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Fitting Grain Sector Puzzle Pieces Together

The grain sector has experienced significant changes in the past few years, and it appears that more changes to institutions, laws, regulations, funding programs and commercial relationships are planned. In April, 2015 the former Canadian Wheat Board's assets were given (not sold) to G3, a partnership of the multinational grain company Bunge and SALIC, a subsidiary of Saudi Arabia's sovereign wealth fund, in return for its promise to invest $250 million. Bill C-48 (now unlikely to pass before the federal election this fall) proposes changing the Canadian Grain Commission's mandate and important aspects of its work (see April 2015 *Union Farmer Newsletter* for details). The *Plant Breeders' Rights Act* is now in compliance with UPOV '91. Other laws and regulations originally designed to protect farmers from unscrupulous commercial interests, such as the *Seeds Act* and Variety Regulations, are also being revamped in ways that allow corporations to maximize their profits by limiting farmers' choices. As these changes interlock and build upon each other, decision-making is removed from public, democratic venues, which affects not only producers' incomes, but also farmers' power.

The destruction of valuable institutions, such as the Canadian Wheat Board, is quite obvious. The new arrangements that replace them are being created quietly, however, without photo ops or promotional budgets, and thus are harder to see. There are now enough of these puzzle pieces in place that the picture is becoming clear: it is a multinational corporate vision of control that does not have the support of the Canadian public. Survey after survey shows that Canadians want their food to be produced by family farms using agricultural methods and marketing tools that promote ecological health, wholesome food and fair incomes. The corporate vision does not work for farmers either – it seeks to capture all of the value of agriculture products, and then some – as it profits by offloading many costs in the form of unpaid farm labour and management, rural depopulation and ecosystem damage, for example.

We are now faced with the challenge of developing and articulating an alternative vision, and then organizing and taking action to make it a reality. How do we as farmers want to structure production, land tenure, crop marketing, research, extension, and the care of our agricultural ecosystem? These are questions that NFU members are talking about with each other, their neighbours and city friends. Please share your thoughts by having conversations with your Board representatives, at Local or District meetings, and at upcoming Regional and National Conventions. —nfu—

NFU support for Feed Mill Licensing – only without Bill C-48

The Canadian Grain Commission (CGC) recently asked for stakeholder input on its proposal to license feed mills in Western Canada so that that grain producers would be covered by its producer payment security program in the event the buyer fails to pay. The CGC also planned to review all feed mills that purchased grain for feed-making from a Western farmer last year, and to consider the information collected when setting a threshold for commercial feed mills to be licensed.

The NFU's *Submission to the Canadian Grain Commission regarding Licensing of Feed Mills* (see http://www.nfu.ca/policy/2015) was generally supportive of CGC licensing commercial feed mills, and opposed to requiring licenses for feed mills owned by farmer co-operatives and on-farm feed mills. We noted our opposition to Bill C-48 (the bill to amend the *Canada Grain Act*), and warned that if it becomes law, the impact of feed mill licensing would change significantly.

The NFU supports the licensing of commercial feed mills because commercial feed mills should not be allowed to transfer financial risk to farmers without any negative consequences; CGC's monthly reporting requirements would provide feed mills with an external check on unsustainable operations; and the security bond

