

What's Happening, What's Going to Happen, Challenges and Solutions

John Morriss, Publisher and Editor of the Manitoba Co-operator

One of the main ingredients to a successful conference is efficient planning well in advance, and by that measure I'm certain this is going to be a good one. I think it was close to a year ago that Wanda McFadyen (Manitoba Cattle Producers Association, executive director) called and asked me if I would take this on, and naturally I said "sure." You say yes to anything you don't have to do for a long time.

As the actual date approached and I began to think about what I might say I became a bit more worried, partly because I have become acutely aware of one of the hazards of modern technology. I'm suppose to talk about what's happening and what's going to happen - that means making predictions. Technology now makes it simpler to file predictions away for the future and then check to see if they've come true. At the Co-operator we're maintaining a computer file folder of bold predictions for future reference, and I've even won a couple of bets by noting predictions in my computer calendar and then having them pop up automatically three or four years later. The other great advantage of this system is that if the person was right, you just keep quiet about it.

So if I'm being asked to predict the future, I'm acutely aware of the fact that someone, especially reporters for the Co-operator, might actually note any predictions I make and remind me of them at some point.

So technology may change one of the three things that I've noticed about predictions - few ever bother to check up on them.

The second thing is that predictions are usually based on trend lines, especially in agriculture. If something has been changing for three per cent a year for five years, you simply assume the trend will continue. This is often safe for the short term but hazardous for the long term - I cite as evidence this trend line for the number of farms that will be left in Manitoba in the year 2030.

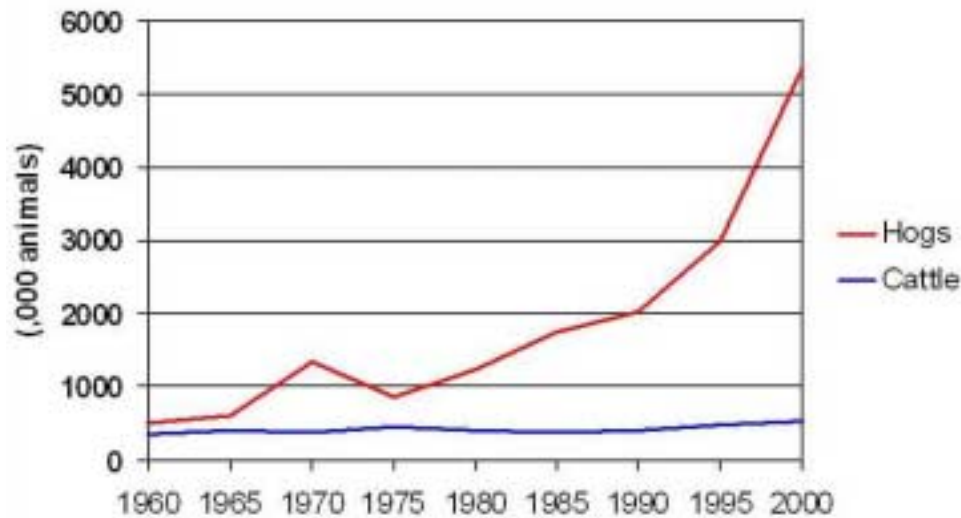
Which I don't want to happen, of course - we'd have trouble selling subscriptions, so even if I believed this I wouldn't say it. This brings me to the third feature of many predictions - they're based on what the predictor would like to see happen, even if the evidence is to the contrary. Those who would like to see the demise of the wheat board have been predicting it for over 50 years. When I started my career in agriculture 25 years ago I recall being told there was no way the U.S. could continue these massive subsidies to agriculture - they were about three or four billion a year at the time. Last year they were \$25 billion and the U.S. ran a budget surplus. Then there is that boom in world grain demand, which every year we hear is just around the corner.

If I make any predictions I'll leave it up to you to decide which flaw they're subject to, but I remind you that over the next couple of days we're going to hear a lot about manure and I'm suggesting that manure and predictions have a lot in common, except that manure makes better fertilizer.

This brings me to the "what's happening" part. I'll begin by apologizing to any out-of-province attendees for my Manitoba-centric perspective.

