

NFU Year in review - 2008

The past year started out with an air of optimism as grain farmers across the country looked to benefit from rising commodity prices, but it didn't take long for input prices to catch up – and surpass – those commodity prices. The old story of high input costs quickly erased any potential profit at the farm gate.

At the same time, livestock prices continued their freefall - forcing cattle and hog farmers across Canada to scramble to make ends meet.

For the National Farmers Union, it has been a year where gains have been made, but it has taken a tremendous amount of work to achieve those gains.

Livestock crisis

In November, 2007, the crisis in livestock prices was a nation-wide phenomenon. Farmers from Prince Edward Island to British Columbia were suffering from a downturn in prices that defied conventional explanations. At the NFU national convention in London, Ontario, a number of resolutions were adopted urging immediate action from government on a variety of fronts. But more importantly, a resolution was carried calling for the NFU to research the causes of the crisis. A ground-breaking research paper was published by the NFU a year later detailing corporate control over the livestock sector in Canada and advancing practical solutions to the income crisis for farmers.

The NFU urged the House of Commons Agriculture Committee in November, 2007, to immediately launch a public inquiry into the financial crisis facing Canada's livestock farmers. Colleen Ross, NFU Women's President, and Kalissa Regier, NFU Youth Vice-President, said the inquiry needed to take place outside Ottawa – in rural communities in every province. They also called on the Agriculture Committee to force the big packers and retail chains to open their books to reveal their profit-taking on pork and beef.

The extent of the crisis became evident when an NFU member in Alberta revealed he had received 2 cents a pound for a 700 pound boar. That animal would be turned into 500 pounds of sausage – which would normally sell for about \$3 a pound. So while consumers would end up paying a total of \$1500, the farmer who raised it got only \$14 for the animal.

A loan program offered by the federal government acknowledged the difficulties livestock farmers faced, but as a solution, it was hopelessly inadequate. Not only were many farmers already saddled with large loan payments, the current market prices were so low they were unlikely to be able to pay back any new loans. As one NFU Board member pointed out: "Cattle and hog farmers can't borrow themselves out of debt. Returns for livestock do not even cover the cost of production."

In March, 2008, the NFU Ontario regional convention focused on livestock issues. This was followed by other regional meetings on livestock, which all provided valuable

information that was eventually included in the NFU report on livestock which will be unveiled at this convention.

In the late summer of 2008, Nilson Brothers, one of the big three players in the Canadian beef packing sector, announced plans to buy up Tyson's Canadian packing plant operations. The NFU objected to the further consolidation of the sector, arguing it would give two companies a monopoly over the industry in Canada, and further squeeze farmers' incomes.

Food safety and Food Labelling

In the summer of 2008, a devastating outbreak of listeriosis occurred across Canada which eventually led to the tragic deaths of 18 Canadians from eating tainted meat which originated in a Maple Leaf processing plant in Toronto. The outbreak could have been prevented.

Over the past several years, the number of Canadian Food Inspection Agency (CFIA) food inspectors has been reduced by the federal government. At the same time, the role of the inspectors has been shifted away from performing shop-floor inspections and towards "auditing" company-generated reports. In addition, the CFIA has always been hamstrung by a dual mandate which makes it responsible both for ensuring food safety and quality in Canada; and also for promoting exports of Canadian agricultural products. This dual mandate creates a very real, and very serious, conflict of priorities for the CFIA. Unfortunately for Canadians, the business interests promoting increased trade in food products have been given higher priority, resulting in reduced attention paid to food safety and food quality in Canada.

The NFU drew attention to this problem in 2005 during testimony before the House of Commons Agriculture Committee. However, the Harper Government accelerated the push to undermine the CFIA's public watchdog role by cutting funding for food safety programs and shifting responsibility for monitoring compliance with safety standards to the food companies themselves. A recent federal Treasury Board forecast predicted funding for food safety programs would decline by nearly 30 percent – from \$359 million in 2006-2007 to \$254 million in 2010-2011. Meanwhile, a secret government document was recently leaked which revealed plans to "shift from full-time CFIA meat inspection presence to an oversight role, allowing industry to implement food safety programs and to manage key risks" and "eliminate federal delivery of provincial meat inspection programs" in Manitoba, Saskatchewan and BC. The Agriculture Union of the Public Service Alliance of Canada (PSAC) which represents CFIA inspectors, warned the public of the government's plans, but it was primarily the outbreak of the listeriosis crisis which brought home the seriousness of the problem.

The crude and insensitive "death by a thousand cold cuts" remark made by federal Agriculture Minister Gerry Ritz focused public anger on the government's "risk management" strategy for food safety. The NFU called for Ritz's resignation in the wake of the comments.

Widespread concerns over food safety also fuelled a growing movement among Canadians for greater truth in food product labelling. The NFU took a major leadership role in calling for “Product of Canada” labelling. In a presentation to the House of Commons Agriculture Committee in Ottawa, the NFU outlined numerous loopholes available to food importers to circumvent or manipulate existing regulations. The NFU argued that Canadians should be able to easily and quickly make purchasing decisions about the food they buy based on truthful information on the labels. The NFU stated that only Canadian-grown and processed food should be eligible for “product of Canada” labels.