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CWB Comparison Chart

Single Desk CWB:	Saudi-Bunge CWB:
The **single desk CWB was not a grain company —** it was a **single desk selling agency**.	The **privatized CWB will be one of a few big companies** selling grain grown in Canada.
All foreign customers had to deal with the single desk CWB to **purchase Canadian wheat and barley.**	**International customers for Canadian wheat can bid down the price** by shopping around and the **privatized CWB will be able to supply Saudi Arabia directly,** completely bypassing the commercial market.
The **single desk CWB made money for farmers** who then **spent it in their communities and invested in their farms.**	The **privatized Saudi-Bunge CWB will enrich itself** and provide the Saudi kingdom cheap wheat to prevent another "Arab Spring" from threatening its absolute power.
The single desk CWB ensured high quality wheat got to Canadian millers on time and at a fair price regardless of size**.**	**Canadian millers may resort to importing wheat** from Eastern Europe due to poor service from private grain companies.
The single desk CWB ensured efficient movement of grain to port by **managing timing of shipments** through **orderly marketing** – often getting a **bonus for early loading** — and wielding the clout to discipline railways with ability to sue for non-performance**.**	The **Saudi-Bunge CWB will add to complexity, costs and confusion in grain transportation** – unless it only ships cheap grain directly to the Persian Gulf via Bunge's Quebec City facility.
Because the single desk CWB was the only seller, it was able to sell Canadian wheat for the highest price **the customer was willing to pay** and could set up long-term high-value contracts **for the benefit of farmers and customers.**	The privatized CWB will compete with other grain companies, with the day's **lowest price setting a benchmark** customers will not want to exceed.
The single desk CWB commanded high prices because it managed sales for the whole western Canadian crop**,** collecting wheat from all across the prairies and blending it according to individual customer specifications.	As a private grain company, it **buys low (from farmers) and sells high (to customers)**. Its margin is the difference between what it pays for grain and what it can get for it.
The single desk CWB's goal was to obtain high prices in export markets and return all of the proceeds of sales to farmers (less operating costs) every year according to the quantity and quality of the grain each farmer delivered. I**t did not try to accumulate a surplus** (and was not allowed to by law).	**Maximum revenues do not depend on the price of grain**, but on the margin times the volume. It is easier to **increase margins by cutting costs** than by increasing quality; **price paid to farmers is a cost.**
Farmers received an initial payment and a final payment each year. The initial payment was based on an estimate of the crop's value; the final payment transferred the remaining balance to farmers at year-end, according to full amount paid by buyers.	**Farmers receive only one payment** when they deliver grain. Once it is unloaded at the elevator the **farmer has no further claim on the grain** regardless of the price the grain company sells it for.
The single desk CWB published its direct costs and sales results.	As a private grain company, the Saudi-Bunge CWB will **keep sales results secret and hide its costs in "basis" charges.**
Farmers democratically controlled the single desk CWB – elected farmers held the majority of seats on the Board of Directors – and they ran it for the benefit of all farmers, which in turn benefited the whole Canadian economy. The federal government ended the CWB's single desk **authority in 2011, fired its farmer-elected directors** and **ordered that its assets be sold or liquidated by 2017.**	**Farmers have absolutely no say in the running of the privatized CWB**. The "Farmer Trust" will be run by appointed trustees; only one will sit on the 7-member Board. The **Saudi-Bunge partnership has full power over the trust:** it alone decides whether the "Farmer Trust" will continue after 7 years, whether the equity has any value and if any dividends will be paid.
Tax dollars did not fund the single desk CWB: its assets were built from the value of farmers' grain and democratic management.	**The Saudi-Bunge partnership was given the physical assets, market network, good name of the CWB and future revenue stream of billions — for a mere promise to invest $250 million.**

required by the CGC would discourage licensed feedlots and industrial hog operations from shifting losses onto farmers when these feed mills are part of a vertically-integrated corporation. The NFU also recommended the CGC be empowered to obtain outstanding liability reports more often when a commercial feed mill's risk of default appears to increase or when currency, feed, and/or livestock price volatility increases. We said that administration fees should be on a sliding scale to encourage smaller mills and make it possible for them to offer attractive prices to farmers when competing with larger mills. If high licensing fees caused smaller feed mills to close, employment and opportunities for livestock production in some areas would be lost, and concentration in the feed mill sector would increase, reducing choices for farmers selling grain as well as those seeking to purchase feed.

The NFU does not support licensing of on-farm and farmer-owned co-operative feed mills. Farmers may buy grain from neighbours to produce feed for their own animals and some may also sell feed, produced from their own and purchased grain, to neighbours. These economic relationships are part of a community's social fabric, and the importance of maintaining them provides adequate producer payment protection. Farmer-owned co-operative feed mills are like on-farm feed mills because they are owned and managed by the farmers who grow the grain and use the feed. A farmer-owned co-op that failed to pay would primarily harm its own members. There is a direct line of accountability between the farmer/member and the co-operative's management, which reduces the risk of default and internalizes losses.

