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NFU President, officials and staff attend meetings in Ottawa

In late March and early April, NFU officials represented members at several key meetings in Ottawa.

Vice-President Terry Boehm and Director of Research Darrin Qualman were in Ottawa March 27 and 28 to participate in Canadian Food Inspection Agency (CFIA) consultations on its plan to "modernize" Canada's seed variety registration system. Boehm and Qualman put forward the NFU's analysis that proposed variety registration changes should be scrapped or completely re-written because CFIA proposals could:

- put farmers on a "variety treadmill" (facilitating rapid registration and deregistration of varieties, forcing farmers to buy seed more often);
- fast-track the introduction of genetically modified (GM) crops (because proposed changes may remove the requirement for multi-year performance testing);
- increase the number of varieties "contract" registered (wherein seed saving is prohibited);
- give control over registration to industry-linked commodity organizations; and
- formalize a consultation process hostile to farmers (the discredited "Seed Sector Review" process).

At the CFIA meeting, many of the NFU's points were supported by similar remarks from representatives of the Saskatchewan Organic Directorate, Canadian Organic Growers, the Alberta Soft Wheat Producers Commission, civil society organizations, and a range of others. For more on variety registration, see the NFU's December 2nd, 2006 brief at www.nfu.ca . The NFU is continuing to push the CFIA to shelve or redraft its damaging proposals and to respect and advance citizens' rights to save and re-use seeds.

On March 29, NFU President Stewart Wells and Director of Research Darrin Qualman appeared before the House of Commons Standing Committee on Agriculture to outline our organization's views on safety net programs. Wells pointed out that for farmers in Ontario, the prairies, and the Maritimes, the five worst net income years have been the most recent five (2003-2007); not coincidentally, these are the five years of the government's much-vaunted Agriculture Policy Framework (APF).

Wells pointed out that the APF's focus on "innovation," exports, maximum production, and deregulation has been a disaster for Canadian farmers. He went on to tell the Committee that the defining factor in Canadian agriculture in the 1985-to-present period is rising market power—the growing power of the dominant agribusiness transnationals that control the non-farm links of our global agri-food chain. Wells went on to recommend that Canada's safety net and agriculture policies must be overhauled, taking full account this market power reality. For a synopsis of Wells' comments, see the NFU's March 29 brief at www.nfu.ca . The NFU's comments on the farm crisis and market power were echoed by representatives from the Canadian Federation of Agriculture (CFA) and Quebec's Union des producteurs agricoles (UPA).

Wells and other NFU representatives took advantage of their time in Ottawa to meet with MPs and officials from other organizations.

The same day that Wells was in front of the Agriculture Committee, NFU Women's Vice-President Karen Fyfe was in Ottawa to make a presentation to the House of Commons Standing Committee on the Status of Women. Fyfe talked about the economic conditions for rural women and about rural poverty. She told Committee members that agricultural and economic policies are hurting farm women and farm families. Further, she told them that the government is dismantling many of the policies that have worked in the past—the Canadian Wheat Board and the Farm Women's Bureau. Fyfe said that the declining economic situation for many rural women is the result of deliberate government policies—free trade, deregulation, unrestrained agri-business power, and a hollowing out of rural Canada. She said, however, that because the negative effects are a result of government policies, we, therefore, have the power to change both the policies and the outcomes.

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"There *are* alternatives. Policy makers have choices. The farm crisis is caused by bad government policy choices: it can be solved by good ones," said Fyfe. She closed her presentation by presenting MPs with copies of "Farm Women and Canadian Agricultural Policy": a gender analysis of Canada's Agriculture Policy Framework and a proposal for an overhauled, improved framework (this document is on the Status of Women Canada website). Fyfe told MPs: "Farm women have organized themselves, they've done the analysis, and they've put forward some very practical, feasible solutions to revitalize rural Canada."

From Ottawa, NFU Women's President Colleen Ross and Youth President Nigel Smith joined Wells and Qualman to travel to Woodstock, Ontario to participate in the Ontario NFU Regional Convention. The Convention, March 31 and April 1, featured presentations:

- On a recent trip to Mali Africa by NFU representatives Colleen Ross, Kalissa Regier, and Martha Robbins (see the *Union Farmer Quarterly* for more on this meeting and the Nyéléni Food Sovereignty Declaration, or visit www.nyeleni2007.org).
- By former Canadian Wheat Board CEO Adrian Measner detailing actions and timelines of the government's attack on the CWB; and
- On the Alternate Land Use Services (ALUS) program.

