

## **Water, NAFTA, and Supply Management**

**A Presentation by Doug Campbell, NFU District Director  
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Let me express my thanks for the invitation to speak to the Council of Canadians in my capacity as Region One District Director of the National Farmers Union. My presentation will centre on the recent Island focus on water use, our environment, and the NFU's position presented at initial public consultations on the development of a water act; as well as at the draft public consultations. It is our understanding that the Prince Edward Island water act will be introduced in the Legislative Assembly this fall. Unfortunately as the act is not yet public I cannot address the actual proposed legislation.

Humans, animals, and plants are depended on water for their survival, their growth, and their productivity. Without water there is desolation, death, a barren landscape. Water is life. From the moment of conception humans and animals begin their lifelong relationship with water.

Therefore access to pure water needs to be a basic right for all, not a privilege for the select, or a source of economic power for the few. Canadians have witnessed the cost to so many of our First Nations people who have suffered greatly from inaccessibility to clean fresh water. Both governments and individuals have turned a blind eye to deplorable third world water conditions on reserves. **Should we doubt that it could happen further a field?** It is commendable that our government is taking steps to place itself in a guardianship role with the goals of ensuring provision of sufficient, safe, and accessible water for domestic purposes; and provide protection to ecosystems, while requiring public reporting and consultation, and basing water allocation using science-based facts.

Access to good water is to know health and prosperity. We only need to look at the parts of the world whose infrastructure has been damaged by recent hurricanes. The headlines read of the desperation for water. The plight of our water is the plight of all of us. It is good to note that the proposed water act of PEI states everyone has a duty to protect water.

However, the draft lacks recognition of water as a human and ecological right. It is the hope of the NFU that this is corrected in the proposed legislation. Such recognition in itself will set the tone of the legislation. Access to good water is the right of all. The source of water cannot become a commodity to be exploited in the market place.

Land, water, and air are a joint package. The NFU's stance is that the debate on water, land and air cannot be separated. To ignore or mistreat even one is to greatly impact the others.

This year marks Canada's 150<sup>th</sup> anniversary as a nation. In 1867, Islanders were fighting the land issue of being tenants answerable to large absentee landowners interested, not in the land and building of community, but rather interested in how that land and tenants could increase their wealth. Does the storyline sound familiar? Prince Edward Island has land use laws which are being circumvented in the name of economic efficiencies; such as scale, consolidation of the power of production by both individuals and corporations, and speculative investment - at a time when interest rates are low and it is difficult to make money in the markets.

We also have serious issues in the control of food production when the corporate processor can compete with the farmer in production. The playing field is far from fair. Farmers that don't tow the line can be knocked out of the game with a few more acres planted by the processor themselves. They might not be able to do it as efficient but they obtain the end goal of control.

When it comes to PEI land laws it is the white elephant in the room; which few wish to admit is present, are scared to admit is present, or feel helpless about the presence. Government remains complicit and pliable under the pressure and desire for economic and employment growth. Ever present is the threat of job losses and disruption to this growth and productivity. The government needs to stand behind its farmers; we can't stand alone.

Since World War Two, there has been the ever increasing demand for the land to be worked harder - to produce more at cheaper costs. It has taken, and continues to take, its toll on the land, the water, and the people who work the land to produce food. This trend is in part why we are facing the water issues of today - in particular around irrigation. It is land that has been overtaxed that has the greatest problem holding moisture during growing season. It will be the first to be irrigated.

For the NFU there is concern that the water act draft didn't indicate intent to maintain the moratorium on high capacity wells; of which approximately fourteen are in use. It was a request for the lifting of this moratorium that first began the water debate. Current high capacity wells are used for the irrigation of potato fields on the Island. Irrigation became a corporate processing initiative in the drive to produce the perfect length and coloured French fry for fast food chains, independent restaurants, and individual consumers. It was market driven - it was driven by looks - food fashion one might say.

Corporate processors, wishing to be competitive in the market place and protect and enlarge their bottom line responded to consumer demand which I might add in my opinion is based on ignorance of the ramifications.

The processor turned to their producers – farmers – and placed on them the obligation to produce that market desired potato through irrigation. The cost - and it's not cheap, falls on the farmer who complies under the threat of no contract for the sale of his crop. I would argue few farmers wish to irrigate for the perfect fry. Yet, their commodity and marketing boards go to bat for the practice on behalf of the processors to secure markets. How convenient that the corporate agro interests pushing for irrigation also sell the irrigation equipment.

