



**ACTION COMMITTEE ON THE RURAL ECONOMY**

**Farm Structure/Farm Income Subcommittee Report  
October 2001**

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# INTRODUCTION

The Farm Structure/Farm Income Committee is composed of Marsha Cannon, President of the Saskatchewan Cattle Feeders Association, (chairperson); Germain Dauk, Vice-Chair, Saskatchewan Pulse Growers Association; Dennis Banda, President of Federated Co-op Ltd.; Ray Bashutsky, President of Sask Rally Group; Darryl Amey, Past President of the Saskatchewan Organic Directorate; and Lester Lafond, Federation of Saskatchewan Indian Nations.

The Farm Structure/Farm Income Subcommittee was asked to provide a picture of what is happening on the farm and examine:

- What is the profile of crops and livestock being produced on Saskatchewan farms and how has the profile changed over time? With those trends, what production mix is likely 10 to 15 years from now and what changes will be required in the institutions and the infrastructure now servicing farmers to accommodate future production?
- What are the implications of the farm income trends, and the declining margins for primary production and particularly for cereal crops and oilseeds?
- How has the number of farm operations in the province changed over time and what are the implications of that trend for the future of rural Saskatchewan?
- Given the trends in the production mix, farm incomes and margins, and numbers of farms, and the implications of each for the economy of rural Saskatchewan, what programs, policies or services should be provided by governments to maximize opportunities for the rural economy?
- What are the external factors that might impose constraints or provide opportunity for farmers using avenues such as service needs (for the farm operation and the farm family), corporate concentration (elevators, inputs, seed ownership, etc.), commodity marketing structures, government policies/legislation, internal subsidies, etc.

- Given the external influences on farming operations, what programs, policies or services might be implemented to remove constraints or maximize opportunities for agriculture?

The Committee drafted a mandate to guide the recommendations coming out of the Committee's research. Specifically, the Committee defined its mandate as:

**To examine current trends in farm structure/ farm income and the underlying forces and identify the appropriate policies which will help the industry in meeting its long-term goals.**

**The Subcommittee's recommendations will be measured in terms of these guiding principles:**

- **socially acceptable and supportive;**
- **environmentally sound;**
- **economically viable for all participants; and**
- **sustainable in the long-term by meeting the needs of today without compromising the needs of future generations.**

Specifically, the Farm Structure/Farm Income Committee's report outlines the main industry level characteristics and trends; the farm level characteristics and trends; the infrastructure and institutional changes that are occurring in the industry; and the implications of these changes for farmers and farm families. The report makes a number of recommendations on the programs, policies, and services that governments should pursue in an attempt to shape the future for a sound agriculture industry in this province.

# INDUSTRY LEVEL CHARACTERISTICS

The Saskatchewan primary agricultural industry has faced significant transformation over the past 30 years. Policies, weather, technology and international subsidization of competing products have all had a dramatic effect on this industry. These factors have led to fewer and larger farming operations. At the industry level, we have a more diverse industry with a wide range of crops and livestock being produced. However, there continues to be a trend towards specialization into one or two areas. While crop producers tend to grow a wider basket of crops, there are fewer mixed operations (crops and livestock combined) now than 30 years ago.

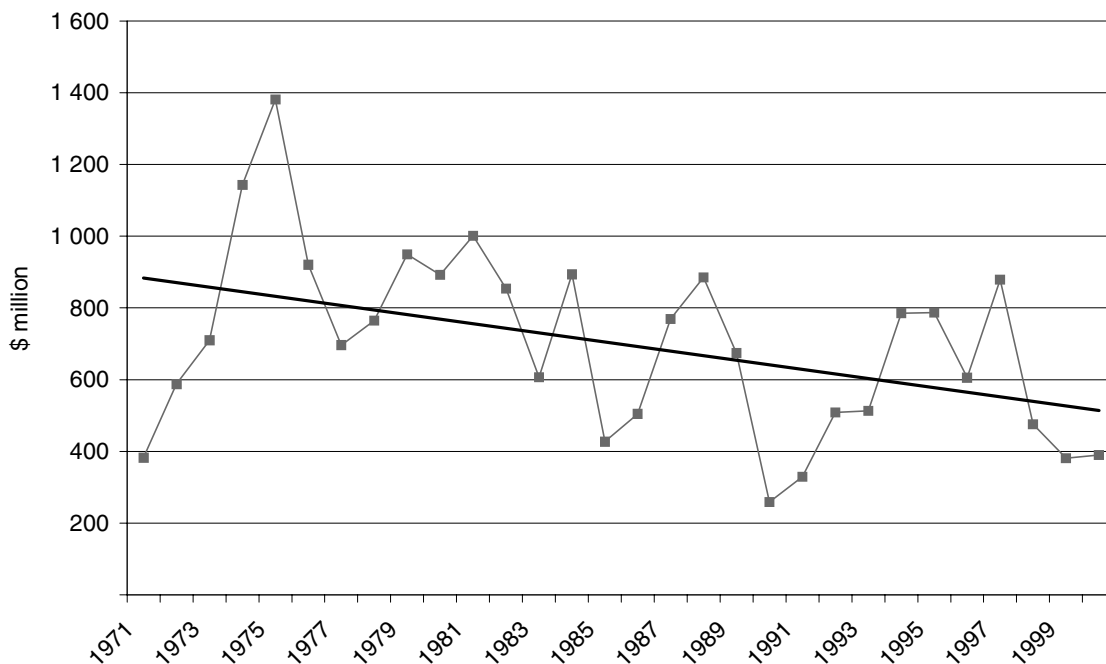
## Farm Income Levels

Saskatchewan farm incomes have faced significant downward pressure since the mid-1970s due to many of the factors listed above. Realized net farm income in 2000 was \$390 million, compared to the previous five-year average of \$626 million. Realized net farm income (net income after depreciation) peaked in 1975 at \$1.381 billion.

The Saskatchewan agriculture industry continues to be dominated by grain production. In 2000, just over 60 per cent of the province's farm cash receipts originated from the sale of crops, compared to 25 per cent from the livestock sector and nearly 15 per cent from program payments. Over the 1995-99 period, nearly 75 per cent of farm cash receipts in Saskatchewan were from the crop sector while just over 20 per cent originated from livestock and six per cent from program payments.

