1-1-2011

Farming alone : Canada's small farmers as key stakeholders in the federal government's agricultural policies

Amanda Shankland
Ryerson University

Follow this and additional works at: <http://digitalcommons.ryerson.ca/dissertations>

Part of the [Public Policy Commons](#)

Recommended Citation

Shankland, Amanda, "Farming alone : Canada's small farmers as key stakeholders in the federal government's agricultural policies" (2011). *Theses and dissertations*. Paper 750.

This Thesis is brought to you for free and open access by Digital Commons @ Ryerson. It has been accepted for inclusion in Theses and dissertations by an authorized administrator of Digital Commons @ Ryerson. For more information, please contact bcameron@ryerson.ca.

**FARMING ALONE:
CANADA'S SMALL FARMERS AS KEY STAKEHOLDERS IN THE FEDERAL
GOVERNMENT'S AGRICULTURAL POLICIES**

By

Amanda Shankland

B.A. Ryerson University, Toronto 2007

A thesis

presented to Ryerson University

in partial fulfillment of the

requirements for the degree of

Master of Arts

in the Program of

Public Policy and Administration

Toronto, Ontario, Canada, 2011

©Copyright by Amanda Shankland (2011)

Authors Declaration Page

I hereby declare that I am the sole author of this thesis.

I authorize Ryerson University to lend this thesis to other institutions or individuals for the purpose of scholarly research.

I further authorize Ryerson University to reproduce this thesis by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.

FARMING ALONE:
CANADA'S SMALL FARMERS AS KEY STAKEHOLDERS IN THE FEDERAL
GOVERNMENT'S AGRICULTURAL POLICIES

Amanda Shankland

Master of Arts, Public Policy and Administration, Ryerson University 2011

Abstract

The Canadian agricultural sector has generally profited from trade policies under the North American Free Trade Agreement (NAFTA) and the agricultural rules under the World Trade Organization (WTO). Small and medium sized farms in Canada, however, have not benefited as expected from these agreements. Farmers are an important part of the Canadian economy and Canadian society, but they are facing a financial crisis. Their continued survival in the current era of globalized trade depends, to some degree, on their ability to voice their perspective and to be engaged in policy-making. This thesis explores how farmers perceive the effects of Canada's trade agreements on their businesses and how they have responded based on those perceptions. By providing a better understanding of how farmers perceive Canada's trade agreements to have affected them it also aims to make recommendations to policy makers regarding the importance of including farmers in the policy process.

Acknowledgements

I wish to thank all the interviewees who took time away from their busy lives to contribute to my research. I hope that I have, in some measure, advanced your interests.

Thank you to my supervisor, Dr. Aparna Sundar for all your support and guidance, and to the members of my thesis committee, Dr. Jennifer Hubbard and Dr. Bryan Evans for your valuable feedback.

To my loving husband, Husein Amiji, and our three sons, Idris, Ayman and Saidi, who give me hope for the future.

To Lahora, Celeste, and the members of the Alpha Community: all of whom made my work possible.

This work is in memory of my mother, Rupel Shirley Shankland, who gave me the ability to recognize that healthy food is the foundation for everything positive in the world, and we are thus indebted to those who provide us with it.

TABLE OF CONTENTS

AUTHORS DECLARATION PAGE.....	II
ABSTRACT.....	III
ACKNOWLEDGEMENTS.....	IV
TABLE OF CONTENTS.....	V
LIST OF FIGURES	VIII
LIST OF APPENDICES.....	IX
CHAPTER 1. INTRODUCTION	1
CHAPTER 2. METHODOLOGY	8
A. LITERATURE REVIEW	8
B. PRIMARY RESEARCH: INTERVIEWS.....	9
<i>Participant recruitment and ethical considerations.</i>	9
<i>Sample selection and sample size.</i>	10
<i>The interviews: data-gathering.</i>	12
CHAPTER 3. HISTORY AND CANADA IN THE INTERNATIONAL CONTEXT	16
POST WORLD WAR II: THE INTERNATIONALIZATION OF AGRICULTURE.....	16
THE WORLD TRADE ORGANIZATION AGREEMENTS.....	20
FARMER INCOME CRISIS IN CANADA	24
CHAPTER 4. PERSPECTIVES ON THE FARMING CRISIS IN CANADA	27
COMPETING EXPLANATIONS	27
VERTICAL INTEGRATION AND THE AGRIBUSINESS CARTEL	28
IN SUPPORT OF LIBERALIZED TRADE	34
IN SUPPORT OF INCREASED REGULATION IN TRADE	36

<i>Cultural impact.</i>	36
SUBSIDIES	37
<i>Farmers in support of subsidies.</i>	41
<i>Farmers against subsidies.</i>	46
<i>“Supports” of another name.</i>	51
TARIFFS	58
REGULATORY BODIES AND MARKETING BOARDS	63
STANDARDS AND CERTIFICATION PROCEDURES	68
THE ROLE OF TECHNOLOGY	71
GOING ORGANIC	74
THE TRUE COST OF FOOD	77
CHAPTER 5. SITUATING FARMERS IN THE DEBATE.....	81
THE PROBLEM OF REPRESENTATION	81
LOBBY POWER AND THE ROLE OF FARMERS' ORGANIZATIONS	87
<i>Focusing on farmers and primary production.</i>	92
<i>Developing agricultural expertise in government.</i>	94
<i>Farmers as partners in policy-making.</i>	95
CHAPTER 6. POLICY PERSPECTIVES AND DIRECTIONS	96
GOING LOCAL: A CANADIAN-CENTERED APPROACH.....	98
<i>Food as a national security priority.</i>	98
<i>NAFTA threatens Canadian agriculture.</i>	99
<i>Mad cows and mad farmers.</i>	101
<i>Protectionism or pragmatism.</i>	104

GOING INTERNATIONAL: PROMOTING AND PROTECTING CANADIAN FARMERS IN THE GLOBAL	
MARKET	105
CHAPTER 7. CONCLUSION.....	110
SUGGESTIONS FOR FURTHER RESEARCH.....	116
APPENDICES	118
APPENDIX A- FARMER INTERVIEW QUESTIONS	118
APPENDIX B- INFORMED CONSENT FOR PARTICIPATION IN RESEARCH.....	120
APPENDIX C- INITIAL CONTACT LETTER	122
APPENDIX D INTERVIEWEES	123
APPENDIX E- ORGANIZATIONS	124
BIBLIOGRAPHY.....	125
GLOSSARY	131

LIST OF FIGURES

Figure 1: Lack of farm profit growth may be pushing some people of the farm.....	24
Figure 2 Canadian agri-food exports and realized net farm income 1970-2002.....	25
Figure 3: Canada’s “Green Box Supports in 2000.....	38
Figure 4: Canada’s “Amber Box Supports in 2000.....	39
Figure 5: Percent of young and older operators in Canada, 1991-2006.....	57
Figure 6: Measuring agriculture’s economic footprint in Ontario.....	85

LIST OF APPENDICES

Appendix A: Farmer Interview Questions.....	118
Appendix B: Informed Consent for Participation in Research.....	120
Appendix C: Initial Contact Letter.....	122
Appendix D: Interviewees.....	123
Appendix E: Organizations.....	124

Chapter 1. Introduction

Small to medium sized farmers are a vital element of the Canadian economy and also of Canadian society in general. They help to sustain energetic rural communities, preserve the natural beauty and well-being of the countryside and provide Canadians with a secure and diverse source of food. But small to medium sized Canadian farms and farmers are facing a crisis and their livelihood, even their continued existence in this era of globalized trade, depends at least in part on their ability to voice their perspective and to be engaged in agricultural policy-making in Canada. The aim of the research and this thesis was therefore to identify some of the attitudes and opinions of Canadian farmers towards Canada's agricultural trade agreements as well as to explore the ways in which these views can be heard and can contribute to the policy process.

The North American Free Trade Agreement (NAFTA) was established based on some important assumptions regarding economic efficiency and competitiveness. Free trade agreements are thought to provide reciprocal benefits to countries by increasing exports in products best suited to member countries' production capacities. The central assumption is that a globally integrated economy will allow the most competitive and productive industries within nations to survive and flourish while providing successful companies with larger consumer markets. This economic paradigm is thought to generate wealth among the participating nations, to provide employment opportunities, and to reduce the costs associated with production, thereby driving down the price of commodities. Strong export markets have come to be regarded as a signal of a country's economic success. With NAFTA and other free trade agreements corporations can operate freely across borders and produce commodities where labour and

regulatory costs are lowest. The assumption is that the cost savings are then passed on to the consumer.

In line with these assumptions, Canada's trade policy in agriculture is driven by the notion that expanding export markets and helping make farms more efficient and productive is the key to a successful agricultural economy. While this may further the goal of producing more food cheaply, we are obliged to ask what the potential additional consequences of such an approach might be for all the stakeholders involved. A strong agricultural policy must hear and address the needs of all stakeholders and it must weigh all the costs of a policy, including social, environmental, and political costs. The creation of a strong agricultural policy requires that all stakeholders and interests are heard and addressed.

Group theory suggests that public policy is a product of competing pressures brought forward by interest groups. While the most powerful interest groups are able to influence government decision-making, those with less effective representation can often be excluded from the debate. Large agri-corporations have the ability to influence government because they are organized, they have clear goals and they can afford expensive lawyers and lobbyists who represent their interests to government. Farmers, conversely, make up only three per cent of the Canadian population, they are not organized into any single effective farming lobby organization, their interests are highly diverse and they are scattered across a vast geographical area. As such, despite the fact that the agricultural decision-making process affects them directly and significantly, it is difficult for them to exert any influence over the direction of Canada's agricultural policies.

I sought to explore and to address this problem to some small extent by listening to and recording the opinions of just a few members of Canada's under-represented farmer population. I

anticipated that they would have significant insight into the current debate around free trade and agriculture and that, as a particularly affected stakeholder, they would have a significant contribution to make to the discourse on agricultural policy-making. In my interviews farmers were asked about their views as well as to offer possible suggestions and solutions to the problems that they identified. The fundamental questions that were explored are: what benefits do Canadian farmers feel they have gained from protectionist measures like subsidies and tariffs and, alternatively, from free trade agreements like CUSTA, NAFTA, and the WTO agreement on agriculture? Further, what problems do farmers think have arisen from these agreements and what possible remedies or solutions can they offer policy makers to these problems?

The Canadian government has for some time been advancing the policy position that the way to ensure a strong sustainable agricultural sector is to focus on commercial success through the market (Competition and Subsidies in Global Markets, 2008); Canada now exports more than half of its farm products and as a result the agri-food sector depends heavily on international markets. Competition in these markets is increasing and in order to remain competitive the Canadian government is actively pursuing a trade policy to improve market access and to level the playing field with other industrialized nations. Through WTO negotiations and through regional agreements like the Free Trade Area of the Americas (FTAA) Canada is pushing for market access improvements, the elimination of export subsidies and the maximum possible reduction of domestic supports in the agriculture sector. According to the Agriculture and Agri-food Canada's 2008 Agricultural Policy Framework, domestic farm support programs cannot protect farmers from the pressures of world markets and they have serious unintended consequences, including lessening the commercial capability of many producers and increasing their dependency on government support.

Canada's free market oriented approach to trade in agricultural commodities may not, however, be helping Canadian farmers compete in global markets as expected. The substantial decrease in net farm income suggests that, despite increasing overall exports, the government's policies on trade in agriculture have not done enough to help farmers receive fair prices for their products in the global market. Further, these trade policies may be hampering the ability of Canadian Farmers to compete in the domestic market by opening the border to inexpensive imported foods. Canada has one of the most profitable agricultural sectors in the world, yet farmers have had to make huge, largely invisible, sacrifices to remain competitive and viable. Many of Canada's rural communities depend, however, on farming for their livelihoods and farmers play a vital role in managing natural environments, shaping the nature of rural communities and guaranteeing a secure domestic food source. These are just some of the reasons why the United Kingdom and the United States subsidize their agricultural industries to the tune of a combined billion dollars a day (*Losing the Farm*, 2003, 30).

Within this often polarized debate between protectionism and free market deregulation, farmers are often excluded from the discourse. Are farmers in Canada receiving fair prices for their products and in what other important ways have their businesses changed? Further, how do they envision the future; are they under pressure to sell their farms? Do they see changes in the free market economy as inhibiting or contributing to their ability to expand to new markets? Do they feel they must expand their farms in order to remain competitive even if they would prefer to remain the same size? A vibrant agricultural sector depends on farmers, yet farmers are often isolated from the debates surrounding agricultural trade policies. By conducting in-depth interviews with farmers my research attempts to bring the views of this key stakeholder in to the debate and to elaborate on some of the ways in which this may contribute to a richer

understanding of the effects of trade. The aim of my research has been to carry out an exploration of the perspectives of a small group of farmers, recognizing that my research would not be able to make any major claims regarding what direction policy development should take. However, it provides an important contribution as it uncovers some of the less visible problems with Canada's agricultural trade policies. Further, my research is a case study in policy making, as it tries to demonstrate how policy makers can sometimes overlook central stakeholders when more powerful stakeholders and economic principles such as free trade dominate the decision making process.

In order to explore my questions I conducted a literature review on Canada's agricultural policies, particularly with regard to Canada's trade policies. I examined the arguments in favor and against the liberalization of trade, the arguments for and against bilateral and multilateral free trade, the farm income crisis in Canada, and some of the major technological and regulatory controversies facing the farming sector. From the literature review I created a set of interview questions that were used in the interview process. Chapter two explains the rationale for my chosen methodology. I chose an in-depth semi-structured interview structure in order to elicit in-depth responses from farmer participants.

Chapter three, "History and Canada in the International Context", gives an in-depth history of Canada's agricultural trade policies and approaches since World War Two. The Second World War was a turning point in Canada's trade policies. Even though Canada has always been a trading nation, a set of comprehensive principles and agreements on international trade were enshrined after World War Two and formed the basis for our current trade regimes. In chapter three I also discuss the emergence of the farm income crisis in Canada and how Canada's agricultural policies have addressed (or failed to address) the crisis.

In chapter four, “Perspectives on the Farming Crisis in Canada”, I introduce the various perspectives on the farm income crisis and how farmers perceive the causes of the problem. I look closely at government support programs and compare how the federal government and academics view the role of support programs and compare those findings with the comments offered by the farmers who were interviewed. In chapter four I also look at the role of tariffs and compare the rationale for the government’s position on tariffs with the views among the farmers interviewed. I also look at the role of marketing boards and regulatory bodies and how they are perceived by the farmer participants. Further, I look at the views of farmers on such issues as certification procedures, government regulations, the role of technology and organic production.

Chapter five, “Situating Farmers in the Debate”, addresses a question that is central to my thesis: given that small farmers have significant insight into the effects of government policies on their businesses, are those views being represented in Ottawa? Specifically I asked farmers if their members of parliament and farm organizations support their interests and effectively bring their concerns to government. I also suggest some possible ways that the government can more effectively represent small farmers in the policy making process.

In chapter six, “Policy Perspectives and Directions”, I present some possible policy directions or approaches available to the government that reflect the concerns and priorities that were put forward by the farmers who were interviewed. The chapter looks at Canada’s agricultural policies in the domestic context and what farmers think can be done to support their interests at home, and also if the farmers interviewed think that Canada’s trade agreements are helping (or hindering) the ability of farmers to be profitable in both domestic and export markets.

Thomas Jefferson once said that “Whenever there are in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate

natural right. The earth is given as a common stock for man to labour and live on. The small landowners are the most precious part of a state (Wealth and Want, 2011).” Indeed, farmers are the most indispensable segment of the working population and support both rural and urban economies in vitally important ways. Politicians are entrusted to make crucially important decisions that directly impact the farmers’ ability to compete in a globalized economy. All farmers in Canada, regardless of whether they feed thousands of people, or hundreds, should be able to make a significant contribution to the federal government’s decision making process. Not only are they key stakeholders, they also have a wealth of valuable knowledge and insight that could forever change the way that the government models its agricultural policies, potentially creating a healthier, more sustainable sector with abundant opportunities for profitable and enjoyable employment in farming.

Chapter 2. Methodology

In order to explore my thesis question relating to the role of farmers in the debate on agricultural trade policy I engaged in a two-step process. First, I conducted a comprehensive literature review on the subject of agricultural policy in Canada and the role of farmers within that. From this research I developed a set of key questions to guide the second step and my research: a set of interviews with small and medium sized farmers in Canada.

A. Literature Review

The first stage of my analysis involved a review of the existing statistical information related to agriculture in Canada. Agriculture and Agri-Canada has a wealth of information pertaining to the performance of Canadian Farms. A Government report on the financial situation and performance of Canadian Farms was released in 2009 and provides a detailed analysis of farm income and variability, trends in farm assets, liabilities and net worth, and farm financial performance ratios. Statistics Canada has several reports citing the decrease in the number of farms in Canada and the increase in the average size of farms and operating costs.

The next stage was a comprehensive literature review. I looked at available studies that were relevant to my research, including academic research and government funded studies. I also looked at how statistical information has been interpreted by academics and governmental analysts and drew a general overview of the various viewpoints and their respective degrees of support. This helped me to get a picture of the current economic condition of farmers but revealed little about the causes of this condition, and even less about how farmers interpret the

causes of their situation. This information was largely gathered through the next stage, the interview process.

B. Primary Research: Interviews

The central method of investigation in this research project was a series of interviews with farmers, which were later evaluated and compared with the findings from the literature review. Farmers were asked a series of questions intended to gauge their understanding of current agricultural policy and trade agreements as well as their perceptions of how these policies have affected their businesses. In addition, they were asked to offer possible solutions to any problems that they identified. The comments gathered were used to compile a set of recommendations for further research that reflect the concerns of the farmers I interviewed. This information can be used by policy analysts to establish some of the central issues that need to be addressed in order to advance the interests of small farmers. I used a semi-structured interview approach because it allowed me to gain a direct and qualitative picture of the views of a particular group of stakeholders regarding specific policies affecting them. It also allowed for a more open form of dialogue, which contributed to the goal of giving a self-directed voice to farmers.

Participant recruitment and ethical considerations.

My primary research consisted of in-depth interviews with fourteen farmers. The farmer participants were recruited through personal contacts, through trade shows, and through farmers' markets. The major ethical considerations pertaining to a study such as this one – including informed consent, the right to privacy and the protection from harm – were all considered and

accounted for throughout the interview process (Fontana & Frey 2005, 715). Interviews were only conducted following a detailed review of my research purpose, my interview questions and my consent form by the Ryerson Ethics Review Board.

Potential interviewees were contacted by email or by telephone and were given a brief but full description of the purpose of the study and how the results would be used. They were also provided with a copy of the oral request form either by e-mail or by regular mail (see Appendix C and D). Whenever possible, participants were e-mailed the consent form and asked to provide written confirmation of their agreement to participate. Where participants were not able to access e-mail I read the written consent form over the phone before the interview and sent a copy of the form by fax. Respondents were not awarded any financial or material benefits for their participation. There were no obvious risks to the interviewees and the respondents' identities remained confidential at all times. Data was stored in a secure computer and the respondents were identified with numbers corresponding to their names. Only the researcher had knowledge of the respondents' personal identities.

Sample selection and sample size.

A non-probability sampling method was used in the study. Given the size of the sample it would have not been possible to generalize to the larger population. The study used a convenience sample because it relied on volunteers. More than fifty individual farmers and farmers' organizations from Ontario and Saskatchewan were contacted but only fourteen farmers agreed to participate. Non-probability samples are generally less desirable than probability studies but given the nature of my research my goal was not to generalize to the larger population but to uncover a unique perspective of individuals belonging to the larger population.

All of the fourteen interviewees have small to medium scale farms and depend on farming as their primary source of income. They come from a wide range of farming sectors. My sample included full or part owners of farms ranging in size from two to 2,000 acres and whose gross revenue from farming constitutes the primary source of family income. Farm size ranged dramatically depending on the type of farm, which was taken into consideration when evaluating inclusion criteria. For example, an Ontario blueberry farmer was included even though he only grows two acres of blueberries because his farm is his primary source of income while a Saskatchewan wheat farmer was also included because he is part owner of a 2,000 acre family run farm with two other full time workers (his father and brother). Respondents were selected only from Saskatchewan and Ontario because I had contacts in these two provinces; a more comprehensive study would have likely included respondents from every province.

Evidently, my sample size was not large enough to be statistically significant; however my research was not intended to be quantitative nor was it my intention to establish a rigorous causal explanation of the effects of free trade policies on farmers. Instead, my focus was on generating insight into farmers' interpretations and reactions to these policies. Some researchers argue that only quantitative methods such as surveys and statistical analysis are rigorous and systematic enough to be used in the social sciences, but this positivist approach to inquiry has its roots in the hard sciences and is not necessarily conducive to all types of inquiries in the social sciences (Rubin & Rubin 2005, 20). Because my research is exploratory and was not intended to prove or disprove a particular theory, it was important that my methodology allowed the flexibility to gather thorough information as well as to reflect what was most crucial to the participants.

I interviewed fourteen farmers; nine from Ontario and five from Saskatchewan. Seven are conventional farmers and seven are organic farmers. Most of the farmers I interviewed generally grow more than one crop; they grow vegetables, oilseeds, berries, hay, and grain. One only grows grain and another only grows blueberries. I also interviewed two organic dairy farmers from Ontario and two cattle farmers (one from Saskatchewan and one from Ontario). Most of the interviews were about two hours long while a few were only a half hour.

The interviews: data-gathering.

All of the interviews were conducted over the telephone. Telephone interviews are sometimes difficult to manage and miscommunications can happen; however, telephone interviewing can also be used very successfully in qualitative studies where the validity of the research does not depend on the researchers' ability to engage in the environment of the respondent. In one study for example, researchers found that using telephone interviews did not reduce the quality of data that was gathered via this method as compared to the face-to-face interviews that were conducted in the same project. The same researchers also found that by providing potential participants with the option of either telephone or face-to-face interviewing, a wider selection of respondents could be included and more information could be obtained (Sturges & Hanrahan 2004, 115). For the purposes of my research, the use of telephone interviewing probably provided me with a more diverse sample than I would have been able to acquire if I had been obliged to travel the country and to rural communities to conduct the interviews in person.

I used the semi-structured interview as a method of inquiry, which allowed me to gain an account of the perspectives and experiences of the respondents in terms that were meaningful to

them. In a semi-structured interview the researcher can ensure that necessary topics are discussed by setting the agenda for questioning, but then the interviewee is still able to bring up issues they consider important. The researcher can also obtain more nuanced and detailed responses to their questions by probing the respondent to provide more information and richer details, a benefit that would not be available through other methods of inquiry (Stephens 2007, 205-6). One of the major benefits of using my chosen model was that the questions themselves could be modified, altered or even abandoned if they were not of significant import to the particular respondent. Similarly, new questions could be added to subsequent interviews, depending on the nature of previous answers (Hammer & Widavsky 1989, 57).

