

Discussion Paper #4: Agriculture, Infrastructure, and Livelihoods: Supporting family farms and local-focused food production, processing, and distribution systems

Executive Summary

Canada's farm sector is one of the world's least profitable. Our food production system is one of the world's most export-focused—Canada has quadrupled food exports since the late 1980s. Our food system is energy-inefficient and climate-destabilizing. It is increasingly corporate-controlled. And it often runs counter to Canadians' health and wellness aspirations. Our food system's multiple pathologies are interlinked and logically related, and the same is true of the solutions. There exists, in Food Sovereignty, a coherent set of effective alternative to our current food policies, alternative that can restore prosperity, sustainability, and healthfulness. Solutions include:

- Refocusing our departments of agriculture away from commodity-based, export-focused agriculture and toward community-based, sustainability-focused agriculture
- Supporting family farms by: A. measuring policy success by net farm income rather than export volume; B. expanding local markets for farmers and, thus, closely linking farmers and food-buying citizens to maximize the dollars farmers receive; C. implementing capped and targeted farm aid programs aimed at supporting family farms; D. expanding Canada's excellent Supply Management systems, currently in place for dairy, poultry, and egg producers; and E. harnessing diversity, dispersal, self-supply, knowledge, and renewable input cycles to increase the resilience and sustainability on our farms
- Creating programs to support small farms, new farmers, and young farmers
- Curbing non-farmer land ownership, and creating new land tenure, financing, and farmland protection mechanisms
- Restoring sustainable, dispersed, family-farm-based animal husbandry
- Implementing strategies to decentralize and proliferate food processing in Canada
- Using public food procurement dollars to push forward the food system Canadians want.
- Funding a huge, multi-channel education effort on food and related issues—using education to accelerate our ongoing move from “consumers ” to sovereign “food citizens.”

4.0. Introduction

¹ Canada's farm sector is one of the world's least profitable. Statistics Canada data reveals that over the past 20 years, most Canadian farmers have not made one dollar of net income by selling their products—expenses consumed *all* market returns, and 100% of net farm income came from taxpayer-funded support programs.¹ For two decades, most farm families have survived on off-farm income, support programs, and loans.² Many have not survived; the number of farms today is 25% lower than in 1985.³ Farm

debt, now \$60 billion, has doubled in just 11 years.⁴ It currently takes \$3 to \$4 billion annually in taxpayer-funded farm aid just to keep our farms going.⁵ (An amount equal, perhaps coincidentally, to interest on farm debt⁶).

^{2.} Canada's food production system is one of the world's most export-focused⁷—one of the most far-flung and least-focused on serving local needs. Saskatchewan farmer and academic Nettie Wiebe said in 1998: “In this country, we don't have an agricultural policy: we have a trade policy that periodically disguises itself and masquerades as an agricultural policy.”⁸ That assessment remains true. Over the past two decades, our governments have set several food-export targets, and they've met them⁹—*quadrupling* food exports in 20 years.¹⁰ But governments have neither set nor met farm income targets. And the list of farm sectors hit hardest by the income crisis mirrors the list of sectors most dependent on exports.¹¹

^{3.} One after another, urban and rural, Indigenous and non-Indigenous Canadians told the People's Food Policy Project (PFPP) that they want to serve their families food produced and processed closer to home. Canada's food system and our policy debate will always exist within a tension defined by our long history as food exporting nation, on the one hand, and, on the other, citizens' growing desire to localize production as much as possible. The choice is not, to exports or not; the choice is between a policy framework that pushes aggressively to maximize exports and one that places export volumes at a much lower priority and, instead, prioritizes local production, fair trade, and democratic control. Re-localizing food can maximize benefits to area farmers, communities, eaters, and our economy, all the while producing fresh, delicious foods. And re-localizing food can *minimize* adverse externalities of all kinds: environmental, health, social, and worker-related. Despite the many advantages of a localized system and despite Canadians' wishes to eat food grown and processed closer to home, an agribusiness-government partnership continues to move our food system in the opposite direction: toward a long-distance, export-overdependant system.

^{4.} Canada's food system is energy-inefficient and climate-destabilizing. Our system—high-calorie, high-meat-consumption, highly processed, corporate-directed, long-distance shipped, drive-through delivered—is an energy waster.¹² In total, our food system¹³ consumes the energy-equivalent of 9¼ barrels of oil per person per year¹⁴—that's 1¼ tonnes of oil each. If the world adopted our system—if all 6.8 billion people tried to eat like Canadians—global oil use would increase 50%, use of other energy sources would increase similarly, and emissions would increase accordingly.¹⁵

^{5.} Canada's food system is one of the most corporate-controlled. It is one of the least sustainable. It is often at odds with the needs and the spirit of our lands. It often runs counter to our health and wellness aspirations. It is a system that is opposite the one so many Canadians told the PFPP they want. In hundreds of submissions, women and men and youth, non-Indigenous and Indigenous peoples alike, clearly stated that Canada's current food system is failing them and their communities, and that they want it completely and rapidly changed.