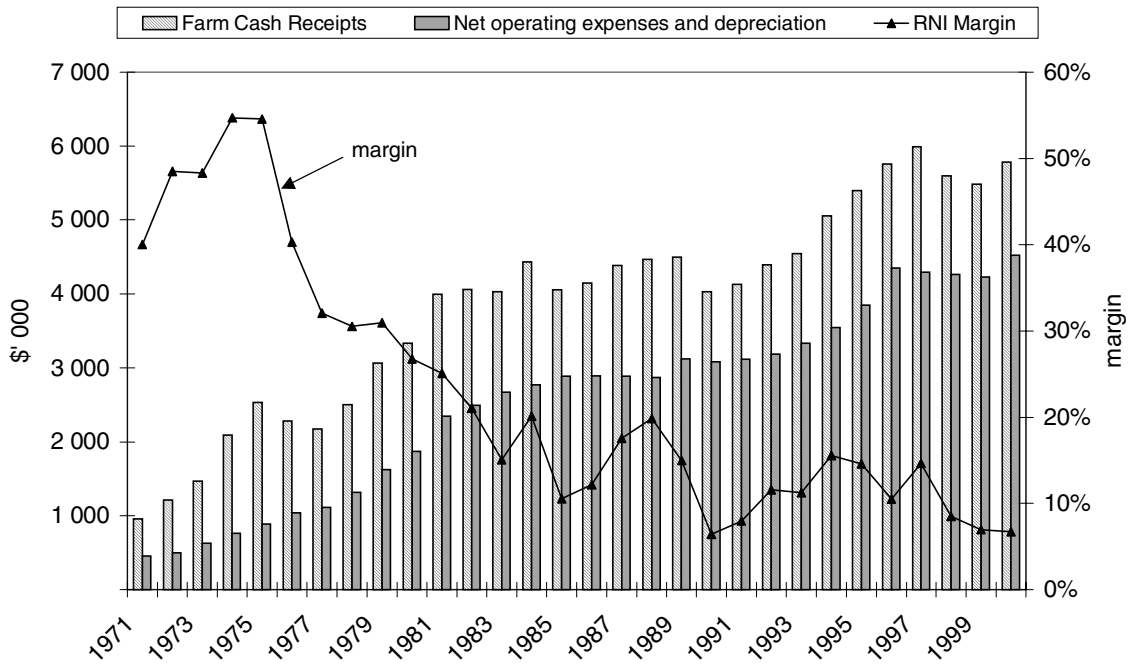
While farm cash receipts have increased significantly over the past 30 years, operating expenses have more than kept pace. In 1971, operating expenses were 48 per cent of farm cash receipts, while in 2000 operating expenses consumed 78 per cent of total farm cash receipts, resulting in a substantial reduction in income margin (after depreciation) over the last 30 years.

Saskatchewan Realized Net Farm Income, 1971 to 2000



Source: Statistics Canada

### Saskatchewan Farm Cash Receipts, Net Operating Expenses and Depreciation, and Realized Net Farm Income Margin (RNI)

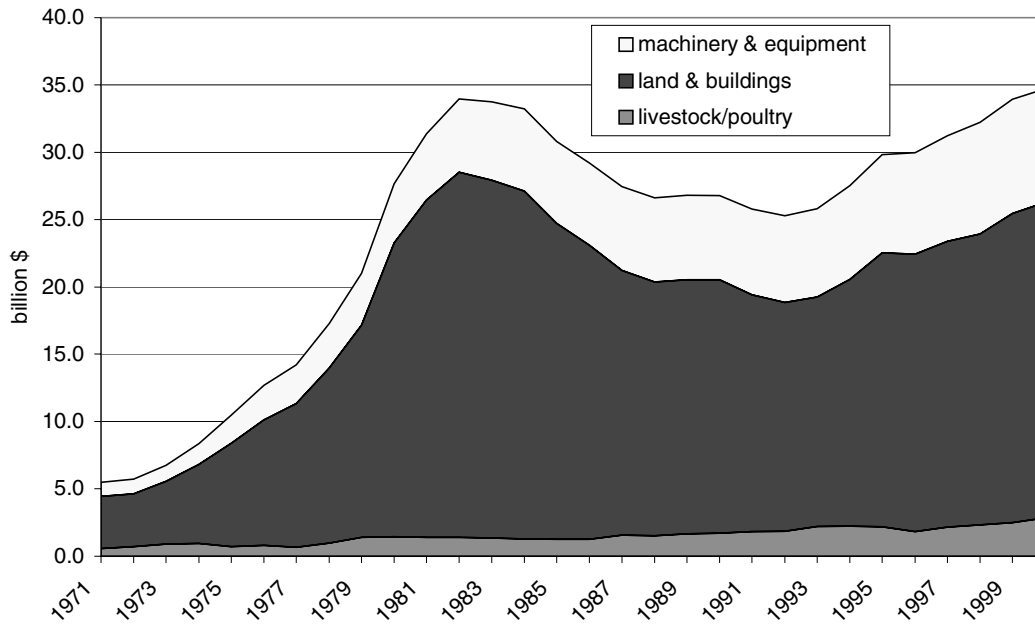


Source: Statistics Canada

### Value of Farm Capital

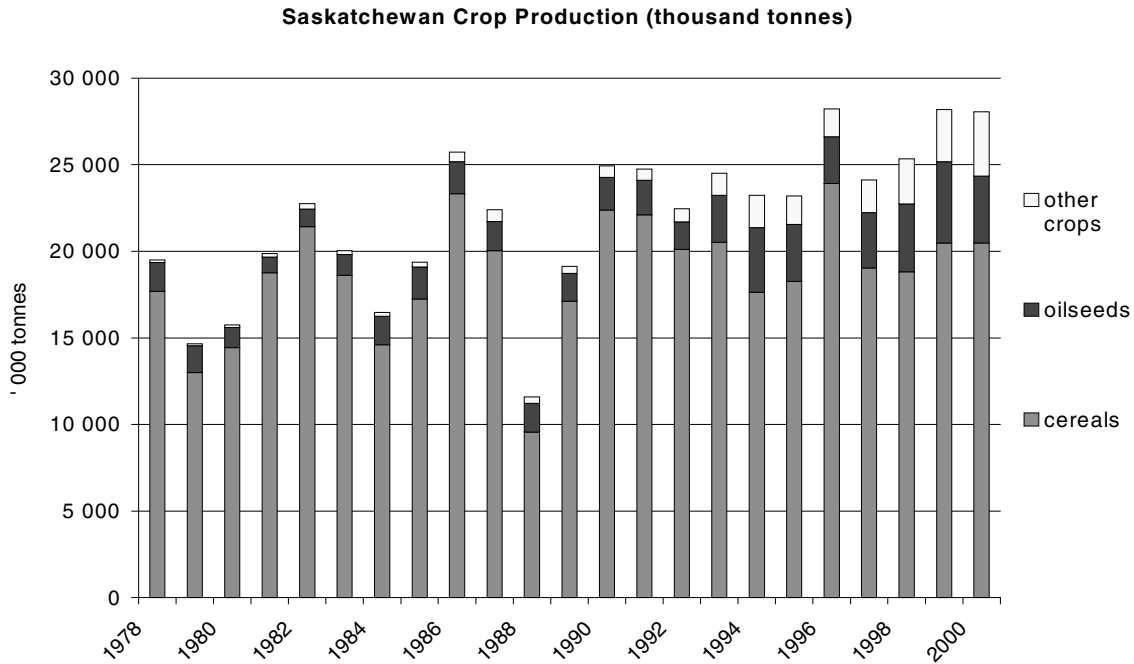
Investment in farm capital has grown significantly since the early 1970s. The total value of farm capital in 2000 was \$34.7 billion, up from \$5.5 billion in 1971.

Saskatchewan Value of Farm Capital, 1971 - 2000



Source: Statistics Canada

## Production Mix on Saskatchewan Farms



Source: Statistics Canada

Crop production in Saskatchewan is dominated by cereal grain. However, oilseeds and specialty crop production have evolved into mainstream production practices. In 2000, cereal crop production represented approximately 73 per cent of total crop production in Saskatchewan followed by oilseeds at 14 per cent and other crops at 13 per cent.