Generally during the interviews, respondents were first asked establishing questions related to their farming background, the nature of their farming operation, and their marketing channels. Respondents were then asked a series of questions related to their views on government involvement in the agricultural sector and their support of Canada's trade agreements. Finally, they were asked detailed questions regarding certain aspects of trade policy that may have affected their businesses (See Appendix A). Respondents were asked the same set of questions but each was also encouraged to provide additional information if they felt that the questions did not cover some important aspects of the issue.

This qualitative approach inquires into a respondent's version of the truth; however, it does not mean that it is not a scientific endeavour in that the end goal is to produce knowledge that can be accepted and applied to the development of policy. Guba and Lincoln advance what they refer to as a "fourth generation evaluation approach" where evaluation is a procedure "in which a combination is made of responsive focusing (using the claims, concerns and issues of stakeholders as the organizing elements) and a constructivist methodology (which aims to

develop consensus among stakeholders who earlier held different or conflicting constructions)” (Guba and Lincoln 1989, 71). They use a hermeneutic dialectic process consisting of one or more rounds of open-ended interviews with stakeholders. In the first interview the researcher seeks to determine a respondent’s construction of the investigated phenomenon. The researcher then interviews a second respondent to determine his or her construction and presents him with some of the issues raised by the first respondent. A third respondent is interviewed and the process continues in this way. In fourth generation evaluation reliability of interviews loses significance, because “evaluation aims at action rather than knowledge... reliability in the sense of being researcher-independent and yielding the same results on repeated measurements is not only futile but even undesirable” (Moret et al 2007, 25-26). I took this approach to the interview process to some degree during the interviews, although of course the small size of my sample precluded its full-scale application. This method helped me to uncover hidden layers of meaning and a deeper understanding of issues imperative to my research question; that would otherwise be unavailable in a more structured method of analysis.

As a student of the social sciences it is also my intention to create a bridge between the perspectives of those I interview and the academic community that I represent. St. Louis and Barton (2002) state that a common aim in their research is to constantly reflect on their research before, during and after the process: this cyclical reflection allows them to maintain an awareness of their subjectivity and to position their research and writing. As such, they can more easily foreground the experiences of the people they interview when they present their research. They believe that “foregrounding the voice of participants makes a statement about what constitutes valid knowledge”.

I anticipated that potential participants might be suspicious of my particular policy dispositions and the intentions of my research, which could have an impact on their willingness to participate, as well as on the quality and candid nature of the responses that I received. In discussing this potential interview problem, Hammer and Wildavsky argue:

Using yourself as an instrument of investigation, as required by the open-ended, semi-structured interview, is both a snare and an opportunity. It is a snare for those who mistakenly believe they already know what they have come to discover. It can be an opportunity for those who want to formulate and reformulate ideas through disciplined communion with their subject matter (Hammer & Wildavsky 1989, 94).

The nature of my research project was exploratory and it was important to communicate this to the potential interviewee, as well as to clearly explain that I was approaching this research without pre-existing notions of what farmers could bring to the debate. Communicating this to the farmers was somewhat problematic at the recruitment stage and many farmers declined to be interviewed for my study. Some asked me what my opinions were on the subject and I responded that I did not want my opinions to influence the respondents' answers to my questions. As a result, some farmers chose not to participate. However, it did not seem to present a problem during the actual interviews, as those that did choose to participate were generally quite anxious to share their opinions. This could mean that those who chose to participate were generally dissatisfied with Canada's policies but my background research indicates that the majority of small farmers are struggling in the current economy and thus I think my sample may be a fairly accurate reflection of the level of discontent within Canada's farming communities.

Chapter 3. History and Canada in the International Context

Post World War II: The Internationalization of Agriculture

The end of the Second World War ushered in a new era of international cooperation. A series of political and economic negotiations culminated in the signing of international agreements like the 1947 General Agreement on Tariffs and Trade (GATT) which set the stage for the liberalization of trade in most industries. GATT outlined the following goals: to raise the standard of living; to ensure full employment and a large and steadily growing volume of real income and effective demand; and to develop the full use of global resources and expand the production and exchange of goods. This expansion of trade and development was considered the instrument that would allow nations to increase the social welfare of their people (Cosbey 2009, 6). Shared economic prosperity through free trade between nations came to be seen as necessary to stave off rampant nationalism, imperialist tendencies and outright war.

Canada and most other industrialized countries believed that agriculture was an exception to this approach because it was such a vital component of national security and cultural autonomy. As such, countries premised their agricultural policies on the belief that protecting the domestic agricultural sector was essential to both the livelihood of national producers and the safety and food security of local consumers. Part of the rationale for special protections for the agricultural sector was that farmers were susceptible to naturally occurring risks like weather and disease that could have a dramatic effect on the ability of farmers to sustain consistent crop growth. There was also a strong belief that farmers were more susceptible to fluctuations in commodity prices that could lead to low farm incomes and high consumer food costs. State intervention was therefore seen as necessary in order to create a stable and efficient agricultural sector (Skogstad 2008, 9).

This state assistance paradigm was consistent with the broader ideological framework of the period. Liberalism and the post-Second World War Keynesian State supplied the rationale for a state assistance model in agriculture (Skogstad 2008, 10). The economic feasibility of this paradigm ultimately depends, however, on an agricultural sector's dependence on export markets, the financial welfare of the sector, and the resources of government (Skogstad 2008, 13). When market failures signalled a weakness in the Keynesian model in the late 1970s, governments began to rethink the dominant model. Some argued that state assistance in the sector undermined competitiveness and created a farmer population dependent on the state. Others argued that the model favored large industrial farms and failed to offer equitable assistance to all farmers and, as such, it contributed to a system in which large commercial farms replaced local family farms (Skogstad 2008, 11).

In the Canadian context, however, fiscal realities eventually forced the Canadian government to re-evaluate its approach to state assistance in the agricultural sector and to turn toward fiscal restraint in the 1980s. A massive drop in prairie grain farmers' incomes exhausted the Western Grain Stabilization funds and forced the Canadian government to bail out its 750 million dollar deficit. In 1986 and 1987 the Mulroney Conservatives paid 2.1 billion dollars to prairie farmers under the Special Canadian Grains program and from 1986 to 1989 the Government spent another five million dollars in income safety net spending (Skogstad 2008, 75). It soon became readily apparent that the government could not sustain this approach to the agricultural sector and policies began to change.

In the Uruguay Round negotiations on major reform of the world's trading system (beginning in 1986) a more liberal market model of agriculture was supported by the United States and several of its trading partners, who advocated for the dismantling of all trade

restricting instruments within ten years. The European Community (EC) proposed a much more modest reform. It argued that governments should have the right to decide which programs and policy instruments they alter and that it was necessary to protect farmers from foreign competition and to subsidize certain sectors of agriculture in order to ensure food security and rural development. Japan, South Korea and several developing nations supported the EC position (Skogstad 2008, 61).

Around the same period a series of bilateral and multilateral negotiations were also taking place. In 1989 the Canada-U.S Free Trade Agreement (CUSFTA) was signed. Not long after, Canada applied for membership in the Organization of American States (OAS) and became involved in the creation of the Asia Pacific Economic Cooperation (APEC) forum. Canada's decision to join the OAS was seen by many analysts as a regionalist turn in Canadian foreign policy, which had previously been oriented toward promoting active multilateralism globally as a way of counter-balancing the power of the United States (Keating 1999, 238). In 1994 the turn to regionalism was confirmed when Canada, the United States and Mexico created the North American Free Trade Agreement (NAFTA). Since then, Canada has had to balance its commitments under NAFTA with those agreed upon by the international community.

For the Canadian agricultural sector, NAFTA was a dramatic turning point in the sector's trade orientation. Domestic demands for reform made the promise of deeper integration with the United States seem very attractive to both government and corporate stakeholders. Prior to NAFTA, and after consultations with the provinces and the agrifood industry, the Canadian government had issued a revised blueprint for the agriculture sector entitled *Growing Together* (1989). This new plan for the sector called for a more market-oriented approach to agriculture

and a more self reliant sector that would depend on the market for reasonable returns (Skogstad 2008, 70).

Growing Together outlined three strategies for dealing with risks associated with farming. The first strategy was to make it the primary responsibility of the farmers to make strong managerial decisions to maximize income and rely on the market to provide adequate returns. The second strategy involved the partnership between producers and governments to create farm stabilization programs that provide short term relief when fluctuations in the market pose short term risks to farmers. The government would also help protect farmers' long term investments by providing tax provisions and credit arrangements appropriate to individual farmers. The third strategy involved a system that could offer farmers assistance to cope with disasters or prolonged depression in the markets (Skogstad 2008, 76). To implement this system, Parliament passed The Farm Income Protection Act (FIPA) in 1991, which would act as the guideline for federal-provincial agreements on income safety net programs. These agreements, which would prevail into the 21st century, had five main principles: that programs should not have any substantial influence over the production and marketing decisions of farmers; that programs should receive equitable levels of protection across commodities and across regions; that programs should meet international obligations; that they should endeavor to protect the long term social and economic well-being of farm families; and that they should help encourage environmental sustainability (Skogstad 2008, 78).

The World Trade Organization Agreements

In 1994, forty-seven years after the GATT, the Marrakech Agreement establishing the World Trade Organization (WTO) was signed setting out a single institutional framework encompassing the GATT, as modified by the Uruguay Round, and all of the agreements concluded under its auspices. The first two goals of the Marrakech Agreement were the same as those outlined in the GATT but the third goal was modified to create a more sustainable approach, which was:

To expand the production of and trade in goods and services, while allowing for the optimal use of the world's resources in accordance with the objective of sustainable development, seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with the Parties' respective needs and concerns at different levels of economic development (Cosbey 2009, 6).

The Marrakech Agreement was fairly comprehensive in its effort to create a level playing field for the developing nations of the world. Under the new agreements, agriculture would no longer be excluded from international trade agreements. The WTO ushered in a new era in agricultural trade characterized by the internationalization of domestic politics and policies on agriculture and food. International rules and institutions would thereafter constrain domestic trade policies in the agricultural sector (Skogstad 2008, 61). The GATT agreement on agriculture required that countries make binding agreements on market access, domestic expenditure support and export subsidies. Countries were only allowed a small quota on imports with tariffs, and imports beyond the quota were subject to excessively high tariffs. Countries were also required to reduce domestic support for local agriculture by twenty percent, to reduce existing export subsidies and not to create any new ones (Skogstad 2008, 62).

The WTO members recognized that it would not be possible to eliminate all state support of agriculture; therefore, it was necessary to adequately define state assistance that markedly distorted free trade between nations. To achieve this, subsidies were categorized according to a series of color-coded “boxes”. Originally, the categories were intended to be akin to traffic lights: green box subsidies were allowable; amber box subsidies were to be curtailed; and red box subsidies were prohibited (Holden 2005, 6). This analogy was quickly abandoned, however, because member countries could not come to any agreements about which subsidies should be prohibited entirely. The red box was eliminated and, under pressure from the European Union and the United States, a “blue box” replaced it.

Green box measures of support are those that are allowable under the WTO Agreement on Agriculture. They apply equally to all countries. Green box measures must not be trade distorting, they cannot have the effect of providing price support to farmers, and they must involve direct government funding, which cannot be aimed at increasing production levels or shifting market prices. Included in this category are government service programs and direct payments to producers including programs that fund agricultural and environmental research; agricultural training programs; health and safety inspection services; marketing and promotion services; infrastructure services (including electricity, roads, ports, water supply, etc); stockpiling programs for food security; the provision of basic food aid for those in need; decoupled income support measures; insurance, safety-net and disaster-relief payments; a range of programs to assist with structural adjustment; and some environmental and regional assistance programs (Holden 2005, 7). Green box measures are exempt from domestic support reduction commitments and can be increased without any limit.

Amber box programs are supports that are normally prohibited because they are deemed to distort trade. These include supports that have the effect of altering agricultural prices or of changing production quantities. Programs that guarantee a minimum price for an agricultural commodity, an assured amount per acre sown or per tonne of yield for example, are amber box. Under these conditions farmers would receive prices that do not reflect the world economic conditions which could potentially encourage overproduction of commodities, reduce imports, and lower prices.

Blue box programs include domestic supports that require producers to limit their output. While these programs are trade distorting they are considered to be less distorting than amber subsidies because they limit production. Since subsidies normally result in overproduction, which generally distorts trade, it would seem reasonable to allow subsidies that limit overproduction (Holden 2005, 8).

Critics of the WTO Agreements have argued that the terms of the trade agreements have begun to have a dramatic adverse effect on developing economies. The logic behind the competitive model of agriculture assumes that world markets and prices remain stable enough to ensure that competitive farmers can expect a reasonable return on their investments. In reality, however, this expectation has often failed to materialize. Powerful industrialized economies such as the United States and the European Community have continued to offer extensive state assistance to their producers, which means a continued global failure to create a level playing field for developing countries (Skogstad 2008, 73).

In 2002 the total of price supports and subsidies among the Organization for Economic Cooperation and Development (OECD) countries amounted to \$235 billion. Meanwhile, the export price of grain was forty percent below the cost of production. These enormous below-cost

exports drive down the price of grain making it impossible for farmers in the developing world and elsewhere to compete. The International Monetary Fund (IMF) and the World Bank have nevertheless frequently imposed loan conditions on developing countries that require them to open their markets to agricultural commodities from countries that heavily subsidize agriculture. Oxfam research has reported that many developing country markets are now more open than developed ones and imports of cheap (or dumped) agricultural products has surged while export markets for developing countries have not expanded as promised (Canadian Food Security Policy Group 2004, 9). WTO rules governing agricultural subsidies and the removal of tariffs in developing countries have arguably contributed decreased income and increased hunger in developing countries.

The Canadian government has supported trade rules intended to open markets and has generally taken a strong stance at the WTO against U.S. and E.U. agricultural subsidies, which make it virtually impossible for Canadian farmers to survive without subsidies of their own. International pressures have generally contributed to the entrenchment of liberal market policies in Canada, but several developments have been of particular significance to the agricultural sector. International markets have, for example, been disrupted by competition between the U.S. and the E.U. to outbid each other in foreign markets, particularly in the grains and oilseeds sectors. Canadian exporters have also faced American protectionism and non-tariff barriers such as anti-dumping duties (Skogstad 2008, 59). As a result, Canadian farmers groups, ministers of agriculture in the prairie regions, opposition parties and the rural caucus of the Liberal Party all argued for increased federal fiscal support of the sector in order to put Canadian farmers on a level playing field with their international competitors (Skogstad 2008, 88). Thus far, the Canadian Government continues to design agriculture policies to meet the requirements of the

WTO stipulations and of NAFTA, but the government has also made some efforts to increase fiscal support to farmers in view of the farmer income crisis in Canada (Skogstad 2008, 73 & 74).

Farmer Income Crisis in Canada

Farmers in Canada have generally not seen a profit since 1996. Operating expenses have risen dramatically while only modest gains in cash receipts have been made. Net farm income in 2000 was only 2.6 billion dollars, roughly the same as in the previous three years, while in 1975 net farm income was a record 11.1 billion dollars. Even though net farm income has fluctuated there is a general downward trend; farm income has gone down by 8 billion dollars over the 25 year period. There is no question that farmers in Canada are being pushed off the farm by rising costs and decreasing profits (Bowlby 2002).

Figure 2: Lack of farm profit growth may be pushing some people of the farm

Farm units and the number of farmers are also in steady decline. In 1941 there were 750,000 farms in Canada. By 1961 there were 500,000. In 1985 there were 300,000. By the early

2000s there were only 200,000 farms left. From 1988 to 2002 Canada has tripled agrifood exports but net farm income fell twenty-four per cent during the same period. Further, farm debt has doubled since the introduction of the US-Canada free trade agreement and interest on farmers debt now nearly equals net farm income ('Free Trade: is it working for farmers?', 2002). The Table below gives an indication of the increasingly divergent relationship between farm income in Canada and agri-food exports from Canada.

Canadian agri-food exports and realized net farm income: 1970-2002

Sources: Stats. Can., *Agricultural Economic Statistics*; Agri-food Trade Service, International Markets Bureau.

Figure 2 Canadian agri-food exports and realized net farm income 1970-2002

An Ontario vegetable and grain farmer that I interviewed told me that she used to have cattle and other animals but that it was no longer financially viable for her to keep animals. She also used to have one hundred acres of apples but she has been reduced to only twenty-five acres due to increased competition from the U.S. and China, where labour costs are lower. The cost of

labour in Canada went up by 30 percent since the increase in minimum wage and her wages now constitute 80 percent of her inputs. The price of fuel and fertilizer has also gone up. She only has one person who is willing to distribute her apples. She also used to have 20 acres of pick-your-own strawberries but now has only 6 acres because people who used to come to the farm to pick berries and freeze them now buy frozen berries grown outside Canada for much less. The farm gets by growing what they can sell at the roadside market because they have a good location that is very accessible.

Another Ontario vegetable farmer remarked that he had 198 acres of asparagus before free trade and 50 acres after. The jobs have also gone elsewhere. When free trade was implemented there were 12 companies in Ontario processing asparagus and now there are none, besides his tiny processing facility.

There is clearly a crisis in Canadian farming, but the cause is hotly contested. Exploring in-depth the cause of the farm crisis is clearly beyond the scope of my research but researchers have identified several possible explanations including the high cost of inputs, low commodity prices and competition from other markets. The following chapter looks closely at the competing explanations of the farm income crisis and how the farmers I interviewed understand the causes of the crisis. By exploring some of the perceptions of those most affected it may be possible to contribute some ideas for positive ways to move forward and where further research may be valuable.

Chapter 4. Perspectives on the Farming Crisis in Canada

In this chapter I look at competing explanations for the farm income crisis by comparing the available literature with the opinions gathered from the farmers interviewed. As an extension of this I look at the arguments in favor and against liberalized trade in agriculture. Then I examine the role of subsidies and whether or not they are considered an effective tool in addressing the farm income crisis. Next, I look at the role of tariffs in protecting domestic markets and whether the farmers I spoke with believe that the government should implement tariffs on imports. I address the role of regulatory bodies and marketing boards in protecting Canadian farming industries and if the farmers interviewed believe that such bodies are effective in supporting farmer interests. I also examine the perception among some farmers that standards and certification procedures are sometimes a trade barrier or an impediment to competition. I then look at how technology has impacted the ability of farmers to compete in the global market and how some of the farmers I spoke with have turned to organic production as an option for addressing low farm income. Finally, I speak to a reoccurring theme in my interviews; that the “true cost of food” is distorted by the current agricultural economy. In order to highlight some of the divergent views among farmers, governments, and academics, arguments and commentary from members of all three groups is included.

Competing Explanations

For many analysts, the Canadian priority for the agricultural sector should be to guarantee access to the U.S. market, by far Canada’s largest trading partner. In essence, this means eliminating barriers to trade that conflict with an integrated Canada-U.S. economic space

(Goldfarb 2005, 24). Other analysts argue that bilateral negotiations undermine the effectiveness of multilateral agreements and create economic and political unrest, as favoured nation rules serve to alienate nations who are unsuccessful in forming bilateral agreements. Still others argue that we must turn back the tide on all multilateral, bilateral and regional trade agreements because the general liberalization of trade has tended to support the interests of economic elites and has done little to create economic prosperity for citizens. The farmers that I spoke with felt that the agreements under NAFTA had tended to serve American interests, often at the expense of Canadian interests. This perception is based on the understanding that American negotiators have a stronger bargaining position and are thus more effective at advancing their own interests. It is also based on the perception that the Canadian government is more willing to concede to American demands. Overall, however, there was no general agreement among farmers regarding how bilateral or multilateral agreements have affected them.

Vertical Integration and the Agribusiness Cartel

The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays the freight both ways. — John F. Kennedy

One proposed explanation for the farm income crisis is the phenomenon of vertical integration, which refers to the process whereby single companies or conglomerates acquire ownership over multiple stages of activity within the agrifood system. Vertically integrated companies like Cargill/ Monsanto, Novartis/ADM/IMP, and ConAgra control about 40 percent of world trade in agriculture and food production (Skogstad 2008, 17-18). The market power and the political influence of other producers has arguably been undermined by increased attention to

competitiveness in the global marketplace and the massive restructuring of the agricultural industry by vertically integrated multinational firms. Vertically integrated multinationals can grow food in multiple countries and can limit losses in one segment of production because they have good returns elsewhere. Small scale farmers, on the other hand, are only involved at the production stage and have had difficulty organizing and forming coalitions with groups like distributors and packagers (Skogstad 2008, 20). The decrease in the overall number of farms in Canada has thus been accompanied by an increase in the number of large farms as well as the mechanization of food production. In 2005 farms that reported sales of over \$100,000 a year accounted for a third of the total number of farms in Canada and 90 percent of food production (Skogstad 2008, 17).

Richard Doyle, executive director of Dairy Farmers of Canada, and president of the International Dairy Federation, recently criticised the E.U. and the U.S. for trying to open up international markets while the market for dairy products in other countries is already dominated by domestic producers. Respondent 12, an Ontario organic dairy farmer, echoed this sentiment arguing that, even though most countries produce their milk domestically, the E.U. and the U.S. nevertheless seek to take over these domestic markets. This farmer feels that these governments seek to centralize power around a small group of corporations and to gain control over every aspect of food production. He stated the belief that the role of Cargill in the meat industry particularly exemplifies this type of aggressive behaviour by a corporation. His understanding is that Cargill stockpiles animals by buying a massive amount at cost. Then they flood the market, which crashes as a result, and small farmers are forced to sell their cows cheaply to Cargill and go out of business because they cannot make a profit anymore. After gaining a greater market share this way, Cargill is then free to increase the price again.

Very large corporations thus have the power to create excesses and shortfalls in the market, which determines prices and can drive competitors out of business, giving the corporation a consolidated monopoly on the sale of a particular product. Respondent 12 thinks that free trade and subsidies work to perpetuate this system and he believes that the economic paradigm behind this system is the crux of the problem... “The free market philosophy is fundamentally flawed because free markets do not create competition, they create monopolies. Subsidies are not effective in trying to control the bulges in the food supply, they simply don’t work”.

Similarly, respondent 11, an Ontario organic grain and vegetable farmer, thinks that we are deceived if we believe that governments actually subsidize farmers; they subsidize Cargill, Tyson, and Dole, while also offering them tax receipts to open up foreign markets. When the government subsidizes trade, they tell farmers they have to produce more to stay competitive but the farmers feel that they can never produce enough. He believes that farmers on both sides of the border are in the same situation: “The problem is that no money is going to farmers. The government pretends that they subsidized all these farmers to protect our domestic food supplies but they are only protecting export markets. We have some of the richest farm land in the world but Toronto could actually run out of food in only a few days if imports stopped”.

