

**The National Farmers Union
District 1, Region 1**

**Submission
to**

**The Carver Commission
on the
Prince Edward Island Lands Protection Act**

The members of the generation which is in power must not treat the earth as something given by their parents, but rather as something borrowed from their children. (National Farmers Union Policy G-6 #1)

**Charlottetown, PEI
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Introduction

The National Farmers Union (See Appendix #1) appreciates this opportunity to present again our position on the Lands Protection Act (LPA). Thank you, Mr. Carver, for accepting the position as Commissioner. You were involved in the formulation of the Act which passed in 1982. In the years leading up to that, the National Farmers Union (NFU) played a central role engaging the wider community in urging the development of lands protections legislation. At that time, Island farmland was under threat from corporate expansion. The government of the day and especially the Premier Angus MacLean, had the wisdom and courage to proceed with the history-making

progressive act. The PEI Lands Protection Act is the envy of many people in other jurisdictions.

We agree with those who are insisting on this review of the Lands Protection Act that many things have changed since 1982. From the point of view of the NFU the changes are indicating in very forceful ways that a strong and enforceable lands protection act is even more necessary thirty years later. The corporate sector voice and power is now much louder and more dominant. The voice and power of the people gets easily drowned out. The number of farmers who are still free to promote and practise family farming, has been reduced; farm families have been squeezed out by corporate-minded control and take-overs.

It is important to point out that during the past thirty years, the NFU has continued to develop progressive land policies which respond to the changing times. We say today with deeper conviction than ever the first statement of our land policy: ***The members of the generation which is in power must not treat the earth as something given by their parents, but rather as something borrowed from their children.*** We must continue to insist that farmland is destined for producing healthy food in a truly sustainable way. We find more and more that Islanders, other Canadians, and even some governments want to eat food that is produced close to home in an environmentally sound way. Unfortunately, only a smaller number will take stands to make sure that primary producers receive a decent income from their food production. We are more convinced than ever that farmland is a non-renewable natural resource that must be protected, not a commodity to be exploited. Since our founding as a national organization in 1969 we have declared that farmland is not meant to be bought and sold in the marketplace.

Size Matters: Land and Farmers Must be Protected by a Balanced Approach

The NFU want to make it clear that it does not frame the issue in term of small vs big. We make the case, though that “bigger is better” is not the only business model to examine. We insist that success in agriculture can also be achieved by smaller scale farming. In PEI, with our long history of potato production, for example, we see that larger family operations are a part of the agricultural scene. They can, with care and respect, exist side-by-side with smaller mixed farms, dairy, livestock, and vegetable production. The challenge is to balance the interests of both so that neither one nor the other is seen as the only way to go. One does not have to exclude the other.

Regardless of size, it is essential to see and treat the land as the basic source of all agricultural production. It is crucial that farmers and all residents understand that the land on the Island is limited both in amount and in its capacity. Our soil is delicate, fragile and is in jeopardy of depletion from being pushed beyond its natural productive limits. Massive doses of chemicals very quickly “kill” the soil. It takes years to detoxify soil and rebuild the soil so that it can regain its original organic capacity.

Protection of Land: For the Public Good

The protection of land is not only an issue for farmers. We have a number of events over the past ten years which should bring home the point that the land in itself has a high importance in many different ways for the whole community. Dead fish in our rivers have reminded residents how our water and watersheds are directly affected by land use. The general population is becoming aware that we have only one source of water and that is in the ground under our feet and it is fragile. We have become aware that climate change is threatening the land of the Island; not just on our shores, but inland as well. More people are insisting on thoughtful planning so that communities can have the safe, quiet space which land provides them. The outrage of the continuous opposition to “Plan B” is a new moment in Island land history. It has solidified the concept of the public good. Opposition to “Plan B” took into consideration many aspects of land as a common good: from the perspective of ancient cultures, ancient growth, clean rivers, farmland, beauty of the landscape, the future of children, the power of the people to give the land a voice, and democratic processes.