In terms of cultivated acres, cereal grain acres have not changed significantly over the past 20 years. Crop rotations have evolved to include oilseeds and specialty crops, while summerfallow acres have declined considerably since 1980. In 1980, estimates indicate Saskatchewan had 2.4 million acres of oilseeds and 30 thousand acres of pulse crops. Seeded acreage estimates for Saskatchewan in 2001 indicate we have over six million acres of oilseed production and 5.7 million acres of pulse crops. During this period, summerfallow acres dropped from 17.6 million acres in 1980 to an estimated 7.8 million acres in 2001.

## Farm Types

### By Commodity

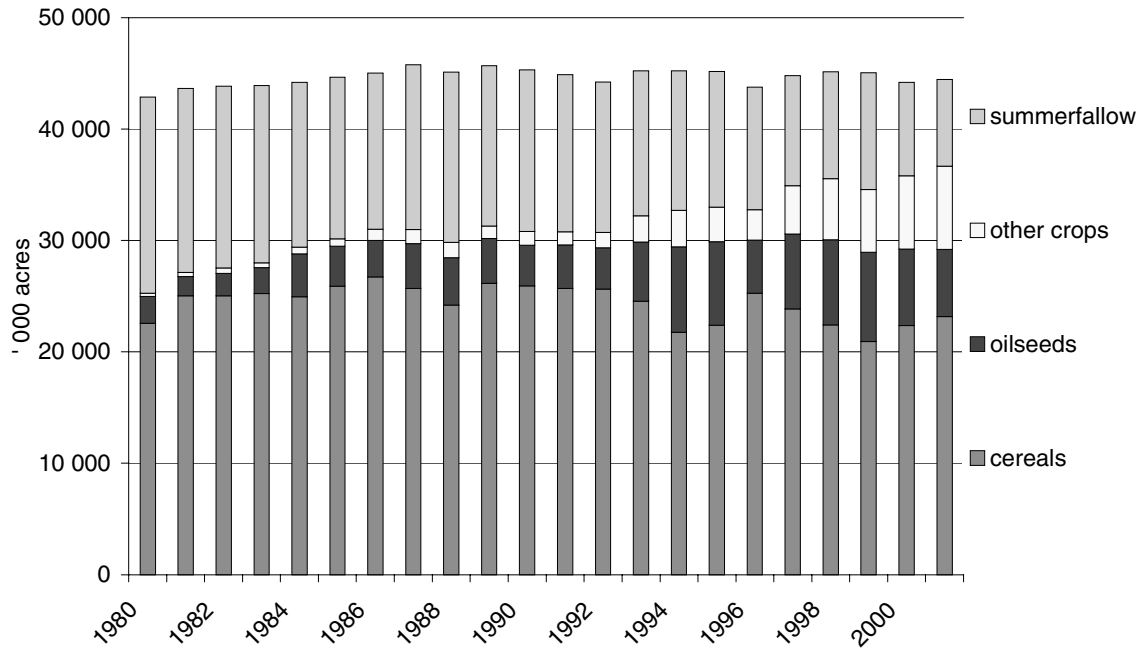
Note: A farm type classification is based on the percentage (more than 50 per cent) of the sales of the major commodity (or commodity groups).

As one would expect, farms in Saskatchewan are predominately grains and oilseed farms. Based on the 2000 Farm Financial Survey 1999, data indicates the following breakdown of Saskatchewan farm types:

- Grains and Oilseed Farms 73%
- Beef Farms 22%
- Hog Farms 1%
- Dairy Farms 1%
- Other Farm types 4%

Since 1995, the Farm Financial Survey indicates the number of grains and oilseed farms have diminished by 17 per cent, while the number of beef farms has climbed by 58 per cent. Overall, the survey points toward an 11 per cent reduction in the number of farms earning greater than \$10,000 in gross farm receipts in Saskatchewan.

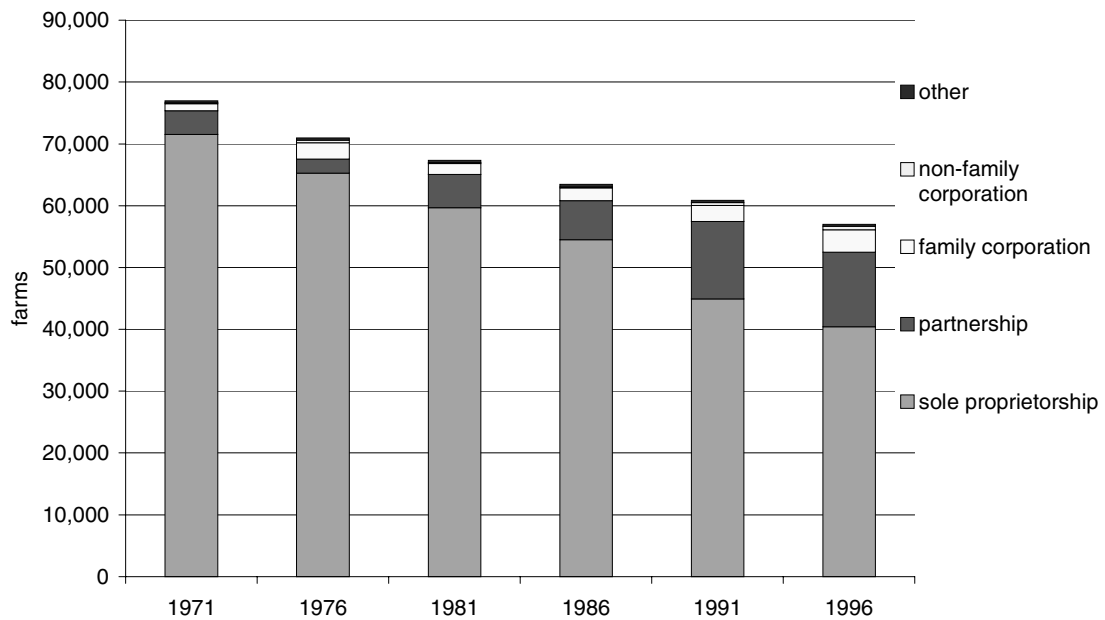
### Saskatchewan Cultivated Land Use (thousand acres)



Source: Statistics Canada

The Farm Financial Survey does not include farms with less than \$10,000 in gross farm receipts (which accounted for 12 per cent of Saskatchewan farms in the 1996 Census).

