

# REGULATING AGRICULTURAL MARKETS: A NECESSITY MADE CLEAR BY CRISES

Over the past few years, the WTO Public Forum has become a major opportunity for governments, non-governmental organizations, academics, businesses and students to come together to discuss issues regarding the multilateral trading system.

This year's Forum, the fourth edition, titled *Global Problems, Global Solutions: Towards Better Global Governance* was held in Geneva from September 28 to 30. As anticipated, agriculture was one of the hottest areas of debate.

Together with farm groups from the European Union, Africa and Brazil, Canada's dairy, poultry and eggs farmers were among the organizers of one of the sessions at this year's Forum: *Regulating Agricultural Markets: A Necessity Made Clear by Crises*. The panellists included Oliver de Schutter (the UN Special Rapporteur on the Right to Food) and Michel-Jean Jacquot (former EU agriculture negotiator during the Uruguay Round), who discussed the need to establish international rules that would allow the development of local and regional agricultural production and food markets in order to reduce dependence on volatile world markets.

The panellists also pointed out that food security would be better ensured through a multilateral governance process that recognizes market power imbalances in the agri-food chain. They also suggested that regulation of the agricultural and food markets, crucial to ensuring access to food, rest on the establishment of a hierarchy of international treaties and agreements reflecting the primacy of human rights, in particular the right to food. Throughout the discussions, panellists questioned the direction of the WTO agriculture negotiations and suggested that terms and conditions currently being negotiated should allow for the necessary policy space to use the regulatory and security instruments needed for achieving food sovereignty and food security.

Another interesting session on agriculture was organized by IFAP (the International Federation of Agricultural Producers), titled: *How Food Security and Sustainable Agriculture Will Change the Post Crisis Agenda of the WTO*. Recent global developments such as food security, climate change and the re-launching of the global economy are challenging the WTO Agreement on Agriculture – panellists in this session examined possible responses to these challenges.

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FOR A WEEKLY UPDATE
ON THE WTO TRADE
NEGOTIATIONS, VISIT
THE CFC WEBSITE AT:
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AS we slowly

emerge from one

# of the worst world recessions in history, in part triggered by the collapse of the banking system and of financial institutions, few need much convincing that increased regulations in financial markets is essential.

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Ajay Vashee, president of IFAP, noted that he did not expect the WTO to solve climate change or establish a food secure world, but he did state that farmers expect the WTO not to block national governments from implementing efforts to address these global challenges. In response, Ambassador David Walker, the new chair of WTO agriculture negotiations and a panellist insisted that the Doha Round is part of the solution and that its conclusion is a necessary step before the international community, insofar as the WTO, comes to grips with these other issues.

An interesting idea brought forward during this session was the coherence between the WTO and other elements of international governance in agriculture, such as the IMF, the World Bank, the FAO or the G20 and how the WTO will seek coherence in its conclusions with these other global governance structures.

Another session entitled: New Global Contract for Food and Agriculture: What Can the WTO Contribute? organized by the IATP (Institute for Agriculture and Trade Policy), an NGO based in the U.S., which advocates fair and sustainable food, farm and trade systems ended with the panel making the following recommendations:

- > To incorporate the right to food as a guideline for policy making
- > To promote multi-functionality as a role for agriculture
- > To address price volatility through food reserves and a ban on excessive speculation
- > To regulate market power
- > To establish trade rules that build on every country's human rights commitments

Many other sessions at the WTO Public Forum touched on issues

related to agriculture and farmers around the world. One debate focused on the spike and fall in commodity prices in 2007-2008. It was interesting to observe one panellist using sophisticated charts and data trying to prove that speculation, if anything, played only a minor role in that crisis, while a subsequent panellist, using similar sophisticated analysis, tried to prove that speculation was a central factor in the crisis.

One area which received much agreement among the various speakers in many sessions was the negative role that bio-fuel programs have on agriculture markets. It was repeatedly stated in several panels that this program represents one of the major distortions brought into agriculture markets, and that the number one offender is the United States with its corn-based ethanol production. Many voices called for an immediate halt of these programs.

