

Re-Shaping the Role of Agriculture:
Can Canadian Politicians Accommodate a New Vision?

Canadian Agri-Food Policy Institute Forum
“Working Towards a New Direction for the Agri-Food Sector”
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Forum Overview

Notes for a Keynote Address by:

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**Check against delivery*

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My purpose tonight is to define a challenge for the political class, of which I am very much a part—a challenge that is far more profound than partisan boosterism, who's ahead in the polls or who may or may not win the next election. While all of these short term issues are vital to a competitive democracy and the party system that sustains it, the ability of our political system to reflect a changing context, higher challenges and goals also define the relevance of our competitive democracy. The purpose of a competitive democracy is broader than competition between political parties. The ability of the democratic system to actually engage in those areas that will improve economic, social, health and environmental prospects for a pluralist society against clear challenges that threaten, is another indication of how well democracy works for the citizen.

On November 22, 2005, my first motion in the Senate of Canada as the Junior Senator from Ontario, was a notice of motion asking Senate to authorize the Standing Senate Committee on Agriculture and Forestry to examine and report on rural poverty in Canada. It is a matter I intend to pursue in a multi-partisan way when Parliament returns a few weeks from now. I raise the poverty in rural Canada issue because I truly believe that it is a prism through which we can look at the need for a new departure relative to national agricultural policy, and a prison that is not only subjecting too many of our fellow Canadians to a life of diminishing prospects and self respect, but one that is focusing too much of our political class on the challenge of collapsing farm incomes as opposed to the need for strategic investment and regulatory modernization.

I do not diminish or dilute the income issue. And, I am glad to see that the working papers and ideas you are considering during this vision building engagement do not in any way take diminishing farm income prospects lightly.

It is normative for governments to respond first and foremost to farm income crises as they come up. But unless there is strategic investment for a different future, the present reality will continue to repeat itself every few years. I cannot believe that anyone is satisfied subjecting generation after generation of farming families and communities to this kind of perverse ‘Groundhog Day’ script without the humour. Yet that is the box we have been in until now. Buffeted by externalities from perverse US subsidies, BSE and related issues, the growth of the Brazilian export force in hemispheric food production and markets, the rising cost of energy driven by hurricanes in the south and political instability in the middle east and Venezuela, farming and making a living within the present farming context has become a game of diminishing returns. While marginal advantage can be sustained by better business practices, economies of scale and reduced input costs, for many farmers these are beyond their reach for structural and organizational reasons.

Yet, the crisis we are now traversing, the stormy seas we are endeavoring to get Canada’s agricultural ship through speak to an underlying shift in the tectonic plates of food production, environmental priorities, energy scarcity and public policy inadequacy shaping the contours of the ocean floor underneath.

The challenge for all of us who care about the people and communities, companies and infrastructure, families and well being that shape the agricultural world in our country from the farm gate to our dinner plate, is deeply compelling:

Can we pull together the goals of sustainable and humane economic, environmental and health outcomes in a coherent strategy that broadens Canada’s economic and social progress, uses the farming resource and builds a future based on strength and innovation as opposed to crisis and

passivity? Can our political class at the federal and provincial level move to a different narrative in cooperation with farm and agri-business leadership that enhances the human for farmers and embraces the economic and national security imperatives of a forward looking agricultural sector? Can we make the agricultural sector a central part of the solution to diverse energy, health and environmental challenges as opposed to a sidecar irritant while the action takes place elsewhere in the economy?

The challenge is no longer only about efficient food production of high quality, low cost foodstock for Canada and select export markets. It is about the food production cycle becoming a strategic lever that catapults aspects of our energy, healthcare and environmental agenda ahead in a way that enhances Canada's competitive advantage, revitalizes the farming and agricultural sectors. This approach would replace income collapse over time with strategic income growth at the farm gate and in other key parts of the soil to society cycle-so fundamental to our history and wealth as a society in the past and even more vital to Canada's role as a competitor of signal substance and leadership.

