

A  
Need  
For  
Fair and Equitable Funding  
For  
General Farm Organizations  
In  
Alberta

**WILD ROSE**  
**AGRICULTURAL PRODUCERS**

## Executive Summary

General Farm Organizations work on behalf of all farmers and ranchers to address issues and needs that are of a comprehensive nature. General Farm Organizations, such as Wild Rose Agricultural Producers, do not participate in the marketing or sale of agricultural products.

Alberta needs to catch up with other provinces and have their proper place in Confederation regarding primary producer representation at the federal level. It is unacceptable that we, as Albertans, have allowed a situation to develop whereby federal agricultural policy is often determined by strong farm organizations from every other province in Canada. Considering the many issues facing the primary agricultural industry, we believe it is now time for the Alberta government to rethink how Alberta's General Farm Organizations are structured and funded. Serious discussion needs to be undertaken to determine how stronger, better-funded, democratically driven, General Farm Organizations could exist to better represent Alberta producers at the federal level.

Alberta farmers have always recognized the necessity for General Farm Organizations. However, they have not been able to effectively develop a means by which stable funding can be collected from Alberta farmers to support such producer groups. To this point in time, Wild Rose Agricultural Producers and other General Farm Organizations in Alberta have had to rely on a voluntary individual membership structure that requires considerable human resources to make one on one personal contact to solicit membership. It has proven difficult for such a voluntary system to raise adequate funds needed to effectively operate General Farm Organizations in this province. More financial resources are needed for Alberta to have strong General Farm Organizations.

A number of different methods of establishing broad-based long-term stable funding for General Farm Organizations in Alberta have been analyzed and discussed. The preferred choice of mechanism seems to be some type of check-off on farm vehicle license plates.

**Wild Rose Agricultural Producers is proposing a system whereby Alberta farmers would annually be given the choice of supporting their preferred General Farm Organization with a supplementary fee on each farm license plate.** We believe that a refundable levy somewhere between \$5 and \$10 per farm vehicle would potentially provide sufficient funding to operate effective General Farm Organizations in Alberta.

Our first objective is to get everyone to agree on the need for stable funding. We can work together to determine the most efficient and acceptable way to collect the money from the producers of Alberta.

# **A proposal to provide assured stable funding for Albertas' General Farm Organizations**

## **What is a General Farm Organization?**

It is important to have strong provincially based General Farm Organizations (GFOs) that are capable of dealing with generic needs and issues that are of a general nature and affect all farm producers. Some examples are taxation, safety nets, animal care, farm safety, transportation, agricultural labor and employment standards. It is also important that broadly funded General Farm Organizations have a democratic structure that allows for proper representation of all producers across the province.

## **Why do we need a change?**

The voluntary individual farm membership structure has proven to not have the ability to provide adequate financial resources that are needed for Alberta to have strong General Farm Organizations. Alberta farmers and ranchers consistently indicate to Wild Rose Agricultural Producers that Alberta needs some system of assured stable funding for GFOs. Commodity groups and GFOs from other provinces also recognize and often express the need for a strong voice from Alberta.

## **What is needed?**

It is time to rethink how Alberta's General Farm Organizations are structured and funded. In order to make the changes that are required, there will be a need for some provincial initiative and leadership. It is our belief that farm groups and producers will support such changes.

An assured stable funding mechanism could provide funding for existing General Farm Organizations such as Wild Rose Agricultural Producers and Earth Keepers or it could be for a completely new entity.

### **Why check-off funding is needed in Alberta for General Farm Organizations:**

- Revenue stability and predictability.
- A voluntary membership system will never be able to adequately represent the majority of Alberta producers.
- Alberta needs financial resources equivalent to General Farm Organizations in other provinces.
- More farmers would share the cost of supporting a General Farm Organization.
- Substantially larger farm membership would give General Farm Organizations policies and positions more credence.