Implications of Bill C-48 for feed mill licensing

In our submission, we highlighted the implications of feed mill licensing if Bill C-48 becomes law (now unlikely to pass before the federal election this fall). Under Bill C-48 the CGC's mandate would be to carry out its quality assurance function "in the interests of Canadians and grain producers." This means it would not be able to differentiate between the interest of farmers and the interests of commercial feed mills, which could affect how feed mill licensing is administered, to the detriment of farmers.

Bill C-48 would enable the federal government to set up an insurance-based system to replace the current bond security system. The federal government would collect fees from licensed elevators and grain dealers to provide revenue for the insurance fund. The government would determine each company's fee based on an assessment of its risk of default. There is no guarantee that the fund would have enough money to fully compen-sate farmers when a default occurs. If one company was unable to, or refused to pay its farmer-suppliers for grain delivered, it could potentially draw down the whole fund, even though the fees it contributed were only a small part of the fund's total revenues. The NFU recommends that the current bond system be maintained because the individual company's bond properly connects liability for payment to the company that defaults, and because it is designed to provide 100% of any money owed to farmers in case of default.

Bill C-48 would also amend the *Canada Grain Act* to allow licensed elevators to refuse delivery of grain not produced from registered seed varieties. Feed mills currently provide a market for unregistered varieties. This new provision could prevent farmers from selling feed grain of unregistered varieties that they may grow for legitimate reasons, such as nutritional benefits, agronomic properties, availability and cost. If Bill C-48 passes and feed mills are also licensed, farmers could be pressured to buy more expensive seed to ensure the feed crop could be sold.

Bill C-48 would empower CGC inspectors to enter any facility they believe is operating without the required license. The inspector would be allowed to examine the premises, equipment and grain, take samples and examine and copy books, records, and other documents that the inspector believes contain information relevant to verifying compliance with the Act. This provision, along with Bill C-48's change to the CGC mandate, could result in the Commission being directed by Cabinet or the Minister to use samples, information and records for purposes that are not in the interests of grain producers. If there is a decision to license all feed mills regardless of size and business model, many farmers would find the power to enter and inspect unlicensed premises an intrusion on their privacy.

If Bill C-48 (or similar law) is re-introduced after the election, the question of licensing feed mills becomes complex. The government-run insurance based producer payment protection system would be much less reliable than the current bond system, and thus reduce the benefit of licensing in the event of default. Bill C-48 would also create the potential for feed mills to limit farmers' choice of marketable seed, and thereby, increase their costs. Changing the mandate of the CGC to acting "in the interests of Canadians and grain producers" diminishes confidence that the CGC will protect farmers' interests when they conflict with those of vertically-integrated livestock operation corporations and multinational seed companies. It is difficult to support licensing of commercial feed mills as long as Bill C-48 or a similar law is under consideration.

On June 12 the CGC reported a brief summary of input received during this consultation, indicating that most participants supported licensing commercial feed mills. The CGC will develop a more focused proposal informed by this consultation that will be available for public comment in the coming months. —nfu—

CGC consultation on "modernizing" the wheat class system

In the spring of 2015 the Canadian Grain Commission (CGC) consulted the public on its proposal to restructure the wheat class system, citing problems with gluten strength in three popular varieties, an increase in the area planted to unregistered American varieties and changes to grain marketing following the end of the single-desk Canadian Wheat Board. The CGC proposes to narrow the definitions of the Canada Western Red Spring (CWRS) and Canada Prairie Spring Red (CPSR) wheat classes and add a new western Canada milling wheat class similar to the USA's American Dark Northern Spring Wheat for varieties with weaker gluten strength than the CWRS and CPSR classes.

What is the wheat class system and why is it important?

Wheat classes are part of Canada's grain quality assurance framework. Each registered wheat variety is assigned to the class that reflects its functional characteristics and where it is grown (Canada Western or Canada Eastern). Classes allow buyers to select wheat that has the qualities they need to make specific products such as bread, pastry, pasta or crackers. There are 7 milling classes for eastern wheat and 8 for western wheat. Varieties that do not meet milling standards (usually high-yielding, low-protein grain grown for feed or ethanol) are placed in the Canada Western General Purpose class.

