

House of Commons CANADA

Standing Committee on Agriculture and Agri-Food

AGRI • NUMBER 039 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Thursday, February 22, 2007

Chair

Mr. James Bezan



Standing Committee on Agriculture and Agri-Food

Thursday, February 22, 2007

● (1535)

[English]

The Chair (Mr. James Bezan (Selkirk—Interlake, CPC)): I call this meeting to order.

This is meeting 39, and today we're doing our study on the impact of the farm income crisis. We have a number of witnesses before us: from the University of Regina, Annette Aurélie Desmarais; from the Manitoba Farm and Rural Stress Line, Janet Smith; from the Fédération des agricultrices du Québec, Carmen Ducharme; from Au coeur des familles agricoles, Claude Barnabé; and from the National Farmers Union, Grant Robertson. Jim Smolik is here from the B.C. Grain Producers Association, and William Van Tassel is here from the Fédération des producteurs de cultures commerciales du Québec.

We welcome all of you to the committee. We're going to do this in order of appearance on the agenda. Please keep your comments to under 10 minutes.

With that, I'll turn it over to Madame Desmarais.

Ms. Annette Aurélie Desmarais (Professor, Department of Justice Studies, University of Regina): First I'd like to thank the honourable members of this committee for the opportunity to appear before you. It's a real privilege to exercise our right to participate in a democratic process.

My presentation essentially summarizes the results of the study I co-wrote with two other researchers from the University of Saskatchewan. The study is entitled "Farm Women and Canadian Agricultural Policy" and was published by the Status of Women in the summer of 2006. All of you should have a copy. It's in both English and French.

While women play a very critical role in the operation of Canadian farms, there has been very little explicit effort to identify their policy needs and hear about their vision for agricultural policy. This reality completely contradicts the Canadian government's commitment, articulated in 1995, to achieve gender equality at all levels of decision-making and to incorporate women's perspectives in governance.

The reality is that farm women participate less in policy-making forums and remain underrepresented in farm and commodity organizations. For all intents and purposes, farm women, rural women, remain quite marginalized from agricultural policy development. For example, in this study we found that only 6.7% of the women who were part of this study had actually participated in the government consultations that led up to the agriculture policy

framework. So that means rural women's needs were not reflected in the APF.

Our study provides important insights into the situation of rural women in six provinces. It provides much needed information about rural women's experiences, their economic and social context, and recommendations for an inclusive agricultural policy in Canada. I also need to stress that the study clearly points to the need for a well-funded institution like the Status of Women, which in this case helped ensure that rural women's voices would be heard in agricultural policy circles.

So this research essentially documents issues that rural women consider as critical features of rural Canada that need to be fully integrated into agricultural policy. It conducts a gender analysis of the APF and develops recommendations to rectify the historical exclusion of women and their legitimate concerns. Due to time constraints, I can only mention some of the key findings of this study.

It really confirms a number of trends that result from the restructuring of rural Canada. First, there are fewer farms and fewer farmers, and those who remain are getting older. Farms are getting bigger, and larger farms need more capital investment. Higher gross receipts are not necessarily translating into higher realized net income for farmers. Increased trade is not translating into higher realized net income for farmers. Farm debt has increased dramatically. High-volume export-oriented industries are economically vulnerable, and there has been increased corporatization of agriculture.

When women were asked what specific changes in their lives they had experienced as a result of Canadian agricultural policies, they pointed to a more acute farm financial crisis in rural Canada. This farm financial crisis is the major stress in the lives of farm women and their families. They describe the impact of the farm crisis as multidimensional, and it has significant implications for the quality of life in rural communities.

The farm financial crisis is forcing farming families to seek other sources of income to supplement their livelihoods. This adds to their workload and stress, as women are working far more hours. They are much busier with farm work, they are much busier working off the farm, and they are also much busier working at community volunteer work.

The farm financial crisis effectively forces farming families to leave the farm, and they are doing so in droves, especially the youth. Women linked farm transfer, or succession, intimately with the farm financial crisis and the long-term sustainability of the family farm. They are deeply concerned about their children's ability to make a living from farming, given the current situation. Many doubt the wisdom of advising their children to take on the farm, and they question whether farming will sustain their families in the long term. Consequently, rural communities are doubly disadvantaged. They lose people, businesses, and services through depopulation, and there are fewer people available to do the critical volunteer activities that keep rural communities vibrant. So as rural populations decline, an ever smaller tax base remains to support the necessary rural infrastructure. Farming families are now travelling further to access everything, from banking to shopping, health, education, and recreational services.

The study reveals that rural women see government policy directions as contributing largely to the farm financial crisis. Women noted that government policies support the corporatization of agriculture, they contribute directly to the industrialization of agricultural production, and largely exclude the interests of farming families. I'll quote one woman because I think she captured a real sense of what women are thinking about government policy, as they have experienced it to date. This is a quote:

The government told us, if you can't get enough dollars in this, then add something else,

—the diversification strategy—

and if you can't get enough dollars in this, then add something else—all the time thinking that with extra income, you don't get extra expenses. And then, if that isn't making it for you, go do marketing too. I used to say, we had one job that didn't pay. Now we have three that don't pay.

It's important to note that in spite of the overwhelming pressures of the recurring farm crisis, rural women retain deep connections with their farms and communities. For many, farming provides a sense of rootedness, a deep connection to and a passion for the land, and a deep connection to rural communities. They value this for themselves and for their families. Farming is deep in their spirit, in their heart, and in their blood, and for many, farming is the only thing they've ever wanted to do. They see farming as playing a critical role in a society that values production and consumption of safe and good-quality food.

This leads me to the final question of the study, which was what would a gender-sensitive agricultural policy look like? In other words, what kinds of solutions should we be looking at? Here they stress that an effective agricultural policy must address the root causes of the farm financial crisis. The concrete recommendations of the study point to the need to build an inclusive agricultural policy whose goals and programs rest on four key pillars: financial stability for farm families in rural communities; a domestic food policy; strengthening social and community infrastructure; and ensuring safe and healthy food and environment.

● (1540)

All the recommendations are written up in detail in the fifth chapter of this study. I'll leave it at that.

The Chair: Thank you very much.

We'll go to Ms. Smith, please, for 10 minutes.

Ms. Janet Smith (Program Manager, Manitoba Farm and Rural Stress Line): Good afternoon, ladies and gentlemen, Mr. Chairman, and the honourable members of the Standing Committee on Agriculture and Agri-Food.

It's a real honour to be here this afternoon to speak with you today. My name is Janet Smith, and I'm the program manager of the Manitoba Farm and Rural Stress Line.

I'm here to tell you a little bit about the organization I represent, the issues we deal with every day on the front line, and to offer some recommendations to the committee to consider regarding the provision of farmer-friendly support services to producers and their families. I'm particularly pleased that this committee, in your deliberations about the future of Canadian agriculture, has shown an interest in the human dimension of agriculture, because that's what I'm here to talk about.

Agriculture is both an industry and a way of life. It's made up of people—men, women, and children—who produce our food despite the increasing cost of production and shrinking profits, inclement weather, pests, market fluctuations, confusing government policies, and disasters, such as BSE and the avian flu, that threaten whole industries. They do so under some of the harshest and most dangerous working conditions.

Stress among producers is at an all-time high, and yet they continue to farm. So why do they do it? Why continue to operate at a loss, hoping for a good yield, an upturn in the market, an end to BSE, and better weather? In a word, it's because, as Annette spoke to, farming is in their blood. It is the love of the land and the ability to be one's own boss, to fight adversity, and to produce food for the world. It is the culture of farming—the people, their shared beliefs, values, customs, history, and their way of life—that are at the heart of this industry.

While in no way a homogeneous and unified group, there are certain characteristics that are common among most farmers. Reverend John Nesbitt of Brandon—where I am from—said this about the farmers in his congregation:

Farmers (men and women) and their families are a proud and self-reliant people. They understand the wonder and bounty of the land, and they know its harshness. They know blizzards. They know being storm-stayed for days. They know drought and too much rain. They know flooding. They know frosts that take a beautiful crop away overnight. They know poor and devastating years, and they don't expect that it is someone else's job to bail them out. In spite of crop insurance and other government programs, they expect to be self-reliant, and surviving is their moral duty.

It is this proud, self-reliant, independent, and resilient nature that has helped farmers survive over the years. However, it is this same sense of pride and independence that makes it extremely difficult for farmers to reach out for help when they need it.

A recent study by the Canadian Agriculture Safety Association revealed that almost two-thirds of Canadian farmers describe themselves as being very stressed, while almost half describe themselves as being somewhat stressed. However, only two in ten had spoken with health care or mental health professionals about the impact of stress on their lives.

The notions of pride and farmers' independence were cited in the CASA study as the most important reasons why producers do not seek help when dealing with stress and mental health. Our experiences with callers would suggest other barriers as well, including heavy workloads that make it difficult to get off the farm, lack of access to mental health services in their area, and a lack of anonymity, whether perceived or real.

When farmers do seek help, however, the CASA study revealed that it is of the utmost importance to producers that the person they are dealing with is knowledgeable about farming. In the words of one of our callers, "If you haven't walked a mile with manure on your boots, you won't understand where I'm coming from."

