

**Show Transcript
Deconstructing Dinner
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Title: CANADIAN BEEF CONSOLIDATED FURTHER / BACKYARD CHICKENS V (FARMING IN THE CITY VII)

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JON STEINMAN: And welcome to Deconstructing Dinner, produced weekly from the studios of Kootenay Co-op Radio CJLY in Nelson, British Columbia. This show is heard on radio stations around the world and is accessible each week through our website and podcast. I'm Jon Steinman, your host for the next hour.

On today's broadcast we explore the recent takeover of Canada's largest beef packing plant, Lakeside Packers located in Brooks, Alberta. While the sale of the plant was announced back in *June* of 2008, it took until *February 27th* of this year for Industry Canada's Competition Bureau to permit the takeover. To learn more about *how* this takeover might impact Canada's beef sector and the beef eating public, we'll be speaking with the Competition Bureau's Denis Corriveau who spoke to us over the phone from Gatineau, Quebec. And we'll speak with Fred Tait, a beef farmer in Rossendale, Manitoba and the provincial coordinator there for the National Farmers Union.

And rounding off the show – part five of our episodes on backyard chickens. We'll be hearing from Jeff Nield of the local food security group FarmFolk/CityFolk who will update us on the City of Vancouver's recent decision to change a longstanding bylaw and *allow* the raising of chickens *within* city limits. We'll also hear from the familiar and always entertaining, Bucky Buckaw and his backyard chicken broadcast.

increase music and fade out

Today's broadcast will be archived on our website at deconstructingdinner.ca and posted under the March 12th 2009 episode.

Our most recent *in-depth* coverage of meat here on the show was back in mid-2008 when we aired our LIVESTOCK LOST series – one that explored how regulation changes in British Columbia had led to many residents within the province losing *legal* access to locally raised meat. In light of the ongoing risks that are increasingly a part of the *industrial* food system, such a scenario is of understandable concern for many British Columbia residents.

And that story was indeed an interesting one for both meat eaters and *non*-meat eaters alike, because it provided a *shocking* example of how intimately involved a government can become in determining *what* a person *can* and *cannot* put into their body.

Now along a similar thread, *today's* episode will explore the latest role of *one* branch of government in managing the meat available to Canadians. In this case, that branch of government is the Competition Bureau, a body of Industry Canada, which, according to the Bureau, carries out a mission to “protect and promote competitive markets and enable informed consumer choice in Canada.” The Competition Bureau has been quite busy since June of 2008 following the announcement that the country's largest meat packing plant known as Lakeside Packers and operated by American multinational Tyson Foods, was to be sold to *another* major player in Canada's beef sector, Alberta's Nilsson Brothers and their XL Foods division.

The Lakeside Packers plant is located in Brooks, Alberta and maintains a capacity to process 4,700 head of cattle every day and that translates to a whopping 43% of all beef processed in Canada, from one facility.

Now as was learned here on the show back in February 2007 as part of our AGRI-BUSINESS EXPOSED series, the players in Canada's beef sector were *already* very concentrated within only a handful of companies – those were Cargill, Tyson and Nilsson Brothers' XL. Of course with the XL takeover of Tyson's largest and *only* operation in Canada, such a proposition would have left only *two* major players who, along with a small contribution from a Quebec packing plant, would control 89% of all the beef processed in the country.

Now of course on the radar of *most* Canadians is food safety, and especially as it applies to meat. In light of the largest recall of meat in Canadian history in 2008, we *now* know just how *much* of an impact that a tainted product from *one* company, Maple Leaf Foods, can have on Canada's food supply. The idea of any *further* consolidation in the meat packing sector would, understandably, leave an already shaky Canadian public quite concerned.

But of course, because of the *lack* of coverage of agricultural issues by Canada's urban media, most Canadians are likely completely unaware that on February 27th, the takeover of the Lakeside Plant was allowed to proceed following a review by the Competition Bureau. This now officially leaves both XL Foods and Cargill as the country's major beef packers and XL Foods now being responsible for 51% of the beef processed in the country.

Now the review leading *up* to the decision by the Bureau involved consultation with many players in the food system, and given the *only* player representing Canadian *eaters* was the Competition Bureau, we'll learn how the Bureau weighed in on the food safety concerns that many Canadians might have in light of the *reduced* number of companies now processing beef in Canada.

But *before* we explore the transaction itself, it's important to first step back and take a look at the state of Canada's cattle sector. Because food safety aside, this transaction has caused *some* farmer groups like the National Farmers Union to be very vocally opposed to this transaction, and the *possible* impacts it might have on the price returned to Canada's cattle farmers. Between the already bad farm income crisis, mad cow disease, closed borders, and trade disputes at the World Trade Organization, the beef sector has *already* been on a rough ride in recent years. Lending much of their research on Deconstructing Dinner or to Deconstructing Dinner on episodes past, the National Farmers Union, the NFU, produced a detailed snapshot of their concerns in a November 2008 report titled, "The Farm Crisis and the Cattle Sector."

To learn more about *what* this farm crisis is all about, I spoke over the phone with Fred Tait. Fred and his wife raise beef cattle on their farm in Rossendale, Manitoba, southwest of Portage la Prairie. Fred is also the Manitoba Coordinator for the NFU and just less than two weeks before we spoke, he was in Ottawa speaking to the Standing Committee on Agriculture on much of what we'll be exploring on today's show.

