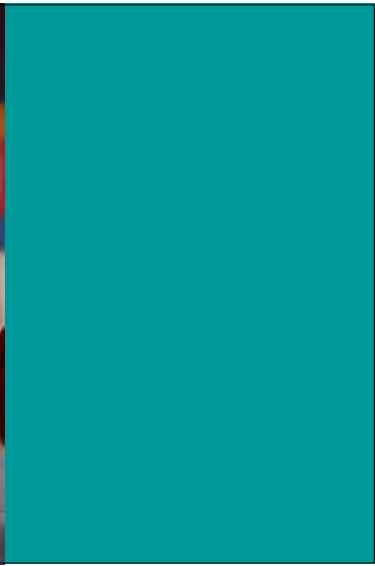



TIED TO THE TRACKS...  
how we got here, and why things are  
(finally!)  
about to change



Wendy Holm, P.Ag.

Farming today - Are you ready?  
SACA Conference and Trade Show 2010  
Medicine Hat, Alberta, November 30, 2010

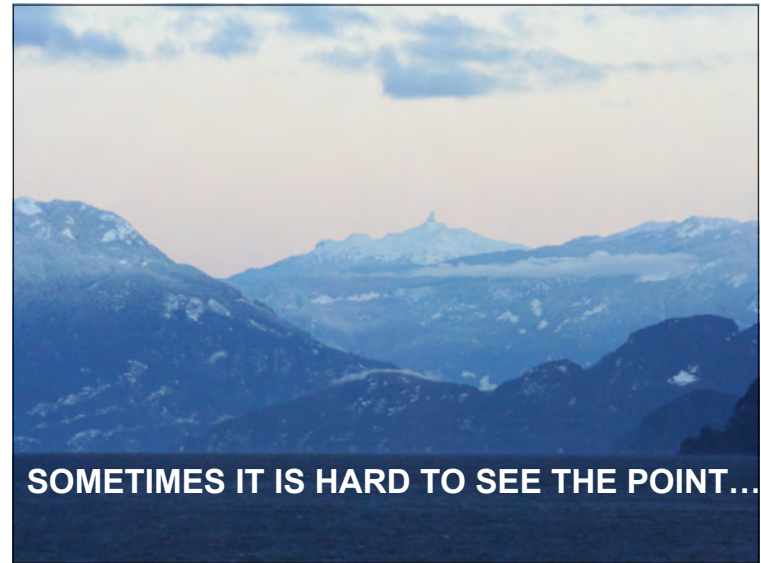
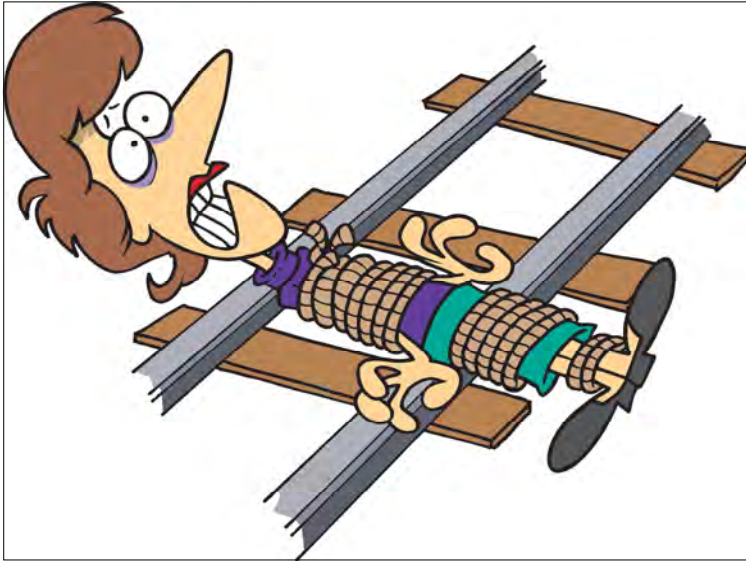


Rosemary  
Davis Award

Farm Credit  
Canada



PASSION...





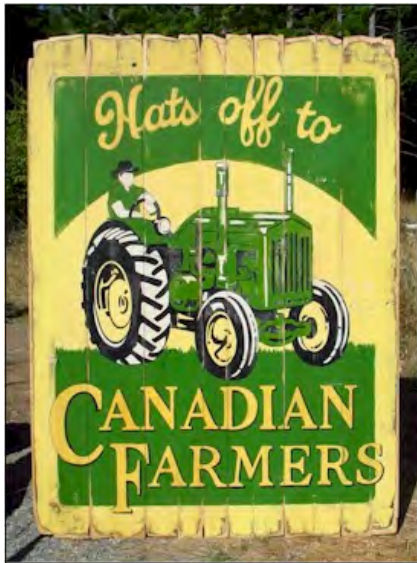


**THE POINT IS:  
FARMERS FEED COMMUNITIES...**



**Farmers + cooperation built the west...  
credit unions  
wheat pools  
co-ops  
CCF**

(Co-operative Commonwealth Federation)



**The 20th Century**

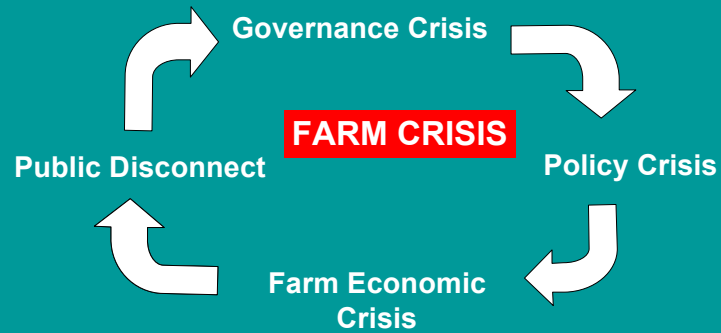
BC Apple Marketing Board  
Canadian Wheat Board  
Supply Management  
*milk, chicken, turkey,  
eggs, hatching eggs,*

**RESPECT**  
  
for  
**FARMING**



**Love affair  
continued through  
the mid 1980's,  
then things began  
to change....**

Starting in the mid-1980's....



