



Sod and cod

Global grain supplies remain tight. The graph on the following page updates one that has appeared from time to time in the *Union Farmer Monthly* and includes the latest projections on global grain supplies. The graph is a good-news/bad-news story. Here are some observations.

First, after enduring the fastest food-supply drawdown in 50 years (we cut our food supplies in half between 1999 and 2006), global supplies have now stabilized. The bad news, however, is that supplies have stabilized at very low levels—near the bottom of their range for the past five decades. This year, global grain supplies will be at their fifth-lowest level in the past 50 years.

Second, the recent stabilization of supplies is dependent on very high rates of annual production increase. Grain production has risen 18% over the past 5 years (and even at that rate we've seen a draw-down). Annual rates of increase have averaged 3.46% over the past 5 years. This rate, if sustained, would have us double global grain output in the coming 20 years ($70 \div 3.46$). The USDA projects production to increase 3.87% in

(continued on page 5...)

Farmers in New Brunswick score historic victory in court

In mid-September, the New Brunswick Court of Appeal ruled that the federal government must negotiate a fair settlement with 180 New Brunswick farmers hurt by government mishandling of a potato disease outbreak in the early 1990s (the potato virus PVYn). Government mishandling of that outbreak turned a relatively minor event into financial devastation for many NB and PEI potato growers.

In its ruling, the court held the government liable and said it must settle fairly with N.B. farmers. The farmers expect to collect several tens-of-millions of dollars to cover a portion of their losses, and interest.

In a September 24 news release, NFU in N.B. District Director Jean-Eudes Chiasson said that the decision marked a massive and historic victory for farmers and for organized, collective action. “The farm community stuck together and worked together for almost two decades. The spirit and integrity of our rural communities kept this action going and, today, has gained us some economic justice.”

Chiasson praised the NFU for its lead role in organizing farmers. “The National Farmers Union was the organizational catalyst right from the start. The NFU also worked with other groups, built a broad coalition, and brought together a diverse group of

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See page 10 for more details...

(NB farmers score victory in court, from page 1)

farmers. This victory shows the vision and effectiveness of the NFU,” said Chiasson. He noted the contribution of the NFU’s national office, staff, and national network. “Especially in the early going, a national organization with resources and staff was critical to getting this suit off the ground. The NFU national office and staff provided early, effective help to New Brunswick farmers.”

He also praised Kevin Arsenault who worked on the issue for nearly 20 years, first with the NFU, then on his own. “Kevin deserves a great deal of credit, and farmers’ thanks,” said Chiasson.

He noted the long and tireless work of the Directors of the PVYn Committee that took the suit forward and that have been the organizational and administrative backbone for the suit for so many years.

Finally, Chiasson thanked the lawyer who worked with farmers throughout the case. “John Friel of

McInnes Cooper law-firm has put a big chunk of his life into this case. He worked very, very hard for farmers. He never lost hope. This win is a real victory for John. Farmers thank him.”

Chiasson said: “For nearly two decades the government has denied its responsibility. Now, the court has assigned responsibility. Farmers were hurt financially as individuals, but it was a higher cause—the question of how do we hold governments accountable for their actions—that focussed the group’s energy and resolve.”

He concluded: “Many of the farmers that gathered at the original organizing meeting in the Perth-Andover Legion Hall are no longer farming, partly because of the situation the government created. But these farmers should know that their efforts over the past fifteen years will inspire future farmers to work collectively to create a more just and fair food system.”

—nfu—

OUR BOARD OUR BUSINESS

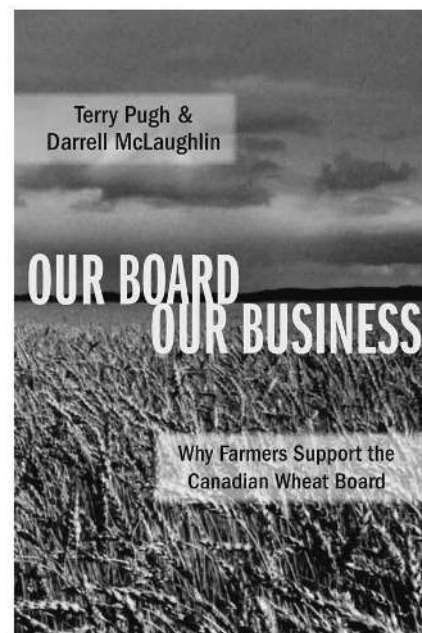
CONTRIBUTORS:
Adrian Measner
Richard Gray
Glenn Harris
Ken Larsen
Rob Lobdell
Ian McCreary
Darrell McLaughlin
Terry Pugh
Donna Welke
Stewart Wells
Nettie Wiebe