FRED TAIT: Well, the crisis is of one of a return to producers. This is not a problem with production. This is not a problem with nature posing severe conditions although that can happen locally from time to time. This is a problem of a dysfunctional marketplace that is taking more and more of the wealth that farmers produce and distributing it to other players within the cattle industry.

JON: The NFU report *has* been linked to from the Deconstructing Dinner website, and located *within* the report is a telling graph that tracks the prices that Canadian farmers have received for beef cattle since the Great Depression, inflation adjusted of course. As the graph highlights, the prices received *today* by Canadian farmers are on *par* with where the graph begins.

FRED: Well this graph starts out in the 1930s and it shows the depressed prices that were a part of that economic depression. But then in 1942 we see prices rise to a different threshold, which we call normal and that lasted until 1989. And though that price regimen during that long period from 1942 to 1989 adjusted for inflation are twice the levels of what we are earning today.

JON: Mentioned in Fred Tait's explanation is the year 1989 as the last year when *normal* prices were paid to farmers. That year saw a number of key changes take place in the industry, and Fred explains.

FRED: There were a number of significant things that happened in '89. Of course we had the Canada/U.S. Free Trade Agreement come into effect. But also we had Cargill enter the Canadian beef packing part of our economy. And with Cargill there came an enormous rationalization in the industry, we lost multiple numbers of medium-sized Canadian packers. In Manitoba here alone prior to '89 we had five federally licensed packing plants competing actively for farmers cattle. I believe Ontario had 17, Alberta had a significant number of packers. In the ensuing may lay that Cargill unleashed those

packers disappeared. And so we had a less competitive market, that is the number of packers bidding for producers cattle. At any time you reduce the number of bidders for a product one should expect that the price of that commodity will decrease. And we believe that's the major part is corporate concentration in the industry was the main contributor and the integration of the industry on a North American basis because prior to that, Canadian beef production was more and more or less a Canadian-oriented industry. The movement was east and west. We produced cattle more or less in line with what domestic consumption would be, there was some exports on imports. Then after '89 then we took off on a huge increase in production based on exporting into the U.S. market and out of that resulted a catastrophic failure in farm income. And if one were to take the overall Canadian farm income for that period and compare it to the value of the agricultural food exports from the same period you would see that farm exports the value of them doubled and then they redoubled again over that 20 year period. But farm net incomes over that same period averaged zero for 20 years. The only income we earned as an agricultural community was that what we were able to get from off-farming employment or from government support programs.

JON: This is Deconstructing Dinner. You're listening to Manitoba farmer and the National Farmers Union's Manitoba Coordinator, Fred Tait.

Now the numbers Fred introduces are telling indeed. And just to recap some of those numbers introduced; In Ontario alone, there were 17 medium sized federally inspected plants in 1974. The province today has three federally inspected plants with Cargill's Guelph operation being *substantially* larger than the others. In Manitoba, seven medium-sized plants in 1974 - today, just one very small operation. The same trends have played out similarly across the country.

Now coming back to this concern over the price now received by Canadian producers or farmers, it might be questioned whether or not *expenses* have *also* gone down alongside the dropping price paid to farmers. According to Fred Tait, that's certainly not the case. You'll hear Fred refer to BSE which is also known as Mad Cow Disease.

FRED: My cost of operation has followed the general rate of inflation, sometimes a little better but to my value of my cattle has deflated. As I said earlier, the price I'm receiving now as opposed to BSE in '03 are the lowest price anybody has received since the Great Depression in the 1930s.

JON: Now since the June 2008 announcement of the takeover of the Lakeside Plant by the Nilsson Brothers' XL Foods, some have suggested that the takeover by a *Canadian*-owned company is a *good* thing in light of its *previous* owners, Tyson Foods - an American-based multinational. Fred Tait does not see this perspective as being all that holistic though, and that those with such an opinion need to look *behind* the XL Foods company and the *captive supply* that they now maintain within the industry.

FRED: Well, we have to back up a little bit and we have to look at what existed before the takeover of Tyson's by Nilsson's XL. We had three packers operating in Canada that

with their joint capacity they had over 80% of the overall supply ... slaughter capacity in Canada but if we were focus just on the finished cattle, the fat cattle, then we would find those three packers had in excess of 95% market share. And so with the takeover then we now have two packers that have that share of in excess of 95%. The market then has become much less competitive.

But of course it reaches deeper than that. Prior to the acquisition, Nilsson Brothers have been very aggressive in acquiring the auction markets, the places where small farmers like myself trade their cattle into the market. To the best of our knowledge, Nilsson Brothers have all the large auction markets in Saskatchewan. They have a tremendous hold on the auction markets here in Manitoba and they have investments in Alberta too so we have now a packer that has the auction markets where cattle are assembled and sold. It has enormously big investment in the feedlot industry across the country where it contracts cattle to be grown, this is what we call captive supply. With this purchase of the Tyson plant in Brooks, Alberta, there's an attachment to that plant that has a one-time carrying capacity of 70,000 head of cattle. We would rotate that about 2.5 times per year to give you a scope of the capacity they have. And so, by the use of their enormous market power now, they are able to adjust to their own benefit the spot market for cattle where I must sell into. Any day they're not really comfortable with the spot market price they would draw their buyer orders from that market until that spot market declines to a level that they're comfortable with. And they can start purchasing again.

