



A PUBLICATION OF THE NATIONAL FARMERS UNION, 2717 WENTZ AVENUE, SASKATOON, SK S7K 4B6
 PHONE: 306-652-9465 * FAX: 306-664-6226 * E-MAIL: NFU@NFU.CA
 PRINTED AT ST. PETER'S PRESS, MUEENSTER, SK

union farmer monthly

WTO deal threatens CWB

On July 31, Canada and 146 other nations signed a Framework agreement outlining the future directions of World Trade Organization (WTO) negotiations on food and agriculture. That Framework threatens our supply management systems, but most directly, it threatens the Canadian Wheat Board (CWB). On August 20, NFU President Stewart Wells sent the following letter to all CWB Directors.

Dear CWB Director:

Like many farmers, NFU members are distressed by developments at the World Trade Organization (WTO) talks. As you know, the July 31 WTO Framework agreement mandates negotiations toward severing the CWB's financial partnership with the Canadian government—thus destroying one of the three pillars of the CWB—and negotiations toward weakening or eliminating the CWB's single-desk powers. In an August 4 letter, U.S. Trade Representative Robert Zoellick said that the Framework “advances negotiations toward our goal of eliminating the monopoly power of state trading enterprises.”

The loss of the CWB's government partnership will cost farmers billions. And the costs of losing the single-desk powers and the CWB as a whole are incalculable. The WTO process and the July 31 Framework agreement represent the greatest threats to the CWB in a generation. As such, the NFU trusts that CWB Directors will speak out

(continued on page 5...)

NFU calls for inquiry into scientists' firing

On July 14, 2004, Health Canada fired scientists Gerard Lambert, Margaret Haydon, and Shiv Chopra. The three had repeatedly spoken out on matters of public health and safety. They had raised concerns about genetically-modified Bovine Growth Hormone (rBGH)—a drug later banned in Canada and under increasing scrutiny in the U.S. They had questioned the safety of veterinary antibiotics carbadox and Baytril and suggested possible links to the development of antibiotic-resistant bacteria. And the scientists had criticized the adequacy of Canadian safeguards against Bovine Spongiform Encephalopathy (BSE) long before the first case of the disease was detected in a Canadian cow.

The NFU responded quickly to the firings, calling for an immediate judicial inquiry. NFU President Stewart Wells said in a July 15 news release that “An inquiry would serve two vital purposes: to gain justice for the scientists, and, even more important, to investigate allegations of political interference, bribery, industry meddling, and improper drug approvals within Health Canada.”

Inside this issue:

New Ag Minister offers chance for new direction	2
Industrial Food	3
Report supports local abattoirs	6
Unbiased information for farmers	7

IMPORTANT EVENTS



NFU 35th Annual Convention

November 18-20, 2004

(see back page for more details)

CORRECTION: The number as listed in the *Union Farmer Quarterly* is incorrect. The **CORRECT TOLL FREE** number for the Quality Hotel is 1-800-668-4442

New Ag Minister offers chance for new direction

Commenting on Andy Mitchell's appointment as Minister of Agriculture and Agri-Food, NFU President Stewart said that the new Minister offers a fresh opportunity to implement policies that alleviate the farm income crisis. "It's essential that the new Minister of Agriculture focus on raising the net incomes of family farmers across the country," said Wells

While Prime Minister Martin has indicated Parliament will be recalled October 4, Wells said action on the agriculture front cannot wait till then. There are a number of very pressing issues that need to be dealt with immediately. The livestock sector is facing serious problems, orderly marketing systems are under attack at the World Trade Organization (WTO) negotiations, and net farm income is at its lowest level since the Great Depression. These issues must be tackled right away.

Wells added that the appointment of NFU former-President Wayne Easter to the post of Parliamentary Secretary to the Minister of Agriculture and Agri-Food is a positive move.

Wells said while he was disappointed Tony Valeri was removed from the Transport portfolio, he believes it should not make any difference to the federal government's commitment to transfer ownership of 13,000 grain hopper cars to the Farmer Rail Car Coalition. "Tony Valeri had a good working relationship with the Coalition, and we are hopeful the new minister, Jean Lapierre, will also be committed to helping western farmers own a major asset in the rail transportation system."

