



**Submission by the National Farmers Union in Ontario to the
Ontario Minister of Agriculture, Food and Rural Affairs
on the
Proposed Local Food Act
July 27, 2012**

The National Farmers Union (NFU) is a voluntary direct-membership, non-partisan national farm organization. Founded in 1969, and with roots going back more than a century, the NFU represents family farmers across the country producing a wide range of crops and livestock.

In Ontario, the NFU – Ontario has been an accredited General Farm Organization since 2002. The NFU works towards the development of economic and social policies that will maintain small and medium sized family farms as the primary food-producers in Ontario and in Canada.

The NFU believes that agriculture should be economically, socially and environmentally sustainable and should lead to:

- financially-viable family farms;
- high quality, healthy and safe food for people;
- enriched soils;
- jobs for non-farmers;
- thriving rural communities;
- biodiverse natural ecosystems and
- a more beautiful countryside.

The NFU is a leader in:

- articulating the interests of Ontario's and Canada's family farms;
- analyzing the farm income crisis and
- proposing affordable, balanced and innovative solutions that benefit all citizens.

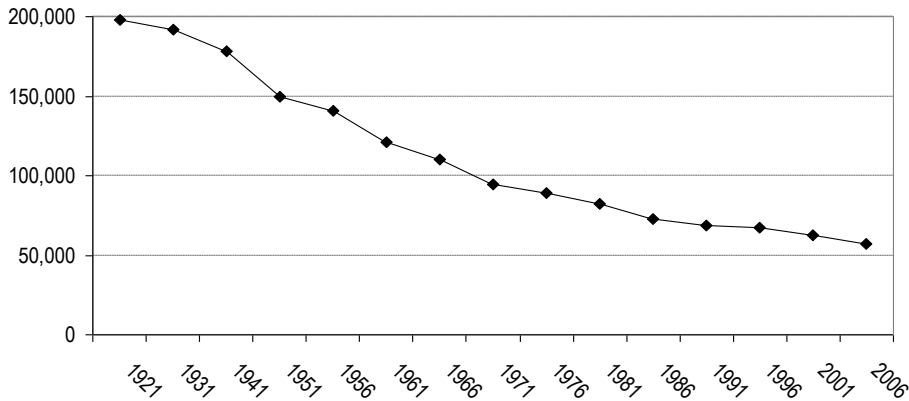
Members of the NFU have been at the forefront of the local food movement for several decades. With this strong grassroots involvement in the local food movement, the NFU is an outspoken leader in advocating for and developing programs to support local food as a means to strengthen farmers' power in the marketplace, protect the environment and build relationships between those who grow and harvest food and those who eat it.

In solidarity with family farmers and peasants across the world, the NFU advocates for a food system built on the principles of food sovereignty. Food sovereignty recognizes the central place food has in our lives and the importance of people in their own communities having democratic control over decisions of where food comes from and how it is produced.

Farms and Farmers in Ontario – an overview of the situation in 2011

Number and Size of Farms:

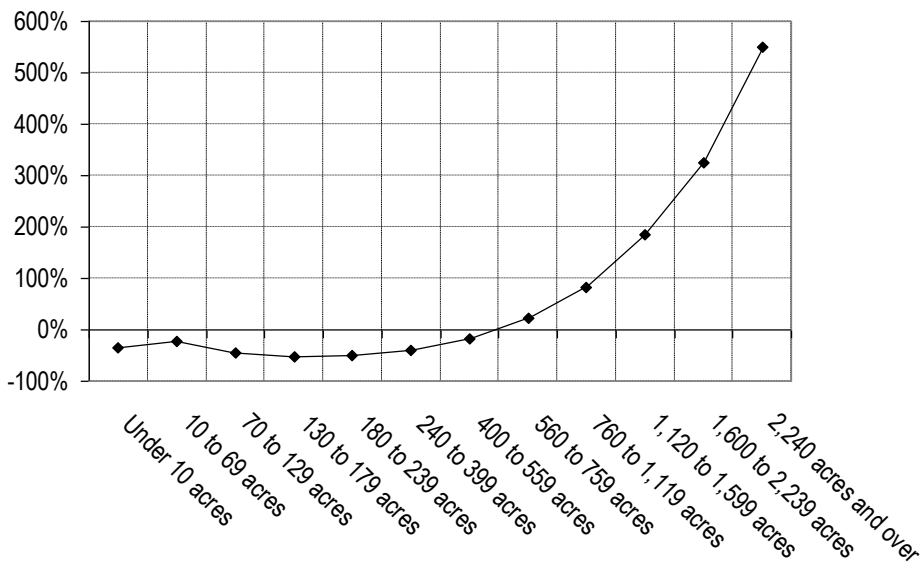
Number of Farms, Ontario 1921 - 2006



The number of farms in Ontario has been falling steadily since 1921. In the last 20 years, 25,000 Ontario farms have been lost.¹ This is due to both the loss of farmland to other uses and an increase in the size of farms.