Ontario NFU members chose Grant Robertson of Paisley, Don Mills of Granton, and Joe Dama of Leamington, Ontario to represent Ontario on the NFU Board of Directors. Grant Robertson is the new Ontario Regional Coordinator.

Don Mills, who served as Ontario NFU Coordinator for several years, is pleased to be continuing as a member of the NFU National Executive. He characterized this year's Ontario Convention as "the most successful yet."

Kim Delaney was elected as Women's Advisory Committee member and Caitlin Hall was elected as the new Youth Advisory Committee member.

This article highlights only a few days in a hectic Spring meeting schedule for NFU officials. NFU President Stewart Wells attended meetings in New Brunswick, Manitoba, Moline, Illinois (to attend the National Farmers Organization Convention), Alberta, Saskatchewan, and Prince Edward Island. Other NFU officials are equally busy. Every year, NFU officials, volunteer representatives, and staff attend hundreds of meetings on your behalf. — nfu —

Grain companies merging to gain market power and profit

20 years ago, western Canada had eight major grain companies: (in order of primary elevator capacity) Sask. Wheat Pool, Alberta Wheat Pool, United Grain Growers, James Richardson (Pioneer), Manitoba Pool Elevators, Cargill, Parrish & Heimbecker, and N. M. Patterson & Sons. Four of the five largest were farmer-owned co-ops. There were quite a few players, none dominated, and farmers controlled ¾ of the capacity.

Today, things are different. When the $1.9 billion merger of Sask. Wheat Pool and Agricore United is finalized, four of the grain handlers that existed in 1987 (Alberta Wheat Pool, Manitoba Pools, United Grain Growers, and Sask. Wheat Pool) will be rolled up into one. This latest merger will leave just six companies: (in order of primary elevator capacity) the merged Sask. Pool/Agricore United, James Richardson (Pioneer), Cargill, Louis Dreyfus, Patterson, and P & H. Most important, however, Sask. Pool/Agricore United will have a market share approaching 50%, and the four largest companies will together own 75% of elevator capacity in a constrained handling and transportation system.

This consolidation is not unforeseen. Consider this quote from eight years ago: "Only four of the nine major grain companies now operating in Western Canada will survive"—Gordon Cummings, CEO of Agricore, April 1999, *Manitoba Co-operator*.

Further, the *reason* for mergers is clear: increased profitability. Commenting on recent increases in profitability among grain companies, the Dominion Bond Rating Service (DBRS) said: "Competition seems to be stabilizing as more rational behaviour is occurring within the maturing industry. There is still a vigorous competitive element, but the industry is gradually becoming more disciplined, which should benefit the level and stability of income and profitability." (Bruce Johnstone, "Profits may finally come", *Regina Leader Post*, June 15, 2006)

Note the bankers' clear language and vision, unfogged by free-market ideology: "vigorous competition" is bad—it reduces profit levels. But a "maturing industry" exhibits "rational behaviour"; "discipline … benefits profitability."

The business case is clear: minimize competition to maximize profits. Agricore and Sask. Pool understand this. OPEC's carteliers understand it. Monsanto and other seed companies understand it when they fight to expand patent protections; patents reduce competition. Machinery maker CNH understands it—that company is the merged remnants of Case, New Holland, Fiat, Flexicoil, Ford, International Harvester, Steiger, and others. Cargill and Tyson and Smithfield understand it when they move to take dominant positions in North American beef, pork, and chicken processing. One wonders if any sector can be successful and profitable if it does not understand and act upon the first rule of capitalism: work together to minimize competition and maximize power and profits.

— nfu —

Harper and Strahl move to strip CWB's barley marketing power through Order in Council

In the shadow of grain company mergers and corporate consolidation up and down the agri-food chain, the Harper government is driving forward with a plan to splinter the Canadian Wheat Board's single desk for barley into tens-of-thousands of individual farmer sellers.