The NFU President said he was pleased to see Reg Alcock reappointed Minister Responsible for the Canadian Wheat Board. "It's important to have a strong Minister who is committed to the principles of orderly marketing," he said. "Particularly when the Wheat Board is under constant attack from both the United States and the European Union at the WTO talks."

— nfu —

Whistleblower aids farmers. Now he needs our help.

Dave Lewicki, formerly a grain inspector with the Canadian Grain Commission (CGC) ought to have received a reward for outstanding service as a public servant. Instead—as revealed in court documents—senior CGC managers denigrated his work and character, docked his pay, and passed him over for advancement. All this was done, it seems, because he explained in clear language how the many changes proposed by CGC senior managers would weaken the Grain Commission, cost farmers money, and put more profit and power in the hands of grain companies. For his work on behalf of farmers, Dave Lewicki has paid a high price—in his career, his personal life, and financially.

Dave Lewicki has taken legal action to gain compensation for his treatment. He now needs help with his legal disbursements. Many of you have already sent a financial contribution toward Dave's legal fees. Dave has asked that the NFU pass on his heartfelt thanks. The NFU asks that others consider supporting him with donations. Donations of any size would help. Dave has committed to repaying donations of \$50 or more from the proceeds of his anticipated legal settlement. Smaller amounts will be "repaid" by a donation to charity.

NFU Member Eduard Hiebert has volunteered to collect money for Dave and to keep track of donations. Please mail cheques to: **Eduard Hiebert, 2186 HWY 26, St. Francis Xavier, Manitoba R4L 1B3.**

Please make all cheques payable to Dave Lewicki

Industrial Food

A man sat down in a locally-owned restaurant and ordered the special: veal cordon bleu, wedge potatoes, salad, and mixed vegetables. As he waited, he imagined cooks in the kitchen cutting meat and vegetables, combining them with spices and other ingredients, making his meal. He was probably wrong.

More likely, restaurant employees took pre-made, frozen veal cordon bleu portions (veal wrapped around cheese and battered) out of a plastic-lined box. The frozen, flavoured potato wedges probably came out of another box or bag. The frozen vegetables came from another package. The salad greens—pre-cut and mixed—came out of a large plastic barrel or bag. And the salad dressing came from a 20-litre pail. It is probable that no one in that restaurant did anything that we would recognize as “cooking”—no one read a recipe or used a sharp knife to cut up fresh ingredients. In these “knifeless” restaurants, the pre-made entrees and side dishes are delivered by trucks to back door loading docks. In many restaurants, the “kitchen” has become a place where the meals are assembled and heated.

The North American restaurant system is being restructured. Food preparation is being de-localized—removed from local eating places and re-located to food factories, often thousands of miles away. And restaurant food preparation is increasingly disconnected in time—produced days or weeks ahead of an order. The driving forces behind this transformation are transnational corporations such as SYSCO.

SYSCO Corporation had 2003 sales of nearly \$35 billion [Cdn.\$], giving it an approximately 13% market share of the North American foodservice distribution industry. In its Annual Report, SYSCO says that: “The company distributes from 145 locations across North America to more than 420,000 restaurants, hotels, motels, schools, colleges, cruise ships, summer camps, sports stadiums, theme parks and other foodservice locations.” SYSCO also supplies hospitals, prisons, military bases, and provides the meals to the prisoners at Guantanamo Bay. SYSCO was the official food provider for the 2002 Winter Olympics in Salt Lake City. Olympians, death-row inmates, cancer patients, holiday merry-makers, baseball fans, millions of restaurant diners, and U.S. prisoners of war all dine at SYSCO’s table.

Not just frozen burgers and fries

Wild boar, honey cured smoked turkey breast with peppercorns, water-buffalo mozzarella, whole quail, quiche lorraine, mango-tahitian vanilla bean vinaigrette, lobster squid ink ravioli, fennel pollen, rainbow trout caviar: SYSCO offers thousands of low, middle, and top-end food products.

