

## 2021 “ “I drive by this mess all the time”. Land Investments and the Divisions of Farming ” I

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**CH** "I drive by this mess all the time"  
**CSH** Land Investments and the Divisions of Farming

by Birgit Müller

"I don't know anymore who is farming in the field next to me," farmers complained, when they met in Bob's garage in Carlton, Sask. and talked about outside investors buying land in the rural municipality [names and place names have been changed to protect the privacy of study participants]. Bob agreed: "If they don't farm it, they should not own it. They drive younger farmers out, as they rent their land to the highest bidder and not to the local guys." Bob owns and farms a few quarters of land that his son would like to take over. His garage is one of the few places left where farmers can meet up in Carlton, since the Wheat Pool's grain elevator was torn down in the early 2000. Where it once stood is now the sales point of Nutrien "crop protection products," with uncertain opening hours. The local co-op store has moved out of town to the highway, and has become a shiny convenience store, and also the local restaurant is closed. In Bob's cramped shop, customers sit on a row of four worn chairs and throw in their views. They reminisce about the past when their fathers were able to make a living on a half section. They speculate about the dilemmas of the politics of landownership in the province: "If investors would be forbidden to pick up the land, it would be cheaper and more easily available to young farmers. But if the government of Saskatchewan would prohibit investors from buying land, the old farmers who want to retire would say, 'You cut my retirement.'"

The quick exchange evokes the divisions that massive land sales to investors with no previous experience in farming, have produced. Over the last ten years, they have accelerated the process of alienating local communities in Saskatchewan from the fields and pastures that surround them. They divided old retiring farmers interested in selling out for high land prices from young aspiring ones, who become unable to purchase land and can't pay the rents the

investors demand. Most farmers I talked to are ambivalent about the modernist dream of increasing size, speed and control. They regret the weakening of rural communities, the depopulation of the countryside, and the aging of the farming population. The average age of farmers in Saskatchewan has increased over decades, reaching fifty-five in 2016 (Statistics Canada 2016). Once farmers retire or sell out and families leave their farm sites, these are transformed: fields, houses and farm sheds pulled down, trees and hedges ripped out. Sometimes a small signpost remains to remember the farm-site or the local schoolhouse.

The price of land is highly political, linked to government priorities, to the types of farming promoted and to the generations of farmers advantaged. Each province in Canada has different laws for governing the ownership of land. The province of Saskatchewan had been one of the provinces most protective of its rich agricultural land, shielding it from “Bonanza farmers” who move quickly in and out of farming, mining the soil for nutrients and leaving the land exhausted and eroded. From 1974 to 2003, only Saskatchewan residents could own more than ten acres of land. This changed when the then-NDP government relaxed the restriction on land holdings in 2003. Under the law, ironically called the Saskatchewan Farm Security Act, the right to own land was extended to all Canadian citizens, residents of Canada and Canadian-owned companies. The definition of “resident” under the Act is simply a person who resides in Canada for more than 183 days a year. Exemptions can be granted to people who plan to reside in Canada, non-resident investors who own intensive livestock operations, and research or charitable organizations (Farm Land Security Board; Holtslander 2015:19). When the land market was open, non-farming investors started to acquire large tracts of farmland. As a consequence of the Act, land prices that had been the lowest in Canada started to rise, by 2.1 percent in 2006, and 28.5 percent in 2013; from 2003 to 2013 the ten-year average indicated a 13.98 percent increase in land prices. A study analyzing land titles data in Saskatchewan until 2014 to find owners who were not local farm families found thirty-seven

investors, including farmland investment companies, investment funds, individuals and a group of out-of-province agribusinesses (Magnan and Desmarais 2017). Public attention was drawn to these investments in 2014, when the sales of 115,000 acres of farmland from one large investor to another sparked controversies. The Canada Pension Plan Investment Board bought for \$128 million dollars the entire portfolio of farmland accumulated by Assiniboia Capital Corporation. As a consequence, the Saskatchewan government passed legislation in 2015 to prohibit pension plans and large funds from purchasing farmland and increased the penalties for violating the farmland ownership rules. Still, the largest farming operations in Canada are found in Saskatchewan, at 1,784 acres on average in 2016 (Statistics Canada 2017).