I come from no farming background. I have served on the boards of Canadian companies in the Dairy Business, in the restaurant business, in the wine sector and I have seen where innovation could make a huge difference in terms of growth and opportunity. In the wine business, focusing on the brick content of grapes and their quality and varietal strength has become more important than simple tonnage to both the grower and the vintner. In the Dairy business, I remember very well, the leadership shown by the late Graham Freeman at Ault dairies, on whose board I sat, when huge investments were made in filtering technology that would extend the shelf life, improve the taste and begin to address the lactose intolerance issues that occur in modern society.

My maternal grandfather was a baker who came from the Austro-Hungarian Empire to Canada in the late eighteenth century to start a kosher bakery on Boulevard St. Laurent in downtown Montreal. All my aunts and uncles and my mom spent some time working the bakery, some expanding for a time to Rochester New York just across the water from where we have gathered tonight. They were small business people working hard to build a life, to build a future, to sustain a family, to let quality, fair prices and good service shape their economic opportunity in this Canada of ours. It was a simple business, but with its own demands for hard work, dependability, purity, creativity and client sensitive offerings behind the bread counter, fresh and hot every morning, rain or shine.

Today's bread counter, today's food counter spreads around the world-and its variety and diversity is remarkable. But Canada's offerings cannot remain static, and the purity and quality, that was sufficient in the past, needs now not to be taken for granted, but enhanced in the context of the larger economic, environmental and energy challenges we face. Food produced in Canada, strategic food, crop and underlying application innovations, hold the key to immense progress on critical issues like disease management, alternate fuel sourcing, energy independence and environmental sustainability in every progressive, profitable and economic sense of what sustainability can and should mean in a dynamic economy.

Let me offer one or two examples from the issues and possibilities you have been discussing today and will discuss tomorrow, and then let me engage at the "how to level" of combating political disconnect from the opportunity grid we have before us.

We have seen some market movement and political movement on the ethanol issue-potentially good for the farmer, good for national security and energy independence, good for the environment and good for the economy. The commitment of the newly elected government to mandate increased ethanol use across the spectrum is a solid step ahead. The movement of companies like General Motors through innovations like the E85 Engine (and I sit on the GM advisory board here in Canada) to promote more ethanol usage is also a step ahead. But as long as part of the regulatory burden makes the growing of lower protein and higher carbohydrate strains of wheat officially undesirable in Canada, we have a problem. The problem is the disconnect between regulatory reality and the public interest imperative. And this is but one example.

When innovation produces foodstocks that can inhibit disease, contribute to longevity or increase nutritional balance and health, how do we insure that among others, the farmer, the farm community, the pre-farm gate commitment and toil, investment and due diligence is adequately rewarded and financially encouraged? Can we plan on real progress without ensuring that we do?

If we have ongoing commitments to sustaining farm income in commodity categories where external pressures, climactic instability and input cost spirals have depressed revenues, (and I heartily approve of my fellow Conservatives' commitments to enhance farm income support and reform income programmes that are simply not working) are we also prepared to invest in an outcomes driven engagement to ensure new product design and development, new labeling and regulatory coherence and a more contextually competitive stance for the Canadian farmer? Because if we are not, we are turning away from sustainability and the building of new futures and opportunities towards the less compelling but politically easier framework of sustaining the present for as long as possible. From alternate fuel sources, to nutraceuticals, from environmental leverage

to enhanced disease prevention and management, Canada's food industry has the feedstock, production capacity, broadly based critical mass, intellectual property and innovation supportive of Progressive Canadian farming contribution to overcoming many of the energy, health, demographic, environmental and related national security issues Canada and its global partners and competitors face. To realize the full potential of this substantial opportunity, we need to be frank about the impediments now in place to moving ahead in a focused and productive manner as quickly as the world needs and we should want.