SYSCO markets and delivers previously-assembled entrees, salads, desserts, food ingredients, and restaurant supplies sourced from its 40,000 suppliers. Interestingly, SYSCO stresses that it does not produce food products itself, but sources them from others. SYSCO’s strategy may be designed to buffer it against market fluctuation and protect it against liability.

Using 8,500 “multi-temperature state-of-the-art” trucks, SYSCO delivers “more than a billion cases of products per year.” SYSCO states that its delivery time—from order to restaurant delivery—is typically within 24 hours.

Just-in-time delivery; standardized products; and centralized distribution and production: these are the characteristics of an industrialized system. Increasingly, the model for our restaurant food system is not nature, the garden, or our mother’s kitchen: the model is the factory and warehouse—with some assistance from the lab and marketing department.

SYSCO’s system is industrial in other way: SYSCO’s suppliers sometimes *construct* foods we previously obtained more naturally. Here is one example:

“Our fully cooked Classic Brand SmartServe glazed chicken breast fillets have the appearance, taste and texture of a whole chicken breast at a much lower cost... Boneless, skinless, 100% chicken breast pieces shaped into natural breast fillets. ... Unique 3-D technology gives you the look and texture of a solid muscle chicken breast, at a fraction of the cost. ... Available in four great flavors: teriyaki, BBQ, fajita and original. Vacuum marinated for best flavor.”

Thus, it’s possible to order and eat barbecued chicken breasts that are not chicken breasts, not barbecued, not made in the restaurant or city in which you are dining, and are not made in the same week that they were served. While processed food in supermarkets has long been produced this way, this is a significant change for restaurants. Perhaps we need to talk about the Pizza-Pop-ification of the restaurant sector. *(continued on page 4...)*

(Industrial Food, from page 3)

The potential negative effects of SYSCO's system are manifold. Farmers are hurt as a new and powerful intermediary inserts itself into the food chain and extracts its slice of the consumer food dollar. Farmers can also be hurt by increasing demands for product standardization and perfection (see sidebar on "The SYSCO strawberry."); by product substitution—such as in the use of constructed chicken breasts instead of actual breasts; and by the importation of processed foods that contain cheese, chicken, and other ingredients normally produced domestically within our supply management systems.

Communities can be hurt as more and more money is drawn out of the local economy. SYSCO's expansion amounts to creeping, back door (literally) franchising. An increasing number of restaurants are either owned by, or franchised to, non-local corporations (see sidebar on restaurant ownership). Now, even the "locally-owned" restaurants are transferring an increasing amount of their work, autonomy, and money to centralized food assemblers such as SYSCO. Local economies can also suffer as restaurant jobs are de-skilled and as wages thus fall.

The potential negative environmental impacts of an increasingly centralized restaurant food system are also manifold. Such a system can increase transportation-related energy use and, thus, accelerate climate change. A chile pepper or watermelon might cross the continent twice as it moves from farm to warehouse to SYSCO supplier to SYSCO warehouse to restaurant. The uniformity encouraged by SYSCO and others (see box below "The SYSCO strawberry.") could also result in increased use of chemicals, fertilizers, GM crops, or irrigation water. A SYSCO-style system can lead to increased packaging use. SYSCO uses irradiation to control food pathogens in some products.

As restaurant food is increasingly processed and preserved, the negative effects for individuals can increase. These effects may include reduced nutrition; decreased freshness; increased and use of sugars, salts, fats, preservatives, and other chemicals. These effects can lead to increased obesity, cancer, and other health problems. To be clear, however, there is no evidence that SYSCO food is less safe or less healthy than other restaurant food.

(continued on page 6...)

Restaurants: more brands, fewer companies

The North American restaurant sector is increasingly concentrated. The following list restaurants chain and their corporate owners.

