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The BC Agricultural Land Reserve: A Critical Assessment

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Executive summary

British Columbians have grappled with land use restrictions that rank among Canada's most severe since the Agricultural Land Reserve (ALR) was established in 1973. The rationale for denying citizens the full use of 4.7 million hectares of property has shifted over time, from rescuing the "family farm" to preserving "green space" and, most recently, protecting the "local" food supply. The costs of this social engineering, which include soaring housing prices resulting from a scarcity of land for development and the incalculable loss of property owners' economic freedom, are substantial. This paper examines some of these costs in order to promote a re-evaluation of the government's excessive interference in the agricultural sector.

Champions of the ALR claim that the land use controls are necessary to ensure a "local" food supply. But BC consumers have shown an undeniable preference for greater choice. The vast majority of BC consumers buy great quantities of imports and base their purchase decisions on a range of legitimate factors, including price, variety, and convenience, rather than product origin alone. Indeed, after three decades of the ALR regime, BC farmers produce just one-third of the food needed in the province to meet the standards of a "healthy" diet (British Columbia, Ministry of Agriculture and Lands, 2006).

The land scarcity created by the ALR has rendered Vancouver housing the most "severely unaffordable" of any major city in the 265 metropolitan markets across Canada, the United States, Australia, New Zealand, the United Kingdom, and Ireland, as analyzed by Wendell Cox and Hugh Pavletich (2009) in their fifth annual *International Housing Affordability Survey*. Only Honolulu, Hawaii, and Australia's Gold and Sunshine Coasts were costlier. Indeed, according to the survey, all of Canada's "severely unaffordable" markets were in British Columbia, and none of the "affordable" markets were located in the province.

Contrary to the intent of the ALR's architects, the land reserve has not halted the decline in the number of BC farms or the loss of "family farms." Nor has it nurtured a new generation of farmers. In fact, the number of farms in British Columbia has declined 9% in the past decade (British Columbia, Ministry of Agriculture and Lands, 2007). The proportion of owner-operators also is falling: between 1986 and 2006, the total amount of BC farmland rented or leased grew nearly 35% (Statistics Canada, 2008d).

In Metro Vancouver, where proponents once claimed the ALR would prove most effective, there has been a 66% decline in the number of farmers under the age of 35 over the past 10 years. As a Metro Vancouver Sustainability

Report notes, “This would suggest that young people do not consider farming a viable economic venture or find the cost of entering the market prohibitive” (Metro Vancouver, 2009).

The very premise of the ALR is anachronistic. Advances in agronomy and biotechnology have dramatically increased yields, thereby easing demand for farmland. For example, reflecting land substitution, BC greenhouse area grew 305% between 1986 and 2006 (Statistics Canada, 2008c).

The existence of the land reserve is largely based on the notion that locally grown agricultural products are inherently healthier, safer, and more environmentally friendly, and that they are a necessary component of a reliable and secure food supply. This belief is known as “localism.” But a simple adherence to “food miles” [1] does not account for the variety of “inputs,” such as energy, irrigation and fertilizer, that are necessary to grow food. Researchers have discovered that the most significant “cost” of food miles, by a large margin, is consumers’ shopping trips to the store and not the commercial distribution of food. Furthermore, the more consumers rely on unprocessed, locally grown agricultural products—thereby necessitating more frequent trips to the store and longer trips to farms and farmers’ markets—the more food miles increase.

The localism movement also fails to account for the “comparative advantages” of Canada’s trading partners (i.e., the ability of other countries to produce products or services more efficiently and at lower cost). These advantages allow Canadians to enjoy plentiful quantities of coffee and bananas from Columbia, wine and cheese from France, gin from Britain, and rice from India, among other imports. Likewise, Canada produces a variety of products more efficiently than others elsewhere. Agriculture exports from BC, which totaled \$1.6 billion in 2008 (BC Stats, 2009a), generate income for farm investment and employment.

Architects of the land reserve evidently distrusted the market to provide adequate food supplies for BC residents. But there is plenty of evidence that the farm sector was expanding to meet the demands of a growing population long before the land reserve was imposed. Even in the midst of a post-World War II housing boom, farm area in British Columbia actually increased 29% between 1951 and 1976 (Statistics Canada, 2009a). Between 1921 and 1976, land area for growing vegetables increased 604%, the number of cattle increased 230%, and the number of chickens increased 397% (Statistics Canada, 2009a). In fact, the amount of farmland dedicated to field crops and vegetables was greater before the creation of the Agricultural Land Reserve than after.

1 The National Sustainable Agriculture Information Service (2008) defines “food miles” as the distance food travels from farm to plate.

While some advocates regard the ALR as sacrosanct, it is entirely reasonable for citizens to question the legitimacy of a regime by which the government deprives property owners of the use of their land—and the public of the tremendous benefits of markets—in order to indulge special interest groups that expect the general populace to shoulder the costs of their preferences.

