

National Farmers' Union Region 1, District 1 - Presentation to the Prince Edward Island Legislature's Standing Committee on Natural Resources and Environmental Sustainability

November 5, 2020

Thank you for the opportunity to address the Standing Committee on Natural Resources and Environmental Sustainability in regards to the Island's invaluable natural resources of land and water. In this presentation we are sharing our grave concerns around these two resources as we believe Committee members need to be fully aware of the interconnection between the health of farming, these two resources, and the public responsibility of ensuring they are utilized and protected for the good of all farmers and all Islanders.

Because of misconceptions that have arisen about our organization, we feel it is important to begin our presentation by telling the committee a little about the National Farmers Union, which was nationally formed in 1969. The NFU is the only Canadian farm organization incorporated by an Act of the Parliament of Canada (Chapter 80 of the Statutes) with a mandate to promote the economic and social betterment of Canadian Farmers. We are the only Canadian voluntary national farm organization committed to ensuring family farms, of which many incorporate for tax purposes, are the primary unit of food production. The NFU promotes environmentally safe farming practices, the building of healthy vibrant rural communities, and assurance of an adequate supply of safe, nutritious food for Canadians through sustainable farming practices. Our vision desires social and economic justice for farmers, consumers and the earth. We have no political affiliation and are non-partisan in politics. The full list of our objectives can be viewed on the national website.

The NFU partners with numerous groups and organizations with like-minded goals. We also try to work with those who may not be in total agreement with our vision, because for us, farmers are the priority.

District 1 is the local chapter of the national organization. We have a strong membership and presence in this province and the Maritime region. We have always spoken out strongly for farm families and our natural resources, in particular, the land. You may be interested to know the NFU was instrumental in having the Lands Protection Act passed in the PEI Legislative Assembly in 1982.

Our mandate often results in the National Farmers Union not being invited to the policy table, primarily because of the ever-increasing intertwining of government and corporations, which fuels the growing concentration of wealth and resources in the hands of a few. The reason we can stay true to our mandate is that our funding is membership driven, not government or corporate influenced or financed.

The National Farmers Union stands against the industrialized farming model, which is the large-scale intensive production of both plants and animals, often under a

monoculture strategy. This farming model is becoming increasingly heavily dominated by large vertically integrated corporations interested in consolidating natural resources for the greatest profit. Small and medium sized independent farming operations are being forced out of business, while large scale independent operations are being heavily impacted by debt load and low commodity prices. The social and economic health of rural communities continues to erode, and national food sovereignty is an afterthought.

The pandemic has shone a bright light on some of the cracks in industrialized vertical integrated farming. A prominent Canadian example was the episode in Alberta where the food chain supply became unstable when Cargill, the dominant player in Canadian beef, was affected by Covid 19 entering the workforce of the largest killing plant in Canada. The long-term solution suggested by the commodity marketing board was a reduction in jobs and an increase in mechanization of meat plants. The local example is the 4.7-million-dollar taxpayer gift to Cavendish Farms, quickly arranged through the potato marketing board, after the billionaire processor suggested a short time into the pandemic that his contract growers might want to look for other markets. Other Island businesses received loans, after government determined, through due diligence, if they had financial need due to Covid 19, and were a credible risk.

Industrialized farming is a known contributor to climate change through its heavy dependence on fossil fuels and chemical inputs, deforestation, destruction of wet lands, and intensive monoculture or single crop farming of land. Add to that, globalization of the food chain thanks in part to free trade agreements.

It has been known for some years that due to increasing climate change, dry summers were going to become a fact of life on PEI and there was a need to search out cash crop diversification opportunities, while trying to decrease dependence on traditional staple crops that need consistent and significant growing season rainfall levels. It has been known the health of our land would be a contributing factor in enabling Island farmers to weather the challenges of climate change.

The response to such knowledge has been a continuation of industrialized farming practices with a few minor modifications, along with an increasing dependence on the cash crop of potatoes, in particular for the processing market. Extensive and serious damage to the health of the organic matter of Island soil has been a result, and is increasing the impact of climate change.

The Island government is aware of the state of the land. The results of the Department of Agriculture's 20-year study on soil health was released in 2018, and shows that we are in serious trouble with our limited 8 inches, if that, of topsoil.

The NFU would suggest that every member of this committee familiarize themselves with that report. It can be viewed at:
<https://www.princeedwardisland.ca/en/information/agriculture-and-land/soil-organic-matter-status-pej>.