JON: These concerns that Fred addresses are *exactly* those which Industry Canada's Competition Bureau looked into between the 2008 announcement of the sale of the Lakeside plant to XL and the Bureau's eventual decision to permit the sale on February 27th. When the decision was announced, the NFU was not happy.

FRED: Well, to call it the Competition Bureau is probably a misuse of terms I think after they allowed this because the NFU fought rather strenuously to prevent this type of merger and this type of concentration of power in the hands of, you know end up in two packers. We wrote a very detailed letter to the Competition Bureau asking that they would disclose as to all the terms and all the references and all the evidence and all the criteria they used to justify this decision. And of course they have declined to do so. And to me that's rather telling because if they were confident that what they had done would not damage competition in the Canadian beef market then of course they would have been very willing to release all the criteria and all the information we had asked for. But because they've chosen to keep it secret is I think it's indicative of the damage that this is going to do.

JON: Deconstructing Dinner invited the Competition Bureau to share how their review process was conducted. And I spoke with one of the Bureau's Senior Competition Law Officers, Denis Corriveau, based in Gatineau Quebec. Denis describes the process the Competition Bureau takes when such significant acquisitions take place.

DENIS CORRIVEAU: When the announcement was made, we started shortly thereafter to assemble a team and to even start collecting publicly available information. We have a

process here at the Competition Bureau or regulatory requirements that merging parties where they're exceeding certain thresholds, size thresholds. So therefore, this was one of those transactions that exceeded these size thresholds in our notification requirements. And in those cases they do have, the merging parties do have to notify us which means that they have to provide us with certain information prescribed by regulations and to wait a certain number of days before closing transactions. So it took them a few weeks and a few months to do that but they did that and then we made a decision that we had to conduct a very detailed investigation. And that's what we did in this case as well.

JON: According to Denis, the Competition Bureau focused on the Tyson XL transaction because of the potential impact on competition within the purchasing of beef cattle in Canada. The Bureau consulted with market players, companies, farmer groups, trade associations, and one of the major concerns that he indicates existed among *most* players was an overwhelming fear that if the transaction was *not* permitted, that the Lakeside plant would likely close down.

DENIS: Feedback that we got from almost all the people we talked to, it was really a common theme. People felt that the beef industry has not been that profitable between the last many years. It was also based on a perception out there that Tyson, in particular Tyson which is a large, huge multinational company, Tyson in particular has been engaged in the process of restructuring its sole activities. And there was a perception there that Tyson was no longer interested in doing the beef packing business in Canada. And it was also based on the fact that when we heard that quite a few times from people in the industry, the fact that these days, Canadian packers add a higher cost of production than their comparable U.S. packers. The two main reasons for that that we were told were labour costs especially paying southern Alberta. You know because of the oil boom, packers living in that area experience a shortage of labour and also higher cost labour versus the U.S. packers and also the regulation called Specific Risk Material Removal which regulatory requirements were more burdensome on Canadian packers than U.S. packers.

JON: Now according to the Competition Bureau's Denis Corriveau, the *farmer* groups who had expressed such concerns over the possible closure of the Lakeside plant identified that they were really choosing between the lesser of two evils. In the case of the NFU, they don't seem convinced that such a closure is as imminent as others do, but the NFU is unable to comment on such predictions. According to Fred, the NFU's request *for* this information that the Bureau used to determine that such a risk is real, has not yet been disclosed to them.

Here's both Denis and Fred addressing the issue.

DENIS: You know save for a few exceptions, the farmer associations and growers were all saying to us that the proposed merger at that time were the least of two evils. And again I'm going back to this issue because that's what they were most concerned about is their perception that if this deal didn't go through, Tyson would have likely closed the plant. And so therefore, of the two evils, they really felt that the merger was the least of the two.

FRED: Well, okay, let them then disclose who expressed those concerns. Let's see the research documents that back that up those concerns and let's see what the Competition Bureau's analysis and studies of those reports and independent expertise they applied to those reports – what those things say. Again, let's have some disclosure here on this.

JON: There was also a fear expressed during the review process that upon *acquiring* the Lakeside Plant in Brooks Alberta, XL Foods *might* then close their *smaller* plant in Calgary. According to Denis Corriveau, the Competition Bureau received *no* indication that the Calgary plant would close following the approved merger.

soundbite

JON: You're tuned in to Deconstructing Dinner, a weekly one-hour radio show and podcast produced at Kootenay Co-op Radio CJLY in Nelson, British Columbia. I'm Jon Steinman.

Today's episode is exploring the recent takeover of Canada's largest meat packing plant Lakeside Packers in Brooks, Alberta by Nilsson Brothers' subsidiary XL Foods – an Alberta based company with operations in Alberta, Saskatchewan, Nebraska and Idaho. Lakeside was, up until a June 2008 announcement, owned by American multinational Tyson Foods. On February 27th, and after a *long* process of review, Industry Canada's Competition Bureau announced that they would *not* intervene in the transaction. And while some may applaud the takeover of the plant by a Canadian company as a *good* thing, some groups see the increased concentration in ownership that will *result* from the takeover, as a *threat* to the livelihood of Canada's beef sector. In the end, this transaction means that only *two* companies will control roughly 83% of all beef processed in the country. We've been hearing from one of the *opponents* of this takeover, Fred Tait – a cattle farmer in Rossendale, Manitoba and the Manitoba Coordinator of the National Farmers Union. We've also been hearing from Denis Corriveau – a Senior Competition Law Officer with the Competition Bureau located in Gatineau, Quebec.