Good intentions alone do not constitute sound policy, and history is crowded with examples of governments mismanaging natural resources. In the case of the ALR, the substantial direct costs of the presumed public good—farmland preservation—have been foisted upon a minority of citizens, and the indirect costs have fallen disproportionately upon those who can least afford them. Not only has the Agricultural Land Reserve failed to achieve some of its fundamental goals, but the government's excessive interference in the agriculture sector has also imposed significant costs, including the highest home prices in Canada.

**A Bright Agricultural Future for Ontario and Canada:
Ensuring the Economic Viability of Farming in Markham's
Whitebelt**

Prepared for the *Academic Alliance for Agriculture* by Dr. Harriet Friedmann, Professor,
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Academic Alliance for Agriculture

Who we are:

We are academics from the fields of agriculture, nutrition, urban planning, environmental studies, geography, sociology, anthropology, science and economics who have come together to support viable, sustainable agriculture in Ontario. Challenges to agriculture and local food production are significant and real and deserve a clear policy focus by Ontario's political leaders. We are represented by professors at the University of Toronto, York University, University of Guelph, Ryerson University, University of Waterloo, Trent University, Wilfrid Laurier University and the University of Western Ontario.

Our Vision:

We envision a region that ensures food security for all through a vibrant, creative, agri-food sector with new local economic opportunities that allow farmers to thrive.

The following academics have endorsed this report:

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Executive Summary

The town of Markham holds some of the best agricultural land in all of Canada. Unfortunately it has lost most of its farmland and much more is threatened by potential house construction at the expense of support for an emerging creative agri-food sector

The Academic Alliance for Agriculture is a group of academics from a number of disciplines who have joined together to consider examples of successful near urban agriculture and propose smart and sustainable options for preserving and bolstering Markham's agricultural community. The Academic Alliance for Agriculture proposes that the Town of Markham considers strong protection of Markham's' dwindling farmland as part of its larger vision of smart economic development. Rather than turn over Whitebelt land over to housing and commercial construction, we propose specifically:

- The creation of a Markham Farmland trust.
- Integration of agricultural support into official planning practices as outlined in Ontario Farmland Trust's report, *Planning Regional Food Systems: A guide for municipal planning and development in the Greater Golden Horseshoe*.
- Working in partnerships to build a future for local agriculture and related knowledge-intensive, creative food enterprises.

Background

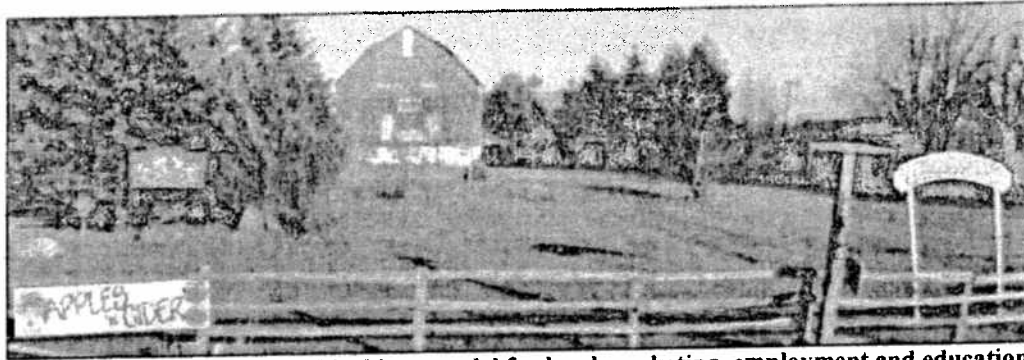
Prime agricultural land, such as that found in Markham, can support a variety of farm products which can in turn support a vibrant food economy serving the increasingly sophisticated and culturally diverse market of the GTA. This land can be protected through sustainable planning strategies. According to Statistics Canada, it has taken thousands of years for soil to reach its current level of fertility. "Once agricultural lands are urbanized they are essentially lost to future production" (Ontario Farmland Trust 2009).

Models of Municipal Support for Agriculture

The Town of Caledon has amended its official plan to grow agriculture, support family farms and to preserve the town's heritage. Policies are intended to increase a number of supports for the agricultural community, including, "value-added agriculture; farm diversification; prevention of non-farm development and land uses; consumer education on the importance of local agriculture; protection of soil and water resources; enhancement of the industry by partnering with other organizations" (Town of Caledon 2009).

The County of Haldimand is looking into various uses of farmland, including community supported agriculture (CSAs), festivals, heritage tours, biomass facilities and on farm retail (Ontario Farmland Trust 2009).