- ✓ **POLICY CRISIS**
- ✓ **Economic Crisis**
- ✓ **Public Engagement**

## POLICY CRISIS

- ✓ loss of regulatory & policy sovereignty  
GATT ➡ WTO ➡ FTA ➡ NAFTA
- ✓ increase market concentration pre/post farm gate  
e.g. beef, hogs, grain, dairy
- ✓ weakening of Canada's Competition Act
- ✓ erosion of local infrastructure
- ✓ drop in farm policy support
- ✓ loss of domestic market share
- ✓ escalating feed and fertilizer prices
  - ✓ ethanol
  - ✓ soon only two major fertilizer suppliers
- ✓ plummeting farm support vs trading partners

## POLICY CRISIS

- ✓ **BEEF**
  - ✓ mid 80's - imports of boxed beef displace Canadian beef
  - ✓ packer concentration + ownership feeder cattle
  - ✓ BSE - Ottawa's failure to act;
  - ✓ Higher costs (SRM etc)
- ✓ **GRAIN**
  - ✓ CWB = premiums \$35-40/tonne due to price+transport
  - ✓ big grain companies, US farmers and "ginger group" driving attack
  - ✓ electoral interference, muzzling, board interference
  - ✓ unprecedented government attack on good farm policy
- ✓ **HOGS**
  - ✓ Right wing think tank solution
  - ✓ Disaster for farmers and communities

## POLICY CRISIS

### ✓ MILK

- ✓ Small cooperatives merge
- ✓ Parmalat and Saputo take over
- ✓ Butter-oil sugar blends replace milk in ice cream
- ✓ Milk protein concentrates replace milk in cheese
- ✓ Legal challenge of CFIA's cheese regulations won but being appealed

### ✓ SUPPLY MANAGEMENT

- ✓ Consistent undermining at WTO
- ✓ Internal Agreement on Trade (technical standards)

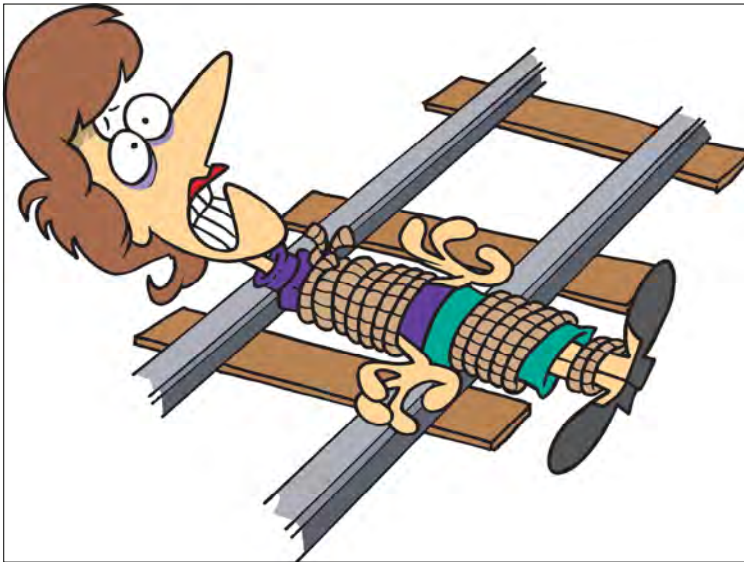
Gov't: "Get competitive or get out..."  
(as though this is about competition!)

Farm more and more land to pay the bills

Getting less for it than 30 years ago

Who can afford to take over the farm?

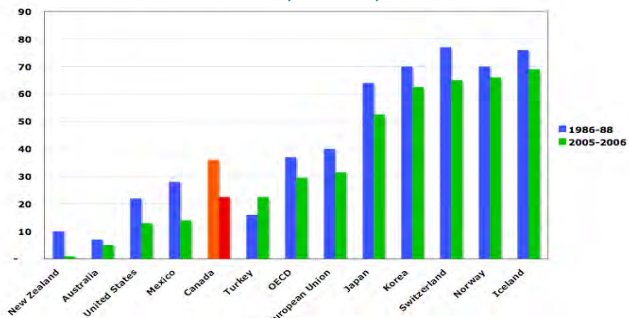
What does this mean for Canada's farmers?



MEASURING UP...  
Where Canada Stands  
in support for farmers

**Canadian farmers are losing ground...**

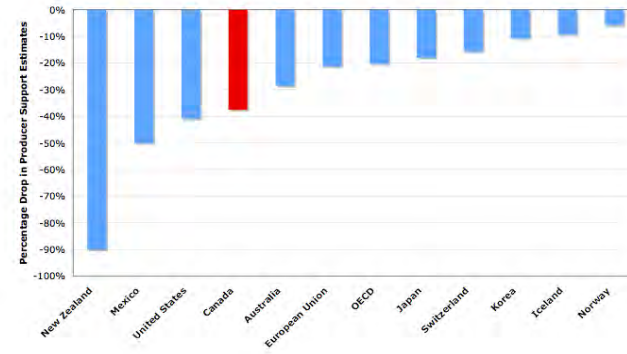
**Percentage Producer Support Estimates, OECD Countries, 1986-88, 2005-06**