On April 21, the government published in the Canada Gazette "Regulations Amending the Canadian Wheat Board Regulations" (See http://canadagazette.gc.ca/partI/2007/20070421/html/reglel-e.html) The Regulations are subject to a 30-day comment period. They are slated to take effect August 1.

If left unchallenged and unchanged, the government's Regulations would strip the CWB of its single-desk powers over barley and turn control of Canadian malt and feed barley over to the globally dominant grain transnationals. Minister of Agriculture Strahl continues to maintain the fiction that, stripped of its marketing authority, the CWB can continue to effectively sell barley in a "dual market." The CWB has said that it cannot continue to reap maximum returns for farmers in such a scenario; almost all economists agree.

The government's description of its regulatory change includes the following:

The CWB's monopoly powers over interprovincial and export trade (single desk powers) in relation to barley, along with its ability to establish pools for barley, were created via section 9 of the Canadian Wheat Board Regulations (the Regulations), which extend Part III and Part IV of the Act to barley.

The proposed amendments to the Regulations would continue to extend Part III to barley. This would allow the CWB to continue to operate barley pools for those farmers

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who want to continue to sell their barley through the CWB. The Government would continue to guarantee the CWB's borrowings and initial payments.

Part IV would no longer be extended to barley under the proposed amendments to the Regulations. This would remove barley and barley products produced in Canada from the CWB's single desk powers, which would enable barley producers to sell their barley directly to any domestic or foreign buyer, including to the CWB.

In its Gazetted Regulations, the government argues that its changes can be made by Cabinet order (An "Order in Council"). "Amendments to the *Act* are not necessary since the single desk powers of the CWB in relation to barley were created by regulation and can be removed through amendments to the regulations. In addition, the alternative of proceeding by way of legislation would result in an unnecessarily long period of market uncertainty," said the Gazette entry.

Harper and Strahl are clearly whistling through the graveyard when they claim that the issue of legislation vs. regulation is clearcut. Charlie Mayer tried to take barley from the Board in 1993 by regulation; the courts reversed his actions. Since 1993, amendments to the Canadian Wheat Board Act (Section 47.1, for instance) strengthen the case that legislation in the House of Commons is required to remove barley.

The Harper government, in the Gazette, goes on to make the case that its changes are the result of thorough consultation and reflect the will of farmers, saying:

Making these regulatory changes is the culmination of a multi-faceted, policy-making process. This has included meetings with stakeholder groups, work by a technical task force, discussions with CWB's board of directors, and a plebiscite of barley producers in the CWB designated area. The majority of barley producers in the CWB designated area that voted in the recent barley plebiscite voted for marketing choice for barley.

There follows a lengthy section on "Consultation" in which the government mischaracterizes its campaign to destroy the CWB as a set of balanced consultations designed to determine and deliver what farmers want. For instance, in describing its July 27 closed-door meeting in Saskatoon, where anti-CWB groups convened to refine plans for dismantling the CWB, the government says:

On July 27, 2006, the Government hosted a roundtable discussion about options for implementing this commitment. Participants included David Anderson, Parliamentary Secretary for the Canadian Wheat Board, farm organizations and other industry representatives, individual grain producers, academics, Members of Parliament and government officials (as well as observers from the provincial governments of British Columbia, Saskatchewan and Manitoba).

The NFU did not participate in that meeting—it was not invited. The NFU instead helped organize a large and successful counter-demonstration and information meeting in a hotel across the street.

In the Gazette, the government described its hand-picked Task Force on Marketing Choice as "experts in grain marketing from the private and public sectors. Its objective was to address technical and transition issues for the Canadian grain industry related to the change to an environment where farmers would be able to sell wheat and barley to any domestic or foreign buyer, including a transformed CWB." The Task Force was dominated by representatives of the grain trade and from the Western Canadian Wheat Growers and Alberta Grain Commission.

The government described the results of its inept, deceptive, and manipulative barley vote thus: "Sixty-two percent of the farmers who voted in the barley plebiscite preferred the removal of the CWB's monopoly."