As we slowly emerge from one of the worst world recessions in history, in part triggered by the collapse of the banking system and financial institutions, few need much convincing that increased regulations in financial markets is essential. Pascal Lamy, WTO Director General, stated during one of the sessions that there is no doubt in his mind that what the world economy needs most today is more market regulation.

Many farmers in the audience listening to Lamy were likely asking themselves the following daunting question: what other kind of crisis or catastrophic event, in addition to the food crisis of 2007-2008, does Lamy need in order to become clearer on the need for more regulation in agricultural markets? Hopefully, the coming year will be more enlightening for him and, as such, we might all be in for a surprise next fall, at the fifth edition of the WTO Public Forum.

# HEALTH INFO IN RESTAURANTS LARGELY INEFFECTIVE: U.S. STUDY

A new study examining the impact of posting calorie information in fast-food restaurants in New York City shows that, at least among low-income populations, the additional data does nothing to help consumers make more healthful choices.

The study, published in Health Affairs, a health care policy journal, examined the receipts of more than 1,100 adults buying food at 19 fast-food chain outlets located in similar neighbourhoods throughout New York and Newark, N.J. The study compared the receipts from purchases made before a New York City law went into effect in July 2008, requiring that fast-food restaurants post nutritional information, and after. The receipts collected in Newark were used as a control group, as Newark has not passed such a law.

The study found that 27.7 percent of the post-labelling, New York-based sample who saw the calorie information at the restaurant indicated that the information influenced their choices. Of these, about 88 percent indicated that they purchased fewer calories in response to labelling.

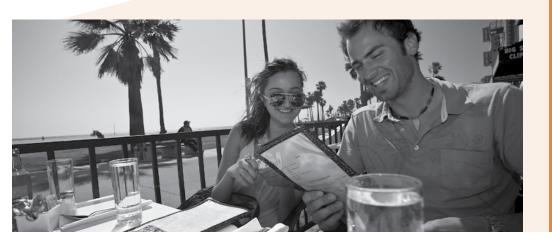
However, a closer look at the actual calorie counts of their meal purchases showed that the post-labelling, New York buyers purchased a mean number of 846 calories per meal after labelling was introduced compared with 825 calories before menu labelling was introduced. Meanwhile, the number of calories purchased in Newark before and after labelling did not appreciably change (823 calories before labelling and 826 calories after). The results for saturated fat, sodium and sugar did not yield a significant difference before or after labelling was instituted.

The sample populations were mostly minority and low-income, with almost half of all respondents indicating they had no more than a high school education, given the increased risk of obesity and related health problems associated with low-income and racially and ethnically diverse populations.

The researchers caution, however, that long-term changes in behaviour often are the result of repeated exposure to new information, ideas and habits. The study, conducted in a compressed timeframe, may not reflect changes brought about by access to the information over a longer period.

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### CONSUMER OUTREACH

### NATIONAL AGRICULTURE AWARENESS CONFERENCE

The 10th National Agriculture Awareness Conference, held in Saskatoon, Saskatchewan from October 5-7, 2009, had a strong start with upwards of 130 people on hand in anticipation of Stephen Lewis' appearance. The general theme of his talk was aimed toward the plight of Africa. He stressed that there needs to be a shift from food aid to agricultural development for Africa to be sustainable.

Some of the other major themes discussed at the conference included:

- > a "disconnect" between the consumer and the farmer
  - a patient sees their doctor
  - a passenger hears their pilot
  - a consumer doesn't see the food producer
- > buying food is intimate unlike buying a house or car
- > "organic truths"
  - viable but limited market
  - an emotional supplement
  - no added nutritional value
  - not all organic products are truly organic

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- > sustainability will rely on producing what the consumer desires
- traceability in the U.S. will be very difficult because of a trust issue between the farmer and government
- > social media such as Facebook and Twitter is the new medium for public awareness
- > the "Y" generation represents 14% of today's consumer base (born 1980-2000)

### **IPSOS REID POLL FOR OFAC:**

- > #1 concern among consumers food safety (57%)
- > #2: animal care (14%)
- > 62% of consumers would like to know more about food production