Nowhere is the protection and nurturing of the land more obviously a public good than in the need to preserve farmland and the need to keep that farmland in diversified food production. Many Islanders have a vibrant cultural memory of past land struggles during the era of absentee landlords. However, a high percentage of the population is separated from the land. It is necessary to revive our connections to the land and to convince communities that it is in the public interest to maintain a regulated land tenure so as to transfer land to young farmers. It is not in the public interest to allow the continuing consolidation of holdings. We are losing the productivity of our Island land. Some of it is exhausted from intensive monoculture, which requires massive doses of chemicals and the use of aggressive cultivation with heavy equipment. Some of the land is so devoid of organic matter that it is weakened and is especially vulnerable to wind and water erosion.

Family Farm & Industrial Model: Structures/Goals/Practices, and the Land

The National Farmers Union identifies two economic models which are apparent in Canadian agriculture: the family farm model and the industrial model. They are distinct, although not always mutually exclusive in their structure, goals and practices, and in their relationship to the land. The two models exist in a spectrum: some industrial-style farms may in fact be family-owned and operated, while some family farms may adopt many characteristics and mind-sets of the industrial model. In fact, historically, some self-defined family farms intentionally identify with, and vigorously defend, the industrial model even when it is clearly against their own best interests. However, nothing will improve for farm families in Canada as long as there is a denial that the basic interests of the industrial sector and the farm family sector are direct opposites, even antagonistic, and that there is a policy-based imbalance of power between the two sectors.

The family farm model

The National Farmers Union is a strong supporter of the family farm. Our policy statement defines a family farm as “an operation that produces food or other agricultural products and where the vast majority of labour, capital and management are provided by family members”.

We know that family farms are the real generator of wealth in the food system. In fact, on a global

level farm families are the major food producers. The NFU has data which shows that family based production produces at least 70% of the world's food (See Appendix #2). Yet in the high-flying world of big money and big deals the family farm is treated simply as a minor player, disposable even, and merely the producer of "raw product" used in a gigantic profitable network. In this world the land also is considered as disposable.

In the food system, it is only the farmers, lacking power and legislative protection, who have to accept the price they are given. This is usually below their cost of production. The other levels in the system have the protection and power to ensure that they take their profit. Farm families carry enormous debts and earning very low net income. In 2010, farm debt in PEI \$716 million (up from \$583.4 M in 2006, increase of 23%). Meanwhile total net farm income was \$15.7 million (down from 40.4 M in 2006, decrease of 61%).

The family farm model, despite being hammered on all sides, has a number of capacities which are critical to sustainable food production. These capacities are often invisible or denied. They are: (a) to ensure the intergenerational transfer of farming operations; (b) to protect the public interest by maintaining a level of local control of food systems; c) to provide production and distribution processes which protect and preserve the environment.

Intergenerational transfer of farming operations - The NFU feels that while the family farm system has the potential to safeguard the future of this form of production, the policy structure to support intergenerational transfer does not exist. Farm families and their organizations must hold governments responsible for enacting public policies to provide farmers the option of passing farm operations on to younger generations. Some of these policies are basic and far-reaching, for example, policies which support cost-of-production farm gate prices, and all methods to increase the net income of farmers. While these more complex directions are being developed, other policies should be adopted to make intergenerational transfer possible. These policies should be designed to support older farmers in their retirement and to provide the younger generation with financial support and knowledge to get established.

Protection of the public interest - Here in PEI and across the country, the NFU is pleased that more people are waking up to the need to have local control of food systems and of the land. They know that the protection of the family farm model is not just a farmer issue. It is a citizen/resident issue. It is more than ever a question of the public interest. It is an issue for everyone. Communities are coming to grips with the realities of food being shipped in from every corner of the world with minimal traceability for nutrition, health and safety. In PEI, a visit to the major grocery chains after the bridge is closed for three days is a shock for many. People are beginning to wonder what would happen in the case of a disaster. But we are hearing something deeper than fear of food contamination and shortage. The words "food" and "sovereignty" are now commonly heard in the same phrase. It is more than the question: "can we feed ourselves?". It is a concern about control and about social justice. It is clear to many that the sectors which control the food system, control the lives of citizens. Now people are speaking of Food Sovereignty as a basic element of democracy.