Farmland investment continued surreptitiously as a close look at the rural municipality map of Bob's hometown shows. Between 2014 and 2018, land owned by large outside non-farming investors increased by more than 50 percent from 62.5 quarters to 99.5 quarters [1quarter=160 acres], respectively 7.2 percent and 11.6 percent of the agricultural land of the municipality. Twenty quarters of land belonged to three different investment companies that own farmland all over the province. In addition, many active farmers retired and are now renting out a few quarters here and there to their neighbours. In 2014 a big block of forty-one quarters of land bought by a farming family living eighty miles away was rented out. The investment that sparked the most debate in the township was by an investment company owned by a young Canadian of Chinese origin who bought thirty-four quarters from two retiring farmers with money entrusted to him by his father and father-in-law living in China.

Albert Green was one of these farmers. His children were not interested in farming and his wife wanted him to keep a promise to move to the city when he was ready to retire. Albert offered the land for sale to his neighbours, but none of them wanted or was able to buy the whole farm. Neighbours "were picking and choosing," ready to buy the best pieces of land

and Albert was afraid he "would be left with the poorest stuff." His young farm worker Walter wanted to take over the operation, but did not have the capital to purchase it. As a consequence, Albert offered the land to a real estate agent, who brokered a deal with the investor living in Vancouver: "The Chinese came in the end and they did make a good offer and we thought about it for a bit, decided that we're only get to sell once and so we did it," he recalled. Albert hoped that his farm worker Walter would be able to lease the land from the investor, and that he himself would continue to help out on the farm.

The farm became thus connected to financial interests in China. The young investor with no previous experience in farming was eager to learn and discuss with the former owner, but his relatives back in China were disappointed about their returns on investments. The local rental rate of \$30 to \$50 per acre did not satisfy them. In 2018 the investor thus increased the rent to \$79 dollars per acre. When the local farmers felt unable to pay, a farmer from Alberta moved in and rented the entire property of thirty-four quarters. The local farmers watched in disbelief as the new renters, two couples, arrived with their farm equipment from Alberta as late as June 20 to seed canola. Albert and Walter tried to talk to one of them:

**BQ** We wanted to tell him the chemicals we used to use, as this was all our land, that we used to farm. Tell him what the rotation was, so that he did not hurt rotation. He did not care at all. He almost forgot the papers we gave him, when he put on his shoes. He said, 'Oh, I guess I take those...' He seeded whatever he wanted, wherever he wanted. He seeded canola on canola, he did not care... You could tell right from the start, he was not long-term farming. He wanted to get his couple of years' money and leave. (interview) **EBQ**

The canola seeded late, did not ripen in time, the weather at harvest time was bad and the renters were unable to combine in the fall, swathing the canola that then stayed in the field

over the winter. They harvested the canola the following spring, paid the outstanding rent with what they were able to harvest and left the area.

In 2019, all the land was then passed on to another farmer from Alberta. Over eighty years old, he tried to teach his son and grandson how to farm. In addition to renting land, he bought eight quarters north of Carlton. When his son and grandson came to farm, they lived in a trailer on his property. They partly farmed the rented land themselves, partly hired custom work. Land previously seeded with canola now had wheat growing on it interspersed with a thick cover of canola that the renters later sprayed out with herbicide. Rumours floated around in Carlton. An inhabitant told me:

**BQ** The spraying was a fiasco. They used to come with their sprayers into town to fill up their chemical tanks with water at the town water supply. It is the town's drinking water. They would not quit. Again, they don't feel any responsibility. The old man has got the money. The son doesn't have a sniff and the grandson does not know anything either. (interview) **EBQ**

The new renters were closely observed, but hardly anybody in town had a chance to talk to them. This land investment not only affected the relationships of trust and cooperation among the local population, but also the attention and care dedicated to the land and water itself. While the landscape of Saskatchewan becomes more homogenous with ever larger fields reaching to the horizon, soil organisms, fungi and insects struggle to keep the soil alive, and weeds and disease from Alberta or Manitoba are brought in with the farm machinery hired to do the job.