The graph below shows that conditions since 1976 have systematically favoured the largest farms as they have become nearly six times as numerous, while around half of the farms between 130 acres and 240 acres have been lost.²

Percent change in number of farms for each class of farm size between 1976 and 2006



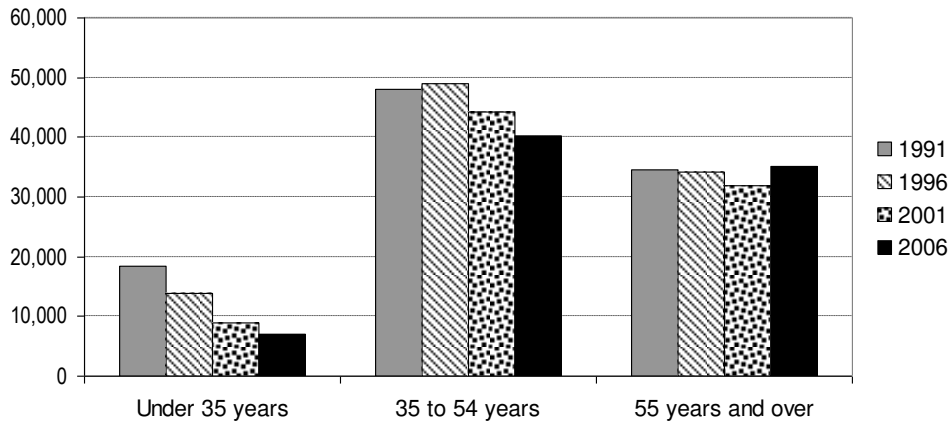
¹ From *Farms, Farmers and Agriculture in Ontario an overview of the situation in 2011*, by the National Farmers Union, May 2011

² Ibid.

Age of Farmers:

Most Ontario farmers are between 35 and 54, and the average age of farmers has risen to nearly 53, compared with the average age of 41 for Ontario workers in general.³ The number of young farmers has been steadily decreasing. This may be due to economic barriers to entry for young people and/or to the increasing size of farms both of which leave fewer opportunities for young people to enter farming.

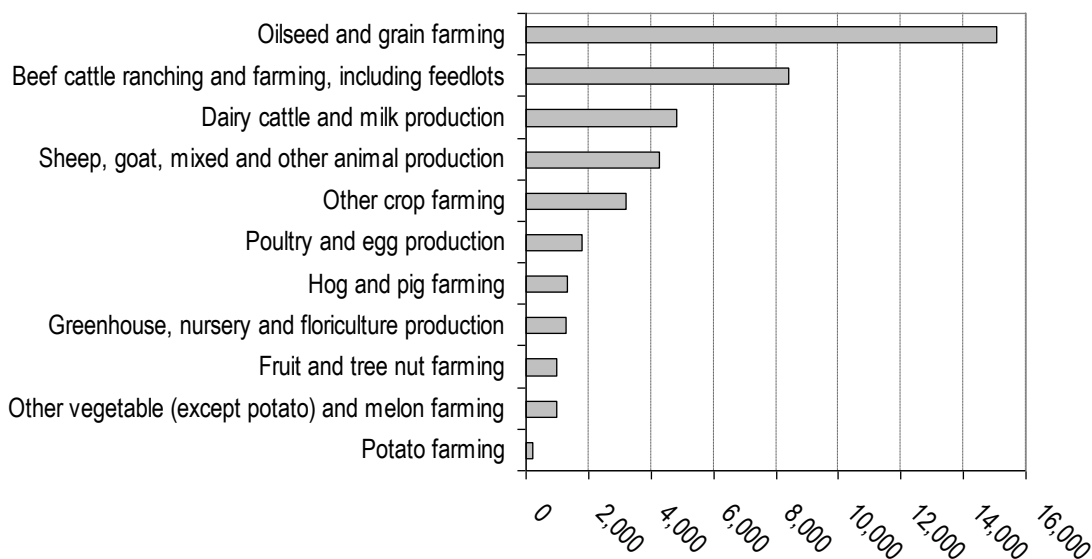
Number of farm operators by age, Ontario 1991 - 2006



Diversity of Ontario Farms:

A wide range of crops are grown in the province, including grains, fruits, berries, potatoes, vegetables, greenhouse produce and feed for livestock. The diversity of livestock raised in the province includes dairy cattle, poultry for meat and eggs, beef cattle, hogs and sheep.⁴

