

Seasons Greetings

Yukon Agricultural Association Newsletter

The Plough Boy

Winter 2006 Issue

YAA, Suite 203-302 Steele Street, Whitehorse, Yukon, Y1A 2C5

Phone (867) 668-6864 Fax: (867) 393-3566 Email: info@yukonag.ca

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Environment Meeting in Montreal

By Rose Drury

I was invited to the first round of consultations for the Next Generation APF Environment Chapter in Montreal. The first round of consultations is by invite only, round two is for industry groups and YAA, GoOFY and YAA ACAAF can all submit position letters, as well as send delegates although I believe that for all future rounds of consultations the burden of the travel cost is to be carried by the interested organization. There will also be a round three of consultation which will be another public consultation round. In some ways it was very challenging to represent the entire Yukon Agriculture Industry and try to keep the needs of the different sectors in the forefront of my mind. There were representatives there for example just representing poultry producers of Ontario. I had a meeting with Tony Hill and Matt Ball ahead of time to bring me up to speed on terminology, the purpose of these meetings, the goals of these meetings and what my role was. I was glad to have met with them as it helped me think about over all Yukon Agricultural aims rather than sector specific aims. The importance of the Environment Chapter and the focus is on air, water and soil, three things that are important to the whole country. The national objectives in the past APF programming had been difficult for the Yukon in some aspects, and me along with many other jurisdictions asked for the consideration that national objectives could be met, through



regional programs. There was discussion around integrating the environment chapter with all the other chapters as it is an important part of food safety, renewal, science and innovation. Biofuel was the buzz word of the day and there was a lot of focus on that especially from representatives from the Prairie Provinces. There was talk about how farmers have always been stewards of the land, and that they are interested in sustainable agriculture because farming is their livelihood and their legacy. Many people brought up the value of environmental goods and services, especially on farm, and there was concern that there was no accurate way to measure and add a dollar amount to those services. Concerns were hashed out about the level of consumer education and that many consumers are very cost sensitive when purchasing food. Agriculture in a lot of ways is silent when it is working and noisy when it isn't. The industry has to come up with positive stories and tag lines to promote it's self. The federal government was chastised a bit in the meeting for using negative terminology about agriculture, a positive approach needs to be taken was the overall consensus. We broke out in to groups and were charged with answering the following questions:

- 1) Assess the proposed framework
 - a. As a stakeholder, do you think that we are examining the right issues and approaches? If not, what should we be examining?

- b. What are the highest priorities?
 - c. What should be the elements of the strategy?
- 2) Brainstorming of appropriate roles for government and industry
- a. What are the appropriate roles for government and industry?
 - b. How should policy identify the appropriate responsibilities of producers, others and society at large for achieving agri-environmental objectives? What role would be expected distribution of costs and benefits play in this decision and how could they be assessed? What role would the environmental standards applied to other industries play?

The interesting thing is that we broke out into three groups, and we discussed the questions before us and the conversation and dialogue seemed to go round and round, I thought that we had come up with some very unique and well thought about answers to the questions put before us, strangely, the other two groups came up with almost exactly the same key issues and

answers! The key areas of answer overlap for the groups were: we want to retain the environment pillar in APF, but it should be more integrated with the other pillars, we want the industry to remain profitable and competitive (if you are competitive you aren't necessarily being profitable), we have to be able to measure success, the different jurisdictions need regional diversity at delivering this program although every region is happy to try to meet national objectives, clear communications between rural communities, farmers, territorial/provincial governments and the federal government, imported foods should be required to meet the same environmental standards as Canadian foods, grocery basket prices should reflect the actual cost of production, there should be less administration burden on farmers when applying for APF money and finally farmers need to be included in the decision making process, at all stages of discussion.

I wish that I could have spent a little more time in Montreal, right after the meeting I shared a cab to the airport and was on my way to Calgary.

2006 Canadian Renewable Fuels Summit – Banff, December 10 to 12

By: Gordon Sinclair

The new Canadian Clean Air Act is proposing to achieve 5% Ethanol (E5) and 5% Bio-Diesel (B5) in all Canadian fuels by 2010. This is only three years from now. Is this an achievable goal?