Now we heard earlier from Fred Tait describing some of the findings contained within the National Farmers Union's November 2008 report titled, "The Farm Crisis and The Cattle Sector." A link *to* that report is on the Deconstructing Dinner website at deconstructingdinner.ca and posted under the March 12th 2009 broadcast.

Within that report is a reference to what *some* analysts have said in *response* to such concentration within the beef packing sector, that there is, "little evidence that increasing domination by large packers pushes down prices to farmers."

Fred Tait of the NFU responds to such a suggestion.

FRED: If it didn't hurt so bad it would be comical. Because if one understands anything in economics and accepts conventional economics theory - that to gain a competitive advantage in a market you try and dominate in the market share that any individual

corporation controls. And all the examples you want to look at in economic theory or actual practice, the larger and more dominant the player becomes the more competitive it becomes in that marketplace. But in becoming competitive in that marketplace it always reduces the competition in that marketplace. And by reducing the competition of course you can increase the profitability of the enterprise in question. And how this bit of simple economic logic can evade thinking and be denied, I don't know, I just can't relate to where they're coming from here.

JON: One of the examples that the NFU refers to as an indicator that consolidation *does* drive down prices paid to farmers, was the 2005 acquisition of Guelph Ontario's Better Beef by American multinational Cargill. While many factors can influence the price paid to the producer, I asked Fred if it's too soon to tell if such corporate concentration has impacted prices paid to producers *in* Ontario.

FRED: No it's not too soon to tell. In fact it's a classic study of economic theory. As they reduced and eliminated the competition, Ontario had probably the highest cattle market in Canada and now it has the lowest because they have lowered the level of competition. And so to say that mergers and reducing the number of players in the marketplace doesn't have an impact on producer prices is not a sustainable argument. It's an ideological argument is what it is.

JON: Now according to Denis Corriveau of the Competition Bureau, their review process *did* explore the 2005 acquisition of Better Beef *by* Cargill. But as Denis suggests, in reviewing the *Alberta* transaction between Tyson and XL, Ontario is a *different* market than Alberta and there are different factors at play today.

DENIS: When we review a merger we have to look at all the facts and evidence that are relevant to this particular merger. What I mean there is we cannot look at an industry consultation trend and automatically conclude or make conclusions from there that a particular merger would be detrimental to a competition. We have to look at the facts of this particular transaction. And based on all the evidence we collected, we concluded that the competition provided, the combined competitions provided by Cargill which is the only remaining significant Canadian packers so to speak, so the combined presence of Cargill and U.S. packers would be enough to discipline XL pricing post merger.

JON: Now while the competition from American packers is seen to be adequate to maintain what the Competition Bureau deems to be healthy competition, it does on the surface seem somewhat questionable when some of the companies operating in the United States are the *same* ones operating here in Canada.

In the case of *Cargill* who controls over 40% of *Canada's* beef packing sector, in the *U.S.*, they control 21%. The other major player in the *U.S.* is Tyson, who controls 26% of slaughter capacity there and among the four largest - 69% control – which, while still very concentrated, is *much* less than the over 90% control among the top 4 *Canadian* packers. One could only speculate whether XL Foods would choose to expand *further* into the *U.S.* market. It was only in 2006, that the company purchased some of the assets

of Swift & Company, another major U.S. player. Those assets included two of their plants in Nebraska and Idaho.

But according to the Competition Bureau, they intend to monitor the Lakeside transaction over the next year to ensure that prices do *not* dramatically change. As Denis Corriveau explains, recent regulation changes in the United States were a concern to the Bureau, and they intend to monitor how those progress.

DENIS: The monitoring won't go forever. It's going to be done within the next one year. The main thrust of it would be to monitor the implementation of this new, what is called "MCOOL" legislation - COOL stands for country of origin labelling legislation. And basically this is a necessity in the U.S. that requires retainers of a number of food products including beef to label the meat on their shelves based on the origin, the country of origin of the meat. It's a new legislation that came into force when we were in the middle of our review. The indirect implication is that the U.S. packers do have to segregate the slaughtering of Canadian originating cattle from the U.S. originating cattle. The deeper you make them segregate the higher the cost you impose on them. As I said that there were the interim rules in October. Then they changed the ease, so to speak or they increased the flexibility to U.S. packers in January by issuing their final rule and which gave the Canadian cattle industry was quite pleased about that because the MCOOL legislation has been a real major concern to the cattle producers in western Canada, well in Canada in general including western Canada. And they were really pleased with this final rule because they had, the government had initiated the challenge under the WTO, the World Trade Organization challenged of the in-term rule and then when the U.S. government issued this final rule that provided a lot of added flexibility to U.S. packers. Canadian industry and Canadian cattle producers felt that it was pretty good and that it would allow U.S. packers to be competitive again in buying Canadian cattle so they dropped their challenge.

JON: The Competition Bureau's Denis Corriveau.

Now as an aside, it does seem rather perplexing that in an age where consumers are demanding more and more that they become aware of where their food comes from, that Canada would challenge the United States in their efforts to have their food labelled with, at the very least, a country of origin. Of course the intentions *of* the COOL legislation are likely to do *more* with protecting American producers than they are a response to consumer demands.

Nevertheless, it's an interesting example of the clash between the growing interest of consumers to trace the origins of their food, versus the interest of the *industrial* food system to ensure that all food and regulations are the same, regardless of borders.