Farmers in many ways are being victimized and exploited in the game of production. Perception overrules fact. Perception is power. I believe the saying is “ten percent fact - ninety percent perception.” With the water issue, the perception is that the farmer with his large land base and big equipment is greedy. The fact is that if the farmer wants to sell to the market he plays by its rules.

Let us not fool ourselves that a way has not been found around the moratorium on high capacity wells. Perhaps it is a mote point that the moratorium be kept in place. No permits are required for manmade holding ponds in a field being fed by a normal depth well that can be kept pumping 24/7 to fill the pond and then the water pumped for miles.

There will always be a way around the intent of the law until there is awareness the practice is serving no one but corporate interests. This is where the message – the true message – not the branded message – must be gotten out to the consumer. The consumer must become aware on how to use the power of their consumer dollar in influencing production practices, and care of the land, and water.

This can be seen again now in the trend and demand for small potatoes, another fashion trend in the world of food cuisine. Farmers have to respond to the market demand, yet drive by the warehouses and you will see topsoil, Prince Edward Island's one natural resource, sitting in piles. The digger chains must be closer together so the small potatoes don't fall through, but neither does the topsoil. Most consumers would have no awareness that what they desire as convenience food is coming at a cost to the farmland and farmers.

As the story unfolds it can clearly be seen this is not just a farm issue. In many ways it could be said that farmers are at the bottom of the chain in the creation of the problem.

A major problem is 98 percent of our population is now at least one generation away from the farm and awareness of how food is produced in this country. This must change in order to protect our land and water.

Now, as we begin to see on the Island how climate changes is impacting us with reduced rain fall in the summer months, the pressure to allow for more irrigation is increasing by corporate and agro business interests. Is it not the logical question to ask – if there is not enough rain to water the crops themselves; then where is the ground water replenishment coming from to operate the high capacity deep wells and the holding ponds?

The NFU believes that determining the use of Island water must be based on unbiased science that is not bought by nor influenced by business interests in any sector of the economy. Businesses focused on the bottom line often fail to realize that there is no healthy economy without a healthy environment. The firm science is not yet available on what usage the Island ground water supplies can handle.

Yet interest groups want to push ahead with higher usage in the hopes there will not be problems. They have not answered the question - what happens if the supply is not adequate, then what? The precautionary principle was not articulated clearly in the draft.

The water draft says the government is committed to transparency regarding the state of the province's water resources and that the minister will establish a program to monitor and publicly report so that regulators and policy makers have sufficient and timely information to make science-based decisions.

It sounds good, but we say all the raw data needs to be available for public consumption so that it can't be customized to special interests.

Independent reliable media is so essential in the protection of our land and water. Traditional media is under siege from social media where anyone can be a reporter; making it more important, now more than ever, for good investigative reporting to counter perception with fact.

Water is life; therefore, our incoming water act must have a concrete program to provide community oversight of the act and its regulations. This recommendation was put forth by many of the groups presenting at the public consultations, including the NFU. Yet the recommendation was absent in the draft. Without this recommendation there is extensive power given to the minister. A resource, as vital to all life as water, should not be left in the sole hands of a cabinet minister.

To reflect the extent of power I quote from the draft, “There are also new provisions in the act allowing the Minister to hold water ‘in reserve.’ Accordingly, the minister is not obligated to approve water withdrawals simply because water is ‘available.’ This allows for the setting aside of some portion of available water for the needs of future generations.” End of quote. That is tremendous power to be held in the hands of one person.

People might say, we elect a government therefore why not trust them to protect the interest of such a vital resource as water. History surrounding the implementation of our well-designed Lands Protections Act is proof that those whose interests may be curtailed by the water act will find the loopholes as they have with the lands act. Avenues are found to influence government and cabinet in implementation and interpretation of regulations and policies around the land act. Just because someone is in government does not mean they understand the spirit or intent of the law. It would simply be naïve to think the water act would be different.

Belief can only be placed in the impending water act if it carefully outlines the design, mandate, accountability, process, and adequate resources for an independent community-trusted body that will provide constant oversight. At least that gives it a fighting chance.

We are concerned that the draft did not rule out a total ban on fracking, which the majority of presenters requested. We need to learn from jurisdictions that are already into this process and concerned over its impact on water. Islanders need to be assured that no future governments would approve hydraulic fracturing within PEI’s jurisdiction.

The NFU agrees with the draft act when it says everyone has a duty to protect water. The NFU’s statement of purpose number five reads “Farmers must exert every legitimate means of assisting our legislators in providing legislation that can assure equity for farmers and the survival of a flourishing rural community in Canada.”