Our political process does not really embrace farming and agriculture as an area of technological innovation and global market share opportunity. Agricultural policy and innovation are not seen as a solution where Canada can have competitive advantage. It is seen as a chronic problem without prospects and with a continuing ongoing threat to the already challenged economic base of rural and small town Canada. To date, the bias of many federal and provincial governments has been defensive and apprehensive. "Where is the next opportunity?" has often been overwhelmed by the incoming income "crise du jour". It is amazing how when a sector is treated as a chronic problem and source of both dissatisfaction and economic crisis, that sector acquires the attributes attributed to it in many people's minds. This is neither governing nor leading-this is coping and treading water in an ever more shallow pool. It is profoundly unfair to the population of small town and rural Canada, who deserve better. It is unfair to the RandD and innovative food processing industries and their efforts to build new market niches for uniquely and/or superior Canadian food industry innovations of one form or another .It is not good enough!

When considering industrial and strategic investment decisions in the public or private sector, it has long been fundamental to forget about segmenting off key pieces and proceeding in isolated or narrow furrows. No company that makes a key investment decision can avoid considering the implicit embrace of work place health and safety, environmental, financial, technological and energy inputs into the investment decision. All combine to form the core economics-in terms of profitability, human sustainability and balance of the initiative going forward. This has never been more true than with looming environmental, energy and economic decisions because of what we now understand about how all of these inter-connect and inter-depend.

The real shape of our environment, our economy, our national and food security, our antiviral and healthcare prospects, our energy and health status, now depends on an integrated decision matrix where regulatory, tax, investment, social policy, innovation and healthcare issues are dealt with in a coherent and inter-linked way. We can and we must put farming and agri-food very much at the centre of this new frontier narrative.

There will be costs to this effort in bureaucratic energy, political capital, some sensitivity around sectoral and commodity driven turf wars, and reactionary clients who resist any core rethinking of what agriculture is becoming and can yet become.

But I believe that these costs, while substantial if transitional, are much smaller than the costs of embracing the status quo, hiding under the cover of the existing income support paradigm and failing the test of new strategic investment, public policy re-design and regulatory modernization.

In political science, and I use this when I talk about resistance to change with my graduate students at the Policy School at Queens, there is a theory called “path dependency”. It argues simply that it is easier to plough ahead in the same furrow, sometimes back and forth, making the furrow deeper-and increasing the chances of a heavy rain drowning all and sundry, than getting out of the old furrow and heading in a new and more compelling direction. The energy required to go back and forth in the same path is less demanding than that of propelling oneself out of the old furrow onto a new path and direction. There are risks to change, and as a life long conservative, I am delighted to enumerate them for you. But there are sometimes even greater risks to clinging to the tried and true, succumbing to the narcotic undulation of the comfortable and familiar.

At the federal level, we need to look at whether the divisions between science and technology, health, industry, agriculture, energy and environment make that much sense issue by issue. This is not about one big department too large to manage, which would help no one. It is about an integrated policy focus that looks at and considers innovation, financing, tax, environmental and energy challenges in a coordinated and integrated way from an agricultural perspective,. It would be about commons and senate committees working more closely together on an integrated basis in matters and areas critical to the rural, agricultural and food industry challenge. It would be about a basic income floor for all Canadians, something I have fought for over 35 years, that would liberate us to look at strategic investment in agriculture and not just modest support for commodity specific income collapse.

No, it will not be easy, especially as the surrounding planets of increased foreign competition, increased and unjustified foreign subsidy, the use of phytosanitary conditions as a new non tariff barrier to Canadian food exports continue to exert their competing magnetic forces on the agricultural planet we share here in Canada.

But standing still, avoiding change, keeping our policy framework narrow and silo like is absolutely the same as abdication.

And abdication, like failure and surrender, should never be an option. Not when so much, so many, so much of value and transformative potential is at stake, and within our grasp.

Thank you all very much.

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