The Manitoba Farm and Rural Stress Line counsellors understand the nature of farmers because they are farmers. They know how to listen to their stories, ask relevant questions, and assist callers to work through the myriad of complex issues they present. And complex they are. Most farm calls start with a financial concern and often involve legal, personal, family, and marital issues. It is not uncommon for people to be at the brink of financial and personal disaster before they call us. By that time, creditors may be calling day and night, their marriages may be falling apart, they've isolated themselves from family and friends in their communities, and they don't know where to turn.

It is not surprising that some producers under such extreme stress contemplate suicide. Research in the U.S. reveals that male farmers are two times more likely to commit suicide than other males in the general population.

● (1545)

A recent Quebec study, which Claude Barnabé was involved with, demonstrated that 5.7% of producers in that province have thought seriously about suicide, compared with 3.9% of the general population. Pork producers have an even higher suicide ideation rate at 7.7%.

The Manitoba Farm and Rural Stress Line is part of a growing number of farm stress organizations across Canada, the U.S., and beyond.

Earlier this month, representatives from across Canada, including Nova Scotia, Ontario, and Saskatchewan farm stress lines, and Quebec's Au coeur des familles agricoles, met in Drummondville, Quebec, to learn about models of service delivery and best practices, and to form a new Canadian farm stress network.

At this meeting, the Manitoba Farm and Rural Stress Line highlighted its history, mandate, and some of its accomplishments over the past six years. I'd like to share some of these highlights with you today, if time permits.

The Manitoba Farm and Rural Stress Line began operations in January 2001, with funding from the province of Manitoba's Department of Health, mental health and addictions branch. Now in its sixth year of operation, the MFRSL is a well-established program administered by a Klinic Community Health Centre.

We have an office in Brandon, Manitoba, known as the Wheat City for its strong agricultural roots; we have an advisory committee that's comprised of various agricultural health and community organizations; and we have a dedicated team of professional counsellors with farming backgrounds.

Our mandate is to provide free confidential information, support, counselling, and referrals to farm families and rural Manitobans. Our primary service is a toll-free telephone help line. We also offer an email help line, an active website with a rural youth section, and an extensive database of services available to rural Manitobans. In addition, we offer workshops and presentations on a variety of topics related to farm stress. We have an informational display that travels to health fairs and agricultural trade shows across the province.

Our calls have increased steadily since our inception, from 481 calls in our first year to over 2,000 calls in 2006. We have slightly more women than men calling our line, and Annette has referred to some of the reasons for this. However, many of the women are calling about issues pertaining to their spouses and the impact that farm stress is having on the family dynamic.

Most calls begin with a concern about farm finances: high debt loads, low market prices, inability to pay bills, the stress of working off-farm in order to make ends meet, high interest rates, and the ongoing impact of the BSE crisis. These are but a few of the major issues affecting producers today.

Financial stress carries over to other areas of callers' lives as well. It impacts their health, emotions, behaviour, and cognitive abilities. It's had an impact on producers' relationships with others, including spouses, children, and members of their extended families—and often these family members are part of the farming operation. When stress affects one person, it affects the whole family unit and the business as a whole. The ripple effect of farm stress is extensive and can impact whole communities.

So how do we at the Farm and Rural Stress Line respond to farmers under stress? Most importantly, we listen. Because farmers are reluctant to pick up the phone and get support, each farm call merits our fullest support. It's not uncommon for our counsellors to spend over an hour on a call with a farmer, because of the difficulty drawing that person out and the many complex issues they present with

I'm going to skip over a bit of this and get to the recommendations. I know that time is of the essence here.

A strong agricultural industry depends on the strength and resiliency of the farming community. Building a strong agricultural policy framework must include the human dimension, if it is to remain viable and rooted in the culture of farming. Simply stated, healthy farmers contribute to a healthy rural economy.

To support that end, the Manitoba Farm and Rural Stress Line recommends that the House of Commons Standing Committee on Agriculture and Agri-Food recognize the need for dedicated farm stress support programs that respond to the unique culture and needs of agricultural producers; provide financial support to establish and maintain farm stress support programs, including farm stress lines in every province; and support sensitivity training for doctors, social service providers, and other health care professionals, so that professionals working with the farm population are more aware of the issues affecting farmers and are better skilled at offering culturally appropriate services to this population.

● (1550)

I will end with a quote:

This is a critical point for Canadian society because farm/rural communities have been incubators for nurturing citizenship and a sense of responsibility to the wider society. They've taught Canadians how to live in community, how to contribute to the common and public good.... We need citizens who have learned the values of building community together and this experience is harder to come by in larger urban centres where the formation of human-scale communities is much harder, the larger systems are heavily bureaucratized, and individual responsibility for the well-being of community life is diffused. I call the farm/rural community experience "social capital" which has accrued to Canadian society through the years. But the source is drying up, and will dry up, if we as a nation do not adopt a policy of maintaining healthy rural communities. Canada will be the worse for it.

Thank you very much.

• (1555)

The Chair: Thank you.

[Translation]

Ms. Ducharme.

Ms. Carmen Ducharme (President, Fédération des agricultrices du Québec): Good afternoon. I'm very pleased to be here today. I am a farmer and therefore I have both feet firmly on the ground. I have been the President of the Fédération des agricultrices since 1999. The federation was founded in 1987.

We deal with issues related to women farmers' access to property. I'm not going to describe all the issues we're involved in but rather working conditions for farm women. I'm also going to talk about psychological distress.

Women farmers are at the very heart of farm operations. They're often responsible for the coordination of farm activities and family activities. Their work is on the ground. Farms are disappearing because of the problems being experienced by many agricultural sectors. As one of my colleagues said, the mad cow crisis, as well as the hog production crisis and the avian flu crisis, all had a significant effect on Quebec's and Canada's agricultural sector.

Economic growth is closely tied to the well-being of farm families and we are seeing a precarious financial situation for farm women. The majority of these women receive no income for the work they carry out. Most of them are partners. In Quebec, approximately 10,000 women depend on agriculture and work in that area for no salary and with no legal status. These women are not paid.

Quebec now has a new parental insurance plan, however women who are not paid cannot take parental leave. They are invisible. Furthermore, farm income, which is low compared to what the majority of Quebec workers earn, is going down and is severely penalizing families. While most other trades can set a price for their product, we, on the contrary, depend on market prices in both areas. We have no power over that situation. As I said, we are big gamblers in the agricultural sector: we are dependent on the weather and on market prices; we always have challenges to meet but we never know what the outcome will be. We need to maintain an iron will.

Most farm women work with animals seven days a week. I'm talking about a living commodity that has daily requirements and that requires highly specialized equipment. If something comes up, farm women cannot put their work off until the next day. That work has to be done the same day. I often tell city dwellers that even their own goldfish can die if they don't take care of it.

When you own 100 cows and you need to be replaced, you have to be able to call on someone who is competent, someone who has specialized knowledge and good observation skills. In other words, you need a qualified and professional individual. Furthermore, you have to pay that individual an adequate salary. If the cows or any other animal become sick, the whole farm is penalized.

Running a farm does not only involve management, but also health, safety and hygiene. Hiring extra staff is difficult and in many cases financially impossible. Pregnant women commonly continue to work up to a few hours before they give birth. They don't have a choice. I myself experienced this when my spouse was incapacitated and on sick leave. He could not work. In cases such as that one, women often do the work instead. These are, in fact, family farms. When one member of a couple cannot work, then the other must do the work.

Day care problems arise as soon as babies do. Irregular working hours, that is very early in the morning and very late in the day, do not correspond to day care hours. Furthermore, day cares are often far away from farms. Even if you wake up a child at 4:30 or 5 o'clock in the morning, day cares are not open. Women must therefore bring their children along to the barn despite the fact that fatal farm accidents most frequently involve children who are six years or younger.

Given that starting a business and having children are difficult to reconcile with no resources, many farm women who initially wanted to have several children decide to have less. Families with four or five children are not a rare sight in rural areas; I've even seen families with seven to 12 children. Even though a woman may be 45 years old, children are not a problem on a farm. We like having children. It's our land, it's our life, it's our passion.

From a psychological perspective, an unstable and unfavourable economic situation is the main cause of stress, as I told you earlier. It significantly increases family tensions that have already been exacerbated by the interlocking of professional and private lives. Women, more so than men, are affected by stress because of the many roles they play within their business. According to a study undertaken by the Coop fédérée, 59% of women fall under the high psychological distress category, compared to 49.5% of men.

The main causes of stress are decrease in income, increases in expenses, market instability, sickness, environmental duties, debt, overwork, bureaucracy, the cost and uncertainty of quotas, global competition, performance requirements, work/family balance, scarcity of skilled labour. All those factors are sources of stress.

There's another source of stress: the proximity of city people and farmers. Consumers often do not understand the requirements of the agricultural sector. Performance and specialization are a necessary and integral part of agriculture today. Agricultural producers must increase the size of their farms, even though most of them support family farms on a human scale, because of their requirements. For example, for hog production, if you want to own a certain number of hogs, you also have to own a certain number of hectares or acres in order to be able to spread your liquid manure. You therefore have to acquire more land. City people want to live in the countryside, but they are often unwilling to accept certain odours, dust, sharing the road, and the noise of equipment. It's difficult to put up with and they let us know that.

• (1600)

Farmers are increasingly becoming the targets of environmental criticism. In spite of their efforts into researching environmental protection measures, production costs commensurate with applicable regulations increasingly restrict their leeway. Farmers are required to comply with a number of environmental regulations, but have to finance their compliance themselves.