Recognizing that much of what we've seen on tours and will discuss today centers around hog manure, let's look at this graph showing commercial hog marketings in Manitoba since 1960. Basically this shows they have doubled every 10 years.

Manitoba Hog & Cattle Production 1960-2000



Let me use this to make a few points:

- Before the end of the Crow, we heard a lot about what removing it would do for hog production in Manitoba, and it's still mentioned as a prime driving force behind hog expansion. This trend suggests to me that the Crow had nothing to do with it.
- Within the industry, we sometimes hear concern about expansion being restricted by onerous regulations. This dramatic trend is hardly indicative of an industry "hamstrung" by regulations or anything else.
- Reinforcing my earlier remarks about predictions based on trend lines, if the numbers continue to double every 10 years, there will be 10 million hogs marketed in 2010, 20 million by 2020, 160 million by 2050 and 5.1 billion by the end of the century. I fearlessly predict expansion will slow sometime before then, and you can quote me.

Let me backtrack to that first point on the Crow making no difference to hog production. I mention this because it's important to recognize that just because something can't be measured by science, including the "dismal science" of economics, doesn't mean it's not a factor.

Just why are there so many pigs in Manitoba compared to Saskatchewan and Alberta? I owe this insight to my friend Cam Brown (Manitoba Institute of Agrologists, executive director), who points out that immigration patterns have a lot to do with it. Further west and north, including even in Manitoba, much of the farming settlement was Anglo-Saxon or Eastern European, and the farm animals of choice tended to be cattle. In southern and eastern Manitoba, you are more likely to find Mennonites, Germans, French and Hutterites - cultures that are more inclined to have a tradition of raising pigs. It could also be because people in the western Prairies got movie theatres sooner - former Canadian Cattlemens Association manager Charlie Gracey once said that no one ever made a movie that ended with a guy on a horse leading a herd of pigs off into the sunset.

So one of the main reasons we have had such growth in pig production in Manitoba is simply that we have people who know how to do it. Maybe it's all water under the bridge now but I think it is worth noting that in the end all that hoo-ha over the Crow really made no difference and talking about Manitoba having the cheapest feed grains in North America is increasingly being interpreted as saying, "You can't afford to ship it so you had better sell it to me cheap." As you may have noted the feed grain producers are getting touchy about this, and with feelings running rather high over the attempt at a corn countervail last winter, this Crow stuff is best forgotten, especially since it was all made academic by fusarium and the need to import so much feed grain from out of province and pay a premium anyway. So please, let's not hear any more about Manitoba having an "advantage" from cheap feed grain, because it doesn't and saying so just causes problems in getting along with the neighbors.

That leads to that challenge facing so many in the livestock business these days - getting along with the neighbors. I need not remind anyone here how divisive that livestock - especially hog - expansion has been, and as media we're in the thick of it, challenged to provide balanced coverage of some often extreme views. Despoiler of the environment or eco-friendly source of organic fertilizer? Job bonanza for rural Manitoba, or driver of the remaining rural population away to avoid the stink?

My sense is that both sides tend to exaggerate, one the benefits and one the dangers. But more significant to me is that the discussions often skirt the real issue.

Let me offer my personal bias or perspective - whichever it may be - on this as an owner of a home on Lake Winnipeg. I have not seen a crayfish for 30 years. I have not seen a live freshwater mussel for two years. Those may not be scientific observations, but my understanding is that scientific debate on water quality in Lake Winnipeg is over just how close the water quality is to Lake Erie in the late 60s. We know Lake Winnipeg is in trouble and there is too much nitrogen and phosphorous flowing into it. I also know that any of us who live on the thousands of square miles of watershed flowing into the lake have a collective responsibility to control excess nutrients, be we small cattle farmers, large hog barn operators, grain producers applying chemical fertilizer or urban residents flushing a toilet.

