

# Prince Edward Island at a Crossroads

## The Continuing Role of Agriculture in Revitalizing the Island's Rural Economy

“The ‘good life’ includes sustainable agriculture, appropriate technologies, healthy rural communities, connection to place, the pleasures of good food, husbandry, good work, local economics, the miracle of life, fidelity, frugality, reverence, and the interconnectedness of life.

Threats to the good life include: industrial farming and the industrialization of life, ignorance, hubris, greed, violence against others and against the natural world, the eroding topsoil, globalization of the economy, and environmental destruction.”

Wendell Berry, farmer, author, poet, academic

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*Restoring Community, Protecting the Land  
and Informing the Earth's Stewards*

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## **INTRODUCTION**

This paper is an abridged version of an outline of a sustainable implementation plan for restoring and revitalizing the rural economy.

The original document includes four sections. The first two, 'Making the Transition from Investing in Sectors to Investing in Places,' and 'PEI Agriculture -The Frog Does Not Drink up the Pond in Which it Lives,' furnish critiques of solutions offered by The Canadian Agri-Policy Initiative (CAPI) and Tim Carroll's 'Leaping Frogs' allegory.

Section three is a summary of the well attended, PEI ADAPT Conference, 'Sustaining the Rural Economy;' held in Charlottetown, March 27, 2008.

This document includes only Section Four titled, 'Agriculture and Rural Vitality,' an outline of some components that should be considered when implementing a sustainable strategy for the agricultural and rural revitalization of Prince Edward Island's economy. It is by no means intended to be a complete strategy. Instead, it offers a glimmer of what can and will hopefully be a catalyst for ongoing discussion and actions that will create a sustainable and prosperous future.

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## **BACKGROUND**

There is a time honoured belief on Prince Edward Island, that when agriculture does well, Islanders and the Island economy do well.

Unfortunately, certain sectors of our agriculture and agri-food industries are not doing well. As a result there is a growing discontent between Island communities and the industry that historically served as our main economic engine. To resolve this discontent solutions must be founded on the three imperative pillars of sustainability.

### **Social Imperative**

The number of urban and non-agricultural rural residents is increasing. The average farmer is nearing retirement age.

Over 75% of them have no successor to take over the farm.

Over 95% of new farmers in North America are small, diversified direct marketing entrepreneurs.

The population is becoming increasingly ethnically and culturally diverse.

For the first time in our Island's history the majority of people have no direct connection to the land and the people who have farmed it.

### **Environmental Imperative**

The increasing concerns of how the state of our environment impacts our health has raised the level of awareness for all Islanders that we must maintain the highest possible standards to protect the quality of our air, water and soil.

### **Economic Imperative**

We are experiencing a profound demographic shift away from an agrarian based economy to one diversified in the sciences, information technologies, aerospace, tourism and finance.

A diversified economy is more resilient to economic shock than any model that relies solely upon one industry.

However, a vibrant and the sustainable economy (urban or rural), and the sovereignty of a region remains dependent upon its ability to maintain a vibrant agricultural sector that can feed itself, protect its environment and provide a 'good life' for future generations.



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# **Agriculture and Rural Vitality: A Sustainable Implementation Plan to Revitalize Our Agricultural and Rural Economy.**

**“Complacency is not a policy.**

**Inaction is not an option.”**

- Paul Gipe

## GLOBAL ISSUES AND THE ATLANTIC ADVANTAGE

The drive to compete, grow big and dominate in a global market was an experiment that transformed the economy and the way we do business throughout Canada and North America.

On balance, our investment in global trade has served some sectors well for the short term. However, as globalization continues to become more competitive we must unleash a new vision that is sustainable and inclusive.

As Islanders we are at a crossroads in our history. We must address the issues identified by CAPI and Tim Carroll:

- Agriculture is not a significant employer,
- Many farmers are ready to retire,
- Farm debt is limiting options,
- Large capital requirements act as a barrier to new farmers.

**At the same time we must implement ecological solutions that are: environmentally sustainable, socially acceptable and economically viable before the abject options proposed by CAPI and Carroll - an industrialized rural countryside with manufacturing clusters controlled by foreign investors - turn into an inevitable outcome.**

Hunter Frazer, a Nova Scotia dairy farmer, and past president of the Nova Scotia Federation of Agriculture refers to this ecological solution as, 'The Atlantic Advantage.' By this he means socially, we enjoy a relatively stable political system, a healthy environment with skilled trades people and knowledgeable, hardworking business people living in safe communities.

Geographically we are well positioned with many deep ports able to access trading partners in Central and Western Canada, Scandinavia and Europe and the United States.

