

# **ADDRESSING RURAL DEPOPULATION**

## *Thinking Out of the Box*

Final Report of 2003 Nuffield Study Tour



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## **ACKNOWLEDGEMENTS**

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## **ADDRESSING RURAL DEPOPULATION**

### **Rural Depopulation In Saskatchewan– The Dilemma**

Farming in Saskatchewan, Canada is not without its merits. First off, the environment is pristine. The air is pure, the water clean and the soil unpolluted. The landscape is uncluttered yet diverse, noise pollution is unheard of, crime is below measurement and you can see the stars at night. It is the best place for parenting. There are few other lifestyles where the children are allowed to spend as much time with their parents as with farming. And since community size is small, our children have claim to more parents than they care to acknowledge. This utopia however, is not without its challenges.

Economically, many farm households struggle to support their families solely on farming income. As a result farm size is increasing to bring in greater return and many rely on off farm incomes to support their farming lifestyle. Socially, this increase in farm size means that there are fewer and fewer farmers in the area. Since local towns and villages do not have the industrial base to offer employment, people not only leave the farm but they abandon the community and move away.

As communities dwindle, services can no longer be provided. It is not uncommon in Saskatchewan for farmers and farm families to be 50-100km from the nearest hospital; 20-50km from postal service; and 100-300km from major supply areas of clothing, machinery and repairs. In many cases children's education suffers, as it is difficult to attract quality teachers or justify teachers for only a few students. This is in contrast to 30 years ago when vibrant towns existed every 10-12 km. The loss of these services and the jeopardization of our youth seem like a high price to pay for the merits of producing food.

In an effort to research a possible solution to this dilemma, a Nuffield Study Tour was undertaken. Study was carried out in England, France, Belgium, Scotland, the United States of America, China, Japan and Australia. Following is a brief summary of rural depopulation observations from certain countries and recommendations to address the issue in Saskatchewan.

## **Rural Depopulation in Other Countries - Observations**

### ***ENGLAND***

The majestic English countryside has long been a prized possession of the nation. Magnificent hedgerows delineated farmland and the countryside was dotted with livestock. In 50 years the number of farmers left on the land has been reduced by a factor of six. Interestingly enough in a country with heavily subsidized agriculture and without sufficient production to sustain its own requirements depopulation of farmers continues.

Farms continue to increase in size in order to maintain profitability; farmers have also diversified their production. There has been a dramatic rise in the number of organic farmers as producers try to take advantage of elevated prices for organic goods. This however may be short lived as the price for organic milk is now only 4 times that of conventionally produced milk, whereas at its peak it was closer to 11 times the price. Another trend is the opening of farm shops to sell production directly to the consumer. In one instance a dairy producer, relying on an old family recipe, began producing cheese to sell directly to the public. Where once his land base supported six farm families it now is home to only his and his farm managers family. Interesting enough, the cheese production mini-factory employs 8 people.

Despite the decrease in farm families deriving their sole income from the land, in England rural populations are once again on the increase. Urban dwellers, tiring of the nonstop bustle of the cities are moving out into the countryside. There is a huge demand for rural housing. Old barns are being converted to human housing for an alarming price. In an area near Devon, the cost of buying such a barn is £100, 000 or \$250, 000 Canadian dollars.

In England, urbanites are demanding more access to the countryside, not only to live but to enjoy. This renewed interest in the countryside does bring some contentious issues. If so zoned by the local authorities, farmers must supply walking trails through their land for the public. If their land contains fences the farmers must either provide a gate or maintain a method to cross these fences. Farmers are no longer allowed to remove hedgerows, to increase field size. In some instances disputes have arisen over the transport of manure past people's homes and the operation of loud machinery at early hours.

There is significant movement to adopt agriculture policy that rewards producers not for agricultural production but for environmental stewardship. Urban society likes to escape to the

countryside and experience the “good life”. However, being viewed as a “caretaker” does not bode well with many farmers as they see it as a lessening of their status in life and they feel that is something that they are already doing. Who else would better know how to take care of the land than me, the owner? Agreeably there are many superb farmers who do an excellent job of resource management but there is room for improvement. And some feel if people are willing to pay for this service they should not be turned away.

### ***SCOTLAND***

Similar to the English, Scottish farmer numbers are declining as farms amalgamate and get larger. Rural populations have not declined as abandoned farmhouses are soon rented out to non-farmers. In the less popular areas, such as the Isles of Lewis and Skye, crofting continues to keep the people on the land. There is however growing discontent with the subsidies granted to agriculture and the concessions offered to crofters. In Scotland land use for agriculture is not given preferential treatment. Their philosophy is that it should be treated no different than any other business and they believe that “Diversity is Excellence.” Scottish development agencies are currently exploring the concept of business clusters which means that an industry will establish and thrive if it can be supported by other business within a localized area. An example might be that the mining industry cannot survive if it is not supported by equipment suppliers, fuel deliveries, human resources, etc.