### Saskatchewan Farms Classified by Operating Arrangements



Source: Statistics Canada, 1996 Census of Agriculture

### By Operating Arrangements

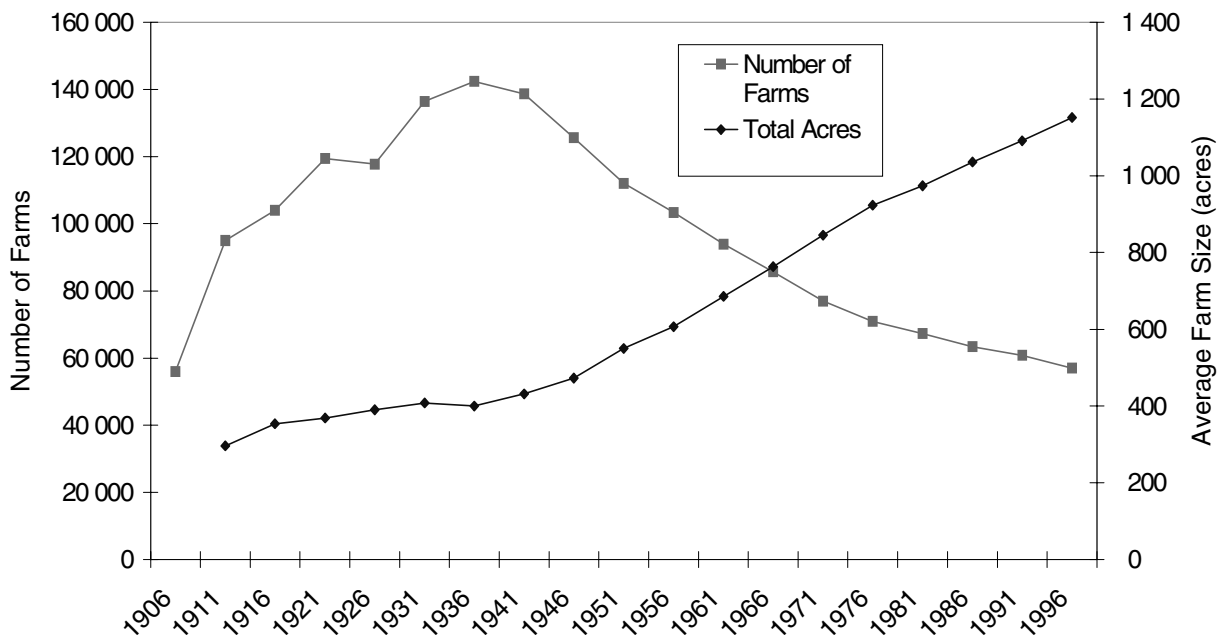
According to data from the 1996 Census of Agriculture, since 1971 the number of farms in Saskatchewan has declined by more than 20,000 from 76,970 to 56,995 in 1996. During this time period, the relative number of partnerships and corporations has increased while the number of farming operations classified as sole proprietorships has declined. Most of the partnership arrangements are operated without written agreements.

### **Farm Size**

Data from the Census of Agriculture illustrates how the average farm size in Saskatchewan has increased over time as the number of farms decline. Over the past fifty years, the average farm size has more than doubled, while the number of farms has fallen by over 50 per cent.

Technology has allowed farmers to increase their output per acre as well as manage larger farm units. As a result, farm size has increased considerably and one can expect that the trend towards larger farms will continue for most commodities if the provincial production mix remains relatively stable. However, there is great opportunity for small site production to be expanded in this province, whether that be through expansion of intensive livestock operations, the production of higher value more intensive crop production (i.e. horticulture; organics; specialty crops); or through more part-time farmers who rely heavily on off-farm employment for the majority of their family income.

**Number and Average Size of Saskatchewan Farms**

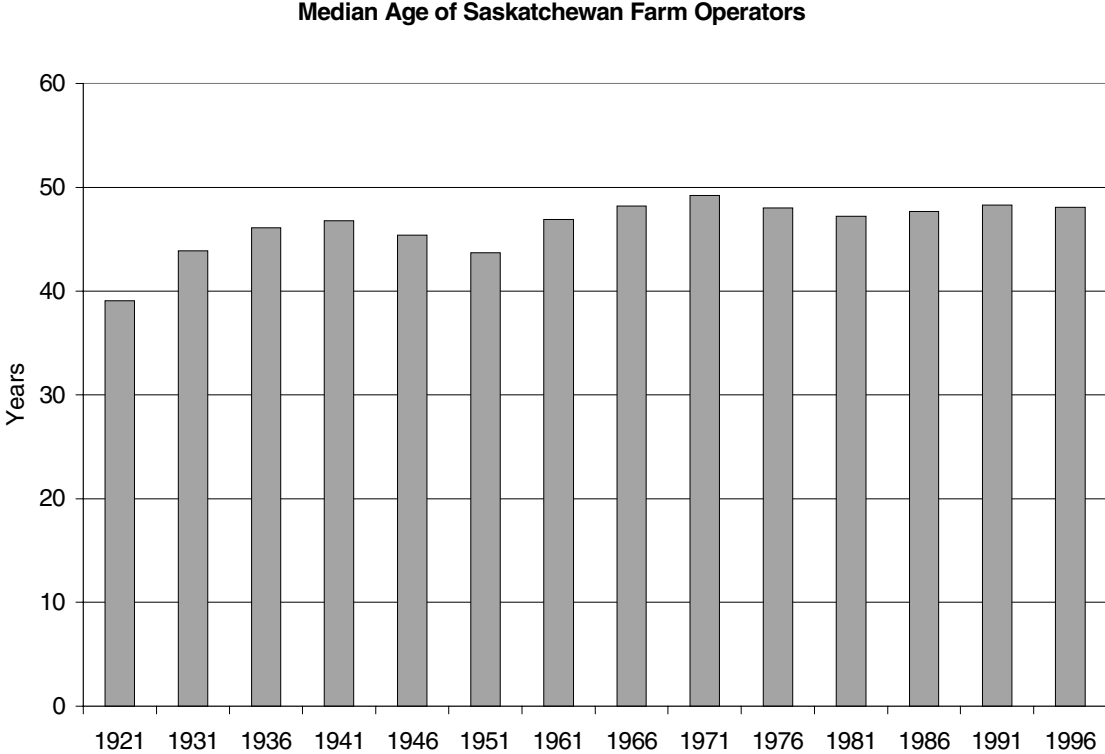


Source: Statistics Canada, 1996 Census of Agriculture



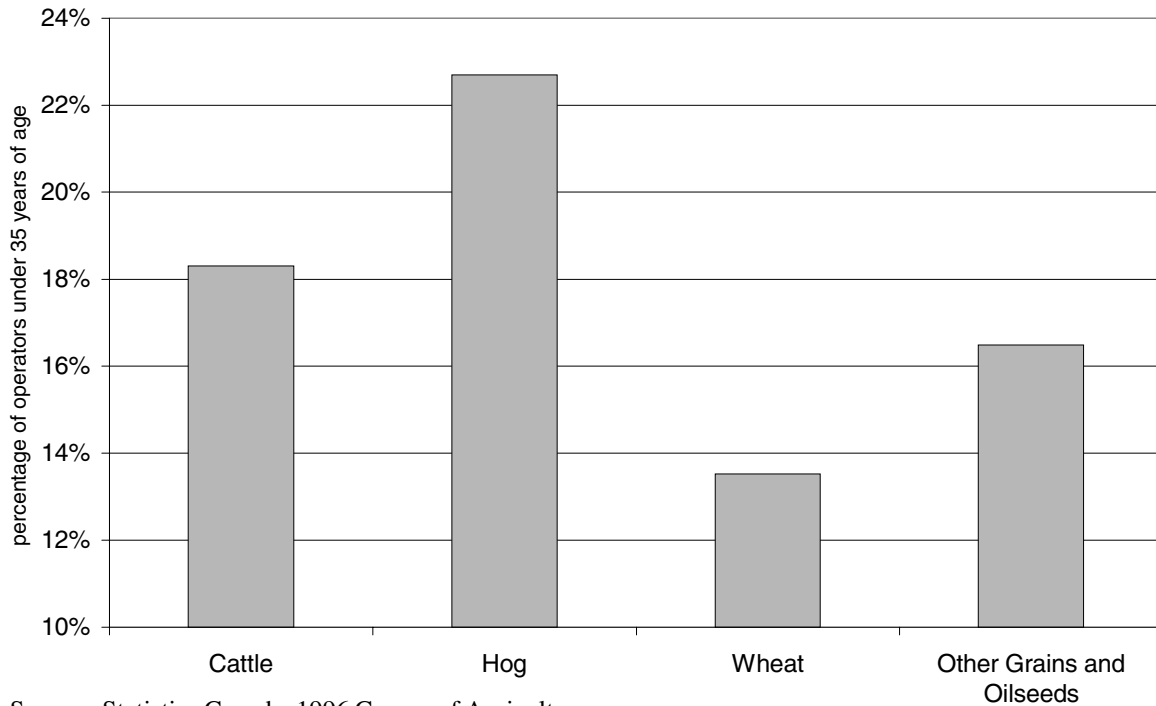
# Demographics

While the number of farms has declined constantly since 1936, some people may be surprised to find that the median age of producers has not actually changed significantly during this period. The median age (meaning half of the farm operators are younger and half are older) of Saskatchewan farm operators was 46.1 in 1936, while in 1996 the median age was 48.1.



