



# union farmer newsletter



## Reflections on the meeting of the North American Digital Agriculture Working Group

*Forging connections across North America to advocate for farmers and farm workers in the face of the digital evolution in farming technology*

—by James Hannay, NFU Policy Assistant

The North American Digital Agriculture Working Group (NADAWG) represents farmers, farm-workers, academics, and NGOs concerned about the innovation and deployment of digital agriculture technology, and who promote food sovereignty and dignified work for farmers and farm-workers. Because digital agriculture is an emerging issue for the NFU, I participated in the NADAWG meeting in March, 2024.

Digitalization – developing and using data-driven algorithms, autonomous vehicles, an array of sensors on farm equipment, and even Artificial Intelligence on farms – represents a deepening of industrial agriculture. Deployment of digital tools also provides a new business opportunity for already powerful agribusiness corporations. Bayer's Climate FieldView is the most advanced farm data collection and aggregation platform. Nutrien, Corteva, and BASF also own data collection and management platforms. The federal-provincial-territorial Sustainable Canadian Agriculture Partnership also promotes digital technologies as a pathway towards sustainable agriculture.

Wide-scale implementation would change the agricultural industry's structure. Digital technology assists farmland consolidation, and larger farms in turn provide a market for digital ag tech. In addition to data privacy issues, it allows extraction of new forms of values from farmers as agribusiness corporations reach deeper into farmer's operations.

People concerned about digital ag include those interested in challenging digital technologies, corporations, and oppressive economic systems, and those with hopes digital technology could be developed ethically by and for farming communities. The NADAWG meeting formed two groups based on these perspectives to advance a larger discussion about digital tech. Indeed, throughout the conference there was tension between the two objectives, which are not inherently mutually exclusive. Certainly, there is a need for nuance, but it is difficult to find a

hopeful place for digital technology without also challenging power structures in the industry.

So far, innovation in agricultural machinery has not challenged existing industrial titans. For the past ten years, agribusiness giants have prioritized buying up smaller firms that produce digital technology and biologicals. In February, TELUS Agriculture acquired Proagrica, rounding out its recent acquisition of 11 other software firms that deal in digital agriculture technologies. We need some proof of how digital technologies would help farmers (rather than corporations) if developed and implemented in ways that utilize and uphold community-based values.

NADAWG attendee George Naylor of Family Farm Defenders shared an article, *Is the Digital Horse Out of the Barn Door?* The consensus was "Yes." And agribusinesses are peddling narratives praising its efficiency.

In response to, and in preparation for further changes brought on by digital technologies, the NFU should develop policy on digitalizing agriculture.

We have an opportunity to start through the federal consultation on Right to Repair policy. The NFU already calls for the right to repair – that is, getting timely access to parts provided by the manufacturer, and that machinery companies provide technical documents with enough detail for farmers to do repairs themselves.

The concept of Right to Repair extends into data collection and ownership, software, and interoperability. Currently, machinery manufacturers create "lock out" conditions in their software to stop farmers from accessing data or fixing software issues. Interoperability issues prevent farmers from using digital or precision equipment from two manufacturers in tandem even though they own the equipment.

The immense drive towards efficiency, productivity, and the interest of technology owners who want to profit from new data, means the NFU must engage with digital agriculture technology's effects on farmers and farming systems. ■

## Bunge-Viterra deal highlights need for new approach to merger reviews

—by Cathy Holtslander, NFU Director of Research and Policy

On August 1, 2024 the European Commission (EC) approved Bunge's acquisition of Viterra, on the condition it commits to sell Viterra's oilseed businesses in Hungary and Poland along with a number of logistical assets linked to these operations. After a mere 35 business days examining the deal's potential impacts, it stated, "These **commitments fully address the competition concerns** identified by the Commission, by removing the horizontal overlaps and vertical links between the parties' oilseed businesses in the concerned territories."

The decision is remarkable in its deficiency. This acquisition is unprecedented in the food and agriculture sector. Bunge is already the world's fifth-largest grain company and the largest oilseed and protein meal processor, globally dominant in soybeans, canola, sunflower seed, corn and wheat. It operates in 40 countries with over \$USD 57 billion annual revenues. Viterra is not only Canada's largest grain company, it is the world's eighth-largest grain trader, operating in 38 countries on six continents, with revenues of \$USD 53 billion in 2023. Both companies are vertically integrated operations, and own large networks of country elevators, inland and port terminals, processing and milling facilities for wheat and oilseeds, as well as significant data and logistics systems.

If the acquisition goes ahead, Bunge will be the world's largest agricultural commodity trader. Selling off a few oilseed processing businesses in Poland and Hungary will not stop it from using its massive economic footprint to influence markets, prices and production to advance its own interests at the expense of farmers, consumers, and workers, no matter what country it operates in.