^{6.} Change is possible; a blueprint for an alternative system is in hand: Food Sovereignty. Food Sovereignty equips citizens and communities to shape and control their food systems. Food Sovereignty embodies the reality that sustainability can only be ensured by valuing our soils and water and biodiversity and, especially, the producers who are the foundation of our food system. Food is no longer to be a mere commodity to be allocated by markets according to ability-to-pay; instead, food becomes a shared responsibility, a serious project, a joyous adventure. Food Sovereignty seeks to produce fresh, clean, delightful food while treating women and men and youth, the land, animals, the environment, and the future with care and dignity. [This para reprises Food Sov, but it needs to stay]

^{7.} But an alternative food policy is not just values and words, it is a set of *actions*—actions that transform our landscapes and dining tables. Food Sovereignty is a framework to help us reshape our food system: its fields, gardens, rural mainstreets, supermarket shelves, pantries, root cellars, soup pots, and family gatherings. What follows is a set of concrete policy recommendations focused on food production, processing, and distribution that will help us create a more local and just food system.

4.1. Education: An important part of a democratic food system

^{8.} Many PFPP submissions called for increased education and awareness on food and related issues—using education to help us develop beyond “consumers,” to “food citizens.” To attain our Food Sovereignty aims of a participatory and broadly-owned and -controlled food system, we need:

1a. Urban and rural, farmer and non-farmer education on the benefits of fresh, local, seasonal, appropriately costed and priced, and sustainably and ethically produced food. Such education should be delivered through both formal and informal channels: schools, universities, night courses at community colleges, online courses, citizen groups, kitchen-table meetings, flyers, websites, articles, books, and blogs. Citizens want governments to direct tax dollars toward such programs. Further, tens-of-thousands of passionate, informed Canadians are eager to be part of this society-shifting education effort. The government needs to employ these people, create a new awareness, and thereby lay the groundwork for a Canadian food renaissance.

^{9.} The aim of this education is to relocate food to the center of our culture—as a source of joy, health, community, and personal growth. Education is not just words and ideas, it is skills and practices: gardening and orcharding, seed saving and exchanging, food sharing, communal cooking, celebrational meals, and traditional methods of preserving (which are superior to chemical additives, preservatives, over-processing, and energy-costly freezing). Greater knowledge triggers greater *participation*, in

democratically shaping policies and legislation, but also in seeding and hoeing and harvesting, in canning and cooking.

^{10.} **What:** A huge, multi-channel education effort. **Who:** Provincial governments must lead within formal education channels and the federal government must assist by providing funding; communities and organizations, backed by public funds, must lead in informal channels. **How much:** This is affordable. For example, to pick an arbitrary number, a \$2.4 billion annual budget for food system education works out to just 20¢ per day per Canadian.

4.2. Labelling

^{11.} Education is not a one-off activity: it is life-long. Informative food labelling is vital, both to ongoing education, and to the day-to-day informed decisions Canadians must make in order to build the food system they want. Please see the section on Labelling in Chapter X.

4.3. Refocus Ag. Canada: Redirect food and agriculture policy

^{12.} Elsewhere, this document talks about the *process* of governance—how we can make collective, democratic decisions that shape our food system. That is a discussion about means. Here, we will look briefly at certain *ends*—at the large goals that our food system should be aimed at, and the goals at which it is currently aimed.

^{13.} To redirect our food system, we need to choose new landmarks on the policy horizon and steer toward them. Currently, the Canadian food policy ship is on course toward ever-increasing production and exports. It is increasingly steered by managers from the dominant agribusiness and food retail corporations. Citizens, in partnership with governments, need to put a firm hand on the tiller.

^{14.} Governments *can* shape food systems. Federal, provincial, and territorial Departments of Agriculture have led a Herculean effort to quadruple food exports.¹⁶ Government departments and agencies have set targets; deployed huge staffs; spent billions of dollars; signed tome-sized, government-constraining agreements; re-written laws; helped form and fund industry trade organizations; monitored progress toward targets; and succeeded in adding tens-of-billions of dollars to our annual food export total. Governments *are* shaping our food system. Unfortunately, government and corporate managers are driving our system toward maximum production, maximum exports, maximum food miles, and *minimum* farmer income. It is time for governments to use their proven skills and large treasuries to move Canada in the *right* direction—toward a new food system focused on healthy citizens, farms, communities, workers, and landscapes. Domestic and international Fair Trade, health and wellness, and Food Sovereignty must form the new Canadian policy alternative to the WTO/NAFTA/“free trade”/food-globalization framework.

If we are to move toward, and attain, Food Sovereignty, we need:

- 3a. An about-face in direction and attitude at Agriculture and Agri-Food Canada (AAFC). To paraphrase a PFPP submission, Ag. Canada should move away from supporting commodity-based, export-focused agriculture and move toward a community-based, sustainability-focused agriculture. Provincial, territorial, and municipal governments must replicate that shift.
- 3b. Better integration, in planning and budgeting, between our departments of Agriculture, Trade, Environment, and Health.

¹⁵. **What:** The transformation of AAFC; similar moves in our provinces, territories, and municipalities; and a move away from an export-based free-trade model to one based on Fair Trade and Food Sovereignty **Who:** Citizens and legislators must undertake the most ambitious redesign of government agricultural departments since WWII. **How much:** Zero; reductions in healthcare and social costs and “externalities” will yield net savings.

4.4. Supporting farmers 1: Net farm income and farm support

¹⁶. In companion chapters, PFPP documents focus on urban and peri-urban agriculture, local food systems and their contribution to sustainability, fisheries, and Indigenous food systems. Here, we turn our attention to the farm families who produce most of our nation's food, and who want to form the core of Canada's new food system.

