



NFU on Parliament Hill

December 8, 2016 was a busy day on Parliament Hill for the National Farmers Union. We had four witnesses presenting three briefs at two different Parliamentary Committees: former NFU President, Stewart Wells; NFU Region 1 Board member, Ted Wiggans and NFU in New Brunswick Executive Director, Amanda Wildeman were at the House of Commons Agriculture Committee providing the NFU and NFU in NB recommendations respectively, regarding the *Next Agriculture Policy Framework* (often referred to as Growing Forward 3). Meanwhile, NFU Region 3 Regional Coordinator/NFU-O President, Emery Huszka, was at the Senate Agriculture and Forestry Committee providing input to its *Study on the acquisition of farmland in Canada and its potential impact on the farming sector*.

Parliamentary Committees are an important part of Canada's political process. One of their roles is to hear from Canadians about important topics and to report to Parliament as a whole. When the NFU is invited to appear as a witness to a committee, an NFU member with expertise makes a presentation and answers questions from the committee members. Committee proceedings, reports and meeting notices are available on the Parliamentary website. The House of Commons Committees are at www.parl.gc.ca/Committees and Senate Committees are at www.parl.gc.ca/SenCommitteeBusiness. NFU briefs to Parliamentary committees are also posted on our own website under www.nfu.ca/policy/nfu-briefs.

Next Agricultural Policy Framework

—presentation by Stewart Wells

Stewart Wells' presentation focussed on "social license" or "public trust", which is one of the areas under consideration for the Next Agricultural Policy Framework (NPF) according to the *Calgary Statement*, the guiding document produced by Canada's federal and provincial agriculture ministers in July, 2016. It proposes "to enhance public trust" by "examining how government programming can help reinforce confidence and public trust in the sector" and "sharing the story of the importance of the sector and the modern, responsible and sustainable practices it uses."

He recommended caution when interpreting these phrases, especially if spending taxpayer dollars is involved in such efforts. The NFU's position is that it is better to build public trust by providing real transparency by requiring more independent and government testing of products.

The NFU believes the government has a major role to play in promoting confidence in our food system by providing proper regulation, transparency and testing. But given the history of groups that have been advocating for their particular version of "social license", and the continuous change in what society understands to be "best practices", there is an extreme risk that the *Calgary Statement* regarding public trust could lead to the government funding messages that are frequently exaggerated and not always true. Worse yet, it could lead to the government itself issuing false claims.

Stewart highlighted the evolution of "best practices" using examples from his own experience: Our farm in Saskatchewan has been operated since 1911 by three generations of the same family. During that time, and using what were the "best practices" of the day, our family has used many chemicals including: arsenic insecticide, mercury-based insecticide, dieldrin, and lindane—all of which have since been banned. A few weeks ago Health Canada decided to ban a neonicotinoid insecticide. The reason for the evolution of the status of these chemicals—from best practice to controversial to banned—has, in every case, been insufficient testing prior to their introduction.

He noted that the notion of "social license" or "public trust" is being promoted by some to protect current practices instead of providing extra transparency and/or safety. One group, SaskCanola, has already used Growing Forward 2 money to produce a video that makes false claims, pits farmers against other farmers and criticizes consumers, all in the name of "social license".

He warned that the Government's legitimacy will be undermined if it adopts a conflicting dual mandate: "sharing the story of ...modern, responsible and sustainable practices..." [per the *Calgary Statement*]—which can be interpreted as protecting the status quo—on one hand, while trying to engage in meaningful testing and transparency on the other hand.

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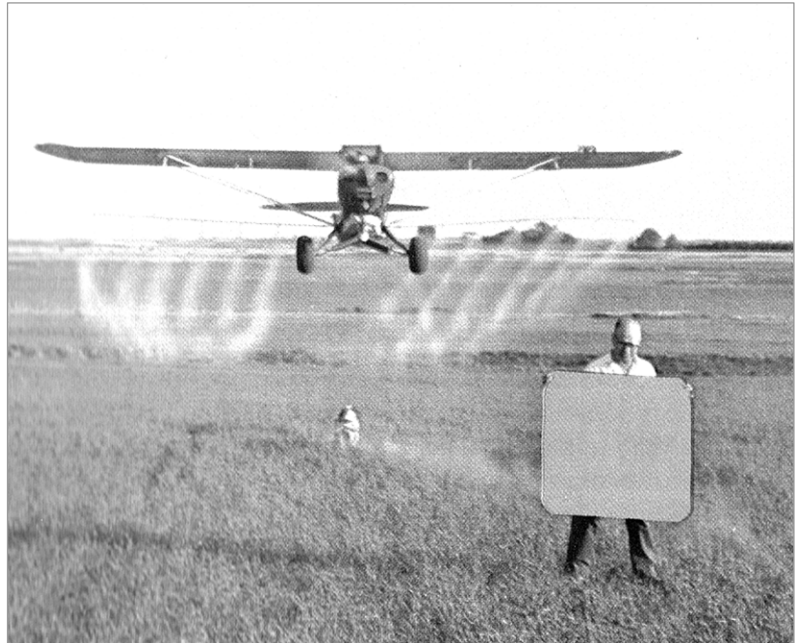
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To illustrate the evolution of “best practices” Stewart included a photograph of a common practice used in the 1960s and 1970s. He told the committee, “you can see that the farmer is about to get drenched by whatever is coming out of that aircraft, and in the middle of that picture is a dog in the middle of that crop. I interpret that dog as the natural world. That dog doesn't know what's about to happen to him. The farmer does, and the farmer feels confident that everything is fine, but I look at that dog as being part of the natural world, and he's about to get drenched, too.”