David C. Aldous, President, Shell Canada Products, says Yes. He would like to see the level set at 7% by 2010 and says the fuel companies are prepared to meet this. However, today, there is only 1 Ethanol station in Canada, in Ottawa, and of the 73 billion liters of gasoline sold in Canada this year, only 0.6% of that was Ethanol. As for Bio-Diesel, Shell is undertaking a two year study of the effects of Bio-Diesel in long haul commercial trucks operating between Calgary and Ft. McMurray. This study is to determine if there are any detrimental effects of Bio-Diesel, as in early fuel gelling, failure of gaskets, fuel lines, injectors, fuel filters, lack of lubrication and such, that would cause heavy trucks to not operate or to loose efficiency. It is expected that this will include not only B5 but fuels up to B20 (20% Bio-Diesel). Once that study is complete, the national trucking agencies in Canada and the United States will then determine if the trucking industry will buy into bio-diesel.

So again I ask, is 5% an achievable goal by 2010 if we are starting 2007 at 0.6%?

What is Ethanol and Bio-Diesel?

Ethanol is essentially alcohol. It is a high octane automotive fuel. Ethanol is reported to offer higher performance, higher fuel efficiency, cleaner combustion and an opportunity to make smaller, lighter engines that produce more horsepower on less fuel and with fewer emissions. Ethanol is made from fermented vegetable matter and there are lots of ways to make it, and lots of material to make it from, most of them being agricultural products. Wheat is the primary crop targeted for Ethanol production in Canada.

Bio-Diesel is again a vegetable matter, but in this case, it is the oil from vegetable matter and more specifically the oil from an oil seed crop. The oil seed is crushed and processed to obtain the oil that is then mixed with conventional diesel fuel to obtain the desired percentage. B5 has 5% vegetable oil, B10 has 10% and so on, up to B100 that is straight processed fuel from vegetable oil. The disadvantage of vegetable oil is that it is thicker than diesel fuel and "gells" at a higher temperature, clogging the fuel filters and causing other problems so it poses problems for use in colder weather. Technology has many fixes for this, but the primary one for now is to mix the vegetable oil with



conventional diesel. The primary crops in North America from which the oil for Bio-Diesel are obtained are corn and canola, with canola being the primary crop grown in Canada that could/would be used for bio-diesel production.

Now, here is another question – If wheat and canola are to be the saviors of the bio-fuel industry, is there a conflict between food and fuel in the making?

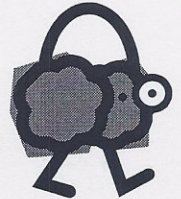
David Paterson, Vice President, Corporate and Environmental Affairs, General Motors Canada stated that GM is putting all of their research and development into achieving Ethanol compliant engines for all of their non-commercial vehicles, in all GM divisions. GM expects to have all of their vehicles E85 (85% Ethanol blend) compliant by 2007. GM doesn't expect diesel engines to be able to meet the North American emission standards of 2010, so they are putting their money and their future, into the Ethanol camp.

Chrysler is also on the Ethanol bandwagon with numerous dual-fuel vehicles in the works. The yellow gas cap will be the indicator of a vehicle able to operate on conventional gasoline or an Ethanol blend. Dodge and Cummins have also approved the new 6.7L Cummins diesel engine for B5 diesel and continue testing to allow certification for B20 by the 2007 model year.

It would appear that the fuel and automotive industries are geared up and ready to meet the challenge with full expectations of being able to meet and even exceed the minimum requirements of 5% bio-fuel by 2007.

So are there any problems or concerns?

The Honourable Lorne Calvert, Premier of Saskatchewan, says "it is the right time". It is the right time for bio-fuel. It is the right time to be a farmer. It is the right time for farmers in Canada to finally make some money. One of his slides shows the price of wheat over the past 130 years, and it is all downhill. Another shows that Saskatchewan has 85% of the arable crop land in Canada, produces 50% of the crop volume in Canada but makes only 20% of the gross farm income in Canada. Saskatchewan grows wheat and this is sold as a food product, through a controlled marketing board that has managed to strangle the industry with ever lower prices. Now that Saskatchewan can grow wheat and sell it as a source of bio-fuel, the price is going to go up... and up... and up. As will the price of canola and corn. As will the price of any crop that can be grown in any area of Canada that can be used to make a bio-fuel ingredient or finished product. It seems that the Wheat Board has no control over the purchase and sales of wheat for non-food purposes and just possibly, this is the real storey behind the current conflicts between prairie farmers and the Wheat Board?



