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Agriculture Case for Basic Income

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**THE CASE
FOR BASIC
INCOME
SERIES**

Agriculture Case for Basic Income

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SUMMARY

To realize the right to food in Canada, governments must protect and support the agricultural sector, including the farmers and farm workers who provide an essential public service to ensure our food systems can feed us sustainably. In this Case, we suggest ways a Basic Income Guarantee (BIG) could contribute to the agricultural sector, with a focus on three key areas: farmer and farm worker livelihoods, rural economies, and resilient food systems. While we are optimistic about the possibilities of a BIG, we realize that what a BIG can do is conditional on how it is implemented. We emphasize that a BIG cannot be a substitute for other government support programs needed by the agricultural sector. A BIG must be considered as an income floor, not a measure to replace or otherwise dismantle existing support structures and social safety nets.

ABOUT BASIC INCOME

Basic income means different things to different people. The Case for Basic Income series defines basic income as an income-tested and targeted unconditional cash transfer from governments to individuals to enable everyone in Canada to meet their basic needs, participate in society, and live in dignity, regardless of work status.

Some Case project teams make more detailed recommendations about the principles to guide the design of a basic income program in Canada.

ABOUT THE CASE FOR BI SERIES

The Case for Basic Income series explores the impacts of a basic income program for various communities and policy areas across Canada. Each Case has been developed collaboratively by subject matter experts and basic income advocates to consider the distinct issues and concerns between the Case topic and income insecurity - and the difference that basic income might make.

Every Case is unique in both function and form and is guided by its authors and contributors.

Agriculture Case for Basic Income

Introduction

Food is a fundamental human right that has been enshrined in several documents including the Universal Declaration of Human Rights (1948) and the International Covenant on Economic, Social and Cultural Rights (1976). As a signatory to these agreements, Canada has a legal obligation to respect, protect and fulfill the right to food (FSC nd; Rideout et al., 2007). As such, a robust agriculture sector is a crucial part of Canada's economy, essential to feed the population and to supply global, national, and local food chains. In 2021, Canada's agriculture system employed 2.1 million people, provided 1 in 9 jobs in Canada, and generated \$134.9 billion (around 6.8%) of Canada's gross domestic product (Agriculture and Agri-Food Canada, 2022). Furthermore, Canada is the world's fifth largest exporter of agricultural and agri-food products (Agriculture and Agri-Food Canada, 2022). About seventy percent of the food consumed in Canada is produced domestically (Statistics Canada, 2009). To realize the right to food in Canada, governments must protect and support the agricultural sector, including the farmers and farm workers who provide an essential public service to ensure our food systems can feed us sustainably.

In this Case, we suggest ways a Basic Income Guarantee (BIG) could contribute to the agricultural sector, with a focus on three key areas: farmer and farm worker livelihoods, rural

economies, and resilient food systems. While we are optimistic about the possibilities of a BIG, we realize that what a BIG can do is conditional on how it is implemented (Power and McBay, 2022). We emphasize that a BIG cannot be a substitute for other government support programs needed by the agricultural sector. A BIG must be considered as an income floor, not a measure to replace or otherwise dismantle existing support structures and social safety nets.

Farmer and Farm Worker Livelihoods

A basic income guarantee could enable more farmers to keep farming

Farmers bear the rising costs to do business and feed the population. These costs are distributed unevenly across the sector, with corporations capturing the vast majority of farm revenues, and farmers operating on razor-thin margins (Qualman, 2019). This is escalated by the increasing price of production (e.g., inputs such as fertilizer, fuel, etc.) alongside decreasing commodity prices - also known as the cost-price squeeze (Statistics Canada, November 29, 2022). As a result, a majority of farmers are reliant on off-farm income, and many farm workers must find off-farm work seasonally (Statistics Canada, January 27, 2023). Economic uncertainty, including fluctuations in commodity prices, debt and financial pressures, is a leading cause of poor mental health among farmers and farm workers (Yazd et al., 2019). The numbers of farms are rapidly decreasing, the cost of

farmland is skyrocketing, and fewer young people are entering the agricultural sector (Statistics Canada, May 11, 2022).