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The central purpose of this book is to help farmers and non-farmers better understand the essential role of the Canadian Wheat Board in the lives of western grain producers and their communities, and the Canadian economy. The need for such an understanding has been made all the more urgent by Prime Minister Harper’s neo-liberal open market agenda which will guarantee corporate domination of Canadian grains. This book, sets out the context, operational mechanism and role of the CWB, making the case for its economic, social and political value.

Friends of the Canadian Wheat Board launch two new legal cases

Friends of the Canadian Wheat Board (FCWB) are back in court with two new legal cases against the federal government and its continuing attacks on the CWB. FCWB is a coalition of farmers and other Canadians in support of democracy, and a farmer-controlled CWB. NFU members contribute to the work of FCWB.

The *Friends* won two cases against the federal government over the past year-and-a-half: it stopped the federal government from using an Order-in-Council to strip the CWB of its barley-marketing single-desk mandate; and FCWB won again when the federal government appealed the initial ruling.

On September 10th and 18th, FCWB launched two more cases. The first focuses on the federal government's removal of the cap on third-party spending during CWB Directors' elections. Previously, third-parties were limited to spending \$10,000 per election. Under the federal government's new regulation, third-parties such as provincial governments or grain companies can spend unlimited amounts, though candidates themselves will remain limited to \$15,000 each.

Bill Woods, a farmer from Eston, Sask. and a signatory to the FCWB case said: "We believe the government is again acting illegally, this time gerrymandering CWB Director elections to favour anti-CWB candidates and their supporters."

The second FCWB case, filed a week later, also focuses on Directors' elections—not on spending, but on who will receive ballots. As in the 2006 election, the federal government has taken 1/3 of producers off the list of people who will be sent ballots. Those people removed from the list will be forced to submit to a cumbersome application process in order to vote. "The Harper government's latest attack on the CWB is clearly designed to prevent legitimate voters from receiving ballots in the upcoming CWB director elections. As a

candidate in these elections, I want all eligible farmers in my district to be allowed to vote—not just those who meet criteria picked by the Minister in violation of the law," said Cam Goff, a grain producer from Hanley, Saskatchewan.

Commenting on the government's dual intrusions into the Canadian Wheat Board elections, NFU President Stewart Wells said: "Democracies are based on the rule of law and on allowing all eligible and legitimate voters to freely exercise their right to vote. The Harper government is not only offside on both counts, but it appears to be taking steps toward aiding and abetting the kind of state-sponsored anarchy one sees in Third World dictatorships by ignoring laws they don't like."

NFU members can contribute to the NFU's work in supporting FCWB and its legal actions on behalf of farmers. To make a financial contribution to the NFU, go to <http://nfu.ca/store/donation.html> and use your credit card on the NFU's new secure online donation and membership site.

Thanks to all the many farmers and NFU members who have supported the work of our organization in protecting the CWB, and all those who have contributed to FCWB and its successful legal challenges.

—nfu—

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Author, Univ. of California at Berkeley

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PAUL NICHOLSON



Basque Farmers & Ranchers Movement/Via Campesina

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JUANA FERRER



Chair, International Women's Commission/La Via Campesina

Address— *Food Sovereignty: Feeding the People*

JUDY REBICK



CAW Sam Gindin Chair in Social Justice & Democracy, Ryerson University

Address— *Rebuilding the Food System for the Future*

ELWIN HERMANSON



Chief Commissioner, Canadian Grain Commission

Address— *Bill C-39 and Changes to the Canada Grain Act*

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Address— *Strengthening Farmers' Market Power*

LARRY HILL



and also...

