Agriculture and Agri-Food Canada Agriculture et Agroalimentaire Canada

2018-2019 Strategic Issues Survey of Producers (Wave VI)

Quantitative Research Report Summary

Prepared for Agriculture and Agri-Food Canada

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Canada

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This public opinion research report presents the results of focus groups conducted by Earnscliffe Strategy Group on behalf of Agriculture and Agri-Food Canada. The research was conducted from October to December 2018.

Cette publication est aussi disponible en français sous le titre : Sondage 2018-2019 sur les enjeux stratégiques des producteurs (Vague VI) – Résumé analytique de recherche quantitative

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Executive Summary

Earnscliffe Strategy Group (Earnscliffe) is pleased to present this report to Agriculture and Agri-Food Canada (AAFC) summarizing the results of the sixth wave of the Strategic Issues Survey of food producers.

AAFC regularly conducts public opinion research with producers to track key data points over time and to provide insight on new and evolving areas of interest related to farming and agriculture. AAFC contracted Earnscliffe in 2018 to conduct the sixth wave of the department's survey of producers and the second iteration of focus groups with producers. This report outlines solely the quantitative research process and findings. The qualitative phase is presented under a separate cover.

The findings of this research will be used to monitor any changes in the public opinion environment among producers, and to gather data on a variety of new areas of interest for AAFC, including benchmarks of the department’s new multi-year agricultural policy framework, the Canadian Agricultural Partnership, that will be tracked over the next five years. The total cost to conduct this research was $121,479.97 including HST.

For the quantitative phase of this research project, Earnscliffe conducted a telephone survey of 1,504 producers aged 18 or older, who hold or share primary responsibility for making decisions regarding their farm operations with $10,000 or more in annual farm sales in 2017. Our quantitative sub-contractor for this project was Léger. The survey was conducted via telephone from Léger's centralized call-centre using their state of the art Computer Aided Telephone Interviewing (CATI) system. Léger relied on sample provided by Research Now SSI as they have proven to have very reliable phone sample. Research Now SSI's business sample is compiled using Dun & Bradstreet lists, which have been used in the past for this project with AAFC. The survey was conducted from October 22, 2018 to December 18, 2018 and was an average of 21 minutes in length.

As done in the past, quotas were set for producers by region and the data was weighted by province and sales volume to reflect the actual proportions found in the producer population, according to Statistics Canada’s 2016 Census of Agriculture.

The objectives of the research were to explore optimism in the sector, including jobs and growth, the roles of government and agricultural industries in agricultural programming, perceptions of public trust in the sector, emergency planning and innovation.

The key findings from the research are presented below.

Key Findings

Profile of Producers Surveyed

- **In keeping with the profile of producers from 2011 onward, oilseed and grain farmers make up the plurality of producers surveyed, though the proportion fell slightly from 41% in 2017 to 35% in 2018.** Cattle ranching and farming follow (27%, up from 21% in both 2017 and 2013), then dairy cattle and milk production (11%, virtually unchanged since 2017). This breakdown is consistent with previous waves.
- **Roughly one in three (32%) feel their net farm income has increased over the last five years, representing a decline from 2017 (44%) and 2013 (43%).** One third (33%) describe their farm sales as having decreased – the highest proportion measured since the 2011 study.
- **As reported consistently since 2011, half of producers surveyed receive some form of off-farm income**. This situation is more common among those who have attended or completed university (57%), who are between 45 and 54 years old (58%) and those whose farm sales are between $10,000 and $100,000 annually.
- When it comes to length of time as an operator, the producers surveyed in this wave of research closely resemble the sample from 2017. **Just over one-quarter (26%) have been farming less than 25 years, just over one third have been farming for 25-39 years (36%) and for 40+ years (37%).**
- **The age breakdown of producers surveyed is almost identical to 2017 data, with almost three-quarters of respondents aged 55 or older**. Just 12% are under 45.
- This wave's respondents include slightly more female producers (28%) than in previous iterations of this survey. Just over one-third (35%) of producers under 55 are women, compared to 26% of those aged 55 and over.