Derrin Qualman, farmer, political scientist, and executive secretary for the National Farmers Union, also contends that free trade agreements have transformed the size and market share of players in the agri-food production chain. Qualman argues that free trade has two effects on agriculture; it forces all farmers to compete in a single market, and it encourages agribusiness mergers. Qualman believes, therefore, that it is up to the Federal government to protect Canadian farmers from future losses due to free trade agreements (Qualman 2004). Qualman, and other

critics like Nettie Wiebe, former president of the NFU, dispute the argument that Canada's farm income crisis is largely a result of a distortion in the markets caused by domestic farm subsidies and overproduction in the U.S. and the E.U., which drives down the prices for Canadian farmers (Qualman 2001, 4). They try to demonstrate how production has actually increased at a comparable rate in countries where the government does not subsidize agriculture and that statistics do not show a causal relationship between highly subsidized farming and increased production (Qualman 2001, 9-10). They also admit, however, that this is unlikely to persuade European governments to reduce subsidies because European citizens and politicians want to see small farms continue to flourish in the countryside. They would like to maintain rich, populated rural communities and will do whatever is necessary to protect farmers from unfettered international market forces (Qualman 2001, 12).

Qualman argues that the real explanation for the farm income crisis is a much larger problem of market failure due to an imbalance in market power. The market has failed to return a fair and adequate share of consumer dollars to the small and medium sized farmer. There is an enormous revenue stream in the agri-food sector but farmers are not able to receive a reasonable return on investment because too much of that revenue is directed elsewhere on the vertical chain of food production. As Qualman explains, at the top of that chain are the oil and gas industries. Further down the line are the oil refineries that turn diesel into fertilizer. Below that there are the chemical companies, machinery companies, seed companies and banks. Then in the middle comes the farmer. Finally, comes the grain companies, railways, processors, packers, brewers, retailers and restaurants (Qualman 2001, 15).

Nearly every one of those links is dominated by two to ten giant transnational corporations. These multinationals upstream on the agri-food chain are able to extract huge

profits from the sale of fertilizers and machinery to farmers while a handful of processors and retailers downstream demand those farmers sell their crops at unreasonably low rates. Farmers are thus left with a tiny fraction of the profits extracted from the larger agri-food chain. In 1998 the total gross revenue for all Canadian farms was 29 billion dollars while Cargill, a vertically integrated multinational firm specializing in agricultural products, had gross revenue of 75 billion dollars in the same year. Farmers growing cereal grains, for example, are pushed toward bankruptcy while the small numbers of firms making breakfast cereals are reaping huge profits. In 1998, while one bushel of corn sold for only four dollars, processed corn flakes sold for 133 dollars a bushel. In that same year, cereal companies were 186 to 740 times more profitable than the farms (Qualman 2001, 17-19).

In 2002 a brief by the National Farmers Union, Canada's first voluntary member-directed national farm organization, illustrated the belief held by many farmers, including Qualman, that free trade agreements have had a negative impact on the lives of farmers. It argues that by removing quotas, tariffs and duties the agreements remove all economic barriers between nations and force all farmers to compete in a hyper-competitive world market. This hyper-competitive world market tends to drive down commodity prices, making it difficult, if not impossible, for farmers to receive a reasonable price for their products. Increased international trade also increases competition which can motivate agribusiness to create mergers that eliminate smaller competitors. Trade agreements and globalization thus decrease farmers' prices and profits and tend to increase the profits of large agribusinesses corporations, especially those that have successfully vertically integrated their businesses. Thus while free trade agreements increase trade they also serve to dramatically alter the size and market share of some of the actors within the agri-food sector ('Free Trade: is it working for farmers?' 2002).

R. Dennis Olson, a Senior Policy Analyst at the Institute for Agriculture and Trade Policy, also agrees with Qualman. He argues that NAFTA has resulted in an increased market concentration of global food corporations and a virtual cartel of corporate leaders who exercise control over the availability and price of food. As such, farmers simply cannot get a fair price for their products while consumers are charged exorbitant prices for products. Both farmers and consumers are losing as a result of NAFTA. (Olsen 2008). Respondent 9, a Saskatchewan grain and oilseed farmer, said that the two biggest plants in Saskatchewan that process beef are American owned so when beef farmers in Saskatchewan bring their cattle to auction there are usually only two bidders and they always bid low. They bid high enough to keep cattle farmers in business but the price is still very low. The organic beef industry is also dominated by only a few big players so it makes it very difficult to compete. He thinks that the modification or elimination of NAFTA would likely solve these problems because his perception is that NAFTA is the reason that big American companies have come to control most of the Canadian market.

Respondent 6, an Ontario grain farmer I spoke with, said he is concerned at the potential demise of the dairy sector in Ontario because it is so vital to the whole agricultural sector. A lot of the small dairy farmers are disappearing and the bigger companies develop supply chains across borders so that the local commodity chain is damaged. The local infrastructure is then also damaged and many of the 26 per cent of people that depend on the agricultural sector lose their jobs. Respondent 12, an Ontario dairy farmer, said that he believes that the Harper governments' economic paradigm is fundamentally flawed and serves to perpetuate a system that centralizes wealth in the hands of a small number of multinational companies:

Harper has said that his hero is Adam Smith but that is quite scary considering that Smith was proved wrong by the Pulitzer Prize winner John Forbes Nash who proved using mathematics

that Smith was wrong. The basic tenet of Smith's theory was that if we both compete to the detriment of each other we will stimulate the economy and generate wealth for everyone: "the trickle-down effect". Nash used math to prove that Smith's theory was wrong because it created power vacuums. He said that countries need to look at each other's interests and decide on compromises. If both countries could not get everything they want they should agree what their second choice and reach agreements that will help countries help each other meet their basic needs....In a CBC interview one of the top executives of Cargill was asked what the company will do if all the farmers go broke. The questioner had mapped out the prices and costs and determined that all of Cargill's suppliers would be broke in ten years; The rep from Cargill said that actually it would take eight years because Cargill itself will go broke if Walmart keeps demanding a lower price for their meat. Walmart always threatens to buy from somewhere else and Walmart could actually put Cargill out of business.

The respondent thinks that our way of thinking is archaic and many people have recognized our behaviour as self-destructive but companies and governments continue along the same path because they are locked into the system. "They know the system is falling apart but they do not explore other options because at the moment they are making money". Vertical integration is part of what some farmers see as a much larger problem in society: that the economic system tends to create oligarchies and pockets of immense wealth, and an ever widening disparity among the world's population. While corporate elites gain power and control over the food supply the primary producers are like serfs; working long hours and remaining indebted to those that control the markets.

In Support of Liberalized Trade

Supporters of free trade agreements believe that it is better if governments interfere as little as possible in the market. Many agricultural economists argue that state assistance unduly burdens taxpayers, distorts the effects of agricultural markets and foregoes the benefits of making agricultural trade more competitive. Further, they argue that there is no solid evidence to

support the conclusion that free trade has unduly burdened the farming sector. Members of both the International Agricultural Trade Research Consortium and the International Policy Council on Agriculture and Trade advocate, therefore, for an end to state intervention in agricultural markets and for limited state protectionism of domestic markets (Scogstad 2008, 60). They argue that these measures are exceedingly expensive and do not achieve the desired market stability.

Many also believe that mergers and agri-business conglomerates will provide Canada with the best possible footing to compete in the global market. According to the competitive agricultural paradigm, governments should try to facilitate the move toward free markets by providing short term farm income safety nets that are designed to encourage farmers who are not competitive over the long term to exit the sector (Skogstad 2008, 23).

Michel Kelly-Gagnon, President of the Montreal Economic Institute, contends that consumers in regulated markets are not well served because they have less choice and they must pay more for what is offered. Kelly-Gagnon asserts that opponents have failed to show why free trade has been a detriment to consumers in the developed or developing world and that they are just holding on to nostalgic values. He argues that free trade “increases choice, fosters competition, forces producers to better answer consumers’ needs, brings down prices, and makes everybody richer.” When cheap foreign food is sold to poor countries, consumers can either buy more food or they can buy the same amount of food and have more money left to spend on other things that will improve their standard of living. Farmers can invest and adopt new techniques to stay competitive, they can switch to other crops for which there is a new demand, or if they are inefficient they can leave the fields and make way for more industrious producers (Kelly-Gagnon 2001).

In Support of Increased Regulation in Trade

Cultural impact.

Some believe that liberalized trade has led to a culture that favours economic interests over human health, the environment and social justice. Trade in other commodities in the globalized marketplace have far reaching effects but the stakes in agricultural trade are higher. Not only is food the source of our continued existence it also has major personal significance. Feminist writer Deborah Barndt argues that we are all both victims and agents within a global food system, both depending on it and resisting it. In her book *Women Working the NAFTA Food Chain: Women, Food and Globalization*, Barndt writes that,

While the larger system and process may indeed seem at times overwhelming, we all end up grappling daily with many small beasts that make up the monster: the commoditization of food, the distance between production and consumption, the restructuring of work, and the alienation of shifting eating practices (Barndt 1999, 20).

Farmers' lives and rural communities in Canada have undoubtedly been dramatically altered by the globalization of the food system and the industrialization of agriculture. An Ontario cattle rancher I spoke with recalled that only forty years ago every farm on his road had milking cows and now there are none. The community was strong because the farmers in his area fuelled the rural economy and invigorated the local community. He recalled a ripple effect through the whole rural community when farmers went out of business. He believes that the government definitely has a responsibility to protect farmers because if the government protects farmers everyone else in society is better off. He is afraid for the future because everything is getting bigger and bigger and the only way to make a living is to keep "growing the farm". Beef

and small dairy farmers in his area are going out of business and even some of the bigger farms are trying to plan an exit strategy from farming because it is simply not profitable. The dairy farmers left in his area have to produce three to four times more milk than the average farm thirty years ago and with the low prices and long hours they are frustrated and disheartened.

Subsidies

One of the most common methods used by governments to protect farmers from losses associated with the market is to offer subsidies. As outlined in chapter three subsidies fall into three categories under the WTO agreements on agriculture. Under the category of green box supports there are two major types of supports: government service programs and direct payments to producers. Examples of green box supports include agricultural training programs, health and safety inspection services, agricultural and environmental research programs, marketing and promotion services, basic food aid, and infrastructure services (Holden 2005). Direct payments are only considered green box supports when payments are not linked to the production decisions of producers. These income support measures include insurance, safety-net and disaster-relief payments, several programs to aid with structural adjustment, and some environmental and regional assistance programs (Holden 2005).

Canada's "Green Box" Supports – 2000 (\$ million)	
Government Services	
Research	410.8
Pest and Disease Control	23.0
Training Services	71.8
Extension and Advisory Services	201.1
Inspection Services	434.5
Marketing and Promotional Services	63.4
Infrastructure Services	94.5
Environmental Programs	73.2
Other General Services	5.0
Other	0.4
Income Supports	
Decoupled Income Support	360.0
Income Insurance and Income Safety-Net Programs	576.6
Regional Assistance Programs	0.9
Total	2,315.2
Source: WTO Committee on Agriculture	

Figure 3: Canada's "Green Box Supports in 2000

Amber box programs are those that are considered to distort production and trade by disrupting economic signals. This happens when farmers receive prices that do not accurately reflect the economic conditions which can cause overproduction, reduce imports and contribute to lower world food prices. Amber box programs include measures used to support agricultural prices, or subsidies directly related to production quantities. Any program that guarantees a minimum price for a commodity, or one that pays farmers a certain amount per acre sown or per 38one of yield, qualifies as an amber box support (Holden 2005).

Canada's "Amber Box" Supports – 2000 (\$ million)	
Non-Product-Specific Aggregate Measures of Support	
Net Income Stabilization Account (NISA)	381.0
NISA Enhancement	52.8
Crop Insurance	347.7
Waterfowl Crop Damage Compensation	6.4
Canadian Adaptation and Rural Development Fund (CARD)	35.8
Provincial Programs	349.1
Provincial Credit Concessions	51.6
Federal Credit Concessions	-27.9
Others	10.9
Total	1,207.4
Total Value of Production in 2000	31,746.6
Non-Product-Specific AMS as % of Total Production	3.8
Source: WTO Committee on Agriculture.	

Figure 4: Canada's "Amber Box Supports in 2000

Blue box programs include domestic supports that would normally be considered trade distorting but include measures that limit production. Since they do not generally result in over-production they are not placed in the amber category and are sometimes allowed (Holden 2005). Every year the federal government submits a report to the WTO on the amount of amber box supports paid out both provincially and federally as amber box subsidies are being phased out under the WTO rules.

Most supports currently being offered by the government fall into the category of green or blue box supports. Some of the programs offered by the federal government are: 'Agri-Insurance' which is a federal and provincially funded program meant to help farmers with income losses caused by natural disasters; 'Agri-invest' which helps farmers manage small income declines and provides investment support for investments that will help reduce risks or

improve income; ‘Agri-recovery’ which is meant to help producers resume business operations quickly and to mitigate the impacts of a disaster; and ‘Agri-stability’ which is meant to provide support when producers experience a large margin decline (‘Agriculture and Agri-food Canada, Growing Forward Initiatives’ 2010). These support programs are being offered to farmers and producers in all sectors with exceptions for those producers that are part of a supply management regime. Producers under supply management regimes are considered to be part of a Business Risk Management program (BRM) and they have limited access to the programs listed above (Agriculture and Agri-food Canada, ‘AgriStability: Treatment of Supply Managed Commodities under the new Business Risk Management (BRM) Suite’ 2010).

Among those I interviewed there was no general agreement regarding subsidies; however, it was obvious that all of the respondents felt that subsidies were an important issue and that the government’s approach to subsidization in agriculture either influences their own business, the world market, or developing nations in both positive and negative ways. In some cases subsidies were needed in order for farmers to stay in business while in other cases farmers felt that subsidies were giving their competitors an unfair advantage and therefore adversely affecting their businesses. Some suspected that they had to rely on subsidies because the market was distorted by subsidies in other countries. Others believed the opposite, however, and found that subsidies are irrelevant because they do not help Canadian farmers stay competitive and the real reason why other countries have an unfair advantage over Canadian farmers is because of cheap wages and slack environmental regulations.

Many of the farmers I spoke with only supported moderate government support programs while some were opposed to subsidies altogether. Several farmers supported crop insurance but most were disappointed with the agri-stability program. Many also advocated for other kinds of

supports such as environmental stewardship programs, financing for training and marketing, and programs to support and recruit new farmers.

Questions regarding the exact nature of “subsidies” arose often throughout the interview process. While farmers rarely receive direct subsidies from the government, they do pay into a variety of government run insurance programs. State assistance often has negative connotations and farmers do not generally want to be seen as relying on the government for assistance even though they may be obliged to do so. I employed the word ‘subsidies’ in my interviews because even though it does not technically describe the full range of state assistance programs it is a term commonly used and understood to describe these types of programs generally. The application of the term throughout this paper can thus be understood to refer to state assistance to farmers in general, except where clearly indicated otherwise.

Farmers in support of subsidies.

A number of farmers came out in support of subsidies but they had varying ideas on what the most effective method of subsidization would be. Some said we should focus on subsidies that help farmers market their products, some said we should focus on research and development while other thought the focus should be on environmental initiatives.

Dennis Jack, the president of the Ontario Corn Producers, speaking to the House of Commons Standing Committee on Agriculture in 2001, argued that the government should subsidize Canadian Farmers to the same extent that the U.S. government subsidizes its farmers (Skogstad 2008, 89). He asserted that stated reductions in world agricultural subsidies had failed to materialize and that farm subsidy levels in fact far exceeded pre-WTO agreement levels in

most industrialized nations. Further, since NAFTA had virtually eliminated all border restrictions, Canadian farmers were directly competing with U.S. growers.

For some farmers, there are important reasons to subsidize farming and governments should not be pressured into reducing subsidies. Respondent 9, a Saskatchewan organic grain and oilseed producer, said that he thinks the U.S. and the E.U. should continue to subsidize its agricultural sectors and that Canada should follow suit. He believes that society should help to maintain the low cost of production in the interests of our sovereignty and security.

After two world wars European nations are going to make sure that they protect their own farm industry. It is really a food security method because they realize it might not be possible to rely on imports. Our political stance against subsidies has gotten us nowhere and it won't get us anywhere.

The respondent thinks that the federal government should protect farms because farmers have no political power and they are not always able to depend on the market. He argues that the government has to realize that food is the basis of society and political unrest is most often caused by disturbances in the food supply. The government therefore has to make food security a priority for everyone. The farmer believes that the current government has failed terribly at prioritizing our food supply.

In Saskatchewan the beef herds have been drastically reduced because farmers can't make profits anymore. The government has to intervene if they want these industries to stay in Canada but they have not done so. Food is the most basic need of any society. The government spent 56 billion dollars on infrastructure last year. That was a good idea but if they had spent 2 billion a year every year they would have had a comprehensive food security policy in place now and producers would be able to make a living.

Similarly, respondent 3, an Ontario blueberry farmer, said he does not know if blueberry farmers in the United States are given subsidies but he believes that we should have as many local farmers as we can in Canada, which sometimes means the government needs to give subsidies to their domestic farmers. He thinks that the government has a responsibility to protect Canadian farmers but he is not sure how that should be done. He thinks that Canada should be able to produce enough food for domestic consumption without having to import anything because we should not have to rely on other countries, otherwise we will have to accept whatever they are willing to give.

Respondent 2, an organic grain and cattle farmer from Saskatchewan, believes that subsidies should be offered to farmers to process and market their own products. The government could help farmers learn to market their own products or even facilitate the ability of farmers to do everything from growing to processing. He thinks subsidies should also be offered to farmers for education, research and development. The respondent believes that there are more than enough subsidies on things like chemicals and equipment, which help to meet our short term needs but are not sustainable. He believes that long-term measures should include other types of subsidies. He gave the example of greenhouses in Canada: the greenhouse does not need fuel subsidies or crop insurance but farmers need subsidies to build greenhouses. The respondent has to work two other jobs to sustain his farm and he believes that this is because he does not have the money he needs to make investments that could help him to use his land more efficiently. It would be profitable for him to be able to build a greenhouse and grow crops other than wheat and grains. The respondents' comments indicate that subsidies could be directed at addressing some of the inherent disadvantages of farmers in a Northern climate. They also address a wider

theme; farmers would generally like to have greater autonomy and more control over their production decisions and distribution channels.

Respondent 5, an Ontario vegetable farmer, said that he would not be able to farm if it were not for subsidies like crop insurance and money for training and marketing, but that generally there are very few subsidies available to him that address key problems such as wages. His wage costs alone have gone up 75,000 dollars in the last few years and with the exchange rate now on par with the Americans he has lost another 75,000 dollars in income because of competition with U.S. imports. This means that he is out 150,000 dollars more than usual this year. He also faces additional competition from countries like China and Peru where they pay far lower wages than he and other Canadian growers do. He believes that tariffs would be the most effective tool to offset this disadvantage but that subsidies would help if tariffs could not be implemented.

Respondent 1, a Saskatchewan grain farmer, said he does not receive subsidies but if he did he thinks they would benefit him if they covered transportation costs. When he sells his wheat to the wheat board he is charged a substantial amount of money for the cost of transporting the grain. Shipping costs are covered by farmers and it is a considerable amount of money that really affects their profit margins. The respondent said that all kinds of subsidies help but that farmers should not just run to the government for help every time there is a problem.

Respondent 13, an Ontario cattle farmer, said that when the U.S.-Canada border was fairly open for beef Americans were the biggest consumers of Canadian beef and subsidies were not necessary, but when the border closed due to the Mad Cow emergency, government subsidies were the only thing that kept him in business. As such, the problem in farming, he argues, is that it is highly unpredictable and difficult to know what kind of government support will be needed

from year to year. From 2003 to 2011, for example, there were six or seven years where prices were really poor and the government could have offered more assistance in those years. Supply and demand fluctuates, however, and the government programs that are meant to stabilize the farmers businesses do not function very effectively. This rancher has been a member of the agri-recovery program but he found that it was not worth hiring an accountant to fill out the complicated paper-work because he received so little money in return.

Respondent 9, an organic grain and oilseed farmer from Saskatchewan, who participates in the crop insurance and agri-stability programs, had a particularly interesting perspective on the role of subsidies in agriculture. For him, subsidies could mean that the tax payer would pay the real cost of food production. He believes that because consumers will not pay more for their food (citing seven percent expenditure by the average Canadian family) the farmer is paying the cost of production and many farmers have huge debt as a result. He is therefore in favour of some subsidies and believes that the farm sector has been subsidizing consumers for too many years.

The results from farmers who support subsidies suggest that the types of subsidies needed by farmers are sector specific. This will be important for the government to consider when moving forward. It may also mean that the government could offer minimal investment and support farmers' interests effectively by offering strategic subsidies based on sector specific requirements. The comments also reflect the sentiment among some farmers that while farmers are generally efficient and adaptable enough to survive without government support, subsidies are sometimes essential. Some farmers also believe that strategic subsidies are not just put in place to protect farmers and farms but also to fulfill a broader government responsibility to all Canadians.

Farmers against subsidies.

For some, the solution to the farm income crisis is not to be found in subsidization, but in its opposite: the forced removal of agricultural subsidies in developed countries and of tariffs in underdeveloped ones. A discussion paper from the Canadian Food Security Policy Group, an organization that is working with farmers, development agencies and human rights groups to advance the goal of universal access to food, contends that these two key trade policies work together to perpetuate world hunger and must be eliminated. In 2002 the developed world's supports and subsidies totalled 235 billion dollars and the cost of exporting grain was up to 40 percent below the cost of production. Massive below-cost exports drive down the world price and make it impossible for poor farmers to compete. According to the paper, subsidized exports also compete unfairly with those from Canada.

The authors argue that Canada must re-think its positions and alliances at the WTO in order to advance the food security needs of developing countries and to protect the interests of Canadian farmers (Canadian Food Security Policy Group 2004, 8). They believe that both these goals can be met through better regulations and international agreements. As such, agricultural subsidies should be brought under stringent multilateral controls, which will help to curb overproduction, to raise the cost of agricultural commodities and to protect countries from dumping practices. They also believe that the elimination of export subsidies should be the first but by no means the only measure to create an equal playing field for WTO members. Canada should also support disciplines on other expenditures that contribute to over-production and to dumping. They suggest a complete reorganization of the "boxes" system that defines what is allowable government spending on agriculture (Canadian Food Security Policy Group 2004, 10).

Some of the farmers I spoke with were also concerned with the implications of subsidies and thought the government should avoid this type of support. Some farmers thought that subsidies lead to overproduction and falling commodities prices, others said they contribute to cheap food policies that encourage lower quality foods to be produced, while still others argued that secondary industries raise prices and swallow up any potential earnings generated by subsidies.

