



# The need for BACKFIRE

**It is a fire started to control or extinguish an advancing fire  
... and that is where dairy politics is at**

WITHOUT A STRONG BACKFIRE of public support, Ottawa's reckless pursuit of globalization poses a serious threat to Canada's milk, poultry and egg producers. If these pillars of our farm communities fall, so too does the independence of Canada's farm sector.

Why do we care? Because independent and local is better. Period. More efficient. More responsive. More resilient. More supportive of community. More respectful of our soils and water. More humane. Sustainable.

Knee-jerk globalists see supply management as the universal lubricant in trade talks. Why? Because agri-food trans-nationals with inappropriate influence in trade negotiations have demanded it as a concession. "Putting SM on the block for the good of all" only works for Ottawa if farmers are divided (cutting off effective lobby) and voter opposition is minimized (keeping the public in the dark).

Telling beef producers "it's those dairy guys

that are keeping you from export markets" achieves the former. Never mind that Canada was never a beef exporter of any note till the mid-1980's. Now packer concentration (market power), packer ownership of cattle and declining farm and feeder margins mean many ranchers are increasingly dependent on export markets to cover costs.

Similarly, it's convenient that concentration in the mainstream media has replaced seasoned investigative journalists with a stable of rookies with no depth in agriculture: no one to explain things to the public means the public will not be sufficiently informed to mount any opposition to government's attack on farmers.

Against this wall of silence, how can Canadians exercise their right to sound farm policy? They can't. It's time for dairy farmers to harness the spokespersons to spell out for the Canadian consumer what sustainable food policy looks like.

The future of Canada's dairy farmers came up in

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discussion with a very respected colleague as we drove BC's spectacular mountain roads from Fauquier to Kelowna.

In retrospect, discussions with the uninformed are far easier. Since their argument often rests on "cost to Canadians" it doesn't take much to show that the spread between the two markets is roughly 15 ¢ per litre. A spread that would reverse in Canada's favour were the US taxpayer subsidy of 31¢ per litre of milk dropped. Not only do our farmers match the competitiveness of their US counterparts, they exceed it.

But entering into a discussion with my respected friend challenged me. Fearing the dismissive "rubbish" that would surely escape my lips should he raise Martha-like accusations that supply management "barred farmers from taking advantage of the opportunities and efficiencies a truly free market affords", I temper my responses, searching for a more respectful approach to the differences between us.

The argument that farmers need to be competitive on a North American market is moot. If competitive means

able to produce with equal efficiency, Canadian farmers are already more competitive than their US counterparts. Large 5,000-cow herds require a lot of antibiotics and a lot of capital. If 50 cow herds – a one person efficient family farm – can produce at 15¢ less per litre (before US subsidies) than their mega-sized US counterparts, there is obviously no truth to the allegation that a farming system that supports the family farm is inherently inefficient.

Similarly, it is not clear why Canadian dairy farmers would want to export to international markets. The game of large dairy trans-nationals is to break milk down into its high valued constituents and ship derivatives around the world from lowest cost supply region to highest valued export market. Farmers would receive no benefits from such pointless expansion. Adding 3 or 4 new cows to a milking herd is one thing. Milking 5,000 turns a farm into a factory. And toward what end? More manure problems, more land needed to grow rations (never enough, units of this size are feed dependent),

more antibiotics.

I want to explain that globalization has in fact created UNCOMPETITIVE markets – dairy processing oligopolies able to impoverish farmers to such an extent that in 2008, 98 percent of milk produced around the world did not receive sufficient returns to cover production costs.

I want to tell him that once he understands the global situation, he will become a defender of Canada's supply management system as good public policy and the only way to ensure sustainable stewardship of our foodlands.

I want him to understand that quota value represents "risk insurance" against tumultuous markets and is NOT included in the formula that establishes fair production costs. I want him to understand that quota is not stopping young people from getting into farming – dairy farms are generational.