Farmers are beset by economic problems and increasing social pressures. The image of the farmer-polluter, and the isolation of farmers, are becoming more marked, entailing a myriad of problems that include psychological distress and domestic violence.

Frequently, because families are so close, inter-generational conflict can be added to those problems. In that sort of environment, women farmers play a buffer role and feel helpless. They are an important pillar of the farm, but lack the medical resources and psychological help adapted to their needs. Frequently, there are parents, grandparents, brothers and sisters all around them. The whole family is together in a limited space and a limited environment, and it becomes very difficult to function and maintain a positive morale.

Given that the work of women farmers must be valued and recognized because of the human and financial investment it requires in relation to the profits generated, given that societal choices must be made about the work of women to give them monetary recognition, given that women farmers should be autonomous in their roles as mothers, family members, educators and caregivers, given that women farmers must live decently and have the same kinds of day care services available in the cities, given that it makes no sense to be forced to work off the farm to survive, given that

women farmers are also consumers and producers, and that Canada must continue to produce, process and distribute good quality food products while ensuring food self-sufficiency, the Fédération des agricultrices du Québec would make the following recommendations to the Canadian government.

The Fédération suggests:

- that the monetary value of work done by women farmers on the farm be recognized and included in the farm's production costs;
- that financial assistance be granted to women farmers for day care of children under five, or to provide a replacement employee during childbirth and emergencies;
- that existing tax measures be improved to facilitate transfer of the farm, as well as a respectable retirement for farming parents, so that the parents are not forced to start from scratch and are not left with nothing after giving up their farm;
- that the Fédération des agricultrices du Québec continue to receive financial support within the framework of a financial partnership for its activities aiming to enhance the profession, provide training, provide information and ensure networking in order to break the isolation of women farmers; that isolation must be broken—sometimes, women farmers go a whole month without going off the farm; they must be able to work normally;
- that women farmers who act as natural caregivers for a loved one, or for an ill or disabled person, receive financial support;
- that financial support be provided for the family farm—it is unthinkable that women farmers should be forced to work off the farm to make sure the farm survives;
- that more financial resources be allocated to support regional initiatives to prevent psychological distress, as well as support for programs to help battered women and abused children;
- that food products made in Canada be identified in order to increase Canadian agricultural revenue;
- that the benefits generated by agriculture be regularly published for Canadians; such benefits include jobs created, quality food, the vitality of rural communities and conservation of Canadian landscapes. We should be proud of our activities and of taking action, and be proud of being Canadian. There must be publicity—advertising on television. That will make people realize that we live off farming.

• (1605)

In conclusion, it is rare to hear farmers complaining about their fate. We are proud, independent and resourceful people. Life has taught us to find solutions to every problem. It is hard on our physical well-being, and our morale suffers as well. Women are pillars of the farm. They must take care of the family, the animals, repairs, and think about the well-being of the youngest to the eldest, both human as well as animals. It is our kingdom.

Given all that, we wonder why people want to make a living from farming. It is quite simply a passion. We must all remember that a country has no future without agriculture.

[English]

The Chair: Thank you very much.

Monsieur Barnabé, s'il vous plaît.

[Translation]

Mr. Claude Barnabé (President, Au coeur des familles agricoles): Thank you very much.

My name is Claude Barnabé. I am President of the umbrella group Au coeur des familles agricoles. I am also a full-time farmer and for 15 years I taught young people who wanted to take over their family farms at an agricultural college.

The Au coeur des familles agricoles organization was founded seven years ago by Ms. Maria Labrecque Duchesneau. At that time, she was working in a Regional Centre for Agricultural Settlement or CREA. While working with farm families, she realized that many of them were in distress. She also realized that when a farmer or a farmer's family had difficulties, that affected not only the farmer and his wife, but also the children and the extended family.

She therefore decided to leave CREA in order to found the Au coeur des familles agricoles organization. Our organization is an umbrella group of farmers dedicated to farmers. Only farmers and producers sit on the board of directors. We try by a variety of means to help out or prevent psychological distress and suicide in the agricultural community.

We are located in the St. Hyacinthe region, so we work from that base. However, Ms. Labrecque Duchesneau gives seminars across the province of Quebec, and we also receive calls from every region of the province.

It is true that it is difficult to be last to speak, because the statistics have already been given. The other presentations alluded to the rather high level of psychological distress in the farming community: 50.9% of agricultural producers have a high stress level. The stress level was measured in 1997 and was 17.5% at that time. In other words, in 1997, 17.5% of farmers felt rather stressed, whereas today, the figure is 50.9%. There is therefore a problem.

Ms. Labrecque Duchesneau and the Au coeur des familles agricoles organization are constantly being asked to give seminars and come to the assistance of farmers in distress. As Ms. Ducharme said, there are several reasons for this stress. We have spoken about debt, a decrease in income, expenses, agro-environmental commitments, the instability of markets, etc. I won't repeat all that. There is also an obligation to perform, which annoys me somewhat as a producer.

Take for example the area in which I work: egg production. Our last flock of chickens had a peak egg production of 96% to 97%. But even if we reached that high level of production, if egg prices were to go down tomorrow, we would no longer be competitive. How can you be more efficient than that? Even with a production level of 97%, which is probably as good as that of our neighbours the Americans, tomorrow, the eggs could come from the United States. It's somewhat stressful!

The obligation to perform exists, and most farmers meet that commitment. At the same time, something tells us that it would be

better to open up markets, but we are not quite sure. We must not forget avian flu or mad cow disease either. It is definitely stressful.

Other factors, like the increased cost of land, mean that it is easier to borrow. So we tell ourselves that we have to be competitive because the markets might open up tomorrow. What can we do in that case?

● (1610)

You buy more land and more quota in order to increase your sales and to achieve economies of scale that may help you be competitive or reach production levels demanded by society.

That is a vicious circle. It is easy to obtain credit, you want to meet expectations, you take on debt and you are off to the races!

Moreover, as Ms. Ducharme mentioned a little earlier, the social problem involves two aspects. The first is the relationship between cities and the country. Up until my youth, everyone had either a grandfather, an uncle or a distant cousin who was a producer and had a farm. You could spend your summer there and be in contact with agriculture. That is no longer the case today. I'm going to give you a very concrete example.

My sister-in-law—she probably won't be very happy that I'm telling you this—who is married to my younger brother, and who is not all that young, comes from downtown Montreal. She was convinced that eggs were a dairy product, because they are in the dairy sector at the grocery store. She is not stupid, she is intelligent! But she did not know that. She had never seen a chicken nor had she seen a cow. By coming home with us, she has discovered that eggs are not dairy products. It is not her fault, she did not know.

The second aspect is the issue of coexistence between cities and the country in terms of odours and noise, as Carmen said. It is never pleasant to be called the polluter, especially when you are doing everything you need to to avoid the problems that are inherent to animal production.

I'm going to give you another example. My home is almost in the city. In fact, as I often say, we are not rural people, we are urban dwellers who practice agriculture.

My sewage system is similar to the city system. I do not have a septic tank. The sewage line runs parallel to the city's line. We are in the city. My parents-in-law built there in 1960. At the time, seven cars went through the range each day. Now there are 7,000!

We raise chickens. The chicken lay eggs, but they also produce a by-product. Two years ago, we wanted to increase our flock, and we had to ask for permission from the municipality and the Ministry of the Environment, among others. Given our proximity to the city, it was more complicated. We had to install a manure treatment system. A manure treatment system to reduce odour costs \$465,000. Of course we did receive government assistance, but it did nevertheless cost us \$300,000. A tonne of manure sells for \$10. We produce approximately 300 tonnes per year, which is a "whopping" \$3,000 per year for manure. All that so that the people who live across from us in an upscale development and who have upscale noses, can live peacefully in the country.

As Carmen said a little earlier, information must circulate between the country and cities. People must be made aware of the fact that food comes from farms, and that people who work on farms devote their lives to that and put their hearts into it in order to provide superior-quality agricultural products.

As regards our egg production, inspectors regularly come to see if everything is clean, if the temperature in the refrigerator is right, if there are covers on the garbage cans, and if we have signed a contract with an exterminator. It is impeccable.

● (1615)

I'm certain there are very few countries in the world that can claim to produce eggs of a quality equal to ours. It must be said. It is as simple as that. People must recognize those who feed them. This is critical. It must not be forgotten. It is essential that we create a connection between agriculture and the city.

Producers are lonely because of the nature of their work. With a very high level of performance objectives and a heavy debt load, when one has to deal with the hazards of weather among other things, it is difficult to endure particularly when we are isolated and have a heavy workload. It is difficult to discuss with others. We cannot decide, when we are fed up, to take a vacation. It is also hard to find time to consult a doctor or a psychologist.

That is why our organization, Au coeur des familles agricoles, decided on its mission. We have partly achieved it by inviting people from the Quebec health authorities two weeks ago. During that meeting, representatives of agricultural producers told them a bit about how things work for them, about what kind of life agricultural producers live.

In fact, the health care workers are already present. Services are offered, but the distance between urban and rural areas that I mentioned earlier also exists between the health care environment and that of agriculture. We simply pointed out to the health care workers that they, like us, are spread out across the province. We encouraged them to travel more. We told them if producers have trouble going to meet with them, they should take the initiative and go to agricultural exhibitions, to make themselves known and they should participate in meetings organized by the local unions of the UPA or those of the specialized unions. We encouraged them to come and meet with us. We also encouraged them to make sure that the producer would welcome them and we told them that if they did not know anything much about agriculture, that was not a problem, but that in order to facilitate contact, they had to take an interest in what the farmer is doing, in his production.

