

CANADIAN AGRICULTURAL ECONOMICS SOCIETY

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Good morning and let me begin by thanking Lars for inviting me to speak to you this morning. It is a rare privilege for this journalist to be given a forum to meet with folks like you, folks who, like me, spend much of their working days thinking about the state of play in the vast, complex and fascinating Canadian agricultural sector.

When Lars first contacted me, he asked me to address “The Broader Context for Policy Advice?” To say the least, it is a topic broad enough to let me interpret it as I will so this morning in the time available, I will give it a bit of a twist. I think I could be most useful to you by suggesting how I think the work you do could be more deeply embedded in the policy debate and how you could have a greater impact on that debate. I hope to leave some time for some spirited questions.

Keep in mind through this talk that I come at the topic from a journalist’s perspective, as one who wants news, who thrives on new ideas or controversy or vigorous debate. Also keep in mind that I am about as far as you can get from being an economist, although I have over the years spent much time talking to members of your tribe.

So with that caveat, let me start with a short political anecdote, appropriate since we so recently ended an election campaign.

Fifteen years ago, the 1993 campaign was one of the two most amazing elections I have covered in the 12 federal campaigns that have happened since 1972. It all but wiped out the Progressive Conservatives, the party of Confederation, and brought to Parliament 52-strong this new western protest party, the Reform Party, like the Progressives in 1921, like the Socreds in the 1950s.

As they say in politics, a rising tide lifts all boats, corks and tin cans. One of the objects raised on the Reform tide in 1993 was Jake Hoeppner, a southern Manitoba farmer who defeated then-agriculture minister Charlie Mayer in the Portage—Marquette riding that is one of the country’s most historic. More than a century ago, it became a western home for Quebec Father of Confederation Georges Etienne Cartier and also for

Louis Riel, elected twice in the riding and surreptitiously sworn in as an MP but never allowed to sit in the House of Commons because he was considered a traitor.

Mayer, 14-years the local MP, was not just defeated in that election. He came third.

Jake the winner was, not to put too fine a point on it, a bit eccentric and he became more so during his time in Ottawa. He once fell asleep during an agriculture committee meeting in the Parliament Hill railway committee room, fell backwards off his chair onto the floor and recovered by saying the comments of his Liberal opponents always floored him.

As he got more experienced, he became even more weird. He even engaged in fistcuffs with a fellow Reform MP Inky Mark at a constituency meeting in Manitoba. Assault charges ensued.

His signature line when confronting a bureaucrat or farm leader or an agriculture minister at committee hearings was: "I've been farming for 30 years and something isn't right here."

So one day a senior Agriculture Canada official was at committee and offered MPs a tour of the department head office and a briefing from any bureaucrat MPs wanted to meet to discuss a program. Jake offered an immediate acceptance.

"I'd like to meet the person who designed GRIP," he said.

"I'm sorry Mr. Hoepner," said the quick-witted bureaucrat whose name I forget. "He is no longer with us."

"Good thing," said Jake. "I expect things to get better."

That was the moment when I realized that being an agricultural economist can be dangerous work.

And despite Jake's hope that things in policyland would get better, in the view of many farmers who see agricultural support programs primarily as income support programs, it really didn't. They still have policies that are complex, unpredictable and slow to respond. If they do kick out some money, it comes years after the bills were due.

A major part of the problem is that world trade rules and official Ottawa combined to decide that the farmers who could benefit from the primary farm business risk support program — AIDA, CFIP, CAIS, AgriStability, pick your acronym — were farmers who

actually had made money a year or two in the past five, farmers in other words who live in cyclical industries. Historic margin averages do not work for sectors in a prolonged slump — grain in the 1990s, livestock in the 2000s.

Implicit in that model, it seems to me, is the presumption that consecutive years of losses mean you shouldn't stay in farming, shouldn't expect help. But of course, that is a message that is politically unmentionable in Canada so federal and provincial governments have insisted they offer a generous farm support program aimed at all, insisted they were supporting a program that offered farmers some stability during the occasional downturns. But the reality is that for many farmers and sectors, that model hasn't really worked well.