When I saw Albert last in August 2019, he told me he wished he had not sold: "Now I regret it. Well, because I drop by this mess all the time [...] But of course, they go for the Almighty Dollar and I think, I hope, it bites them some, because they had two bad years now"

(interview). The “Almighty Dollar” set into a motion a chain of causality: Albert wanted it and thus sold his land to the investor in Vancouver; the Chinese financiers wanted it and thus obliged the investor to rent out the land to the highest bidder; the renter wanted it and invested as little as possible to take out as much as possible, as fast as he could. The investment became a conflict in time and space, as the slow pace of soil regeneration could not keep up with the urgency to make a profit. "Looking back on it now, I wish....., you know, the old mighty dollar draws you .... but at the same time, I wish that some of the local guys had this stuff and would have been doing a good job of it" (interview). When Albert spoke about the Almighty Dollar, neither himself, nor the young investor whom he seemed to appreciate, seemed to be able to do anything about it. They had lost the capacity of autonomous action. The one who had agency was the dollar. The unknown financiers back in China had almost the same status as the dollar. They were faceless and powerful and also the young investor from Vancouver had to comply with their whims.

As sociologist Georg Simmel explained, money has a liberating function that resides in its anonymity: The statement on banknotes, that their value is paid to the bearer "without proof of identity," illustrates the absolute objectivity with which monetary transactions are carried out. Everything that is sold for money goes to the buyer who offers the most, no matter, what he is or who he is. Conversely, every time somebody buys something, it does not matter from whom he buys what he wants, as long as it is worth its price. However, when the ultimate craving for money increases, money becomes an end in itself. The range of objects made available to money grows continuously, things submit more and more defencelessly to the power of money, “money itself becomes more and more lacking in quality; yet thereby at the same time becomes more and more powerful in relation to the quality of things. [...] the essence of money lies in its being the absolute means right up to the point, at which it becomes itself an absolute value, and the realisation of purpose comes to an end” (Simmel

1978: 232). This means that, in its extreme, making money becomes an aim in itself and erases moral and material considerations. In the chain of causality involving foreign land investments, the living soil and plants became mere support for making money. As Albert explained it, local farmers had a different attitude. They had to pay attention if they wanted to have a crop in the following years. They had to listen to what their neighbours had to say. Fields covered in weeds not only brought a bad reputation but outright conflict with neighbouring farmers who resented weeds spreading into their crops: “If you are from here, you don’t do that. You don’t want to have your name wrecked. You don’t want to have anything to do with that. But if you are from Alberta, you don’t care, you don’t live here” (interview).

When Albert’s farm worker Walter lost the contract with the investor from Vancouver, he rented land from an investor based in the province who owned eight quarters in the municipality, spread out in smaller parcels. This financier had bought farmland all over the prairies when it was cheap and when nobody else wanted to buy. As he trusted Walter to be a good farmer, he wanted to be paid on a crop share basis, claiming high rent when the yield was good and no money at all when the crop was a failure. To pay for the rent on top of all his other expenses Walter worked in the potash mine in winter. When I asked him, how he was making out, he told me:

**BQ** By working at the mine from 2010 to fall 2017, I hoped to subsidize my farm. I hoped to make a whole pile of money, invest it in the farm and start farming. I did that. ...But I was getting to the point, I was doing shift work in the mine. I worked night shift, slept an hour or two and then worked all day on the farm. That’s why I have so much grey hair... Now the money is gone. The farm has not yet paid my partner and me anything yet. It is just looking



after itself, hoping that it can grow. It is like a flower in the garden. You are hoping that it will grow....” (interview) **EBQ**

Venturing into farming without inheriting land nor capital was an almost recklessly risky endeavour, but Walter thought that for somebody like him the only chance to become a farmer was “to win the lottery or go into debt and try.”

Not only the young were indebted; also many older farmers have accumulated heavy debt loads in recent decades. In the early 2000s, Saskatchewan farmers contracted farm debt to make up for their low margins with economies of scale, by increasing farm size and levels of production. Between 2012 and 2017, when prices were high and crops were good, the exceptionally good prices and yields, however, were not used to pay off debts; farmers accumulated new debt by buying and renting more land and newer faster machinery. As the value of their land increased steadily and spiked nearly 40 percent per acre on average, the banks and corporations selling farm equipment were eager to lend them money. There was a rush to gamble on a bumper crop and outcompete other farmers. In order to secure a high yielding crop, farmers used increasing amounts of herbicides in particular glyphosate. To go faster they sprayed it on the ripening crop to dry it out for harvest. The soils challenged by chemicals developed disease. Fungal diseases like sclerotinia and fusarium became common and farmers started to spray increasing amounts of fungicides. Between 2014 and 2018 Saskatchewan farmers' debt increased from \$12.5 billion dollars to \$16.2 billion (Statistics Canada 2019). In 2018 many went bust. They were hit by drought, extremely high input prices for the chemicals they depended on and low prices for their crop and their incomes fell sharply by 45 percent. Farm debt increased again in 2019, rising to \$17.1 billion (Statistics Canada 2019). The retirement funds of most farmers are not very substantial and they are

expected to build up equity throughout their farming career to pay for their retirement. As one farmer put it:

**BQ** We did not have a chance to save a lot of money. My wife left her pension money in the hospital. She can expect something. I am on the old age pension. I am sixty-five years old, [receiving] about \$1,100 a month. It is not much, once I have paid tax on it. We have to start thinking about retiring..." (interview) **EBQ**

Land is the only asset a farmer can own that could actually appreciate in value, contrary to expensive farm machinery that most of the time loses its value rather quickly. But if they carry a loan secured by a high land value, they have to sell their properties for full market value in order to retire

Farming vast expanses of land under the pressure of debt, leads to the ambiguity of passion and suffering that many farmers experience. A young father desperately trying to make time for his small son explained:

**BQ** It all gets bigger. As equipment gets bigger, farms get bigger, diesel tanks get bigger. The risk increases. The other night I was outside, we have an old traction combine that we used to use and I went outside and drove it around for a while and while I was doing that, I was thinking how nice it would be to be able to live with machinery and land as big as it was thirty-three years ago without having to invest in huge machinery and big diesel tanks" (interview). **EBQ**

Moments of nostalgia for the old ways of farming alternate with the thrill of dominance and control that high-tech farm machinery seems to offer. In reality, many farm operators who

sit in the cabins of these big tractors equipped with computers, internet and GPS tend to rely increasingly on their sophisticated monitoring instruments. At a certain point, the quantitative becomes qualitative. As size and speed increases, it simply becomes impossible to pay adequate attention to the soil and the plants. The technological devices — drones, computers, GPS — that helped at the beginning, dominate thereafter. When control of the point of production is delegated to the machine, when the farmer no longer uses his tools, but the tool uses the farmer, he tends to become alienated from his natural environment and his work. This happened in extreme ways when farmers signed production contracts with agribusinesses such as Bayer/Monsanto, Dow, Cargill and BASF, which brought the profit logic of the seed companies directly into the tractor cab. Farmers bought seed and inputs on credit, often from the agrochemical firm, and sold the crop to them at a predetermined price. As one farmer put it: “After a while you have to ask yourself who you are cultivating it for. Do you grow it for you or do you grow it for them, when they just make you do all the work” (interview). The agrochemical companies offered them computer programs for optimal sowing that were installed on the computer in the tractor cab and which got their information from data accumulated in the field correlated with information provided by satellites.

Also larger farmers in the province who rely on hired labour began to use modern surveillance technology to supervise from afar the speed and thoroughness with which the operators did their work. It may be just a question of time, until the landowners claim access to the onboard computers of their renters. One of them, who owned eight adjoining quarters of good agricultural land in the municipality and rented them to one of the more prosperous farming families, wanted a soil test every year. He requested a report, about all the chemical and fertilizer applications and yields achieved.

**BQ**The guy comes at least once a year inspecting the land. Before we rented from them, they came to the farm and looked around. They wanted references for the best operators. That is what they want. They are not necessarily interested in the top dollar. They want a consistent renter who does a good job (interview). **EBQ**

The renters and the investor were in agreement that doing “a good job” meant using large amounts of herbicides and fertilizer. As the renters explained:

**BQ** We improve the land. When we started farming the organic matter was 2 to 3 percent on some land. Now we get to 4 to 5 percent. With continuous cropping the tilth of the soil has improved, the water holding capacity. We are very aggressive on weed control. Our weed seedbank has decreased on all our parcels of land. Some parcels we did not even spray for wild oats this summer.” (interview) **EBQ**

Renters and landowners bond in a common logic of what Tony Weis calls perpetual biophysical “overrides” that are built into the industrial agricultural system to repeatedly respond to problems produced or exacerbated by the pursuit of scale and the associated biological simplifications and standardizations. “The chemical fix for industrial agriculture has routinely led to a treadmill of dependence as resistance develops, natural controls diminish and more or new inputs are applied.” Weis observes (2010: 320) Biophysical overrides are continually responding to, but never resolving, the root problem in ways that mask and/or deepen old problems and establish new risks. Fungi, weeds and viruses forced into compliance become resistant and there is no doubt that they will ultimately win the struggle for the land, if landowners, farmers and policy makers fail to slow down and reconsider the future of farming in Saskatchewan.

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