Farmers have an important role to play in the protection and use of our water. They must not be pitted against each other; for as the NFU’s statement of purpose number four reads “Farmers must learn to live with one another rather than off one another. Through mutual co-operation and collective action farmers can exercise the bargaining power that comes with organization.”

The NFU’s statement of purpose number three lays out the reality that, as individuals, farmers can exert no real influence in the market place. As individuals, farmers often disadvantage and exploit one another.

But by bargaining collectively, as farmers we can bring about a degree of discipline and organization necessary to make them an effective countervailing force in society. Farmers do not deserve to be exploited through market forces in the water issue. Our government must prove to be true leaders in the water debate and make the right decisions regardless of the pressure of corporate or market place interests.

The public must be educated into awareness of their influence in the decisions surrounding the production of food. Farmers should not be the easy scapegoat.

The debate around the use of our water underscores many of the current issues of society such as the consolidation of land, food production, and wealth into the hands of a few. The protection of our water is not a straightforward matter. We are all players with diverse interests. When the question is asked what can we do to ensure we get the water issue right and protect the vital resource, not only for ourselves, but future generations, the NFU believes the answer lies in the power of each person.

Individuals, as consumers, must be willing to inform themselves on their consumer choices. They do have power in the market place. They have to be willing to move beyond perception and look for the facts. They have to realize they are one of the players, and they need to hold their politicians accountable. It is essential for all of us that we get the water issue right. Our future depends upon it. That is not perception – it is fact.

So on that note let me move onto NATFA and Supply Management. That is where you really see perception getting in the way of facts. A perfect example would be the guest opinion column that appeared in the Guardian on September 27<sup>th</sup> written by Senator Colin Kenny.

Senator Kenny writes that 14,000 supply management producers are profiting at the expense of Canadian families. If the five food commodities under supply management had to compete in a free market Senator Kenny states Canadian families would save three to five hundred dollars per year because Canadian prices would be comparable to United States prices.

What is missing in his article is the results of many studies that have shown dairy products in Canada are comparable in price, and sometimes cheaper, to American dairy products.

Also, in Canada the only person paying the cost of the dairy product is the person consuming it – in the United States dairy producers under the free market system are being subsidized by all taxpayers. If Canadian dairy farmers received the same subsidies as American farmers that three to five hundred dollar saving to families would disappear in taxes.

Canada is the only country left with a supply management system. Countries that have done away with it have not seen prices go down to the consumer. They have gone down to producers to the point they are not receiving their cost of production and many are going under. However, processors have done very well with their profit margins.

The European Union did away with supply management because the number of countries involved made it cumbersome to manage. They have seen the above results. One farmer was quoted as saying, “The problem with today’s policy makers is they do not realize what it is like to go hungry.” Until recently Europe looked after its farmers because they knew what it was like to go hungry during World War II. We are now three generations out from that.”

What we have to remember here in Canada is that supply management is a privilege. We are three generations into supply management and most producers do not remember the hardship of pre-supply management days. We cannot afford to grow complacent and believe that the Federal government has our best interest at heart in negotiations. What makes it hard to get up in the morning and go to the barn is the knowledge that many of the policymakers and negotiators have no idea of our industry and are willing to use food as a bargaining tactic.

Free trade agreements are about gaining access to someone else’s market and in order to do that there has to be a payoff. For too long Supply management has been seen as the pay-off.

Really, how do you tie supply management and soft wood lumber together as Senator Kenny has done?

It might be interesting to note that Canada imports six times more dairy products from the United States than it exports and currently is abiding by all the rules under the NAFTA agreement. I guess Trump didn’t get the memo.

The NFU states that food should not be in free trade agreements as a country has the right to food sovereign. A country that cannot feed its own people is at risk of not remaining sovereign for long.

There are three pillars to supply management. Supply is matched with domestic demand. There is a formula that allows the producer their cost of production. The formula is based on the top 25 percent of producers in Canada so it does not shelter and keep in business the inefficient producer. These two pillars are controlled by the industry itself. The third pillar is the responsibility of the Federal government in border control in making sure that unlawful dairy products are not entering the country outside the tariff or free trade agreements.

Supply management is not perfect, but it is the best system that we have. We cannot afford to allow it to be used as a bargaining chip especially by those who understand little about food production and its place in our economy. Our primary industry is still agriculture and it has been the backbone in the building of a rich and diverse country. As Canadians we cannot afford to remain ignorant of that fact.