Estimated number of farms by type, Ontario 2009

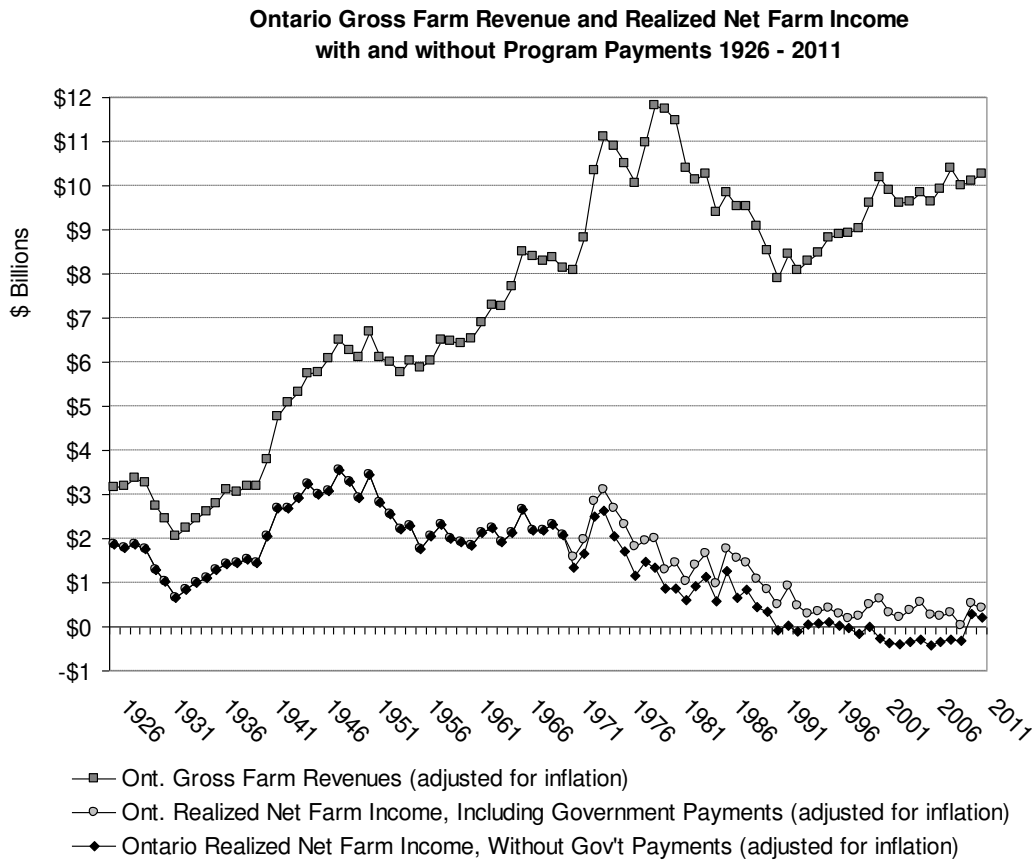


³ Ibid.

⁴ Ibid.

Farm Income:

Gross farm revenues are increasing over time, but realized net farm income (what a farmer gets to keep after paying expenses) is falling, as shown by the graph below.⁵



Farmers are increasing their production, and thus their gross revenues, but the increased revenues are being spent on purchasing inputs like fertilizer, fossil fuels and seeds, mostly from a handful of multinational agribusiness corporations. The increase in gross revenues has not led to financially viable family farms. Buyers and processors, however, are able to continue to purchase farm products at low prices.

Local Food and Global Trade

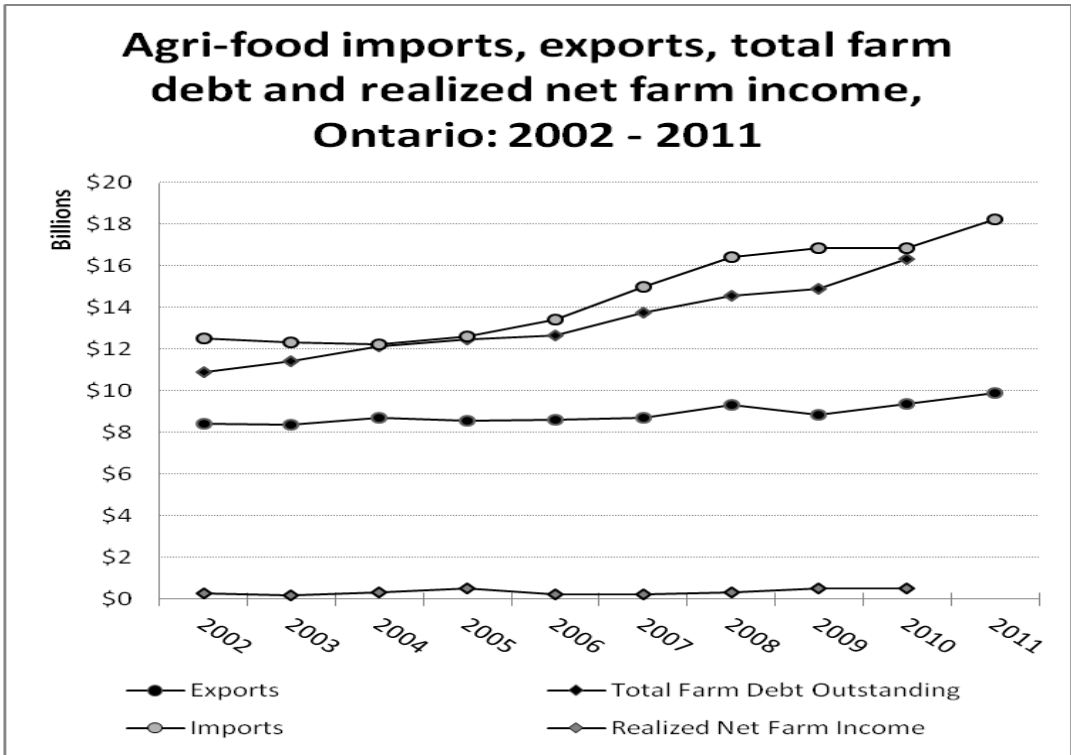
Supporting local food does not mean the end of trade in agri-food products. The NFU supports trade in agriculture, as long as it is fair trade – trade which supports the livelihood of Canada's family farmers and those of our trading partners around the world.