Respondent 1, a grain farmer from Saskatchewan, reflected the belief that subsidies lead to overproduction. He said that protecting our domestic markets through subsidies might cause havoc in other countries and for farmers everywhere because over-subsidization leads to overproduction, which drops the price, causing problems for all small and medium-sized producers who do not have a lot of leeway with respect to profit losses. This respondent did say, however, that there should be some protections when the Canadian market gets flooded from abroad by a commodity that we are already producing a lot of, or alternatively, if there is shortage in something like grain then the government should subsidize to fill the need.

At the moment, for example, the world supply of grain is low and this Saskatchewan grain farmer is making more money than when he was producing large amounts of grain because the price is currently so much higher, but he fears that when he is doing well for this reason, it comes at the dire expense of those who cannot afford the higher cost. The more he produces, therefore, the less he profits; but if he produces less, then some people cannot afford to buy food. In this sense, he sees himself and other farmers as facing a moral conundrum of sorts because they are profiting when those that depend on them cannot afford to eat. He believes a possible solution to this situation is to alter subsidization from year to year to try to manage quantities of

food and therefore regulate the price. He also worries, however, that if farmers rely too much on subsidies then there is a very real chance that they will become inefficient.

Respondent 10, an organic vegetable farmer from Saskatchewan, is also against the use of government subsidies and related support measures. He feels that the programs that are available cost the farmer too much money and the benefits received are not enough to bother paying into the programs. But more importantly, he thinks government subsidies just do not work: “American farms are heavily subsidized but it seems the farmer is farming a government program in that they are often producing something they would not normally produce like bio-fuels”. He also believes that our government should not subsidize at all because subsidies are used to encourage the production of commodities that will help investors profit off the stock exchange.

The same farmer also does not think that farmers are subsidized in order to produce high quality foods for human consumption, which should be their focus. Instead, the approach is driven by American money-driven economics, which is based on gaining advantage over other countries, often to their detriment. He also believes that subsidies contribute to cheap food policies and that low prices encourage people to eat lower quality imported foods. In this vein, people do not pay the real cost of food because the price of food is made artificially low. Consequently, free trade is only free in one direction in that it benefits multinational firms able to take advantage of both the farmers and the consumers. He says that government subsidies enslave consumers in the same way that they have enslaved the American farmers who have to grow food as cheaply as possible.

Respondent 11, an Ontario organic vegetable and grain farmer, said he no longer receives any subsidies and has not received any since he converted to organic production. Much like the

Saskatchewan farmer above, he does not apply because he must enrol in all kinds of programs that cost money to be part of and then he finds that the returns are not high for small farmers. He believes that even if he paid into these programs for years he would still get nothing in return. His view is that these subsidies only benefit large farms.

After Mad Cow the large farms convinced the government to increase the maximum amount of compensation farmers could get. Cargill received 3 million dollars from the government in compensation and the following year they made 3 billion dollars in net profits. Companies like Cargill own a majority share in all aspects of the food chain from the seeds to the manufacturing facilities so they can manipulate the government to change the rules in their favour. The way companies like Cargill raise animals was the reason that Mad Cow started in the first place because they were feeding animal waste products to their cows. Cargill put all kinds of businesses out of work and profits plummet for farmers as companies like Cargill take over more and more of the food chain. The approach is to say that you either need to get big or get out but all the money goes to the other parts of the chain except farming.

Respondent 12, an Ontario organic dairy farmer, said that because the farm is affiliated with a market board they are not eligible for any subsidies, which is the norm in the Dairy sector. His farm is eligible for some subsidies on grains, but only rarely and it never amounts to much. His experience is that subsidies are ineffective because when the government puts a subsidy towards something the costs go up almost simultaneously. The secondary industries swallow up the grants as all of the offshoot industries raise their prices. For example, when the government offers subsidies on veterinary services the veterinary doctors raise their prices. He also feels that in the past the government subsidized farmers who would spend the money and increase production, which would stimulate the entire economy. Now, however, subsidies are ineffective and they all flow into large corporations. He believes that stimulation of parts of the economy to correct imbalances, as advocated by some Keynesian economists, does not really work and it

does not solve the more complex problems with the free market system. He also argued that subsidies are a way to manipulate people and deprive them of their innate right to food:

The right to food is a human right just like the right to free speech. Free speech was not accepted as a human right until very recently in human history even though it seems obvious to us now. If food was a human right, people could not use food as a weapon to control others.

Respondent 10, an organic vegetable farmer in Saskatchewan, said that when we ask if we should subsidize farms we need to consider where the money comes from. We can tax large successful multinational corporations but their taxes are paid out of their profits so they will simply raise the price to consumers to pay their taxes. Consumers are the ones that pay for corporate income tax. The consumer pays all the taxes because corporate taxes are ineffectual.

Respondent 6 fears that too many subsidies leads to what he calls “farming the mailbox”, where farmers try to take advantage of whatever subsidies are available at that time. Respondent 2 offered ethanol production as an example of this phenomenon. Ethanol production is a heavily subsidized industry and the farmers growing it are doing well but the amount of money and energy being put into producing ethanol does not seem to make sense. He believes that the government is propping up an unsustainable market because the energy used to produce ethanol is almost the equivalent of how much energy is produced. He said that the taxpayers are paying for the ethanol which is not fair or good for Canadians.

Some analysts may assume that farmers would support subsidies but as evidenced by my interviews there are farmers who are opposed to subsidies for a variety of interesting reasons. Moving forward, it may be wise for analysts to not assume that farmers want subsidies and to try to find more ways to support farmers without necessarily offering financial support. Given that

there was a strong sentiment from some farmers that subsidies are ineffective it is important to consider alternative ways in which the government can support farmers.

“Supports” of another name.

While some farmers were very comfortable with the idea of subsidies others were not. Respondent 8, an Ontario vegetable and grain farmer, for example, was annoyed by the use of the word subsidy and pointed out the distinction between government subsidies and insurance based programs. She pays a premium to participate in these insurance based programs and only sometimes receives payouts. She pays into the programs to protect her against declining margins but while she has insurance against weather problems affecting her grain crops there is no insurance if her cattle get sick in the winter or if her horticultural crops fail. Further, the programs cannot cover all of her losses and her farm is being insured at a lower level every year as the price of her products decreases.

Respondent 4, an Ontario fruit and vegetable farmer, said he receives checks from our “Boy Scout” government but the government defines them as farm assistance programs and not as subsidies. He thinks that the government resists calling them subsidies so that they can deny accusations at the World Trade Organization that they are subsidizing agriculture. He believes that the government should fund farmers as much as possible with green box supports. This way the government can fund agriculture and not create disputes at the World Trade Organization.

Two forms of support that are allowed in the WTO agreements are the agri-stability program and agri-invest programs. Agri-stability provides support when you experience a large margin decline. The farmer can receive a payment when his/her current year margin falls below 85 per cent of the reference margin. The reference margin is calculated on three of the five

previous years. Agri-invest helps farmers cope with small income declines, and provides some support for investments to mitigate risks or improve market income. Respondent 3, an Ontario blueberry farmer, said he participates in the agri-stability program and agri-invest. The programs do change but he believes that they basically operate on the same premise from year to year, which is as a form of crop insurance. He receives compensation for lost wages in a bad year in the amount equalling his average wages for three of the previous five years of wages. Despite this, these programs are not called crop insurance or subsidies.

Respondent 9, an Ontario grain and oilseed farmer, also receives monies from the agri-stability program. The respondent thinks that agri-invest has some merit but that agri-stability “is a joke”. He contends that, while programs like this look good politically, they do not offer much benefit to farmers. Support is minimal and many farmers do not even bother applying because the process and paperwork is simply too cumbersome. Every year he has to list all of the commodities he sold and all other sources of income and then match those numbers to his financial statements. This information is then used to generate his income number which the government then significantly alters by excluding a whole bunch of expenses. The amount of support provided is also based on a five year average so if you do very badly one year it will not top you up to your normal income as it purports to do. This farmer believes that this scheme is an attempt by the Canadian government to get around NAFTA and to avoid the close scrutiny of the U.S. government.

Even though respondent 9 does receive subsidies, he does not think that farmers would need these if some other things were changed. The respondent echoes a common concern among farmers that current programs do not address the long term sustainability of the sector. Part of this longer-term picture is support for new farmers. He thinks that established farmers can

generally compete without subsidies but that new farmers need more support. New farmers need credit to get into business, for example, but the banks charge excessively high interest and most mortgage loans are all interest and no principle. The tax laws also need to be changed so that farmers can claim losses against their personal incomes. As a seed grower in a finite market, however, he does not want to see other farmers get subsidies to his disadvantage.

Respondent 7, a Saskatchewan organic vegetable and grain farmer, also participates in agri-stability and agri-invest but he does not think that too many subsidies are a good idea. He thinks tariffs and strong policies should be enough to help farmers succeed. If subsidies like agri-stability are the only option then they should average the income over the previous ten years, not five years. He believes that ten years would offer more stability because currently if you have one bad year you can get support but that bad year will really impact the next year's support payments because the average will be based on low incomes from the previous years. Programs to help new ventures and value added programs would also really help. Agri-support and agri-stability are helping his farm but it is not something he can depend on. If he is hit hard one year and gets a pay-out that one bad year of income will be used to calculate his average income for the next years which will mean a significant decline in any amounts he might be able to claim later.

Respondent 9, a Saskatchewan organic farmer, believes that crop insurance is also an effective support for farmers but it is too expensive for organic farmers. He finds that the income support program is less effective and he suspects that the administrative costs of the program are more expensive than what is paid out. For him the paperwork is extremely time-consuming and cumbersome and there is no way to predict how much money will be paid out. Financial institutions do not consider crop insurance part of your expected income because it is so

unpredictable; therefore, they will not honour it. He does not think payments under crop insurance are a significant contribution because his farm has over a million dollars in assets and he received only 1300 dollars last year. This is not a lot of money when he considers his costs. His farm also used to receive assistance under the crow benefit (a grain transport based subsidy) but that was taken away and will not be given back.

There is a perception among some farmers that the government does not in fact subsidize agriculture but offers programs based largely on private insurance models. These programs are funded in part by the government but the farmer pays a percentage of the cost and the farmer depends on the market for returns. The respondents also indicate that there are significant administrative problems with these programs and offer solutions on how the programs can be improved; this type of information from farmers would likely improve the quality of the services offered.

Environmental stewardship programs.

Many of the respondents I spoke with expressed their disappointment with the government's lack of initiative in supporting the environmental initiatives taken by farmers. Often, environmental initiatives mean that the farmer incurs considerable costs. The farmer rarely receives any compensation for these initiatives even though they provide a considerable benefit to Canadians. Farmers often preserve areas of their farms for wildlife at the expense of outputs, they protect water ways by growing trees to reduce pesticide runoff and engage in a wide range of other activities to protect the environment. Respondent 4, an Ontario fruit and vegetable farmer, believes that these environmental stewardship initiatives, while largely unacknowledged, do a service to the nation by keeping farms green and the land healthy and

fertile. As such, they should be paid to maintain the land properly so that the land can remain productive and sustainable. This is already being done in Europe. There, when farmers can show that they are effective environmental stewards, they can receive payments for their environmental initiatives. The respondent believes that there is no political will to undertake these initiatives because farmers are only three percent of the population. He thinks that the issue should be approached as one that addresses our food security interests as a country and not just about protecting farmers. He does not know why the government refuses to promote more of these initiatives when they provide such a clear benefit to society and they are initiatives that would be easily defensible at the WTO.

Canada's growing organic sector would also benefit from such initiatives. Environmental stewardship programs benefit farmers but they also provide an environmental service to all Canadians. Respondent 9, an organic farmer in Saskatchewan, said he paid a lot of money to become certified as organic, and certification assistance would have been a huge help to him since he did not see good returns in the initial years of his farm's transition to organic production. More farmers would make the transition if they received support in the first years because certification costs are high and it takes seven years to make a full transition and receive a premium for organic produce. The Saskatchewan farmer has also kept a lot of his land protected for wildlife even though he could potentially cultivate those areas. He sees the preservation of wildlife on his land as a public good. It is especially beneficial to protect natural environments along water ways running through farming property since uncontaminated waterways provide clean drinking water for the communities around him. If farmers were compensated for protecting these areas it would provide incentive for them to either continue

these practices or even initiate other such projects. Currently, it is the farmer that has to pay to protect the environment but everyone benefits from them doing so.

Provincially, there are currently some environmental programs available to farmers and information can be attained through contacting a number provided on the Agriculture and Agri-food Canada website. Only one farmer I spoke with, however, had an environmental farm plan. An Ontario organic dairy farmer does not receive any subsidies because he is a member of the milk board but he received an environmental grant for having an environmental farm plan. He thinks it was an effective program because with environmental grants everyone benefits from his environmental initiatives. He was the only farmer I spoke to who had participated in such a program. The reason for this might be that the Government of Canada's National Environmental Farm Planning Initiative that helped Canada's agricultural producers develop and implement environmental farm plans was discontinued in March 2009 (Agriculture and Agri-food Canada, National Environmental Farm Planning Initiative 2010).

Respondent 3 believes that the price of food is kept artificially low because farmers in the developing world are able to pay really low wages and are willing to damage and abuse their land. He grows and sells blueberries and even though Chilean blueberries come in the winter and don't directly compete with his blueberry crops they keep the base price of blueberries low which makes it hard for him to get a reasonable price in the summer. It is for this reason that the farmer thinks that the government should fund farmers for their work as environmental stewards of the land, as in Europe. He thinks other countries will pay a huge environmental and long term economic price for not being environmental stewards and the Canadian government has a responsibility to make sure that does not happen in Canada.

Programs for young farmers.

From 2001 to 2006, 61,025 Canadian farms closed operations while only 43,475 new farms came into operation. This means there was a net loss of 17,550 farms. The number of large farms has increased so the statistic is explained in part by land acquisitions by larger operators. At the same time though, close to half of the farms that exited the sector had an operator over the age of 55. This means that older farmers are retiring and there is a need to attract young farmers to the sector (Agriculture and Agri-food Canada, Profile of Young Farmers in Canada 2011). In order to attract young farmers it is important that they are equipped to handle the challenges of farming and that they are able to profit from their enterprise. Young Canadians are attracted to farming for a variety of reasons but profitability is a necessary incentive.

Percent of young and older operators in Canada, 1991-2006

Source: Statistics Canada, 1991 and 2006 Census of Agriculture

Figure 5: Percent of young and older operators in Canada, 1991-2006

Some farmers thought that the government has a responsibility to help young people become established in farming. Respondent 9 said that farmers are getting older and it is very difficult for young farmers to get into the business. He thinks there needs to be a program for young farmers because now the transition to the younger generation is criminal in terms of costs. Getting young people established is costly because farmers have to recapitalize everything when a new generation takes over. This Saskatchewan farmers' son needs one million dollars to buy his farm but that would not even cover any operating costs. He has to hand over the farm to his son and then he has no retirement money or savings at all. If the transition to the next generation does not happen there just will not be any farms. The mean age of farmers is now 56 and there is no exit strategy. The American government's new farm bill has already tried to address this issue by putting programs in place in the United States, but that has yet to happen in Canada. One program lets the farmer rent the land instead of owning it; the young farmer can then finance the costs more easily. This Saskatchewan farmer is concerned with the future of his farm and supporting himself and his wife in their senior years. "Now, in Canada the fathers have to subsidize their sons farming and they don't have a thing left over for retirement."

Tariffs

Under NAFTA the elimination of agricultural tariffs was perhaps the most contentious trade issue. Tariffs were phased out over an extended period of time; in part to reduce the impact that open borders would have on some producers. There was no consensus among the farming community on whether or not tariffs should be reduced. There was no question that NAFTA would be beneficial for some producers but other interest groups feared what open borders would mean for them in terms of their ability to compete for a share of the domestic market. Of the

small farmers that I spoke to, while some supported the general liberalization of trade, most also believe that there is an essential need to protect some industries by imposing tariffs. Some did not feel that this was necessary in their respective industries but they recognized a need for it in certain farming sectors.

The Canadian Food Security Policy Group believes that developing countries must be given some ability to raise tariffs on subsidized imports. A common set of rules for all partners in international trade does not mean that all players will have the same competitive advantage when the gap between high and low income economies is so wide. As Amartya Sen succinctly makes the point: “equal rules for unequal partners make for unequal rules” (Canadian Food Security Policy Group 2004, 10). The group contends that Canada should take these actions to address food insecurity in developing nations but also to ensure that Canada can protect its own agricultural industries that are vital to our food security interests and the livelihoods of Canadian farmers (Canadian Food Security Policy Group 2004, 11).

Twelve of the fourteen farmers that I interviewed expressed the opinion that tariffs should be charged on at least some commodities. Most of the farmers I spoke with thought that tariffs were the only effective means by which the government could control dumping in Canadian markets. Many felt that their businesses had been adversely affected in some way because of the elimination of tariffs in their respective sectors. Some respondents said that tariffs were the only way to protect our domestic sectors because anti-dumping rules were too difficult to enforce and by the time a sector can make a successful anti-dumping claim the sector is often badly damaged.

Respondent 1, a Saskatchewan grain farmer, argued that the government should charge tariffs on some products where it is necessary to the industry’s survival. He gave the example of

pork farmers in Canada who are on the verge of bankruptcy and collapse because pork is being imported from Chile and other places where it can be produced much more cheaply. In such a case he believes that the government should charge tariffs on imported commodities like pork in order to protect our domestic industries from oblivion.

Respondent 9, a Saskatchewan organic grain and oilseed farmer, also think that tariffs should be charged on imports because agricultural products are being dumped on the Canadian market. Under current trade rules Canada must accept chickens from Brazil but he thinks too many chickens are being imported with little regard for our domestic poultry market. He estimates that the average chicken from Brazil costs only seven dollars in the store but the Canadian chickens are much more expensive because costs are higher in Canada (Canadian chickens costing roughly 12 to 16 dollars a head). Although he thinks tariffs are often necessary he also worries that other countries might impose tariffs. He believes that it is important to create a level playing field but that the current playing field is not level so tariffs may be necessary. Similarly, a Saskatchewan organic vegetable and hay farmer also believes the tariffs should be charged on chickens because Canada already produces so many chickens. He believes that the government should not eliminate tariffs on all products because they have at least some responsibility to protect our domestic markets.

Respondent 11, an Ontario vegetable and grain farmer, also said that the government should charge tariffs on some products to protect some sectors from being flooded with imports. Her concern is that imported foods are not meeting our labour or environmental standards and thus can be grown at a much lower cost. Labour costs in Canada also contribute to higher prices; her understanding is that people in China are paid only a few dollars a day while people in

Canada are paid approximately eleven dollars an hour. She wonders how farmers in Canada can compete under these conditions and believes that tariffs are the only available remedy.

Some farmers said that even minimal tariffs would be extremely helpful in supporting the interests of Canadian farmers. Respondent 5, an Ontario vegetable farmer, thinks that the government should charge tariffs on imported products and recalled that before free trade there were at least seasonal tariffs that could be applied to protect Canadian farms. Seasonal tariffs of 15 per cent used to be applied but were given up under NAFTA. He would like to see these applied again in order to encourage the growth of our seasonal farming operations. He does not believe that seasonal tariffs represent a significant impediment to free trade; nevertheless, they are forbidden under the current trade regime. Similarly, respondent 3, the Ontario blueberry farmer I spoke with, said that winter imports do not really affect his business but market flooding in the summer can hurt them very badly. He does think that NAFTA is a good idea; however, he would be pretty upset if the U.S. started sending blueberries to Canada at half the price because this would ruin him. His business had not really changed in the last 22 years until this last year when blueberries flooded the market from other countries, making it hard for him to get a reasonable price.

Respondent 6, an Ontario grain and oilseed farmer from Northern Ontario, said that tariffs should be charged to offset environmental costs, especially in Ontario. He also believes that environmental, health and workplace standards are significantly lower in developing nations so tariffs would level the playing field for Canadian farmers who have to pay more for such things as environmental management and labour related expenses. Another organic dairy farmer from Ontario said that the government should charge tariffs because if there is no protection the only price a farmer can get is the global low, which is not enough to sustain him.

Respondent 5, a vegetable farmer from Ontario, said that he thinks tariffs would protect our domestic producers but does not think that the government will ever do this because cheap imports keep 98 per cent of people happy. He says that farmers are the “sacrificial lambs” of the free trade agreements. “The trade negotiators agreed that overall NAFTA and other free trade agreements were generally good for Canadians; they knew that farmers would not survive and they were essentially sacrificed. Canadian farmers were hung out to dry”. The respondent said that the government needs to put tariffs on subsidized imports that directly compete with Canadian products if they want to protect what is left of our domestic farming sector.

Respondent 12, an Ontario organic dairy farmer, said the government should charge tariffs on imports to control both the quantity and quality of imports. He believes that tariffs are the only method available to protect the domestic market and not just to protect farmers but the whole economic system. He says that true free trade does not and cannot really exist. The opening of markets can destroy the foundations of an economy, which in Canada is agriculture. When Canada makes a trade deal with the E.U. the E.U. puts environmental tariffs on Canadian products, which he believes are just smoke screens to protect their own markets. He joked that only Canadians are gullible enough to believe in Free Trade.

The only farmer I spoke to who felt strongly that tariffs should not be implemented at all also wants to sell his products exclusively in the domestic market. Respondent 2 is an organic grain and cattle farmer from Saskatchewan who sells his grain to brokers who sell it to markets in the U.S., Japan, Switzerland, the U.K. and elsewhere. His cattle are sold only in local markets, which is his goal for his grain as well. He believes that the government should not charge tariffs on imported products because that would be bad for farmers everywhere. Farmers in the U.S.,

just like those in Canada, need to have access to foreign markets. He thinks that the only way to create a level playing field is to apply the same rules across all countries.

The government is currently focused on opening foreign markets and eliminating tariffs to help its domestic exporters; however, the government has a responsibility to all Canadian stakeholders. The farmers that I spoke with feel that they have essentially been offered up as a concession under free trade. While the policy aims may be legitimate, when a farming sector collapses under the pressure of competing with cheaper imports there is a strong sentiment that the government is failing Canadian farmers on the home front. There is also a strong indication that the implicated industry and farmers have not had an opportunity to have any influence in the decision-making process that led to the end result.

Regulatory Bodies and Marketing Boards

The supply management system depends on government regulation to control the sale and/or production of several agricultural commodities in Canada. Supply management is also sometimes referred to as orderly marketing because it is characterized by governments' attempts to stabilize agricultural economies by pooling individual farmers' products in order to market them more effectively. In Canada, wheat, durum, barley, milk, eggs and poultry have been included in supply management systems. The Canadian Wheat Board (CWB) is the most infamous supply management system in Canada. It was adopted by the federal government during World War One in order to control the distribution of grain during the war. After the war it was abandoned until the Great Depression when the government had to intervene to save farmer run wheat pools from failing. National supply management, however, was not introduced until 1972 when the Farm Products Marketing Agencies Act was introduced and provincially

mandated marketing boards were brought under the mandate of the federal government. Supply management systems were seen as contributing to the success of several Canadian agricultural industries including the dairy, egg, and poultry industries (O'Reilley 2008). Marketing boards regulate domestic competition; control the price and amount of comparable imports; and try to match demand with production, thereby making it easier for domestic producers to succeed.