“Atlantic Canada is a land of flowing energy and water.  
Our resource industries continue to have the ability to create wealth.  
Water is the ‘oil’ of the 21<sup>st</sup> century.  
We must conserve, protect and sustain our resources.”

-Hunter Frazer

In Prince Edward Island we can enhance the Atlantic Advantage by continually sharpening skills and producing the products that provide optimal nutritional health. We need to work with the creativity of youth to imagine a brighter future that contributes positive change to social and environmental conditions.

If we make sure our ‘home’ is well managed, economic systems that maintain regional, community ownership will help us retain our Atlantic Advantage.

**A progressive and sustainable future that maintains our ‘Atlantic Advantage,’ will include:**

- Food Security with healthy, nutritious, local and sustainably produced products,
- A diversified, decentralized, bio-based (i.e. wind and solar, and cellulose), safe energy supply,
- Environmental stewardship which reduces the threat of climate change and protects our air, water and land,
- A diversified economy which appeals to immigrants, youth and small business entrepreneurs, and
- The preservation of our heritage and cultural sovereignty.

**We must think long term.**

**We must also act now to create local solutions to global problems.**

## **FOOD, ENERGY AND ECONOMIC POLICY COUNCILS**

**“Policy making has been the bread and butter of our organization, put forward and designed by our membership; but for too long we have only been talking amongst ourselves. We need to build alliances with our customers and people who support us.”**

Ron Bunnett 2<sup>nd</sup> V.P. Canadian Federation of Agriculture,  
speaking at the PEI Federation of Agriculture AGM; Jan. 25, 2008

The creation of Food, Energy and Economic Policy Councils on Prince Edward Island would be a huge asset. Food, Energy and Economic Policy Councils comprised of “non-partisan” individuals from all aspects of local agricultural, academic and business entities can provide innovative collaboration between citizens and government officials. The goal is to provide a forum for advocacy and policy development that works towards the creation of a rural revitalization system that is ecologically sustainable, economically viable and socially just.

On PEI, the councils could review policy at global, national, provincial, regional, local and institutional levels.

At the local level, examples of food policies might include:

- The regulatory requirements placed on someone planning to open a food-based business;
- Food purchasing decisions of institutional buyers and how they relate to the use of locally produced items;
- A decision by school officials on the source and types of food and soft drinks allowed to be served;
- The child nutrition requirements placed on daycares that receive municipal funding.

The Councils will broaden the discussion of issues beyond production and commerce. Due to multi-stakeholder nature of the Councils, a wide range of ideas and expertise would be able to contribute to the creation of sustainable policies and provide an opportunity for a focused examination of how proposed business plans and/or government actions might shape our future.

**Food, Energy and Economic Policy Councils would create an opportunity for government and industry to tap the synergistic energy of many skilled and creative minds while encouraging people to become involved in their communities.**

## ECOLOGICALLY DESIGNED SUSTAINABLE COMMUNITIES

**“We can accomplish great and profitable things within a new conceptual framework—one that values our legacy, honors diversity, and feeds ecosystems and societies . . . It is time for designs that are creative, abundant, prosperous, and intelligent from the start.” -William McDonough**

*William McDonough is a world-renowned architect and designer. Winner of: the Presidential Award for Sustainable Development, the National Design Award ; and the Presidential Green Chemistry Challenge Award . Time magazine recognized him as a "Hero for the Planet" in 1999, stating that "his utopianism is grounded in a unified philosophy that—in demonstrable and practical ways—is changing the design of the world."*

The Canadian Argi-Policy Initiative (CAPI) recommends building “manufacturing clusters” throughout rural Canada. However, smoke-stack chasing has proven to be a failed experiment.

On Prince Edward Island we have a unique opportunity to renovate our existing rural communities and build new ones using successfully proven design concepts; where housing, business, food production and processing, energy, education and recreation are integrated with a symbiosis that supports a local economy and enhances the quality of life.

Ecologically designed sustainable communities use environmentally sustainable building materials so as to protect the health of residents and reduce the waste stream. They often rely upon a combination of renewable wind, solar and biomass sources of energy and are designed in a manner so as to reduce the need for individual transportation vehicles.

Due to the early innovations and success of many small social settlements which integrated environmental design with industry and recreational amenities, eco-cities are now being built by some of the world’s top designers.

(See: William McDonough on youtube at: <http://www.youtube.com/watch?v=eY4o3WzCfmM> )

**The Department of Communities, Cultural Affairs and Labour and a new Ministry of Rural Development could create incentives for industry to redesign our existing communities and build new villages that provide rural amenities, diversify the economy and provide a willing market for locally grown and value added farm products.**

Companies such as those who are members of The Natural Step would see PEI as an attractive investment for socially responsible and environmentally sustainable business development.