Free Trade:

Despite the recent interest in local food by the public and by governments, government policies and programs continue to focus on expanding trade through trade agreements. As shown below, trade in agri-food products has increased, but this increased trade has not helped farmers. As agri-food imports and exports have increased, so has farm debt, while realized net farm income for farmers in Ontario has remained stagnant or decreased.⁶

⁵ Ibid

⁶ From National Farmers Union's Director of Policy and Research, July 2012

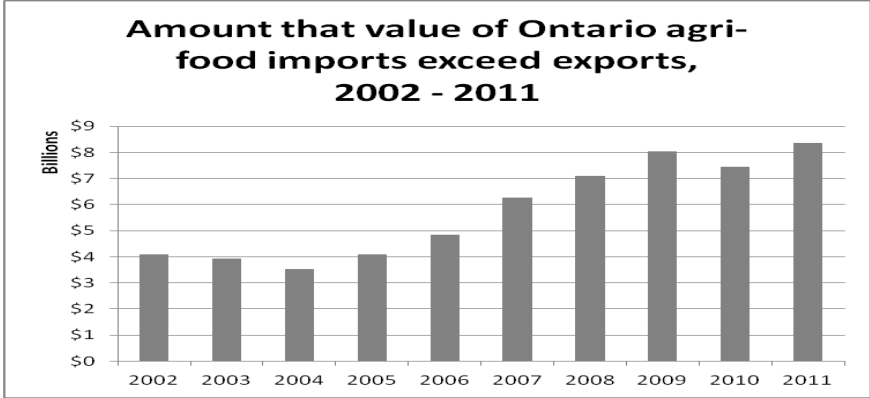


Sources: Statistics Canada, Ontario Ministry of Agriculture and Rural Affairs

A look at the two previous graphs suggests the beneficiaries of the trade expansion agenda are the sellers of farm inputs and the food processors and distributors who are increasingly able to purchase farm products cheaply on the global markets, reducing their costs and increasing their profitability. A trade first agenda does not benefit farmers or eaters; instead, the financial benefits are captured by the ever larger and fewer global agribusiness companies involved in buying, selling and processing.

The trade agreements Canada is now negotiating and signing are not just about trade – more and more they are about restricting government's policy-making so as to prevent domestic laws from inhibiting global corporations' ability to do business profitably and seamlessly. As an example, the Canada – Europe Comprehensive Economic and Trade Agreement (CETA) is a threat to access to local food markets through public procurement policies and to farmers' ability to continue to use farm-saved seed. The Economic Partnership Agreement being proposed with Japan would also impinge on the ability of provincial and local governments, schools and hospitals to adopt local food procurement policies to promote health and local economic development.