¹⁷. Farm families are on their knees—pummelled by high costs and a net income collapse. Canadians have been generous in their tax-funded farm support. Total support spending over the past 25 years equals \$7,200 per Canadian family.¹⁷ Taxpayers gave that money for a public purpose: to help farmers stay on the land. But governments have often used that money for a different, almost opposite, purpose: to create uncapped, untargeted subsidy programs that frequently accelerate, rather than slow, farmer loss—providing funds that the largest players sometimes use to buy up smaller neighbours. Federal, provincial, and territorial governments have systematically increased the “cap” on maximum payments per year, per “farm”; that cap now stands at \$3 million.¹⁸ Governments' choice of a \$3 million-dollar per-year cap shows that support programs are not designed primarily to help small- and medium-sized family farms, but that the programs are equally intended to prop up the huge agribusiness companies and corporate farms that increasingly dominate in sectors such as hogs, cattle finishing, and potato production for French fries.

¹⁸. To support and safeguard family farms and ensure adequate and sustainable farm incomes from the markets, Canada needs to move forward with the following policies:

- 4a. Government agriculture policies must focus on net farm income, not on production- or export-maximization. Governments must set net income

targets, craft strategies to attain those targets, and report on success. Our goal must be: Over a medium-term, most Canadian farm families should receive prices that cover their average costs of sustainable production and receive incomes that secure them as food producers.

4b. Citizens, communities, and governments must create and expand local markets for farmers. Local selling opportunities shorten the food chain—more closely linking farmers to food-buying citizens and, thus, maximizing the dollars farmers receive. Increasing the farmer's share of the grocery-store dollar (or dollars from other markets) is key to restoring net farm income. (See also, Section 11, below, local food processing.)

4c. Farm-support programs must be capped and targeted and designed to support the maximum number of farm families on the land, not to ensure the survival of \$5-million- or \$10-million-dollar-per-year mega-farms.

^{19.} **What:** Policies that maximize farm incomes, rather than exports; and capped, targeted aid programs that support appropriate-scale farms when weather conditions or markets fail and net income slips. **Who:** Federal, provincial, and territorial Agriculture Departments. **How much:** There will be savings over the medium- and long-term when compared to current \$3 billion+ annual tax-funded farm-support expenditures.

4.5. Supporting farmers 2: Supply management, key to Local Food and Food Sovereignty

²⁰. Amid the farm crisis wreckage, Canada's supply-managed dairy, egg, and poultry sectors stand out in their ability to provide fair and stable prices to farmers and consumers. Our supply-managed sectors focus squarely on the domestic market—matching production to Canadian consumption. To attain our Food Sovereignty, Local Food, net farm income, farmer retention, and community development goals, we need:

“Supply management”?

Canada has a supply management system for dairy products, eggs, and poultry. The systems control supply, matching Canadian production to consumption, minimizing imports and exports, and providing fair and stable prices to both farmers and the citizens who buy the food products.

Supply management rest on three “pillars”: production controls (quotas); import controls (tariffs); and a cost-of-production pricing mechanism that ensures that most farmers cover their costs of production.

Finally, Supply management maximizes efficiency and minimizes costs. Farmers are penalized if they produce too much, or too little. Because supplies are predictable and matched to national need, processing plants can run near capacity. Single-desk milk procurement reduces bureaucratic overhead within the system. And a rational milk pick-up system minimizes overlap and wasted truck travel.

- 5a. Systematic, democratic, farmer-led expansion of our supply management systems over the medium- and long-term to embrace additional sectors—possibly hogs, apples, or table-stock potatoes.
- 5b. Forceful, effective protection of our supply management systems from attacks by foreign governments at the World Trade Organization (WTO) talks and other trade negotiations.
- 5c. Expansion and proliferation of measures within supply management systems that facilitate the entry of young, new, and small producers. (For example, several provinces have new entrant quota assistance programs in dairy and small-flock exemptions for poultry and eggs.) Over time, supply management systems should be shifted into the role of propelling us toward our goals of more farmers, localized production and *deconcentration* of production.
- 5d. Changes to quota allocation and pricing. Though supply management systems are positive, they are imperfect. For instance, high quota prices work against the public interest because quota values create barriers to entry and incentives to exit. Production disciplines are needed, but a hybrid allocation system for quota (not merely “ability to pay”) can better serve to increase farmer numbers. Farmers must be enabled to earn their livings today (and their retirement incomes for tomorrow) through sales, rather than quota-price escalation. A phased-in, gradual, and at least

partial de-commodification of quota values is needed. A 10% “clawback” on quota transactions—as in some EU countries—could be a start.

- 5e. Co-operation between supply management agencies and existing and would-be small-scale *processors* so that that supply management systems help move us toward our goals regarding diverse, dispersed processing.

^{21.} **What:** The expansion, protection, and fine-tuning of supply management: more products and sectors, a strong defence from external attack, provisions that encourage small-scale production and new entrants, gradual quota-price de-escalation, and support for local processors. **Who:** Federal, provincial, and territorial governments and farmers' supply management agencies. **How much:** \$2 billion to \$3 billion spread over several years to partly compensate some quota-holders for reduced value.