The Town of Halton Hills recently approved Community Improvement Strategy recommending the formation of an "Agribusiness Economic Development Strategy" which could include grant and tax incentive programs for businesses and agricultural buildings facilities (The Regional Municipality of Halton 2009).



Forsythe Family Farms is a Markham model for local marketing, employment and education

Although Markham has put time and effort into its Agricultural Assessment Strategy, the current Growth Management Strategy is missing crucial approaches to preserve Markham's remaining agricultural land. It appears that agricultural protection, food security, and sustainable planning approaches that build on growing opportunities in the new food economy were not considered in the staff's preferred growth option.

This omission is not an isolated case and in fact, according to a recent report titled "Farmland Preservation: Land for Future Generations," the province's Smart Growth legislation does not protect prime agricultural land known as the "whitebelt". Furthermore, other provincial plans, including the Growth Plan for the Greater Golden Horseshoe, lack policies to support agriculture and rural economies (Ontario Farmland Trust 2009).

Because of these current planning shortcomings, municipal governments are in a unique position to take a leadership role in preserving farmland and supporting the food and farming sectors within their municipalities, especially where desire for sustainability options is supported by residents. A report by Agriculture and Agri-Food Canada makes a strong case for local farms.

Farmland preservation is motivated by:

- Fostering stewardship of the land
- Maintaining an agricultural land base for future generations
- Mediating market externalities to ensure fair tax distribution and affordable near-urban land for new farmers
- Providing accessible food for all levels of income and ability
- Enhancing community health through compact, multifunctional design
- Providing environmental services (clean air, water and soil)
- Conserving and enhancing biodiversity (Brethour 2006).

Land Trusts

Land trusts are parcels of land, often agricultural, which are acquired to ensure permanent protection. Farm trusts exist to allow farming to continue into the future, and often involve direct acquisition when farmers retire. Farmland trusts in North America are established by non-profit organizations and municipalities. The land can then provide ongoing accessible and affordable land for new farmers.

Land trusts and supportive municipal policies are working to preserve agricultural land in Ontario. According to the Ontario Farmland Trust (2009), municipalities concerned about the success of farmers and protecting farmland should consider the following:

- Prioritizing farmland for protection within their geographical area of interest
- Communicating with farmland owners and their advisors about the potential for using farmland conservation agreements and the land trust's priorities
- Fundraising to support farmland protection, especially in view of the public's current interest in food and farmland
- Encouraging farmland owners to connect with young farmers looking for land, and
- Creating plans to deal with donated farmland, recognizing its importance as "working land".

Successful Land Trusts

Land trusts have been making headway in preserving and strengthening long-term agriculture in farming towns. Using the trust model, the Ontario Land Trust has protected the Hindmarsh Farm south of the Town of Goderich in Central Huron. The 141 acre farm is protected through a conservation easement, now managed by the organization. The Town of Markham could work with an organization to support the permanent management of farms.

In Rhode Island, municipalities including the Town of Glocester and Town of East Greenwich own and manage municipal land trusts. The trusts include hundreds of acres which include farms that have had over 200 years of agriculture production. With strong foresight by the Towns, the trusts were purchased early and have been continuously expanded (Glocester Town Hall, East Greenwich Town Hall).

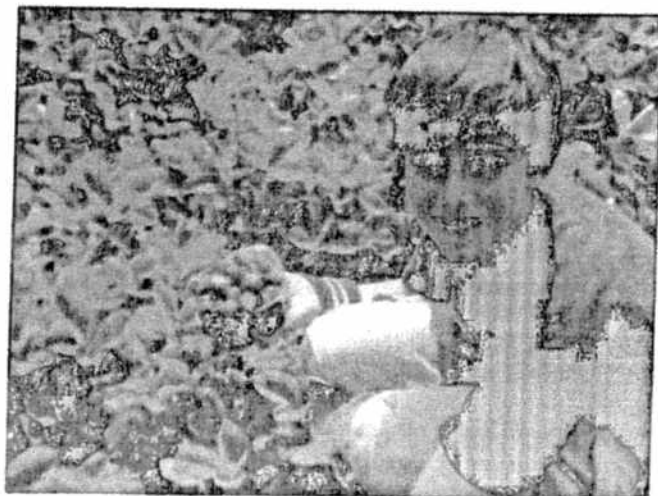
A land trust in Markham's existing Whitebelt land is an option to preserve remaining farms and one piece of keeping agriculture viable and at reasonable cost for farmers who wish to sign contracts or rent farming land from the municipality of a non-profit organization like the Ontario Land Trust or FarmStart.

Municipal Planning

Ontario Farmland Trust, in its recent report, *Planning Regional Food Systems: A guide for municipal planning and development in the Greater Golden Horseshoe*, recommends a number of municipal planning tools that would support growing effective agriculture in municipalities like Markham. Recommendations include:

Official plan reviews:

- Should continue Official Plan harmonization with provincial and federal agriculture-related



legislation. Particularly by analyzing the policies of neighbouring municipalities to ensure fairness across jurisdictions.