In closing out my conversation *with* Denis Corriveau, he indicated that *should* the transaction prove to *not* adhere to the mission of the Bureau, they can take remedial action to create more competition in the marketplace.

soundbite

You can stay tuned for the *end* of today's episode of Deconstructing Dinner when we'll hear from Jeff Nield of Vancouver's FarmFolk/CityFolk as part of our ongoing series on BACKYARD CHICKENS. Jeff will provide an *update* on the recent decision by Vancouver's city council to *permit* the raising of chickens within city limits. We'll also have time for a segment from the familiar and always entertaining Bucky Buckaw.

But in closing out today's segment on the latest news from Canada's *industrial* beef sector, we've focused quite a bit here on the economic, political and farmer concerns surrounding this Tyson and XL Foods transaction, but we haven't quite addressed the concerns that *consumers* might have with such corporate concentration within the food system. According to the National Farmers Union, there's good reason to believe that the XL Foods takeover of the Lakeside plant will push the retail price for beef *up*. While some Canadians may be okay with paying *more* for their food in light of the farm income crisis, according to Fred, it *won't* be the farmer who gets the extra cash.

FRED: I'll give you an example of what we've discovered in our study. In 1999 if the consumer were to go to the meat counter in any retail outlet and make a \$10 purchase of beef, on average 24% of that, \$2.40 would be returned to my farm. And if that consumer were to go back to that same counter and make another \$10 purchase currently, \$1.60, 16% would come back to my farm. That's a significant loss of income share of value. But the consumer should also be conscious that for the \$10 purchase, currently they would take home a smaller portion than what they had taken home 10 years ago. So therefore, what we've actually seen, consumer prices going up and we have seen the producer prices coming down.

Now, if one were to look at that, there are two conclusions one can possibly apply to it. On the one hand one could say, this is simply a mission of market power where the concentration both at retail by the way and that the packers themselves has enabled them to use their market power to extract a larger premium out of the industry. That's the one theory. The other theory would be, perhaps these huge retailers and huge packers now have become so large they have become inefficient to a degree that they require a larger share just to function. Now it's one or the other. And so that's what I pointed out to the Standing Committee on Agriculture a week ago on Tuesday when I was in Ottawa. Pointing out that we need the committee itself to pull both the packers and the large retailers before the committee under subpoena to open their books to show why it is, that in an industry that is supposed to have reached its maximum efficiency, producers are getting less, consumers are paying more. And I think that's a challenging question that needs to be resolved both in the interest of producers and in the interest of consumers.

JON: Such a prospect of rising food prices and decreasing prices paid to farmers can indeed be worrisome. All trends over the past few decades have clearly shown how farmers continue to receive less and less for their product. And over these periods, the response has been rather the same, bail out the farmers with taxpayers money. The National Farmers Union, however, does not support such measures.

FRED: Traditionally what happens in an instance like this, the farm community leadership runs off to government and says – we're suffering hard economic times, we want you to go to the taxpayer and get enough money from the taxpayer to cover the losses of going from 24 to 16% share of the consumer dollar. And the farmers union says – no, that's not what we should be doing at all. We should be going not to the taxpayer, the taxpayer is not our enemy. The taxpayer is not responsible for this imbalance in the marketplace. We should be going to government as a farm community and saying, look, we know who took our money. We know where it is and we want you to do an investigation and see whether this is corporate power, whether this is corporate inefficiency and make the legislative changes to make sure that a traditional role of consumer share and farmers earnings go back to a historical average and solve this foolishness of thrashing around in the woods and asking for public support to deal with this injustice.

JON: Beyond the issue of retail prices and prices paid to farmers, there's the other consumer issue as introduced at the top of the show – food safety. In light of what Canadians learned in 2008 of just *how* much tainted food and illness can originate from just *one* facility operating in the country, the prospect of *fewer* companies controlling an equal portion of the meat supply would understandably concern some Canadians. Unfortunately for those concerned Canadians, when mergers such as these take place, the Competition Bureau is not mandated to consult with Health Canada or the Canadian Food Inspection Agency.

The Competition Bureau's Denis Corriveau.

DENIS: No, because safety issues are outside the mandate of the Competition Bureau or outside of the purview of the Competition Act. We are in terms of merger review, safety issues in general, whether food or other safety issues are not part of the mandate of the merger review under the Competition Act.

JON: As we'll be exploring on an upcoming episode of Deconstructing Dinner – the prospect of a national food policy is becoming more real, perhaps such a *policy* could address this glaring *disconnect* between the many departments operating among *all* levels of government. As has been suggested here on the show before, food and agricultural issues *should* be included within *all* departments from health to industry, education or natural resources – food is an integral part in all of these respects, yet so many levels of government continue to operate in silos.

Now as I approached the end of my conversation *with* the National Farmers Union's Fred Tait, we spoke of *solutions* to the problem that the NFU sees as options for the cattle sector. With such *tight* corporate concentration, I questioned whether restructuring is even an option, or if building the sector from the ground up would be more appropriate.