The Future of Agriculture

- **When asked what the top issue facing Canadian agriculture over the next five years will be, trade and international barriers emerged as the greatest concern (16%),** followed by production and input costs (13%), weather (11%) and commodity prices (11%). The next tier of responses, ranging from 3% to 5%, are labour shortages, profitability and viability of the sector, marketing/marketing boards/new markets, general concerns about government and the carbon tax.
- **Since 2013, farmers surveyed have grown increasingly pessimistic about their farm's outlook.** The percentage of farmers who expect their operation will be much or a little better off has fallen by 13% since 2013, and, on the opposite end of the spectrum, 13% more than in 2013 expect their farm will be worse off, a total of 28%.

Risk Management and Emergency Preparedness

- **Natural disasters and weather fluctuations remain the top business risk for producers, though the percentage who name this risk has fallen over the years, from 52% in 2013 to 46% in 2018.** As in 2017, market price fluctuation and volatility are perceived to be the second biggest risk (36%). Concern about the risk presented by operational costs has fallen wave-over-wave, as has concern about diseases or pests. In contrast, trade is a growing concern when it comes to current risks, up from just 1% in 2013, to 11% in 2017 and 15% this wave.
- **Almost all producers (94%) claim to have taken some sort of action to manage or plan for emergency risks their farm operation may face**. The most common actions are environmental or sustainability measures (62%), followed by traceability systems (53%) and animal welfare measures (52%).
- One-third of producers surveyed have an emergency management plan.

Trade Agreements and Negotiations

- **Most producers are aware of all three recent trade agreements tested**, which are the Comprehensive Economic and Trade Agreement (CETA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Canada-United States-Mexico Agreement (CUSMA). **However, farmers are wariest of CUSMA's impact.**
- Producers anticipate CETA and CPTPP will have similar effects on their farm operation. Over one third (37%) feel CPTPP will have a positive impact on their farm, and 35% believe CETA will have a positive impact. In contrast, just 24% believe CUSMA will have a positive impact on their farm operation.

AAFC Initiatives

- **Just over one-quarter (28%) have heard of the Canadian Agricultural Partnership (the Partnership). Similarly, 28% have heard of a Food Policy for Canada.** Twelve percent of the producers surveyed have heard of both.
- **Respondents who have heard of the Partnership are twice as likely to hold positive impressions (49%) than negative impressions (25%).**
- **Familiarity with programming under the Partnership is mixed**, with 48% being very or somewhat familiar and 52% being slightly or not at all familiar.
- **Regardless of whether or not they have heard of the Partnership, the vast majority agree the Partnership is important**, with almost half (45%) saying it is very important.

- Following the trend in respondents' heightened concern about trade issues, when asked to rate the importance of a series of AAFC priorities, promoting trade and increasing agricultural exports emerges as the most important (69% believe it is a very important priority, while another 19% say it is moderately important). Over half also feel advancing agricultural science and research is very important, with another 28% saying it is somewhat important.

Public Trust

- **The majority of producers (66%) continue to feel that public perceptions have at least a moderate impact on their farm operations.**
- **Virtually all producers surveyed (98%) claim to have adopted at least one trust-building measure**. Most of the trust-building initiatives tested are widely adopted, and overall more farmers report putting these measures in place this wave than in 2017. For example, 71% now report implementing environmental stewardships programs, compared to 63% in 2017.
- **Few producers believe that Canadians are well informed about agriculture and food production practices** – just 4% feel they are very informed, while 21% say somewhat informed. Three-quarters (74%) believe Canadians are not very or not at all informed.

Innovation

- **Cost remains the greatest barrier to adopting new technology or farming practices**. As in the previous tracking study, almost three-quarters (74%) see it as an extreme or moderate barrier. Risk for the return on investment once again follows as the second greatest barrier, with 63% in both 2018 and the previous wave reporting that for them, it is an extreme or moderate barrier.
- **More than anything else, producers indicate they need financial assistance (73%) to help them make decisions about adopting new technology.**

Interactions with AAFC, Social Media and Agri-Info

- **One-in-five (21%) have a subscription to Agri-Info.**
- One-quarter (26%) are aware of AAFC's social media channels.
- As in 2017, direct mail is the most preferred method of communication with AAFC. This wave, over half (58%) say they prefer it. Email follows at 50%, followed by Agri-Info (44%), then the AAFC website (34%).

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I hereby certify as a Representative of Earnscliffe Strategy Group that the final deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.

Signed:

Doug Anderson
Principal, Earnscliffe

Date: February 21, 2019