### **Funding Options That Have Been Considered**

A number of different ways of establishing broad based long-term stable funding for GFO's in Alberta have been analyzed and discussed. Some of these are as follows:

- Change the Alberta Farm Marketing Council legislation so that a small percentage of each commodity group's check off would be forwarded to GFOs.
- A license to farm or registration fee that could be directed to the GFO of the producers choice.
- Municipal support structure similar to what is utilized in Saskatchewan.
- Farm vehicle license plate levy designated for the support of the producers choice of a General Farm Organization.
- A combination of any or all of the above.

**NOTE: The preferred choice of mechanism seems to be some type of check-off on farm license plates.**

## ***Why is a License Plate Check-off Preferred?***

- *It is simplest to administer*
- *It would cover all agricultural producers and not be commodity specific*
- *Minimal cost to each farm family*
- *Cost to administer would be low*
- *Renewable on an annual basis*
- *Producers can demonstrate support or non-support annually*

## **How would a farm license plate check-off function?**

In December of 2002 there were 148,516 farm vehicles (mostly trucks) registered in Alberta. A levy of \$5.00 per farm vehicle would potentially provide funding in excess of \$700,000 if a large majority of farmers chose to support this check-off. This amount is substantially less than the annual budgets for General Farm Organizations in at least three other provinces. Perhaps an amount of \$10 per vehicle would be the appropriate amount to levy as we currently lag far behind other provinces in funding for GFOs. Revenue of approximately \$1.5 million per year should be ample to operate an effective General Farm Organization in Alberta. (see Appendix 1 for details)

- Farmers would be asked annually, upon registering their vehicles, which accredited General Farm Organization they would wish to support with a supplementary fee on each license plate.
- Funding collected with a supplementary fee on farm vehicle plates would be forwarded to appropriate General Farm Organizations on a periodic basis.
- It would be our intention that such a check-off would be refundable upon request by Producers. In other provinces, it has proven very effective to give producers a gentle push in the direction of having strong General Farm Organizations. If they are strongly opposed they have the option of requesting that their money be returned.
- This system could also provide for an opportunity to gather some basic data about farm enterprises in the province.

## **Demonstration of Support**

In the past when any assured funding proposal has been presented, the Alberta government has requested that broad farmers support be demonstrated. We believe that the only way to test such support is to initiate a new mechanism and allow producers to demonstrate their support or non-support by providing them the option of supporting a General Farm Organization of their choice or requesting a refund.

## **Some fundamental principles to consider for a General Farm Organization check off**

- What criteria would be required for a general farm organization to be accredited for eligibility for check off funding?
- Should any check off be refundable?
- Should producers be given the option of supporting or not supporting a check-off at the time of registration purchase?

### **Wild Rose's Response to These Questions**

Wild Rose believes that General Farm Organizations should have to meet certain criteria in order that they might be one of the options for farmers to consider supporting. In order to be accredited GFOs should:

- Be broad-based
- Be non-commodity specific
- Have democratic policy development
- Have a minimum of 250 voluntary members
- Have accountability to producers

Wild Rose Agricultural Producers believes that any check off should be refundable upon request.

### **Benefits to the provincial agricultural industry and to government**

Legislation that would provide for check off funding to support General Farm Organizations in Alberta should provide the following benefits:

- Additional funding would allow organizations to more effectively represent the interests of the Alberta industry at the national level.
- Secure independent funding will allow General Farm Organizations to better serve their membership with timely communications, information and advice.
- Producers would have a better opportunity to influence General Agricultural Policy development both Provincially and Federally.

## Background

General Farm Organizations, like Wild Rose Agricultural Producers, have worked on behalf of all Alberta farmers and ranchers to address issues that are of a general nature that confront the industry as a whole. Other farm groups and organizations tend to represent specific commodity sectors and concentrate on developing markets, encouraging research, and dealing with policy that affects a particular commodity. General Farm Organizations do not participate in the marketing or sale of agricultural products. Many Alberta Commodity Groups have been given the legislative right, under the Agricultural Products Marketing Act, to collect a defined levy from each commodity unit sold through a check-off.