JAQUES LAFORGE, President, Dairy Farmers of Canada

Address— *Supply-Management: A System that Works for Everyone*

**There will be an Educational Workshop,
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Working in the Public Interest: Agriculture Quality and Food Safety

Speakers will be:

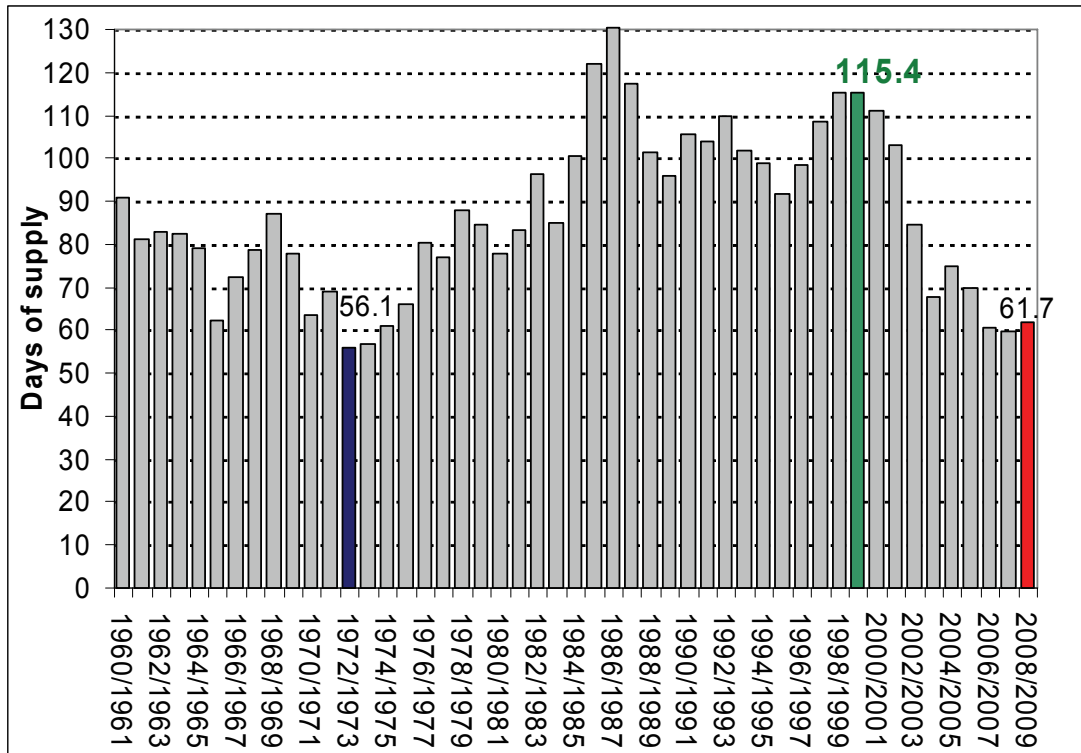
Bob Kingston, President, Agriculture Union, Public Service Alliance of Canada

Terry Boehm, Vice President, National Farmers Union

(*Sod and cod, from page 1*)

the current crop year. Thus, it takes a 3.87% annual increase in production to nudge global supply levels upward slightly. That pace of production increase will be impossible to sustain.

Supply of total grains, world: 1960/61 – 2008/09



Source: United States Department of Agriculture (WASDE and PS&D)

Third, we are rapidly eroding the productive capacity of our landbase. Since the early 1970s, we've added 3 billion people to the global population and we've nearly tripled meat consumption and the attendant demand for feedgrains. To keep ahead of this rising demand, we've put more land into production, adopted high-tech seeds, doubled or tripled our spraying intensity, did the same for fertilizer rates, and drawn down soil fertility, topsoil volume, and aquifer levels. To put it another way: There existed significant excess productive capacity in the 1970s; there exists little today. We've kept up with rising demand by drawing down the surplus capacity within the system.

We're applying more energy and technology to extract more food from a deteriorating resource base. That has a familiar ring: The East-Coast cod fishery.