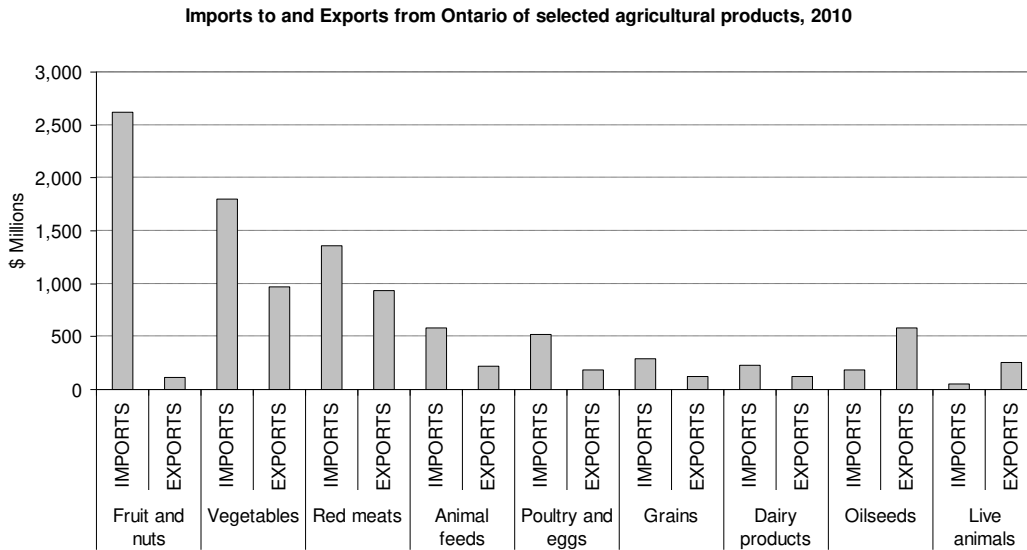
Ontario Agri-Food Imports vs Exports:



The dollar value of agri-food imports into Ontario versus the value of exports is increasing. This agri-food deficit reached over \$8 billion in 2011.⁷

The increase in agri-food exports represents money leaving Ontario instead of being kept in the province to make Ontario family farms, food processors and rural communities more economically viable and sustainable.

Although the suggestion is often put forward that Ontario's climate means we will always require food imports, the graph below illustrates that in many cases the same items are being imported and exported.⁸



In some cases, raw produce or meat is leaving the province and processed food is being imported into the province. The lack of processing capacity in the province leads to a loss of jobs and economic activity beyond the farmgate. Once food dollars leave the province they are no longer available to create the spin-off economic activities that contribute to thriving rural communities.

Farm Prices versus Food Prices

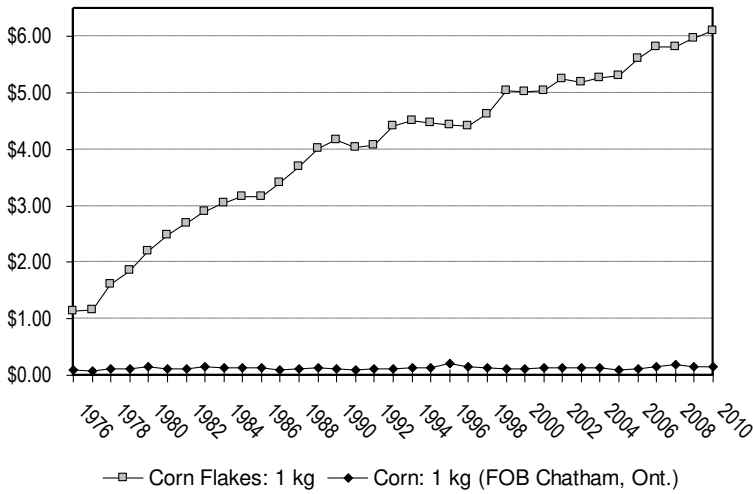
It is often suggested that if farmers receive more for the food they produce, low income earners will not be able to afford healthy food. However, higher food prices are not caused by higher prices paid to farmers. As illustrated in the examples below, the proportion of the food dollar that makes its way into farmers' pockets is minuscule and stable while retail prices steadily rise.⁹

7 Ibid.

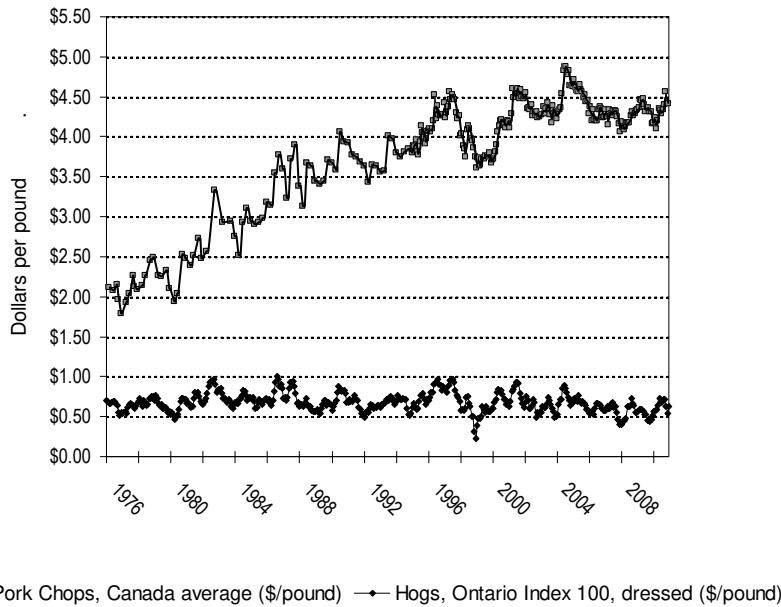
8 From *Farms, Farmers and Agriculture in Ontario an overview of the situation in 2011* by the National Farmers Union, May 2011