Protection and preservation of the environment - The NFU challenges its own members

and other farm families, which are not yet members, to stand up and be counted as environmentalists who will do all in their power to practise farm methods which protect the waterways, the air and all land. We need to be proud that our way of farming is respectful of the elements, safe, and most efficient.

The industrial agriculture model: The formulation of a national policy for Canadian agriculture (circa 1969) has been guided by conventional corporate economists and other key players in the corporate sector, with an eye to maximizing their profits. In the present day all policies endorse the capitalization of the food system, and give priority and control to the transnational corporations (chemical and machinery suppliers, transportation companies, banks, processors, wholesalers/retailers, produce dealers and exporters).

In past and current Canadian agricultural policies, the demands and needs of those corporations are promoted and protected, making it possible for this sector to demand their ever-increasing profit rates and to further enhance their accumulation of capital.

Industrial agriculture has not only the ear of governments, but it also can claim a privileged position with the media, much of which actually belongs to the corporate sector. We therefore find that the myth of efficiency of industrial-model agriculture is accepted by the public, including some family farmers. One NFU member commented about some potato farmers, eager to be like the corporations, “If they are so efficient, why do they have to keep expanding, even though they are going deeper and deeper in debt?”

In preparation for this submission, our members recalled the early 1980s when it was so clear to us, and thankfully to the government of the day, that legislation to protect the land was urgent. The central questions now are “What were the conditions in those years that prompted us to lobby for the Lands Protection Act? Have those conditions improved? If not, why is anyone proposing to weaken restrictions on the ownership of land?”

It was clear in the early 80s that the corporate doctrine was leading in one direction: more and more power and control in fewer hands. Vertical integration was the order of the day. Large corporations were taking over many of the operations which made up their production schemes and the resulting accumulation of profits. However, what we saw then was mild compared to what we experience today. We never expected, of course, that transnational corporations (TNCs) could reach a point of satisfaction with respect to profits. However, not many imagined the level of corporate control of the food system that we have in 2013. The difference is not merely quantitative. We see it as an overwhelming shift of control, which involves a total reorganization of the food system and an unimaginable concentration of power over every aspect of the system..

The almost-total corporatization of food, subsidized by tax-payer dollars is a major threat not only to food producers, but to all people for whom food is a basic necessity. A recent happening at the XL Foods, a huge meat processing plant, which indicated not only the inevitability of disease outbreak, but brought to light the level of consolidation and the inappropriateness of it. This one

plant in Brooks, Alberta processes one-third of all Canadian beef. In fact only two companies process 86% of beef in Canada; two corporations process 62% of pork. It is clear to any thinking citizen that decreasing number of players in any aspect of the food system is unsafe and inefficient.

When farmers go to sell grains, they are faced with the reality that seventy-five percent of grain handling is controlled by six firms. In PEI, where a high percentage of the potato crop is now dedicated to the processing sector, farmers have almost no choice about where they sell, nor much control over the implementation of contracts. Several years ago one of the large potato processors in this province chose not to renew contracts with some smaller potato producers. Instead they appear to want only a few very large potato operations with which to negotiate contracts.

The story goes on as we consider that only a handful of companies control food trade, transportation and retail.

Farmers, and the whole community, certainly have very little voice in the sale and trade of food products. But just as alarming is the level of control which TNCs have over inputs. Agribusiness and investment corporations are financing a large percentage of farmers' seeds, chemicals and fertilizer purchases. It is quite common for a company which finances inputs to require contracts which bind farmers to deliver product to them. A cursory examination of the far-reaching control of a single company, Monsanto, protected by public policy, is a cause for alarm.

