

# The KAP Alert

May 2, 2008

## Food, Fuel & Farmers

*May 1, 2008 Media Commentary by President Ian Wishart*

It seems like everyone has an opinion on whether we should be using crops like corn and wheat solely for food, or whether some of our production should be used for biofuels. We have been insulated in Canada from the food insecurity and rising costs that have been rocking many other parts of the world. Of course, international food shortages aren't a new phenomenon, but the rising value of grains and other staples have only made a serious situation even worse.

Some have said that it's morally wrong to use consumable food products to make energy in an increasingly energy-draining society. As a farmer, I take my job of feeding the world very seriously. While the food crisis is very real, I will not apologize for farmers welcoming these new, higher prices. Farmers recently went through five years of the worst incomes in history, and in some years we actually recorded negative farm income. That's not sustainable for any business, and farms are no different. Unless prices turned around as they have, I believe we were in real danger of losing the people who actually grow our grains – whether they were used for food, for biofuels, or any other purpose.

It's been said that farmers should meet the rising demands created by a growing world population and biofuel industry simply by maximizing our crop output. We could do this by intensifying inputs like fertilizers, expanding our land base by breaking up land, and by using the best new crop genetics to "grow ourselves out of the problem." Of course, it wouldn't take long with a few years of increased production and good growing conditions around the world for yields to be at record highs and prices to crash again. The problem is that this still won't fix the food insecurities that are plaguing many parts of the world. We may have more crops, but would they get to the right places even if prices were lower?

So here's our dilemma at home: The average Canadian family spends about 10% of their disposable income on food. This is down from 15% about 15 years ago. To farmers, this has basi-

cally meant a 50% reduction in their income. We've replaced some of these losses by improving our efficiency on the farm. But in the end, we can't make a living growing food if our society doesn't put enough value on it.

It seems that we do value energy. Our collective demand for it seems to be insatiable at any price, even though we all know that many of our energy sources are non-renewable and that prices will only go up over time. Any business executive would tell you to do the logical thing: Produce for the market where demand is constant, supplies are declining, and prices are rising.

We are still the breadbasket for the world – farmers were responsible for exporting over \$3 billion of agricultural products from Manitoba in 2006 alone. Even by directing some of our crops to the biofuel market, that's still only about 8% of all the Canadian grain produced.

Record highs in grain prices are resulting from a real mix of factors, including world growing conditions, the increasing demand for food, the unstoppable demand for energy, the rising costs of transporting food around the world, and many other factors. The reasons behind global food insecurity are just as complex, and can't be simplified into a black and white answer of food or fuel.

We still take our job of feeding the world as our top priority, but we also want to make sure that our own families are fed. The way I see it, Canadian consumers have a choice – they can pay a fair price to a farmer to produce the food, or pay a larger price to the energy industry to turn that grain into fuel. The debate is not really about whether a farmer should grow crops for food or for fuel. The debate is really for consumers to decide what they value more: food or energy.

# KAP's Fuel & Fertilizer Survey

April 28, 2008 News Release

This week, KAP released the results of its spring fuel and fertilizer survey, which shows that the cost of phosphorus has skyrocketed anywhere from 75% to 96% from the same time last year. Significant price increases were also noted in potash, sulfur, and nitrogen fertilizers. The prices for farm fuels also increased by about one-third from 2007.

Since last April, the average price of dry phosphate has risen from \$616.63 to \$1,210.72. Phosphates (P) are essential for plant growth, photosynthesis and overall health. About 25% of Manitoba's soils are classified as having low or very low P levels, and many other must replace the nutrients used by the previous year's crops. For most farmers, it is an essential input purchase.

"We keep hearing about the skyrocketing price

of grains, but we need to remember that this money still isn't real for farmers until the crop is harvested this fall," says KAP President Ian Wishart. "In the meantime, we have to chase these record prices by paying very steep and very real fertilizer prices."

Since 2005, KAP has conducted a input price survey every spring to monitor provincial prices for fuel and fertilizer, and to shine a spotlight on the increasing costs of doing business on the farm.

Prices are averaged from the information submitted as part of a member survey. Prices were collected between April 4 and 21, 2008 at dealers across Manitoba. Fertilizer prices are quoted per metric tonne and fuel prices are quoted net price per litre. Previous years' prices have not been adjusted.