9 Ibid.

Ontario Corn and Retail Corn Flakes Prices: 1976-2010



Ontario farmgate hog and retail pork prices, 1976-2010



The increases in the cost of food have not made family farms more economically sustainable – the link between farmgate prices and the retail checkout stand is broken. Between the farmer and the eater stand the grain trade, the food processing industry, the distributors and the retail grocery sector.

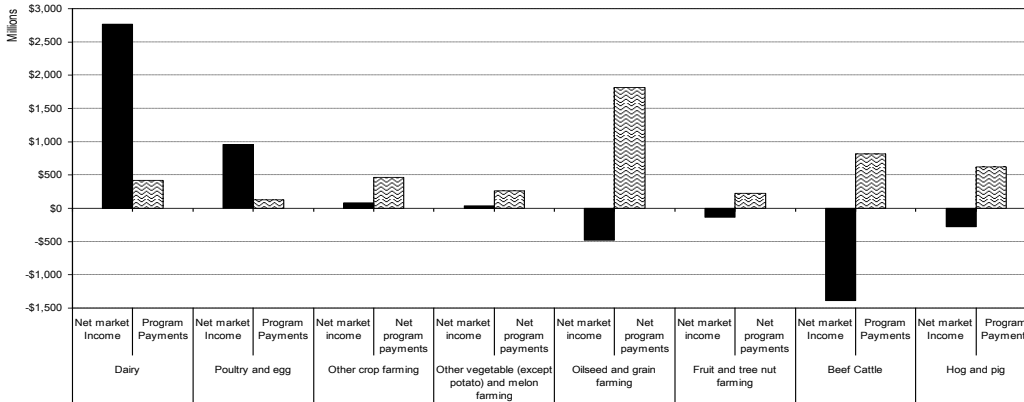
Risk Management, Safety Nets and Local Food

Ontario family farmers selling local food depend on two mechanisms to manage risk and to make an income from the market.

First, many family farmers selling local food direct to eaters from the farmgate, CSA programs, to local retailers and/or at farmers' markets have diverse farms, often with a mix of both crops and livestock. This diversity spreads out the risk of adverse weather or changes in market demand – when one crop fails, another survives.

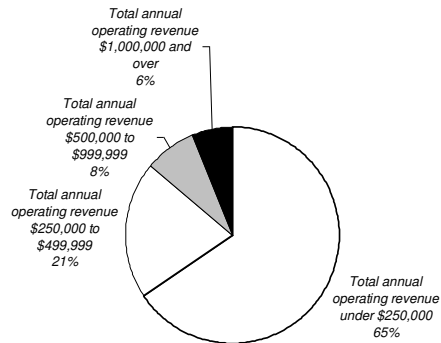
Second, supply management provides a means of risk management. As well as providing farmers with a fair price for their produce, supply management ensures Ontarians are eating or drinking Ontario grown and processed dairy, chicken and eggs. The graph below shows Ontario farms in supply managed sectors obtain much larger proportions of their incomes from the market.¹⁰

Total Net Market Income and Total Program Payments, selected Ontario Farm Sectors 1995 - 2008

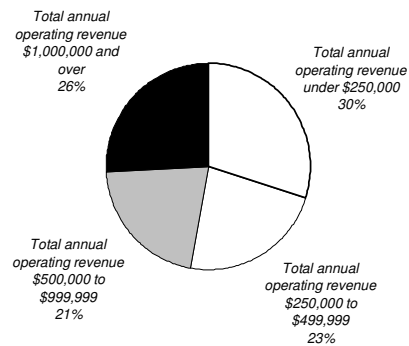


Safety net programs in Ontario tell a story of inequity. The largest farms capture an increasingly disproportionate amount of farm support payments due to the design of the programs and to the high cap on maximum payments. Unlike the diverse family farms providing produce to the local food market, farms that are highly specialized and dependent on export markets have a greater degree of margin volatility due to wild swings in world markets and currency exchange rates. These changes trigger farm support payments in poor years and lead to larger farms deriving more and more of their income from government programs.¹¹

Proportion of Total Net Program Payments by Farm Size Ontario, 1995



Proportion of Total Net Program Payments by Farm Size Ontario, 2008



10 Ibid.

11 Ibid.

Local Food – the Benefits

Building Relationships:

A key pillar of food sovereignty is rebuilding relationships between people and the land, and between those who grow and harvest food and those who eat it. Local food provides many opportunities to build relationships between eaters and the family farms who grow and harvest food as well as among farmers, eaters and small and medium scale food processors, distributors and retailers. These relationships are the foundation of a vibrant local food economy and thriving Ontario communities. Across the province, NFU members and locals have been instrumental in working to build relationships between those who grow and harvest food and those who eat it, through participation in local food fairs and festivals, the *Food Down the Road* project (in the Kingston Area) and support for initiatives like farmers' markets.

