

Co-ops are farmers best hope in post GATT era

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The curious thing about economists is that we always seem so proud of our ability to predict yesterday. In today's volatile trade climate, standard performance measurements (such as 10 year average trends in net exports) may well be poor indicators of tomorrow's economic winners. Yet tight budgets, trade uncertainty and extreme development pressures often move government in the direction of defining "winners" and "losers" on just such criteria.

Broadening the competitiveness focus to include more accurate *measurements of agricultural potential* may be required to allow government policy to more appropriately support the emergence of strong, independent and economically-robust farming communities.

When you consider that:

- a) federal and provincial governments are increasingly making decisions on the basis of perceived "competitiveness" which have a major effect on the farm sector;
- b) regional governments are increasingly assuming responsibility for many decisions affecting agriculture; and
- c) planners — an occupation of high public trust for which professional status is still *long* overdue — often remain inappropriately influenced by their employers (municipal politicians);

it is clearly in the interest of the farming community to pay attention to the discussions surrounding the definition of *agricultural potential* — for only by "getting it right" can we have informed and far-sighted decision-making by government appropriately supportive of and supported by the agri-food sector.

What are the determinants (beyond bio-geo-physical factors such as soils, climate, terrain, etc.) of agricultural potential? Obviously, first and foremost is farm profitability. The extent of infrastructure support and the economic strength of the post-farm gate sector are also essential components.

Beyond these, a measurement of the structural health of the farming base is important and should include things such as the percentage of full time farmers; surrounding land values; significance of regional production; existence of an effective, collaborative framework at the producer level (e.g. strong cooperatives); the degree of producer control over the supply chain and the capture of post-farm-gate margins through producer ownership of competitive value-added enterprises.

Management potential should also be measured, based on indicators such as rate of technological adaptation at the farm level; security of land tenure (which evokes good stewardship); existence of an active producer peership network; a strong farm extension program; timely and accurate market information and ability of farmers to attend regular courses to upgrade farm management skills.

Because government policy has a pervasive impact on farm management, some measurement of the effectiveness of government involvement would perhaps include the percentage of P.Ag.'s employed by government for the commodity in question; the relative "flatness" of the Ministry organization chart (number of reporting levels to the Deputy Minister) and an assessment by farmers of the effectiveness of special initiatives (such as the OVTFA).

Measuring the extent to which farming contributes to community economic development could include criteria such as the percentage of supplies and services purchased locally; the number of regional

jobs which are ag-related; the degree of capital investment; farm profitability and the extent of value-added activities.

Indicators of community/cultural support (the extent to which a "farming culture" is supported by the community) may include such things as local zoning and by-laws which respect and entrench the right to farm; the existence of an active Agricultural Advisory Committee and employment of at least one P.Ag. at the municipal/ regional district level; presence of an "Ag in the Classroom" program in the school district; and existence of progressive/strategic alliances between a) farm commodity groups b) non-agricultural groups; and c) local First Nations' bands/councils.

Agriculture confers important cross-benefits to tourism. Measurement of this might include location of the farming activity (presence of picturesque enterprises along major tourism routes, for example); extent to which the commodity group promotes tourism; presence of road-side stands, farm tours, farm-related bed and breakfast opportunities; existence of a major ag-related festival or event (e.g. cattle drives) and whether the region is designated by the province as a "tourism priority".

Agriculture's contribution to wildlife management, land stewardship and environmental/ecological values will be challenging to measure but nonetheless essential if the true contribution of agriculture is to be recognized.

The creation of a system to accurately measure agricultural potential on a regional and provincial level should provide the framework wherein agriculture can effectively defend its interests in the increasingly fierce competition for scarce resources such as land, water and good government policy.

Issues surrounding agricultural potential are uppermost in my mind of late because I find myself in the position of providing some preliminary input to BCMAFF regarding their measurement. But an effective definition cannot emerge without the active and on-going participation of the farming community. If you have some thoughts on the relative importance of these or other factors to your commodity group, suggestions on process or other comments, please fax me at (604) 947-2321!