

Agriculture

Agriculture is central not only to our economy but to the livelihoods of farm families, the health of our communities, and the future of our planet.

Over the last 30 years agriculture has undergone rapid transformation. Control over production and distribution has shifted away from farmers and government policy makers to the corporate sector. Today, many farms have consolidated, dramatically expanding their scale of operation as they orient production for global markets.¹

On the surface, the agriculture and agri-food sector appears to be highly productive, accounting for \$49 billion of the country's gross domestic product (GDP) and has managed to more than triple the value of agri-food exports over the last 30 years.² Despite these relative successes, Canadian agriculture is failing on multiple fronts.

In particular, since the mid 80s, the number of Canadian farms, currently at 193,492, has decreased by one-third (293,089) and two-thirds (623,087) since the 1950s, especially among the small to medium sized farms.³ This trend appears the most pronounced for young farmers, with two-thirds of farmers under the age of 35 having disappeared in the last 25 years.⁴ As a result, Canadian farms are faced with a growing generational crisis.

At the same time as large farm operations dominate the landscape, with the majority reliant on fossil-fuel-intensive farming inputs, local ecosystems and rural communities are increasingly under threat. In 2015, direct agriculture accounted for 8.2 per cent of greenhouse gas emissions in Canada.⁵ This number is higher if you include transportation impacts and chemical input production costs. However, land is an important carbon sink and therefore ecologically sound and sustainable practices play a key role in mitigating the climate crisis.⁶ Ways in which agriculture can reduce its carbon footprint while helping reverse this Farm Crisis can be found in the NFU's recent discussion document, "Tackling the Farm Crisis and the Climate Crisis".⁷

Situation in Manitoba

The reality in Manitoba closely resembles these national trends. As of 2016, Manitoba had 14,791 farms which represent a loss of 46 per cent of farms since the mid 80s (27,336). Although Manitoba has the largest portion of young farmers under 35 years of age at 10.8 per cent, the number of farm operators over the age of 55 also increased to 52.1 percent and the average age of a farmer sits at 53.8 years.⁸



Agriculture consultation in southwestern Manitoba.
Photos: Molly McCracken

There are several key structural factors which can explain why young Manitobans are discouraged from becoming farmers. For one, there are increasingly high capital requirements to enter and remain in farming, such as expensive machinery costs, while the market price of crops and livestock have dramatically declined over the last several decades.⁹ For every dollar spent, farms on average have to spent 81 percent in operating expenses.¹⁰ It is important to

note, however, that this statistic includes farms with annual revenues anywhere from \$10,000 to above \$500,000. As a result, most farmers have to rely on off-farm employment and farm debt has reached approximately \$9.6 million — a 38 percent increase since 2011.¹¹

While the number of farms is decreasing, farmland size is increasing with an average size of 1,193 acres and is valued between \$2,344 to \$5,010 per acre.¹² As such, farmland is very un-

affordable for the average young person — especially with farmers' chronically low net income and yearly risk factors.

Behind many of these changes is the increasing corporate control over the food system. The agri-business lobby has been very influential in determining the direction of food and agriculture policies. Today, policies, both at the federal and provincial level, tend to focus on maximizing trade and exports. As such, in Manitoba and across the country, input companies are taking a much larger chunk of Canadian farm revenues while further eroding farmers' power and incomes.¹³

With the existing barriers to entry for new farmers, new agriculture and food policies, particularly those focused on localizing food systems, will need to be introduced to ensure young people can enter and remain in farming. There are passionate young farmers out there in all types of farming, but many of them are flocking to the direct market or value added sectors as a way to gain income with smaller amounts of land.

Our provincial government has a responsibility to make room for the next generation of farmers. Those supports should weigh higher than the supports given to long term established farmers who have less debt than equity. The loss of the point system to access agriculture based crown land is an example of a bad policy move. The introduction of a highest-bidder system places money over sustainability at a time when environmental protection should be top of mind (see APB section on Climate Change).¹⁴

Currently our system has some tools available, but they need to be improved dramatically if we want to continue to buck the trend and see more farmers in Manitoba.