Canada Western Red Spring (CWRS), used for baking bread and for blending with lower protein wheats, is the most widely grown wheat class in the Prairie provinces, and was planted on 62% of the total insured commercial wheat acres in 2014. Canada Prairie Spring Red (CPSR), used for noodles, was grown on about 5% of prairie wheat acres.

NFU Submission—key points

The NFU's brief, *NFU comments on the Canadian Grain Commission Consultation on Canadian Wheat Class Modernization* (see http://www.nfu.ca/policy/2015) explains how adding a lower-protein milling wheat class would negatively affect farmers, consumers, public wheat breeders and Canada's reputation in export markets. It concludes that benefits of the proposed changes would flow primarily to multinational grain companies and seed corporations based in the United States.

Recently reported problems with consistency and marketability of Canadian Western Red Spring (CWRS) class wheat in regard to protein content and gluten strength are not due to the limitations of current wheat classes. Instead they can be explained by other factors and solved without changing the class parameters by, for example: designing variety trials to reflect wider climatic or weather variability; investigating the effect on gluten strength of fungicide and/or glyphosate use during production, and if relevant, requiring a declaration when varieties with gluten strength issues are delivered; reinstating inward inspection to discipline grain companies on grading so farmers receive proper protein premiums; discouraging composite loading of vessels; and deeming known low gluten-strength varieties ineligible for grading above No. 3.

The proposed lower-protein class is similar to American Dark Northern Spring Wheat. If adopted, it will be harder to differentiate Canadian wheat from US wheat in the world market. Canada's comparative advantage in wheat exports has been quality, reflected in protein premiums. Shifting away from quality towards volume production will result in higher on-farm storage costs, increased trucking and higher local taxes for road maintenance. If the lower protein class is added, there is no guarantee farmers will be paid higher prices for high-gluten strength CWRS class wheat.

If a new lower-protein wheat class is created, Canada's comparative advantage will be eroded and farmers will be forced to compete for market share based on price alone. Since Canada's grain growing area is distant from ports and the growing season is short, our producers are at a disadvantage. Grain companies, however, have a strong incentive to promote high volume instead of high quality, as their primary concern is margin, not price. Adding a lower-quality wheat class would accelerate the process of Canadian wheat becoming an undifferentiated product. It would also make our grain handling system more complex. The added class would lead to more delays, higher costs and increased basis resulting in lower returns to farmers.

The lower-protein milling class would serve the market developed by US-based grain companies, while Canadian grain companies have built their businesses by selling into the higher-protein markets. Adding the new class would provide a greater benefit to the US companies, potentially leading to more concentration of the grain industry in Canada via mergers and acquisitions by the US companies.

(continued on page 5…)

(CGC consultation on "modernizing"..., from page 4)

Implications of Bill C-48

Our brief noted further implications of the proposed wheat class in the event Bill C-48 (amending the *Canada Grains Act*) is passed (see April 2015 Newsletter). Bill C-48 would change how foreign grain is managed. Currently, it is identified by country of origin, but is not graded. Under C-48, foreign grain is to be called "imported grain" and given the highest grade for which it is eligible, allowing it to be mixed with Canadian grain. There is no requirement that food products made with imported grain be so labelled. Bill C-48 is silent on the treatment of imported grain that is subsequently exported. If a lower-protein milling class is created it will be much easier to mix US Dark Northern Spring Wheat with Canadian wheat. This will dilute Canada's reputation and impair Canada's competitive position in export markets.

CGC decision and rationale

On May 8, the CGC published a summary of consultation responses, including that the majority of respondents did not support immediate changes to the wheat class system. The CGC has begun to assess all wheat varieties to see whether they meet the existing class definitions, and has created an interim class allowing US varieties Faller and Prosper, which had been given interim registration, to be marketed this crop year. Before deciding whether to make this new class permanent, the CGC will assess the demand for the interim class based on market information being compiled by Canadian International Grains Institute (CIGI) and Cereals Canada.

