

2009 Managing Excellence in Agriculture Conference

Beyond Freefall: Halting Rural Poverty

Hon. Terry M. Mercer, CFRE
Senator, Northend Halifax-Nova Scotia

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Welcome and Introduction

- Beyond Freefall: Halting Rural Poverty
 - Senate Standing Committee on Agriculture and Forestry
- Two year study started in 2006
 - 330 witnesses
- Interim Report:
 - Understanding Freefall: The Challenge of the Rural Poor was starting point for discussion

Why Study Rural Issues?

- Latest Census Figures
 - Rural Canada's share of the population fell below 20%
- More people believe large urban centres are the sole hub of growth in our country
 - So no need for federal rural policy
- I respectfully disagree !!!

Why Study Rural Issues

“We need only look around; there are many abandoned houses; there has been a drop in local pride. Our roads are in bad shape, because our population drops from one year to the next. There are no funds with which to maintain services...”

- ♦ *Mona Comeau, Services Manager, Jeanne Sauvé Family Services Centre, Kapuskasing*

Department of Rural Affairs

- Function of the Rural Secretariat be expanded into a full federal Department of Rural Affairs
 - Minister would have full power to sit at the Cabinet table

Forestry & Tourism

- Federal government should convene a national summit to develop a national forestry strategy
- We should equally be promoting Canada's rural endowments via tourism
 - More needs to be done to promote rural tourism to international travelers and local Canadians

Infrastructure

- **Municipal Rural Infrastructure Fund**
 - Defined “rural” as communities with fewer than 250,000 people
 - 20% of the fund went to communities with more than 250,000 people
- **Must ensure the program’s successor has a more appropriate rural focus**

Intellectual Infrastructure

- Federal government should encourage programs that foster rural community access to high-speed Internet
 - 47% of Canadian communities, mainly rural and small towns, did not have broadband access in 2005

Social Safety Net

- Canada's income security system was conceived in the 1930s and 40s
 - Built largely in the 1960s and 70s.
 - Now needs a new architecture for the 21st century
- Guaranteed Annual Income?

Outmigration

- Population decline
 - Who will work the farm?
- Out-migration among youth being especially pronounced
 - Who will keep the farm?
- Few if any options for attracting immigrants

Health

- Poverty is connected to poor health and education outcomes
- Permanent Rural Health Human Resources Initiative
 - More funding for telehealth programs, more investment in rural-based health education and additional research on rural health issues

Agriculture

The Farmer Feeds Them All

The politician talks and talks, the actor plays his part.

The soldier glitters on parade, the goldsmith plies his art.

The scientist pursues his germ, o'er the terrestrial ball.

The sailor navigates his ship, but the farmer feeds them all...

The workman wields his shiny tools, the merchant shows his wares.

The astronaut above the clouds, a dizzy journey dares.

But art and science soon would fade, and commerce dead would fall,

If the farmer ceased to reap and sow, for the farmer feeds them all.

The Future of Farming

- Federal agricultural policy may quietly be encouraging struggling farm operations to get out of the business
 - Contributes to the depopulation of Canada's rural agricultural landscape
 - Where is the future of farming headed?

Income

	Family Income From Farm Operation (\$)	Off-Farm Family Income (\$)	Total Family Income (\$)	Off-Farm Income as % of Total Family Income (\$)
Small Farms	3,710	35,535	39,245	91%
Medium Farms	10,671	71,166	81,837	87%
Large Farms	40,702	46,819	87,521	53%
Very Large Farms	103,168	47,782	150,950	32%
Pension Farms	11,298	56,187	67,485	83%
Lifestyle Farms	-5,360	105,913	100,553	105%
Low Income Farms	-1,646	18,982	17,336	109%

Disappearing Farms

Farm Receipts	2006	2001	% Change
Less than \$25,000	88,392	96,570	-8.50%
\$25,000 to \$99,999	62,030	69,828	-11.20%
\$100,000 to \$249,999	39,971	46,280	-13.60%
\$250,000 to \$999,999	33,078	29,792	11.00%
\$1 million and over	5,902	4,453	32.50%
All farms	229,373	246,923	-7.10%
Less than \$25,000	88,392	96,570	-8.50%