Canadian Wheat Board

The unrelenting and undemocratic attack by the Harper government on the Canadian Wheat Board accelerated over the past year. The government appointed three additional partisan directors to the CWB Board of Directors to bolster the anti-orderly marketing faction. It also spent nearly \$1.2 million in taxpayers’ funds on anti-CWB advertising while imposing a gag order on the CWB.

After losing two federal court challenges in 2007, the Harper government lost a third court case in June, 2008, when Justice Roger Hughes ruled the gag order on the CWB was unconstitutional. During that hearing, a secret government document dated August 10, 2006, was put forward as evidence. In the document, the Harper government spelled out a methodical, step-by-step plan to destroy the CWB single desk for wheat and barley. The document listed nearly every totalitarian tactic the government subsequently used against the CWB, including: a gag order, an attempt to change the CWB mandate through Cabinet Order, firing CWB CEO Adrian Measner and other appointed Directors and replacing them with Directors who “favour marketing choice,” a plebiscite with a deliberately misleading three-part question and “no specified percentage” for victory. The six-page document contained several blacked-out portions, but listed a number of “options” the Harper Cabinet could use to circumvent the democratic Parliamentary process.

The incriminating document spelled out the government’s intention to end farmers’ democratic control over their marketing agency.

In the fall of 2008, the Friends of the Canadian Wheat Board – with strong support from the NFU - launched a legal challenge to the Harper Government over changes to the voters’ list to the CWB Director elections, and also to the lifting of spending limits on third-party intervenors in the CWB Director elections.

Atlantic Canada – good news and bad for potato farmers

In late September, 2008, farmers in Atlantic Canada scored a major victory in the long-running PVYn court case. The New Brunswick Court of Appeal ruled the federal government must negotiate a fair settlement with 180 farmers hurt by government

mishandling of a potato disease outbreak in the 1980s. Government mistakes during the PVYn outbreak resulted in financial devastation for many potato farmers. On September 18, 2008, the NB court ruled the federal government was liable and must settle fairly with the farmers. It is expected the final compensation package could amount to many millions of dollars. The NFU played a leading role in organizing farmers to seek the settlement. Kevin Arsenault of PEI, who did much of the research for the farmers' case, and lawyer John Friel, were instrumental in seeing the case through after nearly 20 years.

While the court ruling was good news for farmers in Atlantic Canada, it came at a time when potato farmers in New Brunswick and Prince Edward Island were experiencing extremely low prices and unbelievably adverse weather conditions. By the fall of 2008, farm income projections revealed that Prince Edward Island farmers would experience a net loss of \$20,000 per farm.

Adjusted for inflation, potato prices today are lower than those during the Great Depression of the 1930s. The ten year average for the 1930s was \$258.07/tonne; the 1940s was \$429.08/tonne; the 1950s was \$375.12/tonne; the 1960s was \$292.95/tonne; the 1970s was \$321.23/tonne; the 1980s was \$269.19/tonne; the 1990s was \$212.91/tonne; and the average from 2000-2006 was \$219.55/tonne.

NFU achieves accreditation in New Brunswick

Following many months of hard work, the National Farmers Union in New Brunswick achieved accreditation under the *New Brunswick Agricultural Producers Registration and Farm Organizations Funding Act*. The accreditation ensured the NFU in New Brunswick would be recognized as a general farm organization – allowing the province's farmers a choice when deciding which farm organization to join in order to access programs such as Farmers' Purchaser's Permits, farm truck plates and discounted agriculture laboratory fees.

Canadian Grain Commission, KVD and Seed Varieties

In February, 2008, Agriculture Minister Gerry Ritz arbitrarily removed Kernel Visual Distinguishability (KVD) as a registration requirement for all western Canadian wheat classes effective August 1, 2008, despite the absence of any reliable or affordable alternative testing methods, and despite opposition from farmers and other stakeholders in the grain industry. Farmers will now be obliged to sign declarations of eligibility each time they deliver grain. Farmers could be held liable for any misrepresentation of grain, even if it was unintentional or accidental.

The NFU argued strongly against the removal of KVD, and several NFU regional conventions adopted resolutions opposing the removal of KVD. The Minister's arbitrary decision is misguided and potentially disastrous. The KVD system is unique to Canada and has proved to be a reliable and cost-effective system for decades. It has been the single biggest guarantor of Canada's success at marketing grain worldwide. Eliminating

the KVD system puts Canada's international reputation in jeopardy, especially since a suitable alternative testing method is, at best, many years away.

The government also introduced other amendments to the Canada Grain Act which would fundamentally turn back the clock by altering the mandate and function of the Canadian Grain Commission (CGC). While these amendments eventually died on the order paper, farmers expressed considerable concern that the requirement that the CGC operate as a public interest watchdog regulating the overall industry "in the interests of producers" was being changed. The government intent was to make the grain industry "self-regulating" with the CGC's role reduced to being a passive "service provider" that provides grading, weighing and inspection services to grain companies on a fee-for-service basis. Farmers' protections would be reduced to a minimal level.

