



**CAPI**

*The Canadian Agri-Food  
Policy Institute*



**ICPA**

*L'Institut canadien des  
politiques agro-alimentaires*

# ***Enhancing Canadian Farm Income: Opportunities for the Future***

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# Canadian Farm Income Issues (1)

- **Declining importance of primary agriculture in the national and many regional economies**
- **Some parts of Canadian agriculture are in the mature or declining stage of their life cycle**
  - a need for new products and approaches
- **Long-term agricultural profitability has to happen not only at the aggregate level, but also at the various links in the agrifood chain**
  - especially the farm level

# Canadian Farm Income Issues (2)

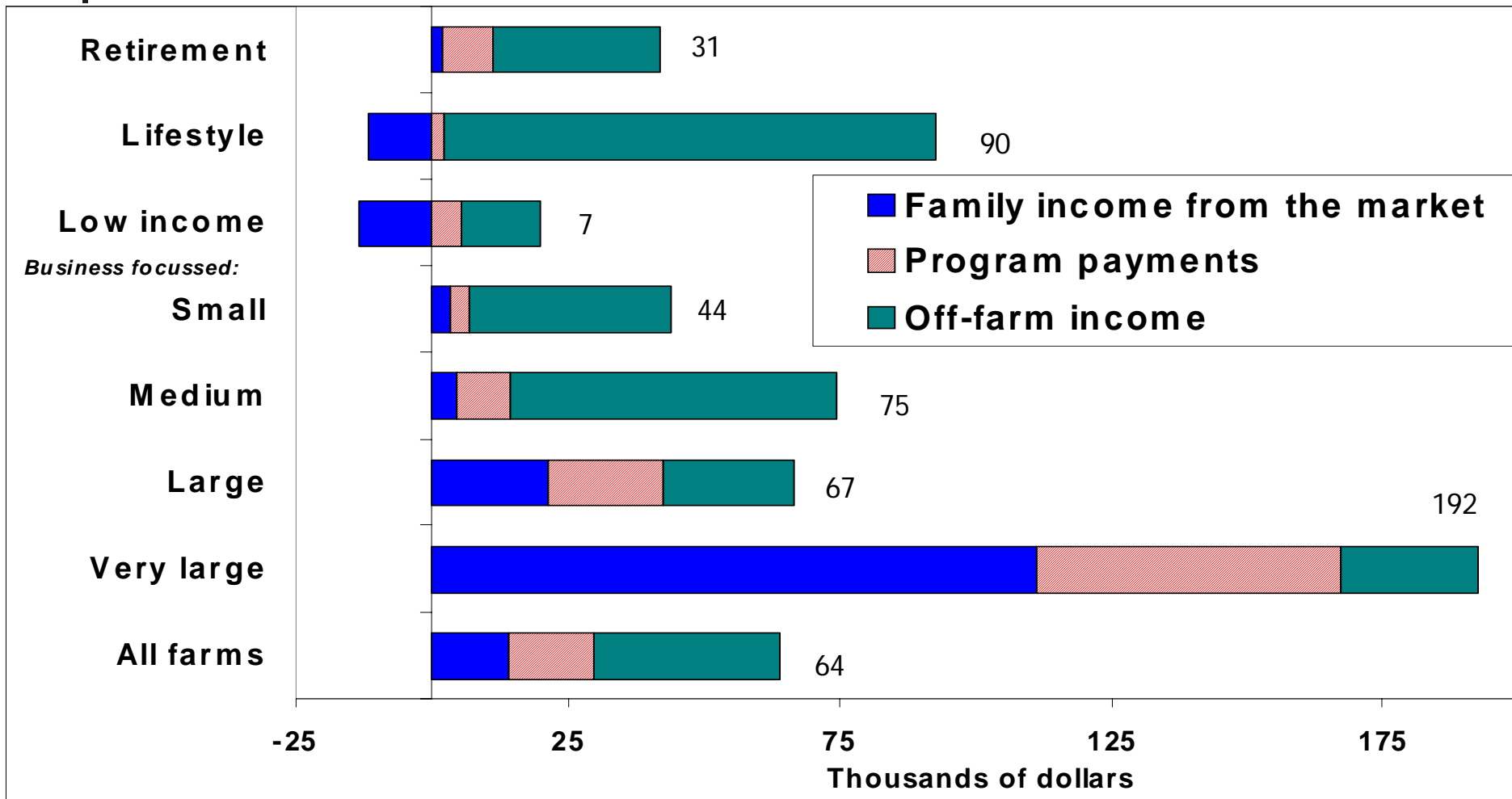
- **Farm income can be derived from four key areas:**
  - **primary unprocessed farm commodities**
  - **“value added” processed food and other agricultural product production**
  - **products of the knowledge based bioeconomy**
  - **ecological goods and services**

# Canadian Farm Income Issues (3)

- **Farm family income is derived from farm income as well as from non-farm family income**
- **There are many types of farms and farmers in the rural landscape, each with different characteristics and lifestyle/business objectives**
- **One policy approach is unlikely to fit all**