In agriculture, as Carmen was saying, people have relationships—

• (1620)

[English]

The Chair: Your time has run out. Can you do a summation? [*Translation*]

Mr. Claude Barnabé: I have almost finished. I just wanted to ask you to recognize our existence. Health care workers are there, but their representatives must come and meet with us. In that way, the pressure would diminish and things would be easier.

Thank you.

[English]

The Chair: Merci.

Mr. Smolik, please.

Mr. Jim Smolik (Director, BC Grain Producers Association): Thank you, Mr. Chair.

Good afternoon, members, and thank you for the opportunity to speak to you on this critical issue of Canadian agriculture, and critical particularly to Canada's grains and oilseed producers.

My name is Jim Smolik, and I'm a director with both the British Columbia Grain Producers Association and the Grain Growers of Canada. The BC Grain Producers Association represents the interests of the majority of the grains and oilseed producers in British Columbia. The Grain Growers of Canada is an umbrella organization, with member associations in most regions of Canada. It serves as a national voice for grains and oilseed producers.

You've already heard a number of presenters who have clearly expressed to you some of the depth of challenges producers are facing in Canada today. In my presentation I'm not going to focus on the historic income situation, but rather look forward and identify, hopefully, some of the solutions, or at least maybe a path in that direction. I'll be touching on the effects in my area, the Peace River, but rather than just identify problems, I'd first like to talk to you about solutions.

There are two ways to deal with the current situation. One is to solve the root cause of why we as Canadian producers are struggling to make a living from the marketplace. The other is to ensure that we have proper safety nets for risks beyond our control, such as weather and international subsidies.

I think those two statements are really key. If you look at any business in Canada, they look at those two statements. First of all, they define and try to solve their risks; they also have to have a mitigation strategy in place.

I would like to touch on a few root causes that continue both to demand substantial government investment in safety nets and to put stress on family farm units.

First, we know that one of the key factors in the decline of our reference margins is the unfair use of subsidies by our trading partners and competitors. The most recent study by Agriculture and Agri-Food Canada shows that between 1995 and 2000, 25% of the commodity price decline was due to foreign policies. In dollar terms, the cost to the grains and oilseed producers in Canada of that 25% price decline is approximately \$1.3 billion annually.

Second, our agriculture industry is reliant on trade, both domestically and internationally. It is critical to the long-term growth and success of our industry that we operate in a rules-based environment. Whether that be through a successful WTO agreement or whether it come through a number of bilateral and multilateral deals with our customers, we must put the resources into getting fair market access for our products. I don't want to belittle the interprovincial issues in trade and problems with it. I don't have any numbers on it, but I'll refer to the 1995-2000 study on international trade. It estimated that tariffs cost Canadian grains and oilseed producers \$1.2 billion annually.

If you add those two up, it's \$2.5 billion annually because of subsidies and tariffs. To put that in perspective, that's between three and four times the \$755 million grains and oilseed payment program that came out approximately a year ago.

From our point of view, leveling the playing field in world trade clearly shows the positive and tangible benefits that can be realized for our sector. This would also achieve our goal, as producers, of maximizing our returns from the marketplace and not from programs.

We would like to recognize both this government and the immediate past government for recognizing the long-term decline in prices and for their attempts to address it through the grains and oilseed payment program.

However, from trying to do the right thing, other problems have arisen. The grains and oilseed payment program was specifically designed to assist grains and oilseed producers affected by the steady decline in grains and oilseed prices in the last 10 years. A recent decision to include this ad hoc payment as income for 2006 CAIS purposes will see approximately 20%, or \$150 million of the \$755 million, offsetting 2006 CAIS indemnities. Producers in the unfortunate position of triggering CAIS in 2006 will in reality get less support than others, as federal ad hoc, non-business risk management dollars will, in effect, offset the federal-provincial business risk management program. It must be noted that as producers under the current business risk management agreement, we pay a fee and are therefore entitled to that coverage, regardless of ad hoc funds.

The simple solution would have been to call that ad hoc funding "other income" for CAIS purposes.

Our industry has rapidly advanced to where it is today through research and innovation. Looking ahead, we see food as health and we see nutraceuticals as being a tremendously important segment. Every week, it seems we see another announcement on trans fats being eliminated or on that type of issue. We continue to hear more about high-oleic and low-linolenic products. Consumers are looking for products to help them lead healthier lives.

We need both public investment and much stronger incentives for private sector investment in these areas as well. These types of high-value niche market products will go a long way to move Canadian farmers away from simply being shippers of low-value bulk commodities into an increasingly price competitive international market.

• (1625)

Another very exciting and very important piece of the puzzle of improving farm income is biofuels and bioproducts. Here again, Canadian producers are ready, willing, and able to embrace the future, but we need government to step up to the plate and help provide competitive incentives to allow industry and producers an environment in which to flourish.

I think it has been noted quite well that if we don't have the incentives or very close to the same incentives as the Americans, the biodiesel plants and the ethanol plants will continue to be built on the other side of the border and we'll just simply import the finished product to fulfill our mandate.

While the focus has generally been on ethanol and biodiesel, there are many advancements in the bioproducts area that will reduce our dependence on non-renewable products. I'll give you a personal example. On our John Deere combine, there's a big back shroud that covers the fuel tank. It looks like plastic or fibreglass. It's actually made from corn and soybean byproducts. I know that for at least ten years the roofs on the John Deere combines have been made out of that product. So it is a very exciting and viable alternative.

Another example is the planes we fly in. Just look around the plane when you get in it. Everything is plastic in there. It's something where we could have a renewable resource. We just need the incentives there to make sure that happens.

I feel that it's also important to raise the regulatory burden that government puts on all levels of the agricultural value chain. For this reason, we welcome the smart regulations initiative and strongly encourage the government to keep the pressure on all of your departments to follow through.

At the recent wheat and barley growers convention, one speaker identified, for example, that the new crop input products in Australia take about 250 days in their approval process, while the Canadian average is over 800 days. So companies that are looking to invest and bring new products to market certainly have to think twice about investing in Canada.

I'll now give you a very brief overview of the situation in the B.C. Peace River area this year. I could say there was extreme drought and stop right there, but 2006 was the driest year in recorded history. The BC Grain Producers Association got a lot of calls from our members to lobby the government for ad hoc assistance. We felt that it was prudent, first of all, to work with our Minister of Agriculture, Pat Bell, to define what we were going to get out of the CAIS program and out of the production insurance, because we respect that both the federal and the provincial government put money into those programs.

Minister Pat Bell was gracious enough to offer one of his staff to work with the B.C. grain producers, and we went through a process of trying to define this—and yes, some of these are estimates, because we're estimating 2006 CAIS payments and production insurance payments—and we came up with an average cost per acre value as input cost. When we subtract the two—and this is not a final number yet—it appears there's about a \$40-per-acre gap. That's under maximum coverage for production insurance in B.C. and maximum coverage under the CAIS program.

So, understandably, there's certainly reserved optimism in our area. But if there is a silver lining, I think the silver lining that I see is that producers have adopted beneficial agronomic practices. Whether that's zero till or minimum till, or practices of that nature, or maybe even variety selection, we see that the farmers themselves are looking at their root causes and problems and are trying to address those that are within their control.

In short, farm families are facing some challenging times, and there's no questioning that, but we also see that by fixing some of the root causes of the income problem, we do have a bright future in front of our industry.

In closing, both the BC Grain Producers Association and the Grain Growers of Canada do not believe that government owes farmers a living; we do believe that government owes our industry policies that allow us to make a living. These policies are within our grasp. We simply need the political will to get there.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Smolik.

Mr. Van Tassel, please.

• (1630)

Mr. William Van Tassel (Vice-President, Ontario-Quebec Grain Farmers' Coalition): I'm William Van Tassel. I'm vice-president of the Ontario-Quebec Grain Farmers' Coalition, and I'm also vice-president of the Fédération des producteurs de cultures commerciales du Québec.

I would like to thank the members of the standing committee for letting me give input on this serious problem, farm income, that Canadian farmers are facing, and also the chance to be able to offer solutions adapted to our environment.

Who are we? The Ontario-Quebec Grain Farmers' Coalition, represents the interests of 41,000 grains and oilseeds farmers in Ontario and Quebec. The coalition was established in recognition of the shared interests and challenges between the Ontario Grain &

Oilseed Safety Net Committee and the Fédération des producteurs de cultures commerciales du Québec.

The issue is that international farm subsidies create uncertainty, resulting in a steady stream of farmers abandoning their farms each year. In Ontario alone, more than 1,200 farmers leave the industry each year.

I don't have the figures for Quebec, but I can tell you about a case that touches me more closely. The past president of my Quebec federation had his grain farm seized just last fall. It was a place where he and his family were earning a living, and it was also the family farm for many generations. So it touched our families very closely.

I'll maybe give you some ideas to solve the problem, what we need to survive. Ontario and Quebec grains and oilseeds farmers need a federally funded companion safety net program that provides regional flexibility. We understand that problems can't be solved in exactly the same way all over Canada. It's a big country. We have different problems and we have different ways to remedy the problems.