Cereals Canada is a national lobby group whose 15–member Board of Directors includes representatives from grain companies Cargill, Richardson International, Louis Dreyfus, Viterra and Parrish & Heimbecker, as well as seed companies, Syngenta, Dow, Canterra and Bayer.

US Wheat lobby supports Bill C-48

Not long after the CGC announced that the wheat class system would not be overhauled in the current crop year, the US Wheat Associates and the National Association of Wheat Growers (NAWG), American lobby groups, wrote a letter to Canada's Agriculture Minister and Trade Minister complaining that our Grains Act and Variety Registration Regulations limit the US wheat industry's access to the Canadian market. They congratulated the Ministers for ending the Canadian Wheat Board's single desk and called for implementation of the changes outlined in Bill C-48, which at press time had not moved beyond First Reading in Parliament. NAWG's corporate sponsors include Monsanto, BASF, Syngenta and BNSF Railway. Thus, it appears that the government has more support for its grain agenda south of the border than among grain sector stakeholders within Canada. —nfu—

Manitoba seeking Risk Management Tools for Climate Change Impacts

The Manitoba government has begun a public consultation process on ways to support farmers dealing with the impacts of climate change. Over the past several years, the NFU has been highlighting the need for governments to consider climate change when developing agricultural policy and budgets. (see Business Risk Management Programs under Growing Forward 2, http://www.nfu.ca/policy/nfu-briefs-2012).

A two-pronged approach is needed – to reduce Greenhouse Gas (GHG) emissions from agriculture and other sectors and to help farmers deal with increasing climate volatility. The Manitoba consultation is the first formal process we have seen that attempts to do this. If successful, it may provide a model for other provinces.

Manitoba's focus is on problems caused by flooding and excess moisture, particularly when it takes more than one growing season for farms to recover. It is asking for input from farmers to help identify gaps in existing programs such as Crop Insurance and the AgriRecovery program, which are elements of the federal-provincial Growing Forward 2 suite of cost-shared programs. Manitoba would like to shift the climate change-related safety-net funding from being an *ad hoc* crisis response to becoming part of its annual budgeting process. It is looking for insurance-based and non-insurance-based solutions that will neither add to net government spending nor deplete safety net funds.

Insurance is a form of financial risk management that transfers the cost of potential adverse events to an insurance provider in return for paying a premium.

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(*Manitoba seeking Risk Management Tools*, *from page 5)*

Non-insurance based risk management includes practices that reduce the likelihood of incurring costs or minimize costs caused by adverse events.

Insurance systems rely on risk calculations so that the premiums collected will, over time, cover payouts. Insurance providers must develop sophisticated models to predict the probability of various events and their costs, so that they always have enough revenue to cover claim payouts. Often premiums are tied to an assessment of the insured person's behaviour and track record. With life insurance, for example, higher premiums are charged to people who are more likely to make larger claims. Thus, if a person can practice effective non-insurance based risk management he or she would be charged lower premiums.

If an insurance model is used to manage climate change-related risks in agriculture, there are big challenges. The increasing frequency and severity of unusual weather is a result of the increasing energy stored in the atmosphere by heat-trapping chemicals such as CO_2, methane and nitrous oxide that are produced by industrial processes. The farmer who pays premiums cannot individually influence the occurrence of climate-related hazards, such as drought, torrential rainstorms, flooding due to temperature spikes that cause rapid snowmelt, tornados, "parked" low pressure systems that cause prolonged rain during harvest, etc. The insurance provider that has to make sure premiums will cover payouts is faced with predicting losses in a rapidly changing situation. Past weather patterns are no longer a reliable guide to the future. Even sophisticated climate change modelling can only provide future scenarios based on emerging knowledge. Furthermore, the rate of GHG accumulation in the atmosphere depends on factors, both policy-based and bio-physical, that interact in complex ways.

While insurance-based risk management is often seen as an effective market-based solution, it has limits both in terms of the scope of coverage and the ability to pay in the event of a widespread or prolonged hazard. Climate change-related coverage would likely stretch insurance systems to these limits and beyond. Publicly funded disaster relief, or safety net programs, recognize these limitations and provide a social and economic backstop based on the public interest. They should recognize that supporting farmers' work as a food producers and carriers of specific farming knowledge and skills is not just a matter of individual benefit, but also a vital part of larger society.