To initiate ecologically designed sustainable communities , government can mandate energy efficiency and renewable power building codes. It can also encourage the Credit Union to broaden its loan program that currently offers prime lending rates for the purchase of hybrid cars to also provide low interest mortgages for homes built to new environmental standards.

## **SUSTAINABLE, LOCAL AND NICHE FOOD SYSTEMS**

**95% of new farmers in Canada are small, diversified, direct marketing entrepreneurs. Supporting a regional food system is not a question of advocacy. It is an issue that addresses how the Department of Agriculture is going to remain relevant to the next generation of farmers.**

**‘Niche’ does not mean ‘small.’ ‘Niche’ markets are ‘specialized’ markets and some Island farmers are discovering that specialized niche markets are huge.**

The January 2008 cover story in Farm Credit Canada’s journal, ‘AgriSuccess,’ was titled, ‘Local Food Moving to the Mainstream.’ Their report states that more producers are catering to this hot consumer trend, supporting locally grown food.

Prince Edward Island’s 4-H clubs, with over 600 members is initiating an local foods awareness campaign to help keep the industry alive. One of their slogans is, “If you don’t know where its coming from.....you don’t know what’s in it.”

PEI Horticulture Association, with funding from the PEI ADAPT Council, has initiated a, “Healthy School Lunch Program.” Their intention is to run a pilot project with 30 schools in the Charlottetown area using locally grown, healthy foods to promote awareness, and good nutrition.

A renaissance of local and regional foods has become a global emerging and priority issue. However, there are many urban areas that have an ecological footprint too large to sustain their populations. Our Island farmers have the capacity to grow far more food than can be consumed at home. As a result astute producers and processors are coming to the realization that “local” does not necessarily come with a geographic limitation, that favors one region to the exclusion of another.

Instead, ‘Local’ helps to capture emerging consumer trends, initiate new market developments, enhance diversification, and it helps to brand the unique and distinctive attributes of a region; which can be marketed globally as production increases.

“Local” also supports many important strategic initiatives by enhancing rural economic development, cultural preservation, food safety and security, fair trade, greenhouse gas reductions and conservation.

**The Island government can make a huge contribution by mandating that all provincial institutions, festivals and events make a commitment to purchasing locally grown and/or processed foods.**

The PEI ADAPT Council initiated the first annual, ‘Taste Our Island Award,’ in 2007. The winner is being featured in the 2008 Tourism Guide Book. The province can capitalize on this initiative by endorsing ‘Culinary Tourism’ as a new feature of Island tourism products.

## CULINARY AND AGRI-TOURISM

**Prince Edward Island has the distinction of being recognized as one of the ten best Island's in the world. The gift of land and sea and the notoriety of personalities from Chef Michael Smith to the fictional 'Bud the Spud', to our idolized Anne, provide us with unique attributes that are hard to duplicate.**

Culinary and Agri-tourism is considered to be one of the fastest growing aspects of the global eco-tourism market. For generations Italy has been known as a destination to experience 'slow food.' The French have developed a reputation for romanticizing their dining with fine wine. The German's have capitalized on an array of specialty products ranging from beer, to pastry, to cheese.

The Canadian Culinary Institute, located in Charlottetown has helped transform Island dining into gourmet experiences that can compete with any region of the world.

**We should be taking greater advantage of this unique attribute with Island-wide culinary tourism products that entice visitors to come to PEI and 'Taste Our Island.'**

## HORTICULTURAL THERAPY

**Our health care professionals and farm communities can capitalize on the Island's pastoral image to create an adjunct to our health care system so popular that it has the potential to help defray some of the costs required to support the health care industry.**

According to the Canadian Horticultural Therapy Association, gardening and working with plants in a natural setting can actually improve the social, spiritual, physical and emotional well being of individuals who participate in it.

In many Scandianian countries farmers are paid through government health and social services, or with private funds to provide a therapeutic environment to patients.

In Cape Breton Nova Scotia, at least one farmer works with youth at risk in this manner. He provides a workplace that is challenging, varied and remedial. Social service agencies in the area recognize the farm as an important catalyst for maintaining health while also preventing crime.

Horticultural therapy works well in conjunction with: recreation therapy, physiotherapy and occupational therapy, rehabilitation, mental illness care, group home and detention mandates, as well as social work and medical care. It is a clinical profession with its own Professional Code of Ethics and Standards of Practice.

As the population of Western countries continues to age, horticultural therapy, like many other 'alternative heath' treatments, will become an increasingly popular sector of health care.

