

## Expanding the Food Policy for Canada to Support Farmers in Reducing Food Waste and Loss

### Description

In 2022, there were almost 1.5 million visits to local Canadian food banks, because of household food insecurity. At the same time that food insecurity is a serious issue, we continue to see substantial amount of food wastage and loss. In response, some of Canada's over 200,000 farmers have spoken up and asked for support to donate produce that would be lost or wasted to local food banks.

### Background

In Canada, household food insecurity is a serious problem. In 2022, food bank usage reached its highest level in Canadian history.<sup>1</sup> While countless Canadians go hungry, we continue to see food loss and waste. According to a 2019 report by the Federal Government, approximately 13% of fruits and vegetables grown in Canada go unharvested or are discarded following harvest.<sup>2</sup> This food loss occurs, in part, because of insufficient employees to harvest/handle, inadequate storage, inadequate transportation, and the economics of the market price vs. the harvest cost.

To establish a road map for a more sustainable food system in Canada, in 2019, the Federal Government unveiled its Food Policy for Canada.<sup>3</sup> Under this new policy, the Federal Government set up a fund of \$26.3 million to work with experts to develop innovative food waste reduction proposals in food processing, grocery retail, and food serviced. This is an important step forward as nearly 60% of all food produced in Canada is lost and wasted annually.<sup>4</sup> However, the Federal Government has not yet committed to specific funding for farmers to save crop that would otherwise be lost or wasted, as part of addressing food insecurity.<sup>5</sup>

To reduce lost and wasted farm produce and to address household food insecurity, we need to improve the current patchwork system. We need to harvest would-have-been-lost food and see it donated to local food banks. To that end, we need innovative food waste reduction programs for farmers. These programs, of course, will need to address the multiple barriers that exists or are perceived to exist. For example, any proper program will need to consider the unique issues presented by remote farms.<sup>6</sup> In addition, any proper program will need to address concerns about potential negative impact on businesses in the agricultural sector.<sup>7</sup>

A successful food waste reduction plan for farmers can be developed. An example of this type of food waste reduction plan is the plan adopted by Feed Nova Scotia, a registered charity that serves food banks,

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<sup>1</sup> [https://hungercount.foodbankscanada.ca/overall\\_findings.php](https://hungercount.foodbankscanada.ca/overall_findings.php)

<sup>2</sup> <https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/food-loss-waste/taking-stock.html>

<sup>3</sup> <https://www.canada.ca/en/agriculture-agri-food/news/2019/06/food-policy-for-canada--backgrounder.html>

<sup>4</sup> <https://secondharvest.ca/resources/research/the-avoidable-crisis-of-food-waste>

<sup>5</sup> <https://www.cbc.ca/radio/checkup/cauliflower-farm-canada-surplus-food-waste-food-insecure-1.6644601>

<sup>6</sup> <https://ofa.on.ca/issues/food-waste/>

<sup>7</sup> <https://secondharvest.ca/getmedia/58c2527f-928a-4b6f-843a-c0a6b4d09692/The-Avoidable-Crisis-of-Food-Waste-Technical-Report.pdf>

shelters, and meal programs in Nova Scotia.<sup>8</sup> It is working with farmers to get leftover produce into the food bank system. This is one of many examples that show, a positive partnership is possible.

Farmers can also be rewarded for participating in a successful food waste reduction plan through tax credits. For example, in 2013, the Ontario Government introduced the Community Food Program Donation Tax Credit for Farmers, which provides a tax credit worth 25% of the fair market value of the agricultural products donated to community food programs, including local food banks.<sup>9</sup> The Ontario Federation of Agriculture has endorsed this tax credit as “vital to redirecting food supplies”.<sup>10</sup> Since then, British Columbia, Nova Scotia, and Quebec have also established food bank tax credits for farmers.<sup>11</sup> Many, including Food Banks Canada, are calling for a federal food bank tax credits for farmers.<sup>12</sup>

## **Recommendations**

That the Government of Canada:

1. Expand the Food Policy for Canada to commit to funding food waste reduction programs that would allow farmers to harvest and donate crop that would otherwise be lost or wasted, to the food bank system, without any adverse impact to the farmer or the agricultural sector.
2. Introduce a Federal Tax Credit for farmers that donate agricultural products to community food programs, including local food banks.

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<sup>8</sup> <https://www.cbc.ca/radio/checkup/cauliflower-farm-canada-surplus-food-waste-food-insecure-1.6644601>

<sup>9</sup> <http://omafra.gov.on.ca/english/about/info-taxcredit.htm>

<sup>10</sup> [https://ofa.on.ca/wp-content/uploads/2018/01/OFA\\_submission\\_EBR\\_013\\_1814\\_MOECC\\_Food\\_Waste.pdf](https://ofa.on.ca/wp-content/uploads/2018/01/OFA_submission_EBR_013_1814_MOECC_Food_Waste.pdf)

<sup>11</sup> [https://www.millerthomson.com/en/publications/communiqués-and-updates/social-impact-newsletter/december-10-2019-social-impact/food-donation-laws-in-canada/;](https://www.millerthomson.com/en/publications/communiqués-and-updates/social-impact-newsletter/december-10-2019-social-impact/food-donation-laws-in-canada/)

<https://www2.gov.bc.ca/gov/content/taxes/income-taxes/personal/credits/farmers-food-donation;>

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/provincial-territorial-corporation-tax/nova-scotia-provincial-corporation-tax/nova-scotia-food-bank-tax-credit-farmers.html>

<sup>12</sup> <https://www.country-guide.ca/guide-business/tax-credits-for-donated-food/>