Towards A New Agricultural Approach

- “Growing Forward”
- Three goals for the framework:
 - competitive and innovative
 - contributes to society’s priorities
 - proactive in managing risks
- Federal, provincial and territorial ministers of Agriculture agreed

Canadian Farm Families Options Program

- Two-year pilot program
 - Ended in March 2008
- Provided a guaranteed income to eligible farmers
 - Minimum total income (including off-farm income)
 - \$25,000 for families
 - \$15,000 for individuals.
- Over 15,270 applicants received payments of \$145.1 million

Canadian Farm Families Options Program

- Federal government should reintroduce the Canadian Farm Families Options Program
 - With modifications that take into account feedback from farmers
- Should operate for at least another three years
 - Full analysis of the outcomes should be conducted

Farm Succession And Renewal

- Farm succession expected to increase in the near future
- Average age of a farm operator in Canada is 52
- Percentage of operators over 55 more than 40%
 - Highest percentage of farmers over 55 of any period
 - 2006 Census

Farm Succession And Renewal

- Young people gravitate towards other forms of employment, not farming
- Many potential young farmers deterred because they lack access to large amounts of money needed to start and run today's farms
- However, a number of federal tax measures exist, aimed at facilitating intergenerational transfers of farm property

Federal Tax Measures & Programs

- Rollover Provision
- Lifetime Exemption of Capital Gains
- Ten Year Capital Gain Reserve
- Accelerator Loan Program
- Transition Loan Program

A New Way Of Seeing The Farm

- Many Canadians associate agriculture with the production of food and fiber
 - But it can be MUCH MORE!
- Sources of renewable fuel, natural medicine, protection of biodiversity, improve nutrition and health protection

Environmental Health and Sustainability

- Must minimize adverse environmental impacts on land, water and air
- Federal government should introduce direct payments in recognition of the ecological goods and services provided by farmers and rural landowners

Water

- Canada has 20% of the world's freshwater resources
 - Only 2% of the world's population
- But only 9% of the world's renewable fresh water
- 60% of Canada's freshwater flows north, away from major population centers

Water

- Federal government should foster the kind of watershed agreements that have secured some of the best drinking water in the world
 - Examples include New York City and sustainable economic development in the Catskills
- Should ensure that rural communities and private property owners are adequately compensated for these efforts

Planning For Climate Change

- Agricultural activity produces roughly 8% of Canada's greenhouse gasses
- Farmers must find ways to manage risks associated with climate change
- Farmers must reduce emissions and enhance carbon sinks

Climate Change: We Are at Risk

- Impacts on agriculture will vary by region and by commodity resulting in possible shifts in agricultural production
 - May cause crop damage from heat, droughts, or loss of soil moisture
 - Changes in precipitation may lead to floods
 - Increased threat of soil erosion, insect infestations, weeds, and new diseases

Mitigating Climate Change

- Federal government must take a leadership role in coordinating efforts to predict and adapt to the impacts of climate change
- Farm financial risk management programs should be designed to be flexible
 - Carbon Credits, Biofuels, Small Local and Organic

Fostering Rural Leadership

- We need you to help rural Canada realize its own potential
- Refuse to let economic decline and depopulation blind you
 - There is tremendous local wealth and possibilities