How to Participate in Manitoba Consultation

Public hearings will be held in Manitoba communities during the summer. See http://www.gov.mb.ca/agriculture or contact your local Growing Opportunities Centre for locations.

Written submissions will be accepted until September 30, and should focus on gaps or challenges with current risk management programs. An online questionnaire will also be available. The questionnaire and additional information on how to send written comments will be posted online in the Quick Links section at www.gov.mb.ca/agriculture .

The Manitoba government is interested in hearing about ways farm management can reduce risks and losses related to climate change. Such "best practices" would make farms less vulnerable to drought, floods, storms and/or temperature extremes that affect the success of crops and livestock production. It is also interested in ideas for programs and policy tools to reduce and/or help farmers recover.

While not in the scope of Manitoba's consultation, it is worth noting that there are perverse incentives in Growing Forward 2's Business Risk Management suite. AgriStability disproportionately rewards high-input practices by providing a payout on margin or eligible input expenses, whichever is lower. It thus fails to support low-input production systems and rewards the use of inputs such as synthetic nitrogen fertilizer, whose manufacture is energy-intensive and which contributes to agriculture's GCG emissions in the form of nitrous oxide off-gassing.

Climate-related problems are likely to increase, and in turn, net farm incomes are likely to be more variable, production costs higher and harvests less certain. Climate-related uncertainty can be managed more effectively if farmers have the benefit of market structures that provide fair returns. When margins go down because farmers have less market power than their input suppliers and buyers, farmers have to produce higher yields just to maintain the same income and service increasing debt loads. Better prices for farmers, through orderly marketing, would make smaller farms more economically viable, which would in turn sustain rural communities.

If you have ideas about how provincial governments can support farmers in the face of climate change-related risks, please share them with your fellow NFU members, your Board members and/or our national office. —nfu—

LNG, Pipelines and Site C Dam vs Farmland Protection in BC

A little more than a year ago, on May 28, 2014, the BC government passed Bill 24 amending the Agricultural Land Commission (ALC), which oversees BC's farmland protection law by administering the Agricultural Land Reserve (ALR). The Bill was passed in the face of opposition from all of BC's farm groups, including the NFU, and many non-farmers who are concerned about reduced farmland protection. The potential loss of food-producing land and conflict between land for farming and petroleum industry uses were paramount concerns. The NFU brief is posted at http://www.nfu.ca/blog/Bill24/504 . Now, unfortunately, several developments indicate our concerns were well founded.

On May 14, 2015 the BC Cabinet fired the ALC's chair, Richard Bullock, seven months before his appointment expired. The West Coast Environmental Law Association asserts that Cabinet violated legal guarantees meant to ensure administrative appointees are not subjected to political interference. Bullock was a strong supporter of the ALR and resisted weakening farmland protection. The new chair does not have an agricultural background. New regulations were enacted shortly after he was appointed.

The Peace River area in BC was placed in Zone 2 when Bill 24 passed, reducing its level of protection. It is located over a geological formation that contains methane (natural gas). Methane is a greenhouse gas more damaging than carbon dioxide when released into the atmosphere. The BC government is aggressively promoting fracking in these Peace River formations to support massive exports of liquified natural gas (LNG). Its legislature will have a special sitting in July to pass legislation to authorize an LNG facility that is majority owned by Malaysia's Petronas, to allow export of the fracked gas through Prince Rupert.

In 2013, BC delegated the ALR's authority over farmland affected by pipeline development to the BC Oil and Gas Commission. Several LNG pipelines are already being developed in spite of opposition from communities across northern BC. There is no guarantee the pipelines will not be used to ship bitumen in the future.

In April 2015, the BC Cabinet unilaterally removed 9,180 acres of farmland from the ALR, the largest-ever exclusion in the ALR's history, to make way for the proposed $9 billion Site C dam on the Peace River. Nearly all the land excluded is Class 1 and Class 2 farmland, top-rated in terms of productive value. If Site C dam is built, a total of 31,528 acres of Class 1 to 7 farmland would be lost to flooding and other impacts.