Cara owns:

Montana's
Swiss Chalet
Outback Steakhouse
Harvey's
Second Cup
Milestone's
Kelsey's

Darden owns:

Red Lobster
Bahama Breeze
Smokey Bones Barbeque and Grill
Olive Garden

Yum! Brands owns:

A&W
Taco Bell
Long John Silvers
Pizza Hut
KFC

Wendy's International owns:

Wendy's
Tim Hortons
Baja Fresh
Pasta Pomodoro
Café Express

McDonald's Corporation owns:

McDonald's
Boston Market
Chipotle Mexican Grill

The SYSCO strawberry

"For the strawberry program developed several years ago, the challenge proposed to the grower was to produce a perfect strawberry with a full red color that was sweet to the taste. The berries also had to be sized uniformly to provide consistency in each and every package." —SYSCO 2003 Annual Report, p. 9.

(WTO deal threatens CWB, from page 1)

publicly and with government officials to oppose this pernicious attack on the CWB and the net incomes of grain farmers. We ask you to do everything in your power to educate farmers and to hold the line against this dangerous attack on our marketing agency.

Eliminating the government's financial partnership with the CWB may cost farmers more than \$150 million per year. Increased interest costs alone could approach \$100 million annually. In addition, a check-off and contingency fund to facilitate continued initial price guarantees could require hundreds-of-millions of farmers' dollars. That check-off money would be tied up while cash-strapped farmers borrow from banks to finance operations and expansion. The opportunity cost on a large contingency fund could amount to tens-of-millions per year. A cost of \$150 million per year works out to approximately \$7.50 per tonne and more than \$10,000 per year on many medium-sized farms.

Over the past decade, Canadian Realized Net Farm Income from the markets (net of subsidies) has averaged just \$565 million per year, across Canada, *from all commodities*. It is probable that, for wheat and barley, Realized Net Farm Income from the markets has averaged less than \$150 million per year. *The cost of losing the government partnership would probably exceed farmers' total net returns on wheat and barley.*

Canadian farmers have already been forced to shoulder great costs. We have been forced to give up our two-price wheat program, the Crow Benefit, and key safety net programs, all so that Canada might comply with the latest trade agreements. *Since the 1995 implementation of the WTO Agreement on Agriculture, farmers' net incomes from the markets have fallen nearly every year.* Our net incomes from the markets hit zero in 2002 and fell far into negative

territory—reaching an historic low—in 2003. Farmers continue to pay a high price for trade agreements and the costs have overwhelmed the benefits. Adding still more costs—in the form of a weakened and less profitable CWB—would be a disastrous deal for farmers.

However, if the loss of the government's financial partnership with the CWB was just a matter of dollars and cents, then a sufficiently large free trade damage payment from government could offset the loss. But the damage to the CWB will go much deeper. The forces arrayed against the CWB—grain corporations and foreign governments—are numerous and powerful. The end of the government partnership weakens the CWB and makes its destruction much more likely. Further, the end of that partnership weakens the CWB's ability to work on issues outside of wheat and barley marketing. The CWB has a key role in grain transportation. Severing the CWB's connections with government will weaken the Board's hand when it tries to get a balanced deal from CN and CP and grain companies. As grain and rail companies try to force the CWB out of the transportation system altogether—to port and to "spout"—a diminished federal government commitment to the CWB should be quite alarming.

Finally, anyone who has watched the structural adjustment of Canadian agriculture knows that we are in the midst of a powerful and destructive wave of privatization and corporate takeover. The end of the Crow Rate and the coming of the trade agreements unleashed a wave that has swept away many of our farm programs, our co-ops, our branchlines and elevators, and a significant portion of our transportation regulations. The CWB is at grave risk in this environment of increasing corporate power, deregulation, the retreat of government, relentless attack by the U.S., and the destruction of co-ops, farms,

(continued on page 7...)

(NFU calls for inquiry into scientists' firing, from page 1...)

Wells said that the firing of the scientists is certainly tied to their years of speaking out in the public interest. "It appears that a government that prides itself on making decisions based on 'sound science' has decided that it needs to get itself more submissive scientists," said Wells.

