

Action against Subsidized U.S. Grain Corn 2005

A CFFO Policy Statement

Whereas Canadian Corn Producers have started a three-part action against subsidized U.S. grain corn coming into Canada:

- A request to the Canadian Border Services Agency to put countervailing and anti-dumping duties on the subsidized grain corn;
- A request to our federal government to start a WTO dispute settlement proceeding about the adverse effects of subsidized corn production; and
- A second request to our federal government to include corn on the list of target products for retaliation against the U.S. policy that allows individuals and corporations to profit from the duties collected on their successful anti-dumping activities.

Whereas the U.S. is exporting subsidized corn at unfairly low prices to Canada;

Whereas subsidized U.S. corn causes depressed prices, lower incomes for farm families and higher payouts from government assistance programs;

Whereas acreage planted to corn in Ontario is declining because of subsidized U.S. corn imports;

Whereas Ontario imports more than 60 million bushels of subsidized U.S. corn each year (in addition to 200 million grown locally) to supply the domestic processing sector;

Whereas corn producers are fed up with planting corn for which they can expect no decent return from the marketplace and governments have not seen fit to create support programs that are as generous as U.S. subsidies;

Whereas CFFO's policy approach is rooted in stewardship and long-term sustainability;

Whereas CFFO believes the opportunities for stewardship and long-term environmental sustainability are much greater when grain production and livestock production are managed together – the grain and forage from the field feeding the livestock and the manure from those livestock providing nutrients for the crops on those same fields – a land-based livestock agriculture;

Whereas subsidized U.S. corn is propping up part of the Ontario livestock sector – the part that is not linked to a land base close by – this part is neither environmentally nor economically sustainable for the long-term;

Whereas it is primarily the very large livestock farms and integrator owned or controlled enterprises that import the subsidized U.S. corn and thereby reduce the competitiveness of the more stewardly land-based small and moderate-size family farms;

Whereas U.S. grain corn subsidies are illegal because a) the expiry of the peace clause in the WTO Agreement on Agriculture and b) specific subsidy programs (marketing loan program, counter-cyclical payment program) violate U.S. WTO obligations as determined by the recent WTO dispute settlement reports in the Upland Cotton complaint initiated by Brazil;

Whereas CFFO is aware that duties on subsidized U.S. corn will cause price increases for some users (ethanol cooperatives, livestock farms that do not produce their own feed [supply-managed commodities can buffer the impact], industrial processors) but these businesses are not really viable if they short-change Ontario corn growers and rely on U.S. taxpayers to make their inputs affordable; and

Whereas five new ethanol plants are in various stages of planning in Ontario and their business plans should be based on the real cost of producing corn in Ontario.

Therefore be it resolved

That CFFO endorse the Canadian Corn Producers (Manitoba, Ontario, Quebec) request for action against subsidized U.S. corn.

*Adopted September 28, 2005
Provincial Council
Christian Farmers Federation*