Normally, applications for exclusions from the ALR are handled by the ALC and involve a public hearing process. BC's Energy Minister claimed that because the Site C dam has already gone through an environmental assessment the ALC process was not necessary. The Cabinet order for this exclusion was supported by the Environment and Land Use Committee, which consists of three Cabinet Ministers and is empowered to recommend actions despite any other law or regulation. Notably, the Site C Dam would be conveniently located to provide large quantities of both water and electricity needed by the fracking industry.

The consequences of losing farmland to provide investment opportunities for foreign energy corporations are compounded by the fact that fossil fuel development will accelerate climate change, making food production more difficult, and land with good agricultural soils in northern latitudes more valuable. There are seven legal actions underway seeking to stop the Site C dam, brought by area land owners and Treaty 8 First Nations. Other community-based resistance is being organized.

To get involved, contact Region 8 Coordinator, Peter Eggers, (780) 568-3805 or levke@gpnet.ca or visit StopSiteC.org .

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Saskatchewan reviewing farmland ownership law

The Saskatchewan government is carrying out a consultation process, as it plans to amend *The Saskatchewan Farm Security Act* in response to public concern about farmland being bought up by investment companies, pension funds and purchasers who are financed with offshore money. With 38% of Canada's farmland located in Saskatchewan, the province is a primary target for farmland investment companies, as detailed in the NFU's report, ***Losing Our Grip - 2015 Update***.

The provincial government wants to know your opinion regarding who should be eligible to own farmland in Saskatchewan, who should be eligible to finance the purchase of farmland in Saskatchewan and the role of the Farm Land Security Board, and the tools at their disposal to enforce *The Saskatchewan Farm Security Act.*

Under the current law, non-Canadians and non-100-per-cent Canadian owned entities can own no more than 10 acres of farmland in Saskatchewan unless the Farm Land Security Board grants an exemption. These exemptions are usually granted for commercial or industrial use, or to allow new owners from other countries time to immigrate. The Farm Land Security Board can investigate whether an owner is either a Canadian citizen or permanent resident, and whether non-Canadians have an interest, including through financial arrangements, in the farmland being purchased.

Pension plans and investment trusts cannot directly own farmland in Saskatchewan due to the wording of the Act's definition of "Canadian-owned entity." However, pension funds can and do invest in eligible investment companies (such as the Canadian Pension Plan Investment Board and Bonnefield Financial) that have purchased Saskatchewan farmland. The government is considering changes to the definition, and will be interested in your comments on what kinds of entities should be eligible purchasers.

If farmland ownership is opened to foreign investors it is likely that large grain corporations would be interested. Glencore, which purchased Viterra (the former prairie Wheat Pool co-operatives) owns hundreds of thousands of acres in Australia and the former Soviet Union. China National Cereals, Oils and Foodstuffs Corporation (COFCO), an emerging player in the international grain industry, acquired a long-term lease of seven million acres in Ukraine in 2013 and controls as much as 12.3 million acres in Africa.

Annette Aurélie Desmarais, Darrin Qualman, André Magnan and Nettie Wiebe are investigating the concentration of farmland ownership in Saskatchewan by using land titles data. Their first article is now posted at http://www.nfu.ca/issues/losing-our-grip-2015-update . It reveals a list of the investment companies, pension plans, and large farmer/investor hybrids buying land and also maps investment activity and large land transactions in three Rural Municipalities. Their research, along with ***Losing Our Grip - 2015 Update,*** show that existing ownership laws are not adequate to prevent speculation and a shift from land ownership to tenant farming. —nfu—

The **deadline** for the Saskatchewan Farmland Ownership Law consultation is **August 10, 2015.**

To participate:

- fill in a survey on the internet at http://www.saskatchewan.ca/government/have-your-say
- paper survey forms are available at Sask Ag Regional Offices and Crop Insurance (SCIC) offices
- email a letter or submission to farmlandownership@gov.sk.ca or
- send a letter or submission to: Ministry of Agriculture
  101-3085 Albert St., Regina, SK S4S 0B1