

# The KAP Alert

July 25, 2008

## KAP Calls for Fertilizer Investigation

July 25, 2008 News Release

This week, KAP submitted an urgent request to the Standing Committee on Agriculture & Agri-Food and recommended that they undertake an immediate investigation into fertilizer prices.

As stated in KAP's letter, farmers have already paid record prices for fertilizer in this crop year, and will be relying on a good harvest this fall to cover this rising expense. However, KAP members are reporting that fertilizer prices continue to rise locally – in most cases they are already 30% higher than prices quoted in the spring. Some fertilizer dealers are projecting that Fall 2008 prices will be twice the price paid in Spring 2008 and are strongly encouraging farmers to book their necessary products now.

KAP Vice President Robert McLean recently booked some of his fertilizer needs for next summer's crop, and estimates his fertilizer costs will jump from \$60/acre this year to about \$90/acre next year. Based on the price increase projections from fertilizer dealers, the costs on his farm could be as high as \$120/acre if he waited to book in the fall. Members of KAP's Farm In-

puts Committee report relatively similar price increases from across the province.

Farmers are rightly concerned, because they are facing two undesirable choices. Either they must lock in today's high prices and put down a significant deposit, or hope that the projected fall prices don't escalate as much as is being estimated. The farmers that choose to pre-book now must take a significant portion of money out of their current cash flow and start paying towards next year's crop – before this year's is even close to being harvested and invested back into the farm.

In its letter to the Standing Committee, KAP states that the current escalation in fertilizer prices cannot continue to go unchecked, or these necessary crop inputs will become unaffordable for many farmers. A drop in prices for grains, oilseeds and special crops would be an economic disaster for farmers who have invested tens of thousands of dollars on fertilizer inputs alone.

## Safety & Health Seminar

KAP knows that farmers put a top priority on the safety of themselves & the people on their farm, which is why we're pleased to co-host a seminar on farm safety & health at the MacDon Centre in Winnipeg, November 6–7.

This workshop will give farmers a strong understanding of the importance of prevention, how to manage workplace safety & health on a farm effectively, and help to create an action plan for the entire farm. (A complete agenda is available from the KAP office.)

Registration is \$45 for both days, and it includes meals and refreshment breaks. Travel assistance will be provided to producers, based on

the distance traveled to the event. A block of hotel rooms has been set up at the Greenwood Inn & Suites (1715 Wellington Avenue) at a special rate of \$99 if you quote Conference ID #130105.

For more information about this seminar - or to register - please contact the KAP office at (204) 697-1140 or [kap@kap.mb.ca](mailto:kap@kap.mb.ca). To make a reservation at the hotel, you can call 1-888-233-6730.

Project partners include Manitoba Agriculture, Food & Rural Initiatives and Manitoba Farmers With Disabilities, with funding provided from the Canadian Agricultural Safety Association.

## Saying Goodbye to KVD

*Media Commentary by VP Rob Brunel*

As of August 1, farmers can say goodbye to KVD (kernel visual distinguishability) in our grain system. We do need a change in the way that grain is identified and registered in Canada because KVD can't keep up with the increasing demands for new varieties that could be used for livestock feed or to fuel the alternate energy industry. However, that doesn't mean that this new approach will be without its challenges.

Looking back, it's clear that KVD served a critical purpose in our industry. KVD helped to establish Canada's reputation as a supplier of consistent quality. We now have to find a way to continue to keep quality but also offer more varieties and more options for farmers and the agricultural industry as a whole. It's going to be a balancing act, and now farmers will be expected to take even more responsibility to make sure we're safely away from the edge.

Most farmers know that they are now expected to sign a declaration before they deliver any grains that clearly states that they will deliver what they say they will, and that they accept responsibility if this is ever found to not be the case. This is an extremely powerful document. It is clear that farmers will have to be very diligent about their grain deliveries, and that it is a wise decision to document all of the steps in their production systems. Since grains will no

longer necessarily be visually distinguishable from one another, farmers will have to be 100% confident that the variety they're growing is actually what they believe it to be. Otherwise, the consequences for the farmer and the grain industry as a whole could be extremely damaging.