Codfish landings (the tonnage caught) continued to rise long after cod *stocks* (the amount of fish in the ocean) began falling. This continued increase in harvest occurred because better and more powerful technology was deployed to catch the remaining fish—sonar fish-finders, trawlers, etc.

But, suddenly, there came a time when no amount of technology or investment or steel or energy could wrest more fish tonnage to shore out of a shrinking cod population. The fishery collapsed. Our agri-food system is reprising this story, or at least the opening chapters. The fertility of our land, the number of inches of topsoil, the volumes of water in our aquifers, etc. is declining—the “stock” of land-based productivity is declining. But, we are deploying more and more technology and fossil fuel energy to extract an increasing haul from that

(continued on page 6...)

(*Sod and cod*, from page 5)

declining stock. To give one example: Potash Corporation of Saskatchewan is expanding its mines. It is shipping more and more potassium fertilizer (potash) to countries around the world, including India and China. The fertility of Chinese land—literally, the stuff of their dirt—is being excavated in Saskatchewan from thousands of feet underground and shipped 10,000 miles to those Asian rice fields. Conversely, North American nitrogen is increasingly made in the Middle East, Trinidad, and Russia, where, for now, natural gas is relatively more plentiful. The 3% per year production increases we're now depending on to stabilize food supplies require the application of ever larger quantities of this exotic fertility. We're locked into a system of using more and more inputs to extract more and more output from an increasingly degraded production base. This forces the question: What will be the future dynamic of our terrestrial food system? Can land-based production systems "crash" in the way that the cod stock did? Possibly not, but land-based systems are likely to cease responding positively to ever larger production demands.

To switch metaphors: Like the stock market and housing market, we've been in a food supply bubble—food production went up and up and our capacity to consume it, because of falling prices, went up and up. The "returns" on our food system investments have made only gains. This is not inevitable.

Note that the preceding has not mentioned the looming possibility of oil-supply-contraction (the price of oil has risen nearly ten-fold in ten years), the diversion of more food into fuel tanks, or, most important, climate change. Even without these latter three challenges, humans need more humility when considering our capacity to feed another 3 billion people. (US Census Bureau projects a human population of 9.5 billion by 2050.) Humans need to be concerned about our capacity to consistently and sustainably rack up 3% food production increases each year.

—nfu—

LA VÍA CAMPESINA

ANNETTE
AURÉLIE
DESMARAIS
was a farmer in
Saskatchewan,
for many
years. She
has a Ph.D. in
geography and
teaches in the
Department
of Justice
Studies at the
University of
Regina.

