

& OPEN FORUM

CLIMATE IMPACT

Agriculture focuses on environment

BY GARTH WHYTE
& GORDON BACON

Feeding the world with climate smart agriculture has been a long-standing priority for Canada's agriculture and agri-food sector.

Agriculture was not part of the agenda at the climate change summit in Paris, but prime minister Justin Trudeau can be proud of the important role that Canadian agriculture is playing in meeting challenges related to the environment and food security.

Canadian agriculture is already focused on implementing innovative strategies for environmental stewardship.

The industry has readily implemented climate smart agriculture with innovative practices, which have made our industry more productive while minimizing impacts on the environment.

The country's farmers are living proof that the world can produce more food while maintaining the resource base needed to produce that food. They are also ready to improve productivity while minimizing their impact on the environment.

Global crop production must increase by 70 percent to feed nine billion people by 2050. Meeting the demand for nutritious food will require the efficient use of valuable resources.

The per capita demand for calories and protein rises as global populations become more affluent. Feeding all the people in the world remains one of our greatest



Canadian farmers are adopting practices that improve input efficiency, reduce greenhouse gases and protect the environment. | FILE PHOTO

challenges and will require a collaboration of all players in a resilient, complex and competitive food system.

Replenishing the nutrients used by the crop each year with fertilizer ensures the production of sustainable food.

Canadian farmers are adopting innovative and science-based methods by applying fertilizer using the 4R Nutrient Stewardship standards of right source, right rate, right time and right place.

This world-leading Canadian-made program has the capacity to

reduce greenhouse gas emissions from nitrogen fertilizer use by 15 to 25 percent. It allows producers to grow more food using existing farmland and ensuring the protection of the environment and the production of safe food for consumers.

Small-holder farms in Africa and other developing regions can use 4R Nutrient Stewardship to significantly change and improve growing conditions.

Canadian farmers are also a global leader in producing and exporting pulse crops. They make a

major contribution to global food security by exporting to more than 150 countries when local production is insufficient to meet demand.

Lentils, beans, peas and chickpeas provide a variety of benefits to the world:

- contribute calories and protein
- improve health outcomes in undernourished and overnourished populations
- improve sustainability by decreasing agricultural greenhouse gas emissions, improving soil health and improving the overall productivity of agricultural systems.

The United Nations' Food and Agriculture Organization declared 2015 the International Year of Soils and 2016 the International Year of Pulses. The declarations signaled a shared vision for food production systems that are sustainable and contribute positively to food security and nutrition.

Canada is a world leader in soil conservation and pulse production, and the country's agricultural industry has joined the FAO in celebrating these international years.

The industry is uniquely positioned to become not only a source of food for Canada and the world but also to be a leader in the quest for solutions that contribute to ensuring a food system that offers food for healthy people and a healthy planet.

Garth Whyte is president and chief executive officer of Fertilizer Canada and Gordon Bacon is CEO of Pulse Canada.

TAKING CONTROL

Is it luck or good management?

EDITORIAL NOTEBOOK



MICHAEL RAINE
MANAGING EDITOR

What does farm management mean to you? Is it managing inputs, land, marketing, labour, assets, time? Yes, yes it is.

Farms can be successful, even though they are poorly managed in many of these areas. And well managed farms can be financial failures. It is the nature of farming that a big piece of luck is generally required for success, especially in the dry land grains and oilseeds business.

Most farms are operated by couples or individuals who are related. Often that big 12,000 acre corporate farm is really four couples and an individual or two, averaging 2,400 acres per person. Older members of the group often own or rent a few more acres than the younger partners, which tends to shift over time.

The farm grows a little at a time, but often doesn't get any bigger than it has to be to provide a living for its members. This is largely because of risk or other management restrictions and a reliance on shared risk and luck.

Luck management is what allows most dry land crop producers to remain in business and in farming.

I am a true believer that you make your luck. You have to have some lentils in the rotation when they top 50 cents per bushel. You need to grow a big canola crop even when the price is likely going to be \$8.75 per bu., and it ends up being \$10.50.

Farmers who had a couple hundred cows five years ago weren't feeling all that lucky. They do today.

A quarter section of alfalfa might not have paid its way three years ago, but a crop this year was a different story. If you owned land in 2007 and still have it, it likely tripled in price. None of these things were predicted.

Managing luck starts with managing as many things that can be controlled as possible.

I just spent time with members of Farm Management Canada at their annual conference. They are farmers interested in making their own luck or making the most of the luck they get. I felt lucky by the end of it.

I am thinking of buying 500 cows this year. Now, if a couple of hundred cattle producers are feeling lucky, they could each pony up a few bucks and send it to me, in exchange for me not doing that. Generally if I'm getting out, you should get in. If I am buying, sell.

I sometimes fail to manage my luck effectively, especially with cattle. Just saying.

PULSE GROUP PROPOSAL

Levy funds should encourage accountability

HURSH ON AG



KEVIN HURSH

A resolution on the agenda for the Saskatchewan Pulse Growers annual general meeting in January could make for a lively debate that goes beyond pulse crops and Saskatchewan.

The resolution reads:

"Whereas the Saskatchewan Pulse Growers checkoff is the only provincial grain levy that is not refundable, whereas a refundable levy helps to ensure directors are accountable to their members, whereas individual farmers should have the right to determine the best use of their dollars, be it resolved that the board of Saskatchewan Pulse Growers ask the provincial government to amend its regulations to make its checkoff refundable."

There are strong arguments on both sides of this debate.

On one hand, why should levies that go toward varietal development, market promotion and agronomic research be refundable? All growers of the crop benefit whether they take a refund or not. You don't have an opportunity to opt out of paying taxes.

Pulse crops in Saskatchewan are an incredible success story, and a large part of the credit has to go to the producers who supported a levy in 1983, well before any of the other levies were in place.

On the other hand, why should pulse crops in Saskatchewan be treated differently than other crops, particularly when the pulse levy is much higher than most others?

The pulse levy is one percent of gross sales, and \$13 million was collected in 2012-13. As well, the organization reported more than \$24 million in assets, mostly in investments.

The current price of lentils, and to a lesser extent field peas, means levy revenue will be high this year. Most lentil crops are generating

gross returns of \$500 an acre or more, which produces a levy of \$5 an acre. A thousand acres of lentils is easily \$5,000 in non-refundable levy.

Contrast this with SaskCanola, where the levy is a flat 75 cents a tonne. An average canola crop of 34 bushels an acre (.77 tonnes) generates a levy of just \$1.35 an acre. The levy contribution would average \$1,350 for a producer with 1,000 acres of canola.

SaskCanola generated \$5.7 million in the last fiscal year that was reported. It was less than half what Saskatchewan Pulse Growers raised, despite canola being grown on a much larger acreage.

As well, SaskCanola had to make refunds of \$304,000 to producers who asked for their money back, which was five percent of the money that was collected.

It should be noted that Saskatchewan Pulse Growers has funded the development of most of the pulse crop varieties that producers now grow.

Varietal development in the canola sector happens within the private sector with the cost and a

profit margin attached to the price of seed that producers buy every year.

Most of the producers who regularly request refunds don't go to annual meetings or read annual reports and commodity newsletters. They don't deserve our sympathy.

However, there can also be well-informed conscientious objectors who oppose how their levy dollars are being spent, and these producers deserve consideration.

Some observers, such as Dean Klippenstine of MNP, say producers should be able to pull their levy money, but the "refund" would go to a charity such as the food bank.

Another idea is that a producer could choose to reallocate their levy to a different crop. This could be a novel way to approach the refundable versus non-refundable debate, which would encourage accountability rather than encouraging freeloaders.

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