**36% DROP IN FARM SUPPORT AS % FARM INC PAST 20 YRS**

**Presently:** CANADA = 23% of farm-gate returns  
 OECD = 30%  
 EU = 32%

**Decline in Support to Farmers, OECD Countries, 1986-88, 2005-06**

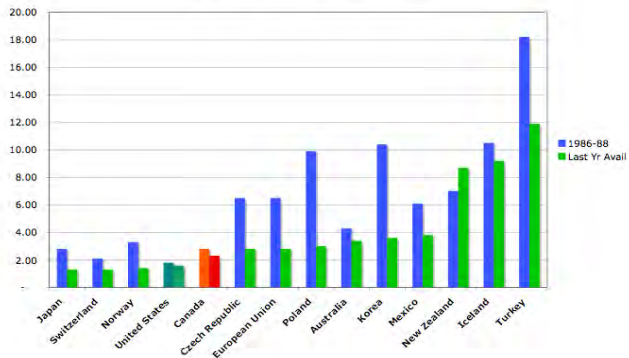


**38% CUT IN SUPPORT TO CDN FARMERS PAST 20 YRS**

**as compared with: OECD: 20% cuts  
 EU: 21% cuts**

**CANADIAN FARMERS CONTRIBUTION TO GDP REMAINS STEADY...**

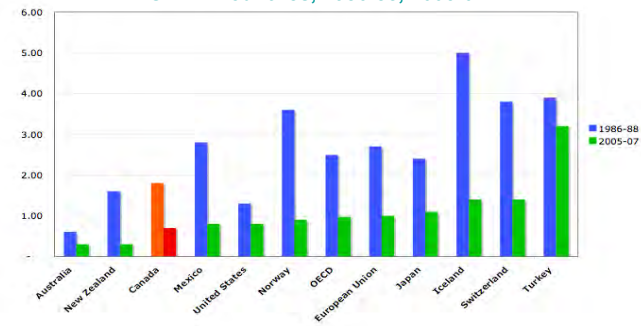
**Agriculture as a percent of GDP**



**compared with a 57% drop for the EU...**

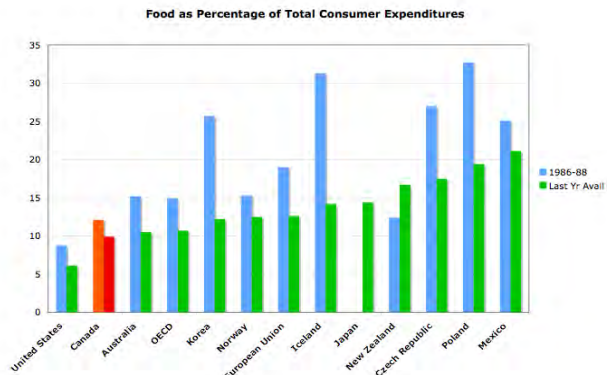
**CANADA'S FARM SUPPORT AS % GDP AMONG LOWEST IN OECD....**

**Total Support Estimates as a Percentage of GDP, OECD Countries, 1986-88, 2005-07**



**Canada's support to farmers in 2004-6 (.8%) was lower than all OECD nations other than Australia, NZ and Mexico. Support averages 39% higher as a % of GDP in OECD countries, 43% higher in EU.**

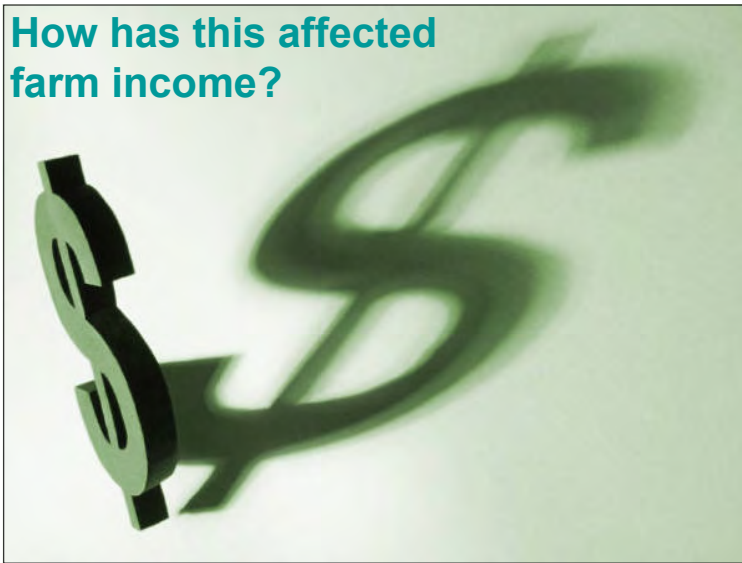
TODAY, Canadians enjoy amongst the lowest food costs in world



Canadians continue to enjoy the second lowest food costs (9.9% of total consumer expenditures) of all OECD member nations.



How has this affected farm income?



- ✓ Policy Crisis
- ➔ ✓ ECONOMIC CRISIS
- ✓ Public Engagement



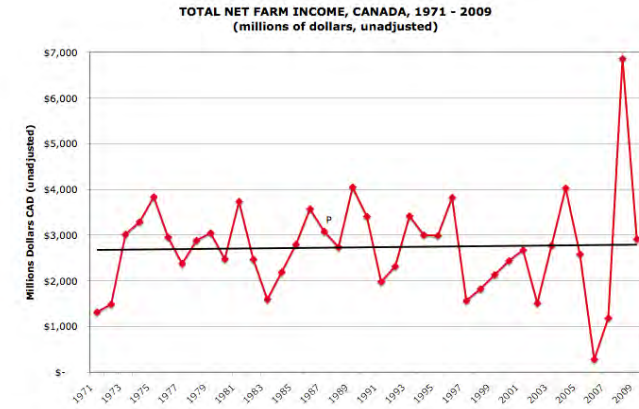
# ECONOMIC CRISIS

↑ *operating costs, debt*

↓ *net farm income*

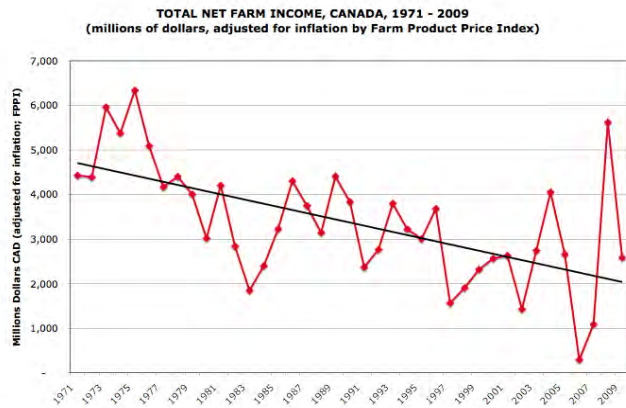
↑ *age of Canadian farmers*

## TOTAL NET FARM INCOME, UNADJUSTED, 1971-2009



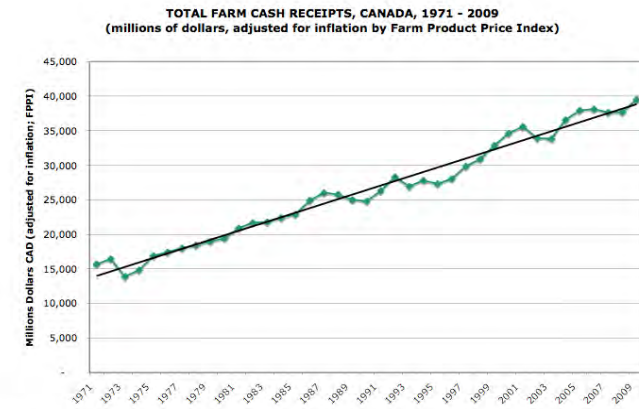
Source: Statistics Canada  
Table 002-0009: Income of farm operators from farming operations, annual.