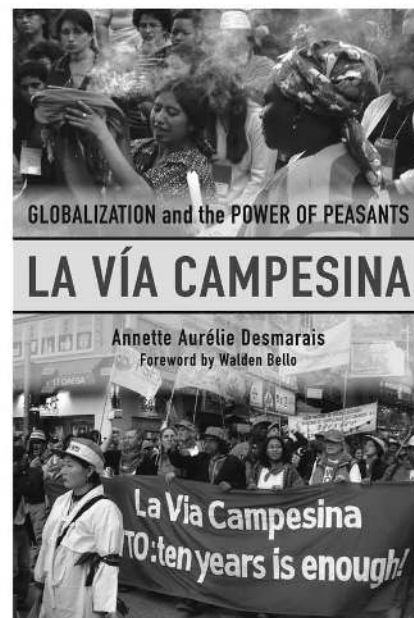
GLOBALIZATION and the POWER OF PEASANTS

Annette Aurélie Desmarais
Foreword by Walden Bello

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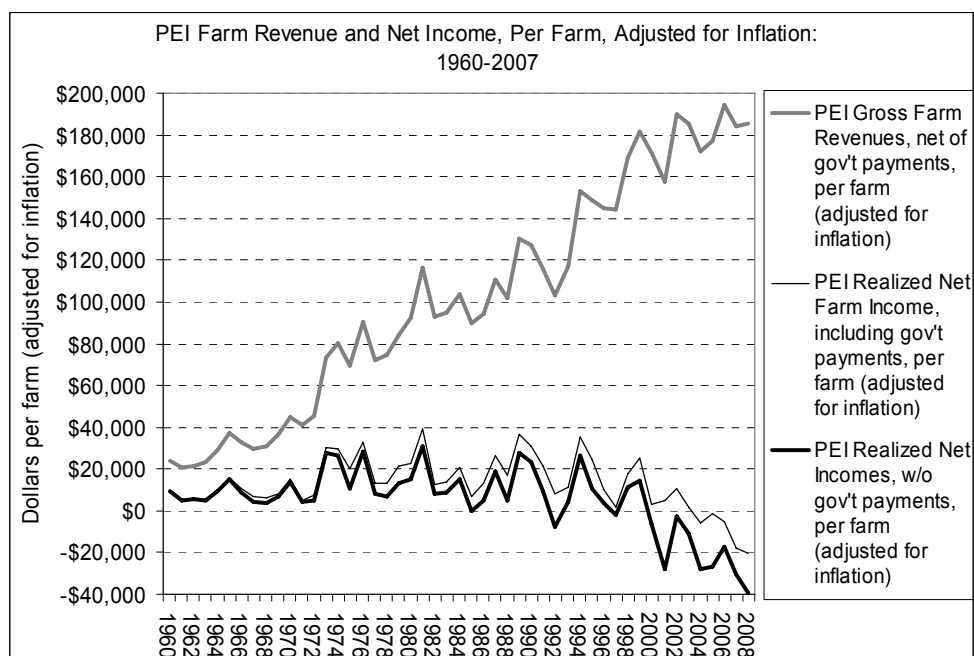
— Nettie Wiebe

PEI faces farm income disaster

“This is a major crisis. Unless something significant is done to assist our farmers, much of Prince Edward Island agriculture will collapse.” So said an October 1 letter from NFU District 1, Region 1 (Prince Edward Island) Director Elwin Wyand to Members of the P.E.I. Legislative Assembly.

In what may be the worst farm income shortfall in any province since the Great Depression, farmers in Prince Edward Island are facing losses averaging \$40,000 per farm. Losses on medium-sized and larger farms may be four or five times that amount.

Wyand included in his letter a copy of the following graph prepared by NFU research staff.



The graph shows Island farmers' revenues (the grey line that trends upward), net income (the thin black line which trends downward), and net income from the markets—with government subsidies subtracted out (the dark line that trends sharply downward).

Farmers' net incomes from the markets (before taxpayer subsidies) will average negative \$40,000 per farm. Even with program payments, net income is still projected to be negative \$20,000 per farm in 2008. Again, many farms will see losses several times this large.

Further, net incomes have been deeply negative for several years. The graph above shows that while this year's losses are the most severe, this is not the first year farmers have lost money. Net incomes have been trending down into negative territory since the late-1990s. Wyand's letter said: "Without very large price increases in potatoes and other PEI commodities, there is very little chance of net incomes rising into positive territory. Unless things change significantly, there is every reason to think net incomes could continue to fall."

Compounding the deteriorating net income situation is recent weeks of record-high rainfalls. "The potato crop is already presenting great concern with a lot of damage from blight and water already evident. Cereal crops have been reduced significantly due to head loss and from being flattened by the rain. Milling wheat is full of fusarium disease. All of this is imposing a tremendous amount of stress and concern on farm families," Wyand told Island MLAs.

—nfu—

Via Campesina to hold its 5th International Conference in Maputo

La Via Campesina is holding its 5th International Conference in Maputo, Mozambique, from October 16 to 23, 2008. This congress will gather more than 500 men and women farmer leaders from more than 70 countries, at a time when the food crisis is at the top of the global agenda.

Three delegates from the National Farmers Union of Canada will be attending this event: Colleen Ross, NFU Women's President; Nigel Smith, NFU Youth President; and Kalissa Regier, NFU Youth Vice-President.

This event begins with the Rural Youth Assembly on October 16, while the world is celebrating the World Food Day. It will be followed by the Women's Assembly and later by the Conference itself.