The program also needs to act as an insurance program to offset losses in a given year due to depressed global prices. Our solution for Ontario is a business risk management insurance program. In Quebec, we have had the ASRA program for thirty years. It's a program that works very well, except that with the continued low prices, our premiums are becoming sky-high. In those times, we need the federal government to provide some help.

We have a federal program now, but at least for the grain farmers, CAIS does not work due to our steady decline in margins. It does not meet the unique needs of Ontario and Quebec grains and oilseeds producers. As I was saying, it does not cover the steady decline of the farm margins due to, amongst other things, the U.S. Farm Bill.

What we need is a companion safety net program designed with input from producers. It must be one that is regionally focused in order to avert WTO trade challenges and is also designed to ensure regional flexibility to meet the local needs of farmers. It must provide a reasonable, cost-effective solution for producers, by producers. Producers are prepared to shoulder some of the cost, but they need the federal and provincial governments to invest their fair share.

In terms of principles of the risk management program, RMP would be funded by farmer premiums and by both levels of government. Producers would supply one-third of total funding, which is happening right now with the ASRA in Quebec. Federal and provincial governments will invest the remaining two-thirds based on a 60-40 percentage formula.

As for other principles of the risk management program, it ensures that government funds are invested where the need is greatest, which means that fewer dollars are needed to address the needs, giving a bigger bang for the buck, and it utilizes a regional funding model, and therefore should not affect current trade agreements.

Looking at conditions for RMP, or the risk management program, participants would be required to participate in production insurance and to also participate in CAIS. That means they have to have the responsibility to take all the programs possible so that they can't go running in saying they need an ad hoc program. RMP/ASRA targets and meets the unique needs of Ontario and Quebec grain farmers.

As for benefits, RMP provides grains and oilseeds farmers with required funds that are invested in a program that allows for planning, stability, and predictability. It's bankable, long term, and stable. Those are things you need when you want to address the farm and get ready for the long term.

● (1635)

What are the implications? Without a long-term solution, this crisis will be extremely damaging to the future of the family farms and rural economies. Ontario and Quebec grains and oilseeds farmers are asking for a long-term solution to sustain their operations in the face of devastating international agriculture subsidies.

We're looking for leadership. We are looking to the federal government to show leadership in securing a risk-management ASRA program to demonstrate to grains and oilseeds farmers that they are serious about helping the family farm survive.

I was very short in my presentation, so thank you very much for your attention.

The Chair: Thank you, Mr. Van Tassel.

Mr. Robertson, you've been able to make it. I'm glad to see you here. You have ten minutes for your presentation.

Mr. Grant Robertson (Director, Board of Directors, National Farmers Union): Thank you.

I could give you a report on every square inch of the London airport too, if you want it. I've spent a great deal of time there today.

I'm from the National Farmers Union, and we really welcome this opportunity to bring the views of our family farm members to the House of Commons standing committee.

We're a direct membership organization, we're nationwide, and we're made up exclusively of farm families and those who believe in a sustainable food system. The NFU was founded in 1969, and our predecessor organizations and the NFU have always worked to implement policies that help to ensure that agriculture is socially, environmentally, and economically sustainable.

Those of us in the NFU produce a wide number of commodities, but we believe that working together is more important than sitting in our own little silos. That's the way we get the best results: by working together and making sure that we have results that work for everybody. Self-interest is the road to self-destruction, in the NFU's view.

We also believe that food production should lead to enriched soils and a more beautiful countryside, jobs for non-farmers, thriving rural communities, and healthy, natural ecosystems. We've seen a decimation of rural communities, growing environmental problems, plummeting farm numbers, and the present farming crisis. They raise serious questions among our membership about current national agricultural and trade policies.

When you come to the current agricultural policy framework, or APF, this represents a major concern for our membership. During the last five years, since the APF was implemented, there has been a dramatic decline in the viability of family farm operations across the country. Not only have farm gate prices declined for most major commodities, but input prices for machinery, seed, fertilizer, and credit have increased, while infrastructure and regulatory costs keep getting shoved down to the farm gate level.

Our organization has been very involved with the APF process, both rounds one and two. We've been encouraging our members to go out and participate, because we believe we're in a serious situation. Using their own out-of-pocket expenses, a lot of our members have gone out to participate, to make sure the views of farmers are laid at the forefront. They've done this sometimes in very poor weather and by travelling long distances, because they know that the heart of what's going on right now is the question of realized net farm income.

It's a cliché, but it's the truth that farmers are the foundation of the food system in Canada. But we seem to forget that. We seem to think grocery stores are the foundation of the food system in Canada.

Farmers are producers of wealth in this nation, and it's a simple fact that farmers need to earn a fair return on our labour and investment. Any agricultural policy that downplays or ignores the legitimate requirements of family farmers in order to boost the profitability of processors, exporters, and other components of the food system is inherently inequitable and unsustainable.

We've had APF for five years, but APF is really just the continuation of a policy that was started in 1969 by the Federal Task Force on Agriculture. That policy basically said there were too many farmers in Canada and that the way to move agriculture into the future was to push about a third of farmers out of the system, make more direct links between them, and integrate them more with agribusiness through production contracts and debt financing. It sounds pretty familiar when compared to the situation we're in right now.

When we look at what's happening, their prophecies have become fulfilled. If the goal of our current food system is to make sure everybody else but farmers makes money, it has been a resounding success. If the goal is to actually make sure we have food security and food sovereignty in this country, it has been a resounding failure.

You'll be able to read the brief, so I want to tell you a couple of stories when I have the opportunity. I go out and I spend a lot of time talking to farmers at their kitchen table. There are a couple in this room who have probably at least done the same, where they've been at a kitchen table with an old couple who, with tears in their eyes, are saying, "I want my children to do anything else but farm". They know that if they take up the occupation, the calling of farming, they're resigning themselves to never-ending financial problems, and they're going to be working off the farm constantly and full-time on the farm.

● (1640)

There's no such thing as a part-time farmer. That's a phrase that drives me around the bend. Everyone is farming full-time. They work off the farm full-time as well. So while other people who work in a factory, or whatever, are settling down to watch whatever the latest, most popular television show is, they're heading out to the barn to do chores. And they'll wrap up at about 10 or 11 o'clock at night.

When parents see their lives like this, they don't want that for their children. That's a failure of policy in this country. There's no other way to look at that. It is an absolute, blunt failure. We've failed the next generation of farmers. And the APF, too—I'm here to tell you—is not going to make it better. It's going to make it worse.

We've been very much involved in that process. I've been in round one, and I've been to a round two.... They're very tightly controlled and scripted, and there's really not much ability for farmers to talk about their stories, to talk about what it's like to be a farmer in 2007 in Canada.

The other thing that doesn't happen is this. Nobody has actually stopped and said, "The policies we have now, are they working? Are they working for anybody?"

So back in 2003 the NFU did a groundbreaking document. It's called *The Farm Crisis, Bigger Farms, and the Myths of Competition and Efficiency.* What it found was that while farmers were seeing record low net realized income—the lowest ever in Canadian history—41 of Canada's largest agribusiness companies were making record profits. So current agricultural policy is working really well for somebody.

My grandmother, who passed away in the eighties, used to have a saying that I remember: "There's a lot of money to be made in agriculture; the problem is that none of it's in farming." That's as true today as it ever was. It's quite a trick to turn the record kinds of profits that are happening in the agricultural sector into a negative \$10,000 income per farm, on average. That's quite a magic trick. And that's a policy failure.

It's not farmers. People like to blame farmers. If you look at the data, efficiency has gone through the roof in the farm sector. We're one of the most efficient industries in Canada. Profits are in the

basement; gross profit is in the basement. Exports are through the roof; profit, income, is in the basement. There's a real disconnect.

I've been involved at the grassroots level with public policy in a variety of different areas for close to 20 years. One of the things I learned when I was at one of the APF.... I have to say that this was one of the strangest things I ever heard, and I think it's at the root of what's happening. A senior bureaucrat from Ontario, who was at the front of the room giving presentations, said to us, "We're here today to talk about the agricultural industry. We can't talk about rural communities, because they're two separate things. Sure, they may have some connections, but they're two separate things."

Well, the fact of the matter is you can't separate them. They're one and the same; they go together. And if you cannot deal with the one, you cannot deal with the other. If you want bums in the pews in local churches and kids in the local schools, you have to have a sustainable and viable farming community.

I'm here to make a pretty blunt assessment. The current policy direction is at the root of the farm income crisis. The farm income crisis is real, it is hard, and it is devastating for a lot of families. The only way to solve the farm income crisis is to stop, look at where we are, and turn around to look at how we can actually bring young people into farming. This is the only way.

When you look at the numbers, about 90% of family income, for those making less than \$100,000 in gross revenues from their farms, comes from off-farm sources—90%. As for those in our medium-and larger-sized operations, they make between \$100,000 and \$499,000 gross. More than half of their income is coming from off-farm sources—half of their income, when they're grossing that kind of money—just so they can be able to have a good, decent quality of life in Canada. As for our largest farmers, who make more than half a million dollars a year, their income still includes a component of about 25% to a third of off-farm income.

● (1645)

So on the bottom line, it's policy, it's the farm economy, it's a direction that we are going in that is not working. When you see the things coming out of the agricultural policy framework, as leaders of this country, be skeptical. I went to one when I wrote a letter after the summation saying they got it completely wrong. The meeting they described is completely different from the meeting I attended. I'm not the only one. People have been to other meetings. I've yet to get a response. Then when I went to the second round of consultations, there was exactly the same document as the one I had objected to.