Margaret Haydon and Shiv Chopra won a September 2000 Federal Court of Canada case they brought after they were reprimanded for speaking publicly about risks posed by certain veterinary drugs. In its ruling, the court ruled:

"Where a matter is of legitimate public concern requiring a public debate, the duty of loyalty cannot be absolute to the extent of preventing public disclosure by a government official. The common law of duty does not impose unquestioning silence."

—nfu—

(Industrial Food, from page 4)

BSE, avian flu, the farm income crisis, obesity, high cancer rates, increased diabetes, the destruction of local communities, water pollution, falling wages, GM crops, tax-funded farm aid, farmed salmon, loss of genetic diversity, E. coli outbreaks, food banks, destruction of co-ops, and hormone implants: these are all pathologies caused by, or exacerbated by, the increasing industrialization of our food system. With factory hog and chicken barns, our *production* systems are increasingly industrialized. The spread of processed food means that our grocery store fare is increasingly industrial in nature.

Now, our restaurant food is becoming increasingly industrialized. Not surprisingly, the pathologies linked to industrial food—listed above—are spreading and intensifying. The side box compares the characteristics of industrial food systems to those of traditional agriculture. The NFU has long been a leader in the resistance against a corporate, industrial food system. — nfu —

Traditional agriculture and food systems	Industrial Food
Nature as model	Factory as model
Diverse and adaptable	Predictable, standardized inputs and outputs
Decentralized	Centralized
Stable, local ownership	Shifting, concentrated, distant ownership
Embedded in community	Unattached to community
Focus on producing food	Focus on producing profits
Multi-generational timeline	Quarterly and annual timeline
Adaptive	Transformative and controlling
Small scale	Large scale
Land, water, and seeds as gifts and trusts	Land, water, and seeds as resources
Knowledge is dispersed	Knowledge is proprietary, patented
Farmers are respected and supported	Farmers are devalued and expelled

Report supports local abattoirs

In his recently released *Report of the Meat Regulatory and Inspection Review*, Justice Roland Haines stated that small, local, provincially-licensed abattoirs are an essential part of a diverse farm culture and local food system, are capable of supplying safe meat, and must continue to be part of the Ontario food system. In taking this stance, the Justice reiterated the position of the NFU.

"We are very pleased that Justice Haines clearly understood the importance of small, local abattoirs to the survival of family farms and rural economies across Ontario," said Ann Slater, Ontario representative on the NFU Women's Advisory Committee, in a July 25 NFU news release.

Several other measures proposed by the NFU to nurture small abattoirs and support local communities and farmers were included in the over 100 recommendations put forward by Justice Haines. Recommendations include better training for inspectors and meat cutters and government support and financial assistance to help small and medium-sized abattoirs comply with new regulations.

The report includes a number of recommendations related to on-farm food safety programs. Slater noted that the NFU is committed to providing safe food. Food safety programs, however, can lead to increased costs to farmers through training, paper work, and facility upgrades. "Farmers are expected to meet more and more food safety and environmental regulations but are unable to pass on resulting increased costs. Therefore, any new food safety programs will need government support and regulations must be sensitive to the needs of small and medium-sized farms," said Slater.

Slater concluded, "Farm families, consumers, and rural economies all benefit when farmers sell safely produced and processed meat direct to consumers in their own communities. We urge the Ontario government to study the recommendations of the Meat Inspection Review and provide the necessary support to strengthen local food systems." — nfu —

Unbiased information for farmers

Long-time NFU member, pioneer organic farmer, energetic letter writer, and eternal optimist Elmer Laird recently clashed with the Saskatchewan government and its decision to cut the number of extension agrologists in the province.

Laird had previously obtained assurances from Saskatchewan Premier Lorne Calvert that the province would provide extension agrologist services for organic farmers. But instead of hiring those agrologists, the province recently announced that it would close 21 local agricultural extension offices, lay off a large number of agrologists, and create a centralized Agriculture Knowledge Centre in Moose Jaw where farmers could turn for help.

In early July, Laird needed a weed identified. He decided to stop by the province's new Knowledge Centre. Upon arrival, however, he was told that he could not enter the Centre and that no one there would identify his weed. Laird was told that the Knowledge Centre was a call centre only and that he would have to communicate by phone. Presumably, he could hold the weed up to the telephone receiver.

