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Brief to the House of Commons Standing Committee on Agriculture and Agri-Food study on
A Food Policy for Canada

Presented by the National Farmers Union, October 5, 2017

The National Farmers Union (NFU) welcomes the opportunity to present our views on a food policy for Canada to the committee. The NFU is a voluntary direct-membership, non-partisan, national farm organization made up of thousands of farm families from across Canada who produce a wide variety of food products, including grains, livestock, fruits and vegetables. Founded in 1969, the NFU advocates for economic and social policies that will realize food sovereignty in Canada. Food sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. The NFU is a leader in articulating the interests of Canada's family farms, in analyzing the farm income crisis, and in proposing affordable, balanced, and innovative solutions that benefit all citizens. NFU policy positions are developed through a democratic process at regional and national conventions.

Upon appointment, Agriculture and Agri-Food Minister MacAulay was given a mandate to "Develop a food policy that promotes healthy living and safe food by putting more healthy, high-quality food, produced by Canadian ranchers and farmers, on the tables of families across the country." The national food policy development process was then initiated with the goals of increasing access to affordable food; improving health and food safety; conserving our soil, water, and air; and producing more high-quality food. Agriculture and Agri-Food Parliamentary Secretary, Jean-Claude Poissant, has said the government wants "... to build a food policy that reflects the richness and diversity of our country." The National Food Policy Process also brings in the Ministries of Health, Environment, and Social Development.

The food policy development process is broad and its impacts will be far-reaching. However, its goals are open to wide interpretation. Depending on how these goals are understood, a successful national food policy could be achieved through transforming Canada's farming, food processing and distribution systems to one that implements food sovereignty. It would:

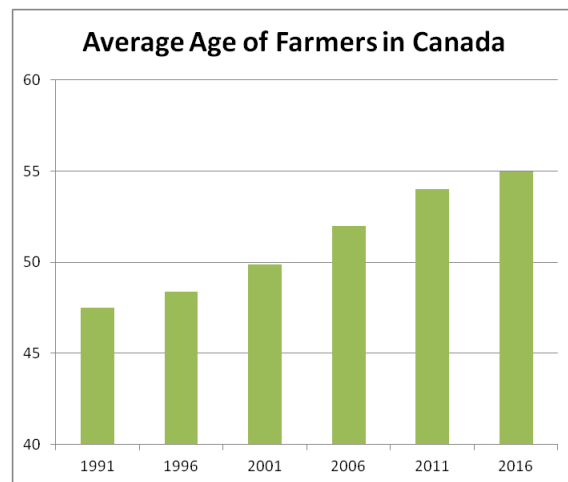
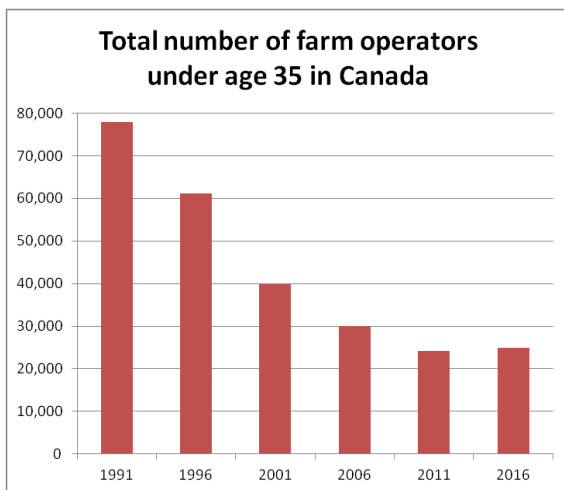
- focus on serving our domestic market as the top priority;
- ensure farmers can earn fair livelihoods to stay on the land, pass their farms to the next generation and contribute to the economic and social fabric of their communities;
- support the next generation of food producers, whether from a farm or non-farm background;
- shift towards climate friendly production methods using fewer fossil fuel-based inputs and which builds soil carbon and on-farm biodiversity;
- maintain appropriately-scaled processing capacity in place across the country to serve producers and consumers via local and regional markets;
- ensure institutions such as the Canadian Grain Commission and the supply management system continue to operate in the interests of producers;
- reinstate single desk selling agencies for wheat and hogs and allow for single desk marketing of other commodities;
- create space for farmers and consumers to develop new institutions to protect the interests of farmers, workers and consumers; and

- trade fairly with other countries by respecting the diversity of values expressed by their citizens and the right of their farmers to earn a livelihood by supplying food for their own populations.

Such a transformation will require Canada to move away from the global “free trade” agenda that has neither delivered prosperity to farmers nor a better standard of living for consumers, but has concentrated the power and wealth of multinational corporations and diminished the democratic space for elected governments to limit their growth and influence.

Our national food policy includes farmers!