### ***UNITED STATES OF AMERICA***

Despite the high level of subsidies given to agricultural producers in the United States, farmer exodus is also occurring here. Research determined that it was not a lack of farming opportunity that reduced population rather it was a lack of non-farming income. This has focused efforts on raising rural populations not dependent on farming. It is believed that a substantially diverse population is much more likely to survive economic upheavals as not all industries would be affected equally. Initiatives such as manufacturing and even prison establishment have been tried. The tact of the US increased awareness that rural issues were not solely restricted to farming, especially in the eyes of an urban government.

## ***CHINA***

China's agriculture ranges from sophisticated intensive animal production facilities, modern fish farming, designer labeled fruit production to grain farmers harvesting crops with hand made tools. During the reign of the Emperors, each planting season began with an inspection and blessing of the planting tools. Unfortunately for Chinese grain farmers not much has changed since that time. Communist rule and the Cultural Revolution successfully repressed modernization. However important changes are being seen in Chinese agriculture today.

Government policies with regard to rural population in China are significantly different than those in most of the world. While most countries are attempting to curb a decline in rural populations, Chinese policies are encouraging it. It is estimated that 200 million farmers will need to be removed from the land in order to maintain profitability in the agriculture sector. Rural migration in China is necessary to raise incomes and productivity.

Most disturbing is that it is academics, government officials and international advisors who are endorsing farmer exodus. There appears to be little dialogue with producers themselves. Producers talk of concern for the land; others appear to be more concerned with wealth and economic growth. Because China's affluence is increasing, concern is with having people work so that they have money to buy food and it does not appear to matter where that food came from. Agriculture and environment are being overlooked

## ***JAPAN***

The mountainous terrain and large population of Japan leaves little available farmland in comparison to most countries. However the resilient farmers have established rice paddies and fruit orchards, cereal fields and livestock production throughout the islands. Due to World Trade Organization (WTO) agreements, Japanese must import a large percentage of their rice, since production has shifted away from rice to other crops. Winter wheat, valuable fruit orchards, and sugar now make up the majority of their production.

Agriculture in Japan is a community affair. All farmers live in the village. The mountainous terrain is converted into paddies that are 0.1 ha in average size. The close-knit association of farmers worked well in the past to enable farmers to become an effective and substantial lobby group. Today Japanese farmers are among the most highly subsidized in the

world. Yet despite subsidized returns, farmer numbers continue to decline, as people do not want to live in little villages.

Over the last 50 years, the government has adopted various policies to stimulate growth. In the 1950's a policy entitled "Urgent Measures for Rural Depopulation" was implemented. Rural regions devised plans, which were government funded, to maintain populations. The result was a boost to infrastructure, in particular roads. A revised policy in the 1980's entitled "Promotion of Depopulated Areas" was designed to improve the welfare of rural residents with emphasis now on health care and medical services. This policy slowed out-migration temporarily. "Activating Rural Areas" was implemented in the 1990's to address an aging rural population. However none of these policies successfully reversed the depopulation trend.

Their latest policy developed in 2000 is hopefully the solution. "Promoting Independence of Depopulated Areas" recognizes that solution must come from within accompanied by promotional assistance from the government. Attention is currently focused on tourism. The government actively promotes that citizens should travel to the countryside, 2-3 weeks per year to experience the culture and relax in a slower paced environment. Rural areas advertise in magazines, hold contests to bring out celebrity visitors and have promotional offices in the large centers. One remarkable note is that a rural region receiving 270,000 tourists annually still reported declining population. However the rural residents have benefited economically.

### ***WESTERN AUSTRALIA***

In Western Australia, the prospects for incoming farmers are very slight. The last true family farms have grown in size to massive land holdings of 15,000 – 100,000 acres. Fewer and fewer family farms exist as in the words of the Australians, the politicians fail to "Walk the Talk". Although there is plenty of lip service paid to free trade and agriculture, when it comes right down to it the politicians never actually do as they said they would. This makes it difficult to discern the country's agriculture policy.

Faced with the same issues of, less than optimal education, distant medical services and reduced amenities as Saskatchewan, farmers have resorted to boarding schools and accepted many hours of driving. There is the emergence of "fly in farmers". These are farmers who

continue to own and farm large acreages in remote areas but have moved their residence closer to a city, 2 or more hours away. Their strategy is to return to the farm only when there is work to be done. This solution is workable in cropping operations but poorly suited to raising livestock.