Source: Statistics Canada, 1996 Census of Agriculture

### Saskatchewan Farm Operators Under the age of 35 by Type of Operation



Source: Statistics Canada, 1996 Census of Agriculture

According to the 1996 Census of Agriculture, the proportionate number of farm operators under the age of 35 is slightly higher for livestock operations. This may be evidence that younger operators are more inclined to be attracted to livestock production, or as operators approach retirement they may be more likely to eliminate their livestock portion of their enterprise first. Either way, it is clear that attracting and retaining a younger generation of farmers will be a key in expanding the livestock sector in the province.

## FARM LEVEL CHARACTERISTICS

### Average Farm Balance Sheet [Farm Financial Survey (FSS)]

As farm numbers decrease, and average farm size increases, the average total assets and liabilities per farm have increased leaving the average net worth

per farm relatively unchanged over the past five years. Over this same time period, falling grain prices and rising input costs have led to a significant decline in the average net cash farm income for Saskatchewan producers.

### Financial Structure of all Farms by Revenue Class, Saskatchewan

	1995	1997	1999
<b>Number of Farms</b>	46,505	42,105	41,590
	<b>Average \$ per farm</b>		
Assets			
current assets	119,645	88,091	83,013
long-term assets	505,991	569,777	582,834
other assets	2,955	-	-
<b>Total Assets</b>	628,592	657,868	665,846
Liabilities			
current liabilities	12,553	11,030	24,033
long-term liabilities	74,719	81,698	89,946
<b>Total Liabilities</b>	87,272	92,728	113,979
<b>Net Worth</b>	541,320	565,140	551,867
Revenue			
farm sales	114,117	132,817	120,280
program payments	6,673	5,036	5,677
<b>Total Revenue</b>	120,790	137,853	125,957
Expenses			
interest expenses	7,274	7,318	8,331
family wages from the farm	4,905	4,799	4,192
other expenses	75,991	96,265	94,055
<b>Total Expenses</b>	88,169	108,382	106,579
<b>Net Cash Farm Income</b>	32,620	29,471	19,378

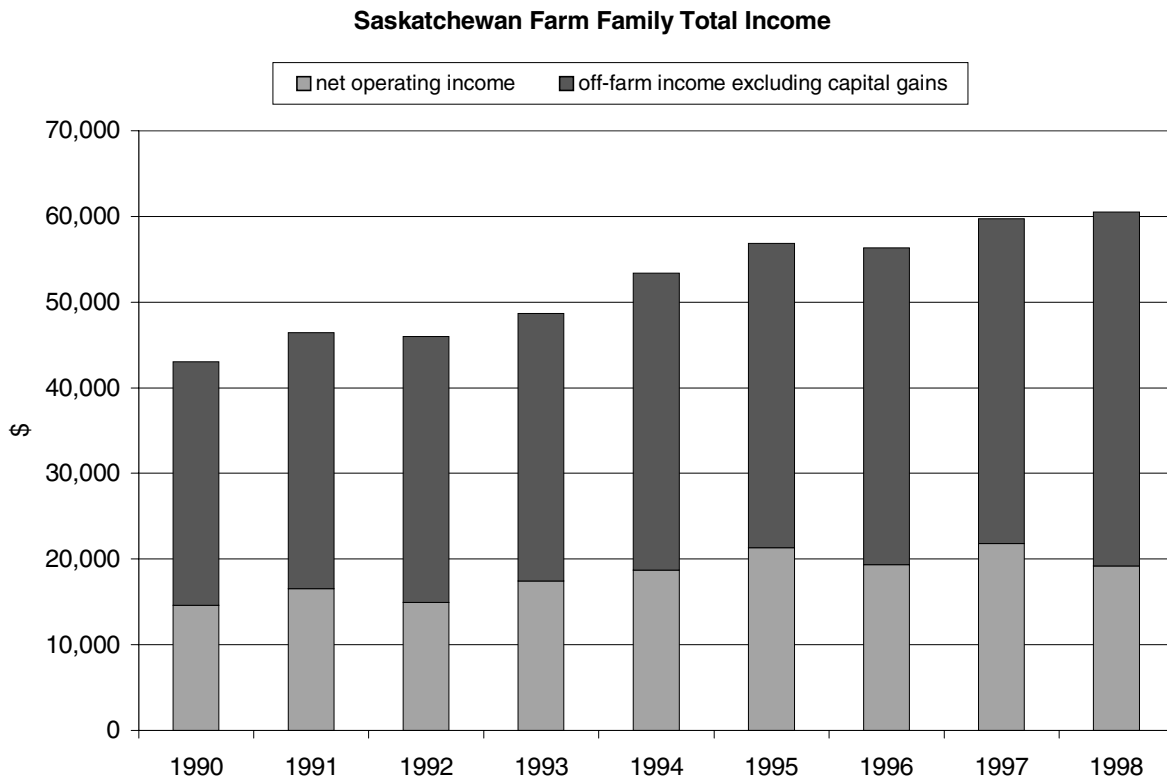
Source: Statistics Canada, Agriculture and Agri-Food Canada Farm Financial Survey

## Average Income Levels for Farm Families

According to the Statistics Canada taxfiler information, the average Saskatchewan Farm Family income in 1998 was \$60,507. Of this income, \$41,311 or 68 per cent was off-farm income and \$19,196 (32 per cent) was net farm operating income. Since 1990, average farm family income has risen by \$17,500, with off-farm income rising

by \$12,895 or 74 per cent, and net farm operating income rising by \$4,605. As average farm size continues to increase, farm family income is becoming more dependent on off-farm income.

The analysis below is based on averages. It is important to be aware that there is no one typical farm. Differences in size, production mix, number of operators, age of operators, and numerous other variables exist between the farms in Saskatchewan.