# Family Income by Farm Typology

## From Farm and Off-Farm Sources (2003)



# Canadian Farm Income Issues (4)

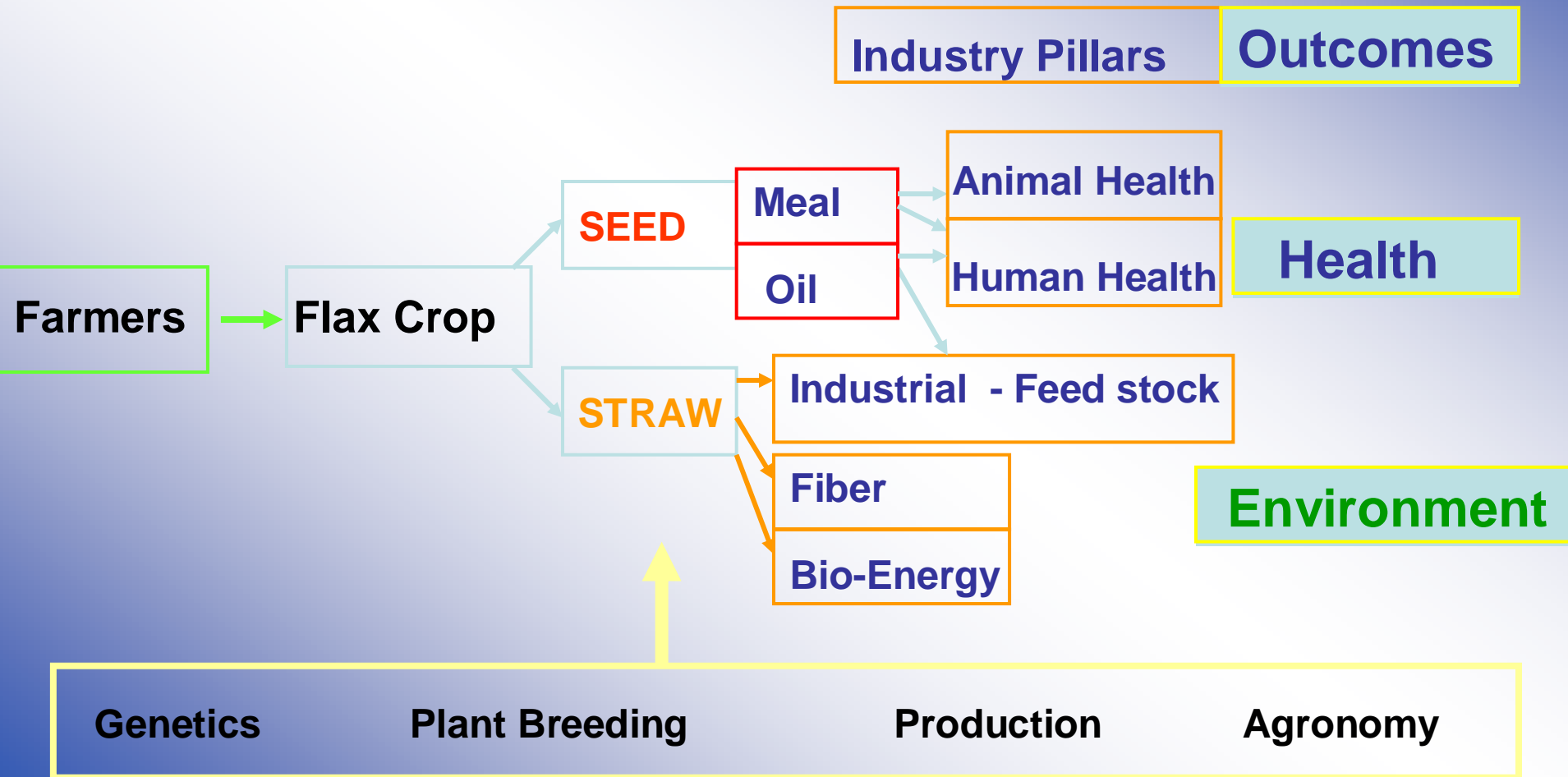
- **Policies that support farm income through focus on primary commodity products are generally ineffective in the long run**
- **Policy focus on value added agriculture and food production has benefited the agrifood sector generally**
  - **not clear how much of that benefit finds its way to the primary producer level**

# Canadian Farm Income Issues (5)

- **There is potential for farm income from ecological goods and services, e.g., ALUS**
- **There is potential for improving farm incomes by focusing on products of the knowledge based bioeconomy**

# Flax - Canada's Bio-Economy Crop

## Total Flax Crop Utilization





# What does Society Want from Canadian Agriculture?

- **A significant (and increasing) proportion of the Canadian population has little knowledge of, or interest in, agricultural issues**
- **They are, however, very interested in the quality and safety of their food, and environmental protection and stewardship**
- **The primary production sector cannot expect to “drive the agricultural policy agenda” in isolation of other stakeholders**

# A Vision for Canadian Agriculture

**AGRICULTURE:  
A FOUNDATION FOR A HEALTHY  
AND SUSTAINABLE  
SOCIETY IN CANADA AND  
GLOBALLY**

# Implications and Challenges of the Vision (1)

- **Agriculture is not an entity unto itself, but is an integral part of broader society**
- **More effort will be required on the part of society to understand and appreciate what is happening in agriculture, and on the part of agriculture to understand and appreciate what society's needs and goals are**
- **A sustainable society suggests one that is economically viable, practices environmental stewardship, and is socially beneficial**

# Implications and Challenges of the Vision (2)

- **A focus on how agriculture can help reduce the burgeoning health deficit, improve quality of life, and embrace environmental sustainability has the potential to enhance farm incomes as well as improve the image of agriculture**
- **Low income issues in agriculture should be dealt with through the same broader social policy tools as the rest of society**

# Implications and Challenges of the Vision (3)

- **Canada can strive to become a world leader in food safety and quality, environmental stewardship and innovation**
  - - perhaps with a focus on value chains
- **Requires a system of minimal government regulations and controls that protect the basic needs of society yet encourage entrepreneurial approaches to agricultural management and production**
- **Requires an adequately funded research strategy**

# **THE GREATEST CHALLENGE FOR THIS VISION IS TO BRING ABOUT A CHANGE IN MINDSET AS TO HOW WE VIEW AGRICULTURE**