## TOTAL NET FARM INCOME, CONSTANT DOLLARS, 1971-2009



Wendy Holm, The Holm Team, 2009

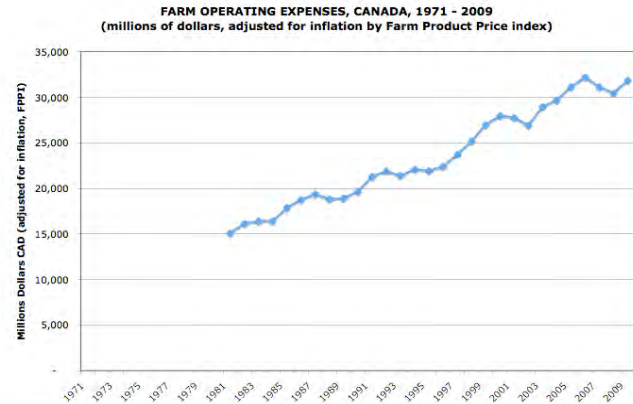
## TOTAL FARM CASH RECEIPTS, CONSTANT DOLLARS, 1971-2009



Source: Statistics Canada  
Table 002-0009: Income of farm operators from farming operations, annual;  
Table 002-0022: Farm product price index (FPP1) annual.

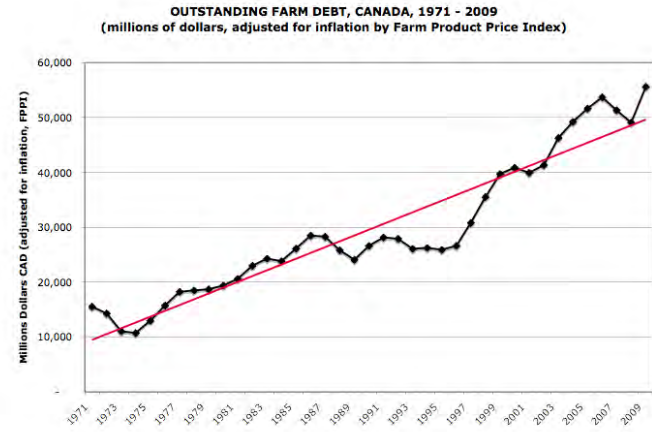


### TOTAL OPERATING EXPENSES, CONSTANT DOLLARS, 1971-2009



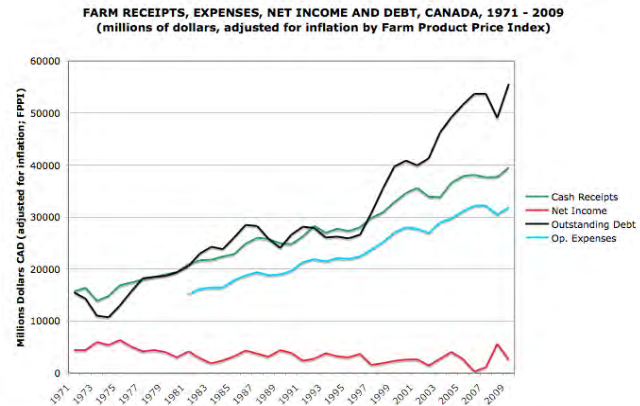
Source: Statistics Canada  
Table 002-0005: Farm operating expenses and depreciation charges, annual.  
Table 002-0022: Farm product price index (FPP1)

### OUTSTANDING FARM DEBT, CONSTANT DOLLARS, 1971-2009

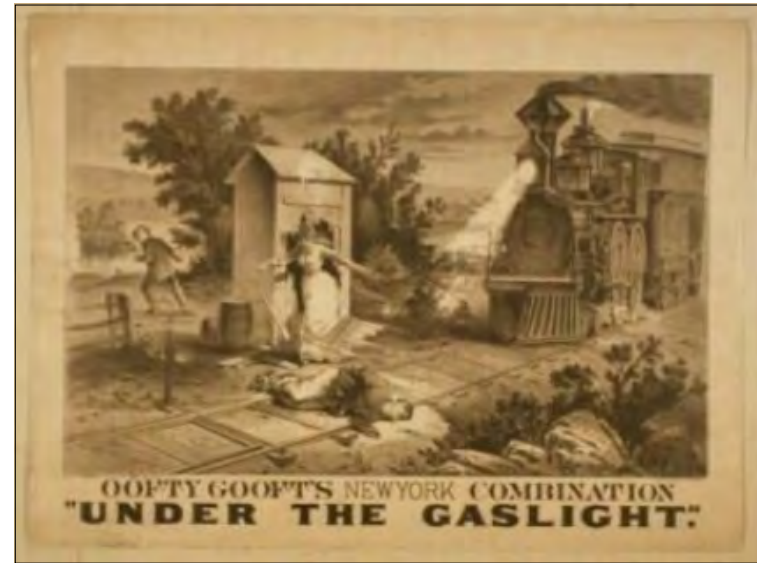


Wendy Hoim, The Hoim Team, 2009

### JAWS OF THE CROCODILE...

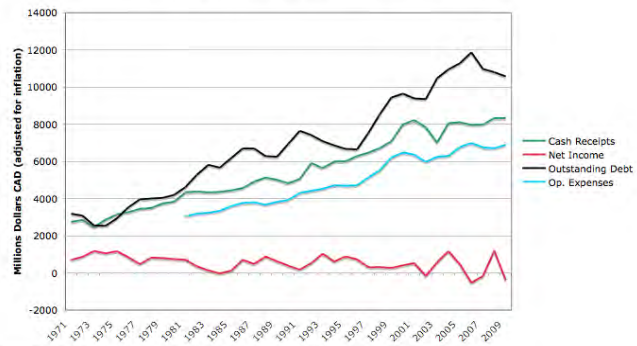


Source: Statistics Canada  
Table 002-0006: Income of farm operators from farming operations, annual;  
Table 002-0008: Farm debt outstanding, annual;  
Table 002-0022: Farm product price index (FPP1) annual



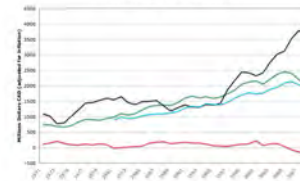
## THE ALBERTA CROCODILE...