The need for stable funding for General Farm Organizations in Alberta has existed for far too many years. Currently, there is no mechanism by which Wild Rose Agricultural Producers or any other recognized General Farm Organization can collect levies to support the organization and its policies other than through voluntary membership.

Wild Rose Agricultural Producers (WRAP) was formed in 1996 to replace UNIFARM under a new structure. It was incorporated by a private member's bill and has been Alberta's main General Farm Organization for the past 8 years. It has relied on voluntary individual farm membership since it's founding. For the past few years, Wild Rose Agricultural Producers has maintained a membership of approximately 800 farm units that represent somewhere between 2000 and 5000 individuals. In order to maintain sufficient income to operate an office, membership fees have been increased from \$100 per farm unit up to \$130 effective in 2004. Other funding has been obtained through providing services to members, third-party delivery contracts and grants. While this additional funding increases overall revenue, it demands staff time that could be better utilized doing research and developing policy.

Other Alberta General Farm Organizations such as the Earth Keepers, also known as the Alberta Christian Farmers, have struggled financially with voluntary membership.

Although many farm businesses in Alberta are not members of Wild Rose Agricultural Producers, these farm operations still tend to derive benefit from the activities of the organization and often seek advice and assistance without taking a membership.

**Ample stable funding is needed in order to properly maintain a united voice for Alberta farmers.**

In order to run an effective General Farm Organization, a base amount of funding is required to cover the costs of rent, office equipment and supplies as well as provide for a core staff. The board of directors of WRAP have spent considerable time and energy trying to increase our financial resources. It seems that the strictly voluntary individual farm membership system of funding a General Farm Organization is not able to muster the support needed to operate a strong vibrant organization, like those that exist in many other provinces where a legislated check-off or other stable funding mechanisms exist.

Although we have found that we can be quite successful at selling volunteer memberships, it is costly, time consuming and detracts from the effectiveness of the organization. Most farmers are too busy to take time to sell memberships to their neighbours and friends. Farmers are generally resistant to someone that is hired to sell memberships. It is extremely important to engage producers but there are much better ways to do that than with the sale of voluntary memberships.

## **Alberta compared to other provinces**

See Appendix 1 for details

During the late 1980's and early 1990's a number of Provincial Federations of Agriculture and Provincial General Farm Organizations were provided with some legislative mechanism that established stable funding for their organizations. For some time, prior to this, the province of Quebec had legislation that required all farmers to belong to a General Farm Organization. This provided Quebec with the ability to have a powerful impact upon provincial and federal agricultural policy.

For over 10 years, Ontario, Manitoba and Nova Scotia have had ample stable funding to support strong General Farm Organizations. Prince Edward Island enacted the Farm Registration and Farm Organizations Funding Act legislation on March 15, 2003. In these four provinces farmers are required to annually register and contribute a membership fee to accredited General Farm Organizations in order to be eligible for provincial farm programs. Individual producers are given the right to request a refund of their fees once they have registered and can still maintain their eligibility for farm programs.

In Newfoundland, New Brunswick and British Columbia different structures exist whereby commodity groups and/or the provincial government make contributions to a provincially based General Farm Organization.

For the past 3 years Saskatchewan has had a new General Farm Organization whose funding is provided by local rural municipalities on a voluntary basis. Saskatchewan currently has somewhere between one-third and one-half of its 400 plus RMs who are supporting the Agricultural Producers' Association of Saskatchewan with an annual budget in excess of \$1,500,000.

## **It is time for change in Alberta**

Recent speeches from the Throne have outlined a number of grievances that Alberta has with the federal government. Yet, in Alberta we have allowed our provincial General Farm Organization to be handicapped in its ability to influence federal government decisions. Wild Rose Agricultural Producers has not had anywhere near the financial resources all the other equivalent Provincial General Farm Organizations have as a result of them having legislated stable funding mechanisms.