Provincial Programs

There are some provincial programs available to new and young farmer including:

- Ag Action Manitoba which offers financial support to help new and young

farmers access training and consulting opportunities on a 50:50 cost share basis and with funding cap of \$5,500.

- The Young Farmer Crop Plan Credit helps new and young farmers offset the costs of AgriInsurance while also assisting them make decisions about the crop production based on research, analysis and financial feasibility.
- The Young Farmers Rebate (YFR) offers new and young farmers financial assistance through an annual rebate of up to 2% on the first \$200,000 of their total loan over the first five years.¹⁵

These programs help, but the following new policies are also needed.

Climate Change Reduction Initiatives
(see APB Conservation and Climate Change chapter for more)

Profitable GHG Mitigation: To significantly reduce GHG emissions and promote farm profitability, the Alternative Budget will focus major agricultural research funding towards the development and promotion of on farm GHG reduction strategies. Serious focus will go into motivating farmers to reduce the amount of synthetic nitrogen fertilizer use and loss, normalizing less GHG producing feed options for cattle, and being proactive with farmers on implementing other science confirmed GHG reducing strategies.
New Expenditure: \$5 M

Clean Energy Plan for Rural Transformation and Agriculture Industry Transitions: Consult with rural communities and Manitoba businesses on implementation plans around clean energy sources such as hydrogen and electrification of the general vehicles, commuter transportation and government fleets (see Conservation and Climate Change chapter, and Budget Paper A). Consultations will include thinking big about how the

Province of Manitoba can invest and gain revenues by leading in the clean energy technologies revolution in Agriculture in North America.
New Expenditure: \$2M

Community Sustainability Funds: Improve programs for consulting communities on their needs and funding collaborative projects that allow rural communities to flourish.
New Expenditure: \$5M

Create a Local Food Strategy for Manitoba: Similar to programs in Ontario,¹⁶ a Manitoba Local Food Strategy would boost local food from being a footnote to being supported through policy, thus giving local farms a needed leg up. Some items to include would be:

- A Local Food Municipal Fund will be created which will be accessible to municipalities to implement local food councils that will help to facilitate and encourage the sale and distribution of local foods to rural hospitals, care homes and schools etc.
- A series of resources, including a Provincial Local Food Officer, to make the transition to local food economies as palatable as possible.
- See APB chapter on Food Security for more.

New Expenditures:

Local Food Strategy Consultations: \$150,000

Local Food Municipal Fund: \$5M

Provincial Local Food Officer: \$70,000

Rural Internet: Increase rural internet by building towers in remote and poorly serviced rural areas and then renting out to service providers.
New Capital Expenditure: \$10 M

Manitoba Co-operative Development Fund: Funds renewed to help develop new co-operatives

throughout rural Manitoba. See APB chapter on CED for more details and spending.
New Expenditure: \$2M

Maintain Farm Lifestyles and Attract New Farmers

In order to have more farmers on our land, significant changes need to occur to reverse the trend of larger farms but fewer farmers. The APB turns back part of the tide and brings people back to the farms and restores a better rural lifestyle.

The Manitoba Quota and Land Trust: will be established to finance intergenerational transfer of assets. Retiring farmers transferring quota or land to the Trust will have its value exempted from taxation and be entitled to an annuity based on the productive value of the transferred quota or land. Eligible new farmers will apply to use Trust quota or land in return for a portion of revenues earned from its use and a commitment to continue producing for a minimum period. The AFB will fund the operational costs of the trust at a cost of \$4 million a year
New Expenditure: \$4 M

New Farmer Land Rental Tax Incentive: This new tax incentive will allow landowners to sell or rent land to new farmers for a reduced rate. The land owner must show that they are renting for a reduced price from the going rate and the farmer must prove that they are a new farmer with limited access to other land access options.
New Expenditure: \$3 M

Farmer-to-Farmer Mentorship Program: Funding will be provided to programs and organizations that encourage farmer-to-farmer development. Focus will be on gaining knowledge through collaboration and direct one-on-one experiences.
New Expenditure: \$2 M

Fund and support the development of land linking and land matching programs and/or farmland trusts

New Expenditure: \$1 M

Clean energy plan: \$2M

Community sustainability fund: \$5M

Local food strategy: \$5.22M

Rural coop development fund: \$2M

Maintain farm lifestyles: \$10M

Total: \$29.22M

Total New Operating Expenditures:

Greenhouse gas mitigation: \$5M

Total New Capital Expenditure: \$10M

¹ National Farmers' Union. (2019). "Public Perception of the Canadian Agriculture and Agri-Food Sector." National Farmers' Union. Available at: <https://www.nfu.ca/wp-content/uploads/2019/05/2019-04-12-NFU-brief-to-HOC-Ag-Committee-on-Public-Trust-study.pdf>

² National Farmers' Union. (2019). "Public Perception of the Canadian Agriculture and Agri-Food Sector." National Farmers' Union. Available at: <https://www.nfu.ca/wp-content/uploads/2019/05/2019-04-12-NFU-brief-to-HOC-Ag-Committee-on-Public-Trust-study.pdf>

³ Statistics Canada. No date. *Number and area of farms and farmland area by tenure, historical data* (table). Table 32-10-0152-01. Retrieved August 15 2019 from <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3210015201#timeframe>

⁴ Qualman, D., Akram-Lodhi A., Desmarais, A., and Sharada Srinivasan (2018). "Forever Young? The Crisis of Generational Renewal on Canadas Farms." *Canadian Food Studies* 5, 3 (September).

⁵ Prairie Climate Centre. (2018, March 7). "Where Do Canada's Greenhouse Gas Emissions Come From?" Retrieved August 15, 2019 from <http://prairieclimatecentre.ca/2018/03/where-do-canadas-greenhouse-gas-emissions-come-from/>

⁶ Sustain. (2019, August 8). "Tackling emission from land use, food and farming can (an must) be done, says new IPCC report." Retrieved August 15, 2019 from https://www.sustainweb.org/news/aug19_ipcc_climate_land_report_comment/

⁷ Qualman, D, and the National Farmers Union, 2019. "Tackling the farm Crisis and the Climate Crisis: A Transformative Strategy for Canadian Farms and Food Systems." NFU Saskatoon, Available at: <https://www.nfu.ca/wp-content/uploads/2020/01/Tackling-the-Farm-Crisis-and-the-Climate-Crisis-NFU-2019.pdf>

⁸ Statistics Canada. May 10, 2017. *Manitoba: Friendly for young farm operators*. Retrieved August 15 2019 from <https://www150.statcan.gc.ca/n1/pub/95-640-x/2016001/article/14806-eng.htm>

⁹ Qualman, D., Akram-Lodhi A., Desmarais, A., and Sharada Srinivasan (2018). "Forever Young? The Crisis of Generational Renewal on Canadas Farms." *Canadian Food Studies* 5, 3 (September).

¹⁰ Government of Manitoba. No date. Agricultural Profile, 2016 Census. Retrieved August 13 2019 from <https://www.gov.mb.ca/agriculture/markets-and-statistics/statistics-tables/pubs/census-of-agriculture-mb-profile.pdf>

¹¹ Government of Manitoba. December 2017. Manitoba Agriculture and Agrifood Statistics. Retrieved August 13 from <https://gov.mb.ca/agriculture/markets-and-statistics/statistics-tables/pubs/mb-agriculture-statistics-factsheet.pdf>

¹² Farm Credit Canada (2018). "2018 FCC Farmland Values Report." Farm Credit Canada. Available at: <https://www.fcc-fac.ca/fcc/about-fcc/reports/2018-farmland-values-report-e.pdf>

¹³ Qualman, D., Akram-Lodhi A., Desmarais, A., and Sharada Srinivasan (2018). "Forever Young? The Crisis of Generational Renewal on Canadas Farms." *Canadian Food Studies* 5, 3 (September).

¹⁴ Fernandez, Lynne. May 12, 2018. "Changes to agricultural Crown lands will reap problems for Manitoba producers and the environment". Available at: <https://www.cbc.ca/news/canada/manitoba/opinion-lynne-fernandez-manitoba-crown-lands-1.4654546>

¹⁵ Government of Manitoba. (No date). Young and Beginning Farmers. Retrieved August 15 2019 from <https://www.gov.mb.ca/agriculture/farm-management/transition-planning/young-farmers.html>

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