But this takes us back to the question of a brewing conflict between the food industry and the fuel industry. Are we, as a nation, embarking on a course that will make growing crops for food production take second place to growing crops for transportation fuels? Will food crop pricing have to match fuel crop pricing?

Dave VanderGriend, President, ICM Inc., says No. He says there is more than enough crop land available in Canada and the US to meet both the food and the fuel requirements. He also states that there is the possibility that a food/fuel conflict could occur and that farmers are going to have to think carefully about how they manage their crops and what they grow, as there is a possibility that if mishandled, legislation may be forced on farmers requiring them to grow a minimum percentage of food quality crops.

The advantage he sees is that farmers can continue to grow food quality crops on their prime land, thereby maximizing their yields and per-acre profit for their crops. At the same time, they can grow non-food crops on marginal and currently un-used or under-used land for use in the bio-fuel industry. Ethanol, for example doesn't care if the crop is wet, or frozen, or didn't ripen. It still ferments and becomes alcohol.

The conference was quite intense and very informative, there were many speakers and all of them were very positive on the future of Canada in the bio-fuel industry. And, a very near term future at that. In order for Canada to get from 0.6% bio-fuel today to 5% bio-fuel by 2010 the entire chain from farmer to fuel producer to automotive industry is going into overdrive. This is an incredibly huge market that is going to create many spin-off benefits and, yes, probably just as many problems, especially for the food industry.

Mr. VanderGriend also indicated that construction of crushing facilities, blending plants, ethanol and bio-diesel plants is slow and expensive. In North America there are 50 plants currently in operation, 110 in various stages of design and 40 currently under construction. This will allow the industry to meet the projected 2007 targets of 5%, but the industry is looking for at least double the number of plants and probably more, to meet the demand that is expected by the consumer, specifically E85 and B20, by 2020.

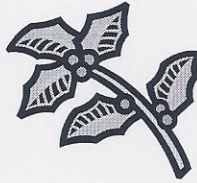
Barb Isman, President, Canadian Canola Council; Lorne Hepworth, President CropLife Canada; Russ Sanders, Director Strategic Marketing – Biofuels, Pioneer Hi-Bred International Inc.; Lionel LaBelle, President Saskatchewan Ethanol Development Council, and others, all had much the same message: Bio-Fuels are here, Bio-Fuels are the future, Canada has a huge challenge ahead but the industry is ready and able to meet that challenge. The industry is further challenging the Government of Canada to make the benchmark 10% Bio-fuel, not the 5% currently planned.

I would like to thank Agriculture and Agri-Food Canada through the Biofuels Opportunity Program Initiatives (BOPI) for funding my travel and attendance at the 2006 Canadian Renewable Fuels Summit. Over the next couple months I will be researching and looking to see if there is a place for Yukon Agriculture in this new bio-fuel market. Stay posted and YAA will keep you updated on what might be the best thing, or the worst thing, that has happened to agriculture since the combustion engine got married to the tractor.

ACAAF Meeting in Calgary

By Rose Drury

The ACAA meeting was well attended; all councils had at least one representative. Rose Drury and Jon Lucas attended on behalf of the Yukon. There was a lot of concern about Pillar II and how poorly the uptake has been across the country, Pillar II is Capturing Market Opportunities by Advancing Research Results. The best uptake across the country has been in Pillar I. There was concern about how long it took to get the money out to the councils after it was announced and it put all of the councils a bit behind, the Yukon included. There was quite a bit of talk around how all the different jurisdictions have different needs, and that the ACAA and BOPI programs don't really take that into account. All of the councils will be asking for more money for the



next round of BOPI. The collective outcome process was discussed and councils have participated in at least one collective outcome project (the Yukon is involved with three) and they are seen to be a positive way for multi-jurisdictional collaboration and are seen to be a very good initiative. Regional flexibility continues to be a hot topic for the ACAA group and it was brought numerous times at this meeting as well. A lot of the other areas discussed had to do with the administration of the program. If you are interested in the projects funded by the Yukon please contact the YAA office, if you are interested in applying for funding you can contact Rose Drury at (867) 668-6864.