**ALBERTA**  
**FARM RECEIPTS, EXPENSES, NET INCOME AND DEBT, 1971 - 2009**  
 (millions of dollars, adjusted for inflation by FPP1)

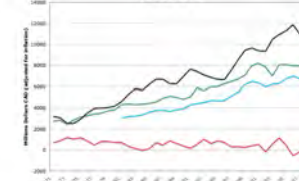


Source: Statistics Canada.  
 Table 002-0009: Income of farm operators from farming operations, annual;  
 Table 002-0006: Farm cash outstanding, annual;  
 Table 002-0022: Farm product price index (FPP1) annual

**BRITISH COLUMBIA**



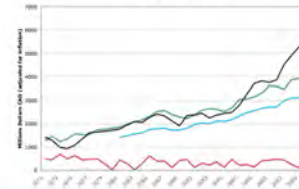
**ALBERTA**



**SASKATCHEWAN**



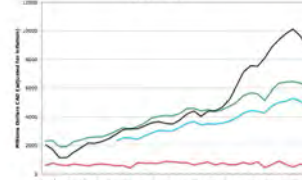
**MANITOBA**



**ONTARIO**



**QUEBEC**



**NEW BRUNSWICK**

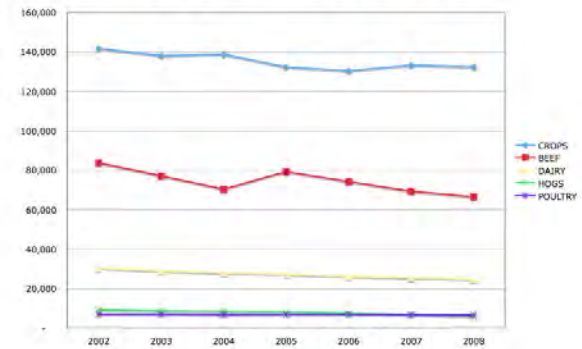


**NOVA SCOTIA**

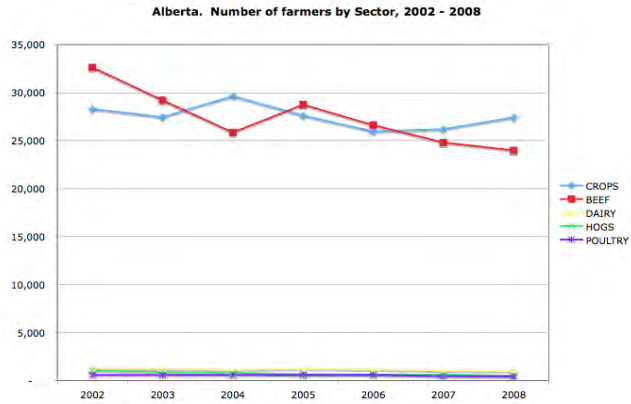


## Comparison of number of farmers by farm sector CANADA

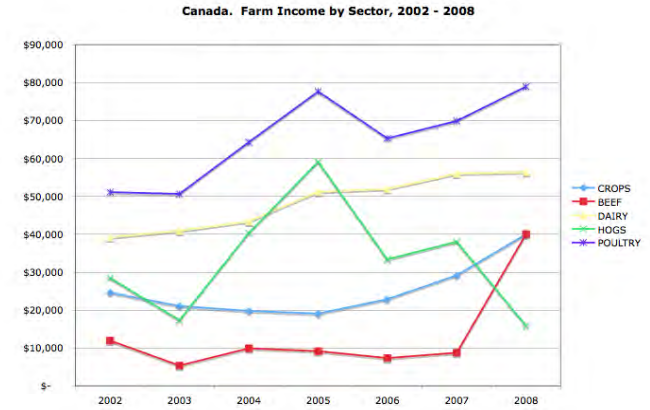
Canada. Number of farmers by Sector, 2002 - 2008



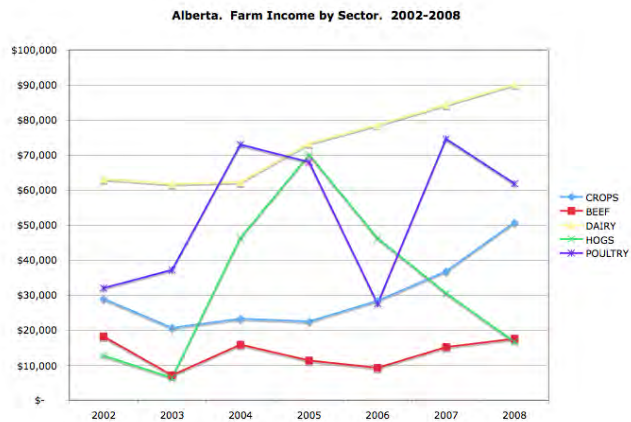
### Comparison of number of farmers by farm sector ALBERTA



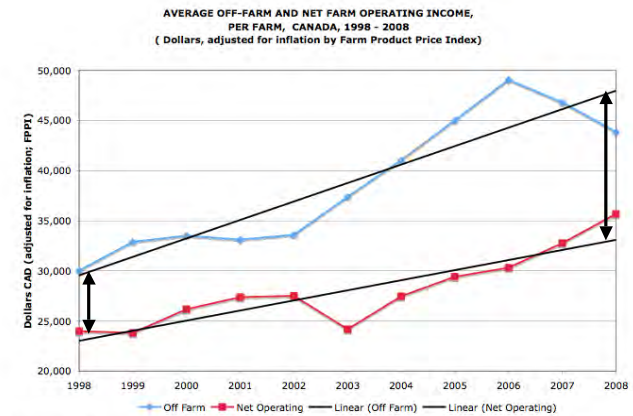
### Comparison of net farm income by sector CANADA



### Comparison of net farm income by sector ALBERTA



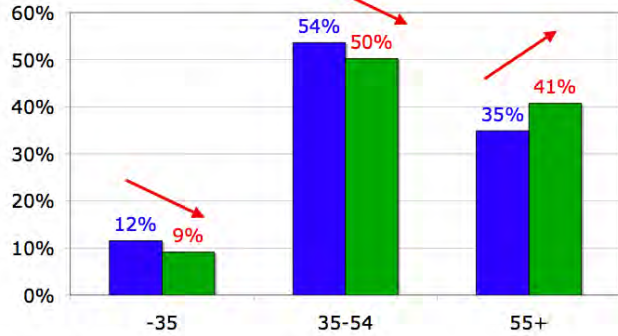
### OFF FARM WORK IS PAYING THE BILLS...