Debt is a major sign of the loss of control of land, farms, production decisions, and food systems which farmers and non-farmers experience. The following is the change in ratio of dollars-earned to debt over the decades. In the 1970s for every dollar farm families earned the debt was \$3.40; in the 80s for every dollar earned the debt was \$7.42; in the 90s, the debt was \$10.47; and from 2000 to 2009, the debt was \$23.29. The current Canadian farm debt is \$64 billion. More or less, the amount of tax-payer monies going into subsidies paid to farmers is equal to the interest paid on the debt. In the coming years, if interest rates increase by 3.5%, it will mean totally erasing all realized net farm income.

When presenting this picture to existing public policy-makers and their corporate-minded allies, the NFU is constantly affronted by the conclusions they draw. They seem to have the attitude that the corporate industrial model is the logical, economic way of the future. They seem to think that the family farm has outlived its usefulness or viability. With their economies-of-scale blinkers on, they believe that only the unfettered growth of a corporate food system is the answer to the world's food problems. They ignore the data on the low efficiency of corporate farming. Canada's current industrial model food system is energy inefficient and it is climate destabilizing.

The National Farmers Union has done extensive research on the nature, goals and operations of industrial sector agriculture. Our conclusion is that under this model, the land is at constant risk. Rock-solid, enforceable legislated restrictions on land ownership and use is the only hope for the protection of farmland for the future.

Lands Protection Act Under Threat: PEI Land Under Stress

Since the passing of the Prince Edward Island Lands Protection Act in 1982 there have been a number of court cases, challenges, and applications for exemptions. Many of these originate with one corporation, the Irvings (Cavendish Farms) and indicate that the LPA has been an irritant for this major player in the agrifood industry in PEI.

Since the Act was passed, successive governments have mandated various studies on the land: a round table, task forces and commissions. None thus far have heard recommendations to change the limits on aggregate land holdings (1000 acres for individuals and 3000 acres for farming corporations). As late as December, 2009, Justice Ralph Thompson issued his report of the Commission on Land and Local Governance stating that the current limits on land holdings should be maintained. He indicated that in all the presentations he had received only one recommended that the allowable holdings be increased. That was Cavendish Farms. It is important to note that the current Government of PEI formed the Commission on the Land Protection Act, responding to pressure from two groups closely connected to Cavendish Farms.

Even though Justice Thompson recommended maintaining the limits, he opened a door for a major increase in holdings by proposing a regulation regarding incorporating environmentally significant class of land. The NFU welcomes the spirit of the resulting regulation change which honours the protections of sensitive lands. The result was the regulation which allowed such designated non-arable lands as exempt from the 1000 and 3000 limits. The loophole seemed to be such a welcome relief that while the ink was still wet on the Thompson report a regulation was put in place to consider only arable land as making up the legislated aggregate land holding limits. (See Appendix #3). This regulation resulted in an average of about a one-third increase in the holdings. That means that the new limits are now approximately 1,300-1,400 acres for individual and 4,000 acres for a farming corporation.

It is totally unacceptable to the National Farmers Union that proponents of relaxing the Lands Protection Act are complaining about the accountability required to safeguard the acreage limits. It seems frivolous and unworthy for any farmer to protest the disclosure clause whereby individuals and corporations are obliged to report if their acreage reaches 75% or more of the limits. The so called "red tape" requirement to report on land leasing, purchases, etc., is the best way for IRAC to keep track of what is going on in this area? Farmers are constantly being faced with many regulations, most of which are not nearly as important as the requirement to report on land holdings. If land is important to farmers, surely we will find time to make yearly reports.

More important than an Act under threat is that the land in PEI is under severe stress from intensive farming. The land must be protected by a law which is both restrictive and enforceable. With new technology, the excessive use of chemicals and increasingly larger machinery, much of our land is deteriorating. Soil is eroding at an alarming rate. There is a trend to the concentration of land ownership into larger production units, especially on potato farms, which are under constant pressure from processors. We are witnessing a breakdown of rural communities. Farmers should

be on alert.

However, land ownership and land use is a concern for many people in PEI, both farmers and non-farmers. Hopefully many other Island residents will join with the National Farmers Union in strongly opposing any move to amend the Lands Protection Act by increasing the land holding limits in this province.