4.6. Supporting farmers 3: Building resilience

^{22.} For decades, dysfunctional markets have weakened and decimated our farmers—reducing their incomes and piling on debts and, thus, making them less resilient. This is occurring at the very moment we should be ensuring our farmers are *more* resilient. Climate change is bearing down from one side; water, energy, and fertility constraints are threatening from another; and ahead looms a future where 9 billion people will all try to eat. Resilient, adaptable farms must be our top priority. To this end, we need to:

- 6a. Ensure production is dispersed and diverse—diverse in approach, scale (small farms as well as medium-sized and large-), production practices, crop types and varieties, and animal breeds.
- 6b. Replace the current high-input/high-output model with one that reduces the use of purchased and non-renewable inputs and seeks, as much as possible, to produce food from on-farm- or locally-supplied, *renewable* inputs. Reducing dependence on purchased inputs is important because prices for energy and materials will be higher and less stable in the future.
- 6c. Stabilize farm finances—increase net incomes and reduce debts. (See previous sections.)
- 6d. Fund and staff extension services. Farmers need expert information about low-input agriculture, cost reduction, adaptation to climate change, integrated pest management, alternative fertility techniques, energy efficiency, and other techniques unlikely to be well-covered by seed or chemical company staff.
- 6e. Facilitate and fund farmer-to-farmer mentoring and the transfer of knowledge and skills.

^{23.} **What:** Harnessing diversity, dispersal, self-supply, knowledge, and renewable input cycles to build resilience. **Who:** Farmers, neighbours, communities, researchers, and governments. **How much:** As above, the aim is to reduce farmers' income losses and, thus, reduce taxpayer-funded farm support expenditure.

4.7. New farmers, young farmers, more farmers

^{24.} In the 15 years preceding the 2006 Census of Agriculture, Canada lost 62% of its farmers under the age of 35. The 1991 Census recorded 77,910 young farmers, the 2006 Census just 29,925. This loss creates a threat to our food security so great that we must undertake unprecedented action.

^{25.} Just 2% of the Canadian population farms.¹⁹ And if we do not curb the loss of farmers, an ever narrower slice of our population will be producing our food in the future. We need young farmers, we need new farmers, we need more farmers. In order to attract more farmers, we must:

- 7a. Focus farm policies on supporting small farms, because young farmers and new farmers often start out on small farms. If our policies do not create and support viable small farms, we bar the door against farmer entry.
- 7b. Provide farmer training programs in rural and urban communities along with measures such as partial student loan forgiveness for those going into farming. Farm "incubators" (e.g., Farm Start in Ontario, Intervale in Vermont) should be funded and proliferated.
- 7c. Create the farm support, farm income, and supply-management-flexibility initiatives outlined above.
- 7d. Work with new immigrants who have farming and food production experience to help them find a place on the land.
- 7e. Create new, debt-minimizing forms of land transfer. (See section 9.)
- 7f. Implement a retirement savings plan for farmers. Enabling existing farmers to retire with dignity and security makes room for new farmers. And ensuring that farmers have adequate retirement funds means that families will not have to sell and refinance their land-base each generation.

^{25.} **What:** Support for small farms; accelerated and effective farmer training; and a national policy that moves us toward a larger food-producing population, rather than a smaller one. **Who:** Governments, technical colleges, universities. **How much:** If 10% of our current farm-support spending was redirected toward preparing new and young farmers, we could train 5,000 to 10,000 per year.

^{26.} **What:** A farmer retirement program. **Who:** Farm families make deposits; governments top up interest rates. **How much:** Perhaps \$400 million per year—about 10% of current farm-support spending. Because it would decrease the need to refinance land each generation, interest-dollar outflows from communities would be reduced. Taxes on that economic activity may partially offset overall expenditures.

4.8. Farm workers

^{27.} More and more food production and processing work is being done by foreign workers—both legally documented and undocumented. The abuse and inequality experienced by many such workers is incompatible with the values embodied in Food Sovereignty or Fair Trade. If we are to have a food system that nourishes not only our bellies but also our sense of justice, we need to:

8a. Create and enforce laws to ensure that non-citizen workers on farms are fairly treated; given decent housing and wages; enjoy safe and humane working conditions; and have access to health care; all without reprisals.

8b. Enable foreign farm workers to become citizens and farmers.

^{28.} **What:** Respect and protection for foreign farm and food-plant workers. **Who:** Federal agencies, local authorities, and all employers. **How much:** Canada would gain farmer citizens and a diversity of expertise in alternative approaches to food production.

4.9. Land ownership, tenure, and intergenerational transfer

^{29.} At minimum, Food Sovereignty requires secure land tenure for those who grow food, and access to land for those who want to begin. It means that the farmers and other producers who work the land must be the ones to control that land—we cannot let our land be bought up by corporations, investors, or absentee owners.

^{30.} Also, land ownership must not bring with it an unmanageable burden of debt. Over the past decade, farm debt has doubled to \$64 billion. Over the coming decade, a status quo model of debt-financed intergenerational transfer and land acquisition will drive that debt higher. To attract new entrants, we must reduce debt barriers. To retain current farmers, we must staunch the interest-payment bleed-off of wealth.

^{31.} Further, while many farm families want to own their own land, and while our policies must support farmer ownership, not all of Canada's foodland needs to be owned privately by individuals. Innovative arrangements of public ownership for some land may help young and new farmers enter agriculture. And public ownership arrangements can help keep high-value land adjoining major cities in food production. In some places, *communities* will want to own or control a portion of their food-producing land.

^{32.} Finally, all discussions of land in Canada must include Indigenous peoples and respect their aspirations regarding land and the use of that land to feed and empower their communities. (Please see Chapter 1, “Food Policy and Indigenous peoples.”)

^{33.} To create land ownership, tenure, transfer, and financing policies that can underpin our new vision for a Canadian food system, we need:

9a. Prohibitions on foreign, corporate, investor, and absentee ownership. Canadian food land must be owned and controlled, as much as possible, by the citizens who live on and work that soil. Moreover, our taxation system could give preferential treatment to farmer owner-operators (and retired farm families who retain land) vs. non-farmer owners.