The driving theme throughout the two-day conference was *Agriculture* in the Classroom (AITC). Each province had representation from their respective AITC organizations, most of which receive funding or in-kind donations from provincial chicken boards. Day 2 consisted of workshops such as attracting corporate sponsors, branding, creating a team and building partnerships. **C**F



## NEWS FROM THE HILL



Since the House of Commons returned on September 14<sup>th</sup>, there have been two attempts to topple the government. On September 18<sup>th</sup>, the House of Commons voted on the Budget Implementation Bill that would usher in budget measures announced earlier in the year.

The bill passed, with 224 votes in favour and 74 votes against. Both the NDP and the Bloc Québécois voted with the Conservative government, thus averting an election.

This marked the first time that the NDP has supported the minority conservative government since it was elected last October. Jack Layton, leader of the NDP, has indicated that he wants to support the government until it passes an Employment Insurance bill that would provide between 5 to 20 more weeks of additional benefits.

On October 1<sup>st</sup>, the Liberals introduced a non-confidence motion, which was defeated with 144 votes against, 117 votes in favour, and the abstention of the entire NDP caucus. When a vote is "non-confidence" it requires a majority of votes in the House of Commons for the government to prove it has the "confidence" of the House. In the

current Parliament, the opposition parties, combined, have enough seats to make a majority.

The NDP's recent support allows the Conservatives to keep governing and the EI bill to progress. Although the Liberals wanted to fast track this legislation through Parliament in the hopes of eliminating the NDP's reason for propping up the government, it is expected that the Conservatives will introduce a second piece of EI legislation that will extend parental benefits to self-employed Canadians; a policy change the NDP would have a difficult time opposing.

### HOUSE OF COMMONS STANDING COMMITTEE ON INTERNATIONAL TRADE

On October 6<sup>th</sup>, the House of Commons Standing Committee on International Trade held its first hearing on The Defence of Supply Management at the WTO. The first witnesses to appear were Don Stephenson, Assistant Deputy Minister, Trade Policy and Negotiations and Gilles Gauthier, Director General and Chief Agriculture Negotiator. Department officials were asked about the current state of negotiations and what it means for supply management. It was an opportunity for officials to reiterate that their mandate is to preserve the marketing choice for Canadian farmers, while simultaneously promoting the interests of export sectors.

On October 8<sup>th</sup>, the Minister of International Trade, Stockwell Day, appeared before the committee to answer questions which were centered on whether or not Canada would sign an agreement that did not protect supply management. The Minister was clear in stating that Canada would not sign if supply management was not protected.

### POULTRY RESEARCH UPDATE

The Canadian Poultry Research Council (CPRC) was established in 2001 by the five national poultry organizations in Canada. CPRC's mandate is to create and implement programs for poultry research and development that address specific industry needs.

Ten research projects funded by CPRC have been completed. Outlined below is a summary of one of those research projects. Additional project summaries are available on the CPRC website (www.cp-rc.ca), in Canadian Poultry Magazine and in other editions of The Chicken Farmer.

### ENZYMES THAT ARE GOOD FOR THE GUT

### **Principal investigator:**

Bogdan Slominski, University of Manitoba Co-investigator: Gregory Blank, University of Manitoba.

Start date: January 2005

Final report received: April 2009

**Total project funding:** \$327,800 (CPRC \$82,900, Canadian Bio-Systems Inc. (CBS) \$78,000, CBS (in kind) \$6,000, Manitoba's Agri-Food Research and Development Initiative (ARDI) \$160,900)

### **Background**

Imagine feeding diets that improve a broiler's feed conversion efficiency and that help it fend off diseases, all while reducing the need for commonly used antimicrobials. Drs. Bogdan Slominski and Gregory Blank, at the University of Manitoba, have discovered that a certain class of enzymes may one day help poultry producers do just that.

Common poultry diets based on corn, soybean, wheat and other plant ingredients have a number of components that are poorly digested. These "indigestibles" can make digesta in the gut thick (viscous), and can serve as a substrate for a number of harmful bacteria and other organisms that, if left unchecked, can flourish and increase the risk of disease.