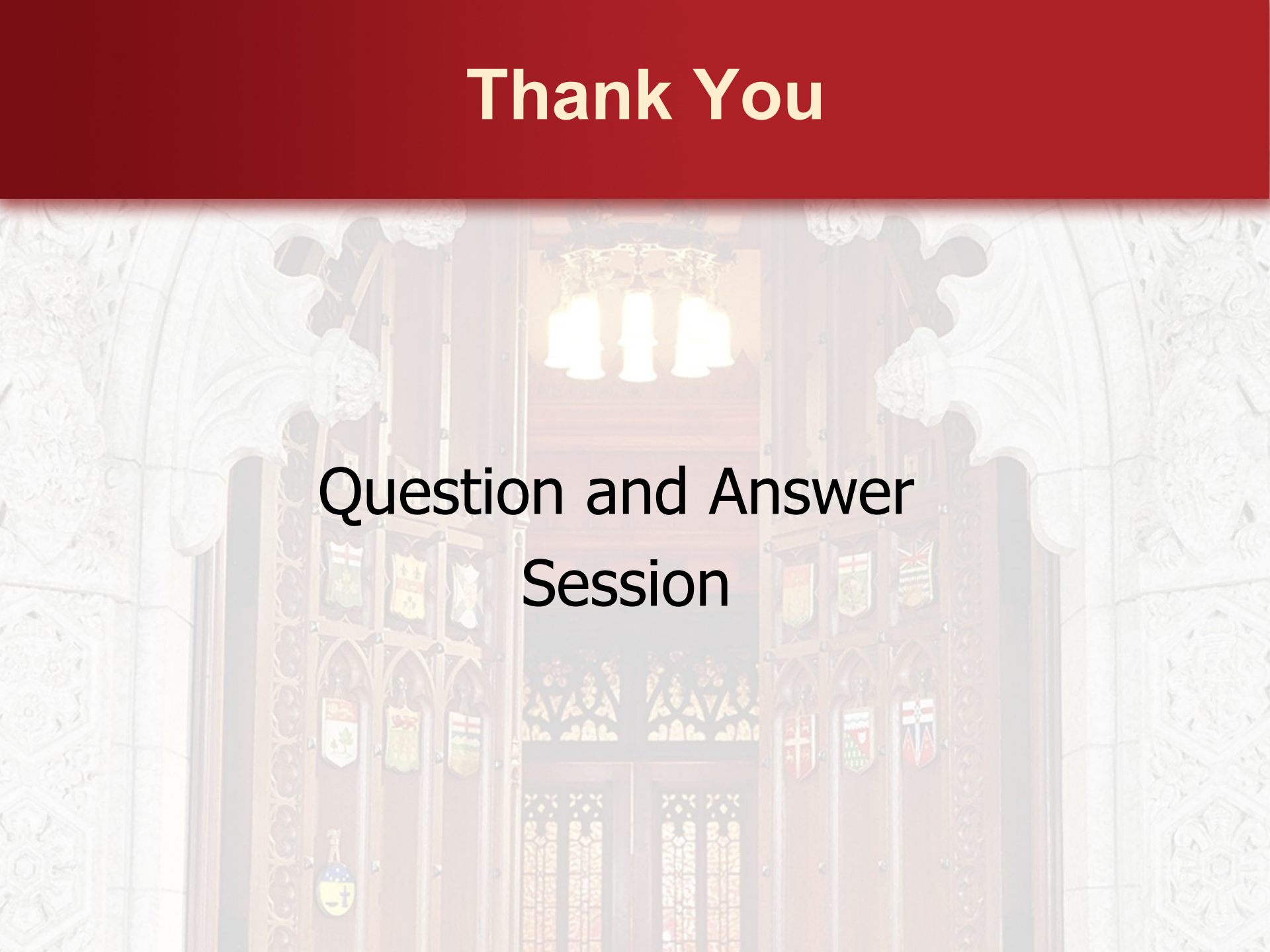
Federal Policy

- Federal government NEEDS to put rural issues back on the agenda
- Should not rely solely on market-based solutions
- Public investment does have a role
 - Local governments and citizens know best how to solve their own problems

Why is rural Canada worth it?

- Rural living is:
 - Knowing who your neighbours are
 - Living where our food grows and where our trees take root
 - Living close to and in harmony with nature
 - Living without congestion.
- If we lose our rural communities, we lose a bit of ourselves and our heritage

Thank You

The background image shows a highly detailed Gothic-style interior. It features dark wood paneling with intricate carvings and several heraldic crests or coats of arms mounted on the walls. A chandelier with multiple glowing lights hangs from the ceiling. The architecture includes pointed arches and decorative tracery. The overall atmosphere is formal and historical.

Question and Answer
Session