



## COMMENTARY

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### “The Voice of Manitoba Farmers”

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## Growing for Food or Fuel?

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Could agriculture be diversifying itself right out of food production? A number of recent media reports are highlighting the unintended consequences of a rapid shift, particularly in the United States, from growing for the traditional food market to the growing biofuel market.

The green bandwagon is sweeping across North America. In Manitoba, we're just starting to move forward with alternate energy, but we're already feeling the impacts of the activity south of the border. It's likely that much of the recent increase in fertilizer prices can be related back to the growing demands of the corn-based biofuel industry in the US, so what can we learn from this experience?

Alternate energy is a good opportunity for Manitoba, but we need to be mindful of the possible spin-off effects. Alternate energy will help to diversify the agricultural economy, kick-start some rural communities, and the by-products will also provide some additional opportunities. However, if the price of fertilizer and fuel continues to increase as a result, we must consider how that affects our bottom line.

The simple fact is that farmers need a fair return for the investments they make on the farm. Ultimately, we respond to the current market signals. The shift to biofuels is an opportunity for farmers to diversify and develop another stream of revenue. Part of the reason we're seeing such a swell of support in the farming community is because most of us still struggle to get a fair share of the consumer dollar in current markets. We're just looking for a way to get a 'fairer share of the pie.'

Farmers are responding to market signals and market demand from a totally new direction. It is causing some input costs to rise but that makes food production even more uneconomical, so now the consumer has to make a decision. Are they prepared to pay the true cost for food, as well as the true cost for energy?

Both farmers and consumers need to move forward, with our eyes open and a willingness to understand that new ventures bring unexpected benefits and unanticipated risks. The growth of alternate energy facilities in Manitoba is no different. The debate is critical: Let's learn from what's happening now, and build a plan that will adapt to the green road ahead.