What we don't know is how much excess nutrient is coming from each of those sources. The absence of that knowledge seems to me to be one of the biggest roadblocks to informed public policy discussions on livestock expansion and indeed of agriculture in general. I think that large livestock operations serve as both a convenient target and as a smokescreen. Those of you who've gone through approval procedures know why I suggest that the big operations are a target. They are visible, required to agree to various management procedures, and presumably monitored for compliance.

Since public attention is focused so tightly on these applications, governments can point their diligent oversight as evidence that they are monitoring the activities of large hog barns or cattle feedlots.

What I don't know is whether this vigilance is addressing 5, 10, 50 or 100 per cent of the real or potential problem affecting Lake Winnipeg. I suspect it is closer to the lower end of that scale, and I suspect that small cattle operations, nitrogen and phosphorous from chemical fertilizer running off land that is over-enthusiastically drained, and domestic sewage is a much greater problem.

For example, here is a photo of the Winnipeg Beach sewage lagoons not a quarter of a mile from me. The management plan here seems to be to let them fill til almost overflowing, then pull the plug so that they run down the ditch straight into Lake Winnipeg. Here we have a shot taken a few weeks ago, when a spring storm pushed the water over the bank and surrounded the lagoon.



So there's a clear double standard - animal waste must all be applied to land, while human waste - or at least the liquid portion - can run straight into a watercourse, and eventually into Lake Winnipeg. The focus on large livestock operations tends to obscure this difficult issue.

I hesitate to bring this up, because the observation is not new and the farm community has tended to get on its high horse in these matters, essentially using it as an excuse to take an "If they pollute, I can pollute too" or even a "My pollution isn't as bad as yours" attitude.

For me, one item last winter summed up this up neatly. CBC Radio's This Morning program did a series on water quality across the country, and the issue of livestock was addressed with an item set here in Manitoba. I thought it was a sound and balanced piece - it started with a visit to a larger barn and went through how manure was handled in a modern operation. The item went on to interview some opponents to large livestock operations south of Winnipeg. One was described as an organic farmer, who complained that the stream running through her property was so polluted that her animals refused to go down there to drink any more.

And this, it must be said, is not such an uncommon attitude and one which shows one of the reasons for opposition to large livestock operations - the fear that they will bring enforcement of regulations along with them, and that will be the end of letting your cattle wade around in the stream or spreading manure during the winter and so on.

This issue of enforcement raises a number of other issues related to it. On enforcement itself, the buzz around the country is that there will be strict regulations on large livestock operations, but that enforcement is intermittent at best. The livestock stewardship committee made this point in its report.

I must tell you that I am personally inclined to accept this view. I do not believe that the regulations are being flouted, but in the absence of any evidence to the contrary, I do not believe they are being rigorously enforced. If they were, there would be occasional slips and subsequent charges and fines, and they would come across my desk in press releases. Our own experience as media is that when we have approached the province or municipalities to determine just where hog barn expansion has been taking place, the information is not there. The livestock stewardship committee made the same point. So if the province doesn't know where the barns are, how can it be enforcing the regulations on their operation?

I would happily be corrected if I am wrong about this. But I am supposed to talk about challenges and I throw this out as a challenge to government and to industry. The regulations must be seen to be enforced, and press releases should be issued each time there is a charge or a conviction. The first couple will be tough. Opponents to large barns will pounce on them as evidence of widespread wrongdoing. But after the fourth or fifth, the news value will have diminished, it will have become apparent to the public that the system is working and apparent to the barn operators that they had better stay in line if they don't want their name in the paper.

Another reason I am skeptical about enforcement is that I know that government understands that another key aspect of enforcement is that it be consistent. This brings in the troublesome problem of small versus large farmers. If the regulations are to be enforced consistently, that means going after the small cattle producer whose winter manure pack is conveniently situated to disappear with spring runoff. Ultimately, this need to enforce the principle that nutrients should stay on the land rather than running into Lake Winnipeg may even mean more controls on how drainage is managed in the province.

These are hot potatoes that farm organizations and governments simply don't want to handle. I suggest they will have to, probably sooner rather than later. If you are looking for a prediction of where this is going on the Prairies, I need only refer you to legislation introduced in Ontario earlier this month. It lays out a blueprint for proper handling of all nutrients applied to land in the province, including manure, sewage and chemical fertilizer. It will allow for mandatory nutrient management plans for all farms, with a phase-in period determined by the size of the farm.