Source: Statistics Canada  
Table 002-0034: Total and average off-farm income and total and average net operating income of farm operators, incorporated and unincorporated sectors, annual  
Table 002-0022: Farm product price index (FPI) annual

Where will our future farmers come from?

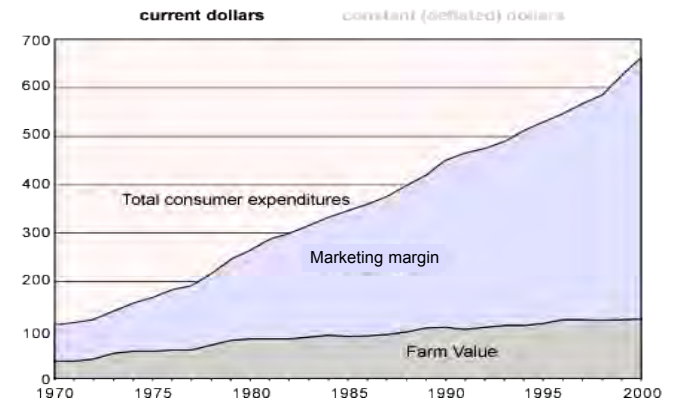
**AGE OF FARM OPERATORS, CANADA, 2001 AND 2006**



Source: Statistics Canada  
1986 - 2006 Censuses of Agriculture

## PUBLIC DISCONNECT

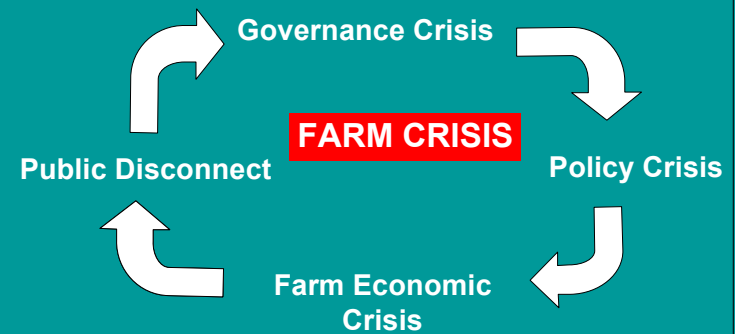
**Trends in Food Spending, Marketing Bill, and Farm Value, 1970-2000**  
billion dollars



Courtesy Brent Warner, P.Ag.



*Globalization pressures in mid-1980's....*





## FARM DEBT

**1970:** for every dollar in their pocket at the end of the day, farmers carried \$3.40 in debt.

**1980's:** the debt to income ratio rose to \$7.42

**1990's:** farmers owed \$10.47 for every dollar earned.

**2000-2010:** debt rose to a staggering \$23.25 a sevenfold increase over 1970 levels.

## PRESSURE ON FARMLAND



- ✓ FARMLAND SPECULATION
- ✓ LACK POLICY SUPPORT FOR AGRICULTURE



## GLOBAL FARMLAND GRAB

World Bank Fall 2010 Report:

45 million ha large-scale holdings changed hands 2009  
1998-2008 average= 4 million ha/yr  
TEN FOLD INCREASE

\$100 billion global capital funds targeted for farmland  
120 funds, majors include

- **Optima Fund**
- Australia's **MacQuarie Agricultural Fund**  
(7 million acres now, headed for Brazil),
- **Pharos Financial Group**  
(Moscow, investing in Asia and Africa),
- **Monaxion**  
(China, 99,000 acre goal), and the
- **Hancock Agricultural Investment Group.**

## Who is buying?

### Spain, Switzerland, China, Egypt and Iran

over million acres prime California farmland

next: US Midwest  
Texas  
Mississippi  
Idaho  
Dakotas

### Gulf States, China, Japan, S Korea, W Europe

Hundreds of millions of hectares of farmland  
Sub-Saharan Africa  
Central & Latin America  
Eastern Europe

## NEW TARGET? Canada and Australia:

good infrastructure, good government,  
good farmland and low land prices

Ha of comparable land, January 2010:

Canadian Prairies= \$1,725 USD

England = \$17,000

Australia = \$3,450

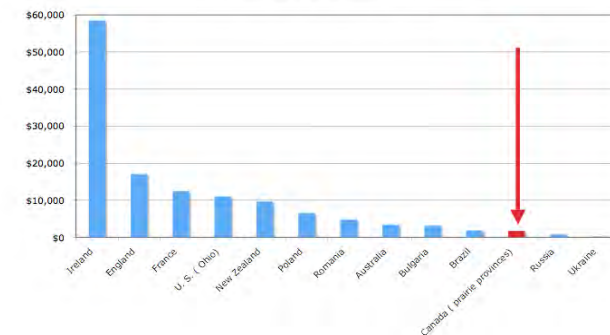
Globe and Mail, Aug 19, 2009  
"Cheap Canadian Farmland lures foreign buyers"

## FARMLAND PRICE PER HECTARE, \$ U. S. 2009

Ireland	\$58,500
England	\$17,100
France	\$12,500
U. S. ( Ohio)	\$11,000
New Zealand	\$9,643
Poland	\$6,600
Romania	\$4,855
Australia	\$3,450
Bulgaria	\$3,120
Brazil	\$1,850
Canada (prairies)	\$1,725
Russia	\$800
Ukraine	\$250

Source: Globe and Mail, Aug 19, 2009. Cheap Canadian Farmland lures foreign buyers

International Farmland Values, 2009, USD  
(Source: Globe and Mail)