La Via Campesina offers a real vision and proven solutions to address the current food crisis. More than ever, small farmers around the world are struggling for their very survival. The crisis in the agricultural sector, along with the current financial crisis, the unprecedented climate and environmental crises, the energy crisis, and a profound and global social crisis are all symptoms of the failure of the neo-liberal model, under which the whole society is organized around profit-making.

Since its creation 15 years ago, La Via Campesina has become the primary global network of small farmers, peasants, landless peoples, and small-scale food producers whose voice is now being heard in the international press as well as in foras such as the UN Food and Agriculture Organization (FAO) in Rome and the Human Rights Council in Geneva. La Via Campesina is also recognized and respected within anti-globalization networks and among other social movements that are being invited to join the Conference in Maputo.

The International Conference is the major meeting of the organization which takes place every four years, and at which most organizational and political decisions are collectively made. Delegates will present their analyses of the current situation and debate lines of action for the future. The conference is hosted by UNAC, the National Peasants Union of Mozambique.

—nfu—

A marketplace dominated by giants

The following excerpt is taken from the September 1996 testimony of North Dakota Farmers Union President Robert Carlson to the US House Agriculture Committee.

Even though we American grain farmers are competitors of the Canadian Wheat Board, we must admit that it does offer its producers a measure of market power that we do not have. The end of the CWB would also result in more grain being marketed by the same firms now handling U.S. grain. Increasing the supply of wheat available to American millers and grain merchants would lower wheat prices. This would be an advantage to processors and traders but a disadvantage to producers.

From a competing farmer's perspective, we in the U.S. do not have a vehicle like the CWB to create producer marketing power in the international grain trade. We basically sell for the best price among our local elevator companies and lose our interest in the grain after that point. Our export trade is dominated by a few large corporations who are interested in buying low and selling high to enhance the earnings of their owners, who are not generally the same people who produced the grain traded.

Farmers Union members are concerned about the tendency of producers in various countries to attack each other in the name of free trade whenever it is perceived that someone else has an advantage. If we destroy the various institutions that farmers in many countries have built to help themselves survive economically, we will have nothing left but producers standing bare among the ruins of structures that once empowered and protected them in a marketplace dominated by giants.

Dual mandate of CFIA led to compromises in food safety

A major review in 2005 by the Canadian Food Inspection Agency (CFIA) showed serious problems with Canada's food recall system. But public safety was compromised for the sake of commercial interests.

A *Toronto Star*/CBC investigative report released September 24, 2008 revealed that spotty inspections, delays in warning the public about tainted food, and a lack of follow-up to prevent repeat outbreaks were serious concerns for CFIA inspectors. Inspectors also worried that "too much reliance" is being placed on information provided by food companies and exporting countries.

This confirms what the NFU told the House of Commons Agriculture Committee in April, 2005: the CFIA's role should be one of protecting public safety, not promoting food exports for commercial interests.

Since 1997, the CFIA has been operating under a dual mandate. It is responsible for protecting the public interest by ensuring all food sold in Canada, exported out of Canada, or imported into Canada is safe. At the same time, the CFIA is responsible for promoting exports of food and expediting free trade agreements with Canada's trading partners.

In testimony to the Agriculture Committee, the NFU stated: "These dual responsibilities place the CFIA in a compromised position. If Canada is to ensure its food supply is safe, there must be a set of strong, national food safety standards to ensure the public interest remains our highest priority. To maximize trade, Canada is required to continually lower its standards and relax its regulations to achieve a competitive advantage."

NFU President Stewart Wells said the recent outbreak of listeriosis could have been prevented if the 2005 CFIA internal review had been acted on. "But instead of re-focusing CFIA's mandate to put public safety first, the federal government continues

to cut back on needed resources at the Agency and to turn responsibility for food inspections over to profit-driven private companies," said Wells. Self-policing by companies will inevitably increase food-safety risks for Canadians. Canadians deserve a safer and more secure food system. All imported foods must meet the safety, quality, tracing, and tracking standards demanded of Canadian farm-raised food.