## **ON-FARM BIOFUEL**

The federal government's Biofuels Opportunities for Producers Initiative (BOPI), administered by the PEI ADAPT Council, provided an important opportunity for industry stakeholders to assess the potential for developing a liquid biofuels (ethanol and/or biodiesel) industry.

The approved projects studied the potential for developing commercial volumes of biodiesel from canola, and soybean as well as ethanol from sugar beets. Another project looked at using straight vegetable oil as a fuel for farm vehicles.

There are many arguments, pro and con, relating to the ethical and environmental impacts and the sustainability of these initiatives. Ultimately, it is often economics that dictate the viability of a new business venture and in each case there was insufficient economic evidence to suggest that a commercial liquid biofuels industry would help to revitalize the agricultural industry or the rural economy on P.E.I.. In fact, a stronger case can be made that these options, using present technologies may do more harm than good.

The one exception is an initiative being undertaken by the Island Grain and Protein Council (IGPC). In this project, non-genetically modified canola (non-gmo) is being grown and pressed for food grade oil. Any product that does not meet food grade standards will be used as 'Straight Vegetable Oil (SVO)' as fuel in farm vehicles. Although this fuel oil cannot be used for commercial sale, it can have a substantial impact in reducing Island farmer's fuel costs.

A typical Island potato farm might spend \$100,000.00 per year on fuel. Even at a B-10 (10% biofuel blend) this could amount to a substantial amount of savings, reduce greenhouse gas emissions and improve the performance of farm diesel equipment.

**The Island government could encourage the transition to SVO by backing the warranties on farm equipment burning SVO. Currently no farm equipment manufacturers will honor warranties of equipment that uses farm produced fuel.**

Just as Island soybean growers have found exclusive markets for non-gmo soybean, the IGPC has identified huge market demand, at premium prices, for non-gmo canola; which many Island farmers could take advantage of.

To assure the economic success of this project, and garner top price for their oil, producers must be able to guarantee their product is gmo-free. The entire project would be jeopardized if just one farmer grew a gmo variety of canola nearby; thereby polluting the non-gmo fields with transgenic pollen. If this happens, farmers would lose forever a premium market and an economical alternative fuel.

**The province could solidify this market opportunity by banning the use of gmo crops. This mandate would establish PEI in an enviable position that would open global markets for many other crops. It would be a distinctive attraction for foreign, ecological farmers who may consider moving to the Island in order to take advantage of the niche market opportunities of farming in a gmo-free zone.**

## BIOMASS AND SOLAR ENERGY

Prince Edward Island's energy demands are: 15% for Electricity, 40% for transportation, and 45% heat. Our current energy sources are: 76% from petroleum, 12% imported electricity, 10% biomass (primarily wood), and 2% wind.

According to the research, if our goal is to reduce our reliance on petroleum, it makes the most economic and environmental sense to use biomass from agriculture and sustainably harvested forests to produce heat.

The technology required is proven, it is low cost to operate and requires relatively little new infrastructure compared to nuclear, ethanol, or biodiesel options.

New, solar photovoltaic (PV) technologies have also become economically attractive. In Germany over 300 mega watts of power are produced on farms, for local communities. This is done with pv's on the roofs of barns.

We have a \$350 million dollar domestic market on PEI for heat. Keeping and circulating these dollars on Prince Edward Island would create jobs, reduce debt and create new opportunities for all sectors of our Island economy.

**Rather than attempting to compete in the global commodity energy market. Prince Edward Island should seize alternative energy opportunities and make it a goal to displace 30% of imported oil. Once government commits to this goal, industry will respond with even greater capacity.**

To achieve this goal, realistic targets from a diversity of renewable energy resources could be:

20%	Wind and Photovoltaic 'Solar' panels
20 to 30%	Biomass - Wood and Cellulose
10 to 20%	On-Farm use of Straight Vegetable Oil (SVO)

The answers for the ever-increasing demand for energy are not static solutions. Geographically, the Island has been identified as one of the best regions in the world for producing wind power. Our climate is well suited for producing cellulosic fibres - on farms and in forests. Our seaways contain the secrets to harnessing wave technology. Various algae and waste products can be used for bio-gas production.