The government continues to misuse its power and money, to bend the truth, and to pursue an ideological agenda to destroy the Canadian Wheat Board. The NFU has asked the Auditor General to intervene in this process, to investigate government conduct and spending during the plebiscite, to declare the results invalid, and to schedule a new vote on a clear question. Also, the NFU has sent in a comment on the government's proposed regulation to strip barley from the CWB. Finally, numerous people have raised the possibility of a potential court challenge; the NFU is evaluating such options very carefully.

— nfu —

US Agri-business concentration rising

Dr. William Heffernan and Mary Hendrickson have long been the best source for accessible information about US ag. market concentration. Hendrickson and Heffernan recently updated their "Concentration of Agricultural Markets" publication. Their numbers show already highly concentrated markets becoming even more concentrated. Their April 2007 update is available at www.nfu.org/wp-content/2007-heffernanreprot.pdf .

"CR4" is an acronym that stands for "the concentration ratio of the largest four firms." It totals up the market share of the four largest companies in a given sector. CR4s are widely seen as key measures of market concentration. Two generations ago, CR4s of 40% or more were seen as indications of inadequate competition. Today, virtually no sectors have CR4s that low.

Heffernan and Hendrickson's study shows concentration very high but steady in the US beef packing sector, with a CR4 of 83.5%. The dominant firms are Tyson, Cargill, Swift & Co., and National Beef Packers. While the 2007 number is unchanged from 2005, the CR4 has risen from 72% in 1990.

Pork packer concentration is up. Smithfield, Tyson, Swift, and Cargill post a CR4 of 66%, up from 59% in 2001, and from 34% in 1989. In addition, Smithfield has roared ahead of the pig production pack: it now owns 1.2 million sows, triple its closest competitor and nearly double the number it owned in 2001.

Chicken and turkey packing concentration is up—both sectors posted CR4s in the mid-50% range, up from the mid-30% range 20 years ago.

Concentration in soybean crushing is up, with ADM, Bunge, Cargill, and Ag Processing Inc. posting a CR4 of 80%, up from 71% 20 years ago and 54% 30 years ago.

The only exception in Hendrickson and Heffernan's report, where concentration declined, is the fast-growing ethanol sector; the CR4 has fallen from 73% in 1995 to 31.5% today.

CR4s in Canada, in most cases, are higher than those in the US. Corporate concentration in nearly every agribusiness sector, on both sides of the border, is very high, and increasing. Profits among those agri-businesses are similarly high and increasing. Every first-year economics textbook tells students the same thing: the level of competition and the level of profit are inversely propositional: reducing competition increases profits. Our food system provides an example of this, that is, that anyone can see—anyone outside of Ottawa or Washington, at least.

The NFU has been consistent in its message to policymakers: the farm crisis is caused by rising agribusiness concentration and power. — nfu —

Is it really time to pull the plug on free local TV?

—by Karen Wirsig, Communications Coordinator for the Canadian Media Guild

Let them buy cable. So say Canada's major broadcasters when asked if they should be required to continue sending out their signals over the air to rabbit ears across the country.

The CRTC, the body that sets the rules on TV in Canada, had wondered if the money that might be used to upgrade the equipment that sends TV signals out over the public airwaves might be better spent on programming.

It was a fair question. But then the biggest over-the-air broadcasters – you know the ones: CBC, Radio-Canada, CTV, CHUM, Global, TVA, TQS – seized the opportunity to write the eulogy for free access to TV over the airwaves. Most people already subscribe to cable or sattelite, they argue. Why shouldn't everyone be forced to sign up?

HDTV as excuse

The pretext for the CRTC's question, and the broadcasters' answer, is the move to high-definition TV. HDTV not only requires new production equipment and new TV sets. To send an HD signal out over the air, you need a digital transmission system. Broadcasters in Canada still rely almost entirely on analogue transmission. By contrast, broadcasters in most of the world's industrialized countries are well on their way to upgrading their over-the-air transmission systems from analogue to digital.

And even in Germany, where only about 5% of the population picks up TV signals over the air, the public broadcasters were required to fully replace analogue transmission with digital without losing a viewer. It was a matter of public policy.

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"We don't have the funds, nor do we think it is necessarily the appropriate public policy to go back to the model that was put in in the seventies of having transmitters in all communities of 500 or more," CBC president Robert Rabinovitch told the CRTC on November 27.

