

It's not our fault? ? don't blame farmers for rising food prices

By Brian Lockhart

If you think that food prices have risen too much and too fast over the past year, just wait until the next crop is harvested and you may be in for another shock.

Rising food prices have been a real concern as families are starting to feel the squeeze when it comes to putting dinner on the table.

While farmers may be responsible for growing the crops, raising cattle, and feeding the nation, they are not responsible for the rise in prices you see at the grocery store.

Like everything in trade, commerce, and production, the end cost is eventually determined by the cost of producing goods in the first place.

Local Beeton farmer, John Alexiou, places the blame on federal government policies that have placed a tariff on fertilizers as well as fuel prices which have more than doubled over the past two years.

John raises cash crops like wheat, potatoes, beans, and corn on his farms in Beeton and Cobdon. John and other farmer want the public to know it's not farmers who are raising the cost of food.

A lot of the fertilizers that farmers need to grow crops originates in Russia. The Federal government has placed a tariff on Russian fertilizers as a response to the Russian invasion of Ukraine, however the tariff is levied against Canadian farmers ? not the Russians.

?The government has put some nasty tariffs on us that the consumer doesn't know about,? John explained. ?The majority of our fertilizer comes from Russia. That's where all the deposits are ? potash, nitrogen, phosphorous. There is a lot of potash in Saskatchewan, but nitrogen and potassium, a lot of that comes from Russia. It's a good practice for farmers to buy fertilizer in the winter before the price goes up in the spring. The government put a 35 per cent tariff on us to slow us down from buying fertilizer. It's punishing us. If we don't put fertilizer down we're not going to have a crop, then you're going to get food shortages for sure. If you don't put fertilizer down, it's a recipe for disaster. My fertilizer bill is up 48 per cent before the tariff, and the tariff is 35 per cent, so we're pushing over 80 per cent on production just to grow. Last year for potatoes I was spending \$300 per acre on fertilizer, this year it's \$600, now add the 35 per cent tariff on top of that.?

In addition, tractors and machinery required to run a farm need fuel. With fuel prices doubled over the past year, farmers are spending that much more every time they need to plow a field or harvest a crop.

All this is forcing the cost of production up.

John predicts that you can expect to see prices in grocery stores increase dramatically in the near future.

?The grocery store ? the price there hasn't increased accordingly, because the crop that we are growing and that is costing double, hasn't made it to the shelf yet. For example, right now, there's no money in potatoes. I'm doing a Hail Mary hoping they will pay more. Farmers are price takers, not price makers. We don't make the prices, we have to take what they pay. Our government is punishing us, while thinking they are punishing them. At the end of the day, that's our livelihood. We depend on fertilizer to grow our crops. We're still going to buy it ? we need it. It's a need, not a want. I'd like to know where the tariff money is going. It's not that Putin is charging us more, it's Canada saying, if you want to buy Russian fertilizer you're going to pay 35 per cent more.?

To make the situation even worse, the government backdated the tariff six months, so farmers have to pay extra for fertilizer they bought even before the Russian invasion of Ukraine began.

A letter from Holmes Agro, a retail fertilizer supplier to Ontario farmers, urges farmers to contact local elected officials and MPs to explain that the tariffs do not penalize the Russian producers but place an unfair burden on Ontario farmers.

The letter goes on to say, "The challenge we now face, is the 35% tariff on existing purchase orders made prior to March 2nd. Since the purchase contracts were done months ago, this tariff does not penalize the Russian business but only impacts the Ontario Farmers."

John said farming associations have been lobbying the federal government without success. They have had more understanding at the provincial level, but the provincial government does not have any kind of real jurisdiction on the matter.

"This is something consumers have to understand. If we're at 80 per cent higher in production, once these crops get harvested and processed it's going to be a rude awakening for consumers."