These complex factors point to the need to consider new policies and approaches to maintain and support a robust agricultural sector. While a BIG cannot solve the magnitude of financial pressures most farmers experience, it could play an important role to alleviate them and thereby enable some farmers to continue farming. In this way, a BIG could also improve farmers' mental health (Hagen, et al., 2021). Lastly, we note that a BIG, if implemented alongside other continued supports and programs as noted above, could enable farmers to focus more on business and skill development instead of trying to supplement existing funds to sustain farming livelihoods (MacInnis and Beach, 2022).

A basic income guarantee could support new farmers to enter the agricultural sector

While the overall number of farmers in Canada continues to decline (Chen et al., 2019), average farm sizes continue to increase (Statistics Canada, May 11, 2022), and new farmers face significant barriers to entry, including rising costs of farmland, equipment, supplies, and infrastructure (Qualman et al. 2018; Statistics Canada, May 11, 2022). Income supports such as a BIG could support those wishing to enter the agricultural sector. Evidence indicates a BIG can have a positive impact on small business entrepreneurship (Feinberg, 2020). Coupled with other publicly funded training and support for new farmers, a BIG could provide an income floor for new

farmers, reducing risks when making necessary investments in capital infrastructure and training (National Farmers Union, 2017). For new farmers, the knowledge that they could start a farm and invest their time and energy into gaining the necessary skills and knowledge while not facing absolute poverty would be enormously beneficial.

A basic income guarantee could support farm workers during the off-season

The agricultural sector relies heavily on seasonal, part-time, under-waged and non-waged workers who often lack income security during the off-season. Many domestic seasonal labourers spend part of the year unemployed, although only some are able to access income support during that time. Farm workers with long hours of strenuous, repetitive, and often isolated work face additional social, economic, mental, and physical health challenges resulting from job and income precarity (Salami et al., 2015; Finnigan, 2019). The income floor made available by a BIG could provide some stability for farm workers to continue to work in the sector, and even return to the same farms in subsequent seasons. These returning workers bring complex skills and place-based knowledge that are critical for productivity. A BIG could also alleviate financial stress experienced by agricultural workers due to job and income precarity, with benefits for mental health.

Rural Revitalization

A basic income guarantee could support rural revitalization initiatives

Rural economies generally lack the same

services, amenities, and support provided to urban areas. Often relying on single industries for gainful employment and highly integrated into export markets, rural economies are vulnerable to capital flight. For these and other complex reasons, out-migration of youth and a skilled workforce is a key challenge (Rich, et al., 2021). There is a recognized need to move from a reliance on extractive industries to more diversified and resilient livelihoods that may retain or attract people to rural areas (Krawchenko, 2021). While a BIG alone would not address all these considerations, it could provide rural communities with additional means to pursue self-determined economic development initiatives, such as farming, along with food processing, storage and distribution enterprises. A BIG may provide a particular boost to the small and medium sized farm businesses important to diversifying the agricultural sector. This may contribute to an economic multiplier effect for rural communities as more revenue from locally owned businesses tends to stay and be recirculated in local economies (Jennings, 2012).

A basic income guarantee could support more resilient food systems

The COVID-19 pandemic has reinforced the importance of ensuring a more resilient, robust, self-sufficient Canadian food supply. Yet, small- and medium-scale food producers do not have access to the same infrastructure and marketing support that large-scale export-oriented producers receive (Laforge et al., 2018). Developing resilient local food systems can help buffer future shocks to supply chains by supporting the resilience of small- and

medium-sized operations. These operations are increasingly using ecologically beneficial practices that help support climate change mitigation and adaptation.

A BIG may not have a significant impact on encouraging more resilient farming practices on its own, but could increase the effectiveness of other efforts by reducing risk and uncertainty faced by farmers when adopting new practices. Many climate solutions are labour intensive, and a BIG could potentially help meet the labour requirements of a just transition in agriculture (Dale, 2020). As noted above, with an income floor in place, a BIG could reduce the risk in adopting new techniques and support training and experimentation with growing practices that increase biodiversity and reduce greenhouse gas emissions.

Conclusion and Future Work

A BIG could contribute to the agricultural sector by supporting farmer and farmworker livelihoods, playing a role in revitalizing rural economies, and supporting more resilient food systems. A BIG should not take the place of other government-funded agricultural supports and improvements to those supports. Future research and policy efforts could lead to a better understanding as to how a BIG may intersect with other supports available within the sector (e.g., insurance, loans, and climate funding), as well as how it might be developed to efficiently include Temporary Foreign Workers who constitute an important part of the agricultural labour force (see Neef 2020; Nunoo, 2021).

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