It will be critical for you to be able to prove what you've grown, what you've delivered, and what steps you've taken to document your entire growing season. As of August 1, the risk will be all yours. In fact, the declaration you have signed (or will be signing) says that if you deliver an ineligible variety, that you agree to have done so negligently or fraudulently and you will be held accountable. In this case, accountability means that the Canadian Wheat Board can cancel your contracts, and that the CWB and the grain company you've delivered to can sue you for all damages, losses, and costs related to the delivery.

Farmers: Make sure you know what you're signing and the liabilities that you will be assuming when you deliver grains. Take the extra precautions necessary to ensure that you are protecting yourself against these new risks, and keep samples of all your deliveries a little longer in this transition period to back up your documentation.

## KAP Activity Report

**Monday, July 21:** KAP's Rural Development & Land Use Committee met by conference call to discuss the location of BiPole III, expropriation, renewable energy initiatives, the Community Power Association model, and other issues.

**Thursday, July 24:** President Ian Wishart was an invited speaker at the Provincial Grazing Tour.



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## Canadian Farmers Working Together

Media Commentary by President Ian Wishart

**A unified voice speaks louder.** Keystone Agricultural Producers fills this role for Manitoba's farmers, but there are many issues and concerns that affect more than just our province. Take safety nets, environmental issues, or international trade as examples. Imagine what would happen if each farmer or region from across Canada told government individually what they wanted. Farming is so varied across the country that government would be given 50 solutions to a problem, with very few that would work for one area without hurting another.

KAP continues to work to find common solutions through the Canadian Federation of Agriculture, which is based in Ottawa. The CFA is a respected voice for agriculture and it represents over 200,000 farmers from across the country through its membership, which includes every general provincial farm organization and many national commodity groups. And, because it's funded by farm organizations, every farmer has a stake in its policy and its success.

As a member, KAP is able to push for Manitoba's interests on a national level and build consensus with farmers from across the country. At the same time, we're able to draw on the experience and expertise of all Canadian farm leaders and bring that back home to work better for

you. We've been very successful in gaining support for made-in-Manitoba ideas like Alternative Land Use Services (ALUS).

To do this, KAP brings resolutions to CFA meetings to gain support from other provinces for our position. All of our resolutions come from our delegates, as do the resolutions from every other organization, so everything that CFA works on has been developed by farmers themselves. At the end of July, KAP will have its delegates in Moncton, New Brunswick for the CFA's semi-annual meeting. We have resolutions dealing with food safety and security and the need for better weather forecasting and warning systems prepared that will be up for debate and discussion by farmers from across the country.

The CFA spends hundreds of hours lobbying elected officials and government staff in Ottawa which means that KAP has this connection federally, but still allows us to keep our focus on provincial issues. Much of the CFA's recent work has been focused on developing a regional component for the *Growing Forward* programs (called AgriFlex), transportation, renewable energy, food labeling, and ongoing WTO negotiations. For more information about the CFA visit [www.cfa-fca.ca](http://www.cfa-fca.ca).

## Celebrating 25 Years

KAP will be celebrating its 25th year as the voice of Manitoba farmers in 2009, starting with our annual meeting next winter.

Our annual meeting takes place January 28 - 30 at the Delta Winnipeg, and we're planning a great event with an engaging & informative agenda, with exceptional speakers who have a breadth of agricultural expertise.

Our keynote speaker is Jack Wilkinson, former president of the International Federation of Agricultural Producers. The president of the North Dakota Farmers Union will be joining us to talk about the impacts of the US Farm Bill on American and Canadian Producers. We'll also be

announcing the winners of our *Share What You See in Agriculture* contest.

The Young Farmers Committee will be holding its annual meeting at the same time, with sessions focusing on marketing, family communications, innovation, and the environment. We've expanded our spousal program to include timely and important speakers. And, for the first time, we're offering day care services for a portion of the meeting at no cost - to help encourage participation by the entire farm family.

Details of the annual meeting, young farmers annual meeting, spousal program, and daycare services are available at [www.kap.mb.ca](http://www.kap.mb.ca).