Source: Statistics Canada, Taxfiler data

## Farm Typology Data

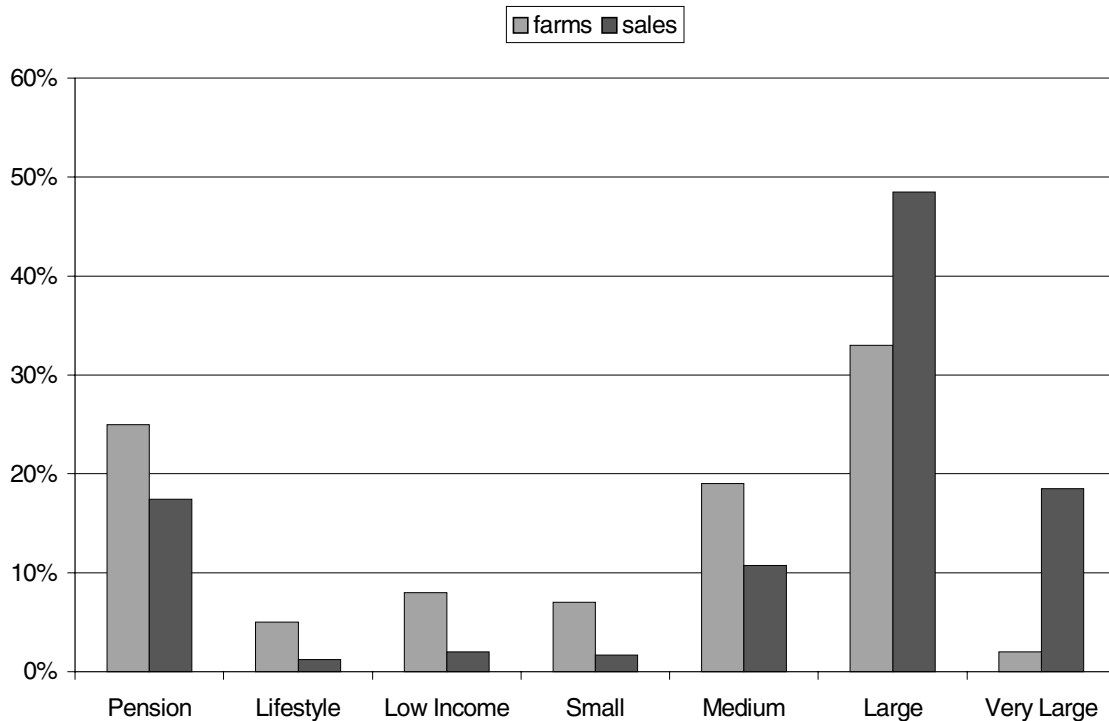
One means of trying to understand what is happening in the industry and assessing the important information that gets lost when looking at industry level averages, is to break the farm data down into different groups with similar characteristics. An analysis, carried out by Agriculture and Agri-Food Canada (AAFC), on farm taxfiler data has provided some further perspective for different farm types. This study looks at farm characteristics under the following definitions:

- **Pension Farms:** main operator is 60 to 64 and receiving pension income (CPP) and all farm operators 65 years of age and older.
- **Lifestyle Farms:** gross revenues of \$10,000 to \$49,999, off-farm income of \$50,000 and over, and negative net operating income.

- **Low Income Farms:** gross revenues of \$10,000 to \$49,999 and total family income below \$20,000.
- **Small Farms:** gross revenues of \$10,000 to \$49,999 and not in the lifestyle or low-income category.
- **Medium Farms:** gross revenues of \$50,000 to \$99,999.
- **Large Farms:** gross revenues of \$100,000 to \$499,999.
- **Very Large Farms:** gross revenues of \$500,000 or more.

Using these definitions of farm types, the study indicates that the large and very large farms represent 35 per cent of all farms and account for 67 per cent of all farm sales.

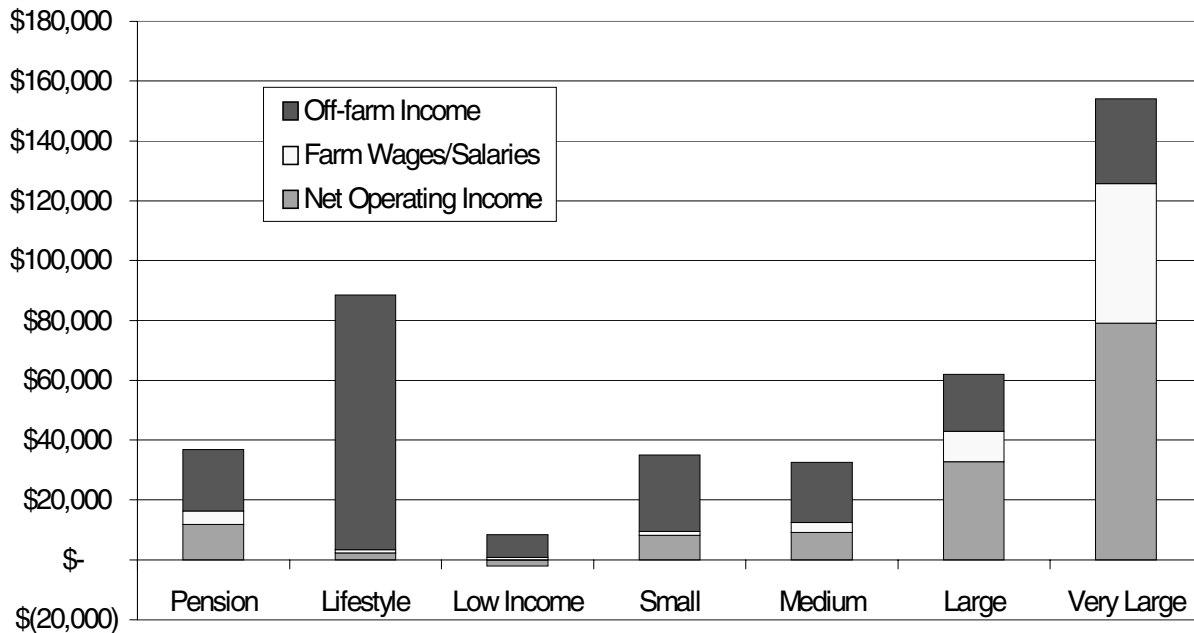
**Distribution of Farms by Typology and Sales, Saskatchewan, 1999**



Source: Agriculture and Agri-Food Canada

Sources and average levels of income using these typologies are as follows:

Source of Income by Typology



Source: Agriculture and Agri-Food Canada

### Farm Typology, Saskatchewan, 1999

Typology	# of farms	% of farms	% of sales	% of payments	Net Operating Income (\$)*	Total Family Income (\$) **
Pension	10 375	25	17	24	11 800	36 860
Lifestyle	2 200	5	1	2	2 230	88 515
Low Income	3 385	8	2	2	- 1 990	6 410
Small	2 860	7	2	3	8 175	35 065
Medium	8 065	19	11	15	9 155	32 590
Large	13 720	33	49	48	32 750	61 985
Very Large	925	2	19	5	79 015	154 120
<b>ALL FARMS</b>	<b>41 585</b>	<b>100</b>	<b>100</b>	<b>100</b>		

Source: Agriculture and Agri-Food Canada

\* farm family's share of net operating income.

\*\* total family income includes net operating income, farm wages and salaries and off-farm income.

*Note: Number of farms in typology data differs from number of census farms because the typology data only includes producers with annual sales greater than 10,000.*

Highlights of the 1999 AAFC typology include the fact that:

- Just over one-third of Saskatchewan farms - large and very large farms account for over two-thirds of farm sales and 53 per cent of program payments. When pension farms are added to this group, they represent 60 per cent of farms, 84 per cent of sales and 77 per cent of program payments.
- Net operating income varies considerably across the different typologies. Only the large and very large farms appear to generate enough income directly from the farm to be self-sustaining. The rest of the typologies rely heavily on off-farm income sources to realize a “typical” family income.
- The one exception is the low income classification, which is unable to generate a significant income from on or off the farm. This group tends to be made up of producers with a small farm base and very little off-farm income.