Clearly, a merger of this magnitude is no longer a local, national or even regional matter. The EC could have initiated an in-depth investigation to better inform its decision. Its fast-track approval fails to address the merger's potential impacts on the food we eat and the farmland we depend on.

Viterra, now a multinational, has its roots in the prairie co-operatives that built Canada's grain handling system over the course of nearly a century. After experiencing exploitation by the private grain trade in the form of low prices, grading fraud, short weights, and

outright intimidation by agents, Canadian farmers carried out a remarkable feat of organization to develop a co-operative elevator system to gain control of the trade.

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The Grain Growers Grain Company was established in Manitoba in 1906. By 1912 it was handling 28 million bushels of grain, had 27,000 members and had a Great Lakes terminal at Thunder Bay. The Saskatchewan Cooperative Elevator Company formed in 1911, and the Alberta Cooperative Elevator Company was established two years later. It joined with the Grain Growers Grain Company to form United Grain Growers in 1917. The Saskatchewan and Alberta Wheat Pools were each set up in 1923; the next year Manitoba Wheat Pool was established. In 1926 Saskatchewan Cooperative Elevator Company joined the province's Pool. The prairie grain cooperatives operated as profitable farmer-run businesses that handled nearly 60% of Canada's grain from country elevator to port terminal -- until the changes stemming from NAFTA led to restructuring that ultimately and controversially converted these farmer-created co-operatives into the corporation that rebranded as Viterra in 2007.

While farmers increasingly controlled Canada's grain handling capacity, they were still vulnerable to the market power of international traders. To counter this, the Canadian Wheat Board (CWB) was established in 1935. It operated as the single desk selling authority, governed by an elected board of farmers, that sold all prairie wheat and barley exports, and returned all proceeds to farmers every year. In 2012 the Harper government stripped the CWB of its single desk powers, and in 2015 gave away the CWB's assets to a partnership of Bunge and Saudi Arabia's SALIC, which is now doing business as G3. These assets include all the CWB's business records and the \$150 million pool account owed to farmers at the time of privatization

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(the subject of an unresolved class action lawsuit). In contrast to the CWB's goal to get the best returns for farmers by selling into premium markets, G3, like other private traders aims to buy low and sell high, as it makes money on volume of sales times margin. The losses to western farmers and the Canadian economy since the CWB was dismantled are estimated in the billions of dollars.

***If Bunge is allowed to buy Viterra, it will have acquired billions of dollars of worth revenue potential from infrastructure and relationships that were built by and for Canadian farmers to counter the very exploitation private grain traders like Bunge visited on them a century ago.***

Viterra and Bunge not only benefit from the capital and relationships prairie farmers built over many decades, but as multinationals they can make decisions that affect conditions of life around the world regarding food, land, transportation, distribution of wealth, and increasingly, energy (biofuels) as well. If Bunge acquires Viterra, it will have even greater power to shape the sector and set the conditions for doing business, not only for farmers, but for other commodity trading and logistics businesses, the food processing industry, and the wholesale and retail sectors that make up the global agri-food value chain. Farmers will face lower crop prices and fewer choices, as shown by economists Richard Gray, James Nolan and Peter Slade in *The Economic Impact of the Proposed Bunge-Viterra (BV) Merger on the Grain Sector in Western Canada: A Preliminary Assessment*. Workers and consumers see wages drop and food prices rise because such dominant corporations can use their power to make excess profits that then increase the wealth and power of their shareholders.

In their July 2024 report, *A new merger wave in the agri-food value chain? Some reflections on the Bunge/Viterra merger*, European economists Ioannis Lianos, Stavros Makris, Jean-Benoit Maasin, sketch out the more complex considerations that competition authorities should take into account. They note that Archer Daniels Midland (ADM), Bunge, Cargill, COFCO and Louis Dreyfus comprise a tight oligopoly that controls international grain trade; Bunge acquiring Viterra would further concentrate this power. The Big Five are able to influence futures markets, spot markets and speculation on food prices to obtain excess profits, which in turn drive food price inflation and have an impact on food insecurity and even political stability. The ability to learn from their

vast information network (including shared big data platforms) allows these giants to strategically shape the architecture of the sector. Their degree of control also affects the direction and type of innovations in the food system. Mergers like Bunge's acquisition of Viterra, along with many smaller acquisitions that get little attention, reduce the diversity of food system businesses. As control tightens and centralizes in fewer hands, the system as a whole becomes less resilient, increasing the breadth and magnitude of harm from the inevitable disruptions due to climate impacts, pandemics, and wars.