This may be a tough sell but I can suggest three points to use in selling it:

1. It's inevitable.
2. With enforcement will come monitoring. Proper monitoring of what's going into watercourses and where might support farmers' contentions that their operations are not the problem. Last fall in Lethbridge I heard an impressive presentation on the monitoring that's going on right through the Oldman River watershed. It seems that "feedlot alley" was not a problem, but the City of Lethbridge was. It's now upgrading its sewage treatment facilities.

3. There's money here. The research is a little dated, but current numbers are probably even better. Curtis Cavers at Manitoba Agriculture provided me with estimates that approximately 18 million tons of manure were produced annually in Manitoba by the entire livestock population, basis 1994 numbers. Estimated fertilizer contribution of this manure to be approximately 290 million lb of N, 40 million lb of P and 100 million lb of K. Using 1995 fertilizer prices, this annual value of manure was roughly \$131 million compared to the estimated \$286 million spent on commercial fertilizer in Manitoba. In other words manure as a fertilizer represented almost 50 per cent of the value of commercial fertilizer applied in Manitoba.

We're already seeing some success stories with this approach, notably the tremendous results from applying hog manure on forages.

So there is tremendous economic incentive to manage this resource, especially during this time of high input costs. But another key to selling a more planned nutrient management approach is through ensuring the technology and assistance in applying it is available to all farmers, regardless of size.

One cannot help but sympathize with the smaller- or medium-sized farmers, because so many forces seem to indicate they don't have a future. The mantra for so long has been "Get bigger or get out."

But for grain production, the reality is that increased farm size and profitability of the sector have been inversely correlated for several years. Getting bigger is if anything making things worse.

As for cattle, or at least cow/calf, where average operations have been smaller, the calculations in the industry review for Manitoba released last year showed that over 15 years this sector had never lost money. Obviously there are a lot of other factors to consider in this comparison - grain has suffered from a trade war and cattle hasn't - but the point is interesting nonetheless.

As for hogs, I can only suggest that the current integrated model with efficient large barns seems to be doing very well, but is not proven long-term and the stability of a more traditional mixed farm where the operator is raising a few hogs may still have something to offer - especially if farmers are provided with the management skills to run efficient operations with lower capital investment.

Again I point to the cow/calf sector, which has the lowest capital requirements of all the major sectors of Canadian agriculture. It is consistently making money. This is not totally a coincidence. It's also a sector that can still stand to gain a lot of productivity from increased management, especially through better forage management. For cow/calf and forage producers, there are still considerable resources available through public extension agencies. That does not appear to be the case for pigs - the integration of the system has meant that the genetics, management information and access to markets tend to be tightly held and not available to the independent producer.

If you are looking for the single largest reason for opposition to large hog barns, I think this is it. A lot of the other stuff about smell and pollution is just a smokescreen for the real fear that many are unable or unwilling to voice in public. Western Canada was built - really not all that long ago - on the principle of independent, owner-operated farms. Most of us continue to pay homage to that principle. When that big barn arrives, many look at it and see the future, which looks much like the U.S. poultry business, in which farmers have been turned into wage slaves who take all

the production risk. That fear may or may not be real, but the perception is there and the only way to deal with it is to create an environment that not only allows an independent operator to compete by substituting labor for capital but makes it respectable to do so. I'm getting a little tired of this phrase, but need to use it to make a point. We need a "level playing field" in which opportunities - and penalties - are available to all who choose to try their luck in producing livestock.

This brings me to another challenge that is already here and is sure to become much bigger before long, and that's animal welfare. It's one of the red herrings that is often raised in opposition to large hog barns. However, a gestation stall is a gestation stall, whether it's in a barn for 50 sows or 1,000. Within the accepted standards in the industry, large barns can probably do better than small ones.