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For the full brief (in English and French) see:

<http://www.nfu.ca/policy/2016>



Best Practices, 1960s and 70s

Next Agricultural Policy Framework

—presentation by *Ted Wiggins and Amanda Wildeman*

Ted Wiggins and Amanda Wildeman’s presentation focused on the need to support new farmers and highlighted problems with the Agri-Stability Business Risk Management program under the current agriculture policy framework.

Ted Wiggins began by reminding the committee that farmers are a keystone species in Canadian society. Take the farmer out of the ecosystem and we would see a dramatic decline in our food security, our economy would shrink, and our rural communities would dwindle. He said that while farmers are a keystone species, they are also in danger of becoming an extinct species as a result of declining farm profitability. As fewer young people choose agriculture for a career, the intergenerational transfer of knowledge, assets and land on the family farm has weakened.

While low profitability may be the biggest barrier for entry, he pointed out that the deeper challenges are cultural. Public institutions that once supported the next generation of farmers through extension services and education are now heavily influenced by corporations. Young people going to universities are more likely to become an “agricultural professional” than a farmer. Yet, never before have we relied upon so few farmers to feed the Canadian population, nor faced a situation where 75% of them intend to sell their land within a decade.

He warned that unless we take action as a society, the land will be bought up by larger farms, increasing farm sizes and decreasing farmer numbers. For decades, the mantra has been ‘get big or get out’, but as large farms continue down the path of monoculture commodity production, margins continue to decline and the cycle of dwindling profitability and mounting debt simply continues.

Ted outlined NFU in NB’s specific recommendations to better support new farmers. He asked that New Farmers be a pillar of the Next Policy Framework, prioritizing a just and sustainable agriculture and food system that moves away from an export-dominated model towards a framework based on the principles of food sovereignty. It should create National, Provincial and Municipal Food Policy Platforms that recognize the crucial role played by new farmers, with policies informed by the knowledge of experienced farmers. He also called upon the Next Policy Framework to address the access to land, capital and knowledge challenges new farmers face. To ensure new farmers can earn a livable income he said Canada needs to re-create direct, fair and transparent distribution and marketing systems that support farmer renewal.

Amanda Wildeman then spoke about the need for effective business risk management (BRM) programs. She

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noted that federal agriculture policy has promoted increasing exports regardless of the impact on Canadian farm families, farms and food supply, and without recognizing the vast differences in market power between a farm family and the global corporations that supply farm inputs and purchase farm products, and the impossibility of fairness under these conditions. She noted that the market focus of these policies does not recognize non-financial values such as culture, health, community and ecological integrity that are important to citizens.

In the absence of a food sovereignty approach to agriculture and food policy, we need safety net programs to help family farmers survive the on-going crisis. The BRM suite needs to be designed to actually protect small and medium-sized family and co-operative farms and allow them to maintain and build their farms as viable businesses that can be passed on to the next generation of farmers.

Amanda's remarks focused on Agri-Stability in particular. She noted the substantial changes to Agri-Stability since it started, going from relatively effective to less farmer-friendly and now, under Growing Forward 2, inaccessible. To illustrate, she highlighted the experience of wild blueberry producers in north-eastern New Brunswick this year.

Wild blueberry prices have steadily declined in recent years. Some say it is cyclical, while others strongly believe this current and forecast low price is due to New Brunswick's agreement to allow one mega-producer-processor to set up in the Acadian peninsula. This highly contested agreement not only provided loans and grants for a new processing facility, but also 15,000 acres of prime Crown Land, previously denied to other smaller producers who requested it. As a result, one company will be able to double the region's production and create a market monopoly. Regardless of the reason, prices were around \$0.30/lb this year.