Laird pressed the employee at the Knowledge Centre and that person finally suggested that Laird contact a chemical company because they are the ones employing the agrologists who could identify his weed. As an organic farmer, that wasn't an option for Laird.

Speaking at an NFU Convention several years ago, Rural Sociologist Bob Stirling said that farmers are losing their knowledge and that that knowledge is increasingly contained in chemical formulas, labels, patents, genes, and computer chips. As knowledge has shifted, so has power and control. And as goes knowledge and power, so goes profit. Governments accelerate the de-skilling, disempowerment, and impoverishment of farm families when they destroy local, publicly-funded knowledge sources and make farmers rely on the corporate players. - nfu -

WTO deal threatens CWB, from page 5)

and communities. Our efforts to defend the CWB must be vocal, energetic, and unceasing. It is impossible for me to believe that we can yield the government partnership and agree to negotiate the single desk and still save the CWB. In this environment, to yield one of the key pillars of the CWB without a fight is to put into motion a process that will eventually mean the end of the CWB. To acquiesce now is to teach the federal government that the political costs of negotiating away pieces of farmers' marketing agencies are very low indeed. Further, CWB Directors have a fiduciary obligation to farmers to resist the weakening of our marketing agency and the erosion of our net incomes. The CWB and its directors must work with farmers to hold the line. Because of your excellent work on behalf of farmers in the past, I am confident that you will rise to this occasion and act decisively.

I look forward to your leadership on this issue and I look forward to talking with you and other Directors in the coming weeks to discuss how we can stop the destruction of our valued marketing agency.

Sincerely,
Stewart Wells
President
National Farmers Union

NFU briefs still available

"The Farm Crisis, Bigger Farms, and the Myths of Competition and Efficiency" is the title of the NFU's November 2003 report on the real causes of the farm crisis and the lies that our political and corporate leaders tell us about that crisis.

The report has been very popular and the NFU has distributed several thousand copies. The brief has had international impact, generating dozens of letters to the editor in Australian farm papers as well as interest in the U.S., U.K., and elsewhere.

The NFU National Office still has several hundred copies of this report available and we don't want them languishing on our shelves.

If you can use additional copies to distribute to farmers or urban residents, please contact the NFU office and request as many as you need. Donations to cover postage are welcome but not necessary.

Contact Diane at the NFU office at 306-652-9465 or by email at neufeld@nfu.ca

The best NFU Convention ever !!!

This year's Convention features:



Dr. David Suzuki

On the dangers of biotechnology
and genetically-modified crops

Pat Mooney and Hope Shand

of the ETC Group, in a debate on Genetically-Modified Crops with representatives of the biotechnology industry (invited)

Hon. Andy Mitchell

the new federal Minister of Agriculture (invited)

Andrew Nikiforuk

award-winning author and researcher from Alberta, lays out the facts leading up to the BSE crisis

Devlin Kuyek (author of *Stolen Seeds: The Privatization of Canada's Agricultural Diversity*)

Brewster and Cathleen Kneen (of *The Ram's Horn* – a newsletter of food systems analysis)

Terry Boehm (NFU Vice-President and seed industry analyst)

Plus...See the highly-popular live-theatre production of

“Pull of the Land”

performed by Sky High Production Company at the Centennial Auditorium (across the street from the convention hotel).

The story revolves around an aging farm couple who realize farming can't go on forever. Their articulate, well-educated son works in Calgary but comes home every fall to help with the harvest. He feels the pull to come back to the land permanently but wonders if it is reasonable and practical. Its music, humour and drama will capture your heart.

This is an additional cost event and is not covered with your convention registration fees.

If you've never attended an NFU convention before, or if you come every year...

Expect something different!

November 18, 19 and 20, 2004

Quality Inn, Saskatoon, Saskatchewan

Book now. Call the Quality Hotel at 1-800-668-4442

(Room rates \$85 single or double occupancy – parking included)

Be sure to say you are with the NFU when making reservations.