The CWB is governed by federal legislation and is directed by fifteen board members. Ten of the members are elected by farmers and five are appointed by the federal government. The organization provides a single window of sale for all wheat and barley growers in Manitoba, Saskatchewan, Alberta and the Peace River District of British Columbia. Price pooling is a central operating principle and the government makes guarantees regarding loans and potential losses. The CWB determines the price for the grains based on market values based on the grades of wheat and pays farmers a percentage in advance. The CWB stores, transports and markets the grains to domestic and export markets and then farmers receive subsequent payments based on sales. The federal government pays for the losses when demand is low and when demand is high the profits are returned to the farmers (O'Reilley 2008).

The Canadian Food Security Policy Group believes that Canada's supply managed sector and the Canadian Wheat Board are positive precedents for developing nations that wish to create mechanisms for strengthening the voice of farmers in a supply chain that is increasingly dominated by corporate control at all other levels of the agri-food chain. Farmers throughout the world and in Canada thus need to be able to cooperate in marketing their products in order to get the best possible prices. Some powerful members of the WTO condemn supply management systems like the Wheat Board as "trade distorting" while the Canadian Food Security Policy Group contends that if disciplines are to be applied to the Wheat Board, they should also apply

disciplines to all entities of comparable market power, including private corporations. Further, Canada should support the development of international supply management approaches that deal with the problems associated with overproduction, like the drastic decline of commodity prices which hurts farmers throughout the world (Canadian Food Security Policy Group 2004, 12). Many of the farmers I spoke with believe that supply management is needed in the agricultural sector. While there is some debate over the relative success of supply management systems the farmers I spoke with thought that the government should protect and support supply management.

Respondent 7, a Saskatchewan organic vegetable and grain farmer, recently learned that the WTO is putting pressure on the Canadians to dismantle the CWB as the WTO is putting pressure on countries to dismantle regulatory bodies. He thinks that the majority of member countries do not want to get rid of regulatory bodies so it seems strange to him that if the WTO represents all these countries why they would be pressuring countries to get rid of them. He thinks that only multinational firms like Cargill would benefit from getting rid of regulatory bodies and national marketing boards. One of his friends is seeing if he can organize an international marketing board without government involvement in order to compete with multinational companies that have taken over the markets. This would potentially give farmers more control over the price of their products, through setting a price that would reflect the true costs of production and help farmers receive a reasonable return.

In the domestic context, many Canadian farmers have challenged market deregulation with relative success and remained viable by protecting supply management systems. Canadian dairy farmers have reported that farm prices are higher in managed sectors and consumer retail prices are lower. Further, the Canadian dairy industry has more small and medium size farmers

per capita than the U.S. deregulated dairy model (Olsen 2008). In spite of these successes, however, there remains a strong sense that these regulatory bodies could be threatened by trade agreements.

Respondent 7 said that his major concern for the future is that the Canadian Wheat Board (CWB) might be gone in 2013. He believes that if the CWB is gone there will be serious implications for all supply management organizations. He fears that this could completely change the agricultural landscape in Canada. He is concerned that the government will make the CWB a concession at the WTO or in any other free trade agreement. The major concern is that farmers (and Canada) will lose control of the sector and world trade will trump local governments. Further, the respondent thinks that it is absolutely the responsibility of the government to protect farmers' livelihoods, in the same way that it is their responsibility to protect citizens. There are many things that the farmers cannot do on their own and even if they could it would be difficult for them to be constantly working against a government that acts contrary to their interests.

Respondent 13, an Ontario organic dairy farmer, is also concerned about the future of supply management. He thinks that free trade can benefit those who are looking for markets outside Canada but if you sell domestically free trade will likely not benefit you. He believes that the U.S. never enters into agreements that do not give them significant advantage over other countries because as the largest and most powerful player they can dictate the terms. In this sense, Canada is always at a disadvantage when it comes to free trade. "NAFTA has created uncertainty and for those that depend on the supply management system there is much to lose because the domestic market is influenced by things outside the country and out of your control. Without supply management, price reductions south of the border can ruin Canadian farmers.

Without government support supply management cannot work because they need the government to regulate trade across the border; this does not cost the government anything”. He is relieved that the government has supported their right to be a part of a supply management system but that right has been continuously threatened. He thinks that Canada has proven that we don’t need subsidies by implementing effective supply management programs and depending on the market for returns. Instead of attacking supply management he thinks subsidies should be reduced.

Respondent 1, the Saskatchewan conventional grain farmer, said that his family sells their wheat through the Wheat Board. The respondent explained that while the Wheat Board is controlled by the government some farmers hate it while others love it. There is ongoing debate within his farming community as to the value of the Wheat Board. The respondent said he is “on the fence” and there is no consensus among farmers. The respondent said that many farmers say how bad the government is but if there is some kind of disaster farmers need the government to bail them out. Because of this reality he currently supports the status quo. Further, he thinks that the government has a responsibility to farmers because they are involved in marketing boards like the Wheat Board. Farmers, however, are divided about whether there should even be a Wheat board. Small farmers like the Wheat Board because it would be a lot harder for them to market their own products but some large scale farmers would rather market their own product.

Respondent 7 said the CWB has effectively protected Saskatchewan wheat farmers and even though he is not a conventional wheat farmer the CWB is important for the whole agricultural sector. His farm has always had some involvement in supply management types of organizations that have protected the farms interests (especially with the dairy sector). Now he is

involved with direct marketing which is great for his farm but that route is not available to wheat farmers who would never have enough customers in the area and need to export or ship to cities.

Because marketing boards are often threatened under free trade negotiations there is a fear among farmers, especially those who are directly involved in one, that the supply management system will disappear and they will be unable to operate without it. The looming threat to supply management has caused anxiety among some of the farmers I interviewed. Such anxiety likely leads to distrust and even anger toward government.

Standards and Certification Procedures

The issue of standards and certification procedures resurfaced often in my conversations regarding tariffs and deregulation. Canadian producers have to abide by some of the highest standards in the world while other countries may have less stringent standards. Canadian farmers pay high costs related to certification and production standards but imported foods do not necessarily have to meet those same standards.

Respondent 11, an Ontario vegetable and grain farmer, said that Government regulations are costing farmers' money but there is no way for farmers to increase their prices. "Consumers want high standards and strict regulations but they also don't want to pay, they want farmers to pay". The farmers are required to protect wildlife on their farms but government will not help farmers cover the cost of losses associated with trying to preserve wildlife. Farmers are also hit hard with regulations from a whole range of government departments (health, the environment, revenue Canada etc).

Compounding the problem of regulations for domestic producers is the reality that the government often allows foreign products into the market with the assumption that those

products meet Canadian standards. Canada participates in what is called equivalency determination programs with several countries which means that the Canadian food inspection agency will normally not test foods that have been tested by the other country. This could potentially mean that lower standards do exist in other countries. If such lower standards do exist this could mean a lower cost of production, driving down the price of Canadian products whilst Canadian producers must pay added costs to meet the higher standards. Some of the farmers I spoke to were deeply concerned about what this might mean for their businesses and for the health of consumers.

Respondent 7, a Saskatchewan organic vegetable and grain farmer, said he was going to ship products to B.C but the B.C market was importing organic vegetables from Mexico. He wonders about the integrity of the organic certification process in Mexico. Further, recently China flooded the market with cheap organic flax, but he wonders how the Canadian Food Inspection Agency can guarantee that those imports are really organic. An Ontario vegetable and grain farmer said exports have gone up since NAFTA, so that can be considered a positive outcome, but more low cost subsidized imports are also being dumped in the Canadian market, destroying domestic producers. “The imports allowed into Canada don’t meet Canadian production standards”.

Respondent 11, a grain and vegetable farmer from Ontario, said that Canada exports 80 per cent of the food we grow and the food that we are producing for export is of a high quality (with high nutritional value given the soil and water quality). He thinks we import products even though we have no way of knowing how they are grown or how much nutritional content they have. “Free trade should allow for labelling but American companies do not have strict rules regarding labelling foods that are exported to Canada”. U.S packaging laws requires labelling

while he believes that the Canadian labelling laws are completely inadequate. He says that country of origin labelling is also a non-tariff barrier to trade for Canada. The labelling is so complicated that the Americans do not want to bother buying Canadian products.

Respondent 3, the blueberry farmer, said he finds it difficult to sell his products domestically even though the domestic market is the only market available to him. He has had trouble selling in Canada because of competition from both the United States and British Columbia. He can make some money because he operates a U-pick and a road-side stand which allows him to get a higher price by directly selling to consumers. He said it would be nice if the government could charge tariffs on blueberries imported from the U.S. but that is not really possible given our free trade agreements. Even though he would support tariffs he would also be happy with other changes. One of the problems he identified is the way that U.S. blueberries are marketed in Canadian grocery chains. He finds the packaging is misleading because U.S. blueberry pints are much smaller than Canadian pints and the U.S. pints are only filled half way. The pints look the same size but they are often smaller because they are two thirds full. His perception is that Canadian consumers think that American and Canadian blueberries are the same product. He asks that in fairness to Canadian producers the government should make standardized pints of blueberries and the advertisements should be more truthful. It is nearly impossible for him to compete with the sales at the grocery stores even though he feels he offers both superior quality and quantity.

The farmers I spoke with believe that government standards and certification procedures have often worked against the interests of farmers. They are concerned that such regulations are acting as barriers to trade in foreign markets and giving their competitors an advantage in the domestic market. The farmers suggest that they do not want to gain an advantage over their

competitors but would like to see the government curtail what they see as efforts to give advantages to their competitors.

The Role of Technology

Through technological innovations such as nitrogen fertilizers and chemical compounds, agriculture has become more productive than ever before and we have the ability to feed far greater numbers of people. Some scientists, moral philosophers, and human rights activists are very concerned with globally integrated means of agricultural production because they fear it will have devastating effects on the earth's natural resources, will encourage the development of oligarchic food distribution mechanisms, and contribute to an ever-widening inequitable division between underdeveloped countries and wealthy countries. Agricultural practices are central to political debate because the connections between modern agricultural production and the urban-industrial complex are vital to our current way of life. The situation is paradoxical because while the modern agricultural system derives its value from its relationship to the urban-industrial complex, it also undergoes major stress as a result of the very same system. Population growth creates increased demand on agricultural production and increased demand on our natural environment to deal with contamination created by human waste. In addition, the effects of decreased traditional land use practices are wholly exacerbated by the degradation of agricultural soils as a result of modern farm technology, thus contributing to the inability of agricultural land to support wildlife habitats. Some farmers are acutely aware of the role technology plays in agricultural production and how technology might affect the fate of literally billions of people that depend on farmers. There is significant potential for farmers to contribute to both the

research and development phase of new technologies and for them to play a vital role in the monitoring phase of their implementation.

Respondent 1, a conventional grain farmer from Saskatchewan, remarked that he recently attended the John Deere show and one of their slogans was “John Deere, helping feed the world”. The respondent thinks this is a contradictory statement because while the population has increased in part because of farm machinery it is not at all sustainable. Hootie Soil Service had a similar slogan, and while the industry is increasing production through the use of fertilizers and chemicals which in turn have contributed to population growth, the methods used are unsustainable and will eventually lead to many people not being able to eat as demand grows and production decreases. He also thinks these slogans are contradictory because there is no way everyone in the world can live like we do in North America. He thinks that no tillage farming as an alternative leads to increased use of chemicals while organic farming is too difficult to switch to because it takes seven years to make the full transition. Further, he believes that organic production costs would be less, and profits might be higher but that the population has increased too much for large scale organic farming to be able to feed the world. He is also concerned with how technologies will change the competitiveness of Canadian agriculture. He thinks that if Ukraine had the same technology as Canada they would outstrip Canadian production by three fold. This would mean a huge glut of wheat and farmers would not be “able to give their wheat away”.

Another important change in agriculture has been the introduction of genetically modified organisms (GMO) to crop technology. GMO technology has the potential to seriously alter the way that food is produced and has raised difficult questions for farmers. Numerous issues have arisen surrounding the debate, including: the safety of genetically modified crops for

human consumption; the effect of these crops on the natural environment; government and corporate labelling of GM products; whether or not GM products will increase the food supply and feed the world's poor; whether GM products will actually reduce the use of chemical herbicides; and what irreversible effects will result from their use. Respondent 12, an organic dairy farmer, is very concerned with the government's approach and worries that GM technology will lead to a slew of unintended consequences. He points to a recent example of a GMO variety of Monsanto corn in South Africa:

In South Africa 750,000 hectares of GM corn failed. There are 125 families of corn and each group has dozens of sub groups. We only use five of the subgroups of corn varieties which means we have destroyed literally thousands of varieties of corn that could have been used to improve yields. All the traits needed are in the other varieties of corn so it makes no sense to take traits from other plants or even animals. Many geneticists have spoken out against GM's because it makes no sense. Saving the world with GM food is a joke. GM foods are far more likely to cause the world to starve. Monsanto only wanted to create a product that would use more of its herbicide.

Respondent 10, an organic vegetable farmer in Saskatchewan, speaking to the GM issue, says that he feels that his opinions will not be heard whether right or wrong. He strongly objects to GM but he has no resources or time to volunteer to take a stand against the technology while lawyers are paid huge sums to defend the corporations that advance the technology:

When organic farmers sue Monsanto for liability issues they are fighting because the company destroyed their livelihoods but while the farmer is fighting for his life the company is just fighting to defend corporate profits. There is no sense of right or wrong because the corporation has no ethics, its only responsibility is to protect the bottom line. When something goes wrong it is also very difficult to hold anyone accountable.

The comments made by farmers indicate that not only do they feel excluded from the technological debate, they also feel that they have a tremendous amount of knowledge and insight that they could contribute. Farmers have been breeding varieties of grain and vegetables for thousands of years in order to produce the strongest and best varieties but in the current context plant breeding is relegated to laboratories. While organic farmers were generally more concerned with this situation, some conventional farmers felt that the government was not investing enough money in independent research. Farmers are concerned that the science being developed and implemented will not benefit them or consumers if it is developed by corporations with little government oversight. Even if farmers cannot participate in research and development they should surely have a role in monitoring the relative success of those technologies.

Going Organic

For many farmers switching to organic production is a way to lower the costs of expensive inputs like fertilizers, to get a higher price in the market and to avoid *growing the farm* in order to stay competitive. Some see their transition to organic farming as an ethical decision while others see it as a way of gaining an advantage and remaining competitive. An Ontario organic vegetable and grain farmer said that more farmers are changing to Organic food because it pays 30 per cent more and it is easier than trying to buy more land and expand to stay competitive.

Respondent 11, an Ontario organic vegetable and grain farmer, said that organic food is gaining an advantage. He says that corporations are often bullies; they tend to muscle other farmers out by driving the price down and making it too difficult for smaller farmers to compete. “They then take over the farms, gaining more shares in the market and dictating the price. The

farmer is a slave to the land; working 16 hours a day to farm 1000 acres”. He thinks that young people getting into farming have to pave their own road; often this means looking for opportunities in organic farming. He thinks young people are looking for 30 acre plots that the big farmers do not want and are exploring niche markets. “The young people today want to farm but they don’t want to work 1000 acres because the input prices are too high and the prices they receive are too low”. This farmer has reduced his land to only 30 acres but he says he is very happy to grow organic sustainable food for the people around him.

Respondent 12, an organic dairy farmer, said that organic food has gained some favour but now people are looking for carbon footprint logos and organic is no longer good enough. He tries to let consumers know that the organic label is consistent because it is verified by an independent third party. He does not want consumers to get taken in by the labels like carbon footprint or natural when no one really knows if the claims are true. He thinks if the government chooses to not get involved there will be all kinds of problems associated with false labelling claims. Currently, he feels that the government is not doing enough to protect consumers from these types of marketing strategies. Both governments in the U.S and Canada have made significant efforts to enforce the rules governing the organic certification process and these marketing schemes are hurting producers.

Respondent 12 also said he is most concerned about the government’s commitment to the welfare of animals. He is concerned with the way in which the animals are killed; Cargill only has two processing facilities in Canada; combined these facilities make up 55 per cent of the beef processing market in Canada. As a result, animals are sent half way across the country in trucks before they are killed. The respondent wonders how the government can allow this treatment of animals and feels that organic farmers have a lot of knowledge to contribute to animal husbandry

practices in Canada. His perception is that in the interests of streamlining regulation enforcement the Canadian government has allowed practices that dramatically undermine the welfare of animals.

Organic farmers gain advantage by tapping into niche markets and receiving a premium for their products but corporations have begun to recognize the profitability of organic production and have taken over a greater share of the organic market. Countries do not operate internationally, but corporations do, and this gives corporations power that governments do not have. One organic farmer said that “corporations are a relentless force that threatens the existence of organic and small farms. As an organic farmer it feels that there is a whole ocean trying to seep into your submarine and every day you have to fight for your survival.” He is concerned with the lobbying power of corporations because he feels that the rules governing trade are designed to benefit large corporations. “Governments may or may not always be influenced by corporations but no one ever really knows. No one speaks out and forces the corporations to act ethically. Governments should have the fortitude and strength of character to say that we cannot impose bad things on people when there are negative consequences to actions that governments should be putting a stop to”.

From my discussions with organic farmers there was a strong sense that they felt isolated from the discourse on Canadian agriculture. For some farmers, organic farming has given them greater autonomy and economic freedom; they no longer have to spend as much money on inputs, they do not depend as much on the commodity market, and they generally have more distribution opportunities. They do, however, feel that the government should do more to protect the sector. Respondent 12 said he worries for the future but believes there is a way forward for government and producers:

Food prices are going up because the competition is being wiped out. The government is not seeing what is happening and it is all going to implode. It is not all negative though, there is a way forward and we need to make the changes necessary. Things can change but we need to have a different mindset. The tools are all there. We should not wait till the food runs out till we make the changes needed to reform the system.

The True Cost of Food

One of the major concerns of farmers is the costs to Canadians if we let small farms disappear and are forced to import most of our produce, meats and grains. The transportation of food is extremely costly, especially in a world where oil is a finite recourse, and an economically and ecologically expensive commodity. A local food economy would drastically reduce transportation costs. Although it may cost less to grow food somewhere else now, it would cost a lot more if the price of oil rose sharply. Respondent 11, an Ontario organic grain and vegetable farmer, believes that people should pay less for products that do not have to travel as far but since the government sometimes subsidizes transportation costs the true cost of the food has been distorted. He also worries that the situation is made worse by the fact that there are only a handful of major produce buyers in Canada so there is virtually no choice for farmers regarding where they sell their products. Because the prices are set by the buyers, when the price goes up in the store the price the farmer receives does not go up.

Respondent 8, who is also a grain and vegetable farmer, believes that the government has no incentive to offer Canadian farmers subsidies because the government is subsidizing the cost of food to consumers. The governments' priority is therefore is to keep the price of food low by allowing cheap agricultural products to enter the market from outside Canada. She is concerned that this approach is fundamentally problematic for all Canadians because it does not support our

long term food security needs. “By 2050 there will be 9.6 billion people in the world and Canada will not be able to depend on imports; further the country will have to feed its own people and the worlds hungry. The government will need to make sure that Canadian farmers keep working”. She believes that change needs to come from consumers. Canadians therefore need to recognize the true cost of food and accept higher prices for food. She does not believe this is unreasonable given that the average food expenditure in Canada is only 10 percent of income.

Respondent 9, an organic farmer in Saskatchewan, suggests that the government should charge a food tax to consumers to keep farms in Canada. He also believes that the government should pay Canadian farmers for things like carbon sequestering. Respondent 10, an organic vegetable farmer from Saskatchewan, said that cheap food comes at a terrible price because it is produced using the cheap labour of the world’s poorest people while free trade gives access to companies who operate internationally and can benefit from what happens in multiple countries and across borders:

A very small amount of companies now control most of the food industry and the question of human rights or access to food is not a priority for these companies because they are purely profit driven. Everywhere in the world people are working for slave wages to produce cheap food for our consumption because they have no choice and free trade allows multinational companies to access the cheapest markets anywhere in the world.

Respondent 10 said “it is really hard to compete with a farmer that is paid so little that he has to work for a week just to buy a pair of pants. How can a farmer compete with a lettuce that is 59 cents when his lettuce is \$1.39?” He thinks that consumers need to take more responsibility for what they eat and consider the health, environmental and social consequences of what they eat. He thinks customers tend to look at the bottom line even when the quality is often much less. “Chinese garlic has flooded the market but the quality is much less, there is much less

nutritional value. Discriminating customers don't use garlic from China because they know they have to use a lot more of it to produce the same taste". He feels that it is unfortunate that the government forces Canadians to open our markets when there is absolutely no way for us to compete. For him, cheap food is produced by essentially taking advantage of the world's most disadvantaged countries.

Respondent 14, an Ontario cattle farmer, also commented on consumer disinterest in food production. "The government could do a lot but people are not concerned about food. People are spending a very small amount of their incomes on food, less than ten percent. Everyone takes for granted the low prices. If people did not have access to food for just one day it would completely change the way they see food and people would change their priorities. The governments' priority is to supply cheap food because that is what the majority wants but it has gone too far and people should pay more". An Ontario organic vegetable and grain farmer also commented that... "We don't inspect imported food. Our shelves are full of imported foods because we think we need to force our corn on Africans. We pretend we are doing ourselves a favour by importing these things but in reality we have no idea what the true costs of importing these things are. Meanwhile the olive farmer is starving and Canadian farmers are broke".

Respondent 11 said his biggest concern for the future is that society has totally lost touch with how food is produced. "Nobody realizes what the true costs of farming are. Modern farming has made things much better for people but people want us to go back to natural ways without paying the costs of doing so. Many people think that farms in Canada are all industrial businesses but actually 90 percent of Ontario farms are family run". An Ontario grain and Oilseed producer made the following remarks:

Canadians don't really understand how important food is and how little they are paying for it. Only 10 % of our incomes go to food while most places in the world people spend 40 to 70% of their income on food. I was talking to a guy from Holland a while ago who had lived through the Second World War and had commented that the government of Holland would never let their people depend on imports because they know that might mean their people could go hungry. We may soon have to depend on imports from other countries and those imports are of questionable quality. E. coli in spinach and lettuce is a good example; Canadian products are more highly scrutinized.

Respondent 2 said his main concern for the future is the sustainability of farms, especially family farms (and medium and large scale farms that are run by families or several families together). He believes that everyone who works on a farm should have an interest in the farm. "The primary interest of farming should not be driven by shares. Corporations and corporate share holders only have monetary interests in mind and they look to increase production and lower costs, not to produce high quality products. Farmers that live and work on the land eat the food they grow and so they value quality over monetary values. There is no way to cut costs and still have the same quality of product".