Engaged and Active Ontario Citizens:

Food sovereignty seeks to give citizens a say in how and where their food is produced. It empowers farmers, citizens and communities to create the food system that serves them best. By acknowledging the vital role food plays in our lives and creating opportunities for all citizens to have influence over the food they eat, local food can encourage people to become involved and active in their local communities, both rural and urban.

Financially Viable, Stable Family Farms:

The present food system forces most farmers to be price takers and leaves them under the control of a handful of buyers, processors, retailers and input suppliers who take most of the profit and leave farmers with high debt and off-farm jobs. By creating more opportunities for farmers to sell farm produce direct to eaters and by empowering farmers to build strong, diverse and numerous relationships within local food systems, local food can enable farmers to keep a larger portion of the food dollar.

Supply management has an important role in the local food picture. Not only does supply management provide the people of Ontario with Ontario produced food, it also provides farmers with a fair price for the food they produce, contributing to more viable and stable family farms.

Supporting a New Generation of Farmers:

The local food movement has been an important entry point for young and new farmers, not just in rural communities but also in urban and peri-urban areas. NFU projects like the NFU New Farm Project (in the Kingston area) have been successful in supporting new and young farmers to provide food to the local community. Although local food is creating opportunities for young and new farmers to move into farming as a career, much more needs to be done to open up land and opportunities for a new generation of farmers.

Protection of the Environment:

There are a multitude of ways that local food contributes to the protection of our land, air and water – including the decreased use of fossil fuels to transport food, increased biodiversity and protection of the soil through mixed farming with both livestock on pasture and crops. Many eaters turning to local food are also looking for food produced in more environmentally sustainable ways, whether that be organic or pasture-fed. Local food can lead to less use of inputs like chemical fertilizers and pesticides, thereby protecting the environment and improving farm viability by decreasing input costs.

Celebrating the Diversity of Ontario's Food:

Ontario farmers are able to produce a wide variety of crops and livestock. Through season extension practices, variety selection and enhanced storage facilities, Ontario farmers can supply an increasingly diverse selection of Ontario grown food throughout the year. Ontario is also blessed with a diverse population with knowledge of how to process and prepare a wide variety of foods from a cross-section of cultures.

Food Import Replacement:

Ontario has a significant agri-food trade deficit. This deficit represents a loss of jobs and economic spin-offs to the province. Much of the food imported into Ontario could be produced and processed in the province. By celebrating and becoming more aware of the food Ontario does produce and process, some imported foods could be replaced by different types or varieties of Ontario-produced food.

Decreasing the Need for Farm Safety Net Programs:

A move towards more local food is a move towards a more diverse and resilient food system. Farmers become less reliant on a handful of buyers for a few crops and more reliant on many buyers for a variety of crops and livestock. Safety net programs already tend to support larger, industrial farms, since farms which are part of local food systems have other means to manage their risk.

An Ontario Local Food Act should:

- *Focus on ensuring food security/food access for all Ontario citizens;*

Our food system must be just and equitable for everyone. As a province, we have an ethical imperative to ensure that all Ontarians have access to affordable, nutritious, safe and culturally acceptable foods

- *Empower local communities and farmers to create the local food systems which serve them best;*

Programs should be set up to engage citizens and strengthen communities through local food. Funding should be available for small projects, as well as larger projects, so that communities can define their own boundaries, rather than being pushed to partner with larger organizations or communities in order to access funding. As an example, small grants (\$5,000 to \$10,000) provided under the Shared Cost program in the 1990's were instrumental in building relationships within communities around food and in supporting the start up of small town farmers' markets and farmer-to-farmer initiatives, like the London Area Organic Growers joint promotion of local, organic food.

- *Focus on rebuilding the relationship between those who grow and harvest food and those who eat it;*

Programs should focus on activities which directly connect farmers and eaters or farmers and local processors/retailers. These activities could support initiatives like farmers' markets, local distribution hubs, small-scale and on-farm processing and farmer driven publications like *Food Down the Road*.

- *Focus on rebuilding the relationship between people and the land;*

Many local food eaters are searching for food which is produced in harmony with nature, whether that be organic, grass-fed or free range. A move towards more ecological production allows farmers to move away from farming based on purchased chemical inputs.