The variability in farm types suggests that a “one-size-fits-all” approach to agricultural programs is not effective in assisting producers with the challenges they face. While the current farm programs may be an effective stabilizer for large and very large farms, small and medium size farms may require a different program mix. The industry will face further rationalization as pension farms prepare to exit the industry and low income and small farm operations are unable to generate sufficient levels of income to remain viable. While the current group of “pension farms” will ultimately exit the industry regardless of government actions over the next few years, the issue of how best to help the “low income,” and “small” farms stay and contribute to rural Saskatchewan cannot be addressed through safety net programs.

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## INFRASTRUCTURE AND INSTITUTIONAL CHANGES AND THE IMPLICATIONS FOR FARMERS

### Grain Transportation Consolidation

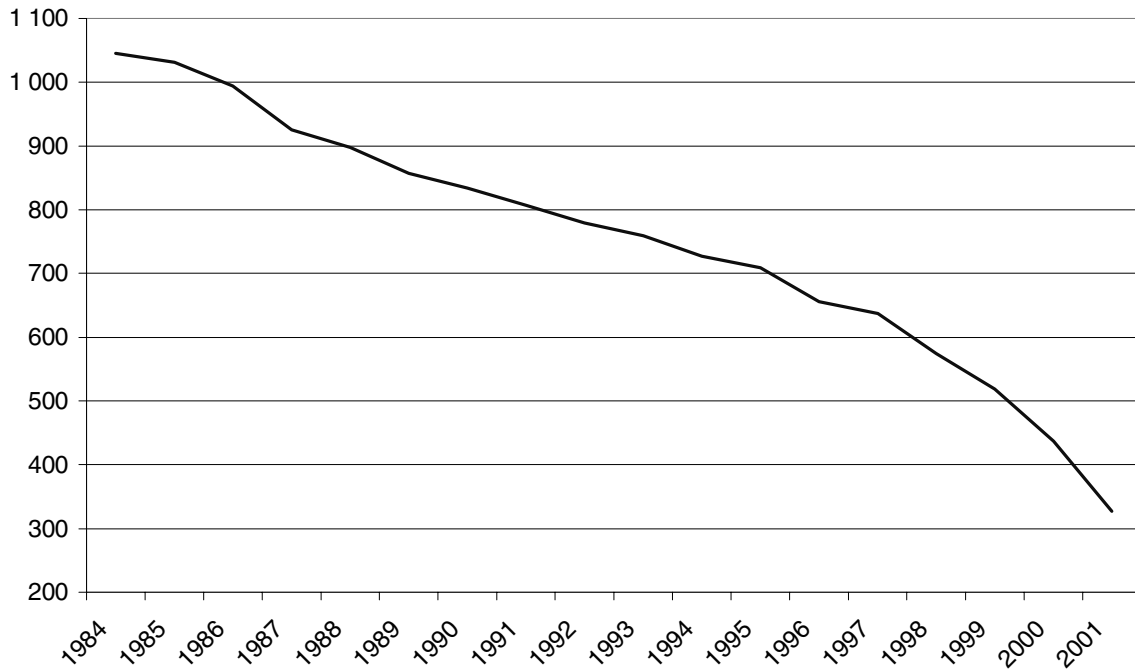
The primary agriculture industry in Saskatchewan, which is dominated by production of bulk commodities, relies heavily on infrastructure to move products to export markets. This infrastructure has undergone numerous changes in recent years, including closure of elevator branch lines and consolidation of the elevator system.

In 1984/85, Saskatchewan had 1,045 licensed primary delivery points. As of July 11, 2001, only 327 licensed primary elevators remain and average producer hauling distances have increased from 15 km in 1980 to an estimated 38 km in 2000. In the last year alone, over 75 stations (towns) have lost elevator service and a total of 110 elevators have closed in Saskatchewan. Since the 1970s, branch lines in Saskatchewan have shrunk from a network of 13,900 km to approximately 9,900 km today.

These changes, and other reductions in rural services, have forced producers to travel greater distances to deliver their production and purchase inputs leading to higher costs for transportation and increased wear of rural roads. Some have argued that the reduced number of delivery and supply centres has resulted in less competition and higher costs of production.

Saskatchewan has a large area to cover and a small population base for taxation. Innovative thinking is required in order to have a useful and successful infrastructure that will serve the need both now and in the future.

### Historical Number of Licenced Primary Elevators In Saskatchewan



Source: Canadian Grain Commission, Grain Elevators in Canada

### Rural Services

Not only has the consolidation of the grain handling and transportation system had a significant impact on farmers, the rationalization of a number of rural services have impacted the quality of life and the cost structure for many farmers. Access to hospitals, schools, and recreation facilities, communications services (postal, courier, internet, telephone) and the conditions of rural roads influence the quality of life for rural residents and farmers alike. Access to three-phase power, natural gas, water, local agriculture lenders, farming expertise, are also critical issues and can affect the cost structure of farm enterprises.



# SUMMARY OF TRENDS AND WHAT WE CAN EXPECT IN THE FUTURE

- Saskatchewan is now, and will continue to be, a competitive player in the global food system, but present trends in production and marketing are making it more difficult for farmers to obtain sufficient net returns to remain viable.
- Changing technology has allowed producers of commodities around the world to increase productivity, both in terms of per unit output and in terms of being able to manage larger production units resulting in significant increases in output per person involved in the industry. As a result, the Saskatchewan agriculture industry, which is heavily based on larger land based production systems (export grains), is trending towards having fewer and fewer farm families over time. We need to make choices as to whether we are willing to let this trend continue or are we willing to take the actions needed to significantly change the fundamental mix of this industry to one that is more of a “people” based model.
- Technology has also made the agriculture industry much more capital intensive. Producers need capital and expertise to adapt the new technology that is developing every day in this industry. Producers also need sound and unbiased information to determine the appropriateness of technology being offered.
- The capital-intensive nature of the industry makes intergenerational transfer of the family farm challenging. With many producers nearing retirement age it is important that the industry have mechanisms to help the next generation enter the industry.
- The loss of the Crow Benefit has provided many challenges but also many opportunities for Saskatchewan farm families. Saskatchewan farms have undertaken significant diversification in the crops area over the last decade with grain farmers now growing over 50 different crops (depending on market conditions) yet the industry has not yet fully capitalized on many more opportunity areas that exist for example:
  - livestock (both traditional and non-traditional), pulse crops, fruit crops, certified organic and other identified preserved production, crops used for alternative energy production, participation of the primary sector in value-added processing, life science products (such as fibre and nutraceutical products).
- To have sustainable primary production in this province we must:
  - protect the natural resource base; prevent the degradation of soil, water, and air quality; and conserve biodiversity;
  - ensure a safe and high quality supply of agriculture products;
  - safeguard the livelihood and well-being of agriculture and agri-food workers and their families; and
  - contribute to the economic and social well-being of all Canadians.
- Awareness of our impact and reliance on the environment as producers and consumers has triggered the need to examine and respond to a number of issues. Food quality and safety, and environmental stewardship are issues affecting society as a whole and must be addressed with that in mind.
- These trends suggest that new and innovative approaches are needed to help farm families adjust to the challenges that lie ahead and end the cycle of recurring farm crisis. The current situation for farm families is broadly variable and there are many unique directions in which individual farm families may take their operations in the future. As such, the actions needed by government and the recommendations of this Committee are very diverse in nature.
- The Farm Structure/Farm Income Committee has grouped recommendations to government into three main areas: youth and population; capital; and farm support.