Many of the farmers I spoke with used the expression "the true cost of food." If anyone would know what the true costs of food are it would be the farmer, especially the family farmer who has a rich and intimate relationship with the land that bears the means of our continued existence. The politician, the consumer, the corporation, the broker, the accountant; how can these people ever know the "true cost of food"; the answer is that they cannot. As Dwight Eisenhower once said "Farming looks mighty easy when your plough is a pencil and you're a thousand miles from the corn field."

Chapter 5. Situating Farmers in the Debate

As evidenced by the discussion above, the debate surrounding free trade and agriculture is often highly stratified; academics and government analysts generally throw their support behind either free market deregulation or government intervention. Much of the debate on both sides, however, has been generated in academic and government circles with very little input from real farmers. Next to the consumer, farmers are really the biggest stakeholders in these policies and, as such, their views should be well documented and recognized. The existing literature on these perspectives combined with my own research and interviews suggests, however, that the stratification of the debate is more pervasive than necessary. My research is thus intended to help give farmers a voice in the debate and to provide a more nuanced and often highly personal understanding of the effects of these policies.

This chapter examines the problem of representation and whether or not small farmers have a viable way of impacting government decision making. I look at the role of federal members of parliament and whether or not the farmers I interviewed believe that their MPs support their interests. Then I look at the role of farmers unions and organizations and what impact the respondents think they have on government decision making. Finally I look at some of the suggested ways that farmers can influence the government's decision making process.

The Problem of Representation

Farmers represent a mere three percent of the Canadian population and as such their voting power at the national level is greatly diminished. Policies, therefore, may not represent the interests of farmers very much at all. At the provincial level their electoral power is somewhat better but even in Saskatchewan, where agriculture is a vital component of the economy, farmers

represent only 13 per cent of the population (Skogstad 2008, 35). An Ontario cattle farmer thinks that his MP does not really know what is going on with farmers. He says that people are buying more local food which is really helping but the MP's don't really listen to farmers since they are only three percent of the population. "Politicians will listen but they don't normally do anything; they listen to the majority". Farmers, as a mere three percent of the population, fragmented in sectors and spread across a vast geographical area, feel they have virtually no power to influence government.

The most fundamental role of government is to act in the interests of the people. Often this means that the government must balance the interests of consumers, workers and employers. A liberal approach to economics recognizes that corporations, as employers, are an essential part of the economy and that their interests must be protected in order to protect the interests of consumers and workers. However, farmers are not generally employees, they are often considered self employed and their interests are not necessarily synonymous with the interests of agricultural corporations. In fact, the opposite may be true. The farmers I spoke with felt that corporate and sometimes consumer interests were the primary focus of government.

An Ontario organic vegetable and grain farmer said that his MP does not represent his interests and even though Canada is producing incredible amounts of food his MP rarely talks about agriculture. He thinks that both the conservatives and the liberals do not have agriculture on their radar... "For politicians, food comes from Kellogg's, Sobeys, Maple Leaf, but never from farmers". He thinks that politicians view farmers as wealthy industrialists with big farming businesses. "MPs believe that chemical companies like Monsanto and Dow chemical are the major stakeholders because they have the time and money to lobby the government... Farmers are too busy farming to lobby government".

Grace Skogstad, professor at the University of Toronto and one of the most prominent writers on Canada's agricultural sector, believes that the Conservative government has been committed to deregulating markets and has shown an unwillingness to exempt the agricultural sector from their governing ideologies. She says that political parties either rely on right wing farm organizations for the vote or do not rely at all on farmers votes; therefore, delegates have been more likely to vote against state assistance programs in favor of market liberal policies (Skogstad 2008, 36). The consensus among all those that were interviewed was that farmers had little to no influence in federal politics. Some suggested that the only way for the government to pay attention to farms in Canada is if they began to see farms in Canada as either a public good or a food security issue. Some felt that their MP tried to make a difference for farmers but since farmers only represent a small number of their constituency they had other priorities.

I spoke with five farmers in Saskatchewan regarding their respective member of parliament. The conventional grain farmer from Saskatchewan said that his MP has represented farmers very well. His MP was a farmer and he thinks he does a fair job of advocating for farmers. The other farmers from Saskatchewan said that their MP's do not represent their interests because they are the minority. One farmer thinks that MPs do not have power because the policies are most often set by the political parties. "Power is skewed to the cabinet and the prime minister's office. The system is set up so MPs don't have any political power because everyone votes along party lines". He believes that the major fault of the system is that there is no obligation to accept the will of parliament.

Farmers in Ontario felt that they were generally underrepresented as a group. Several farmers pointed out that as a small minority of the population it was difficult to get members of parliament to listen or act on their behalf. Many felt that the government supports the interests of

corporate and large scale farms; often ignoring the interests of thousands of small and medium scale farmers. Respondent 4, an Ontario fruit and vegetable farmer, does not think that food and agriculture is a priority for the Canadian government. He thinks that the federal governments' biggest priority is health care but "no one seems to acknowledge the relationship between healthy food and a healthy population". Simply put, agriculture provides food and clean water and helps keep people healthy. He believes that a health care diet should be a priority for government but there is no political will to make changes and healthcare and jobs are the major political priorities of government right now.

Respondent 8 also said her MP does not support the interests of farmers. She believes he is not doing anything for the long term survival of the sector and really just does whatever Harper and the Minister of Agriculture, Gerry Ritz, tells him to do. She says that farmers are the most innovative people but the federal minister of agriculture keeps saying that farmers just need money to make them more innovative. He also says he will open up markets but never does. She thinks that the provincial ministers are better and they are trying to help farmers because they recognize that 620,000 Ontario workers depend directly on the agricultural sector.

Respondent 6, another Ontario farmer, said he does not believe that his MP or his MPP support farmers. In the last election his riding was redefined and his farming community was split into two groups. Timmins and surrounding area were made into one riding and North Bay and area were made into another riding. Timmins is a mining town and a young NDP leader was elected; he supports the interests of miners and aboriginal peoples. North Bay and area elected a Liberal MP who has a lot of support in the city but not much in the country. He does not think that either MP represents the interests of farmers in the area because their interests are defined by the majority of constituents.

Respondent 6 said that generally he does not believe that Canada's trade policies support farmers. He said that nationally the government thinks it is doing a good job because exports are very high but the exports are maintained through funding to the Wheat Board and companies that transport grain like Canadian National Railway. The Ontario agricultural sector is largely for domestic consumption and he thinks the federal government does not recognize the value of the Ontario sector. Interprovincial communication is thus very important in coming up with a national strategy. There is not enough focus on agriculture, especially in Ontario where it was the major source of GDP in Ontario last year (surpassing the auto sector). According to recent statistics, the agri-food industry (farmers, processors, wholesalers and retailers) makes a significant contribution to the Ontario economy.

Agriculture's economic footprint in numbers

- **164,400** – number of Ontario jobs supported through economic activity generated by the farming sector (value of the wages and salaries tied to those jobs = \$7 billion)
- **\$3.4 billion** – taxes collected by provincial and federal governments as a result of economic activity generated by farm sector output
- **13%** - value of rural economy to Ontario's Gross Domestic Product (GDP)
- **15%** - percentage of the Ontario population that lives in rural areas
- **70%** - percentage of Ontario's farm production bought by Ontario food processors
- **\$33 billion** – value of the Ontario food processing sector
- **\$1.4 billion** – estimated decrease in Ontario's GDP as a result of the projected \$500 million farm income loss in 2010.

<http://www.oasc.ca>

Measuring agriculture's economic footprint in Ontario

Figure 6: Measuring agriculture's economic footprint in Ontario

Respondent 12, an Ontario organic dairy farmer, said that he does not believe that his MP represents his interests because MPs are utterly powerless. He believes that the government has become centralized around the Prime Minister's office. He thinks that members of parliament used to be very influential because leaders asked them what was happening in their ridings. Now the government depends on electronic polls and other means to determine what is happening in the ridings. He thinks that MP's do not know at all what is happening in the agricultural sector. Agriculture is the second largest industry in his area and the third in Canada. Agriculture is also the second biggest employer in his area but his MP does not know what is going on in the sector or anything about farming. However he does not think it is entirely his fault because it is very hard for him to influence the government; he thinks it is really a top down approach in today's government.

Respondent 5 said that her MP does not represent farmers. "When food is cheap 98 % of people are happy because they don't care where it comes from or how healthy it is. The government would not benefit from keeping the two percent of farmers happy, that would not be good politics. The current government does not care if farmers survive; especially fruit and vegetable farmers". Because the grain and meat farmers have organized lobby groups she thinks that when the government does pay attention to farmers it is to the groups that have lobbying power.

There is a strong sentiment among the farmers I interviewed that farmers are not being represented by their federal members of parliament. Given that farmers do represent a small group this is not surprising but farmers also said that they did not think that agriculture was a main priority for the government.

Lobby Power and the Role of Farmers' Organizations

For most farmers, food is not just another commodity; it defines who they are and provides them with the ability to sustain their way of life. One difficulty in trying to give a voice to this important constituency is that there is no united consensus among Canada's farmers on what course of action should be taken nor has one single organization ever represented Canadian Farmers at the national level. The Canadian Federation of Agriculture (CFA) came closest, creating a federation of provincial farm organizations. It connected different commodity growers from all the provinces and from all types of farm units. The National Farmers Union is a similar organization and rivals the CFA for member support (Skogstad 2008, 55).

Regional differences present a particularly difficult roadblock to creating a consensus on what approach should be taken to respond to the income crisis. Canada's leading export crops include grains, oilseeds, and livestock; these commodities come primarily from western Canada while farmers in the central provinces of Quebec and Ontario earn the bulk of their income from foods produced for consumption within Canada, such as dairy, poultry and eggs. As a result of this regionalization of the agri-food economy it is difficult for the federal government to balance the calls for border protection instruments with the calls for a more open market approach demanded by different representatives from different regions (Skogstad 2008, 25). My research was limited to Ontario and Saskatchewan but the major difference in these two regions is the amount of food grown for export markets. Saskatchewan is one of the largest grain and oilseed exporters in the world while Ontario's agricultural production is largely for domestic consumption.

The ability of farming groups and organizations to create unified fronts to lobby government on issues is further diminished by the lobbying power of corporate processors who want to pay the lowest possible prices for staple commodities, and even by livestock farmers who depend on low staple prices to produce livestock for export markets. One example of this influence of powerful lobby groups was observed in a recent attempt by corn importers to use trade remedy laws to influence the trading system. In 2000 Canadian corn producers made an appeal to the Canadian International Trade Tribunal (CITT) for relief from the effects of alleged cases of U.S. subsidization and dumping. Canada's average annual production of corn is 8.7 million metric tons (MMT) while the U.S. average annual production is nearly 262 MMT, and because corn trade is duty free the U.S imports undercut the price of Canadian corn. If the petition was successful duties would have been applied to imports on U.S. corn, which would have essentially closed the border to U.S. corn and raised Canadian prices. However, this also would have meant that corn users in Canada, such as hog, pork and corn sugar producers, would have had a competitive disadvantage over their counterpart industries in the U.S (Wolfe, 2007, 17). In the end the CITT ruled against imposing new duties on US corn. This case demonstrates both the lobby power of certain sections of industry, as well as the often conflicting interests of different farmers, depending on their products and level of exports and imports. At the same time, agricultural corporations are enormously powerful with vast amounts of wealth and lobbying power at their disposal. The same is true for most companies in the agri-food chain such as processors, distributors and grocers. In contrast, farmers do not have a strong lobbying presence in the government.

None of the Saskatchewan farmers I interviewed are part of a union and only one respondent is a member of an organic growers' organization and the Saskatchewan organic

directorate. One other respondent said he is not a member of a farmers' union but he likes the idea of a union because it would be easier for farmers to organize together and demand a higher price for their products. He likes the idea or principle behind farmers unions but feels that farmers have not really ever formed a united front since their interests have not been the same. As he understands, most farmers he knows are not part of the farmers union.

In Ontario, the government made it mandatory for farmers to join one of three farmers' organizations so that it would be easier to facilitate negotiations between farmers and government but the interests of farmers are so varied that it is highly problematic to assume that they could ever speak with one voice. Respondent 3, a blueberry farmer, said the government forces him to join an organization every year and after he joins he requests a refund after one week. He does not think that any of the organizations represent his interests and he thinks it is a ridiculous system. He believes the government wants to deal with fewer representative voices for farmers, so it forces farmers to join these organizations. "The choices are the National Farmers Union (NFU) [which he believes is mostly family and organic farms], the Christian Farmers Federation of Ontario (CFFO) and the Ontario Federation of Agriculture (OFA)[which he thinks is too conservative]". He thinks it is crazy that they have to join but he is glad he can get his money back.

Respondent 14, an Ontario cattle farmer, said that he has to be in a union in order to receive any assistance from government programs or to receive a lower rate for his land taxes (mill rate on his land). He has to send in more than two hundred dollars every year. He joined the OFA and his membership essentially gives him the license to be a part of government programs. He is not involved enough to know if it is making a difference. If he did not have the farmers' land tax his tax rate would go way up; currently, it is a quarter of the normal rate.

Some farmers (in Ontario) were angered by the policy of mandatory participation in a farmers' organization, especially when they felt the groups did not represent their interests. One farmer even lamented that the policy was a form of extortion. Others were hopeful that the farmers' organizations were working hard on their behalf to bring their interests to the table. Some farmers feared that federal government power is too centralized in the Prime Minister's office; making it extremely difficult for farmers organizations to influence government policy making.

I spoke with nine respondents from Ontario; they are all members of a farmers' organization. Most were required to join in order to participate in government programs or receive farmers' land taxes while only a few are active members of a union or organization. One respondent said he is a member of the Federation of Agriculture but he does not believe it is effective. He thinks that because it supports a wide group of farmers it has not been effective at supporting the interests of horticultural farmers. He believes the Federation tends to concentrate on the interests of grain farmers. He also said that he does not have a choice but to join the organization otherwise he cannot receive any government support. He is disappointed that both federally and provincially there is not enough money invested in agriculture.

Respondent 6, an Ontario grain and oilseed farmer, was also forced to join one of the three general farm organizations. He joined the OFA in order to get his tax rebates but he thinks being forced to join is extortion. The farmers in his area were upset about bears and wolves terrorizing the livestock but the farmers were directed not to shoot them because they are protected animals. People from the ministry of natural resources came and told farmers not to shoot them because of preservation but the farmers are losing their animals. The OFA and other organizations were supposed to go advocate for farmers but they did not do a lot and the

situation in his area has not really changed. He said he would rather spend his money on fertilizers and then he would see a benefit from his money.

Respondent 8, an Ontario vegetable and grain farmer, said she is an active member of the Ontario Federation of Agriculture, she receives many benefits but the main benefits are the gains from the lobbying power of the organization. She also pays less property tax for farm land because of the OFA. The government was going to put residential taxes on all farm land which would have meant really high property taxes but the OFA lobbied and stopped that from happening. The OFA also lobbied for tax exemptions on many farm-related items used for food production like tractor parts and bags used at roadside markets. The OFA and other commodity organizations also lobbied for crop insurance and a current pilot project called the Risk Management Program (RMP) for grain and oilseeds producers meant to offer protection for huge market fluctuations. Only the provinces are involved in this; the federal government has declined involvement. The OFA has also tried to help farmers with getting help with wildlife protection costs. Also, the “normal farm practices” guide for farmers was designed by OFA members, academics and the provincial government. She is very pleased with the work of the OFA.

Respondent 11 said he is an active member of the National Farmers Union (NFU). The OFA is the largest farm organization and he believes that their attitude is that farmers should get big or get out. He says the OFA thinks family farms are a thing of the past. He believes that it was wrong for the OFA and the government to force farmers to join a farm organization and pay 150 dollars a year +HST (the government returns a portion of this to the organizations). The NFU represents the most family farms and has no political or religious affiliation; it also has the most organic farms and fights for organic standards and fair prices for small farmers. They do have some very large farms as well. The NFU did not become accredited right away when the

OFA and the government decided to force farmers to join an organization because they did not believe in forcing farmers to join. He believes this was a mistake because there were only two other groups and they gained a lot of members. The OFA and the Christian Farmers Association were the first.

Another Ontario farmer recently joined the NFU but he was with the OFA and the CFFO before. He has not specifically benefited from his membership in any of the organizations but he tries to pay close attention to the ways they lobby the government. He also thinks that the OFA supports big corporate farmers and that is the reason he left the OFA. He thinks the NFU tends to support small family farms but that there is a good mix of farmers. He believes that the OFA is getting too comfortable with the politicians and they will not rock the boat enough.

Respondent 12, an organic dairy farmer, said he is a member of the OFA but is thinking about joining the Farmers Union. He tries to support all these farming organizations but believes that they often just ask the government for subsidies. He said he thinks that if farmers were really clever they would all be members of co-ops: “Agricorp- a Dairy Farmers co-op in Quebec has purchased every part of the business from the grain to the trucks and operates like a corporation. Co-ops are popular in Quebec and out west but they have not done as well in Ontario. In Ontario co-ops are like a dirty word”.

Focusing on farmers and primary production.

In June 2007 the House of Commons Standing Committee on Agriculture and Agri-food tabled its 14th report entitled Fact-Finding Mission on Canada’s New Agriculture and Agri-Food Policy. The report was gathered through consultations with farmers, farm organizations and stakeholders across the country. The discussions were completed over a period of two weeks and

covered a wide range of topics and were intended to allow stakeholders to voice their concerns. Culminating from those hearings the committee members presented 36 recommendations to improve Canada's agriculture policy (Report Tabled on Canada's New Agriculture and Agri-food Policy 2007).

The Committee found that farmers had clear ideas about what Canada's new agricultural policy should include. Farmers made several different suggestions to the committee but many spoke of the need of governments to see spending in agriculture as an investment and for governments to pay close attention to the type of investments being made based on in depth knowledge of each sector (Bezan 2007, 1). The committee's first recommendation is that the vision for agriculture in Canada must put more emphasis on farmers and primary agricultural production. Agriculture and Agri-food Canada produced the following vision statement for the sector:

An industry that is innovative in seizing evolving market demands for food and non-food products and services within an environment that fosters prosperity and opportunity for the entire value chain, creating benefits for all Canadians.

The vision makes no reference to "farmers", "agriculture", "agri-food" or "primary sector". The vision ignores the need for primary production and instead focuses on meeting the demands of consumers, which could be potentially met through imports of food products. The Canadian Federation of Agriculture, Canada's largest volunteer member led farmer organization, has a vision statement that exemplifies how farmers and government officials differ in their vision for the sector:

Canadian agriculture and agri-food as a vibrant, dynamic industry, where all partners of the production chain have the opportunity to succeed, be profitable, and are world leaders as solution providers for the world's economic, environmental, and health objectives.

The above passages clearly demonstrate two very different visions for Canadian agriculture and it was recommended in the report that the governments' vision statement be modified so as to focus increased attention on farmers and on primary agricultural production (Bezan 2007, 2&3).

Developing agricultural expertise in government.

The second recommendation of the 2007 fact-finding mission on Canada's new agriculture and agri-food policy from the House of Commons Standing Committee on Agriculture dealt with what has been recognized by many in the industry as a decline in the expertise of government officials working for Agriculture and Agri-food Canada. They recommended a revitalization plan that would include partnerships with the provinces and the universities to promote recruitment and education in agricultural programs (Bezan 2007, pg.5).

Respondent 4, an Ontario fruit and vegetable farmer, believes that the government cut one of the most beneficial programs that were in place for many years. In the past, the government used what is called extension services whereby the government pays for agricultural experts to help farmers solve any problems they are having. The farmer recommends that the government go back to funding this program again. Another Ontario farmer commented "Canada sends experts to other countries to teach farmers how to farm productively and profitably while our farmers are going bankrupt".

Respondent 12, a Canadian organic dairy farmer, is very concerned about the amount of independent research and development. He thinks that is short-sighted and even dangerous to

allow corporate researchers to provide information to government. He is concerned at the apparent absence of any publically funded agriculture research. “Canada used to be a leader in top quality grain exports and was recognized worldwide; that is not the case now. Independent research is desperately underfunded which means that corporations take the role of the expert and can slant things in their favour. The corporations’ legal mandate is to make money; they have no moral compass”.

Farmers as partners in policy-making.

The 2007 fact-finding mission on Canada’s new agriculture and Agri-food policy from the House of Commons Standing Committee on Agriculture found that while farmers were appreciative of the opportunity to consult on the development of new policy they would like to be seen as partners in its long term application. The committee recommended that the government establish measures to ensure the policies are meeting their stated objectives both over the short and long term. Specifically, the committee recommended that Agriculture and Agri-Canada re-establish the annual Outlook conference whereby ministers and department officials can present and explain policy and programs, and present market outlooks. Moreover, the committee recommended that the federal government create a National Advisory Committee on farm policy and programs that consists of representatives from the two national farmers’ organizations (Bezan 2007, 5 & 6).

Chapter 6. Policy Perspectives and Directions

According to a report from the Standing Senate Committee on Agriculture and Forestry farmers are relying heavily on borrowed money. Between 1995 and 2005 Canadian farm debt has increased by more than 90 per cent to reach 51 billion dollars. Farmers have been borrowing against their equity in order to survive. The crisis in farm income is likely to have a long-term impact on the rural economy and population. Agriculture should be seen as more than just a source of food. Agriculture creates processing jobs in towns and cities, it often provides habitat to wildlife, it benefits the environment by storing carbon in the soil, and it is a source of new products such as biofuel. The problems faced by the sector are putting increased pressure on farmers and their families. Young people living in rural farming communities are choosing to leave the farms and pursue more lucrative professions. This is a major concern since the majority of farmers today are nearing retirement age. The depopulation of small and medium towns in agricultural areas is becoming increasingly problematic. Rising poverty levels in many farming communities has led to increased social problems. Losing farmers and the jobs that rely on farm production will put pressure on social programs and increase unemployment (Standing Senate Committee on Agriculture and Forestry, 9).

In this chapter I address some of the possible directions that government policy can take. I look at what many of the respondents I spoke with see as a Canadian-centered approach. Accordingly, I look at the role of food security as a national defence issue, unusual trade barriers, quality issues arising from free trade, and whether a Canadian centered approach is veiled protectionism or a pragmatic approach to a comprehensive agricultural policy. Then I discuss Canada's role in the international context. The last twenty years of trade policy has been a

distinctly bilateral approach with the U.S as our major partner. Many of the farmers I spoke with suggested that Canada has not done as well as could be expected and that a more multilateral approach would likely be more beneficial.