I was able to object because I made records. I come from that long line of people who think you'd better make sure you know what you're doing and make sure you have a record, so I had my record. By coincidence, most of the comments in that document for the science and technology one happened to be comments that were centred around things I'd been saying, and seven weeks later, no response.

When you're setting policy, when we move to the future, remember those families with tears in their eyes who don't want their children to farm, to produce your food—your food. They don't want their children to do that because they're condemning them to a difficult life. Then when you get the stuff from this process, be skeptical, ask questions; ask basic questions. Ask who this is going to work for and how you can fix it for those families. I tell you, if you go out and spend five minutes with one of those families and you see people who are proud, who are hard-working, and who are reduced to tears in that situation, often with a stranger in front of them, those are very deep, deep emotions, and they're real. There's nothing wrong in acknowledging that.

The Chair: Thank you, Mr. Robertson.

I thank all of you for your presentations.

We're going to open it up to our first round of questions.

Hon. Wayne Easter (Malpeque, Lib.): A point of order, Mr. Chair. I understand there is some time following to do committee business, but I understand the government has not produced its minority report to the report we wanted tabled in the House, so I will be making a motion during committee business that the government be given 24 hours to have that minority report in, so that that report can get tabled in the House.

The Chair: I appreciate that. We'll deal with that at the end of the committee.

Mr. Steckle.

Mr. Paul Steckle (Huron—Bruce, Lib.): Thank you very much. I'm going to get right to questions. I want to thank each one of you, particularly Grant, as one of my constituents and a long-time friend. Thank you very much for your presentations today.

I want to centre my questions primarily to the ladies who have come before the committee today, and that's not without deference to the gentlemen who have come here, but we don't often have women coming here, particularly farm women, to do presentations.

If we can be very succinct—and I hope I can make my questions the same way—where are the exclusionary principles applied by government programs in the way the government does business with the farm community? Do you find any of the programs we have exclusionary, excluding women? You talk about inclusionary, but where's the exclusionary principle? Where do you see that?

(1650)

Ms. Annette Aurélie Desmarais: In this study, which involved 105 women in six provinces, I mentioned that only 6.7% of those women participated in the APF consultations. Why didn't they participate? Many of the farm organizations are still male-dominated, so when a farm organization gets an invitation to attend, the invitations are circulated among the male leadership of that male-dominated organization. The other issue is that politicians and bureaucrats don't make an effort to invite women specifically to those meetings. The timing of the meetings is problematic, given that many of the rural farm women have children. There's no day care provided at the APF consultations that I'm aware of. It's impossible for women to leave the farm for that day, or sometimes day and a half, depending on the amount of travel that's involved, to attend a policy forum aimed at resolving the problem.

Mr. Paul Steckle: Is not the underlying problem there, as much as the fact that they don't feel included, the fact that their responsibilities for so long have been in the home to look after the children and they can't find replacements? That goes to another problem: we don't have day care in rural communities.

We just had a government recently change a policy direction, at least, in terms of replacing day care positions and places with dollars. Was that a good policy direction or was that a bad policy direction?

[Translation]

Ms. Carmen Ducharme: As far as daycares are concerned, farmers do not want to have their children babysat by the neighbours, for them to be educated by others and have other people showing them how to do things. We would be very happy to have a babysitter at home, someone who can at the same also replace us on the farm. Or, we would like to have someone replace us at home while we go to the stable to do our work, given that we have the skills to do so. That is the issue.

[English]

Mr. Paul Steckle: But you're getting \$100 a month now. Is that sufficient to replace the people who you want to do the day care for you? Is your smile telling me something? I don't want to belabour that question, but I think you've given me the answer.

[Translation]

Ms. Carmen Ducharme: I could answer you in this way: would you work for \$100 a week or a month babysitting children?

[English]

Mr. Paul Steckle: The answer is no, and I think your answer is also no.

We have a situation where today we are discriminating against people who work off-farm under EI, employment insurance. I truly believe that we need to correct that for those people who work off-farm and find themselves for a period of time devoid of a job, but they can't draw employment insurance because they still have, as partners in the farming operation, a vested interest in that operation. Therefore, they can't draw employment insurance.

I believe that those people who can never draw it should not have to pay it in the first place. Would that be something you could agree with, or is it something you would see as beneficial? Those who can't benefit from EI should not have to pay EI. I don't pay EI, but you, working off-farm with a two-month layoff in the wintertime, can't draw employment insurance if you have an interest as a partner in the farm.

Ms. Annette Aurélie Desmarais: I think a really good example of this issue of people paying into EI and not being able to benefit from it are the migrant workers from Mexico who come to Ontario. They pay into EI and the Canada Pension Plan and it is absolutely impossible for them to ever recuperate those costs.

Mr. Paul Steckle: I think there are many areas where I think we need to.... I'm a farmer. I'm one of those parents who has lost a child in a farm accident, and it was not necessarily because we didn't have day care, but we lost a child.

There are things happening. There are circumstances in the farming community unbeknownst to those people who have never been on a farm. We live in a different environment entirely. What Grant and Jim have said, and all the others—those are problems we have dealt with for a long time.

Wouldn't you feel better as a farm wife, or as a principal farmraised male, or whoever you might be, knowing that you are the provider of food for this country, a food security program for this country, where we recognize you as the principal people behind what we think is the glue that keeps this country together, where food security and the sovereignty of our food supply are things we recognize and give due credit for? We're not even getting that today. There's something about being proud of what we do and being recognized and having someone say thank you once in a while. We don't have that today, much as it's a fact that we don't get paid for what we do.

I believe we have to change the way we do it. There are so many areas where we can do it.

There's a program that was-

• (1655)

The Chair: Mr. Steckle, your time is running out, so a quick question and a quick response.

Mr. Paul Steckle: Just quickly, was the Canadian farm families options program a good program, and should it be continued? What is that? Is that an exit program for farmers and their wives? It's the \$25,000 program that came out last fall.

Ms. Janet Smith: We found in our program that very few people qualified. It didn't apply to enough people in our community.

The Chair: Thank you, Mr. Steckle.

Mr. Bellavance, please.

[Translation]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Thank you, Mr. Chairman.

Thank you all for your testimony.

Our Standing Committee on Agriculture and Agri-food often hears technical presentations. That is a normal and necessary thing. However, as a witness said earlier, it is equally very important to discuss the human and social aspects of agriculture. Therefore I thank you for today's testimonies.

There seems to be a common theme in your testimony on the many factors contributing to the increase in stress in the agricultural sector, and that constant theme is financial instability. There is also a fear of financial instability. As Mr. Barnabé stated, even those who are doing fairly well in their area often feel the sword of Damocles hanging over their heads.

It has to be said, there is a crisis in agriculture. It's an income crisis. Immediately following the 2006 elections, thousands of agricultural producers came to Parliament Hill. I was there, along with agricultural producers from my riding. Their concern was the income crisis. Therefore it does exist.

In 2005, net income for Canadian agricultural producers went down by a little more than 14%. In Quebec, that decrease was approximately 7%. The share of the budget allocated to agriculture by the federal government in 1991-92, which wasn't all that long ago, was 4%. In 2005-06 it was 2%. These are all true and verified figures.

The Bloc's demands come from people like you, who bring them to us. It's very important that you be heard. There is talk of reinvesting in agriculture and of implementing a real income security policy, among other things, on the financial side.

I have the feeling that we are at a crossroads. There's a political choice to be made. What kind of agriculture do we want? Do we still want family farming? Do we believe in it? And if that is what we want, then we need to take the necessary steps to ensure that this type of agriculture lasts. Do we prefer an industrial agriculture or do we prefer agriculture that provides commodities from elsewhere?

I'd like to hear you on this. Do you feel that, politically, this choice has been made, or do you feel that you are preaching in the wilderness?

Ms. Carmen Ducharme: We were talking about food sovereignty earlier on. We agree with food sovereignty. Being recognized everywhere, that is a good thing.

Why is so much required of Quebec and Canadian producers? The demands are huge. And yet, we buy agricultural commodities that are sprayed with DDT and all the pesticides that have been banned in Quebec or in Canada for 20 years now.

Why are the standards not the same? If we had the same requirements for imported agricultural commodities that we have for our domestic production, there would be no problem. In that way, no one could overwhelm us so much.

Labelling is also very important. When the contents of a jar of pickles, for example, are worth 10ϕ and the container is worth 20ϕ , people have the right to label the jar "Made in Canada". It's the container that is produced in Canada; it is not the cucumbers because we don't grow those here any more. They come from Bangladesh where they are sprayed with any old thing, and we accept that. It is unacceptable. Our cucumber producers shut down their operations because the produce coming from China, from Bangladesh or from wherever was selling for less. If only we demanded the same quality here and we set the same standards for imported agricultural commodities as for those that we produce, that would already be a big step in the right direction.

We must also stop buying modified milk ingredients which create obstacles for our dairy producers. I work in the dairy production sector and therefore, this greatly affects me. The processors are making a lot of money, millions of dollars, at our expense. Often we are members of our own cooperatives and we are being greatly undermined by our own companies. These are all issues that must be studied, and it is an urgent matter.

● (1700)

[English]

Ms. Annette Aurélie Desmarais: I think that's the question: what kind of agriculture do we want? What kind of food system do we want? Do we want an industrial one? That's what we have right now.