Industrialized farming proponents see access to water for irrigation as a tool to offset increasing climate change woes. It is no secret that the main player in the “ask for irrigation” is Cavendish Farms processor, Robert Irving. Irving, who is already accessing large amounts of Island water, is very open and vocal about his water irrigation wants for his family potato operations, and his growers. The power and control by Cavendish Farms, as the only potato processor in the province, should not be understated. It is true some Island farmers are asking for irrigation rights, but not all Island farmers are asking, nor would all farmers need irrigation to the same extent or could even use it.

By not making the ownership and stewardship of our land a priority, successive Island governments must shoulder a great deal of the responsibility for the current state of affairs in Island agriculture, where water is now being demanded as another tool in the toolbox of unsustainable industrialized farming.

Island history is steeped in the land question. It has constantly been under threat from absentee, foreign, and corporate ownership, and control. The most recent tool for keeping Island land in the hands and control of bona fide Islanders was the 1982 Lands Protection Act. This very important piece of legislation was, in part, a response to a request from Irving’s Cavendish Farms, the successors to the bankrupt Seabrook Frozen Food plant in New Annan, to buy another 6000 acres to add to the 3000 acres they already owned. (Sourced from page 350 of historian Ed MacDonald’s book, *If You’re Stronghearted*)

It was known at that time, 38 years ago, that land ownership by the Cavendish Farms processor, would put them in direct competition with farmers and in a heightened position of control in the potato sector. The Spirit and Intent of the act was to ensure farmers farmed and processors processed. In the early days of the Lands Protection Act, Cavendish Farms, along with others, had to divest themselves of some land in order to comply with the provisions of the Act.

But, as a result of government failure to enforce the spirit and intent of the Act, the Irving processing family has acquired large land holdings. They are now in direct competition with farmers, which gives them extensive control over farmers and government.

The expansion of potato processing on the Island has resulted in a large increase in the land acreage being directed for that purpose. This agricultural sector is increasing in its domination of Island farming with a number of consequences, including: 1) An ever increasing slide towards monoculture agriculture, with limited crop rotation (a winter cover crop worked under in the spring is not a rotation crop) that has resulted in decreased organic matter in the soil leading to wind and water erosion, inability of the soil to hold moisture, decreased fertility requiring greater chemical inputs, and pest issues. 2) Increasing land prices that have resulted in the need to intensively farm the land for the greatest yield to make bank payments. 3) High land prices being paid by the potato sector making it difficult, if not impossible for other farming sectors to compete and secure the land they need for viability. Where banks once would not look at land as collateral, they are now hungry for it and gearing expansion and operating capital round land holdings. This is making it very difficult for smaller farmers. Also, in the past,

livestock producers could look to potato producers for hay, but few want to grow hay anymore. 4) Government becoming more dependent on one agricultural sector, and one major player, for job creation, economic stimulation, and tax revenue, making them susceptible to influence and control. 5) The current demand for additional water for irrigation as a tool to prop up unsustainable farming practices. The argument being put forth this year by those wanting more agricultural irrigation without major change to industrialized farming practices is that even farmers with good organic soil matter are suffering. Yes, even good soils are stressed, but if you had driven through the countryside in late August or September you would have seen fields of potatoes that were not wilted and remained healthy green. Some were irrigated fields, but many were simply fields with high organic matter.

In a recent presentation to members of the NFU Board, concerning his upcoming water study commissioned by the PEI government, Doctor Michael Van den Heuvel, was asked if irrigation makes a difference in potato yield. His response was in a drought year, yes, in a normal year, little difference. Again, this is reason to show why water usage must be part of a bigger overall plan. There also must be acknowledgement of problems that farmers are encountering in growing potatoes using irrigation; it is not as straightforward as some would have us believe.

Based on the theory of Economies of Scale, Cavendish Farms, the PEI Potato Marketing Board, and the PEI Federation of Agriculture are asking for Island land limits to be increased so even more land can be put into potatoes to feed the processing plant. As wet falls become a climate change trend, we saw how well farmers managed to dig the acres they had in the fall of 2018, (approximately 7,000 acres left in the ground).

When Horace Carver did his land study, *The Gift of Jurisdiction; Our Island Province*, in 2013, he tried to source studies proving agricultural profitability would increase with larger land holdings. No such study could be found. The personal experience of farmers has been that as we strive to become more efficient, our debt loads increase, and margins tighten, while processing corporations reap the profitability by getting more for less.