That's within the currently accepted standards. They are going to change. You are all familiar with the new requirements from McDonalds and Burger King, and this is just the tip of the iceberg. The Winnipeg Humane Society's humane food program has already caused some consternation in the industry, but regardless of your views on it I remind you that it is not an original idea - it's patterned after a large and apparently successful one in the U.K.

Just as I've suggested that some of the reasons that opponents to large hog barns put forward objections that aren't necessarily their real ones, let me suggest that the farm community is not putting forward the real reason for objecting to the humane society or similar animal welfare schemes. It's not necessarily that they agree or disagree with particular initiatives such as changing the number of hens per cage or eliminating gestation stalls. It's fear that the livestock industry as a whole will break ranks and start marketing individual meat on a welfare-friendly basis.

So far livestock producers have maintained a united front on welfare issues through their general farm organizations and provincial farm-animal councils. However, beef producers are not necessarily any more comfortable with gestation stalls or laying hens at eight to a cage than are members of the Winnipeg Humane Society and if consumer choice based on animal welfare continues to grow there will be overwhelming temptation for cattle producers - or some segment of them - to start pointing out the differences between the way they raise cattle on grass, versus the more confined systems used for hogs and poultry. That would probably precipitate similar initiatives by subsectors of each industry - organic is already here and growing, biotech hogs, pastured poultry and so on.

Remember that the almost relentless rhetoric being delivered to farmers lately - they can't survive by growing commodities any more - they must specialize; differentiate their product, move up the supply chain, get closer to the consumer. Other than meat quality - which is rather subjective - one of the only ways that livestock producers can differentiate their product is through differentiating the way it is raised.

Depending on your point of view, you may be happy or unhappy about these trends. If you are unhappy about it, and feel the livestock industry should maintain its united front, you may have to accept some compromises to keep everyone on board. There may be considerable advantage for the livestock sectors to stick together. Branding is all-important these days, and if Canada can "brand" all its livestock products with the perception and reality of respect for the environment and respect for the welfare of the animals, it has a lot to gain.

If you noticed that I didn't include food safety on that list, it was because I left it off deliberately. I'm not saying food safety is not a selling point, but think about it. It's not like selling fruits and vegetables, where you can offer big ones or small ones, red ones or pink ones, some with a few bruises but still perfectly good and so on. You don't go to customers and ask "Would you like the safe stuff or the stuff that's a bit risky?" And while the customer may put your product on his store shelf, he doesn't want to create the impression that anything else he's selling from another supplier is not safe.

The point is that safety is a given, not a means to differentiate your products. This is why biotechnology advocates oppose labeling of non-GMO foods - it creates the impression that they may not be safe. A similar reason is behind the opposition to the humane society welfare-friendly program - it creates the impression that conventionally raised animals are not treated properly.

In dealing with these difficult issues there has been a tendency to fall back on science and claims that since a particular approach is "science-based" then it must be OK. If you watch the Simpsons you will know that the term "science-based" is already becoming a joke, and there has been a tendency for scientists to be straying into areas that are challenging traditional values of morality, religion and spirituality. The scientists can be wrong in these matters - BSE being the prime example.

I remember not-so-fondly back to 1973 and 1974 when the scientists were fretting about the coming world food crisis and our inability to keep up with demand for protein. They were looking for research grants to produce blue green algae and single-cell protein grown on municipal waste and the like in order to supply us all with our protein requirements.

Entirely sensible from a scientific point of view, but not an approach that would be supported by anyone in this room. You are not just selling protein; you're selling an entirely unscientific combination of nutrition, taste, appearance, texture and appeals to traditional values such as inviting friends over for a barbeque or family for Christmas dinner.

I don't know how many times I've heard farmers or industry people bemoaning that consumers don't know or care where their food comes from. For a lot of reasons - food safety, an aging population more interested in nutrition and cooking, increased concern over the environment and animal welfare - farmers are getting their wish and consumers are starting to ask where their meat comes from and how it was raised. The future success of the livestock industry depends on being able to answer those questions in a way that makes the consumer comfortable with their choices. I commend the conference organizers in choosing a program that addresses not only the science of livestock and manure handling, but also how the industry can best work with the environment and community.