For the past eight years Wild Rose Agricultural Producers has maintained a relatively good profile federally with very limited financial resources supported on a voluntary basis by about 10% of the Alberta farm population. There have been many times when Wild Rose could have been far more effective in representing Alberta farmer's interests federally if it had more resources. It is a travesty that the other provinces are driving the federal Agricultural Policy and Alberta is relatively very weak in being able to influence the federal government.

Alberta farmers and ranchers produce nearly one-quarter of the agricultural production in Canada and they deserve far better representation. Alberta producers should have the ability to significantly influence federal agricultural policy that better reflects our needs and philosophy. A strong, well funded, democratically driven General Farm Organization in Alberta would be better able to properly represent Alberta producer's viewpoints.

It is not only at a federal level that a strong General Farm Organization is necessary. The Government of Alberta has clearly indicated that it wants to listen to the people of this province. Knowing what the farmers of this province are thinking is absolutely vital if provincial agricultural policy is going to accurately reflect the desires of the industry. Other provinces have discovered that their GFOs are a very effective tool in seeking producer input.

## **Summary**

In summary, we have been consistently told by Alberta's agricultural producers (Wild Rose members and non-members) that there is a need for a healthy General Farm Organization in this province that is funded by all farmers. It is also very clear that the federal government highly respects the opinions of the Canadian Federation Agriculture and its members. Alberta's limited participation in the Canadian Federation of Agriculture, as an associate member, has been nothing short of tragic and should be unacceptable by our government. Alberta needs to develop a better way of financially supporting General Farm Organizations than our current situation. It is past time for serious discussion on this matter and we hope that this proposal will be given serious consideration.

## Appendix 1 - Alberta compared to other provinces

### A Comparison of Provincial General Farm Organizations

Province	Annual Revenue of farm organization (2002)	# of Farmers * in each province (2001)	Farm Cash Receipts all commodities (2001)	CFA membership contributions (2003)
Newfoundland	\$552,348	643	\$90,398,822	\$3,120
Prince Edward Island	\$187,358	1,045	\$395,660,037	\$4,196
Nova Scotia	\$382,284	3,923	\$460,424,979	\$12,050
New Brunswick	\$249,530	3,034	\$444,989,629	\$10,811
Quebec	\$26,139,127	32,139	\$6,140,921,086	\$152,303
Ontario	\$8,084,000	59,728	\$9,115,454,790	\$211,189
Manitoba	\$733,786	21,071	\$3,529,222,171	\$53,444
Saskatchewan	\$1,462,079	50,598	\$2,894,512,991	\$68,000
Alberta	\$145,009	53,652	\$9,919,447,223	\$5,250
British Columbia	\$219,393	20,290	\$2,307,697,089	\$40,729

\* Number of individuals filing farm income tax

The following Provincial General Farm Organizations are members of the Canadian Federation of Agriculture:

New Foundland Federation of Agriculture  
 Prince Edward Island Federation of Agriculture  
 Nova Scotia Federation of Agriculture  
 Agricultural Producers' Association of New Brunswick  
 Quebec UPA  
 Ontario Federation of Agriculture (OFA)  
 Keystone Agricultural Producers (KAP) - Manitoba  
 Agricultural Producers' Association of Saskatchewan  
 British Columbia Agricultural Council

The major General Farm Organizations from the other 9 provinces have access to secure and sizably more funding than is the case in Alberta. These General Farm Organizations from all the other provinces are full-fledged members of the Canadian Federation of Agriculture (CFA) and contribute their fair share to this organization. Wild Rose Agricultural Producers has had CFA associate membership status only, since it has only been able to afford to pay a token membership fee. This associate membership has entitled Wild Rose to sit at the board table and participate in discussions but has not allowed Wild Rose to make motions, propose resolutions, vote, or hold an executive position on the board. On January 1, 2005 The Canadian Federation of Agriculture, recognizing the importance of Alberta's participation, has temporarily granted Wild Rose Agricultural Producers full membership status at a reduced membership fee.