



*Long-Term Thinking
for Today's Issues*

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The People and the Land: 20 Year Review

In 1989, the Catholic Bishops of Ontario released a document called *The People and the Land*. Twenty years later, the document is being considered for review. The document focuses on the importance of the family farm within rural Ontario, as well as social and economic issues, from women working off the farm to debt levels, to environmental degradation and land use issues.

Looking at this document twenty years later, there are issues where tremendous gains have been made in Ontario agriculture and there are others where it seems that little have changed. At the same time, the shape of Ontario agriculture and the rural community are changing.

The Definition of the Family Farm

The shape of the family farm has changed. For the Christian Farmers, the key component is that the farm be owned and operated by a family. The reference to “modest in size” was consistently met with scepticism by our membership. Technology and market forces are consistently driving growth in farm sizes for some operations. The CFFO believes that appropriate farm size is a function of what is required for a family to make a living farming.

The Exploitation of Farm Men & Women

The CFFO believes that there tends to be a tendency to argue that all farm men and women who work off the farm are forced to do so. There are certainly instances where an off-farm job is required, but in as many instances, the choice is made by men and women to pursue a career beyond the farm.

Today's farm women choose to pursue a career in a large number of fields, enjoying success in their interests. There are also many farm men who have a career away from the farm and enjoy the lifestyle offered by owning and operating a small farm.

Regardless of whether farm men and women want or need off-farm employment, it is crucial that there be ample off-farm opportunities for farm men and women to find rewarding jobs in nearby towns and cities.

However, the CFFO does agree that there are issues in achieving a return on a farmer's investment in the farm. Marketing systems that establish a fair system of covering costs of production for farmers are essential to a lasting agriculture in Ontario.

Local Food

Local to Ontario food processing and distribution infrastructure needs to be developed to allow for the local production and local consumption of food. The current food production and distribution model is failing both producers and consumers that are interested in this emerging system. The CFFO believes the Church, through its parishes, can help build broad support for this important food movement.

Food Sovereignty

On the issue of food, Ontario's bishops have the opportunity to support the concept of food sovereignty. This concept argues that each nation has the right to choose to produce what it needs to meet its subsistence goals and take policy steps to ensure those goals are met. Integral to this concept is that dumping of agricultural products must not be allowed.

Dealing with Debt

In 1989, there was considerable concern regarding the issue of farm debt. Today, Ontario's farmers remain some of the most highly leveraged farmers in North America, placing us at a competitive disadvantage with other jurisdictions. In 2004, Ontario's farmers held roughly \$11 billion in debt and had a debt to income ratio of 26 dollars of debt for every dollar of net income. Conversely, the Canadian average for that year was \$44 billion in debt and a debt to income ratio of 11, and the American farm sector holds 201 billion in debt and a ratio of 2.7 dollars of debt for every dollar of net income.¹ Simply put, Ontario's farmers carry more debt for each dollar of income they earn.

Many of our farmers argue that manageable debt, properly leveraged, is good debt for our farmers to bear, as it allows their operations to grow. Furthermore, organizations such as Farm Credit Canada are providing farmers with a steady source financing outside the major banks.

However, many of our farmers are gravely concerned about the practice of interest only loans that are being granted to farmers. If a sharp increase in interest rates were to occur, many of Ontario's farmers would be facing serious financial difficulty. It is more important to Ontario's farmers that inflation and interest rates remain stable. Easy credit in agriculture is a double-edged sword for farmers, as it gives them the ability to grow, but has the potential to lead to ruin.

Environmental considerations

Farmers in Ontario have made tremendous strides in being caretakers of the environment in the last twenty years. The Environmental Farm Plan program has been tremendously successful in developing awareness of on-farm environmental issues in the agriculture sector, and has been integral to providing cost-shared funding for many one-time projects on farm.

Moving forward, Ontario's farmers may need to take on longer-term projects that require either continual efforts or have land retired from use to support environmental initiatives. These public goods will require support from society in the form of environmental goods and

¹ Sources: Dr. George Brinkman's work using Statistics Canada, Agricultural Statistics Online Catalogue 21010 X1E for farm income and 21010 X1E-21015 X1E; USDA website: www.ers.usda.gov/data/farmincome/finfidmu.htm, and www.ers.usda.gov/data/farbalancesheet/fbsdmu.htm;

service payments. The Alternative Land Use Services pilot project in Norfolk County and the Huron County Payment for Ecological Goods & Services Pilot project are already under way, demonstrating how such a system can be a win-win scenario for society and farmers.

New Entrants

There is still a tremendous need in Ontario to enable new entrants to start in agriculture. The Christian Farmers Federation of Ontario has made a number of recommendations on this key area (attached to this mailing) including areas of financing, mentoring, and the necessity of a business plan.

There have been positive steps to help new entrants in some areas. For example, the Farm Start program based out of the University of Guelph is focusing on establishing a number of immigrant farmers to supply the ethnic needs of the Greater Toronto Area.

Safety Nets

In the area of safety nets, the CFFO has held that payment caps on agriculture need to be limited to \$300,000 per farm operation not the \$3,000,000 cap that is currently in place in Canada. This forces a fixed amount of money available from government to be distributed in a manner that supports the vast majority of farmers more strongly, and we believe, more justly.

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