In order to address the problems facing the farming sector and rural communities, farm groups offered the Standing Senate Committee on Agriculture several recommendations for improvement. After consultation with the farm groups, the committee recommended that a new “Farm Bill” should include elements such as: improving producers’ position in the value chain; investing throughout the entire production chain in the infrastructure required to foster the use of biofuels; investing in research and innovation; incentives for producers as providers of social benefits beyond food production such as environmental benefits; encouraging value-added agriculture; and an aggressive trade strategy that benefits farmers through the WTO and bilateral agreements (Standing Senate Committee on Agriculture and Forestry 2006, 13 & 14). My interviews echoed some of these sentiments: improving farmers’ positions in the value chain and recognizing the social and environmental contributions of farmers were central. However, Canada has had an aggressive trade strategy for a long time and the farmers I spoke to believe the approach has done very little to further their interests. Certainly, an aggressive trade strategy would further the interests of exporters and our export market is comprised of 80 per cent of our overall production. But this does not address the other 20 per cent that feeds domestic consumption, a number that could be increased significantly. My discussions with farmers advance the opinion that not enough is being done to protect the domestic market and that an aggressive trade strategy does not necessarily constitute a Canadian-centered approach.

Going Local: A Canadian-centered Approach

If we continue along our current path we may see the collapse of our small farms in Canada and the industrialization of agriculture, often under the control of foreign ownership. How is this problematic? For some this is not problematic given that it is compatible with our current neoliberal approach to trade. Others, like most of the farmers I spoke with, agree that such an approach undermines our right to control our domestic food system and as such threatens our access to food.

Food as a national security priority.

If we approach food as a national security issue we can conclude that the preservation of our small and medium farms in Canada could at any given time be a vital component of our defense strategy if a myriad of causes threatens our imported food supply. As farfetched as this may seem in the current political climate, in which food is a commodity *freely* traded across borders, environmental threats and political instability pose significant risks to our domestic food security. The effects of war or natural disasters are often exacerbated by a country's dependence on imported food. Several of the farmers I spoke with believe that Canada's security strategy should involve the protection of farms that feed domestic markets. Respondent 11 said that protecting farmers in Canada is really about protecting the greater population. His major concern for the future is that we will be caught short of producing food for our own people. Another Ontario farmer is quite concerned about Toronto's dependence on imports:

Toronto would be eating dogs and cats in a matter of weeks if the food supply was compromised somehow. We export everything and we won't get it back when we need it. Even the farmers go to the big companies to get the better deals but once the competition is eliminated

there will be no deals and the costs will keep going up and up. How will buyers have the choice to buy domestic products when the products are no longer available in stores?

Farmers are not just concerned about the amount of food available to Canadians but also the quality and safety of the food available. Respondent 11, an Ontario vegetable farmer, said we should only be worried about feeding the world after we can feed Canadians good food. “Businesses are just ripping farmers and consumers off. Canada has everything a country could want; good land, good water, enormous acreage, but we do nothing with it except for sell it to foreign investors. We export 90 percent of what we grow and we should be the richest country in the world but we are not”.

Food security is certainly not a major concern for the majority of Canadians unless they are living below the poverty line but how much does the government consider food as a security concern? The farmers I spoke with were clearly concerned with meeting Canada’s domestic consumption needs in the event of any number of possible circumstances. As implausible as it may sound we should not rule out the possibility and fail to have any strategy in place to deal with a potential crisis.

NAFTA threatens Canadian agriculture.

The North American Free Trade Agreement (NAFTA) drastically changed the nature of Canada’s economy. When I did the interviews I asked: “what do you know about NAFTA?” I expected an emotional response and for the most part that was what I received. For many Canadians, NAFTA is associated with the loss of hundreds of thousands of blue collar jobs as companies moved to Mexico and sometimes the United States in order to reduce wage and production costs. The agricultural agreements under NAFTA were quite controversial and thus

were phased in over an extended period of time; it would be difficult for any researcher to establish causal links between the agreement and the farm crisis in Canada. Canada, however, is currently moving forward with several bilateral trade agreements. I imagined that farmers would have some ideas about the problems associated with the bilateral approach.

Respondent 9, a Saskatchewan organic grain and oilseed farmer, said he is familiar with NAFTA and he thinks that the agreement does not benefit Canadians:

Canada has always had trade and is a trading nation. Canada had a 20 billion dollar surplus with the U.S before NAFTA. The social and political power has been skewed by the agreement. It is not really a free trade agreement because I can't export to the U.S because the power lies on the U.S side. The two price system for grain was eliminated under NAFTA. Canadian grain has to be sold to the American processors for the same price as it would be sold to Canadian processors. If the Canadian government gave a better price to Canadians then it would be considered an unfair subsidy. We should have the right to determine the price of our own grain.

For respondent 12, an Ontario organic dairy farmer, NAFTA has negative consequences not only because it favours American interests but also because it supports certain industries while allowing others to virtually disappear:

Free trade is not free and it is not fair either, fair would be better. Free trade is not free because farmers are not free to market their pork products to the U.S market. Pork was traded off for lumber. The NAFTA pork round comes to mind. New York used to love Canadian pork because it was leaner. The U.S hit the Canadian producers with a 45 dollar a carcass countervailing duty. The Canadians fought back for 3 to 5 rounds and the Canadian pork industry collapsed. The Canadians eventually won and farmers received compensation ten years after but meanwhile all the Canadian pork producers were out of business. The system does not work.

Respondent 12 is also concerned about a possible trade deal with the E.U. He thinks a trade deal with the EU will be disastrous for Canadian farmers. The E.U has stipulated that

Canada change our farming processes before they sign a deal so that our processes are aligned. “They test all our technology and machines and force us to spend money to change our processes but at the end of the day we will not be sending more food to the E.U. Only 42 percent of dairy farmers met their costs of production last year while 60 percent did not meet their costs. Now, the government is hitting them with more costs to harmonize their industries with the E.U. industry”. He believes that after they sign the agreement with Canada our standards will be ten times higher but they will ignore their own regulations and make it impossible for us to compete with them. The respondent said he worked in Europe and was shocked by what they consider normal practices and under such an agreement the Canadians would have no way to ensure that the E.U is enforcing the agreed upon standards. “They spread raw human sewage on agricultural land. We would be horrified here. Canadians don’t really want their products. It is a game of semantics that is not real; the whole thing is just a ploy to give big companies advantages”.

Farmers are major stakeholder in free trade agreements and the government has a responsibility to consider the perspectives of all farmers. Moving forward, the government may acknowledge the views of the National Farmers Union whose official position is that the E.U trade agreement will have serious negative consequences for the sector but given the benefits to other sectors farmers may just end up being the “sacrificial lambs” (as one farmer puts it) of yet another comprehensive free trade agreement.

Mad cows and mad farmers.

Respondent 14, An Ontario cattle farmer, said that he does not know much about NAFTA and he is not sure if his business has changed. Americans always bought Canadian beef and Canadians used to produce twice as much as we consumed. The open border was great for cattle

farmers. With Mad Cow disease the border shut; he hopes that things will get better soon but if things do not get better he might give up farming. He has 50 cattle right now and he cannot make a living even when the price is good. It is difficult to know if Canadian trade policies are effective because there are so many different types of farms but he thinks that the government is essentially trading off some industries, like the cattle industry, in order to open up markets in other sectors. He guesses that Canadians might benefit from these deals in other ways but he is not sure how. He wonders who gains from importing beef when Canada had such a thriving cattle industry and we produce more than enough cattle in Canada to feed our population. With open trade deals Uruguay, Australia, New Zealand and the United States all export beef to Canada through trade agreements. He has never been informed of the logic behind these deals but yet he cannot compete with imports.

Respondent 9, a Saskatchewan grain and oilseed farmer, said that Canada cannot expect to benefit from free trade when the players are too powerful to bargain fairly with. He believes that the Americans can shut the border any time they want.

The Americans shut the entire border to Canadian beef because one case of BSE was found. By the time the Canadians take a case against the Americans to the international community the damage has been done. Canadian companies are not as powerful as American companies and because we are such small players the U.S can just shut the border any time they want for any reason at all. After BSE new regulations were put in place that required that all cattle over 30 months have to be segregated and their entire nervous system removed (there was no real scientific basis for those regulations. It seems that they just invent regulations to quell fears in the U.S about BSE. Cattle ranchers had to then pay an extra 75 dollars a head for the nervous system to be removed (the entire spinal cord and brain). The price of cattle did not go up so that 75 dollars cut right into producers' bottom line.

Respondent 9 claims that the Mad Cow fiasco was nothing more than a trade barrier. He believes that since the same herd of cattle exists in both Canada and the United States, cattle on both sides of the border have the same risk of contracting the disease. He recalled that a U.S. senator spoke out against the regulations on Canadian beef during the BSE crisis by commenting that “to say that the Canadian herd has Mad Cow and the U.S herd does not is to say that my twin sister is ugly”. For many of the farmers I spoke with the BSE crisis highlighted some of the problems with NAFTA and the power imbalance that exists between the two countries.

Quality control.

Respondent 10, a Saskatchewan organic vegetable farmer, believes in a Saskatchewan-Canada centered approach in that if it does not benefit our country to import food then we should stop food from being imported from overseas. For him, imported food is cheap because it is often of a lower quality and if a product can be produced in Canada then there is no valid reason to import. He also thinks that the Canadian government is not doing enough to market Canadian products as superior, both domestically and internationally. He believes that Canadian standards are far superior to foreign standards and while the government keeps importing cheap food they are not doing enough to tell the public that Canada has superior products. He believes that the government should make Canada and the rest of the world know the high quality of Canadian products. He does not think the government needs to create barriers to imports but that it does need to market Canadian products more.

People sometimes assume that farmers want subsidies to be more competitive or they want the government to put tariffs on imports to protect their farms. This respondent, however, clearly indicates that free trade policies are not always the most pressing issue. He wants to see

the government support farmers by focusing on the merits of Canadian agricultural products and finding ways to relay to the public that Canadian products are of an exceptional quality. The sentiment is that the farmer wants to be recognized for his commitment to producing the highest quality product he can. As a farmer he has very little power to accomplish this and therefore it is essentially the role of the government to publicise his efforts.

Protectionism or pragmatism.

If the Canadian government takes measures to protect its own agricultural sector the criticism is often made that this is a form of protectionism and a step backwards in terms of global integration and “progress”. Yet such an approach could also be a practical measure to protect Canada’s economic stability. Respondent 11, an Ontario organic grain and vegetable farmer, believes that if we can grow it ourselves why should we grow it somewhere else? He said he believes that the government should charge tariffs on foods that we do not need imported to Canada because we already grow it here: “The trucks go back and forth across the border carrying the same product. We export our tomatoes to the U.S and then U.S companies’ truck Mexican tomatoes to Canada; Americans eat our high quality tomatoes while we have to import tomatoes all the way from Mexico”. For this farmer the situation is unsettling especially when the price of fuel to transport food is subsidized; this means that the price of unnecessarily transporting food is covered by taxpayers. Even when we consider the difference in the dollar the cost of transportation is far too high to continue with such a system. He recalled that the government used to make U.S trucks buy Canadian gas but that they do not do that anymore.

Respondent 4 believes that the position the Canadian government takes at the WTO on agriculture really depends on how much the government values food production in Canada. He

thinks that this should be a priority. “Even if we had no farms in Canada the trucks would keep bringing American food across the border but we would depend on the U.S. and politically we would lose our sovereignty. Further, if cheap oil disappears and there are no farmers Canada would be in big trouble”. He thinks that agriculture is different than other commodities. “People don’t really need to care where their computer comes from, their car, their shoes, even though all of these things have an effect on someone else, somewhere else in the world”. He thinks it is short sighted to think that food is the same because we need it to survive and it should therefore be given special status.

Most people have no idea what free trade has done to this country. As a country and as a province we need to start to look after our own interests first. If you help your own residents and those residents do well then they are in a position to help others elsewhere. You can’t help anyone unless you help yourself. Governments should not sacrifice the rights of a few to appease the majority. Big companies have a lot of power and feed a lot of people but that does not mean the rights of small farmers and organic farmers should not be protected. All farms should be treated equally and fairly by government. (Respondent 10)

Going International: Promoting and Protecting Canadian Farmers in the Global Market

Many of the farmers I spoke with pointed out some of the important theoretical drivers that perpetuate the problems with the current system. If we believe that a free market will create competition and that competition will contribute to the overall growth in the economy through “the trickledown effect”, then the government should continue to strive to eliminate subsidies and further open world markets. The fundamental problem with this approach is that there is the distinct possibility that given the advantages of other countries like lower wages and lower environmental standards that Canadian farmers will not be able to compete.

International markets are also difficult to gauge and respondent 7, a Saskatchewan organic vegetable and grain farmer, says he often receives conflicting messages; he often hears that the organic market is growing by 20 per cent per year so he produces more but then his brokers say they cannot move the product because supply is too high and he will have to drop his price to sell. He finds that this has been a key issue for both conventional and organic farmers and the elimination and reduction of tariffs has perpetuated the problem. “Farmers have no idea what price they will get for their products or how much they should grow. Usually they end up not being able to receive a decent price”. He thinks The WTO is supposed to be positive for farmers but while it gives them access to markets it also gives other countries free access to our markets. His perception is that other nations are encouraged to export food even they cannot even feed their own people. There are so many contradictions that he suspects that money is simply changing hands and ships full of the same product are just passing each other at sea going to each other’s countries. His view is that international trade does not seem to give economic benefit to producers or nations. The only difference in growing food overseas is the cost of the labour and the land, the crops are often the same, and we can grow almost any kind of crop anywhere. He suspects that such trade only benefits money traders and multinational corporations.

The 2007 fact-finding mission on Canada’s new agriculture and agri-food policy from the House of Commons Standing Committee on Agriculture showed that farmers thought that the Canadian government should be more aggressive in enforcing trade agreements and facilitating international market opportunities. A price floor was suggested to stop the number of cheap imports taking over traditionally domestic products. However, this measure was rejected as it would likely lead to reprisals from Canada’s trading partners. Instead the committee

recommended that the government take a strong stance in defending international agreements and aggressively seeking international market opportunities. Further, they recommended that the government establish a quick response team for trade issues that will have a negative impact on farmers. They also suggested that the federal government aid farmers financially in market promotion initiatives domestically and internationally (Bezan 2007, 7-9).

The farmers I interviewed seemed to echo some of these sentiments. NAFTA, however, was hugely unpopular among the farmers I spoke to while international agreements were seen somewhat more favourably. Many farmers think that NAFTA policies are favourable to American interests and that the Canadian government should support international agreements that determine universal rules. An Ontario farmer said that at the WTO, Canada tiptoes around the U.S. and the E.U. He does not have a lot of hope for long term stability if Canada does not have a more comprehensive trade strategy. Respondent 6 said we should not abandon NAFTA but that we should take a stronger stance in negotiations. He sees NAFTA as an attempt to put everyone on a level playing field. He thinks the problem is that the Canadian negotiators act like they do not have the upper hand and often let the Americans dictate the terms of the agreements:

We are the suppliers of so much to the Americans but the Canadian negotiators think that the U.S will magically go somewhere else to get products if we don't accept their terms. Meanwhile there are massive markets for our products in India and China where 2/3 of the world's people live. We are at the mercy of the U.S in part because commodity prices are based on U.S dollars. If our dollar improves it really hurts Canadian business. There is not enough domestic consumption. Feeding the Ontario population improves income but the price received is still largely based on U.S prices. The U.S essentially dictates commodity prices regardless of how much is consumed domestically. The price is always driven downward. We rely on the U.S too much because of NAFTA; change in this regard is a long time coming. Canada needs to be more aggressive in the global economy.

Respondent 2 said that he does not know much about NAFTA or the policies but he is in favour of free trade. He is in favour of free trade as an idea, but thinks that the idea has never really materialized. He thinks that business has gotten worse as a result of the policies that are in place. He thinks that it is not being implemented properly and therefore it cannot be working. He is hopeful that free trade can make business better but he thinks free trade really has not benefitted organic farmers. He exports a considerable amount of his products but would like to sell more to domestic markets. A Saskatchewan organic vegetable and grain farmer said that Canadian farmers are upset because they do not see anyone benefiting from free trade. “Conservative think tanks try to convince farmers that if they can just be more competitive they will make money but meanwhile only the processors and distributors are the ones making money”. He thinks government does not protect farmers or citizens but instead supports multinationals that process and distribute the food.

Respondent 1 also thinks that NAFTA seems to favour American interests. He said that he does not really know too much about NAFTA and he thinks it favours Americans because “he is a narrow minded Ukrainian farmer from Saskatchewan (laughing)”. He said that he and his “red-neck hill-billy” friends are not exactly informed about NAFTA but he thinks it must be geared toward American interests because big business is dominated by American companies. He does not believe that the Canadian government trade policies support the interests of farmers. “Farmers are at the bottom of the *food chain*. Things are not much different than when farmers were serfs. Grain companies get the lowest possible price for grain because grain farmers are not united. Also, farmers have to sell when grain prices are the lowest, in the fall. This is because most farmers are in debt and they have to pay their creditors on time”. If a farmer has a lot of money he can sit on his grain and wait for the price to go up but that is not possible for most

farmers. He says that farmers are in part to blame because they are trying to keep up with the Joneses; they want the nicest tractors and the shiniest new combines. The debt problem among farmers is a combination of not getting a good price for grain, paying a lot for inputs and not living within their means.

We can see from his comments that free trade is only a part of the story and he identifies several causal factors that reduce his ability to earn a reasonable income. He says that farmers are not united; farmers have to sell in the fall when prices are lowest in order to pay creditors, and farmers are paying too high a cost for inputs. Some problems could be addressed without changing trade policies. Farmers could organize co-operatives; arrangements could be made with the banks to offer farmers a lower interest rate on their credit or a more flexible payment plan, and government programs could be implemented to help farmers reduce the amount of inputs like chemicals needed to farm successfully. The range of options is beyond the scope of this paper but the comments gathered from farmers indicates several alternative policy pathways are available and further research could open the government to a wide range of possibilities that could improve Canada's agricultural sector.

Chapter 7. Conclusion

As described in chapter four there are three central arguments to explain the farm income crisis in Canada. One of these arguments is that farmers have a limited capacity to extract a fair share of the revenue generated from the agri-food chain. Many of the farmers who were interviewed considered this scenario to be a central problem. Those who were part of a marketing board, however, felt that such an arrangement is an effective tool in addressing the power imbalance that exists. Several farmers were concerned that the government will force these entities to be dismantled. Even some farmers who were not part of a marketing board thought that they would also be negatively impacted by the dismantling of entities like the CWB because it would create a ripple effect through the entire agricultural sector as farmers would be forced out of business without such protections. There was a strong sentiment among the farmers that the government was supporting the interests of the biggest players in the agri-food chain, thereby intensifying the power imbalance that already exists and making it even more difficult for farmers to extract a decent wage from the value chain.

The farmers I interviewed recognized the obvious benefits associated with liberalized trade like increased access to export markets but they also thought that the system had gone too far in the direction of expanding markets while failing to acknowledge the consequences for producers who depend on domestic markets. Further, they think the government has not done enough to support a diverse and sustainable agricultural sector, instead focusing on expanding monocultures, increasing productivity, and expanding markets. Farmers were particularly fearful of the cultural and social implications of liberalized trade.

Those who were interviewed did not have any consensus whatsoever on the role of subsidies in supporting farmers interests. There were powerful and convincing arguments both for and against subsidies which suggests that there is a need to look carefully at the context before providing financial support to farmers. The interviews signify that a balanced approach is needed that does not rule out subsidies but recognizes that there are some potentially dire consequences involved if they are used improperly. Farmers did, however, generally agree that the subsidies or support programs that are available tend to benefit large scale farms considerably more than they do small and medium sized farms. Some farmers wondered what benefits Canadian taxpayers receive from financing corporate agricultural production for export markets. They suggested that a more balanced government approach would be to recognize that small farmers maintain the health of rural environments and communities, and provide healthy and affordable food directly to Canadian consumers.

Most of the farmers thought that tariffs should be implemented on at least some agricultural products. The farmers had either been directly affected by dumping, or knew someone who had been affected by such practices. Further, several of them felt that the only way to control these activities is to impose tariffs on certain vulnerable sectors because the only available recourse at the moment is to make a formal complaint after the dumping has occurred. This means that an anti-dumping ruling will only be applied after the farmers affected have suffered what is often irreversible damage to their businesses. If government has any mandate to support small and medium sized farmers this is an issue that must be addressed.

Not surprisingly, the farmers were acutely aware of the role of technology in maintaining the current food system. Less obviously, some were deeply troubled that the technologies currently being employed will not be able to sustain our food system. The use of fossil fuels in

agriculture, for example, was seen as an unsustainable technology even by those who make extensive use of synthetically based fertilizers. There was also an agreement among some farmers that the government is not doing enough to support independent, publicly funded research and development. Organic farmers were particularly concerned about the impact GMO technologies has been having, and will continue to have, on organic production and they are worried that the government lacks oversight regarding the corporate development and release of the technology.

Perhaps one of the most interesting findings from the research was that farmers frequently remarked that consumers were not aware of the hidden costs associated with the global food system and how that system has perpetuated what one farmer refers to as “cheap food policies”. Without cheap imports that depend on cheap oil the *true* costs of producing food would be reflected in the price we pay; this price would be considerably higher than what we currently pay. They do not, however, necessarily view this potential development as a negative consequence since it would likely mean that the value of their products would go up and farmers in Canada would be recognized for their important contributions.

In chapter five, ‘Situating Farmers in the Debate’, most of the farmers interviewed said that their MP’s do not represent their interests to the government and they identified some of the possible reasons why this is the case. Most of the respondents also felt that while farmers’ organizations do try to advance the interests of farmers they have no way of gauging what these organizations have been able to accomplish. There were a few notable exceptions; active members of the organizations felt the work that has been done was crucial. Several farmers were upset that they were required to join a farm organization; some farmers said that the government enforces mandatory participation in an organization in order to limit the amount of consultation

that takes place between farmers and government. Giving farmers a single voice through a farmers' organization may actually serve to silence some farmers, a consideration which should not be overlooked. The responses of the farmers indicate that there is a strong perception that their interests are not being reflected in policy development.

In chapter six, 'Policy Perspectives and Directions', the research addressed what farmers see as possible solutions to the problems that were identified in chapter four. Some farmers suggested that the government approach agriculture as a national security issue and should take measures to protect farmers in the interest of protecting the interests of the broader population. Some farmers saw NAFTA as major source of many of the issues that were identified. Some said they would prefer that the government take a more multilateral approach to trade as it would give Canada a more fair bargaining position in negotiations and help to open new markets. Some farmers believe that there are numerous trade barriers aside from tariffs that make free trade impossible to enforce. They suggest that the government find ways to effectively address the barriers or drastically alter or abandon the agreements. American regulations on Canadian beef after the Mad Cow crisis was a poignant example of an unwarranted trade barrier for some farmers. Alternatively, many farmers said that the government is not doing enough to control the quality of imports. Cheaply produced imports could negatively impact human health, and dramatically undercut the prices of domestic farmers. Farmers bring to the table a holistic perspective that includes a concern for their economic survival and success but also for national and local food security and environment sustainability. On the other hand, the government's approach tends to focus on economic growth without enough regard for these other important factors.