Farmer-to-farmer mentoring programs (such as those offered by the NFU New Farmer Project or the Ecological Farmers of Ontario) have been instrumental in helping farmers move towards more ecological food production. A Local Food Act should provide support to key organizations to facilitate the mentoring and sharing of knowledge and experience between farmers.

- *Work towards ensuring farmers have the dignity of a fair price for the food they produce;*

Realized net farm incomes continue to remain stagnant or decrease. Programs implemented through the Local Food Act should aim to provide farmers with a fair price for the food they produce by supporting activities which give farmers more power in the marketplace, strengthen relationships within the community and shorten the chain between farmers and eaters.

- *Re-direct the overall Ontario agri-food policy from trade first to domestic food first;*

Import replacement should be a priority within the Local Food Act and targets should be set to decrease both food imports and food exports. Trade agreements, like CETA, will continue to undermine efforts like the Local Food Act if agri-food exports continue to be the top priority. Food and agriculture should be treated differently from other commodities under trade agreements.

- *Acknowledge and build support for supply management;*

Supply management provides dairy and poultry farmers with the dignity of a guaranteed cost-of-production for their produce. By balancing domestic production with domestic consumption, supply management ensures Ontario citizens are consuming dairy and poultry products, regulated, produced and processed in Ontario. A Local Food Act should aim to increase awareness of the role of supply management in providing local food and a stable income to farmers.

- *Work with the farmer-run supply managed marketing boards to open up opportunities for more direct relationships between dairy and poultry farmers and eaters;*

Programs, such as Rural Economic Development (RED), should continue to support initiatives like Project Origin/Project Farmgate which has been instrumental in creating opportunities for on-farm dairies. Supply managed boards should be encouraged to open up opportunities for small quota exemptions for farmers wishing to serve the direct-to-eater market for eggs and chicken.

- *Make food safety regulations and labelling requirements and their enforcement scale and risk appropriate;*

One-size-does-not-fit-all when it comes to food safety and labelling regulations. The regulatory burden pushes small and medium scale food operations, including small abattoirs, out of business. Financial support should be provided, through programs like RED, to help small and medium scale operations meet food safety regulations. Regulations and enforcement should be scale and risk appropriate to help maintain and expand the diversity of abattoirs and food processors across the province.

- *Provide financial support to maintain and rebuild local food processing capacity, especially small abattoirs;*

Small, locally owned, multi-species, provincially-inspected abattoirs are an essential link between livestock and poultry farmers and local food eaters. To meet new food safety regulations and to stay in business, small abattoirs are often forced to make costly upgrades to aging facilities. Funding to small abattoirs and other small processors is often directed to operations willing to expand or to develop new markets. Small abattoirs must have access to user-friendly funds even if they do not want to expand their operation, so that they can continue to provide the link between farmers and their meat and poultry customers. Similarly, support should be available to other small food processors who are able to support farmers to meet the demand for local food.

- *Better protect farmland from industrial and urban development and keep farmland in the hands of farmers;*

Farmland should be given priority over industrial and residential uses in provincial and municipal land use policies. The ownership of farmland should be restricted to individuals who reside in Ontario or incorporated farming operations owned by individuals who reside in Ontario. Differential land taxation rates should be put in place to encourage farmland ownership by farm families and local citizens.

- *Legislate the right of farmers to save, reuse, exchange and sell seeds;*

Seeds are essential to grow food. Whoever controls seeds controls our food. Farmers' rights to save and reuse seeds are increasingly under attack as multinational seed companies gain more control over farmers and food and as trade agreements continue to protect the interests of multinational corporations. A Local Food Act should aim to protect the right of Ontario farmers to save, reuse, exchange and sell seeds. The act should direct research funding towards public plant breeding so that farmers have access to new varieties of seeds to meet the changing tastes of eaters and to adapt to changing climate and growing conditions.

- *Adopt a provincial food charter.*

The province should develop and implement a food charter and encourage the development of complementary food charters in Ontario's agencies, boards, municipalities and businesses.

Conclusion:

Food is essential to everyone. A strong Local Food Act presents an important opportunity to comprehensively deal with social, economic, environmental and health objectives in legislation to the benefit of all Ontarians. A financially stable farm community does more than just create contented farmers - it contributes to healthy, dynamic and economically viable municipalities and communities. Nourishing and sustainably-grown food allows consumers of all economic levels to become the greatest wealth a government could have – healthy people.

The National Farmers Union believes wholesome, high-quality Ontario-produced meats and produce should be readily available to all Ontarians. A Local Food Act which creates opportunities for farmers and helps eaters access locally produced and processed, nourishing food will lead to good health, environmental sustainability and economic viability.

National Farmers Union – Ontario
5420 Hwy #6, R.R. 5 Guelph, ON N1H 6J2
1-888-832-9638 www.nfuontario.ca