NFU's Robertson highly critical of Ritz's comments

In a September news release responding to Minister Ritz's infamous "cold cuts" remarks, NFU Ontario Coordinator Grant Robertson said the comments reflect the skewed priorities of the Conservative government. "This is a government that has worked steadily to undermine the role of the Canadian Food Inspection Agency (CFIA) as a public watchdog," stated Robertson. "Harper has cut funding for food safety programs and shifted responsibility to the food companies themselves."

The federal Treasury Board forecasts funding for food safety programs to decline by nearly 30 percent—from \$359 million in 2006-07 to \$254 million in 2010-2011. Meanwhile, a secret government document was recently leaked revealing plans to "shift from full-time CFIA meat inspection presence to an oversight role, allowing industry to implement food safety control programs and to manage key risks" and "eliminate federal delivery of provincial meat inspection programs" in Manitoba, Saskatchewan, and BC.

Since March 31, 2008, CFIA meat inspectors are now directly supervising from the plant floor only 25% of the time, with the rest of their time devoted to reviewing company-generated reports. The Conservative government has also prevented CFIA inspectors from taking direct action when serious

(continued on page 10...)

(Dual mandate of CFIA, from page 9)

health problems arise. Instead they are directed to give the offending company a 60-day “corrective action request.” Finally, when the Conservative government took office in 2006, it phased out the reporting and ranking of meat processing facilities inspected by the CFIA.

Food safety: local food alternative to a centralized system

The tragic deaths of a number of Canadians due to a bacterial infection caused by eating tainted meat from a Toronto-area processing plant is a sobering reminder of how centralized and consolidated our current food system is, says NFU Youth President Nigel Smith in an August 27 news release.

“It’s important to ensure food safety standards are enforced to protect public health, at both large and small processing plants,” he stated. “Contamination can conceivably occur at any plant, regardless of its size. The big difference, however, is that when contamination takes place at a very large plant, the consequences are staggering—both in the number of people potentially affected, and in the overall costs.”

NFU Ontario Board member Don Mills said the food system in Canada has steadily become more centralized over the years as food processors, distributors, and retailers have become larger and more integrated. That centralization has resulted in reduced opportunities for Canadians to purchase locally-grown and locally-processed food products, Mills pointed out. “Normally, we wouldn’t give that a second thought, but when unfortunate instances like this occur, it underlines how vulnerable the system really is,” he said.

Smith concluded that it is important for Canadians to support local food initiatives as a way of promoting a healthy food system.

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Government uses police-state tactics on farmers: attempting to re-gag the CWB is outrageous

Late on Friday, September 19, on the last possible day that it could file, the Conservative federal government moved to appeal a Federal Court decision that had ruled the government's gag order on the CWB illegal.

In that original decision, handed down June 19, 2008 in Winnipeg, Federal Court Justice Roger Hughes ruled the gag order imposed by the Conservative government on the farmer-run CWB in 2006 was unconstitutional and illegal. In his judgment, Hughes stated it was clear the government's intent was to silence the CWB on the single-desk issue.

The appeal by the government shows it is still intent on silencing farmers and the CWB. There are several points to keep in mind when thinking about the appeal:

1. The operations of the CWB are funded entirely by farmers, not by taxpayers.

2. The CWB is controlled by farmer-elected Board members, so it is farmers who are making decisions about spending farmers' money.
3. While gagging the farmers, the government has spent millions of taxpayer dollars attacking the CWB.
4. The government removed the spending limits on third-party spending in CWB farmer elections—essentially handing a megaphone to multinational companies, railways, foreign interests, or any other anti-CWB factions.

The government is trying to illegally remove farmers' names from the CWB election voters' list.

The gag order ruling of June 19 was the third time in 11 months that Canada's federal court had found the Harper government guilty of breaking the law. "Do Canadians want law-breakers or law-makers in Ottawa?" asked NFU President Stewart Wells.

—nfu—

Closure of Welland John Deere plant shows callous disregard

NFU Youth President Nigel Smith said in a September 5 news release that the impending closure of the John Deere manufacturing plant in Welland, Ontario, illustrates a callous disregard for Canadians.