PRODUCT		2008 Price	'07 Price % Change	'06 Price % Change	'05 Price % Change	'99 Price % Change
NITROGEN	Dry 46-0-0	617.73	591.33 4.5%	530.56 16.4%	410.17 50.6%	268.08 130.4%
	Liquid 20-0-0	413.62	368.40 12.3%	331.91 24.6%	268.95 53.8%	168.23 145.9%
	Anhydrous 82-0-0	972.45	879.92 10.5%	808.86 20.2%	629.36 54.5%	374.45 159.7%
PHOSPHATE	Dry 12-52-0	1,210.72	616.63 96.3%	502.64 140.9%	402.65 200.7%	399.24 203.3%
	Liquid 10-34-0	824.50	470.56 75.2%	414.59 98.9%	366.94 124.7%	364.72 126.1%
POTASH	Dry 0-0-60	487.08	314.00 55.1%	297.10 63.9%	257.06 89.5%	227.53 114.1%
SULFUR	21-0-0-24	450.25	365.93 23%	No data collected	No data collected	No data collected
	12-0-0-26	430.00	290.00 48.3%	No data collected	No data collected	No data collected
FUEL	Purple diesel	104.9	77.9 34.7%	73.4 43.0%	63.1 66.3%	31.7 231.0%
	Purple gasoline	104.2	81.5 27.8%	72.0 44.7%	69.0 51.0%	37.5 177.8%

## KAP President Receives Recognition

Keystone Agricultural Producers would like to congratulate its President, Ian Wishart, for receiving another honour that recognizes his dedication to agriculture and the environment.

Today, the University of Manitoba announced that he had received a Certificate of Merit from the Manitoba Ag Grads Association and the University of Manitoba for his outstanding commitment to Manitoba's agricultural community. The citation was presented in March as part of the university's graduation celebration.



*During the presentation of the Certificate of Merit, from left to right: Bill Anderson (President of the Manitoba Ag Grads Association), Ian Wishart, and Michael Trevan (Dean, Faculty of Agricultural & Food Sciences).*

The citation recognizes that, "In Manitoba, the names ALUS and Ian Wishart are almost synonymous," and focuses on his continuing passion for putting farmers in the driver's seat of environmental protection and enhancement. Alternative Land Use Services (ALUS) is an innovative

environmental program that pays farmers for creating environmental benefits. Due in a large part to Wishart's dedication, a three-year pilot project was launched in Manitoba in 2005.

Other ALUS initiatives continue to grow across the country, including the recent announcement of a province-wide program in Prince Edward Island.

KAP is not the only organization in Manitoba that has benefited from Wishart's leadership and expertise. The citation references a wide range of community and provincial boards and

associations that he has been involved with, both past and present. These include MRAC, the Farm Stewardship Association of Manitoba, Delta Agricultural Conservation Co-op, and the Canadian Morgan Horse Association.

## Speak Up on Bill 17

The provincial government recently introduced Bill 17, which would ban the construction or expansion of confined livestock areas for pigs and pig manure storage facilities across much of Manitoba. This moratorium was announced following the release of the Clean Environment Commission's report, though the CEC did not recommend any type of ban.

All bills go to legislative committee, and this is an opportunity for organizations like KAP and citizens to speak up on the issues that are important to them. KAP would like to encourage its members to register to speak up about Bill 17 and the impact it will have on your farm, your community, and agriculture in general.

To speak, you have to pre-register with the committee clerk by calling (204) 945-4729. If you live outside of Winnipeg, mention this so that you may be given an earlier time slot to speak. Once you're registered, the Clerk will contact you directly to advise you of the date, time & location of the committee meeting. If you'd like to provide a written submission, in addition to your verbal presentation, you'll have to bring 20 copies.

For more information about Bill 17, you can view it online at <http://web2.gov.mb.ca/bills/sess/b017e.php>

**The KAP Alert is published weekly by Keystone Agricultural Producers**

To provide feedback, please contact Lenore Kowalchuk at [communications@kap.mb.ca](mailto:communications@kap.mb.ca)

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# **7<sup>th</sup> Annual KAP Klassic Golf Tournament**

**PORTAGE LA PRAIRIE GOLF COURSE**

**COST: \$70.00**

**INCLUDES: GREEN FEES, GOLF CART AND DINNER**

BBQ - Steak Dinner provided by  
Bill's Sticky Fingers at the Portage Fair Grounds  
(BBQ Only - \$25.00)

**TO REGISTER: PLEASE SEND PAYMENT WITH THIS  
FORM TO THE KAP OFFICE BY JUNE 10, 2008**

**COME OUT FOR AN AFTERNOON OF FUN AND GREAT COMPETITION!**

**Two weeks cancellation required for a full refund  
Payment MUST accompany your registration form to be registered**

For Information, please contact Kathy Ulasz  
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