Ag economists helped create these models although as Tom noted yesterday, they were created in aid of a political objective. And the politicians who ordered them up have been too timid to tell farmers who were losers in the formula that they probably should consider another line of work.

The result in part was a 2006 political disaster called Farm Family Options that had little farm support because it smacked of the hated welfare model, had little political support because it had little farm support and had little support from Ottawa's political centre because of the points made above. I remember talking to a farm lobbyist a few years ago who said he was pitching the idea of a form of guaranteed annual income for low-income farmers, all in the name of preserving the family farm. I scoffed at the idea that any government would buy in, a clear example of why I'm better at predicting the past than the future.

Farm Options didn't even play the role of an exit strategy for struggling farmers because politicians and farm leaders have been scared to death to suggest a strategy aimed at reducing the number of under-capitalized or small farmers. Governments or officials in the past that dared mention the possibility that fewer farmers would mean a stronger sector have been hammered politically. Liberal agriculture critic and former National Farmers Union president Wayne Easter once famously castigated an Agriculture Canada official for what he said was a stealth government scheme to decimate family farms in favour of agri-business operations. He mentioned a late 1960s

report that suggested the number of farmers should be reduced by one-third and ended with this rhetorical flourish: “Are there few enough of us yet?”

In truth, that is a difficult question to answer because we really don't know what a farm is or how many there are in Canada.

Statistics Canada allows Canadians to self-identify as a farmer, Agriculture Canada accepts the numbers and we see policy created around the fictional assumption that there are more than 200,000 farmers in this country. As Frank Magazine would say, nothing could be further from the truth.

Still, the need for program creators to be aware of the politics around the demand, and the real nature of the potential client base, also seems obvious. That clearly is, or should be, part of the context in which you work as ag economists. Before you can design or recommend an effective and efficient program, you have to have a clear idea of what the object is and what the audience is.

Well, here's a sad truth. I have been reporting on this industry for more than three decades now through generations of farm programs and during the tenure of almost 40 percent of the 32 agriculture ministers who have held the job since Confederation. Yet for all that, I could not tell you what the object of our agriculture policy is, beyond making sure there is food on our grocery store shelves and that really is a food policy, not an agriculture policy. Is the ultimate goal of the policies that are rolled out and the billions that are sent out to support efficient farmers, to support the rural economy, to support the hundreds of thousands of jobs that flow from farm production? Or is it to support anyone who wants to be a farmer? The prime minister is fond of saying that if you don't know where you are going, any road will take you there. Well, I would argue that other than in vague generalities, the farm policy and program destination has not been well articulated in this country, which could explain the many twisting and turning roads we have constructed for the journey that often simply leads to the decision to build another road. If you don't know where you want to go, any road will take you there.

A final note about the Options program that illustrates the often-illogical intersection of ag economics, policy and politics that is part of the context in which you have to work. I think even defenders of the program, maybe even its creators, will concede that it was well intentioned but a political disaster, disliked by farm leaders and

many farmers. Many rural Conservatives reported back to then minister Chuck Strahl that it was not a popular rural program, turning neighbour against neighbour. The government began to look for a way out and finally cut it off at the knees last year. Then, wouldn't you know it? Suddenly, the critics turned to fans. It became an icon to be defended by opposition MPs and farm leaders who resented it until it was canceled. As Joni Mitchell wrote, you don't know what you've got til it's gone.

Ag economists and the policy designers they influence need to be more connected to the political reality in which they exist and the audience that will be affected by programs created following their advice.

Which leads me to the final points I wish to make today and which I hope raise questions and debate:

There are three main points I want to make that I think would make your work as agricultural economists more relevant and useful in the policy debate:

First, be more visible and more engaged in the public debate.

Second, don't be afraid to be controversial.

Third, be more topical in the research and writing you do.

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First to visibility.

As a journalist who covers the industry, one of the great frustrations I often have is that there are so few ag economists, unconnected to government or a private special interest with an axe to grind, who are available to offer comment, insight or explanation for evolving stories, whether it is a budget, a party platform, a market blip, farm income numbers, a new program, whatever. It may be that there are many of you out there at universities or think tanks willing, anxious and able to parse the economic or policy sense of a new development and that I just don't know about you. If so, that is a failure of journalists looking for sources. But I doubt it. In media reports including in my own newspaper, there is an ever-shrinking diversity in the academics and researchers quoted. Ideally, I would like to be able to tap a variety of folks from a variety of universities, provinces and areas of interest for their wisdom and comment.