# RECOMMENDATIONS

The Agriculture Subcommittee and the Agri-Value Subcommittee previously provided ACRE with a thorough summary of the trends affecting the agriculture and agri-value industry in Saskatchewan and the opportunities and challenges facing the industry. It is obvious that in order for the industry to take full advantage of the many opportunities that exist, primary producers need to be involved.

It is recognized that there are many obstacles and risks involved in turning opportunities into viable business enterprises and as such, it is essential that we take steps to help primary producers and other rural residents in addressing the obstacles by providing the tools which allow them to participate in and capture benefits from the opportunities previously identified. In order for the industry to take full advantage of the many opportunities that exist, the main focus must be on the sustainability of farming systems.

Based on the work already completed by other ACRE Subcommittees, the ACRE Committee as a whole, and the farm level trends that have been identified in this paper, the Farm Structure/Farm Income Subcommittee feels that there are three key areas where actions need to occur in order to allow producers to address the challenges they are facing on the farm and to help them capture benefits from the opportunities that exist. These areas are:

**Youth and population** - there needs to be a reason for people to continue to be involved in farming and encouragement for young people to get into the agriculture business if we are going to continue to have viable rural communities.

**Capital** - farmers need to have access to capital to take advantage of the opportunities that are presented. There is not sufficient capital from within the industry to meet all of the capital needs. We need to create an environment that will lever increased outside investment into the industry.

**Farm Support** - farmers need farm support programs that are adequately funded and designed to increase the long-term competitiveness of the industry while addressing short-term income instability issues.

## I. Youth and Population

A sustainable Saskatchewan will require people in rural areas. It is not enough to simply generate more revenue or production. The future of this province is in successive generations. Individuals and particularly youth must have a reason to enter, stay, and be encouraged to participate in the Saskatchewan economy.

Governments should take actions to assist in the intergenerational transfer of farms. Producers must have adequate resources available to be able to enter and exit the industry without negatively affecting the integrity of a viable operation or their ability to meet personal financial needs.

### **Recommendation - Intergenerational Transfer**

It is recommended that governments should implement a taxation incentive/assistance program to help older farmers pass on the land to a succeeding generation.

### **Recommendation - Retain and Attract Youth**

As a means of encouraging youth to stay in or relocate to Saskatchewan to start businesses and families, government should explore the potential for a special youth income tax structure. As resources permit, a program to provide the lowest income tax in Canada for those under 35 years of age (farmers and others) could be established. For example, tax rates could start at a nominal rate for youth and increase to regular rates as individuals approach 35.

## II. Capital Needs

### **Recommendation - Facilitating Adjustment**

In order to make a significant and lasting transition into livestock and other long-term sustainable sectors, farmers may need to make substantial capital investment. Some new operations will require new and specialized equipment or will need to purchase livestock, plants or other tools. Government can assist this transition through the following actions.

- a) Governments should promote machinery or land cooperatives, or collaborative ventures that promote the shared use of specialized equipment, through a more favourable tax environment (i.e. the use of tax credits for those investing in cooperative ventures).
- b) Governments should expand the Livestock Loan Guarantee Program (bison females, feedlot program, expanded dollars in existing program).
- c) Governments should examine other available options for assisting producers such as loan guarantees in other areas, interest subsidies or tax incentives for those in transition to sustainable production systems.
- d) Governments should invest in the infrastructure that is needed to accompany the transition into new sectors. This may include:
  - encouraging development of related sectors along logical corridors;
  - providing financial support for water development for livestock operations, incorporating necessary environmental principles of sustainability, health and safety; and
  - providing financial assistance through loans or incentives for development of necessary facilities for livestock or specialized crops (vegetables, herbs, organics, berries, etc.).
- e) Governments should expand efforts to facilitate increased forage production.
- f) Governments need to develop a central registry of available service providers and producer demand for services to facilitate a more effective use of agriculture resources.
- g) Governments need to increase resources available for training people for a career in agriculture and rural businesses.
- h) Governments should provide technical expertise or a vehicle to link producers to the technical expertise on market information and market access and development issues.

### **Recommendation - Farm Ownership**

Given that the opportunities in this province far out weigh the capacity of our internal capital resources, the attraction of outside investment will assist in stimulating growth and economic development within the agriculture sector. In an effort to put our industry on a more level playing field with neighbouring provinces when it comes to attracting outside investment into the industry, the province should consider changes to the Farm Ownership Provisions under the Saskatchewan Farm Security Act.

- a) The provincial government should remove the residency requirements under the Farm Land Security Act for all individuals who are Canadian citizens.
- b) The provincial government should examine lifting the ownership restrictions under the Farm Land Security Act for specific development corridors or value-adding agricultural industries that are known to have significant local economic impact and are currently generally approved under the existing exemption provisions (horticulture, livestock, etc.). The objective is to encourage outside investment in Saskatchewan into areas that will stimulate growth within the province.

### **III. Farm Support**

With a finite amount of taxpayer dollars, the importance of a properly functioning, affordable and effective support structure is critical. Governments must more efficiently target and cap programs and payments and assist producers in transition to production systems that are much less reliant on government support. Farm support priorities must focus on helping producers adjust their operations and management skills so they can move effectively into long-term, sustainable sectors. Governments must be prepared to maintain strong social institutions, an effective regulatory system, labour legislation, and a just taxation system, to balance the increasing concentration of corporate power in today's global economy.

**Recommendation - Invest in Research and Development**

Governments should invest a maximum amount of available government dollars into publicly accessible applied research and development that will provide the greatest benefits in opportunity areas, education, and technology transfer for the industry.

**Recommendation - Research into Energy Conservation and Alternative Fuel Sources**

Governments should invest significantly in research aimed at reducing fuel consumption, providing alternative fuel sources, and farming practices that help farmers better utilize land and energy resources (e.g. integration of livestock and field crop production to reduce reliance on synthetic fertilizers). This will result in lower input costs for producers, alternative markets for some agricultural commodities and improved environmental stewardship by the industry.

**Recommendation - Make Short-Term Assistance More Effective**

Adequate short-term assistance is still required for stabilization and disaster programming during the transition period. In order to make the most effective use of this funding government must adjust current programs to better target need including improved disaster protection. The provincial Farm Support Review Committee and the National Safety Net Review process must be directed to find meaningful changes to the package of farm support programs [crop insurance, the Net Income Stabilization Account (NISA) program, and the Canadian Farm Income Program (CFIP)] including improving existing programs, the possible elimination of programs or portions of programs, and the introduction of new programs. It is essential that governments and the general public recognize that producers are not seeking income assurance but rather, adequate protection against disasters.

**Recommendation - Programs Equally Accessible to all Producers**

Any programs, long or short-term, must be designed to be accessible to all producers, including First Nations farmers.

**Recommendation - Education Tax on Farmland**

Government should take steps to alleviate the current education tax burden on farmland. This may include increased provincial funding for education, changes to the manner in which properties are now assessed, or a continuation of the education property tax rebate programs for farmland. In addition, the government should also examine the impact of the current education governance structure on system efficiency and decision-making.