ <https://www.agr.gc.ca/eng/about-our-department/key-departmental-initiatives/food-policy/the-food-policy-for-canada/?id=1597863791042>