I want to transport him to Australia, where farmers are saying no to demands by processors to boost production for derivative export markets because prices don't cover costs. To the UK, where farmers are



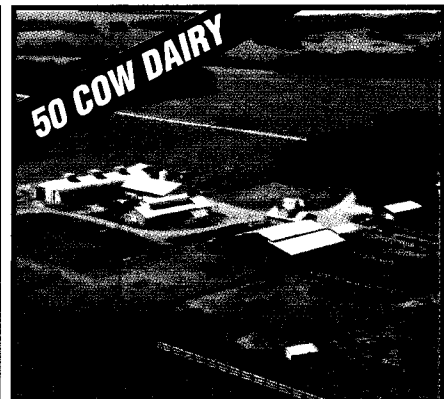
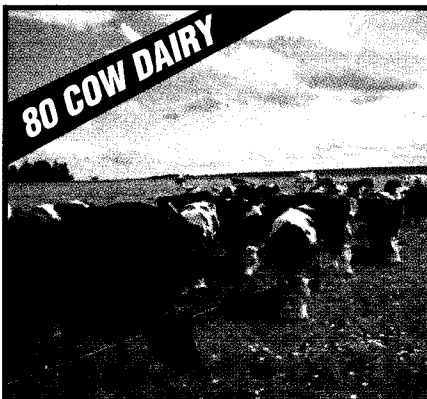
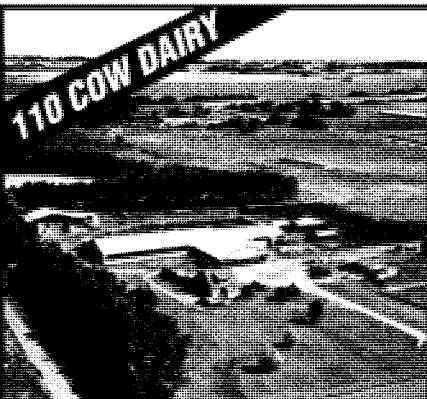
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circling the tractors over cuts to prices already below cost. To the US, where 4 percent of the dairy farmers produce 52 percent of the milk and 40 percent of farms milk over 1,000 cows a day.

I want him to understand that without the market authority of supply management, Canada's farmers would indeed "enjoy" the same situation facing farmers internationally: boom and bust production cycles, wildly fluctuating prices and low farm returns.

But none of this was discussed. Filled with mutual respect, we both knew we needed time and forbearance to give the subject its due.

To provide some context for our upcoming discussion, I instead shared with him a link to an address I gave to

the Wild Rose Agricultural Producers in Banff, Alberta in January ([www.wendyholm.com](http://www.wendyholm.com) click on Speaking then on Wild Rose then on VIDEO). The theme was "a vision for the future of agriculture" and I was there to speak about food, farming and public policy: why food security and sovereignty are essential to a sustainable future for Canada and what policy respect looks like for our farmers.

The Alberta Premier, in a welcome letter included in the package, said her vision was an agriculture sector that supports the provincial economy by improved access to global markets. I suspect my friend shares this opinion. The letter from the Alberta Agriculture Minister's expressed his vision of agriculture as a continuing

pillar of rural communities, fostering innovation and entrepreneurship and sustaining the economic, environment and social fabric of rural life. I agree with the Ag Minister. To which I added:

- Farmers want to receive a healthy farm return that supports the soils and future generations.
- Farmers want to continue to make independent management decisions, not be told how to farm.
- Farmers want to transfer the farm to the next generation and have the next generation ready and eager to receive it...
- Farmers want to stand together as farmers when it matters, and that means understanding and supporting one another's concerns...
- Farmers want to feel pride in your community and be a respected part of your community...
- Farmers also want to have a life. Farming is about everybody pitching in and when the works all done, spending time together as a family, taking a holiday once in a while.

Supply management allows farmers to produce for their domestic market at a price that returns - from a highly concentrated, oligopolistic and oligopsonistic marketplace - sustainable production costs for efficient producers.

Farmers around the world envy our system that supports strong and vibrant family farms. We should be exporting supply management; not milk derivatives. Time to speak up my laddies... SM is a story that needs telling before it becomes a fable: Once upon a time, in Canada, there were independent farmers...**D**



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