## CANADIAN FUNDS:

### Assiniboia Capital

100,000 ac Saskatchewan farmland, holdings tripled in 2 years

### Agcapita Partners

60,000 ac & \$100 million under management

### Walton International

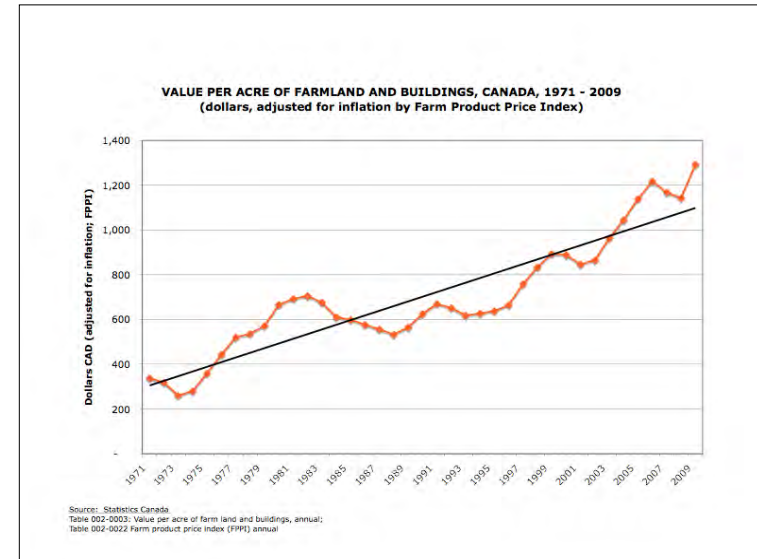
36,000 ac "development-ready farmland" surrounding Canada's cities

### Bonnefield Financial/Sprott Resources

First Nations/private sector; plans 200,000 ac under management

### Hancock (Manulife Financial)

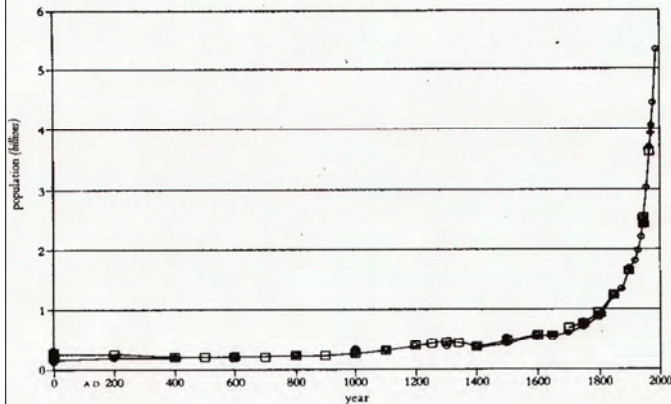
183,000 acres of US farmland;  
looking north: just bought 1,100 ac cranberry farm Quebec







## Estimated Human Population Over the Past two Millennia (Cohen 1995)



*“Food security is as important to this country’s future well-being – and the world’s - as energy security.”*

*We need to produce more food. We need to do it sustainably. And we need to make sure that what we eat safeguards our health...”*

UK Environment Secretary Hilary Benn  
Food 2030 Strategy, Oxford Farming Conference  
January 6, 2010

**FOOD SECURITY** means that food is available at all times; that all persons have means of access to it; that it is nutritionally adequate in terms of quantity, quality and variety; and that it is acceptable within the given culture. Only when all these conditions are in place can a population be considered “food secure.”

United Nations Food and Agriculture Organization

*peak oil...*



## US military warns oil output may dip causing massive shortages by 2015

- Shortfall could reach 10m barrels a day, report says
- Cost of crude oil is predicted to top \$100 a barrel

[Terry Macalister](#)

[guardian.co.uk](#), Sunday 11 April 2010 18.47 BST



## climate change...



The Effects of Climate Change on Agriculture, Land Resources, Water Resources and Biodiversity in the United States

U.S. Climate Change Science Program  
Synthesis and Assessment Product 4.3

May 2008

Already effecting...

Increasing temperatures

Variable rainfall

Increasing crop failures

## The Environmental Food Crisis UN Environment Programme

25% loss in food production due to climate change, water scarcity, invasive pests, land degradation



# food safety...



# food democracy...



## FOOD POLICY: (FOOD AS A BASIC HUMAN RIGHT)

Every Canadian has the right to a secure daily supply of affordable, accessible, safe and nourishing food produced in a manner that respects the soils, the farmer, the environment and the community.



## *food sovereignty...*



## FOOD SOVEREIGNTY

...the right of peoples, communities, and countries to define their own agricultural, labor, fishing, food and land policies which are ecologically, socially, economically and culturally appropriate to their unique circumstances.

Institute for Food and Development Policy

## *emerging culture...*



## ✓ CULTURE SHIFT...





## ✓ CULTURE SHIFT...

### FarmVille

- 73.8 Million users per day after only 6 months (CBC)
- social media game about farming most popular among Facebook's 350 million users.
- allows city folks to become virtual country folks
  - virtual crops    virtual animals    virtual little red tractors
- WHO is playing?
  1. United States
  2. Turkey
  3. Philippines
  4. United Kingdom
  5. Italy
  6. Canada

## ✓ CULTURE SHIFT...



## ✓ CULTURE SHIFT...

### Career choices

- 7 out of 10 students at UBC Faculty of Land and Food Systems now say they "want to farm"
- SAIT's culinary program projected to grow from 200 students this year to 400 within next 2 years

## *locality, footprint...*

*(food miles, 100 mile diet...)*



National Restaurant Association  
2010 Chefs' Survey  
American Culinary Federation

- 1,800 professional chefs
  - over 200 culinary items
- Top 20 "Hot Trends" on menus:
- #1 Locally Grown Produce
  - #2 Locally Sourced Meats and Seafood
  - #3 Sustainability
  - #10 Sustainable Seafood
  - #12 Organic Produce

*food in cities...*



**URBAN + PERI-URBAN AGRICULTURE**



*sustainability...*



**Sustainable (Bruntland):**

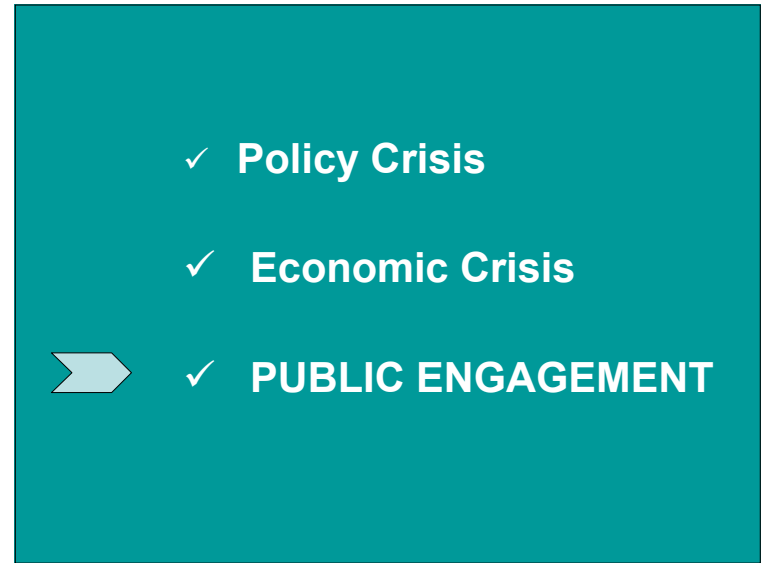
*Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*