The NFU continued to organize public opposition to the CFIA "proposal to facilitate the modernization of the seed regulatory framework" – which was introduced in December, 2006. These changes to the seed variety registration framework would have damaging effects for farmers and all Canadians. The CFIA proposals would:

1. Create a system wherein some new crop varieties could be more rapidly registered, paving the way for fast-track introduction of genetically-modified wheat and other GM grains that have unknown effects on human health and damaging effects on markets;
2. Set the stage for a variety treadmill where crop varieties are rapidly registered and deregistered, forcing farmers to purchase commercial seed much more often;
3. Create a system of dependency where farmers are forced to buy seeds from corporate suppliers; and
4. Create a Canadian seed system decision-making structure that is dominated by groups friendly to seed company interests but disdainful of the interests of farmers, gardeners and others who have an interest in the Canadian seed and food systems.

Rail transportation issues

In March, 2008, the NFU sponsored a symposium at Brandon University in Manitoba to focus on the issue of rail line abandonment and the potential for short-line railways. The symposium drew together spokespeople from a variety of short-line railway operations in Saskatchewan to outline their experiences and prospects. The meeting helped spark a renewed effort on the part of some communities in southern Manitoba to reclaim a rail line that was scheduled for abandonment and due to be torn up. The process of saving at least part of that line is still underway and community members are hopeful a short-line operation can be feasible.

The NFU intervened in a level of service complaint against CN Rail, which eventually came down in favour of the complainants – a group of independent grain terminals in western Canada. The NFU also pressed for a full costing review of the railways – something which hasn't taken place since the early 1990s. The NFU joined with other farm organizations and the Canadian Wheat Board last spring to note that the big railway companies are making over \$100 million a year in unreasonably excessive returns at the expense of Canadian farmers. That figure was contained in an independent study

commissioned by the CWB. The railways were shown to have made two and a half times the fair level established under the Crow rate for hauling grain. At the same time, the level of service supplied by the railways was the subject of criticism from farmers across the region.

Local food

The NFU presented the case for “local food” at the Ontario Premier’s Summit in Toronto in April, 2008. The NFU report made the case for a more sustainable, just and equitable food system based on reconnecting food to place, and reconnecting farmers to non-farmers. Local Food is a positive solution to many problems plaguing the current food system, including climate change, energy constraints, the farm income crisis, unfair international trade rules, environmental pollution and food disease outbreaks.

A number of local NFU projects are also underway in various Locals – such as Food Down the Road in Kingston, Ontario - aimed at strengthening the link between farms and community.

International and Via Campesina activities

The National Farmers Union hosted a three-day meeting of the Via Campesina International Women’s Commission in Guelph, Ontario, April 22-25. Delegates came from Brazil, Honduras, the Philippines, France, Mexico, South Korea, Mozambique, Niger, Dominican Republic, the United States and Canada. The focus of the meeting was to strengthen women’s participation and leadership in the movement with a particular, immediate task of planning the upcoming Via Campesina Women’s Assembly in Mozambique October 17 and 18, 2008. The meeting put together a program for the Assembly which includes analysis of the damage that the agribusiness agenda has caused, including the use of food for agro-fuels, corporate seed control and contamination with GMOs, and terminator technologies, monoculture and violence in the countryside.

One of the highlights of the meeting was a tour of Mapleton Organic farm, owned by NFU members Ineke Boeey and Martin De Groot.

World Trade Organization

The failure of the WTO Ministerial meeting in July, 2008 to come to an agreement on a new global trading deal caused consternation among free-trade supporters, but for the majority of farmers around the world, it was viewed with relief. The NFU argued strongly against any WTO deal which jeopardized Canada’s supply-management system, and which sacrificed farmers’ orderly marketing agencies. The proposed WTO deal would have had a significant negative impact on Canada’s family farmers. One of the most devastating measures was a last-minute proposal to eliminate the single desk sales monopoly of the CWB. This would have severely weakened the CWB’s marketing ability. It would also have taken control of the CWB out of Canadian farmers’ hands.

Ironically, the WTO negotiations clearly revealed a double-standard when it comes to “monopolies.” According to the corporate-minded WTO players, a monopoly owned by farmers (the CWB) must be destroyed, while monopolies owned by companies (patent protection) are good business tools.

Other issues

In July, 2008, the NFU presented a brief to the House of Commons Standing Committee on Agriculture outlining the severe economic problems faced by tobacco farmers in southern Ontario, and calling for solutions to the crisis.

In August, 2008, long-time NFU member Elmer Laird, a pioneer in the organic agriculture movement in Canada, was honoured for his contributions by being inducted into the Saskatchewan Agriculture Hall of Fame. His nomination was sponsored by the NFU.

In July, 2008, the NFU presented a brief to Canada Post in support of continued service to rural communities across Canada.

Also in July, 2008, a presentation was made to the Ontario Farm Products Marketing Commission regarding the Ontario Hog Producers Marketing Board. Presentations were also made to the Manitoba Agricultural Services Corporation and the Saskatchewan Crop Insurance Review.