Office Update

The Yukon Agricultural Association office will be closed from December 18th, 2006 until January 4th, 2007. Rose Drury (current Executive Director) has informed the board that she would like to resign. Terms of reference are being drawn up for her replacement and the position will be advertised in late January. The AGM is scheduled for April 28th, 2006 and will be held at the River View hotel. New Realities, New Opportunities: Gearing up for the next generation of agriculture and agri-food policy

The Canadian agriculture and agri-food industry is an integral part of the Canadian economy and an important contributor to the social fabric of Canada. The sector faces a variety of opportunities and pressures in a rapidly evolving world. Together with government, the agriculture and agri-food sector will be seeking out new directions for future success.

In 2003, the federal, provincial and territorial governments implemented the Agricultural Policy Framework (APF) to position Canada as the world leader in food safety and quality, innovation and environmentally responsible agriculture production. Many elements of the APF expire in 2008. Meanwhile, a number of new economic opportunities are

emerging, such as economic growth in markets like China, Brazil and India, the growing bio-based fuels industry and the increase in health awareness among Canadians and global consumers.

The time to build the next generation of agriculture and agri-food policy is now.

Consulting Canadians All Canadians will have the opportunity to participate in national consultation sessions in January and February 2007. The purpose is to spark public debate on the future of the agriculture and agri-food sector in Canada.

Beginning January, Canadians can participate in the consultations:

- 1) Via AAFC Online: www.agr.gc.ca/nextgen.
- 2) By mailing responses to AAFC.
- 3) By attending a consultation event.

A full suite of materials including a discussion paper, guiding principles and economic backgrounders have been developed to help stimulate discussion and debate with industry and Canadians during the cross-country consultations. More details about the public consultations will be made available in the near future.



For information on how to participate in building the next generation of agriculture and agri-food policy, contact your provincial or territorial agriculture office, call 1 800 O-CANADA (1 800 622-6232), TTY 1 800 926-9105, or visit www.agr.gc.ca/nextgen

Innovation and Science Round One Consultation

By Wayne Grove:

The consultation process involved stakeholders from across Canada including representatives from various sectors including Universities, Corporations, Government sectors, Associations and Farmers which I know of only four. One was an Alberta grain producer with 18 thousand acres, one Ontario mix (beef, hog, poultry and produce) farmer with approximately 500 acres, Joan Johnson from Yukon representing GOOFY, and me, Wayne Grove representing YAA.

The consultation forum started out with a general introduction and overview, and then went into breakout discussions (eight groups of approximately 13 individuals each; two sub-groups per topic) on four main topics.

- Enabling Infrastructure
- Business Environment
- Innovation Culture
- Bioeconomy

AAFC Innovation and Science, round one, discussion topics are stake holder suggestions for the new Next Generation Agriculture and Agri-Food Policy.

The breakout topic which I participated was Enabling Infrastructure.
I will provide topic discussions in point form as they came up.

Enabling Infrastructure

- Allow for innovated work rather than market driven.
- Better access for R&D development.
- Role for Gov't in facilitating R&D development but include industry.
- Process to bring value chains together and to strategize at industry level.
- Science & Innovation flexibility for development access to regional requirements. *This topic was highlighted during final presentation to specify capital infrastructure requirements for regional areas in need.*
- Intermediate financing to get farms from start-up to established businesses.
- Suggestion that industry investment be a key requirement for Gov't participation in projects.
- Support & encourage new Canadians (foreigners) to bring new skills and knowledge to Canada. New/ alternative technologies abroad.
- Clarity and transparency in regulatory processes.

- Timeliness. Expedite processes, realizing first on block with new and improved methods stands better chance breaking into markets.
- Equalize benefits of Science & Innovation
- Simplify access to R & D development.
- Ability to get tax credits on capital investments.

Enabling Infrastructure Continued

- Better access to R & D funding.
- Gov't – Industry - Academia, needs to be better integrated.
- Clarity on what a regulatory process actually is. Many different standards/ interpretations.
- Value chains: Gov't needs to start process, though industry should take it from there.
- Balance of priorities.
- Requirement for new generation scientists to replace existing as they retire.
- Culture changes in R & D.
- Eliminate regulatory barriers to commercialization. Streamline commercialization process with ability for capital investment.
- Agriculture is investing in society's needs, so society should be willing to contribute to agriculture, i.e. Taxes
- Should be business driven with partnership opportunities on national level.
- The following three session topics I was not directly involved with through discussion groups, though points were taken during the final forum presentation process.