9b. New ways of getting land into the hands of those who want to farm, including:

- i. Community-owned Land Trusts and land banks to ensure local food production and to enable the entry of new farmers and other producers.
- ii. Exploration of secure land tenure rooted in collective or social ownership—a re-appraisal of “the commons”.
- iii. Debt-free or interest-free land transfer mechanisms, including community-based financing options (that stem the extraction of interest-payment wealth from local communities).
- iv. Government agencies that support seller-finance options. (Sellers and buyers could self-finance, and the role of the government agency would be to step in in rare instances when transactions go bad and there is a need to return the land to the seller.)

9c. Controls on the conversion of foodland to other uses: subdivisions, quarries, golf courses, etc.

9d. Recognition that land has multiple functions: farm fields are also habitat and watersheds. Land use planning and budget calculations must take rational and integrated account of all costs and savings.

^{34.} **What:** Curbs on non-farmer land ownership; new land tenure, transfer, and financing mechanisms; and mechanisms to stop farmland loss and conversion. **Who:** Governments, municipalities, and land-sellers and buyers. **How much:** The \$3 billion currently leaving farms and farming communities in the form of interest-payment outflows is approximately equal to government farm aid programs. Staunching interest outflows can lead to savings in tax-funded programs. Stopping foodland loss will have immeasurable benefits for future generations—it is an investment in our civilization.

4.10. Livestock and meat

^{35.} How we shape meat production, processing, and consumption is central to the project of reconfiguring Canada's food policy. Very briefly, those on one side of the meat debate characterize livestock as inefficient consumers of grain and wasters and polluters of water. But on the other side, a far larger proportion of Canadians see meats as valued and delicious foods. Some from this latter group point to livestock rearing as an essential part of sustainable, mixed, small- and medium-scale farms. And if we are realistic about Local Food, we must admit that, around some cities, much of the land is better suited for animal grazing than for crop production. Our food policy must engage both sides of the meat issue and grapple with the many valid criticisms of our increasingly industrial and corporate livestock and meat systems.

^{36.} For millennia, livestock raising formed part of an integrated system that *increased* the human food supply. By grazing meat and milk animals and poultry in swamps, on hillsides, amid orchard trees, and elsewhere, livestock sustainably enabled human food production on lands that could not (or should not) grow annual crops. Today, however, livestock raising is *decreasing* the amount of food available for humans. Industrial-style livestock production systems overuse grain as a way to fatten animals—inefficiently converting grain calories and protein into a smaller quantity of meat calories and protein.²⁰

^{37.} The issue cannot be framed in terms of “meat: good or bad?” Reality is more complex and nuanced; the real questions are harder: questions of scale and approach—not *if* we eat meat, but how much we eat, how we produce it, and how that production meshes with the larger structures of society. More fruitful questions include: Should we build a food system increasingly based on cheap-meat fast food? Shouldn't we work to minimize the negative impacts of livestock production and meat eating? On a planet that may soon host 9 billion people, globalizing Canadian levels of per-capita meat consumption will trigger disaster.

^{38.} To accommodate a growing global population, and to allow a transition to more grass-finishing of livestock and less grain-fattening, our food policy may have to encourage some Canadians toward a more modest level of meat consumption and toward diet diversification. Moreover, with very few exceptions, Canadians want this country's meat, cheese, butter, milk, eggs, and other animal products to come from production systems that are sustainable, compassionate, appropriate-scale, dispersed, community-supporting, aesthetically beautiful, water-protecting, and truly efficient. To create the livestock products Canadians want, we need:

10a. As much as possible, to move away from concentrated animal feeding operations and grain-fattening toward more dispersed, grass-based production that focuses on humane care of animals.

10b. Land ownership, farm support, and competition laws that reverse the corporate incursion into livestock production (and into farming in

general). We must ban packing company “captive supply,” and ban company ownership of production facilities. Our hogs, cattle, goats, sheep, and fowl must be owned and tended by farm families. We must stop the slide toward the “US chicken” model, where one or two companies control the system and decide who can farm, how, and where.

- 10c. Regulations that limit and rapidly reduce the use of synthetic growth hormones and the sub-therapeutic use of antibiotics (low-dose drugs given to healthy animals).
- 10d. A re-dispersal of livestock rearing and processing across the country and into diverse communities to ensure that meat, eggs, and dairy products can be a core part of a move toward Local Food.
- 10e. Regulations to make animal transport more humane and to reduce the distances animals are transported.
- 10f. Policies that ensure that manure remains a valuable source of fertility, rather than a potential water pollutant.

³⁹. A word about trade agreements: Market forces operating within a globalized “free trade” system will not deliver (some say “not allow”) the livestock production systems Canadians want. Such market forces are driving further concentration and industrialization—animals owned by companies, produced in factories. Solutions require that we cease imports of below-cost-of-production hogs and cattle and the meat made from both. In a companion chapter, this PFPP report makes clear the need for a radical reorientation of global trade flows and trade agreements in order to reach the Food Sovereignty model Canadians want. Fixing the livestock sector requires transforming trade rules.

⁴⁰. **What:** The restoration of sustainable, dispersed, family-farm-based animal husbandry. **Who:** Federal, provincial, and territorial legislators and regulators. **How much:** Our current system has costs: fouled lakes and rivers, antibiotic-resistant bacteria, taxpayer-funded BSE losses, listeriosis, to name a few unintended consequences. A new system that increases sustainability, resilience, farm prosperity, and the safety and healthfulness of our food will reduce costs in the long run.