**Western economies have benefitted from progressive leaps in agrarian, industrial and information technology revolutions. As we enter the 21<sup>st</sup> century, the next big economic revolution will be in renewable, decentralized, environmentally benign technologies.**

**Fortunately, Prince Edward Island has a high per capita proportion of scientists and research facilities. Government should take full advantage to diversify our economy by making use of our human resource capital to pursue research that advances new, environmentally sustainable technologies that are needed world-wide.**

## ORGANIC AGRICULTURE

**According to Statistics Canada, Canadians' demand for organically-grown fruits and vegetables is increasing rapidly, but farmers aren't yet meeting the need. The new study, 'Organic: From niche to mainstream,' is based on data from the 2006 agriculture census and a 2006 study by the Organic Agriculture Centre of Canada (located in Truro, Nova Scotia).**

The study found the following:

- More than 6,000 farms produced certified organic animals or animal products.
- A total of 3,555 Canadian farms reported growing certified organic products in 2006. That marks a major increase of close to 60 per cent from 2001, when only 2,230 farms made the claim.
- Over half of the farms that accounted for the increase are in Quebec or Saskatchewan, the report states.
- 11,937 farms reported producing products that were organic, but not certified.
- Although big agriculture is making the transition to organic to supply retail chains, over 50% of organic market farmers are growing on five acres or less.

Organic is no longer an advocacy issue of environmentalists. It is a sustained and growing consumer trend that is fueling the only growth sector of agriculture. The current provincial government initiatives which support organic production need to be expanded.

Many agricultural schools now offer courses in organic production.

**The provincial government can help new and young farmers enter the industry by devoting agricultural land at the research stations to be used as farm start-up incubators.**

Just as business office incubators have been established so that small entrepreneurs can share support staff and equipment, similar incubators should be created in the farm sector. These farm incubators can provide technical expertise and equipment to new agricultural entrepreneurs.

Working in partnership with the Food Technology Centre and the Culinary Institute, farmers would be able to develop on-farm processing as well as agricultural skills and create value added products.

Providing this kind of technical support for organic farmers, will attract many skilled and knowledgeable stewards who would otherwise find it difficult to enter the industry.

## **GREENER PASTURES FOR ISLAND LIVESTOCK**

### **Beef**

There are many issues that can be attributed to crisis in the Island's livestock industry. Regardless of which reason is being discussed, all conclusions point to an over reliance upon commodity based agriculture.

Prior to the BSE crisis which closed the borders for exports of beef, the retail market was based at roughly \$1.00/lb. over the price received by farmers. Once the borders were closed, retailers were able to take advantage of an over supply of domestic beef. Although the price at the meat counter did not drop for consumers, the price paid to farmers collapsed.

While the borders were closed, South American and USA beef production escalated to make up for the lack of Canadian product going to the USA. Now that the borders are reopened the oversupply of that beef is being flogged in Canada. As a result, the price to Canadian farmers remains depressed. If producers were paid .30/lb more they could make money raising cows.

**The provincial governments in Atlantic Canada can come to the aid of Atlantic livestock producers by mandating the purchase of the product in all government run institutions and facilities.**

The entire food value chain from producers, to retailers, to consumers must also be pressed to work together with a common goal of raising, providing and serving a top quality product.

**Producers could do their part by exploring more direct marketing venues. However, there may also be a role for government in mandating supply management marketing for both imported and domestic livestock.**

At today's prices, grain is simply too expensive to feed to cattle. Nor is feeding grain to cattle an environmentally sustainable farm practice. Estimates range from 8-12 calories from grain are needed to produce 1 calorie of beef. Livestock flatulence is also major contributor to climate change; contributing over 25% of the most atmospheric damaging gas, methane. Bovine evolved as grass feeders with very little grain in their diets. Returning livestock to a more natural diet would reduce agriculture's impact on climate change.

Atlantic cattleman would benefit by making the transition from feedlots to grass fed pasture. There is a myth in agriculture that grain is necessary to produce tender beef. This is quite simply not true.

According to Dr. Kate Clancy; PhD - Nutrition Sciences from the University of California and one of America's leading authorities on food systems, "Cattle on pasture rarely get sick, those confined to feedlots and fed grain are prone to disease and most feedlot operators routinely feed antibiotics to prevent illness and to accelerate growth..... there are better ways to raise food animals. Raising cattle on pasture lessens environmental damage, improves animal health, and reduces antibiotic use."

## **Pork**

The situation for the pork industry is quite similar to the beef sector. There is simply a global over supply of pork which makes trading in the commodity market uncompetitive.

The Island hog producers were on the right track going after specialized niche markets for premium products. Unfortunately, they were saddled with a processing plant that was not capable of operating at a profit without extensive renovations.

Like the cattlemen, pork producers have shown a willingness to find innovative solutions and make transitions necessary to stay in business.

Small scale farmers raising 50 hogs a year and selling one per week, are demonstrating that they can make more profit than conventional hog operators with more extensive overhead costs.

The situation needs further study to find a long-term solution. However, part of that solution will likely be a reflection of scale and a move away from conventional capital intensive farms to more sustainable, pastured systems of production.