FRED: Well again, this is a dilemma. We have said to Canadian cattle producers, we've said to our fellow farm board organizations, there are three ways in which a market can function that we can visualize. One is where you have a competitive market where you

have a number of players in that market bidding for to provide consumers service and bidding for a farmers production. And historically we have proven that that type of a marketplace returns to producers twice the value they received today for a product of similar value. So, of similar quantity I should say. And then the other of course is that we have examples in Canada where we have a regulated market and the regulated market is supported by supply management industries where the producers there under a contract really with society say we will produce only for the domestic market and we will produce that product only in quantities that is consumed in Canada, we will not export. And in return for this, we will not be going to taxpayers to bail out money from time to time, but you will pay our cost of production and we will be able to survive on that and you will have a steady, uniform price for your eggs and your poultry and your dairy products. That's the other model.

And the third model is where we are today. We neither have a regulated market nor a competitive market and it is absolute chaos for the producer and it seems the consumer. But it seems to work quite well for the people that are between the consumer and the producer, at least by the enthusiasm with which they can defend the status quo.

JON: As introduced earlier, the approved takeover of the Lakeside Plant by XL Foods and the subsequent increased corporate concentration did *not* make it onto the radar of Canada's mainstream media and thereby the opinion of the Canadian public was not considered or even communicated to throughout the process. In a search of the country's major *print* media, only *one* newspaper announced the approval of the transaction – Saskatoon's Star Phoenix. And so with so much of this information on agricultural issues continuing to *not* make its way to Canada's urban populations, Fred Tait comments on what *he* believes the Canadian eating public should do.

FRED: Well, I've been on this podium for a long time and that is that the closer I can become to the consumer, the better I do as a producer. And the more involved the consumer becomes in having a voice in Canadian agricultural policy and developing relations with the farm community, the better off the consumer will be. And I know from a consumer perspective that lives in our large urban centre these may seem like they are very complex issues that defy description. And justifiably they can think that because the attention that comes through mass stream media on agricultural issues has the intellectual content of almost zero because of their 15 second clips about some disaster and no depth, no analysis or anything like that. So this is a tremendous failure of the system. I've argued for a decade or more now that agricultural policy alone should have components that include public health, consumer concerns, environmental impact, food sustainability, energy saving in transportation and so on, making food as local as possible, identifying food from label not only to country of origin labelling but possibly province of origin and community, even down to the farm gate, product of Canada, and so on. Because I believe the consumer has every right to ask – who grew my food, who is he, where does he live, and all the history that they want to build confidence and to build a relationship between myself and the consumer of what I produce.

JON: Fred Tait spoke to me over the phone from his farm in Rossendale, Manitoba. Fred is the Manitoba Coordinator of the National Farmers Union. And you can learn more about today's topic by visiting our website at deconstructingdinner.ca. Today's show has been archived under the March 12th 2009 post.

In just a moment, we'll look to a more *local* source of protein than the one provided by Canada's industrial food system - backyard chickens. But to close out this segment, here's Fred Tait once again, and his thoughts on *rural* media coverage of agricultural issues.

FRED: And I'm also finding especially where we get down to more rural communication, we have young people that come from urban backgrounds, come into these small radio stations and newspapers with no agricultural background and they can just be totally schmoozed, just totally schmoozed and I just grit my teeth and bear it. But as they get some experience under them and especially if they are very qualified in their trade, they of course move off to urban centres so we get another generation that can be schmoozed again (laughs) and it's very frustrating.

soundbite

JON: Well if the thought of two companies controlling 83% of Canadian beef produced from only five plants turns you off of industrial protein, there is of course the growing alternative of finding some protein in your backyard. And while digging up insects may be an option, backyard chickens might be easier and for Vancouver residents, much easier. On March 5th, the City Council in Vancouver unanimously approved for the city's bylaw that has *prohibited* backyard chickens to be changed. Vancouver is now preparing itself for a backyard chicken revolution.

While there is still much work to be done on the details of the change, I did speak with Jeff Nield of FarmFolk/CityFolk – a familiar organization to the show, and one that “works with farm and city to cultivate a local, sustainable food system.” Jeff is the organization's Operations Manager and is understandably excited about the news.

JEFF NIELD: The story that I heard from the food policy council for the last few months is that they got an e-mail came from City Hall and I think it originally came to the mayor's office from at the time, it was a concerned citizen. And we didn't know who this person was basically saying, look this is what goes on in other municipalities and I'd love to keep chickens, so I would like to get this changed. So it was the action of one person that really spearheaded it and got the Council thinking about it, got down to the food policy council level and they really ran with it. If you're unfamiliar with the Vancouver politics we've just had a regime change to a Council and a mayor we would consider much more interested and aware of food security issues so they've really taken hold of a couple of things. And one of this is this urban chicken thing. And another thing is they're doing a community garden on the City Hall lawn. So they're really starting to do this sort of all encompassing food security work looking at how the City can change.

JON: Jeff mentioned one of the supporters of this backyard chickens initiative – the Vancouver Food Policy Council, and he explains who this council is.

JEFF: Well the Food Policy Council is an advisory council. They're made up of basically a citizens group so they try to get representation from different sectors in the whole food chain so there's retailers, farmers, processors, and there's a few other categories. And then there's members at large, so a few people that are concerned with food security. And it was established, I think early, maybe 2000/2001/2002 to look at Vancouver's food security and it was somewhat modelled after – there's a Food Policy Council in Toronto so I think that's originally where the idea was sparked. So what they've done up until now is that they've looked at a bunch of different initiatives at how they can actually make Vancouver more food secure. So they've supported – we have our 2010 garden plots before 2010 as sort of a lead up to the Olympics to get more people growing food in their backyards.