4.11. Local food processing, key to supporting local production

⁴¹. Canada is losing food processing plants, *fast*. In 2008, the last North American fruit canning plant east of the Rockies closed down. CanGro’s St. David’s, Ontario plant had canned and marketed peaches, fruit cocktails, and other fruit products under the names Del Monte, Aylmer, and Ideal.²¹ In another case, in 2007, Cadbury-Schweppes closed the last grape-juice plant in Canada. That St. Catherines, Ontario plant had used Niagara Peninsula grapes to make Welch’s grape juice.²²

^{42.} Twenty-five years ago, nearly every major Canadian city had a livestock processing plant. Many had several. Today, most cities, and even some provinces, have none. Manitoba and Saskatchewan cattle are trucked across the Prairies to Alberta, and meat is trucked back. Maritime hogs are trucked to Ontario, or the US. A large portion of our beef comes from the US, and much is now coming in from South America.²³

^{43.} We cannot have a system robustly based on Local Food if we do not have local processing. There can be no Food Sovereignty if the plants and machines that process and preserve our food are located in another country or on another continent. To ensure Canada creates a Local Food system based upon community-supporting local processing, we need:

11a. A new direction and attitude for our food safety and inspection system. That system is a significant factor behind processing-sector giantism and geographic and corporate concentration. The aim of regulators must be diversity in scale and ownership structure and decentralization across the landscape, all the while maintaining the highest standards of safety.

11b. A focus on “re-skilling” within our food processing sector. Large plants tend to raise worker skill only up to a certain level—one that allows workers to take their place along the processing line. Smaller plants need higher-skilled, more versatile employees. We need training programs to create skilled workers.

11c. Government-funded design of human-scale and community-scale processing equipment—small-scale pasteurizers, small commercial grain milling or cheese-making equipment, durable and repairable equipment for small-scale meat cutters, to give a few examples.

11d. Changes to food safety regulations that support and encourage Community-owned, sharable infrastructure: access to commercial kitchens or rentable freezer or refrigerator lockers (a service now rare, seemingly a victim of misdirected regulation²⁴).

11e. Support for co-operatives. To preserve local processing, co-ops are the obvious structures.

^{44.} Livestock processing presents an especially problematic case—concentrated both geographically and in ownership. In Canada, two companies process 86% of Canadian beef;²⁵ two process 62% of pork.²⁶ Most of Canada's beef steaks come from two big plants in Alberta.²⁷ And most Canadian provinces no longer host a major plant.

- ^{45.} In addition, as our processing plants become larger and less numerous, food safety risks rise. As 23 people died from Listeriosis in 2008, Canadians were surprised to learn that, although their cold-cuts came branded with many labels, a huge portion of the total supply of ready-to-eat meats in Canada came from a single Maple Leaf Foods plant, located in Toronto. Centralization of food processing can magnify human health risks.
- ^{46.} The Canadian Food Inspection Agency (CFIA) must enable, support, and *encourage* small, regional meat and dairy processors. Core to a new CFIA mandate must be fostering processor diversity and dispersal even as it upholds and enforces the highest food-safety and quality standards.
- ^{47.} To supply local food, create jobs in all regions, ensure adequate competition and fair prices when farmers sell livestock, reduce CO₂ emissions from livestock and meat transportation, and improve animal welfare, we need:
- 11a. A scale-sensitive, processing-speed-sensitive meat inspection system that ensures food safety and quality for all Canadians without creating unmanageable burdens on small processors.
- 11b. Programs that encourage and proliferate mobile abattoirs and processing facilities. These mobile facilities reduce stress on animals and reduce transportation-related CO₂ emissions.
- 11c. Regulations that allow provincially inspected meat packing plants to sell to institutions and retailers in their province, and programs that stimulate institutions and retailers to buy that meat.
- 11d. Curbs on corporate mergers in the meatpacking sector, followed by policies that break up and deconcentrate that sector.
- ^{48.} **What:** New national policies and economic strategies to diversify, decentralize, and proliferate food processing in Canada. **Who:** The CFIA and all federal and provincial legislators and regulators. **How much:** Rapid processing plant closures and the loss of production opportunities for farmers demonstrate the large cost of the do-nothing status quo. Building a dispersed, diverse, and thriving processing sector will create jobs, help farmers, and underpin our efforts to build a local, sustainable food system.

4.12. The role of procurement

- ^{49.} If we want a Local Food system, we must build demand for local food. Key to this are the federal, provincial, territorial, and municipal procurement sectors. Our

schools, hospitals, universities, correctional facilities, care homes, legislatures, and government offices can be powerful and well-funded allies in building the food system that citizens told the PFPP they want. For example, Ontario hospitals serve more than 32 million meals per year.²⁸ Similarly, one estimate is that 1% of all meals eaten in Nova Scotia are eaten in hospitals and care homes.²⁹ Statistics are almost certainly similar for other provinces. This money—perhaps a billion dollars or more—most of it public, is available to advance us toward our Local Food goals.

^{50.} To fully realize the potential of institutional procurement in shaping our desired food system, we must:

12a. Fund the creation of “front ends” for local food producers. Such front ends work on behalf of farmers and give institutions wishing to procure local food simple, consistent, “one stop” sourcing (rather than dealing with dozens of individual farmers). The aim is to make local food procurement as easy and predictable as dealing with traditional suppliers such as Sysco or Gordon Food Services (GFS).