Rural communities in Australia have experienced decline significantly longer than in Canada. The communities left remaining all share the same mind-set; they want to survive. Some have capitalized on natural resources while others are looking to bring in new business such as ethanol plants. The desire to survive is strong and they will survive.

### **Rural Depopulation In Saskatchewan – A Solution**

Observations from various parts of the globe has revealed that the decline of farming populations is a worldwide phenomenon, irrespective of country affluence, age or even food self-sufficiency. In some countries farmer exodus is even encouraged. In Saskatchewan it is inevitable. As farm families have fewer children there is less chance that one will remain to take over the family farm. Unstable income is poor incentive to stay and does little to entice new entrants. Despite this dismal forecast, there is no doubt that rural communities will survive, the appearance of them however will be different than what we are accustomed to.

To begin with they will encompass a larger area. One hundred years ago, Saskatchewan villages established approximately 12 km apart, set up this way to enable a farmer with horse and wagon to deliver one load of grain per day. Following this principle, today's farmer is able to travel 400 km to deliver a load of grain and return the same day. Not surprisingly, we are seeing the establishment of major grain delivery points approximately 400 km apart. This is realistic, unlike the unsustainable system of horsecart-determined facilities and modern trucking as was the norm for farmers of the 1970's and 80's.

Considering the travel revolution brought about by the automobile, it does not seem impracticable to expect people to travel 1-2 hours for goods and services. This wouldn't be any different than what our grandparents did. Rather than stating that our population is deprived, the counter argument is that the previous generation was spoiled. Life in agriculture today cannot be the same as it was.

Part of the problem may be that as a rural society we know too much. There is no doubt that we are better educated, expect more than our parents or grandparents and are more aware of



the options available to us. However, we are also willing to be satisfied with less. We do not expect every community to have a theatre, a clothing store, a bank, a hospital and a machinery dealership. We are willing to give up our local library for high-speed internet access; our hospital for exceptional emergency response; our local school for one that offers better programming within a reasonable distance. This is achievable.

Saskatchewan rural communities will succeed. They will be larger and they will adopt creative solutions to the dilemma of schooling and health care. This is already being done. Throughout the province individuals can be found that are successful and thriving. Communities that succeed will be those who want to, who rally with the successful and make a conscious effort to have a viable community. Imposed resolutions will not work; solutions must come from within.

Despite the inevitable decline in rural population, a decline in the Saskatchewan urban population is even more disturbing. It is easy to accept a loss of amenities in the country as long as they are still available within the province. By losing populations in our major centres, the entire province is hurt. Contemplate the impact on Saskatchewan if we were unable to warrant major airline service or world-class communication or a respected university. It would be excruciatingly difficult to attract business, continue to offer health care or education or maintain our youth. Therefore the prosperity of urban Saskatchewan at this time takes greater priority than rural Saskatchewan. To do this we need creative thinking.

Rejuvenation of Saskatchewan will require some out of the box thinking. Saskatchewan's problem is not declining population rather it is that our revenue base is insufficient to support the infrastructure needed by our isolated communities. In the past we in Saskatchewan have provided food to the world. As evidenced by the prices that we are receiving for our product, this is no longer appropriate. We need to entice desirable business to boost our economy along with our population. For too long we have been heavily reliant on agriculture. And although we are resource rich, we need to search out industries that will be sustainable not draining.

Considering our current economic situation, growth must be garnered from industries that capitalize on our existing merits without requiring extensive input into infrastructure. We need to search out global requirements that we can provide. Our present inroads with the science community have been a good start. Providing services to a targeted sector may be one way of differentiating ourselves and increasing business without a large outlay of capital. For instance,

from Saskatchewan we could provide services for the science community, the entertainment industry, or the banking and insurance sectors. These are all human resource rich with large budgets and no restriction on location. This is definitely thinking out of the box. But perhaps an industry that is better suited to our climate and resources is the environment industry.

Environmentalism is a huge business that is embraced by individuals, business and governments alike. Since agriculture in Saskatchewan no longer contributes the same level to the gross domestic product (GDP) like it once did, it is time to consider alternative use of our vast resources. What could be better than capitalizing on a hugely popular concept that promotes sustainability?