Business Environment

- Regulatory process was single largest issue. Fix regulations and regulatory environment.
- Enable culture. Need to change and build enabling environment to enhance business.
- Canada is competing with other regulatory regimes (countries) and is not doing it as well as we could.
- Need to educate regulatory authorities.
- Requirement for regulatory review. Remove unwanted or unnecessary regulators.
- Time window. Bureaucrat rotation slows Gov't processes. Gov't changes interrupt set processes.
- Support business to business networking.

Innovation Culture

- To maintain health People Economy Agriculture
- Need to maintain policy involvement
- Connectivity, Academics, Gov't, Science
- Skills set development
- Mentoring entrepreneurs, i.e. Grad Students
- Encourage youth and public for greater enthusiasm.
- Balance between primary and applied research
- One stop shopping for innovation. Easy access.
- Regulations refocused to enable more innovation.
- Capture R & D from other jurisdictions.
- Many innovations appear to be discounted because they are Canadian.
- Need more coordination between Gov't. Bodies.
- Remove innovation barriers.
- Need constant involvement in innovation processes.



Bioeconomy

- Require longer program durations to fulfill processes, 20+ years.
- Need to include specific goals, objectives, actions, plans, etc.
- Put Bioeconomy in National context of energy, healthcare and environment. Sell this pitch for more \$.
- Need to include all components of value chain, including primary producers.
- Address weak program delivery issues of APF-1. Fact that funds are not being spent due to approval constraints.
- AAFC to use research capacity to build back-bone technologies, and provide leadership from Science & Technology perspective.
- Existing process is inefficient. Present system is stifled by process and more process.

- Biotechnology requires new and additional funding.
- Use tax incentives for more development.

Some of the above point items/suggestions may not seem clear and I will do my best to explain if clarifications are required. This forum moved rather quickly with a 10 minute limit on each presentation on Consolidation of group findings for each of the four topics following break-out the seasons.

Slow Food

By: Mary el Kurr

Before attending Terra Madre I told my fellow delegates that I wanted to be *convinced* that using organic products was the right thing to do.

I had been purchasing fresh products from local farmers since the farmer's market began operating, however I did not purchase local produce in the winter as these products were not as accessible. Also I avoided the whole idea of purchasing meat locally because the lack of inspection was a serious safety issue for me.

Although I had been using organic flours and baking products for some time, I was purchasing them from a supplier who used American products. I felt that I should be using Canadian flour, however I was having difficulty finding a source.

I attended the Terra Madre event and was very impressed with the speakers who spoke on numerous topics related directly to my work and business such as:

- The importance of saving unusual seed species from around the world to ensure continued cultural use and to educate other cultures about these food products and flavours
- The effects of mammals eating genetically modified grains in lab testing. This was informative but rather gruesome with the statistics that were provided. It seems that the pregnant mammals are affected by devastating mortality rates.
- "Gastronomy": how the idea of eating delicious food and ensuring food safety goes hand in hand with education of those who grow the food - especially youth and toddlers who, when taught about growing food early, have a clear understanding of its important effect on our bodies. The importance of teaching those who cook or process food about the options in purchasing products cannot be overestimated. 'Foragers' is a term that is now used in many top rated restaurants of the world. The 'foragers' on staff go to find the best fresh products daily or find sources of local foods. The process of teaching students to cook must begin in the garden through identifying species of greens & vegetables, to planting and growing those things. How better to learn what good food really tastes like?
- Discovering that North Americans eat the cheapest foods on earth. We eat more cheap, fast food than any other country on earth. It speaks volumes about what we consider to be good food. If we gave our local farmers the respect that Europeans give their farmers, we would provide more support financially for our local farmers and quite simply eat better & healthier food.
- GMO free was a term I barely knew about before attending Terra Madre. I now realize that 85% of Europe is free of genetically modified grains. Most North Americans are not familiar with this concept, which, for me, is a sobering thought. It is through our education at events like Terra Madre that this will change and we will ensure our food products are good, clean and fair.
- Consuming local food or the 100 mile diet (eating food that has been grown within 100 miles of your residence) is a concept that may surprise many Yukoners. We must be very creative to make up for the fact that we live so far away from other large food markets. I have always incorporated local foods into my menus believing that adding wild and local products to my fare was a tasty addition. Having been to Terra madre I realize the importance of using these ingredients in creating a local cuisine. The effects of this are economically lucrative in both local markets & for tourism marketing. Of course the use of local foods saves energy in shipping of imported products as well as supporting local farmers and producers.
- Slow food, its history and roots are a concept I recognized as a wonderful idea. My experience at the conference has made me realize that I did not practice the ideals of Slow Food within my life-style and business all the time. This is one of the most important elements of education I received from my experience at