12b. Support institutions to create their own local production systems. Create hospital and school gardens that produce fresh, tasty, wholesome foods for our children and those who are ailing or healing. Prison farms are an especially urgent case. These farms provide not only food, but also training and redemptive work. Moves to dismantle prison farms must be reversed immediately.

12c. Establish agencies in each region that can assist institutions in moving forward with local-procurement goals and plans.

^{50.} **What:** Use public food purchase dollars for public purposes: nurturing the food system Canadians want. **Who:** Governments, school boards, councils, university boards, hospital trustees, etc. **How much:** The benefits of building a better food system outweigh the costs. Institutions should consider best value, as opposed to lowest cost in their purchasing policies. Often, the cheapest food comes with the largest hidden costs.

4.13. Conclusions

^{51.} To achieve our Local Food, Food Sovereignty, and Fair Trade goals, we must have local farmers, secure on their farms. We must have young people and new farmers wanting to produce food—we must ensure that they have the opportunity to do so.

^{52.} Also, we must have places and people to process and preserve our food—fresh cucumbers are a treat, but many also want pickles in the winter; milk is an important food, but a great source of joy and nutrition are the thousands of quality cheeses and yogurts and other products that can be made from milk.

- ^{53.} Canadian food policy needs to support family farms and small- and medium-sized food processors and it needs to help rebuild the missing pieces for a localized, Food Sovereignty system. Current Canadian agriculture and agri-food policies are incompatible (both in approach and in results) with Local Food, food security, Food Sovereignty, Fair Trade, and, indeed, with any food system that takes seriously values such as sustainability and justice.
- ^{54.} Current Canadian food policies must be replaced. This PFPP process and document are important steps toward replacing a defective policy with a truly effective one. We have before us in Canada boundless potential: soil, seeds, wealth, expertise, skilled workers, dedicated farmers. And, increasingly, we have the will. By supporting farm families, food processors, and Local Food infrastructure, we can build a new food system for Canada. We can spark a food system renaissance based on diverse, dispersed, resilient food production and processing systems. In so doing, we can make our food more interesting and delicious, we can make our economy more sustainable, we can make our jobs more humane and enjoyable, and we can make our communities more prosperous. Farming and food processing are core to our society, to our civilization. If we get these sectors right, a whole host of knock-on solutions and benefits emerge. But if we get them wrong, all other solutions become more difficult. Let's get them right. This document is part of a blueprint for doing just that. And it is also the beginning of a grand (and tasty) adventure. Bon appétit.

-
- 1 Using Statistics Canada data, if you add up Canadian Realized Net Farm Income for the 20 year-year period 1990 to 2009, inclusive, and if you then subtract out the amounts paid to farmers by government aid program, the result is *negative* 1.2 billion. Thus, on the whole, Canadian farmers did not make one cent in net farm income from the markets over the past 20 years; overall, 100% of net farm income came from taxpayer-funded aid programs. Data sources: Statistics Canada, "Agriculture Economic Statistics," Cat. no. 21-603E; Statistics Canada, "Net Farm Income - Agriculture Economic Statistics," Cat. no. 21-010-X, November 2009; Statistics Canada, "Direct Payments to Agriculture Producers - Agriculture Economic Statistics," Cat. no. 21-015-X, November 2009.
- 2 In addition to the data in the preceding point (that aggregate net farm income from the markets over the past 20 years totalled zero), we also know from Statistics Canada that for the years 2002 to 2006, inclusive, off-farm income accounted for between 88.3% and 95.5% of total farm family income (adjusted for Capital Cost Allowance). This data is from Statistics Canada, "Statistics on Income of Farm Families: 2006," June 26, 2009, Cat. no. 21-207-X.
- 3 The 25% figure is an estimate, but a conservative one. The actual data shows a 22% drop between the 1986 Census of Agriculture and the 2006 Census of Agriculture. That more-than-one-percent-per-year drop is the basis for the 25% in 25 years figure. See Statistics Canada, "Historical Overview of Canadian Agriculture," Cat. no. 93-358-XPB, July 1997; Statistics Canada, "Census of Agriculture 2006, Agriculture overview, Canada and the provinces," online at <http://www.statcan.gc.ca/pub/95-629-x/1/4123801-eng.htm> .
- 4 Statistics Canada, "Farm Debt Outstanding - Agriculture Economic Statistics," Cat. no. 21-014-X, November 2009.
- 5 Statistics Canada, "Direct Payments to Agriculture Producers - Agriculture Economic Statistics," Cat. no. 21-015-X, November 2009.
- 6 Statistics Canada, "Farm Operating Expenses and Depreciation Charges - Agriculture Economic Statistics," Cat. no. 21-012-X, November 2009.
- 7 Canada has a 3.5% share of global agri-food exports, but only 0.5% of global population. To quote our government: "Canada is an export-dependent country. Almost 45 per cent of our domestic food and

