

Lett-uce dance? or CITT this one out?

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Several weeks ago (if all went according to schedule) the Canadian International Trade Tribunal handed down its decision on lettuce. More precisely, it's ruling on an application by B.C. lettuce farmers to continue protection against unfair trade practices available under Canada's Special Imports Measures Act — in this case, shipments of lettuce "dumped" into the B.C. market by American producers at prices well below U.S. production costs.

Regardless of whether trade protection is upheld or denied, the implications of the lettuce ruling will have a profound effect on every farmer in British Columbia.

Why? Let's look at both eventualities. But first, a bit of background.

This has been a busy year for the CITT. On May 21st, the Tribunal rescinded anti-dumping duties in place since 1987 on yellow onions imported from the United States between August 15 and March 31st of each year.

For a lot of reasons — including higher land, labour, energy and water costs; environmental regulations among the most stringent in the world; soil and climate conditions requiring specialized farm management practices — most B.C. farmers face higher production costs than do their American counterparts. Like many other commodity groups, B.C. onion growers invested significantly in buildings, equipment and research to help offset these costs through productivity improvements.

In the CITT hearing last spring, onion farmers weren't asking for any special protection. Ready, willing and able to compete head to head with American producers on a level playing field, all they wanted was a fair shake from Ottawa.

They didn't get it. What they got instead was a feet-to-the-fire ruling in absolute contravention of the Tribunal's mandate. And an \$80,000 legal bill to boot.

Despite the CITT's own finding that onions in the U.S. market were priced below production costs for a substantial period of time (90 out of 131 weeks studied) and **DESPITE THE FACT THAT THEY BELIEVED IT LIKELY THAT SUCH PRICE PATTERNS WOULD CONTINUE IN THE FUTURE**, the CITT argued that removal of anti-dumping protection would not harm the industry because "BC farmers will continue to have an interest in growing yellow onions. ...growers have made recent investments in buildings, equipment and research to improve the productivity of their yellow onion crops and to maximize tonnage produced by their yellow onion crops... onions are a rotation crop and, without them, remaining crops might suffer... [and] having onions as part of a mix of crops provides protection against the risk of crop failure and is sound financial practice..."

The onion growers appealed the CITT decision in the only way allowed under the Special Import Measures Act - by applying to the Federal Court of Canada to conduct a judicial review. That appeal, heard on November 3rd, was denied. In the words of the Court: "the Canadian Import Trade Tribunal is clearly an expert body... [and] great deference is to be shown to the Tribunal's decisions."

Expert, yes, but in what? Clearly not agriculture... Know who's now sitting in judgment over our farmers? Patronage appointments from the Mulroney era like Bob Coates. You remember Coates, the defeated Conservative Member of Parliament who made the news a few years back for trying to get Canadian taxpayers to pick up his VISA tab for hookers in Amsterdam? Coates reportedly had few questions for our onion growers - towards the end of the session he asked whether onions were "the same as milk."

(Prompting one wag to muse: *What do B.C. onion farmers and Amsterdam hookers have in common? Both have been screwed by Coates at taxpayer expense...* Unfortunately, there appears to be no public servant around to blow the whistle this time...)

You can buy a copy of Microsoft Word for \$5 on the streets of Hong Kong. Do these cut-rate copies get imported into America? Or Canada? No, because it is deemed important to protect Bill Gates, world's richest man, from 'unfair trade practices'. Pharmaceutical companies get the same consideration under the Drug Patent Act. The investments (costs of production) of big businessmen are protected because they are deemed important to our economy (not to mention "good old boys" in their own right). But farmers? No way! The CITT decision on onions was clear: farmers are not worthy of protection against unfair trade practices.

So what of lettuce?

If the ruling was against B.C. lettuce producers, I would hope that each and every farmer in the province will write a cheque for \$10 (a business expense, its tax deductible) and mail it to the personal attention of Catharine Read, Deputy Minister of Agriculture, to be held in trust until enough cheques have come in to convince government to put up whatever matching funds are necessary to launch an appeal of both the onion and the lettuce decision.

If the ruling was in favour of B.C.'s lettuce producers, I would hope farmers will do the same thing. One good ruling does not a bad ruling fix. Potatoes and apples are up next. The implications of denying onion farmers protection from unfair trade practices are wide-reaching: it strikes at the very heart of this province's Agricultural Land Reserve and the viability of family farming in B.C.