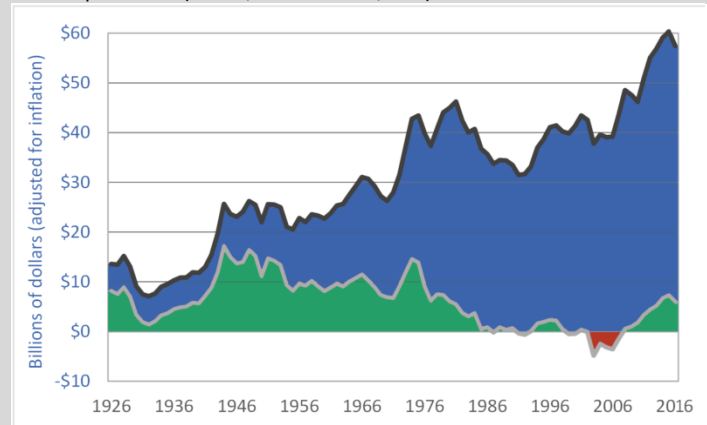
Historically, the renewal of the farm population has been maintained through the intergenerational transfer of knowledge, culture, assets and land on the family farm. But in Canada, this system is broken. In the 1930’s, one out of every three Canadians was involved in food production. Today, farmers constitute only 1.6% of the Canadian population. The number of farms has gone down and the average farm size has increased.



Whether voluntarily, or because they had no choice, generations of young people have left Canadian farms and rural communities to pursue better economic opportunities in cities. With rural depopulation the rural social fabric has frayed, as fewer people remain to look after community needs. The average age of farmers is now 55, the number of farmers under the age of 35 has declined by 70% since 1990. 75% of farmers do not have someone lined up to take over their farm when they retire; only 8% have a written succession plan.

Declining profitability has led to today’s crisis in intergenerational transfer. It

This graph shows the difference between gross farm revenue (black line) and realized net farm income (gray line). The blue area between the two lines represents farmers’ expenses: the amounts they pay to input manufacturers (Monsanto, Agrium, Deere, Shell, etc.) and service providers (banks, accountants, etc.)



<http://www.darrinqualman.com/canadian-net-farm-income/>

has become increasingly difficult to earn a living from farming. As Darrin Qualman demonstrates (see box), this is due to the massive increase in the ability of agribusiness corporations to extract wealth from farmers. Since the end of the Great Depression of the 1930s, the value of farm products, represented by gross farm revenues, has gone up while the farmers' share of that value (realized net farm income from the market) has gone down – even though yields have increased considerably.

“Despite farmer’s attempts to maintain market power, in the 32-year period from 1985 to 2016 inclusive, agribusiness corporations captured 98% of farmers’ revenues—\$1.32 trillion out of \$1.35 trillion. These globally dominant transnational corporations have made themselves the primary beneficiaries of the vast food wealth produced on Canadian farms. These companies have extracted almost all the value in the “value chain.” They have left Canadian taxpayers to backfill farm incomes - approximately \$100 billion has been transferred to farmers since 1985. And they have left farmers to borrow the rest. - Farm debt is now at a record high of just under \$100 billion. This massive extraction of wealth by some of the world’s most powerful corporations is the cause of an ongoing farm income crisis.” (Qualman <http://www.darrinqualman.com/canadian-net-farm-income/>)

If a national food policy is to meet its stated goals, it must limit the power of corporations in the food system and explicitly support the next generation of food producers.

Our research shows that an increasing number of new entrants in agriculture are coming from non-farm backgrounds. They are starting businesses in small-scale ecological production of vegetables and livestock, likely because it is prohibitive to start a farm business that requires enormous financial investments in land, equipment and infrastructure. Most of these new farmers are practicing direct marketing – selling directly to eaters in their local communities. A national food policy that provides the economic and regulatory framework in which local direct marketing can thrive will ensure that these new farmers – and others like them -- will be able to make a life for their families and a decent livelihood by producing food for their communities.

By supporting new farmers from diverse backgrounds entering all sectors of agriculture, we can create a more resilient and just food system.

National Food Policy or Advisory Council on Economic Growth?

The development of a national food policy has the potential to resolve or heighten contradictions within Canada’s food system. This is an opportunity to move Canada’s food system

A food sovereignty-based food policy for Canada would promote healthy living and safe food and put more healthy, high-quality food, produced by Canadian ranchers and farmers, on the tables of families across the country by:

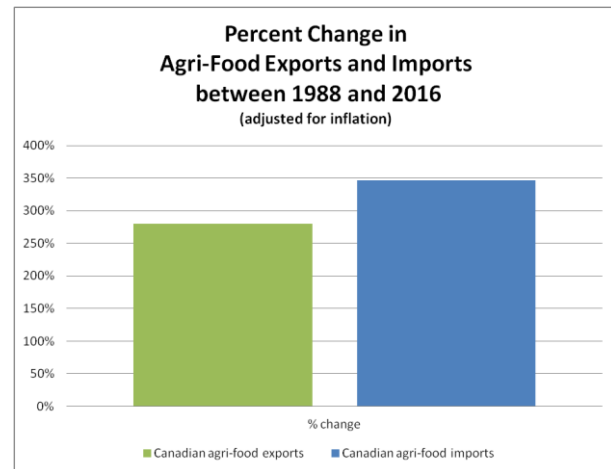
- ♦ developing domestic markets and localized distribution systems with direct, fair and transparent distribution chains;
- ♦ safeguarding farmer power in commodity markets by keeping supply management and farmer-controlled marketing boards intact;
- ♦ providing incentives and support for land stewardship practices that maintain the land’s productivity for the long term;
- ♦ setting up a national farmland succession strategy that does not rely solely on loans and interest payments.;
- ♦ curtailing farmland transfer to investment companies and/or non-agricultural uses;
- ♦ realigning Farm Credit Canada’s mandate to support food sovereignty and offer financing to a wider diversity of farms;
- ♦ creating a core food and agriculture school curriculum without corporate sponsorship;
- ♦ creating training and employment support programs for farmers to employ and train workers and apprentices;
- ♦ linking with poverty reduction measures such as a Basic Guaranteed Income to benefit farmers directly and indirectly by enabling eaters to afford healthy food; and
- ♦ removing agriculture and food from trade agreements so that Canadians, not corporations, make the important decisions around trading relationships, international commodity marketing and the regulations we need to protect our air, water, food, biodiversity and control of seeds.

towards one that better serves Canadians and creates a foundation for better international relations. The devil is in the details!

For example we are aware that in a separate initiative, the Finance Minister has established an Advisory Council on Economic Growth. Minister Morneau announced this council in December 2015, saying “The mandate of the advisory council will be to help us think about how we can best tackle our longer-term economic challenges.” The Council is led by Dominic Barton, an executive in a multinational business consulting firm who spent much of his career abroad, focusing on banking, consumer goods, high tech and industrial matters. The council’s second report (February 2017) focused on agriculture, expressing a vision that is incompatible with the national food policy goals. It is single-mindedly focused on massive increases in agricultural exports. Barton’s recommendations would sideline farmers, consumers, food sector workers, and the democratic process that defines the rules and regulations governing our food system. Instead, Barton would put multinational agribusiness corporations in the policy driver’s seat.

The 2017 federal budget’s Innovation and Skills Plan set a target to increase Canada’s agri-food exports to at least \$75 billion annually by 2025. In 2016 our exports were nearly \$56 billion. So in just 7 years the government wants to export 33% more than we already do. What happens in 2026 after these goals are met? Will it ever be enough? Why does the government continue to pursue export oriented agricultural policies to support massive profits for transnational corporations at the expense of Canadian farmers and eaters?

A one-eyed view prevails – with the intense focus on agri-food exports, free trade promoters seem to be blind to imports. We have determined that since the first Canada US Free Trade Agreement came into force, Canada’s agri-food imports have increased faster than our exports. At the same time, Canadian ownership of our major agriculture and food processing sectors has plummeted, and in some areas, such as beef and malting barley, has disappeared altogether. Since 1988, 1 in 5 Canadian farms has disappeared, farm input costs have gone up and inflation-adjusted commodity prices have dropped, while the farmer’s share of the consumer’s grocery dollar is smaller.



Source: Industry Canada

Canadians are consuming more food that is not grown or raised by Canadian farmers; food that is not processed by Canadian workers. We are exporting high volume, low priced, bulk commodities such as canola, wheat, soybeans and lentils and we are importing higher value prepared foods, bakery products, wine, fruits and vegetables. Our food system is not only becoming more export dependent, it is losing its diversity and complexity.

The Barton report urges Canada to ramp up food exports by increasing scale, reducing regulations, and automating production. If its advice is followed we will have even fewer farmers, higher greenhouse gas emissions from agriculture, fewer workers, and less protection for our soil, air and water. Increasing scale of processing facilities means longer distances between the farm and the plant – or concentration of production close to processing facilities – and longer distribution chains to deliver food to consumers.

The increased scale would also increase standardization, taking diversity out of our food system, making it more brittle in the face of inevitable economic and climate stresses. The very infrastructure that would be needed to supersize our exports would create roadblocks for the development of the more localized food system that Canadians want.

Perhaps the most distasteful aspect of the Barton report is its recommendation that transformation of Canada's agri-food system should be led by corporate executives. It suggests academics might have a role to play, and barely mentions government involvement. Farmers, it suggests, can be disciplined with income support programs that limit eligibility according to the farm's productivity as reported via big data systems. Farmers, consumers and workers are not intended to be decision-makers in this vision. This is in fact a blueprint for corporate rule.

Our question is: which process – the National Food Policy for Canada or the Advisory Council on Economic Growth – will carry the day?