That may sound reasonable, if we were actually talking about communities of 500 people.

In fact, the CBC is proposing to upgrade only 44 TV transmitters across the country for both the English- and French-language services. They would be in "major markets" where the CBC now has a local station. The remaining 618 transmission sites – the repeaters – would be mothballed. It is being called the hybrid plan.

As it turns out, the CBC is already beginning to implement a hybrid plan with a nod from the CRTC. Earlier this year, the CBC affiliate in Kamloops (population 82,000) ended its relationship with the public broadcaster to take up with CanWest Global. Arguing that it did not have the money to put up its own transmitter in Kamloops, and that only a small minority rely on over-the-air reception anyway, the CBC was allowed to stay off the air in Kamloops.

"As the highest quality source of programming in Canada, paid for by Canadian tax dollars, it is downright appalling that it is no longer available for everyone," wrote Kamloops resident Pam Astbury in a testimonial for the CRTC. "We appreciate that media technology is changing and funds are limited, but the CBC must not drop its loyal communities in short-sighted decisions."

Astbury is part of a group called Save our CBC Kamloops that has gathered more than 2,000 signatures on a petition to restore the CBC to the public airwaves. The group is rallying students and seniors, as well as people who can't afford, or choose not to sign on to the 200-channel universe. So far, their pleas have fallen on deaf ears at the CBC.

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The local programming challenge

Aside from the loss of free access to the public broadcaster, reliance on cable and satellite brings another headache for TV viewers who live in smaller Canadian centres: how do you get programs from and about your region? And for the local stations themselves, how do you deal with a total loss of control over how and when viewers receive your programming?

In New Brunswick, for example, ExpressVu subscribers have to wait until 6:30pm to view their "CBC News at Six." And they fare better than StarChoice subscribers, who don't get the CBC regional news program at all.

A Salmon Arm B.C. (population: 15,210) resident described to the Guild her experiences with TV.

"We are unable to get CBC TV without cable, and are unable to get CBC Newsworld WITH cable," wrote a frustrated Maggie Cameron. "For four or five years, we were able to get CHBC (now a Global channel), Family Channel, CNN and Knowledge Network on cable for about $10 per month. We now must pay $30 per month for the above, plus a lot of U.S. junk that we do not want. We have cancelled cable and lost everything on TV, plus CBC Radio 2."

Another unanswered question is how residents in Canada's North would get affordable local aboriginal TV programming and life-and-death weather information. Even the Aboriginal Peoples' Television Network is proposing to abandon over-the-air transmission in the North and it is not yet clear what the CBC, which now broadcasts to remote northern communities in eight aboriginal languages, plans to do.

And what about access to French-language programming outside of Quebec?

CBC and the other conventional stations say that cable and satellite companies should be required to carry all local stations and provide them to local customers. Those companies aren't exactly complaining, although they are warning that they would need to expand their own infrastructure to handle all of the new signals, especially once most programming is in bandwidth-inhaling HD.

A study submitted to the CRTC at the start of the hearing concludes that StarChoice and ExpressVu will each have to put two new satellites in space by 2020 to accommodate both HD and carriage of all local stations. The report doesn't focus on cable companies, but obviously they will need to increase their bandwidth as well. The report suggests that "incentives or subsidies" will be put in place to get cable and satellite companies to carry the local stations. But it is on silent how much this massive infrastructure upgrade and subsidy/incentive system will cost and who will pay for it.

More clarity needed on costs

In the end, it may make more sense to simply subsidize the upgrade of the over-the-air system, which will likely provide more local and regional broadcasting flexibility, particularly in the event of a localized disaster. At the very least, it would be a good idea for the CRTC and the federal government to examine all of the various costs before simply allowing broadcasters to abandon the airwaves in places they find inconvenient or unprofitable, and before shutting down the public infrastructure built by CBC/Radio-Canada over decades.

So far, we know that CBC/Radio-Canada estimates its digital upgrade would cost $278 million. It's not small change, but it could be supported by a special grant from the federal government and amortized over a number of years. As well, perhaps the costs could be shared with others, including provincial, community and non-profit broadcasters.