Is it working? Well, we heard a lot of speakers here highlight the fact that it's not working for farmers and farming families, and I would argue it's not working for consumers either. Consumers aren't eating or getting the kind of food they want to eat. We see that, because there has been such a high increase in the demand for organic foods. But the whole organic industry is problematic also, if we don't ensure that it doesn't fall into the hands of the transnationals.

What we want is a food system that speaks to food sovereignty. What we want is a food system that is an approach to food production and food consumption, in which farming families produce healthy food that is grown in ways that sustain the earth. That's one of the things the women in this study kept highlighting: a deep concern for the environment. I think that now the world community is finally acknowledging the problem of global warming.

So food sovereignty offers some important insights into how governments can formulate agricultural policy. It's based on the idea that governments and peoples have the obligation and the right to define their own national agricultural policies to ensure the wellbeing of their populations, rather than depending on an international institution—for example, like the WTO—to decide what kinds of agricultural policies we want in Canada.

The Chair: Mr. Robertson wants in.

I'll just ask all witnesses to keep your comments brief. Each committee member has only seven minutes in this first round, and they want to get in as many questions as possible.

Mr. Grant Robertson: I'll be brief.

The central question you ask is about what kinds of farmers we want, how do we want our food produced. That's why the APF II process has been so disappointing. They talk about the vision as though it were some hyped-up, new, exciting policy direction, when in reality it's just a continuation of about 40 years of policy direction that is clearly not working. No matter how you look at it, how you divide it up, how you study it, it's clear that the income at the farm gate is on a rapid decline. Programs like CAIS, which is margin-based, mean that every year in declining markets you're ratcheting down the available pot of money to any particular farm operation, and every year it's a little bit less. There's no talk about changing that.

The APF II process has to be turned around and changed. We have to decide who is going to produce our food, but we also have to be using some of the tools we currently have. We have a Competition Act. We've never used it. We've never enforced it.

As agribusiness gets more and more consolidated, there is more pressure. They become both the buyer of product and the seller of product to farmers, and that's a pretty no-win situation for any family farm. We have sanitary and phytosanitary rules that we can enforce for food coming into this country, but we allow black water, which is

sewage sludge, to be sprayed on strawberries in Mexico, and then they're shipped into Canada at the height of the strawberry season to compete on the grocery store shelf with our strawberries grown to our standards.

We need to decide whether we have some backbone in this country and we're actually going to stand up for our farmers, our primary producers, our communities, our consumers, or are we just going to continue down this road that tries to pretend that the U.S. Farm Bill doesn't exist, that it's not there, that we're not competing against these things? The APF II process is a complete disappointment.

● (1705)

The Chair: Mr. Van Tassel, this is the last comment on your round.

Sorry, André.

[Translation]

Mr. André Bellavance: That is what I wanted to hear.

Mr. William Van Tassel: Given the discussions that took place earlier on, I am almost ashamed to speak.

In fact, the coalition advocates programs that will allow family farms to be viable and transferable.

[English]

The Chair: Mr. Devolin, you have seven minutes, please.

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Thanks, Mr. Chair.

I also want to thank everyone for being here today. As Mr. Steckle said, you're providing a somewhat different perspective on an issue that we, as a committee, have dealt with from many different directions. You're providing a somewhat different one today. The farm income crisis is something that certainly every rural member of Parliament hears about when they go home. It's not a partisan issue or an ideological issue. It's just a practical matter that farm families are dealing with across Canada.

I'm not from a farm. When I was first elected, I was meeting with my non-partisan farm council, and they were asking me what it was like to be an MP with the uncertainties of a minority government, and one of them said that I had to be crazy to be a politician. I looked at him and said, "You're calling me crazy?" We talked a little bit about his life and his job and the risk he was taking.

There are fewer farmers in Canada today than there have been in the past, and that number is declining. I suspect that there are many reasons for this. One of them would be the increased use of technology and automation, and this is nothing unique to farming. I was talking to someone from Sudbury recently, and they were saying that in the seventies there were 20,000 miners there. Now there are 6,000 miners producing more ore than when there were 20,000.

I was at a ploughing match this summer, and they had everything from a horse pulling a single-blade plough to a plough on wheels behind a horse, through to all the vintages. And I was surprised by how much faster some of the more mechanized farm ploughs were compared to the simple ones. A couple of weeks ago we had farm equipment people here talking about the size of the ploughs out there today that run with GPS, and I couldn't help but believe that one of those tractors could have ploughed this entire area, where all these farmers were working for the entire day, probably in an hour or two.

So I see that happening. The fact that there are fewer farmers is one reality. What I find troubling is that the farmers who are left, so to speak, who are working hard, who are efficient, who are using technology, and who are good, competent business people are not making any money. I think that is a big problem.

This is the question I have. Jim Smolik made the comment that government doesn't owe our farmers a living; they owe farmers, I think you said, the opportunity or the right to make a living. I've heard different people here today say things, and I think there are two different streams of thought. One is that farmers should be able to stay on the land, because they can actually make a living from the marketplace by actually being paid for what they produce. I think there's another stream that says that government needs to directly intervene and actually supplement or provide income to farmers in some way so they can continue to farm.

Mr. Smolik, could you start? And if there's anyone else who would like to comment, I'd be interested to hear which of those two roads you think we should go down.

Mr. Jim Smolik: From our perspective, I think everything has progressed in time. We use GPS ourselves. We double-swathed canola last year for the first time ever. You make a swath, you leave 50 feet of standing canola, and you kind of question what you're doing out there. In the end, it speeds up things. It's efficiency. It's all those things.

I'm not afraid to compete. I'm not afraid to compete with other producers in the rest of the world, because Canada is an exporting nation. We wobble between being the third and fourth largest exporter in the world. We have to export, so we have to be efficient. We have to compete against other countries that have lower labour costs or other issues like that.

So as I say, I'm not afraid to compete. What I need from the government is the regulatory environment that allows me to compete, and as far as keeping people on the land, personally, I don't want it. If somebody were going to give me money just to keep me on the land, I would find a different job.

A lot of the presenters here today have talked about pride. There's pride in agriculture. There's pride in doing what you do well. When you stand at the end of the day and you look down the field and see that you've just seeded 300 acres in a single day, or when my grandfather used to be able to harrow 10 acres a day, on a good day—just harrow with horses—there's real pride in that.

So I think from my own perspective it's a regulatory environment that we need that will allow us.... Yes, there are always going to be niche markets, and if you have that regulatory environment, there will be room for smaller producers who will find niche markets on their own too.

(1710)

Mr. Barry Devolin: Ms. Desmarais.

Ms. Annette Aurélie Desmarais: Yes.

First of all, in this question of technology, the issue is whether you let technology control you or whether policy controls the use of technology and what technologies get developed. That's an important thing that we have to keep in mind.

Also, how do you ensure the financial well-being of farmers? How do you ensure financial stability? Well, you have to develop regulatory mechanisms to ensure a fair price paid to farmers for agricultural goods, so that—

Mr. Barry Devolin: When you say fair price, would that be something other than a market price? Who would determine "fair"?

Ms. Annette Aurélie Desmarais: It would have to be determined by a cost-of-production equation of some sort.

Also, we need a regulatory framework that enhances supply management and orderly marketing. Those are two instruments that allow farmers to have more financial stability.

I think I'll stop there.

The Chair: Mr. Barnabé, then Mr. Robertson. Please keep it short

[Translation]

Mr. Claude Barnabé: Last year, I had the opportunity to go to a region of Senegal in order to give some rice producers some training on collective marketing. They told us that people from the World Bank, who are favourable to the market, studied rice production in that region and told them that they were very competitive, that their production methods were very effective and worked well. Unfortunately, they had competition in the form of poor quality rice from Thailand for which the transportation was subsidized. This rice arrived on the Senegalese market at the same time as the local harvest, and the Senegalese, who do not have great purchasing power, were buying this poor-quality rice from Thailand which was probably subsidized. As a result, the Senegalese rice producers could not sell their rice.

In my opinion, globalization implies competition, of course, but as the gentleman was saying, the environment has to be regulated. I feel that it is an utopian ideal to think that we can regulate trade around the world and that Thailand, Mexico and Canada can compete on an equal footing. I have difficulty believing that. I tend rather to think that we should aim for independence first of all, and then, negotiate long-term agreements with countries that need wheat, barley or canola. I'm not certain that opening everything up is the answer.

● (1715)

[English]

The Chair: Mr. Robertson, keep it very short, please.

Mr. Grant Robertson: I don't know anybody who wants to farm the mailbox, but in the short term you have to deal with the reality of the U.S. Farm Bill. It's been decimating the grains and oilseeds sector, particularly in Ontario, over the last few years. Now that we're seeing some increase in prices in corn, the next place it's going to decimate is the livestock sector. We're already seeing it in pork.

In the short term, government is going to have to have a twopronged approach to make sure that we have farmers on the land. Farming is a lifelong apprenticeship, and we're losing our master craftsmen; they are not there. If we're going to get those young apprentices coming in, a next generation, we're going to have to do something.

While I don't want to be farming the mailbox, I would like to be paid for some of the societal benefits I create. When I fence off land, or I act as a carbon sink, or I do a number of the things I do on my farm that have a broad societal benefit, I'm doing that at my own cost, and I don't get that money back out of the marketplace. There is a role for government, as we see in Europe, to actually provide some income tax credit, whatever it might be, for farmers who are providing that societal benefit.