Governments need to recognize that their competition bureaus, or anti-trust authorities, are not dealing with an "Economics 101" style theoretical landscape where many small firms compete for individual consumers' business on a level playing field, and where all involved make rational decisions based on perfect information. Today, a few global firms dominate in nearly every sector of the economy, world-wide. If governments fail to recognize the conflict between corporate power serving private interests and democratic governance in the public interest, they abdicate power to a mythical concept of "the Market" and an ideology that says commercial transactions are sufficient to decide what matters in a society, entitling those with the most economic power to have the most political power.

Who has power within the food system is a critical matter for public policy. As we go to press, Canada has the opportunity to disallow the Bunge-Viterra merger, as well as the duty to ensure fairness to farmers, workers and consumers -- and to use the power of government to build a more just and robust food system for today and the future. ■

## **TAKE ACTION!**

You can take action today by contacting your own MP and the politicians who will make the decision.

Visit: <https://www.nfu.ca/action-alert-contact-your-member-of-parliament-and-tell-them-no-to-the-bunge-viterra-merger/> for the Action Alert.

## Proposed changes to Plant Breeders Rights regulations would harm farmers

NFU and allies oppose plans to eliminate the Farmers' Privilege for horticultural, ornamental and hybrid varieties.

—by Cathy Holtslander, NFU Director of Research and Policy

In August 2024, the NFU, SeedChange, Canadian Organic Growers, SaskOrganics, Ecological Farmers Association of Ontario (EFAO), Atlantic Canada Organic Regional Network (ACORN), Organic Alberta, FarmFolkCityFolk, Manitoba Organic Alliance and Direct Farm Manitoba submitted joint comments to the Canadian Food Inspection Agency's consultation on "Proposed amendments to the Plant Breeders' Rights Regulations".

The Plant Breeders Rights (PBR) Office of the CFIA administers Canada's *Plant Breeders Right Act*, which was amended to conform with UPOV '91 in 2015. The PBR Act gives wide-ranging exclusive rights to plant breeding companies, including allowing them to collect royalties for 20 years from farmers who buy varieties that are covered by the legislation. You can read more about UPOV '91 and what it means for farmers on the NFU website at <https://www.nfu.ca/learn/save-our-seed/upov/>

The Act's *Farmers' Privilege* provision allows farmers to save seed or propagation material (cuttings, slips, tubers, etc.) from PBR-protected varieties they have bought and paid royalties on once, so they can grow subsequent crops of that variety, on their own holdings only, without having to pay royalties to the company that has the PBR rights.

The PBR Office would like the federal government to amend the PBR regulations to **eliminate** the Farmers' Privilege for horticultural, ornamental and hybrid crops – making it illegal to use saved seed or propagating material of PBR-protected varieties on their own farms. It also wants to lengthen the PBR-protected period for non-tree woody plants (such as berry bushes), potatoes and asparagus to allow breeders to collect more royalties over time. And it wants to give companies more time to benefit from PBR rights by changing the rules for how long they can advertise before they must apply for PBR rights on new varieties. The PBR Office's rationale is to let plant breeding companies make more money by forcing farmers to pay more for seed as an incentive to do more plant breeding and/or sell varieties in Canada that they develop elsewhere.

When Canada brought in UPOV '91, one NFU farmer said the new law is like moving livestock: "You start by herding them into a large corral, and then close the gates behind them one by one until they cannot turn around. Eventually, there will be little choice but to buy seed and pay royalties every year." We warned that the new law's Farmers' Privilege provisions could be removed by simply amending the regulation. We are now seeing the first attempt to do just that.

The NFU rejects the premise that plant breeding must be done only if considered a profitable investment by private breeders. Instead, we see plant breeding as a public good, and the resulting varieties as part of the global commons for the benefit of all. Farmers, and particularly Indigenous farmers, created our seed heritage over millennia. Canada has a strong history of successful public plant breeding that must not be sidelined by measures such as the proposed amendments that are designed to promote privatization.

The PBR office's recommendations would go beyond what is required by UPOV '91, boosting the rights of plant breeders at the expense of farmers, both financially and regarding the scope of their farming practices. The changes would make seed and other propagating material less available to farmers, and/or would increase their costs by requiring annual royalty payments, for more years. And they would help plant breeding companies monopolize genetic material by preventing farmers from reproducing it for their own use on their own holdings. Ultimately, it would increase the seed companies' control over our food system.

You can read the full submission on the NFU website at <https://www.nfu.ca/policy/submission-to-cfia-consultation-regarding-proposed-amendments-to-the-plant-breeders-rights-regulations/>

We expect the CFIA to publish the text of proposed amendments to the PBR Regulations in the Canada Gazette soon. The amendments will be posted along with a rationale and analysis of the impact of the changes. When this happens there will be a public comment period. Watch for NFU messages about how to get involved and stand up for farmers rights! ■