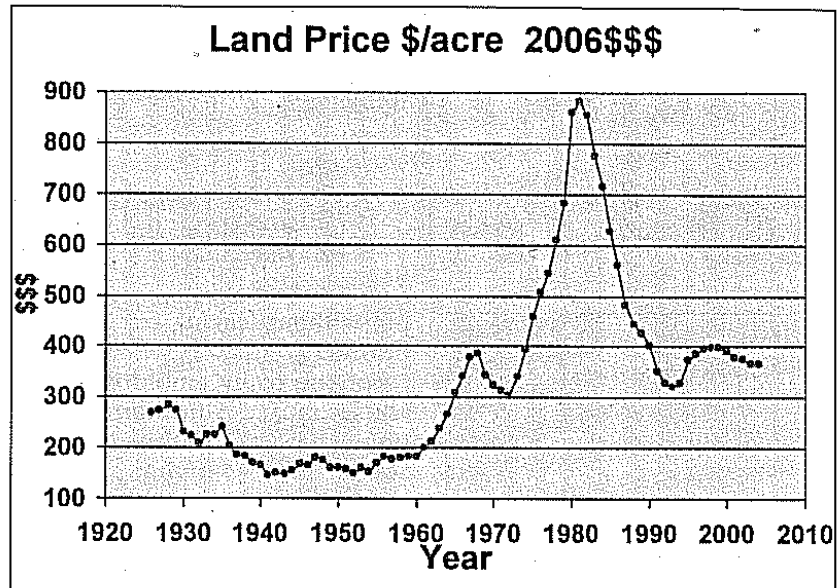
John Deere company officials have announced the century-old manufacturing plant will shut down by November, 2009, shifting production to other Deere plants in Mexico and the United States. Approximately 800 jobs will be lost and the closure of the plant is a severe blow to southern Ontario, which has already been forced to deal with massive job losses resulting from a string of factory shut-downs over the past several years. Many farmers rely on off-farm income from manufacturing jobs to keep their operations financially viable, so the impact is felt widely throughout the region.

Smith said that "John Deere says its Canadian operation is uncompetitive, but this is a company that recorded over a billion dollars in profit this past year. The farmers of Ontario represent a huge market for John Deere, and it is not unreasonable to suggest the company should manufacture machinery here in Canada."

Smith concluded that John Deere relies heavily on the loyalty of its customers. "This company has accumulated a tremendous amount of wealth through its Canadian operations over the years," he said. "A reasonable portion of that wealth should be re-invested back into the communities."

Land prices(?)

In the latter-1970s and early '80s, land prices in Saskatchewan and other provinces soared. Prices did so just in time to run smack into skyrocketing interest rates, collapsing grain prices, and a 1988 drought in several regions. By the early 1990s, prices returned to Earth.



This graph is copied from a Les Henry article in the March 24 edition of *Grainews* (“Resist the temptation to pour profits into a land rush”). It shows average Saskatchewan land prices, in dollars per acre, adjusted for inflation. Graphs for other provinces look similar.

Grain prices are again rising (though not yet “high” by historical standards). It is unclear whether there will be another run-up in land prices. Several factors weigh against such a run-up. First, unlike the latter-'70s, today there are fewer young people wanting to enter agriculture. Thus, a large number of retiring farmers will be dispersing their land. This steady supply will go a long way toward meeting demand.

The second factor weighing against a land-price run-up is perhaps the largest: input companies got to farmers' money first. Fuel, fertilizer, chemical, and seed prices are up 50% to 300%. There just isn't enough money left over to bid up land prices to the extent seen in the '70s.

A third factor is the patchiness of the current “boom.” So many sectors and regions have been left out. Potato growers are earning negative returns. Cow-calf farmers are receiving prices that are, adjusted for inflation, *half* of the 1942-1989 average. Hog farmers have been hammered. There is no general prosperity in the Canadian countryside.

The land-price exuberance of the late-1970s was a result of a coming together of three factors: high net incomes, lots of young farmers wanting to get onto the land, and an incredible optimism and faith in the future. Unfortunately, that faith was misplaced. Similarly high levels of optimism and net income are unlikely to develop in the coming years. Thus, a latter-'70s-style land price spike is also unlikely.

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