We question the truthfulness of the line that some farmers will go under this year because they couldn't irrigate. Some will go under, but for reasons far deeper than access to irrigation. Farmers have been financially squeezed to the point that margins are paper thin. A drought year with lower yields will be a tipping point for some.

Island politicians, over the past three decades, have been and continue to be woefully ignorant of the Lands Protection Act, which is entrenched in the Canadian Constitution. Some appear to be even apologetic for the Act. Dennis King, in the lead up to the recent election told the National Farmers Union that within six months of being elected, there would be a mandatory course to educate all MLAs on the Act. The promise was repeated in his government's first throne speech. We are now a year and a half into his government's mandate and have yet to see that happen. Nor has the current government reversed the work of former premier, Wade MacLauchlan, who introduced the Business Corporations Act, so that company directors don't have to be listed.

Had Island governments honoured the Lands Protection Act many of the current issues surrounding the land would have been avoided.

Successive governments have done a disservice to Island farmers by the weakening of the Department of Agriculture. It has left farmers vulnerable to the ways and wants of industry. A strong department with district offices that puts specialists back out in the farming community needs to be built back for the good of individual farmers, the farming community, and the future of agriculture. The Department, along with enforcing soil building policies, needs to be sourcing and supporting greater diversification of viable cash crops, and building back other farming sectors.

Farmers would be greatly helped if the government re-established an aggressive land banking program as was introduced by the government of Alex Campbell under the Comprehensive Development Plan as a way to strengthen the viability of agriculture, bring young people into the field, and keep our land in the hands of bona fide residents of PEI. It was a considerable struggle Campbell undertook, which continues into the present, chiefly because of people's concern for themselves first, and concern for a balanced functioning environment and society last.

We would recommend committee members read the book, **Between Two Cultures, The Alex Campbell Years** by Wayne MacKinnon. It will shed a good deal of light on what Island governments have faced concerning the land issues and agriculture in the province. If you have not done so you should also be reading the four land studies done since the Lands Protections Act was implemented. Now we are in the midst of another one. Yet when Horace Carver appeared before this committee in the spring of 2020, he told you that it is the Legislative Assembly that has the power to make the changes in the Act. Therefore, it would be helpful if MLAs knew the Act. Why are we going to have another study to collect dust like the previous four?

The current government received the report titled, *Considerations on Implementing a Farmland Bank in Prince Edward Island*, done by Doctor Kevin Arsenault, in December of 2019. Yet it seems to be collecting dust somewhere in Stephen Myers office. If this committee has not seen the report you should be asking for copies and bringing the discussion to the floor of the fall session of the Legislative Assembly.

The National Farmers Union feels a strong current land banking program would help farmers access land at reasonable costs, thus enabling them to farm it in a more sustainable manner with longer rotation cycles and emphasis on organic matter. This, no doubt, would ease the need of water. While the Dept. of Transportation, Infrastructure and Energy could be involved in the land banking program through the initial purchasing of land, the NFU believe the Dept. of Agriculture and Land should run the program.

There is a growing lack of faith in government by both farmers and the public. We have witnessed government break its own environmental regulations to accommodate the big players as was recently witnessed with the allowing of extraction of irrigation water from the Dunk River when it was below recommended levels for the protection of fish. It

speaks volumes about control, and too much dependence on one sector of agriculture. It also increased public cynicism, and directs distrust towards the entire farming community.

Government has to be clear on environmental objectives. On one hand we are witnessing tree lines being torn out to increase field size for the large machinery that comes with large potato acreage and to put irrigation systems in place. On the other hand, we see the Department of Agriculture offering incentives to plant hedgerows to prevent wind and water erosion of soil. In the Stephen Harper days, scientists and environmentalists were telling his government that without an environment there is no economy.

The concerns surrounding our land can't be separated from the usage of water. If exploitation of the land is allowed to continue, then exploitation of water will increase. The NFU takes the position that if the role of water is to be extended in agriculture production, then its usage must be a regulated part of a far broader strategy that addresses stewardship of the land and the greater good of farmers, the environment, and rural communities. The taps just can't be turned on to increase the profits of certain players nor can it be self-regulated, which is now pretty much the case. There is plenty of agricultural irrigation happening on PEI. As successive governments keep kicking the issue down the road, many agriculture stakeholders have found unregulated ways to get the water flowing, perhaps unaware or unconcerned about environmental impacts.