#### **Current Research**

The researchers are looking at the potential of a new generation of carbohydrase enzymes to break these materials down into components that:

1) are easier to digest; 2) may promote the proliferation of beneficial bacteria in the gut; and 3) may help protect poultry from *Clostridium perfringens* (the causative organism of necrotic enteritis (NE)).

The researchers first showed that the enzymes can break down soybean meal, canola meal and flax, and can decrease the viscosity of flax-based products. Early animal tests showed that when birds were fed diets without antibiotics or coccidiostats, the enzyme supplementation resulted in a small increase in feed efficiency. The enzymes also slightly reduced the number of certain deleterious bacteria (Enterbacteriacea and coliforms) in the small intestine and increased the ratio of lactic acid bacteria to E. coli in the gut (it is thought that the products of enzyme activity increase acidity in the gut making conditions more suitable to beneficial bacteria such as lactobacilli thereby allowing them to out-compete other, deleterious bacteria such as E. coli).

More significant results were seen when birds were exposed to a strain of *C. perfringens* known to cause NE in commercial poultry. In this experiment, birds were fed either corn or wheat-based diets that did not contain antibiotics or coccidiostats. The addition of enzymes to the feed increased body weight of birds fed either diet at day 40 (2.57 vs. 2.51 kg, P<0.01), decreased overall feed conversion ratio (FCR; 1.78 vs. 1.83, P<0.01), and, in those consuming viscosity.

When the birds were challenged with *C. perfringens*, enzyme supplementation helped them maintain their optimal growth by improving average daily gain (59.5 vs. 56.9 g, P<0.05) in those consuming corn-based diets and FCR (1.83 vs. 1.90, P<0.05) in those consuming wheat-based diets.

#### **Related Research**

In another study, birds were fed a wheat/barley/soybean/canola meal diet with or without added flaxseed (no antibiotic or coccidiostat). Addition of flaxseed reduced growth performance, but the enzymes could largely reverse these negative effects. Challenge with *C. perfringens* at 14 days of age initially impaired weight gain and FCR, however during the grower phase (d 21-37), challenged birds compensated by increasing their feed intake compared to unchallenged birds. Enzymes improved FCR during this compensatory period.

Over the entire trial (0-37d), pathogen challenge impaired FCR of birds consuming the non-flaxseed diets (1.88 vs. 1.82, P<0.05), whereas FCR improved in birds fed the flaxseed-containing diets (1.96 vs. 2.03, P<0.05). Enzyme addition significantly improved FCR of the challenged birds in both dietary groups. Neither diet nor addition of enzymes affected the incidence of lesions from NE. The enzymes did not significantly reduce mortality in the challenged birds.

### **Conclusions**

The results of this research suggest that the enzymes can somewhat mitigate the negative effects of *C. perfringens* challenge, especially when feeding wheat-based diets. The enzymes can increase the nutritive value of diets containing flaxseed and can improve post-challenge compensatory growth in birds fed these diets.

# CHICKEN FARMERS OF CANADA RELEASE A REVISED EDITION OF SAFE, SAFER, SAFEST

The Safe, Safer, Safest On-Farm Food Safety Assurance Program manual has undergone a transformation. Replacing the 2005 version, which was released over four years ago, is a new manual which includes a renewed focus on biosecurity and record keeping forms that have been combined with the Animal Care Program to make implementation at the farm level easier.

These content changes, approved by the CFC Board of Directors, were made based on feedback from farmers, provincial boards, national biosecurity guidelines, and subject specialists.

The new manual will be circulated to farmers via their provincial board offices over the coming months. In the new manual, you'll find a pamphlet describing the significant changes to the program, a poster that combined the new OFFSAP requirements and the Animal Care Program requirements, as well as a CD that contains all of the record keeping forms in electronic format. To help locate new information in the manual, all of the modifications to requirements have been marked with a star.

While farmers should start implementing the new requirements, auditors will only begin auditing to these new standards at the start of A-97 (March 28, 2010). Continued certification will be dependent on the implementation of the requirements covered in this new edition.