Terra Madre. I am now more cognizant of the importance of slowing down, eating healthy food, ensuring that food offered is of the highest caliber and enjoying food with family & friends in a convivial atmosphere.

- The most important experience at Terra Madre was the connections made through the Canadian chefs delegation that I was a part of. We were treated to exceptional hospitality by the organizers of this event. Our hotel was lovely and the food we were served was of the highest caliber. We realized that this style of eating is a part of the culture in Italy. Each night over delicious food we discussed our businesses, our problems with supply and the costs of good food. Through this process many connections were made in ways we as processors of food can help farmers, the economy and our own cultural identity in Canada. Many chefs there realize that, as purveyors of fine food, educating the public is the biggest issue we face in our desire to improve the cuisine in Canada.

After attending the workshops and lectures at Terra Madre and the Salone del Gusto Theatre of Tastes I have changed my belief system about food.

I will no longer blindly accept that food in Canada is safe. I will question all the food I intend to purchase and continue to question sources, additives and especially GMO's.

I have met and shared information with like minded chefs from around the world as well as all over Canada. I know that this valuable experience will help me to continue to provide the quality I desire for food products in my business as well as my own life style choices.

I have also found - through our local contingent of Yukon delegates to Terra Madre - a supplier of Canadian organic grain products that will help me use Canadian wheat in my baked products. With our new portable abattoir we will now be able to provide local meats as well.

I have included two attachments with this report. One is the Proposal to 1000 cooks of Terra Madre. It was an idea of 2 chefs visiting from England and Sweden who proposed that all 930 chefs at the conference should go back to their homes and plan a meal and invite important members of the media and community to share a Slow Food Meal with them to discuss the merits of the Terra Madre conference as well as inform them about slow food. The results of these interviews and efforts has come back to me by people whom I have never met calling me to let me know they heard this information and were very interested in becoming involved.

I accepted this challenge and did do two CBC radio interviews specifically describing those ideas and the Terra Madre Conference. I also held a dinner that provided influential members of Whitehorse's food community with insights I had about the events at Terra Madre, the Slow food movement and Salone del Gusto.

The second attachment is a letter to our Member of Parliament with some concerns I became aware of through my experience at Terra Madre. It expresses some more thoughts about GMO's and the importance of these issues.

I believe the most important area of change for me was the realization that I needed to ensure a secure source of good, clean and fair food. I met many chefs while at Terra Madre and I envied their financial ability to have purchased and created their own organic farms to supply their own businesses and cooking schools. I thought at the time that this could only be a dream for me. On my return to the Yukon I heard about the proposal of Wild Blue Yonder Family Farm to become a farming Co-op. I attended their initial public meeting and have agreed to purchase a share of the farm. This investment will ensure my access to good, clean and fair produce from a local organic farm. I am also happy to know that the hard working farmers will not loose their farm to the bank.

I will support other local farmers as well - especially those who choose diverse food products to grow locally.

In closing I would like to thank the Fireweed Community Market Society for encouraging me to apply to Terra Madre Conference and for their efforts in sending the Yukon contingent. I wish to also thank the Agriculture Department for supporting this venture. I sincerely hope our attendance at the Terra Madre will bear fruit in the coming months and years.

Circumpolar Agriculture Conference

• By Tom Rudge

The theme for this conference was "Changing times in Northern Agriculture". The objective of the conference was to promote agricultural possibilities in northern regions and to generate interest for the Circumpolar Association and the

upcoming Circumpolar Agricultural Conference in Newfoundland Labrador in 2007.

Project Benefits:

Although many conferences carry along at a brisk pace offering little time to communicate