**Unsustainable (Pollen):**

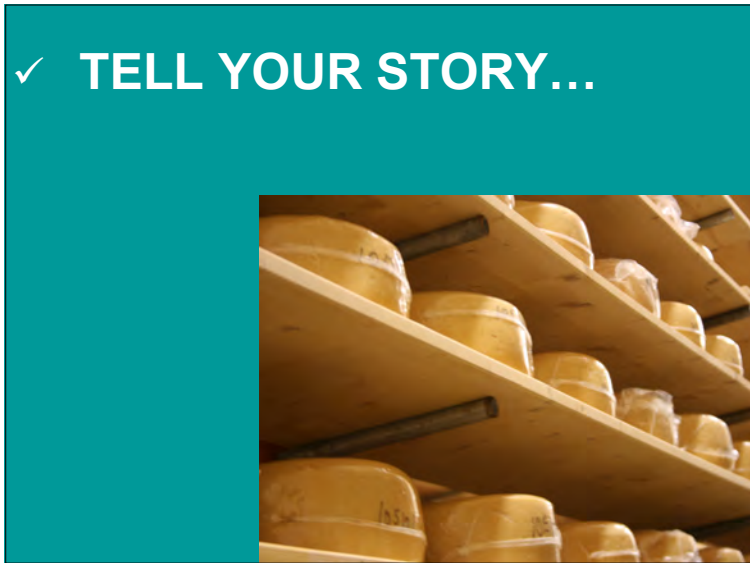
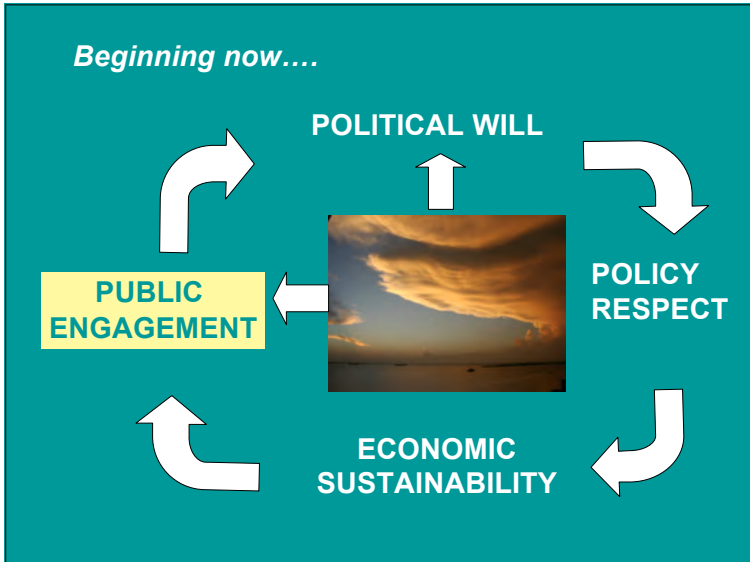
*To call a practice or a system unsustainable is not just to lodge the objection based on aesthetics, say, or fairness, or some ideal of environmental rectitude. What it means is that the practice or process can't go on indefinitely because it is destroying the very conditions on which it depends.*











✓ STRENGTHEN COOPERATIVES

Collapse of global financial markets...

Leverage cooperative strengths  
Co-ops are more nimble, fit  
(can collude to build market share, exempt from Combines, tax benefits)

Feeder Association of Alberta  
Should leverage more support from other cooperatives...

✓ **PAY FOR EXTERNALITIES**

**STEWARDSHIP:**

- ✓ farmland resource
- ✓ riparian habitat
- ✓ wetlands and wildlife
- ✓ endangered species
- ✓ protected zones
- ✓ topsoil
- ✓ water conservation
- ✓ grasslands

- ✓ **HEAL RIFTS BETWEEN**  
commodity groups  
find the common ground... (water)

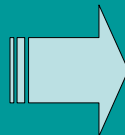
- ✓ **UNDERSTAND LINKAGES**  
to urban farming

- ✓ **BUILD RELATIONSHIPS and**  
**COALITIONS...**  
rural and urban consumers,  
conservationists

✓ **STRENGTHEN RELATIONSHIPS**  
with local government



economic, social,  
environmental...



**SUSTAINABLE**



✓ **SPEAK WITH ONE VOICE**



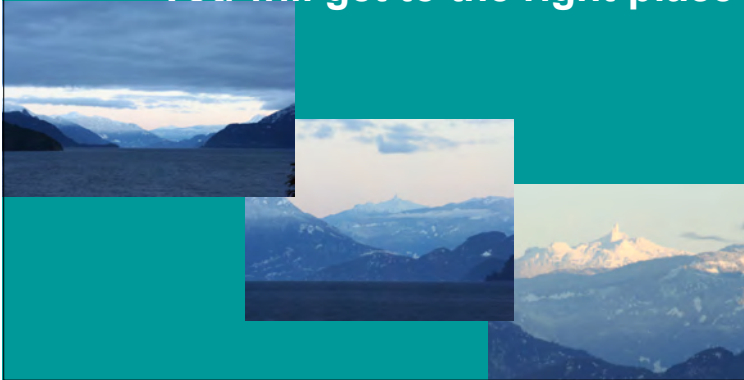
**THE FOOL .**

✓ **SPEAK WITH ONE VOICE**

**STOP THE PARTISAN  
BICKERING  
AND SUPPORT FARMERS!**



✓ **HAVE FAITH...**  
if you go in the right direction,  
you will get to the right place



**RESPECT**





**UNIQUE TIME TO LEVERAGE SUPPORT -  
ARE YOU READY ?**



**The point?  
FARMERS FEED COMMUNITIES!**



**Wendy Holm, P.Ag.**

**THE HOLM TEAM**

**[theholmteam.ca](http://theholmteam.ca)**

**[wendy@theholmteam.ca](mailto:wendy@theholmteam.ca)**

**604.947.2893**

