GRIP - Get Rid of Inefficient Practices

The recently created GRIP program for grains and oilseed producers - Gross Revenue Income Protection - has gone against two of the major tenets of the federal governments agri-food policy review, Growing Together. GRIP has interfered with the coveted neo-conservative principal of "market responsiveness" and has made a mockery of the word "sustainability", no matter how you define a. Faced with plummeting grain prices and the federal government's announced intention to dispense with ad hoc farm support payments, grain farmers and provincial governments rushed this spring to sign up for the GRIP program. The provinces were forced to join in order to receive a federal contribution towards crop insurance coverage and grains and oilseeds income stabilization. With little else to fall back to, farmers had few options but to sign up as well.

The result has been an increase in acreage planted to numerous grains - canola, corn, wheat - at a time when market signals clearly show that additional acreage is not needed. Farmers have only responded by reading the economic indicators that will give them any chance at a profit. Even though GRIP calculates pay-outs based on past yields and longterm price averages in order to avoid influencing planting decisions, the bottom line is that farmers have a better chance of covering fixed costs in ether a poor yield or low price year from more acres signed up to GRIP. The federal government program has ended up interfering in the very manner a was supposed to avoid.

Secondly, and just as importantly, GRIP's intervention in the agricultural sector is wholely economic. Farmers hayed weighed the pro's and con's of the program by what a will provide financially. There is no element that addresses the questions of sustainability and environmental improvement. In fact, a does quite the opposite. The response of farmers to an economic incentive was to plant more acres, evidently expanding into marginal lands and perhaps as well ignoring other, potentially beneficial management strategies such as diversification, rotation and land set aside wan a permanent vegetation cover for soil and water conservation. Additionally, the program encourages maximum yields to bolster average harvest data, which improves the chances of a pay-out even when yields are marginal in future years. Maximum yields (as compared to most efficient ones) come from maximum applications of fertilizer and pesticides.

There is a price to be paid for a better environment and, contrary to prevailing wisdom, it is an appropriate situation for governments to intervene and spend money. If the federal government could help to meet these objectives and at the same time support farm income, a would be so much better than tossing money into a bucket that, no matter what program (based solely on economics) is offered, there seems to be no bottom. The other popular theme for inducing environmental action in agriculture is cross compliance. For farmers, they are ugly words, and rightly so; the term has connotations of penalty rather than of incentive.

GRIP, however, could be the answer, but not as presently constituted just on an economic basis. GRIP should be changed to Get Rid of Inefficient Practices. The thrust of the program should be re-oriented to stimulate the implementation of rotation, diversification, land set aside, windbreaks, buffer zones, watersheds and resource efficient practices rather than leaving income support to yield and price alone. Leave GRIP as a is and a will be income and environmental protection of diminishing returns.