Throughout the interviews many of the farmers repeatedly said that their costs were very high for inputs such as labour, transport, and pesticides, while the prices they were able to get for their products were often excessively low. A number of them attributed this problem to the surplus of cheap imports coming into Canada, while others attributed it to gross inequalities in the agri-food chain. Still others believe that consumers are in part responsible because they refuse to pay the true price for quality foods. The extent to which each of these problems may have contributed to or caused the farm income crisis in Canada is beyond the immediate scope of the research. Further, it is important to note that the assertions made by the farmers who were interviewed should not be regarded as factual. The research has, however, illuminated the evidently strong sentiment among at least some of Canada's small and medium-sized farmers that their unique and important perspective is not being heard and responded to by the Canadian government. In light of this reality, it is unlikely that the government will take appropriate actions to remedy the situation.

By asking farmers detailed questions regarding their relationship with government, their understanding of the way free trade has affected them, and in what ways they think government policies have affected their businesses, I was able to gain a fairly deep understanding of how some farmers think the government could act in their interests. Specifically, from my research I learned that many farmers do not feel that subsidies help address the farm income crisis. Further, while most of the people I spoke with supported tariffs in some industries they were not necessarily opposed to trade liberalization. They did not, however, see trade liberalization as the solution to the problems that they identified and they would like to see the government look beyond liberalization in trade as the only answer to creating a prosperous agricultural sector. The farmers I spoke with thought that the government had not done enough to represent the interests

of farmers or to work with farmers to establish creative solutions to the farm income crisis. They suggested solutions that would allow farmers to make investments in marketing, research, and environmental initiatives. The initiatives they envisioned would allow them to make wise investments and become more competitive by using their land more efficiently (without becoming larger), thereby strengthening the rural economy and generating wealth throughout the agri-food chain. Further, they questioned the Canadian government's priorities and who the government saw as the major stakeholders in the agricultural sector. They felt that agribusiness was being supported by the government even though corporations did not need support. Further, they felt that the government had some responsibility to protect farmers since the free market is unpredictable and potentially devastating to their businesses.

The Canadian government has clear goals around the marketization of agriculture and the expansion of export markets. While these objectives tend to be good for large farms and agri-corporations, there are thousands of small and medium-scale farms that need the support of government to thrive. Despite being innovative and adaptable people who have found creative and intelligent ways to adapt to the internationalized economic climate, many of these farmers continue to struggle against powerful outside pressures that threaten their businesses and livelihoods. Farmers represent only a small segment of the population, dispersed over a vast geographical area, which makes it exceedingly difficult for them to gain adequate representation at the federal level. Further, there is no strong unifying farm organization that has managed to adequately represent farmers' interests at the federal level.

My research attempted to bring the views of small farmers in to the debate and to elaborate on some of the ways in which their views may contribute to a richer understanding of the effects of policies on Canada's agricultural sector. My background research and farmer

interviews lead me to conclude that for several reasons the views of small farmers are either not reaching Ottawa or they are simply not being considered when they are reaching government. A strong economy and democracy should not be leaving anyone behind on the uncertain claim that this will benefit the majority. Such a strategy is likely to undermine segments of the population that, while small, may be vital to the survival of the nation.

Suggestions for Further Research

In part, this thesis was intended to generate discussion and research that will position small and medium sized farmers as key stakeholders in Canada's agricultural policies. Further research on the amount of government investment into these farms and how that money is being spent would likely contribute to a much deeper understanding of what contribution government can make to further the interests of this group of farmers. There are several types of investments that would likely benefit farmers, and further research is needed to determine how and if these investments can be implemented. Potential initiatives include: programs to help young people start successful farms; consumer awareness campaigns focusing on the health and environmental benefits of supporting Canadian farms; incentive programs for environmental stewardship; consultative services for farmers; and independent government run research and development programs.

One of the major issues that surfaced in my research was the perceived threat to marketing boards and regulatory regimes. It would be beneficial for researchers to examine the possibility of enacting legislation that would guarantee the protection of such entities. Such legislation would give farmers who are members of these organizations a more secure future.

These protected organizations would also be better able to lobby the government on behalf of their interests.

Several farmers suggested that advocates who wish to advance the interests of this important group present their arguments in a way that highlights how all Canadians are affected by the issues that farmers face. Further, the problems facing farmers could be presented as a national security issue. Research may be needed to determine what the potential consequences of depending on food imports really are. Floods, droughts, plant and animal diseases, wars, and terrorism all pose significant threats to our food supply; that threat is likely to be exacerbated by too great a dependence on imported foods. Further research could examine the possibility of developing an emergency food strategy in the event of a crisis.

Internationally, my research highlighted some of the weaknesses in the current trade regime. It may be valuable for researchers to explore how the government can better support farmers' interests while still adhering to the WTO agreements. An international investigation may be warranted in order to explore this question. Further, more research is needed on the benefits and disadvantages associated with both the multilateral and bilateral approaches to trade in agriculture. My research suggests that there are significant weaknesses in the bilateral approach, especially for less powerful players like Canada.

Finally, a series of in-depth interviews with farmers from all across Canada and from every sector could help to form a blueprint for a comprehensive agricultural policy that fully incorporates the interests of this key stakeholder group.

Appendices

Appendix A- Farmer Interview Questions

How long have you been farming?

What do you grow?

Briefly, what kind of farming processes do you use? Is yours an organic farm?

Have you always grown these crops or did you change what you grow at some point?

If yes, why did you change what you grow?

How many acres is your farm?

Has the size of your farm changed at all since you started farming?

Do you rely on farming as your primary source of income?

Are you engaged in other work outside the home?

How many people work on your farm in addition to yourself? How many of them are family members (assuming they don't get paid) and how many are hired workers?

Where do you sell your product- what is the marketing channel, and is it largely for the domestic or the export market?

Do you think that the government should charge tariffs on products imported from other markets, like the United States?

Do you receive any government subsidies, and if so which ones?

Do you think the government should offer farmers subsidies, if so what type of subsidies; on equipment, on chemicals, on transportation costs etc?

If you receive any subsidies do you think they are effective in supporting your farm?

Do you think that the elected Member of Parliament represents your interests to government to your satisfaction?

Are you a member of a Farmers Union, if so, what benefits have you gained from your membership?

What do you know about NAFTA and the policies outlined in the agreement?

In what ways do you think your business has changed as a result of NAFTA or other trade agreements?

Do you think the federal governments' trade policies support the interests of farmers like yourself?

In the US, the government subsidises medium and large scale farmers, do you think these countries give their farmers an unfair advantage over international competitors and if so, do you think the Canadian government should respond by giving more subsidies to farmers or taking a strong political stance on eliminating or equalizing the amount of subsidies available.

Does the government have a responsibility to implement measures to protect Canadian farms or should this be the farmer's responsibility?

What are your concerns for the future, do you think governments' trade policies can help address your concerns, if so, in what way?

Appendix B- Informed Consent for Participation in Research

My name is Amanda Shankland, I am a Masters student in the Public Policy and Administration program at Ryerson University. I am currently conducting a research study on attitudes toward Canada's agricultural trade agreements within Canada's farming communities.

INTRODUCTION/PURPOSE:

You are being asked to participate in a research study. The purpose of the study is to identify attitudes toward Canada's agricultural trade agreements within Canada's farming communities. You are being asked to volunteer because as a small to medium sized farmer in rural Canada your views on this subject will establish the basis of my research. About thirty other persons are being invited to participate.

PROCEDURES: As a participant in this study, you will be asked to explain your attitudes and perceptions toward Canada's trade policies and how you perceive these agreements to have affected your business. Your participation in this study will last for approximately ½ to 1 hour. If you wish for the information you provide to remain confidential no personal identifying information will be written with responses to the questions.

RISKS AND BENEFITS: Your participation in this study does not involve any significant risks and your participation in this research will not benefit you personally. You will not receive any compensation for your participation in the study. The results of the study, however, may be of benefit to policy analysts who wish to gain a better understanding of how farmers understand Canada's trade policies to have affected their businesses. Your choice to participate will have no impact on future relations with Ryerson University.

CONFIDENTIALITY: Any information learned and collected from this study in which you might be identified will remain confidential and will be disclosed ONLY if you give permission. All information collected in this study will be stored in a protected file contained within the researchers' personal computer. Our conversation will not be recorded using any audio device; answers will be collected in written form. Only the investigator will have access to these records

and these records will be retained only until completion of the study. If information learned from this study is published, you will not be identified by name unless you wish to be identified.

VOLUNTARY PARTICIPATION: You have been informed that your participation in this research study is voluntary. You may skip any questions that you do not want to answer. If you decide to take part, you are free to withdraw at any time. If you withdraw no more information will be collected from you. Do you agree to participate in this study? Do you prefer that your identity remain confidential?

Contact Information:

Amanda Shankland- Masters in Public Policy and Administration at Ryerson University

Email at ashankla@ryerson.ca or by phone at 416-519-0358

Alex Karabanow- Ryerson University Research Ethics Board

Email at alexkarabanow@ryerson.ca

Appendix C- Initial Contact Letter

Dear Mr or Mrs (_____),

My name is Amanda Shankland, I am a Masters student in the Public Policy and Administration program at Ryerson University. I am researching attitudes toward Canada's agricultural trade policies within Canada's farming communities.

My research explores the attitudes of small to medium size farmers toward Canada's trade policies. I want to find the answers to the following questions: How do farmers perceive Canada's agricultural trade policies to have affected their businesses? How have farmers responded to these policies?

I will ask each participant a series of questions meant to gauge their perceptions toward these policies and will ask participants to offer possible solutions to any problems they have identified. I will use your responses to create recommendations that can be used by trade policy analysts.

I would really appreciate your participation in this study. The interview takes about forty minutes and is conducted over the telephone at a time convenient for you.

Your confidentiality will be protected. If you agree to participate, I will send you a consent request form for you to review and sign. Only then will I interview you.

This research project has been approved by the Ryerson Graduate Studies research ethics board and is being supervised by a Ryerson professor in the department of Politics.

Thank you in advance for considering taking part in this research.

Sincerely, Amanda Shankland

Appendix D Interviewees

Respondent #01 Saskatchewan Grain Farmer (Conventional)
Respondent #02 Saskatchewan Grain and Cattle Farmer (Organic)
Respondent #03 Ontario Blueberry Farmer (Conventional)
Respondent #04 Ontario Fruit and Vegetable Farmer (Conventional)
Respondent #05 Ontario Vegetable Farmer (Conventional)
Respondent #06 Northern Ontario Grain and Oilseeds Farmer (Conventional)
Respondent #07 Saskatchewan Vegetable and Grain Farmer (Organic)
Respondent #08 Ontario Horticultural and Grain Farmer (Conventional)
Respondent #09 Saskatchewan Grain and Oilseed Farmer (Organic)
Respondent #10 Saskatchewan Vegetable and Hay Farmer (Organic)
Respondent #11 Ontario Grain and Vegetable Farmer (Organic)
Respondent #12 Ontario Dairy and Grain Farmer (Organic)
Respondent #13 Ontario Dairy Farmer (Organic)
Respondent #14 Ontario Cattle Farmer (Conventional)

Appendix E- Organizations

AAC- Agriculture Adaptation Council- Agriculture and Agri-food Canada

CBAN- Canadian Biotechnology Action Network

CFIA- Canadian Food Inspection Agency

IAASTD- International Assessment of Agricultural science and Technology and Development

ONFC- Ontario Natural Food Co-op

NFU- National Farmers Union

Institute for Agriculture and Food Policy

Bibliography

- Agriculture and Agri-food Canada. 2010. *AgriStability: Treatment of Supply Managed Commodities under the new Business Risk Management (BRM) Suite*. May 16, 2010, accessed Sept 10, 2010 at <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1210970006739&lang=eng>
- Agriculture and Agri-food Canada. 2010. *Growing Forward Initiatives*. December 3, 2010, accessed September 15, 2010 at <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1267211706810&lang=eng>
- Agriculture and Agri-food Canada. 2010. *National Environmental Farm Planning Initiative*. November 26, 2010, accessed September 15, 2010 at <http://www4.agr.gc.ca/AAFC-AAC/displayafficher.do?id=1181579114202&lang=eng>
- Agriculture and Agri-food Canada. 2011. *Profile of Young Farmers in Canada*. January 24, 2011, accessed September 10, 2010 at <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1295460165220&lang=eng>
- Anderson, Sarah et al. *Lessons from NAFTA: the high cost of free trade*. 2003. Ottawa: Canadian Centre for Policy Alternatives.
- Athwal, Rita K. 2002. *Integration of Canadian and US cattle markets*. Ottawa: Statistics Canada. *Agriculture and Rural Working Paper Series*; no. 53.
- Barndt, Debra. 1999. *Women Working the NAFTA Food Chain: Women, Food and Globalization*. Sumach Press.
- Bezan, James MP chair. 2007. *Report on the Fact-Finding Mission on Canada's New Agriculture and Agri-Food Policy: Report on the Standing committee on Agriculture and Agri-Food*. June 2007 39th Parliament, 1st Session.
- Bowlby, Geoff. 2002. *Farmers Leaving the Field. Perspectives on Labour and Income* (February) Volume 3, no 2.
- Canadian Food Security Policy Group. 2004. *A Food Security Perspective on Canada's International Trade and Development Assistance Policies: A Discussion Paper for the Government of Canada's International Policy Review*. Ottawa, ON, Canada: Canadian Hunger Foundation.

- Canadian International Trade Tribunal. 1992. An Inquiry into the allocation of import quotas / Canadian. *International Trade Tribunal*. Ottawa: The Tribunal.
- Canada's trade in agricultural products, 1988, 1989 and 1990 / D.L. Aub{226}e,” edited by International Trade Policy Directorate, Agriculture Canada. Ottawa: Supply and Services Canada, c1992.
- Competition and Subsidies in Global Markets. 2008. Agricultural Policy Framework. Ottawa: Agriculture and Agri-food Canada, accessed August 9, 2010 at www.agr.gc.ca
- Cosbey, Aaron. 2009. A Sustainable Development Roadmap for the WTO. Winnipeg, MB, CAN: International Institute for Sustainable Development.
- Farming: you have to grow to succeed. 2002. *Maclean's*, Vol. 115 Issue 21, p14, 1p, 1 chart.
- Financial situation and performance of Canadian farms. 2009. Prepared by Deborah Niekamp for Agriculture and Agri-Food Canada. Ottawa: Agriculture and Agri-Food Canada accessed January 19, 2010 at www.agr.gc.ca
- Fontana, Andrea and James H. Frey. 2005. The Interview: From Neutral stance to Political Involvement, In *the Sage Handbook of Qualitative Research*, ed. Norman K. Denzin and Yvonne S.Lincoln, 3rd ed. Thousand Oaks: Sage Publications.
- Font, Mauricio A. 1990. Export Agriculture and Development Path: Independent Farming in Comparative Perspective. *Journal of Historical Sociology* (December), Vol. 3 Issue 4, p329-361, 33p
- Free Trade: Is it working for farmers? Comparing 2007 to 1988. 2007, accessed February 20, 2010 at http://www.bilaterals.org/article.php3?id_article=11316
- “Free Trade”: is it working for farmers? National Farmers Union Brief, August 6, 2002, accessed March 15, 2010 at <http://www.tradeobservatory.org/library.cfm?refID=25616>
- Gagnon, Michel Kelly. 2001. Why Not Free Trade in Agriculture? *Montreal Business Magazine*, p. 1 (March 01)
- Goldfarb, Danielle. 2005. U.S. bilateral free trade accords: Why Canada should be cautious about going the same route. Toronto, ON, Canada: C.D. Howe Institute.

- "Growing" costs for Canadian farmers. 2008. Ottawa: Standing Senate Committee on Agriculture and Forestry, accessed June 17, 2010 at <http://www.parl.gc.ca/39/2/parlbus/commbus/senate/com-e/agri-e/rep-e/rep08jun08-e.htm>
- Guba, E., and Y. Lincoln. 1989. *Fourth generation evaluation*. Newbury Park, CA: Sage.
- Guebert, Alan & Cousins, David. 2004. Talking free trade is one thing, farming it is quite another. *Farmers Weekly*. Vol. 140 Issue 3, p60-60, 1p
- Guehlstorf, Nicholas. 2005. A Comparative Analysis of the Impacts of Modern Farming on Agricultural Productivity and Economic Development in NAFTA Countries. Conference Papers -- Midwestern Political Science Association; Annual Meeting, Chicago, IL
- Hammer, Dean and Aaron Wildavsky. 1989. The Open Ended, Semistructured Interview: An (Almost) Operational Guide. In Aaron Wildavsky, *Craftways: On the Organization of Scholarly Work*, New Brunswick, USA: Transaction, 57-101.
- Hermanowicz, Joseph C. 2002. The Great Interview: 25 Strategies for Studying People in Bed. *Qualitative Sociology*. Vol. 25, No. 4 (winter).
- Holden, Michael. 2005. *Canada's Domestic Agricultural Supports and the World Trade Organization*. Ottawa, ON, Canada: Library of Parliament, Parliamentary Research Service. pp 6-8.
- Jackson, Andrew. 1997. Impacts of the Free Trade Agreement (FTA) and the North American Free Trade Agreement (NAFTA) on Canadian labour markets and labour and social standards. Ottawa: Canadian Labour Congress.
- Johnson, James A. 1997. Profile of Canadian farm operators. Statistics Canada, Agriculture Division. Ottawa: Statistics Canada.
- Keating, Tom. 1999. Thinking Globally, Acting Regionally: Assessing Canada's Response to Regionalism, In *Regionalism, Multilateralism, and the Politics of Global Trade*, ed. Donald Barry. Vancouver: UBC Press.
- Kennedy, Kevin C. Ed. 2004. *The first decade of NAFTA: the future of free trade in North America*. Ardsley, NY: Transnational Publishers.
- Lilleker, Darren G. 2003. Interviewing the Political Elite: Navigating a Potential Minefield. *Politics* 23: 207-214.

- Losing the Farm: How Corporate Globalization Pushes Millions off the Land and Into Desperation. 2003. *Multinational Monitor* 24.7/8. 30-33
- Manheim, Jarol B, Richard C. Rich, Lars Willnat and Craig Leonard Brians. 2006. *Empirical Political Analysis*. 6th ed. New York: Pearson Longman.
- Maxwell, Joseph A. 2004. Using Qualitative Methods for Causal Explanation. *Field Methods* Vol. 16, No 3 (August): 243-264.
- Moret, Margriet, Rob Reuzel, Gert Jan Van Der Wilt and John Grin. 2007. Validity and Reliability of Qualitative Data Analysis: Inter-observer Agreement in Reconstructing Interpretative Frames. *Field Methods* 19:1 (February): 24-39.
- North American Free Trade Agreement: Chapter 7, Section A – Agriculture, accessed August 25, 2010 at <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/nafta-alena/texte/chap07a.aspx?lang=en>
- Olsen, Dennis R. 2008. Lessons from NAFTA: Food and Agriculture. Institute for Agriculture and Trade Policy. December 2, 2008, accessed May 6, 2010 at <http://www.tradeobservatory.org/library.cfm?refid=104576>
- Orden, David. 1994. Agricultural Interest Groups and the North American Free Trade Agreement. *NBER Working Paper* No.4790. Cambridge, MA: National Bureau of Economic Research.
- O'Reilly, Gwen. 2008. Orderly Marketing in Canada: No Easy Answers. *The Canadian Organic Grower*, accessed February 25, 2011 at <http://www.cog.ca/documents/TCOG/08Winter-MarketingWinter08.pdf>
- Philip T. Yanos and Kim Hopper. 2008. On False, Collusive Objectification: Becoming Attuned to Self-Censorship, Performance and Interviewer Biases in Qualitative Interviewing. *International Journal of Social Research Methodology* 11:3 (July): 229-237.
- Posner, Lauren. 2001. *Unequal Harvest: Farmers' Voices on International Trade and the Right to Food*. Montreal: International Centre for Human Rights and Democratic Development.

- Qualman, Darrin. 2001. The farm crisis and corporate power. Foreword by Nettie Wiebe, afterword by Murray Dobbin. Ottawa: Canadian Centre for Policy Alternatives.
- Qualman, Darrin and Fred Tait. 2004. The farm crisis, bigger farms and the myths of 'competition' and 'efficiency'. Ottawa: Canadian Centre for Policy Alternatives.
- Rapley, Timothy John. 2001. The Art (fullness) of Open-Ended Interviewing: Some Considerations on Analysing Interviews. *Qualitative Research* 1:3 (December): 303-323.
- Report Tabled on Canada's New Agriculture and Agri-food Policy. 2007. Ottawa: House of Commons Standing Committee on Agriculture and Agri-Food. June 27, 2007, accessed June 9, 2010 at <http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=3066013&Language=E&Mode=1&Parl=39&Ses=1>
- Rubin, Herbert J. and Irene S. Rubin. 2005. Qualitative Interviewing: *The Art of Hearing Data*. 2d ed. Thousand Oaks: Sage Publications.
- Skogstad, Grace. 2008. *Internationalization and Canadian Agriculture: Policy and Governing Paradigms*. University of Toronto Press, Toronto.
- Standing Senate Committee on Agriculture and Forestry. 2006. Agriculture and Agri-Food Policy in Canada: Putting Farmers First!. Ottawa: Canada. Senate Committee Reports.
- Stephens, Neil. 2007. Collecting Data from Elites and Ultra Elites: Telephone and Face-to-Face Interviews with Macroeconomists. *Qualitative Research* 7:2 (May): 203-216.
- Sturges, Judith E. and Kathleen J. Hanrahan. 2004. Comparing Telephone and Face-to-Face Qualitative Interviewing: A Research Note. *Qualitative Research* 4:1 (April): 107-118.
- Wealth and Want. 2011. Thomas Jefferson and Jeffersonian Ideals: Thomas Jefferson, letter to James Madison, dated October 28, 1785, accessed March 11, 2011 at http://www.wealthandwant.com/themes/Jeffersonian_Ideals.html
- Weis, Anthony. 2007. *Global Food Economy: The Battle for the Future of Farming*. London, UK: Zed Books. Pgs 11-13.
- Wolfe, Robert. 2007. Harvesting Public Policy? Private Influence on Agricultural Trade Policy in Canada. Guelph, ON, Canada: Canadian Agricultural Trade Policy Research Network.

1996 Census of Agriculture farm operator national and provincial highlights tables: data products, Canadian Research Index. 2000. Ann Arbor

Glossary

Dumping- a situation where a producer in one country exports a product to another country at a price which is either below the price it charges in its domestic market or is below the costs of production. The *dumped* commodity makes it very difficult for local producers in the importing country to compete and can force them out of business.

Policy Drift- a situation where policy makers make only minor and sometimes contradictory changes after a failure.