There have been changes to existing requirements such as feed sampling, chemical testing in the waterline and verification of the water treatment systems.

Listed below are the major modifications to the manual, sorted by chapter.

### **PERSONNEL TRAINING**

- > All staff must be trained and understand the *Safe*, *Safer*, *Safest* manual, its objectives and the Standard Operating Procedures (SOPs) that relate to their role on the farm.
- A record of the training must be kept for each employee that has undergone training.

### CONTROLLING ACCESS TO THE FARM

- > Each farm must have a farm diagram indicating the Controlled Access Zone (CAZ), Restricted Area (RA) and layout of the property.
- > The CAZ has been defined as only the area around the barn that is maintained (i.e. grass cut etc). There may be a larger area around the barn that people have limited access to, but the CAZ must be maintained.
- The roadway access points to the CAZ must be identified with a sign or a physical barrier.
- > There must be a barrier (physical or clearly identified line) separating the CAZ and the RA in each barn.
- > Air inlets require a barrier such as screens. Screens should deny access to the barn but still allow for normal function of the inlets in winter weather conditions.

### **EQUIPMENT**

- > All equipment being brought into the RA after cleaning and disinfecting (C&D) of the barn or when the birds are present must be free from visible organic matter.
- > Any equipment from another premise, not under common management, must be cleaned and disinfected before entering the RA (after the RA has been cleaned or during the grow-out).

### **BOOTS AND CLOTHING**

- Clarification that barn-specific boots are not required during the clean-out process.
- > Any clothing worn by farm workers in the RA that will be worn off the premises must only be worn on agricultural premises under common management.
- Anyone other than farm employees that are accessing the RA when birds are in the barn, prior to shipment, must wear premise-specific coveralls when entering the premise or at the barrier of the CAZ and the RA.
- > HR: When a barn is being thinned, catchers should wear premise-specific coveralls and, if possible, the barn should be first on the schedule that day.
- > Farm workers must wash or use a hand sanitizer after collecting mortalities.
- > Farm employees must wash their hands and change into barn-specific boots and clean clothes/coveralls before accessing the RA if they have been in contact with another poultry operation that is not under common



### CHICKEN FARMER

### **FEED**

- > Feed transfers, on the same farm, of medicated feed with a withdrawal period will be subject to the same requirements as feed transfers to another farm.
- Control measures used at the feed bin level are only required for the switch between medicated feed with a withdrawal period and the next type of feed, not in between each and every load.
- > Feed samples can be maintained at the feed mill or at the farm. If they are maintained at a feed mill that is not FeedAssure certified, then the feed mill must provide a letter of assurance indicating the length of storage.

### WATER

- > Water obtained from surface sources must be subject to ongoing water treatment.
- > When treating the water with chemicals during the grow-out, the chemical level in the water must be verified twice during the grow-out. When using chlorine test strips, they must measure "free chlorine" and not "total chlorine"
- > Farmers that use municipal water sources do not need to verify the chemical concentration in the water twice per grow-out (unless additional chemicals are added at the farm) but they still need to clean/disinfect the water lines in between flocks.
- > Water treatment systems do not need to be tested once per year, as this verification is already performed twice per grow-out.

### CLEANING AND DISINFECTING

- > An expanded list of equipment (e.g. barn boots, mortality buckets) has been added to the list of equipment to be cleaned (and disinfected) between flocks.
- > Clarification has been added that barns can be aired out during the cleaning phase.

> All of the equipment used in the clean-out must follow the same C&D procedures as the barn.

> Any equipment being moved off the premises, to a farm not under common management, must first be cleaned and disinfected.