And one of the other things they spearheaded was the change in bylaws so we actually allowed honeybee keeping in the city so that's somewhat similar to this chicken thing. And so what the Food Policy Council does is they study whatever, they take direction from Council and Council asks them to look at specific things that has to do with food security. And the Food Policy Council goes off and does the work, consults with the greater food security community and citizens and the general population and brings those recommendations back to City Council. So they make recommendations to City Council and they can decide whether or not they want to bring something forward to be passed as a motion or like this changing bylaws.

JON: Now while some media have announced that the City of Vancouver does now allow backyard chickens, technically, that's not yet the case. And while there's every reason to believe the bylaw *will* change, Jeff explains what steps need to now be taken.

JEFF: Yeah, the way that I understand it is that Council has basically, they have, this is City Council, they put the motion forward to say we want this bylaw changed and as part of their due diligence, they know they need to create some recommendations and some requirements so that there's some structure around people keeping the backyard chickens. So, what I understand is that the bylaw will be changed. It takes some time to do that. It takes, you know it has to go through the proper process – the City Hall so that it makes sure that everybody involved has some say into it. And then the bylaw is contingent on the recommendations.

So, I'm not quite sure how it will play out with if it's going to be a new bylaw. What they did with the bees is that it's actually the Animal Control bylaw so there's a whole long of list of things that you're not allowed to keep in the city so, you know, horses and well actually horses I think are allowed in certain parts of the city but you can't keep cows. You can't keep agricultural animals basically. And bees and chickens are included in that so what they basically did with when the bees became legal is they just revised the bylaw and scratched out bees as a prohibited animal. So now bees are allowed.

JON: Jeff added that the change with the bylaw for honeybees was also accompanied by a set of *requirements* that any beekeeper needs to abide by. He suggests the same will likely exist for chickens.

As city staff seek to now develop such requirements, there are a number of issues that they'll be looking into. And Jeff explains.

JEFF: Yah, there's a list of concerns. I think that people are concerned about things like avian flu, if that's going to be a problem. Things people are able to smell, people are worried about noise. Those are actually the three big ones. They're worried about disease, noise and smell. So they're the obvious outcry against this when something like this happens. Everybody comes out of the woodwork. I've been sort of saying that half the people that are commenting on it are saying that you know the sky is falling and this is a terrible thing and we're moving backwards. And the other half you know is thinking this is going to save the world and you know, it's obviously somewhere in between.

And, one of the other requirements I think that might come out of it is that there might be some sort of, I don't know if you call it licensing or not but there'll be workshops available to teach people. So you need to get yourself educated to do this and I'm not sure how they can work that into the bylaw. I think with, again going back to bees, I think you have to be licensed, you have to be a licensed beekeeper and with the bees it's a provincial licensing from what I understand.

JON: Now given the relative obscurity of the idea of backyard chickens in a North American city, there are of course often opponents to such policy changes. In the case of Vancouver, animal welfare concerns were the only *formal* opposition.

JEFF: The only real formal opposition and this actually speaks to the other concern people have is animal welfare. The Humane Society and the BCSPCA have come out to say that they're not necessarily for it. It's a tough call for them because they support all these food security measures. Both of these organizations realize that there's a problem with caged birds, caged layers and the conditions that those birds are put in in the industrial system. But they also have real concerns about people being able to care for the birds properly in the city. You know I think they have the nightmare scenarios of someone having a hundred chickens in their backyard and half of them are sick and they're not being taken care of and they're just neglected. But that's the big formal opposition I would say.

JON: FarmFolk/CityFolk is already gearing up for the backyard chicken revolution in Vancouver, and Jeff is preparing the organization to be a key educator throughout the process.

JEFF: At FarmFolk/CityFolk, we're a networking organization and everything we do we do in collaboration with other people and we try to bring people together. So what we're doing in the short-term is we're working on putting up a website and that should actually be up in the next couple of weeks. Probably going to be chickensinvancouver.com. And what will be on there is...there's a whole bunch of different people in the city that have

an interest in chickens and have experience raising chickens. So we're going to get that community of people together to write up some frequently asked questions and maybe have some workshop materials available for people. And then we will actually be organizing workshops most likely in co-operation with UBC Farms and also maybe the Environmental Youth Alliance. They have some property that's in more of the residential part of town, so actually be putting on urban chicken workshops so people could come and learn how to do it properly.

JON: Now until the bylaw change becomes official and FarmFolk/CityFolk's educational offerings begin, Vancouver residents can enjoy the educational *and humourous* Bucky Buckaw, a frequent contributor to our Backyard Chickens series. Bucky produces his Backyard Chicken Broadcasts at Boise Community Radio in Boise, Idaho. Previous contributions of his great radio segments can be found as part of our FARMING IN THE CITY series located on the Deconstructing Dinner website at deconstructingdinner.ca.

Bucky Buckaw theme song

BUCKY BUCKAW: Bucky Buckaw here with the Backyard Chicken broadcast.

We've got more questions from listeners on this week's episode. The first is from Jane in Emmett, Idaho. She wants to know, can chickens do tricks? The first thing I thought when I read Jane's e-mail was, not only can they do tricks, they can perform magic. Real magic. Here's how it works. Pick a yard, any yard – rural, urban, or suburban. Observe, it's boring. Full of dirt or weeds or cruddy, old grass. Now maybe it's nice to look at, depending on your perspective but it's not producing food. Or maybe even if there is a garden, chances are it's full of bugs or it's not as productive as you hoped it would be. Maybe you've been risking your health with chemical-based enhancements. And in any case, you can't just look at a yard for very long and be entertained. And you won't be able to interact with it.

