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*National Farmers Union submission to the
House of Commons Standing Committee on Agriculture and Agri-Food study on*

Public Perception of the Canadian Agriculture and Agri-Food Sector

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The National Farmers Union (NFU) is a direct-membership organization made up of Canadian farm families who share common goals, and who represent all commodities produced in Canada. Our goal is to work together to achieve agricultural policies which will ensure dignity and security of income for farm families while enhancing the land for future generations.

The NFU seeks to bring about food sovereignty in Canada, where people – farmers and eaters are empowered to make the important decisions about food and agriculture. It is the condition where people define their own food and agriculture systems to produce healthy and culturally appropriate food for people through ecologically sound and sustainable methods.

The issue of public trust is two-pronged. On one hand, citizens have developed an awareness of the food system as a significant sector that has a tangible impact both on their own lives and as a larger social, economic and environmental force. Food and agriculture are on the radar as important matters that affect the public. On the other hand, food system ownership and control has become more concentrated as fewer, larger corporations have vastly increased their market power within the agri-food sector, and in some sectors hold near monopolies.

How the food system operates is increasingly decided not by farmers and government policy-makers, but by managers within the large corporations that operate global supply chains and vertically integrated production/distribution systems. As individuals, many Canadians seek to empower themselves by taking more control over their food choices, reading labels, seeking out sources they trust, shopping at farmers' markets and subscribing to Community Shared Agriculture farms to purchase fresh local produce in season. Often food is one of the few areas of a person's life where they feel that they can have some control. Emotions seem the most heightened where people feel excluded from decision-making, denied information and have few choices.

Members of the public who are expressing concern about the food system could be considered an early warning system: a minority of people who are nevertheless, paying attention to things

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that matter. The “public trust” issue presents an opportunity for the Agriculture Committee and others in government to take a serious look at the issues being raised, to understand what underpins the concerns and figure out corrective action to address the problems identified.

Canada’s food system has changed dramatically in the past 30 years. While this may seem like a long time, this is a blink of an eye in historic terms. Agriculture has been feeding humans for over 10,000 years. Change may be understood by some simply as progress and inevitable. However “progress” implies an unstated goal or direction, which in every society is contested to a greater or lesser extent. People have different ideas about what the food system should be like, ideas based in both knowledge and values, which inform whether the changes in the food system constitute “progress” or not.

During the past 30 years ...

Canada has lost one in five farms, with losses concentrated in the middle-sized farms of 130 to 1120 acres, over half of which have disappeared.

The age of farmers has gone up; there are only a third as many farmers aged 35 or younger today.

The value of our agricultural exports has nearly tripled, but imports went up nearly three and a half times.

Cattle farmers are paid less than 2/3 of what they got for cows and less than half what they got for steers then, while consumers pay 20% more for steak now, and ground beef prices have nearly doubled (all adjusted for inflation)

Farmers’ inflation-adjusted price for wheat has gone down over 30%, while bread prices went up. The farmer got 20 cents from a \$2 loaf of bread then and today gets just 13 cents per \$3 loaf.

Canadian ownership in food processing has nearly disappeared -- once 100% Canadian, US-based Cargill and the Brazil’s JBS now own over 95% of Canada’s beef slaughter capacity.

Breweries went from nearly 100% Canadian-owned, but now are at least 65% owned by Molson Coors, InBev and Japan’s Sapporo.

Canadian grocery business is now dominated by 5 companies that together have a large impact on consumers’ food choices: Loblaws, Sobeys and Metro have 58% of the retail market, while Costco and Walmart together share 20%.

What is being termed a lack of public trust may well be a healthy expression of scepticism and a valid questioning of the direction of the food system. Lack of public trust is also related to a sense that increasingly, private corporate interests are taking precedence over the public interest, particularly for health, food safety, environment, animal welfare and climate change.



People who have concerns about the food system are our customers, our neighbours, and our future. Addressing the food system problems they have identified requires good public policy, including effective regulation, to ensure that food is produced in a way that safeguards the public interest in terms of health, environment and farmer livelihoods today and for future generations. As farmers we also rely on proper regulation to protect fairness in the marketplace, our farm's ecosystems, our families' health and the health and safety of food and agricultural workers.