The Land Grab Threat

It is common knowledge that there is a major land grab movement all over the world, including in other parts of Canada. Massive investment funds are dedicated to buying up farmland for future use when it is predicted that food prices will go through the roof. The Canadian land grab story is outlined in the June 2010 NFU report, ***Losing Our Grip: How a Corporate Farmland Buy-up, Rising Farm Debt, and Agribusiness Financing of Inputs Threaten Family Farms and Food Sovereignty*** (Appendix #4). The study highlights the goals of a number of investment firms involved in farmland acquisitions for their clients. Some samples of advertizing:

One Earth Farms Corp...believes that through professional farm management, geographic and crop diversification and improved purchasing power and pricing power, it will be able to achieve higher rates of profitability than those realized by smaller farms," says the company's website...With large tracts of high quality land, Western Canada provides significant opportunity to develop a large, efficient and profitably managed corporate farm.

Bonnefield Financial Inc: we enable large institutions, such as pension funds, and high-net-worth individuals, to invest in and hold farmland for long-term capital appreciation and income.

Westchester/Cozad Asset Management: in addition to farmland purchases as investment vehicles, Westchester also offers farm management services to absentee landowners.

In reviewing how the provinces are prepared for the land grab movement, PEI is outstanding because of its legislation. The NFU document states:

The struggle to stop corporations from buying farmland has been most visible, and most active, in Prince Edward Island. PEI's Lands Protection Act serves as an illustration of how proper public policy can keep land out of the hands of corporations and investors. But the Act, and the struggle over foodland in the province, also shows some of the limitations and challenges all jurisdictions face when trying to restrain the financial power of corporations.

One aspect of this land rush is that investors prefer the convenience of having the land already consolidated in large parcels. It will be difficult enough for PEI to fend off the threat of the land grab attack. If the Lands Protection Act is weakened by tinkering with the limits, the Province is increasing the vulnerability of the land in the face of greedy investors who honour no borders.

Vision for the Future

The National Farmers Union is uplifted by its membership across Canada, which is showing greater capacity than ever to opt for smaller acreages and for mixed farming. They are growing in their capacities to integrate new methods of caring for land on which livestock plays an important role in maintaining the organic matter. In PEI we also have a good number of farmers who are diversifying and requiring fewer acres to produce good quality food. We need assertive action to make this blossom into a fully viable sector. Together we can discover our own advantages. For example, even though there has been alarming consolidation of land in the hands of a few, we may be able to identify many land holdings have been preserved from monoculture production.

We recognize that farmers are an aging population. The average age of PEI farmers is about 54 years. To take a positive attitude: that means that we have many good farmers with many years of knowledge and experience to share. We have a growing population of new and innovative farmers—not growing fast enough, of course. But it is an area that needs planning and support. The NFU will continue to push for deliberate public policies to help young and beginning farmers get started in responsible farming, giving them access to land and other resources plus appropriate training.

The NFU is concerned about the uncertainty of farmers who have spent their lives in food production and don't know how they can retire. This brings us to our on-going theme: farmers have to make a livable income from their production. Long-term negative income cannot be overcome by a year or two of reasonable prices. We continue to lobby for public farm policies which ensures incomes while farmers are producing and provides sufficient savings for retirement. When farmers are forced to look to the sale of land as the only way to retire with dignity, they are cheated a second time. While we are hoping for a change in the structure of agriculture, there are some options, for example greater investment in land banking and land trusts. As well we would urge governments to establish a well-run and trustworthy agency like a land use commission to purchase and hold land for future farmers.

Recommendations

The National Farmers Union recommends the following to the Carver Commission on the Lands Protection Act:

- to propose new and progressive PEI Government policy to ensure cost-of-production for Island family farmers
- to propose that there be no further manipulation of the Act's aggregate land holding limits and that the Act be "closed" in perpetuity
- to propose a plan for identifying and salvaging land which has not yet become engaged in

monoculture, either as owned or leased

- to propose a system of allowing farmers to retire without having to sell their land to corporate interests
- to propose a system of support for young and beginning farmers who opt to engage in mixed farming