Now, add chickens. Presto, change-o, abracadabra. Voila! Now you got yourself a rich pooping-enhanced and compost-enhanced rich soil. Ready to grow whatever the local climate allows. Bug-free and chemical-free. And alive with the lovely sound of chickens, clucking away, providing hours of entertainment with their amusing antics and wanting to interact with you because they're so dang sociable. And for their next trick, most days hens will sit on a nest for awhile and then get up where there will magically appear, the main ingredient for a nutritious, delicious, truly cruelty-free breakfast. One that is many times better than any one you can buy in a grocery store. That beats pulling a rabbit out of a hat. And these magic tricks can be done almost anywhere by almost anyone. Because raising chickens is not that difficult and so much fun that nobody in their right mind would call it work. And because keeping chickens is legal at more places than not, including cities like Boise, Idaho or Madison, Wisconsin and bigger cities like Portland, Oregon, New York and San Francisco. Even in the uptight, bourgeois suburbs, as long as you don't move into one of those monstrous mid-mansion subdivisions with fascists compacts.

But I know that wasn't exactly what you were asking, Jane. You just got to forgive me for finding yet another opportunity to plug the Bucky Buckaw agenda. The simple answer is - yes Jane, it's not very difficult for a human to convince chickens to do various stunts or resite gags on command. Now I do think it's bad manners for an individual in a position of authority to compel a small child, gullible friend or animal companion to do something stupid or humiliating on command. And that's what some people call a trick. On the other hand, if you take something, that some chicken already does naturally and work with them to frame it in the guise of entertainment, well that's fun for all. And after all, everyone likes a challenge, especially one that ends in a reward, or praise. Studies have shown with the apes or humans, that when an individual is given a reward for basically nothing, like winning a lottery in a human case, most individuals grow quickly bored and restless. So challenge is a good thing.

Neem, a Bantam Cochon of mine can ride on my shoulder when I ride a bike. She also likes to do martial arts. She sits on my limbs while I do my weird version of Tai Chi. Another one of my hens, Quincy, who's a Golden Sebright will step up and perch on my finger when I ask her to or will fly up from the ground and land right near my ear when I tap my shoulder. Keenwa, another Bantam Cochon is a little on the nervous side. So if I say her name in a particular way - Keenwahhh, she'll cackle loudly in response. Sounds just like me. Keenwah! These are the kinds of tricks I'm talking about. Neem has many talents which she's displayed in the movies she's been in. You should check out buckybuckaw.org for some links about that.

Chickens can come when their names are called. And it's pretty easy to get a chicken to jump through a hoop or something like that for fun, food, and praise. I suspect you could even teach a chicken to attack. But that would be pretty mean because it requires exposing them to something which they feel threatened by.

Which brings me to question 2 of this week from Patricia, in Challis, Idaho. She says "I was doing my chores with the TV on and I heard something about chickens being able to worry and that it was a scientifically proven fact. I didn't get all the details. What's the deal with that, do you know?" I did a little research for Patricia and I found out about a study done by a Silsoe Research lab in the U.K. They proved, with science that chickens have a concept of the future. On the one hand I have to say that they didn't exactly prove chickens can worry per se. But the good side is that it wasn't one of those animal experiments where they prove something people already know by exposing animals to real danger. What they did was they offered chickens a chance to peck coloured buttons in exchange for rewards. They had to peck the buttons in sequence. If they pecked the buttons in a quick sequence they get a little bit of food. But if they waited 20 to 30 seconds between the first peck and the second peck, they get a whole lot of food. And the chickens quickly learn to wait awhile which they say proves that chickens have a sense of the future, which also means, they can probably worry.

To me, that all sounds kind of silly because I already know my chickens worry. They worry when they see cats wandering around the garden. And they didn't worry as much about that until one of them actually got chased by a cat when I wasn't looking that

carefully. And that proves they can learn. I mean I rescued that chicken so she didn't get hurt. But ever since then when she sees a cat, she's visibly nervous and sometimes she'll do a preemptive attack. Like the time we took our ferret out in the garden for a little walk, clear across from where the chicken was. The chicken saw that little ferret on a leash and preemptively went in for an attack.

I know some folks will say, because I've heard this before – well that's just instinct. I'll ask you, what is instinct anyway? What about when you say you're falling in love? Isn't that just your mating instinct? Think about that why don't you. And with the chickens and the cats it's not instinct because the chicken knows it doesn't have to worry about all cats. It doesn't worry about our cats, only cats its never met before, like strays. So yes Patricia, chickens can worry. And I'm glad that science finally got around to recognizing it.

This is Bucky Buckaw. I had a good time.

Bucky Buckaw theme song

Bucky Buckaw's Backyard Chicken broadcast was produced by the Sagebrush Variety Show to support Boise Community Radio and the Green Institute.

ending infusion

JON: And that was this week's edition of Deconstructing Dinner, produced and recorded at Nelson, British Columbia's Kootenay Co-op Radio. I've been your host Jon Steinman. I thank my technical assistant John Ryan.

The theme music for Deconstructing Dinner is courtesy of Nelson-area resident, Adham Shaikh.

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