The Chair: Thank you, Mr. Devolin.

Mr. Atamanenko, you have seven minutes, please.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you very much for being here.

I have a lot of questions, and I'm not sure if I'll have enough time. I'll fire away. Maybe if we don't finish them up, we could chat after the session.

The first one is on food security. We touched upon cucumbers and the fact that they're coming from outside the country. In B.C., for example, it's my understanding that before NAFTA we had in-season tariffs. We had over 2,000 onion producers; now there are six or seven. We've seen in Ontario that 60% of the apples are coming from outside of Ontario.

Does NAFTA not work for our food security? If that's the case, what can we do? Should we have some rapid response tariffs for when these products come in so that our producers can continue producing vegetables and feed our nation, and we get away from all those pesticides from Chile or Mexico or wherever?

The other one is on subsidies.

Mr. Smolik, I really enjoyed your presentation. I understand that specifically in the grains and oilseeds sector we'd like to have fewer subsidies from the Americans and the European Union. If we were to really push that, and I guess we have, it doesn't seem that there's any response from our neighbours. Also, how would that then affect our supply management? We're going to be invoking article XXVIII to protect our dairy farmers. We want to ensure we have a strong supply management system. How do you see that in the global context?

The other thing is...I had a very interesting discussion today with Senator Hugh Segal about some of his programs. We were talking about the idea of a working income tax benefit.

Would it be an immediate help to farmers if there was an income below which, if you didn't make that income, you got it topped up at income tax time? Say it was \$30,000 and you didn't pay any income tax until you made over \$30,000. If you only made \$23,000, come income tax time the government cuts a cheque for \$7,000. It's a guaranteed income, but it works at income tax time. I wonder if that could be an immediate help to farming families.

Grant, do you feel that the bureaucracy really is hindering the whole APF process, regardless of the political party in power? Is that one of the major stumbling blocks?

I'll stop. Let's see how many answers we can get. Whoever wants to start....

The Chair: Mr. Robertson.

Mr. Grant Robertson: I'd like to start on the first one, particularly because I've been doing some work on this for the NFU. The reality is that we have the ability, as do other nations, to stop some of these things coming to our border. If they do not meet our phytosanitary standards, we have the ability to say no. Yet we don't do that, and I am at a loss to understand why.

I believe if we're going to impose regulations and rules on farmers, we'd better darn well make sure we're not then asking them to compete with people and nations that don't—and that includes environmental and labour standards, all sorts of things. We need to develop a system in Canada for that.

To go to your other question about the APF II, I quoted my grandmother earlier, and I'll quote her again. It's an old phrase. My grandmother said that the problem with elections is that it doesn't matter who you vote for or what party wins, government always gets back in.

I see this through this process. The more I'm involved and the more I see what's happening, the more deeply cynical I become about the entire APF II process. The fix is already in; the direction is already decided. The consultation process is merely an opportunity for when things go south.... And they will. With the U.S. Farm Bill and all the other things that are happening, we're going to see other sectors that are going to be hit and hit hard. But when things go south, there will be the ability to say that we consulted with you. I think that's part of the problem.

● (1720)

The Chair: Mr. Smolik.
Mr. Jim Smolik: Thank you.

I'll touch on the trade issue. I raised it from the point of view of how it would affect grains and oilseeds. I understand fully that whatever the negotiations are, it's much broader than grains and oilseeds. It's on supply management, vegetables, and non-agricultural market access. It's cars from Korea. It's the total global trade. I was trying to identify it from our perspective. I'll give you an example.

Before the last U.S. Farm Bill, flax and pulses were not included in the bill. When they were included in the U.S. Farm Bill, they were traditionally just a few thousand acres of flax grown in the United States. Last year alone they had just about one million acres of flax seeded in the United States. Clearly the market is not demanding that yet. There is increasing demand for flax, omega-3, and things like that, but the market is not demanding it yet.

I'll go back again to the study from 1995 to 2000 in which they felt that approximately five million acres per year in the United States alone were planted just to trigger government payments. So five million acres of production is being put on the world market, and that continually depresses our prices.

Last year before the Hong Kong ministerial I looked at the mid-November loan deficiency payments. If I could have received those same loan deficiency payments on my production from the 2005 crop year at the mid-November price, I could have picked up a cheque for just under \$56,000 U.S. That's how it affects us. I'm just raising those issues for grains and oilseeds.

The Chair: Ms. Desmarais.

Ms. Annette Aurélie Desmarais: Dealing with the first question about NAFTA, certainly the data demonstrates that all of our agricultural exports are climbing and continue to do so, and that has not benefited farmers. The net realized income for farmers has not improved, so that should tell us something.

If we put what's happening in Canada in the much larger context of what's happening to farmers internationally, the United Nations Conference on Trade and Development and the FAO have done studies on what has happened since 1994 when the agreement on agriculture was put in place. They've noted that in numerous countries there is an increased concentration of land ownership. Larger producers are owning larger pieces of land. There is increased impoverishment of farmers. Combined with that, there's increased corporate concentration in the food systems everywhere, and tied to that is the diminishing power of farmers in the marketplace.

We have always thought of ourselves as being concerned about social justice here in Canada and elsewhere, but we should be thinking very carefully about what's going on here, not only with our farmers but internationally. Political decisions we are making are allowing this to happen.

• (1725)

The Chair: Mr. Barnabé.

[Translation]

Mr. Claude Barnabé: I'd like to respond to the question concerning the North American Free Trade Agreement as it affects agriculture. There was an article in the newspaper that appeared in January. It stated that tortilla prices had gone up by 30% and it explained why. It explained that since the signing of the NAFTA, the Americans had sent a lot of corn—subsidized, of course—to Mexico, which pulled the rug from under the Mexican producers' feet

Since then, gas prices have increased and Americans have decided to keep their corn in order to make ethanol. The Mexican industry was severely strained because of the subsidized corn, but all of a sudden, there was no more. Therefore, the price went up. The tortilla is a basic staple for lower-class Mexicans, and there is panic. There's either a shortage, or the price is too high for them.

In my opinion, before opening our borders to all products from abroad, we should first of all think of food sovereignty. We will of course never be able to grow bananas here, but we could still negotiate on imports. We will also negotiate on exports with the aim of exporting those with which we are competitive.

Let us think of food sovereignty first of all. Depending on others to feed ourselves is dangerous. We are not talking about cars or planes here, we are talking about food. We must be careful.

[English]

The Chair: Go ahead, Mr. Van Tassel.

Mr. William Van Tassel: Yes, it's the same question about NATO, and I've also talked about the WTO. It's a question almost within a question. Is it working? Well, on January 8 Canada started consultations with the U.S. on U.S. subsidies on corn to see if they started a WTO challenge. Does it show so far that it worked? Well, probably not, because what they're saying in Canada right now is that the United States is not following what they're supposed to be doing in the WTO. Are the Americans going to? Well, I'm not certain either

The Chair: Okay. Sorry, Alex, but you're out of time.

Before we leave, I have a quick question for Ms. Smith. I'm a farmer myself from Manitoba, and I know there have been times that the phone stress lines have been used quite extensively. Can you give us an idea of what the volumes were? I know that after the BSE crisis they went right through the roof. Where are we at today, and how is that flowing through in the last few months?

Ms. Janet Smith: Thank you.

I actually provided some information from our annual reports that includes a lot more statistics, so I welcome you to pick up packages at the back.

Our biggest year in terms of call volume was 2004, at the height of BSE. We had 2,175 calls at that time during that year. In terms of BSE now, the comment of one of our callers was that BSE has to some extent gone out of the media, but I still have the BSE hangover. We're seeing the repercussions of that crisis, and it is one of many crises that I think are just around the corner. They last a very long time.

What I wanted to say about some of the farm stress support programs is that they are extremely cost-effective. They're not very expensive to run, a telemental health or other kind of program such as Au coeur des familles, and the benefits are extremely well researched. In terms of cost-benefit analysis, I would really encourage you to support those kinds of endeavours.

The Chair: I want to thank all of you for coming in today. We are out of time. I know there are questions around the table and I just don't have any—

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): I don't have a question, Mr. Chairman. I just have a comment.

I'm a farmer as well, as the chairman is. My wife and I have raised our family, and I know a lot about the problems that are out there in agriculture, but I don't know it all.

I have a suggestion, and please take this in the context that I mean it. Your presentations took up close to 90 minutes of the two hours today, and that's fine—there was a lot of good stuff in there—but I, like some others around the room, would have liked to have asked some questions. You had some great answers.

Maybe in the future you could bring your presentations more in a paper form. I do read mine and I presume everyone else does, and then more time could be left for questions. That's just a suggestion.

● (1730)

Ms. Janet Smith: We need more than three days to prepare.

Mr. Larry Miller: Yes, and I liked the comment about walking a mile with manure on your boots. I have done that.

Ms. Janet Smith: We would be more than willing to stay afterwards if anybody wants us to.

The Chair: Actually, we do have some committee business, so we are going to go in camera. We'll suspend right now and allow the room to clear out so we can do our committee business.

Thank you.

[Proceedings continue in camera]

Published under the authority of the Speaker of the House of Commons Publié en conformité de l'autorité du Président de la Chambre des communes Also available on the Parliament of Canada Web Site at the following address: Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : http://www.parl.gc.ca The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the

express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.