When I started in the business, the pool of media-friendly economists available for comment was much larger and diverse, from Guelph, the Universities of Manitoba,

Saskatchewan and Alberta, Laval, McGill and elsewhere. Most of those folks are gone now and I do not see a new generation of media savvy ag economists in the field.

I think that means an important perspective often is missing from the debate. It means that reporting on farm policies and issues is not as well informed or rich as it should be.

But I think that the lack of media or public exposure also does a disservice to the work that you do, the ideas that you have, the policy influence that you could wield. If you are working on an analysis, an idea, a critique that could or should reach policy maker ears, I would argue that one of the surest ways to get it into the debate is to get it into the papers or airwaves. Sure, it may be dumbed down by economically illiterate reporters but the seed will be out there. Farmers will read or hear it and if it has merit in their eyes or intrigues, you can be sure it will make its way into farm group debate and from there to the politicians. Policy makers also are news consumers, always on the lookout for ideas and developments.

I am not saying that getting media access is as easy as picking up the phone but reporters always are on the hunt for stories and interesting ideas or work usually can find a home.

When elections are called or budgets are planned, universities often contact media with a list of available experts and topics they could comment upon. In all the lists of experts willing to comment during the just-completed election campaign, I saw just one agricultural analyst — Grace Skogstad at the University of Toronto. Maybe the CAES should draw up and circulate a list of members available to media and what their areas of expertise are.

Second, don't be afraid to be controversial or at least to tackle controversial topics. Maybe this is the journalist in me coming out again but I really do think politics and policy debates are too important to be left just to the politicians and columnists. There are lots of issues out there that could stand some economic analysis and judgment. For example, is the Growing Forward suite of programs really better than the APF suite they are replacing? Have higher Alberta land prices affected the competitiveness of raising and feeding cattle in that province vis-à-vis other areas like Saskatchewan? Or why not engage in a lively, public debate among yourselves on the questions I raised about

defining a farmer, quantifying the number of farmers and why these questions do or do not matter in the planning and design of programs. Maybe someone could even tackle the vexing question of whether there are too many farmers or what the goal of Canadian agricultural policy is or should be.

It may be that this work already is going on but if so, Canada's primary agricultural newspaper is largely in the dark about it and that would tie back to my first point. Be visible and accessible. We can't write about it if we don't know about it.

My third point ties in somewhat to the second. Be more topical in the research and writing you do. If you want to have policy relevance and impact, wade into the debates that farmers care about, that hits them where they live. Let me give you some examples.

For months, former farmer and now professional gadfly and letter writer Lloyd Pletz and farmer Murray Downing from Manitoba have been warning anyone who will listen that a change in how inventory is calculated under AgriStability will significantly hollow out benefits most farmers could receive under the program. The issue received passing mention during the campaign and that's it. I'm certain an analysis of that issue would have significant traction in the debate over whether this new policy package will do the trick, if you can figure out what trick it is supposed to do.

Or what about some of the claims made by trade advocates about the trading opportunities that would be made available for Canadian agriculture if a new WTO deal was signed, flawed and unambitious as current proposals are. Are those claims of billions of dollars in new trade credible? Are we equipped to take advantage? If not, why not?

Or what about an independent look at National Farmers Union analysis which concludes that without tens of billions of government dollars, Canadian agriculture would have operated in the red for the past two decades despite producing three-quarters of a trillion dollars worth of product. The raw numbers are there to support that conclusion but is there a story beneath the numbers? If not, what does it say about the efficacy of two decades of government programming.

There is no shortage of issues that could stand some economic analysis and an economist's scrutiny — the impact, negative and positive, of carbon tax proposals; the

real potential for benefit from ecological goods and services payments And so on.

Of course, some of you may be working on these issues or topical issues like them but if so, it is generally a well-kept secret. Don't be so modest.

So those are my points today and I would be happy to take some questions or to hear some comments. And if you leave here today remembering just one thing I said, let it be that I need more thoughtful and expert sources.