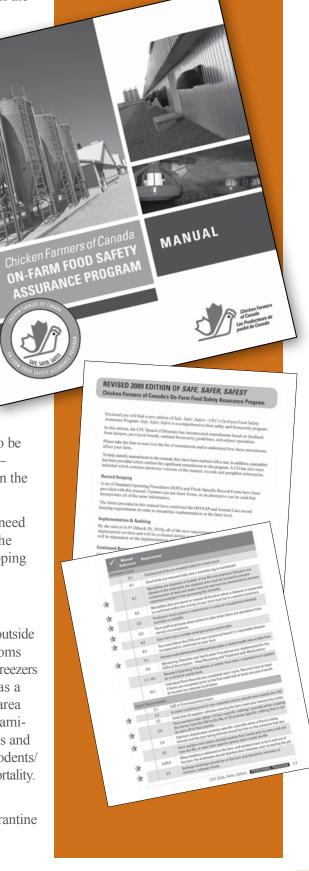
> HR: If a period of less than 14 days between shipping and placement is unavoidable, then washing and disinfection should be performed.

### **MEDICATION USE**

- > The use of "own use importation" medications and active pharmaceutical ingredients are not permitted.
- Clarification that all use of extra-label medication needs to be recorded on the Flock Sheet – regardless if it is administered in the water or in the feed.
- Clarification that all producers need to record the information on the Flock Sheet, not just those shipping to federal plants.

### **DISEASE MANAGEMENT**

- > Mortalities must be disposed of outside of the RA including any anterooms that are designated as the CAZ. Freezers are allowed in the anterooms as a disposal method. The disposal area must be located to prevent contamination of feed and water sources and must be maintained to prevent rodents/scavengers from accessing the mortality.
- > Each farm must have a written Emergency Response/Self-Quarantine protocol.



### 2009 AGRIWEBINAR SERIES LAUNCHED

From October 2009 to March 2010, the Canadian Farm Business Management Council (CFBMC) is hosting a live, interactive webinar every Monday at noon (EST) on various topics. All the agriwebinars are FREE and will be archived in case you miss the live broadcast and/or wish to revisit a topic.

### WHAT IS AN "AGRIWEBINAR" ANYWAY?

An agriwebinar (web + seminar on agriculture) is a great way to learn from experts without having to travel.

Billed as "an opportunity to turn information into insights", the series is in its 5<sup>th</sup> year. Since 2004, over 6,000 producers and farm management professionals have participated in over 60 Agriwebinars. These individuals have been able to connect with the industry's leading thinkers and innovators through this unique online conference series.

### FROM THE PROGRAM FLYER

"These days, sorting through the avalanche of information can be a daunting task, especially in agriculture. That's why participating in an Agriwebinar from Canadian Farm Business Management Council makes such good business sense. It's an opportunity for you to connect and interact directly with leading thinkers, innovators, producers and educators from Canada and the United States."

### **TESTIMONIALS**

"I think [Agriwebinar.com] is already an extremely well developed program and system. I appreciate the reminder by email. Plus it is very easy to access."

"Agriwebinar is an innovative way of presenting information to listeners on topics of interest. The program is certainly one I will continue to subscribe to."

"The nice thing about Agriwebinar is that you take it with you when travelling in the winter and you don't lose out on interesting topics."

The 2009/2010 Agriwebinar Schedule is heavily based on feedback and covers topics and issues that include:

- > Global agricultural outlook
- > Energy and environment stewardship
- > Agri-tourism
- > Organic farming
- > Stress management
- > Succession
- > Beef marketing

### **ABOUT THE WEBINARS**

- > Each presentation is one hour long, with 20 minutes allocated for questions and answers.
- > Simultaneous translation is offered in English and French.
- > A dial-up or high-speed Internet connection is required.

For a complete list of speakers and topics for the 2009/2010 series as well as an archive of past webinars, visit www.agriwebinar.com.

### THE WEBINAR SERIES HOST

The CFBMC is the only national organization in Canada devoted exclusively to developing and distributing advanced farm management information. Supported by Agriculture and Agri-Food Canada and a growing number of private



partners, the Council is fulfilling a significant role in nurturing a thriving Canadian agriculture industry.

The Council's wide range of information products such as CD-ROMs, books and DVDs cover topics of relevance to farmers such as biotechnology, succession planning, marketing, human resources and finance.

The Council can be found at **www.farmcentre.com**, their nationally award-winning resource website.

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