Producers who have been registered in Agri-Stability for years, but have not had to draw on it since the previous Growing Forward agreement, were blindsided by what the new 30% loss trigger and margin cap meant for them. 2016's crop price was the worst in history and it still was not low enough to trigger a payment. Agri-Stability is triggered by a drop of more than 30% below the producer's reference margin. On top of that, the reference margin is the lower of either the average gross farm income or total eligible expenses. This margin cap means that most farmers will never be eligible for this program, even if they are in huge financial difficulty.

Amanda recommended:

- All BRM programs must be designed for the best interests of family farmers, not for how much money can be saved for government
- Next Policy Framework policies should develop our domestic food system and thereby protect farmers from the extreme price volatility of the global markets, reducing the need for BRM payouts
- Re-evaluation of Agri-Stability and all BRM programs' effectiveness by comparing past and current participation rates and payouts to see which versions of the programs were the most beneficial to farmers.
- Reduction of the payout cap (\$3 million under Agri-Stability) and changing how BRM programs are calculated so they do not exclude farms that mitigate risk on their own through mixed farming, and to reduce BRMs' incentives risky business models that can lead to increased debt load and less accessibility of programs to new farmers. *-nfu-*

To read the full brief (in English and French) see:

<http://www.nfu.ca/policy/2016>



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Postage rates and printing costs keep going up and it's easier than ever to distribute documents electronically so we will begin offering the **Union Farmer Newsletter** via email in 2017. We would like to encourage you to switch from paper to PDF so we can allocate more money to organizing, research and advocacy for family farmers.

If you would like to get the electronic version of the newsletter in your email in-box instead of getting the paper version in your mail box, please let us know.

Send an email to nfu@nfu.ca with the subject line "Newsletter by Email". Include your name, NFU membership number and/or mailing address in the body of the message.

Thanks for helping lower our publication costs!

Study on the acquisition of farmland in Canada and its potential impact on the farming sector

- presentation by Emery Huszka

The Standing Senate Committee on Agriculture and Forestry is studying the acquisition of farmland in Canada and its potential impact on the farming sector. It is looking into reasons behind the increasing value of Canadian farmland; concerns of agricultural stakeholders and the challenges they face in acquiring farmland; and possible solutions to resolve issues resulting from the acquisition of farmland. It will publish its report in mid-2017.

Emery Huszka's presentation built upon the Executive Summary of the NFU's *Losing Our Grip - 2015 Update*, which he provided to the Senators. He began by reminding the committee members that farmers need access to land to produce safe and healthy food. This is the land that supports life and feeds Canadians. He asserted that, given its critical purpose, the unrestricted commoditization of farmland as an asset to be disposed of at will is fundamentally flawed. How farmland is acquired demands thoughtful reflection.

Turning to the economic challenges, he noted that farming is said to be the only enterprise where one buys inputs at retail and sells at wholesale, then seeks additional revenue opportunities to remain viable. Farmers must develop multiple skill sets. As part of a strong farm community, these skills evolve and the knowledge is shared among neighbours. As we are increasingly asked to go down a path of individual self-sufficiency via instant access to knowledge through technology, our farm families dwindle and our country loses the core strength that is the farming community itself. Modern efficiencies make it easier to do more with fewer people, but there are hidden dangers behind the mask of advanced agriculture.

The high cost of technology, the need for all production partners to profit, the acceleration of land as a stable asset in investment portfolios or pension plans or liquid asset to attract foreign investment, together create a perfect storm. Emery gave the example of dramatic change in his own southern Ontario community. In addition to farm consolidation, pension funds, investment professionals and non-farm investors are gobbling up ground. The land is still under cultivation, but further examination reveals the disappearance of families and residences, imperiled schools, churches and small businesses, evidence of the rural depopulation land-grabbing has accelerated. Infrastructure still exists, but remaining municipal ratepayers are under increasing stress to manage its upkeep.

When our government fails to deliver on basic needs such as a comprehensive safety net, when unfair trade deals allow grocery stores to sell food produced in ways not permitted in Canada, when we fail to protect the fair market price of land, we see more farmers simply give up, wiping out the succession of future farmers, while new farmers face daunting barriers and challenges. This dangerous pattern needs to be changed to protect the future of farming and ensure food security of Canadians.

Following Huszka's formal presentation there was an extensive question and answer session with the Senators. *-nfu-*

To read the full transcript, see: tinyurl.com/z2wjooq

Losing our Grip 2015 Update is available at: www.nfu.ca/issues/losing-our-grip-2015-update . The executive summary is also available in French.