Public trust in the food system would be best served by a public regulator that relies on properly funded science that is independent of private interests with the capacity to investigate adequately in the public interest.

Science is continually discovering more about how the world works, new understanding replaces what was known. Some of the products that epitomized progress in the past, including DDT, chlorpyrifos, MCPA and neonicotinoids, have since been proven dangerous and banned or severely restricted in Canada or other countries. The NFU supports the precautionary principle, which is the duty to take action to prevent harm even if all the evidence is not yet in.

Our regulatory system is formally accountable to the Canadian electorate. Regulatory power is created when a law passed by Parliament includes clauses that enable the creation of regulations to govern specific aspects of the law's scope. Regulations are drawn up by the relevant department, made available for public consultation, revised based on input and once approved by the Minister or Cabinet per the legislation, have the force of law. Regulations are a vital part of our democratic system of governance and an important tool to put the public interest into action.

Influencing the regulatory system has become a strategy for corporations seeking to advance their own private interests. *Regulatory capture* is "where regulation is systematically directed to benefit the private interest of the regulated industry at the expense of the public interest. Characteristically, industry is able to shape the regulations governing its operations. It regularly blocks or delays new regulations, and seeks to remove or dilute existing regulations deemed to be adversely affecting profits."¹

The agri-business lobby has become very influential in shaping Canadian food and agriculture regulations. Unlike voluntary, non-profit public interest advocacy groups, corporations are able to fund full time government relations personnel who meet frequently with policy-makers, bureaucrats and elected officials. Unduly close relationships between the regulator and the regulated party makes for ineffective, poorly enforced, biased rules that favour private corporate interests instead of protecting the public.

Public trust is seen as a pre-requisite for "social license" which in turn provides large corporations with a rationale for avoiding regulation. The American organization, Center for Food Integrity, whose membership comprises some of the world's largest agri-food



corporations including food processors, meat packers, pharmaceuticals, biotech, agri-chemical companies and banks, along with several commodity lobby groups, defines social license as “the privilege of operating with minimal formalized restrictions (legislation, regulation, or market requirements) based on maintaining public trust by doing what’s right.”²

In 2016, Farm & Food Care Canada launched the Canadian Centre for Food Integrity as an affiliate and extension of the American Center for Food Integrity³. In November 2018 Agriculture and Agri-Food Canada provided \$190,000 to the Canadian Centre for Food Integrity to implement “digital ethnographic and social methodology research to understand the priorities for Canadians related to the food system.”⁴

We caution the government against providing this kind of funding and moral support to a PR campaign --run by some of the world’s largest and wealthiest corporations -- which is seeking to influence the opinions of Canadians as part of a strategy to reduce publicly accountable regulation of the food system.

Ironically, while the social licence is a strategy for corporations to avoid regulation, public trust is damaged when citizens see regulations as being ineffective, poorly enforced, influenced by corporate lobbyists or biased to favour private interests instead of protecting the public interest. A regulatory system that engages both farmers and consumers as citizens in a genuine process of regulating our food system in the public interest -- where important decisions are made by intergenerational communities of people, not by corporations that put short term financial interests first-- would be a more democratic way to rebuild public trust in the food system.

Respectfully submitted by

The National Farmers Union

¹ *Regulatory Capture: Compromising rail safety in the wake of Lac-Mégantic?* By Bruce Campbell, Canadian Centre for Policy Alternatives, April 14, 2016. <https://www.policyalternatives.ca/publications/commentary/regulatory-capture>

² *What Drives Trust?* Center for Food Integrity website <http://www.foodintegrity.org/about/who-we-are/what-drives-trust/>

³ *The Center For Food Integrity expands to Canada*, May 31, 2016 <http://www.foodintegrity.org/blog/2016/05/31/the-center-for-food-integrity-expands-to-canada/>

⁴ *Investing in innovative approach to strengthen public trust in Canada's agricultural sector*, Agriculture and Agri-Food Canada News release, November 14, 2018