The government, which is supposed to represent all people of the province, needs to be a leader in the question of land and water, rather than a follower of private corporate industry. There is no room on this small Island to allow the interests of a few to overpower the greater good. The water study hasn't even started and already people are suspect because of who is directly and indirectly involved. The National Farmers Union is concerned that science will be used to "prove" that there is enough water available to maintain unsustainable farming practices, and as a further way for government to avoid uncomfortable decision making while permitting uncontrolled usage to continue.

Much has changed since the Alex Campbell days when many Islanders were passionate about the land. As we have become more urbanized and another generation removed from the farm, it has been a challenge to awaken Islanders to what is happening with land ownership and stewardship. But they are becoming aware. However, water is a different matter. Everyone needs the resource. The awakening will not take as long to happen nor will government be as easily forgiven for its missteps.

For years, we have raised concerns about Island land ownership as we witness more and more land fall under the control of foreign and corporate entities. We have raised concern about farming practices that are hugely impacting soil organic health, and the land's future viability to produce food. It is not enough to say the earth is dry and more water will solve the issue. We have raised the issues facing independent farmers, many of whom are concerned with what a government nod to increased water usage will mean for their future. Will it bring more financial issues and greater control in their operation by

the processor? Will they get that processing contract if they don't irrigate to produce that "perfect processed fry potato"?

Farmers are under tremendous stress, but many are ever hopeful. Hope often is all that makes farming possible. Some farmers see irrigation as a way to keep farming without having to make changes. Others accept the falsehood that their level of efficiency is the problem. Others are buying into the economic theory that if they get bigger, they can make it. But is having little control over the price received for a product and the manner in which it is produced, and assuming large debt making it? Things may look good from the road for many Island farmers. But there is trouble in the farmyard. Many say there are three kinds of process farmers right now. Those, long established, who built up equity in the good days, and have the financial stability to stay in the game. Those just getting by, but carrying too much debt to back away. And those that must have that signed contract before the bank will give them operating money.

Premier King states that the potato sector is worth a billion dollars to the Island economy. But it comes at a great cost when a few dominate and dictate. Land ownership has been compromised. The health of our land has been compromised. Are we willing to stand by and watch the same happen to our water? Or are we going to demand a comprehensive strategy be put in place that restores our land and ensures our environmental resources are cared for and shared? Are we going to take action to make the industry sustainable?

There is a saying: everybody wants things to be different, but nobody wants to change. We are facing a massive challenge. If it is not dealt with in a multifaceted manner, the future of our farmers is greatly jeopardized as is the economic, physical, and social welfare of the province. Many are not yet ready to acknowledge it. We need real leadership from knowledgeable government MLAs and public servants. To be a true leader is to make hard decisions for the greater good. Doing nothing and kicking the can down the road on the water, the land, as well as refusing to stand against the big players is bringing us further into bondage and unsustainability. And the cost will be very great, and perhaps not repairable. There are future generations to think about. Islanders need a government with backbone. One that is proactive – not reactive. One that is not scared to take the risk of making the hard leadership choices that builds an independent tomorrow.

People, if you haven't realized it yet, the concern is about a lot more than access to water for irrigation. It is about the interconnectness and protection of the resources of land and water. It is about the health of our farmers, and rural communities. It is about sustainable diverse farming if we want agriculture to continue to be the largest contributor in the Island resource economy. It is about the right to clean safe water for all. It is about a strong economy not overly dependent on one industry or one employer. It is about building something better for everyone.

RECOMMENDATIONS:

The National Farmers Union is asking the Committee to include the following recommendations in your report to the Legislative Assembly:

1. Add to the Corporate Business Registry a personal name search field as promised by Premier Dennis King at the pre-election All Candidates' debate.
2. Companies incorporating Federally and registering to do business in P. E. I. must disclose shareholders and directors.
3. That all IRAC recommendations to Executive Council concerning land transactions be made public as promised by Premier Dennis King in the election campaign.
4. The Progressive Conservative promise be immediately kept for a mandatory course for all M.L.A.'s on the Lands Protection Act.
5. A land banking program be immediately introduced.
6. Land required to be divested because of circumvention of the Lands Protection Act be some of the first land purchased for the newly-established Land Bank.
7. The Land Banking program be administered by the Department of Agriculture and Land.
8. That the Government begin the rebuilding of a strong Department of Agriculture and Land throughout the Province.
9. Government implement comprehensive strategies to move towards a sustainable farming model in Prince Edward Island.