There appear to be few drawbacks to making Saskatchewan the global leader in the environmental industry. Consider the following:

- 1) Millions of people are devoted to environmental societies around the world
- 2) The environmentalist budget is estimated to be billions of dollars
- 3) The movement is popular and sustainable, definitely not a fad
- 4) Environmentalists are currently tolerated by but rarely welcomed by a community
- 5) The majority of the industry is composed of affluent, highly educated, entrepreneurial people with a genuine concern for the betterment of the planet

Saskatchewan has the opportunity to welcome this genera. Saskatchewan is renowned for it's pristine environment. It has clean air, unpolluted waters, plenty of land in its original habitat and a sparse population. It appears to be a natural place to start. Adopting and embracing the environmental movement could garner countless contributions for the province. Saskatchewan is poised become the environmental headquarters of the world.

Encouraging environmentalists to do business in Saskatchewan would bring world-class speakers, researchers, and activists. They are affluent, well-educated, outspoken, global, controversial, media savvy, influential and politically astute. By offering a haven for free thought, tolerance to ideas and a location for research, Saskatchewan could become the darling child of the environmental movement. The implications of this are enormous. For starters there would be the protection of our own resources, which would have the attention of environmental experts from around the globe. Our already pristine environment could be even improved upon.

Alternate energy sources could be developed here first. This would give us the advantage of adopting the best available. At the same time this would lower our reliance on our own non-renewable resources, which in turn could be sold to others. Our water resources would be under the protection of the most knowledgeable. This could become hugely important, as dire predictions exist regarding future water availability. Use of our world-class research facilities, such as the Research Park and Synchrotron in Saskatoon, would be maximized and we have room for expansion.

The spin-off benefits of attracting environmental business are near limitless. One immediate benefit would be that the tourism industry would flourish. There would be an influx of people for business and environmentally conscious visitors requiring meeting facilities, accommodations, food, transportation and entertainment. Ponder the need by the environmentalists for communication expertise, advertising specialists, printing services, media, lawyers, researchers, scholars and the list goes on and on. Most exciting is that these are services everyone in the province can benefit from and they can be used to attract other business.

The benefits of enticing the environmental industry to locate in Saskatchewan will be felt throughout the province. The pressure experienced by farmers to adopt expensive environmental policies at the expense of agriculture would fall by the wayside, as farmer profitability would now come from environmental management. Already there is significant movement around the world to adopt agriculture policy that rewards producers not for agricultural production but for environmental stewardship. Workers are paid to look after heritage sites in cities why should this be different in the countryside. Farmers would be trading the honorable profession of producing food for the noble work of protecting the environment; stewards of the world's most valuable resource. As farmer profitability shifts away from agricultural, product oversupply would be addressed.

As more land is returned to its natural state, agriculture will abandon large-scale production of low value commodities and focus more on production of high quality products for the local market. This is in sync with the concept of food miles which is sweeping 1<sup>st</sup> world nations. Food miles refers to the distance that food must travel before it is consumed. High mileage generally equates to higher cost. Low cost food with high mileage generally indicates a pitifully low return to the producer, which is increasingly disturbing to consumers. Low miles are preferable as consumers are most comfortable with local production practices and enjoy

locally produced food. By reducing agriculturally managed land the focus will shift from unsustainable commodities to more locally consumed products.

The environmental rewards would be instant. There would be a lower requirement for energy, less agricultural inputs of fertilizer and pesticides. Our current transportation system would be less besieged, as the volume of agricultural outputs would decline. Fewer large trucks on the road could possibly improve safety. Our highways would last longer. There may even be incentive to reinstate our beleaguered railway system.

We could do this. Adoption of the environmental industry would bring in wealth with little investment on our part and no need for an outlay of infrastructure. Begin with a world-class symposium to announce our intent. Follow with a moratorium on breaking new land for production and prohibit the start up of any new operations. This is not as restrictive as it may seem. Currently in Saskatchewan there is a plethora of farmers nearing retirement. By creating a demand for existing farms, older farmers will receive the reward they deserve; a fair price for their assets and the knowledge that their farm continues. In some instances the latter is far more significant.

The adoption of less agriculture and the return to a natural environment fits with the Saskatchewan Aboriginal agenda. This is an opportunity to increase their involvement in provincial affairs and together create a province for all. Since this will be a world's first, all players begin at the same level with no one segment of society having an advantage over the other. The benefits too, would be for all.

The attraction of an affluent, well-educated population would go far to improve the provincial coffers. It would bring vibrant business to Saskatoon and Regina that could easily spin off to other communities and even into rural areas. We could capitalize on our pristine environment at the same time improving it. We will "walk the talk" of sustainability and since actions speak louder than words, our children will grow up to be environmentally responsible citizens from our example. We will make good choices for our society without suppressing economic growth; rarely do you have the opportunity for such a win-win combination.

The idea of enticing the environmental industry is just one out of the box solution. It may not be feasible but hopefully it will inspire other ideas. There is no doubt that a solution will be found.