As it turns out, aside from HD, another feature of a digital, over-the-air transmission system is the capacity to broadcast more than one station using a single frequency. That means that in smaller communities, a single transmitter could provide service for as many as six over-the-air stations at standard definition. The folks in Kamloops and Salmon Arm would likely be interested in that possibility.

In the U.K. and Germany, broadcasters have gotten together to provide multiple stations over the air using a single frequency. In some areas, viewers in those countries can get up to 30 channels for free at standard definition. Sounds like a formula to give cable and satellite companies a run for their money. Is that why it's never been considered very seriously in Canada?

Instead of thinking about hybrid delivery, as the CBC has proposed, how about considering hybrid reception? It is not uncommon in North American homes that are hooked up to satellites to have a second or third TV set connected to an antenna precisely to access local TV.

"Conventional broadcasters have turned a tidy profit using the public airwaves," Barbara Byers of the Canadian Labour Congress pointed out to the CRTC on December 1, where she spoke on behalf of more than three million workers and their families.

"The Broadcasting Act says they continue to have an obligation to serve the public interest," Byers said. "We need to be asking why they should be suddenly let off the hook when it comes to maintaining their transmission infrastructure."

The Guild urged the CRTC to hold a broader public debate on the issue before simply allowing broadcasters, one by one, to turn off their transmitters. — nfu —

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Barley vote massively flawed:
NFU makes formal request to Auditor General for investigation

"Madam Auditor General, in their CWB barley marketing plebiscite, the Minister and his department conducted themselves in a manner that is unfair, undemocratic, and damaging to the public interest. Further, in so doing, the Minister and his department and government MPs improperly spent public money while simultaneously imposing draconian spending limits on those they disagreed with," said a April 19 NFU letter to Canada's Auditor General Sheila Fraser.

The NFU letter detailed numerous flaws in the plebiscite process, everything from the government's refusal to control third-party spending to its refusal to allow scrutiny of the lists of entities that received or returned ballots.

The NFU's letter noted irregularities in the balloting process. In one case, over the phone, one spouse okayed the destruction of the other spouse's ballot—election officials never talked with the spouse who actually filled in the ballot. "The informality of the way accounting firm reps. arranged the destruction of ballots, seemingly with no paper trail, is unprecedented in any credible voting process we know of. We are confident that an in-depth examination of the voting record and declarations will reveal many irregularities and a pattern of indefensible informality when dealing with farmers' ballots," said the NFU.

The NFU's letter pointed out that the victory conditions for the vote were not known in advance: that Minister Harper reserved for himself the right to define victory at a point after the results were known to him. The NFU letter pointed out that there was no clear majority and that the Minister, predictably, added options two and three to manufacture the illusion of a majority. "Clearly, the entire barley plebiscite process was managed to achieve the desired result. Nowhere is this more evident than in the Minister's use of a three-part question, his refusal to state victory conditions until after he saw the vote count, and his self-serving and widely predicted decision to add two options together to create the appearance of a majority where none exists. The multiple manipulations of Minister Strahl and his department must not be left unchallenged," said the NFU letter.

The letter also raised questions about the plebiscite question and quoted a portion of Prime Minister Stephen Harper's 1996 Private Member's Bill, C-341, that eventually became the prototype for our *Clarity Act*. In C-341, commenting on a future Quebec referendum, but in terms that have broader applicability, Harper said: "a referendum or plebiscite, if the question is ambiguous or unclear…., would be contrary to the interests of Canadians…." C-341 goes on to say that "The Government of Canada shall not recognize any referendum or plebiscite … if the question is ambiguous or unclear…."

Harper's C-341 recommended a remedy for an unclear referendum question: a new referendum *with* a clear question. That is what the NFU has asked the Auditor General to recommend. "If you find the misconduct and mis-spending we believe you will find, we ask that you declare the results of the plebiscite invalid. Further, we suggest that the proper remedy for this situation—an unclear question, no clear majority, a lack of democratic safeguards—is the one proposed by Stephen Harper: a parallel referendum conducted on a clear question utilizing proper procedures and safeguards."

The NFU is following up and requesting a rapid decision from the Auditor General regarding an investigation.

— nfu —