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MORDEN

We would like to thank you for the opportunity to speak to you this afternoon.

My name is Robert McLean, and with me is my son Don. Our farm "R & D McLean Farm Ltd" is located in south central Manitoba, near Manitou.

R & D McLean Farm Ltd. is comprised of 1,800 acres of grain and oilseed crops plus hog finishing and cow calf enterprises. The livestock portion of the farm generates 50% plus of our gross receipts.

As this hearing is regarding hog sustainability, we will try and keep our remarks centered on our hog enterprise.

Our hog finishing enterprise is comprised of straw based bio-tech hoop shelters, and we market hogs on a continuous basis.

We looked at options when deciding to build our finishing operation. I have, over time, worked in both straw based and conventional barns. Both work well, both have their good and limiting options. We chose straw based biotech shelters for mainly financial reasons. Straw based shelters are labor and management intensive; however the capital costs are substantially less.

The pause on hog expansion causes us great concern for a number of reasons. First, if this had happened four years ago, it would have been extremely difficult for Don to come back to the farm, as the sustainability of the farm depended on expanding our revenue source. The pause is also causing not only us, but the industry great uncertainty. How can we plan any future expansion not knowing what rules will be in place one to two years down the road? Our margins are slim and the risks are high. We need to be able to look long term, and have faith that regulations will not put our

farm in jeopardy. Farm operational costs are high, would you be willing to borrow or would your lender even lend with the uncertainty that exists today.

This pause, we believe, will cause and is causing other processing facilities to have a second thought about building in Manitoba. This again affects us as we have limited options for marketing our hogs, and is costing us in increased trucking costs, and marketing costs.

We hear all the time about corporate hog farms. Well by definition, we too are a corporate farm. We incorporated for intergenerational transfer and financial risk reasons, but still are a family run business. As are many others. The point is, be very careful about people who condemn or point fingers at corporate farms, we too are one.

Farming is a business. A business that needs to have return on investment, or it will not be viable.

Farming and farmers like us depend on the environment, for it is what sustains us. We need clean water and productive soil. We live the environment every day, our livelihood depends on it.

We apply the manure to the land according to the needs of the crop. We soil test every field every year. We have the soil tests from 20 years ago. The soil tests not only show what nutrients we need to grow a crop, but also, by being able to look back, it gives us a history of our fields. This is an ever increasing cost. Not long ago \$200 covered the cost, now its 6 x that cost.

Manure is a very important nutrient source. With the extremely high costs of chemical fertilizer the manure produced on the farm helps to offset some of those costs. The nutrients in manure are valuable, and we do not waste this valuable resource. This was one of the reasons we decided to expand into livestock.

REGULATIONS, REGULATIONS, REGULATIONS!!

Regulations affect us all, large or small. Regulations have costs. Many times we have heard how hog production needs to be regulated, but at the same time ensure the family farm thrives. It's those ever increasing regulations that cause many farming families to quit. It's just not worth the extra work, time, and cost to meet these ever increasing regulations. The point is regulations effect all of us and the outcome of more regulations will be less diversified farms to ones of single enterprise intensive operations. When making recommendations, remember you're not adding just one or two recommendations you are compounding the ever increasing list. I have here today some examples:

1. Farm Practices Guidelines for hog production in Manitoba, which sets out information on regulations regarding acts, regulations, manure handling, storage, land application; odor control, site selection, etc., etc.
2. Municipal By-Laws, development plan and zoning by-laws that we need to deal with when deciding to add value to our operation.
3. Technical review application
4. The proposed Nutrient Management regulations
5. The manure and mortality regulation

Along with the above we have The Canadian Quality Assurance program, which we need to update daily and have a veterinarian audit yearly. This is a food security and quality program which we must comply with which allows us to market our hogs.

We have Municipal governments, Department of Conservation, Department of Agriculture, Department of Water Stewardship, and the Department of the Environment to deal with.

So as you can see, it's extremely time consuming, costly and quite honestly overly burdensome. We cannot pass on these extra costs; farmers are price takers not price makers. These regulations are only part of all the issues which we deal with. Remember hogs are only one part of our operation.

Farming has changed over the years, and will continue to change. We do far less tillage, rotate crops, seed land into forage, have grassed waterways, shelterbelts, etc., ensuring our farm continues to be environmentally sustainable. These are some of the ways to ensure nutrients applied on the land stay on the land. Again nutrients are too valuable to waste and lose. Most of these efforts come at a significant cost. Costs of upgrading equipment that works in minimum tillage, cost in seed for buffer strips, and seed costs for forages which help use the nutrients that have accumulated at deeper root zones. These are just some of the costs in real dollars, but there are also costs associated in valuable and limited time taken to complete all the paperwork.

Government from time to time has helped with programs to help offset costs. One of the programs that is working, is the Environmental Farm Plan. EFP does a risk assessment of our farm and provides a cost share financial assistance to help cover part of those costs.

Many regulations are put in place without any concern of the financial burden they impose on operations. Government needs to recognize that solutions can be found without overburdening farms. The saying "Better results are found from the carrot approach not the stick" still apply. It is extremely important not only for existing operations to ensure their success, but to ensure future generations have the ability to succeed.

In summary some key points:

- Any regulations need to be based on sound science and not for any political gain.
- When making recommendations or regulations, remember you're adding to that long list. Sustainable farms are in jeopardy.
- Financial incentives where government and industry work together work the best. Incentives must be comprehensive, broad based, have flexibility, and have substantial financial assistance.
- Ensure agricultural sustainability and profitability is researched before implementation of regulations. Our next generation depends on it.

We are and will continue to do our part. We continue to strive to do the best we can even when coming through some very tough years. Governments need to work with us, be a partner to provide an environmental sound agricultural industry while ensuring sustainability and profitability now and in the future.

Thank you for the opportunity to speak to you today, and we would be pleased to try to answer any questions you may have.