- agricultural production, for example, is exported either directly as primary products or indirectly as part of processed products. In 2008 we exported \$42.8 billion (Cdn) worth of food and agriculture around the world! We were also the 4th largest exporter in the world!”—Agriculture and Agri-Food Canada, online at <http://www.marquecanadabrand.agr.gc.ca/research-etudes/research-etudes-eng.htm> .
- 8 Address to the NFU Convention. See National Farmers Union, news release, “Nettie Wiebe delivers last address as NFU president: takes aim at trade agreements and their links to farm crisis,” December 3, 1998.
 - 9 In July 1993, federal, provincial, and territorial Agriculture Ministers meeting in Charlottetown set a target of \$20 billion in agri-food exports by 2000—approximately doubling Canada’s 1989 export level. Having attained their \$20 billion goal by 1996, well ahead of schedule, Ministers pledged themselves to redouble exports by 2005, to nearly \$40 billion (more precisely, the goal was 4% of global agri-food exports). This latter goal was actually put forward by the Canadian Agri-Food Marketing Council (CAMC), an industry group that included Maple Leaf Foods, Cargill, and other agri-food corporations.
 - 10 Long-term agri-food export data provided upon request from Agriculture and Agri-Food Canada. See also Agri-Food Trade Service online at www.ats-sea.agr.gc.ca . Agri-food exports in 2009 are estimated at \$39 billion; agri-food exports in 1989 were \$9.4 billion.
 - 11 Canada’s hog, cattle, and grains sectors are among the most export dependent. These sectors are also the ones hardest hit by the farm income crisis. At the other end of the spectrum are the supply-managed dairy, poultry, and egg sectors. These sectors use quota systems to match production to Canadian domestic consumption, thereby eliminating export dependence. These supply-managed sectors are among the least-damaged by the ongoing farm income crisis.
 - 12 For instance, our food processors turn 27,000 Calories of fossil fuel energy (equivalent to nearly one gallon of gasoline) into a dozen cans of diet soda that contain 12 Calories of food energy. See David Pimentel and Marcia Pimentel, *Food, Energy, and Society*.
 - 13 Energy use in the system includes: farm inputs, in-field fuel use, food transportation, processing, refrigeration, distribution, retailing and restaurants, in-home preparation, and waste collection.
 - 14 According to the International Energy Agency (IEA), Canada’s Total Primary Energy Supply (TPES) is just under 2 billion barrels-of-oil-equivalent per year (2007 data, see http://www.iea.org/stats/balancetable.asp?COUNTRY_CODE=CA) or 59.27 barrels-of-oil equivalent *per capita* per year. John Hendricksen, University of Wisconsin, surveyed several reports published between 1974 and 1986 that estimated the percentage of total energy use that is used in the food system. The average he calculated was 15.6% (the range was 12.8% to 17%). See John Hendrickson, Center for Integrated Agricultural Systems, University of Wisconsin-Madison, “Energy Use in the U.S. Food System: a summary of existing research and analysis” Multiplying Hendrickson’s 15.6% times 59.27 barrels-of-oil equivalent *per capita* per year yields 9.25 barrels per capita per year used in the food system. (The USDA’s 2010 report *Energy Use in the U.S. Food System* confirms Hendricksen’s percentage.)
 - 15 For details on this calculation, see National Farmers Union, *A brief to the Ontario Ombudsman from the NFU regarding the Ontario Ministry of Agriculture, Food, and Rural Affairs and its violation of its public trust*, November 2007.
 - 16 See notes 9 and 10, above.
 - 17 \$63.8 billion dollars divided by 8,896,840 families (Statistics Canada Census) equals \$7,200 per family over the 25-year period.
 - 18 In the late 1990s, and until 2002, caps on farm aid programs were much lower than today. The payment cap on the Agricultural Income Disaster Assistance (AIDA) program and its successor the Canadian Farm Income Program (CFIP) were \$175,000 per year for individuals (for farm corporations the cap is based on a \$175,000 cap per shareholder to a maximum of 5). Net Income Stabilization Account (NISA) withdrawal maximums were on top of the AIDA or CFIP amount, but the NISA withdrawal amount could not exceed \$250,000. Thus, the AIDA/NISA and CFIP/NISA payment caps were essentially \$425,000 per farm per year. The Canadian Agricultural Income Stabilization (CAIS) Program, introduced in 2002, set its cap at \$975,000 per farm per year. The CAIS payment cap for eligible farm operations was increased from \$975,000 to \$3 million in 2004, as a result of a decision by

- Canada's federal, provincial, and territorial Ministers of Agriculture. That \$3 million cap remains in place for the current AgriStability program.
- 19 The 2006 Census of Agriculture lists Canadian "Total farm population" at 684,260 persons. Overall Canadian population is 33.5 million. Thus, the farm population is approximately 2% of total population.
- 20 David Pimentel and Marcia Pimentel, *Food, Energy, and Society*, Third Edition, 2008, p. 68.
- 21 Thomas Walkom, "Ontario's neglected cornucopia," *Toronto Star*, April 23, 2008; Lisa Grace Marr, "CanGro's shock waves," *Hamilton Spectator*, June 28, 2008.
- 22 Thomas Walkom, "Ontario's neglected cornucopia," *Toronto Star*, April 23, 2008.
- 23 Agriculture and Agri-Food Canada, on-demand.
- 24 Personal conversation with staff at Nova Scotia's Scotsburn Co-op.
- 25 Beef packing plant capacity from: CanFax/Canadian Cattlemen's Association, *2009 Annual Report*, p. 30.
- 26 Packing plant capacity data available from the Canadian Pork Council, on request.
- 27 Beef packing plant capacity from: CanFax/Canadian Cattlemen's Association, *2009 Annual Report*, p. 30.
- 28 The total number of hospital beds in Ontario is 30,000 (OHA). That number times 3 times 365 equals 32,850,000 meals.
- 29 In Nova Scotia, there are 5,656 beds (hospital & long term care facilities) that use NS Health Care Purchasing (NSHCP) and another 4,000 to 5,000 that don't use NSHCP. So, there are about 10,000 beds in the province. 10,000 is just over 1% of 938,183—the Nova Scotia population.