- Need to reduce fragmentation and support contiguous farm areas, and prohibit new non-farm residential development in existing agricultural zones.
- Work with a Farmland Trust to facilitate property-specific preservation mechanisms such as farmland conservation easements that are financially attractive to farmers.
- Consider using Secondary Plans and Community Improvement Plans to support agriculture.

Agriculture's Lower Cost

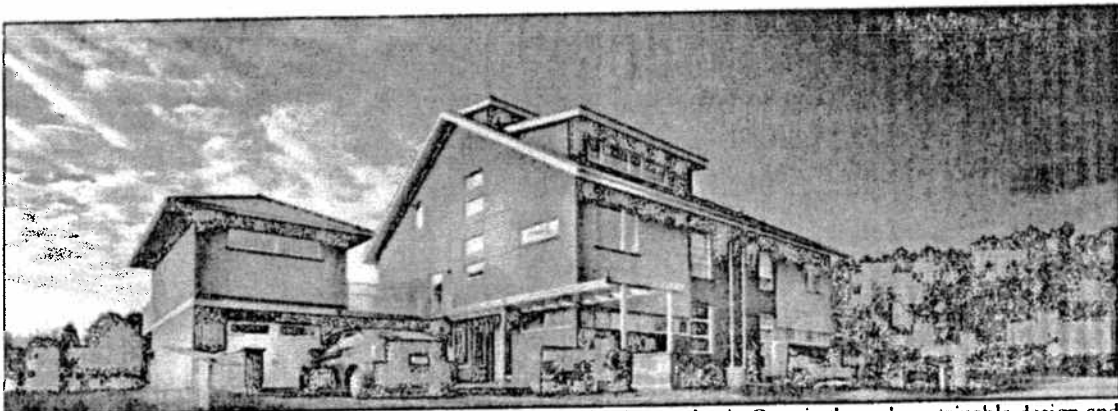
A study in Red Deer County, Alberta which reviewed the cost of community services found agricultural lands' services cost to be just \$0.70 per dollar of tax, while the municipal expenditure for residential development cost \$1.81 for every dollar of revenue, and \$0.74 for commercial (Greenaway et al 2006).

Rural/Urban friendly planning:

- Develop hard countryside lines that protect agricultural land and encourage long-term investments by farmers. This would help to discourage land speculation (e.g. Waterloo).
- Encourage maintenance of agricultural lands for as long as possible with innovative leasing options. Those renting farmland should consider a 10-20 year lease with incentives for renewal.

Transportation:

- Work with the Ministry of Transportation to reduce peak-demand of road usage and avoid new road construction costs. If possible, to address safety and mobility issues, work with the Ministry to include a wide shoulder on specific roads to accommodate movement of slower farm vehicles.
- A creative approach would be to convert existing highway lanes into commuter or freight rail lines. This would prevent additional lands lost to transportation facilities.



The Kortright Centre's Sustainable House illustrates what can be done today in Ontario through sustainable design and smart planning (for details see <http://www.sustainablehouse.ca>).

Community Improvement Plans (CIPs):

- Section 28 of the *Planning Act* provides CIPs as a tool for addressing challenges and future needs. CIPs can be used to encourage private investment, renew infrastructure and waive various development fees (MAH 2008). Agricultural landscapes may qualify for a CIP if: the area shows signs of disinvestment or underinvestment; there is a decline in the use of agricultural lands for agricultural purposes; there is pressure to use lands for purposes other than those identified in the local Official Plan

Tax incentives:

- Design simple incentive structures that can be quickly grasped to encourage new projects that replace existing, underused buildings rather than building on greenfields or on heritage sites. For example, in its award-winning brownfields strategy, the City of Guelph has considered: Tax Increment-Based (or Equivalent) Grant Program; Tax Arrears Cancellation; Tax Assistance Policy During Rehabilitation; Consideration of Possible Development Charge Incentives (Guelph 2008) (Ontario Farmland Trust) 2009).

It is important to emphasize that the report of Markham's Agricultural Assessment Strategy conducted as component of Markham's Growth Management Strategy of the Region's Growth Strategy recommended many of the same innovative policies noted above (Planscape 2009).

Partnerships to build a future for local agriculture

The Town of Markham can support successful approaches to farming and farmland preservation through collaborative partnerships that support farmers looking for land.

FarmStart is a non-profit organization with the objective to "support and encourage a new generation of farmers to develop locally-based, ecologically-sound and economically-viable agricultural enterprises." FarmStart uses innovative and practical solutions to promote a sustainable, healthy and regional food supply, including engaging new farmers in making links to local markets, and operating two incubator farms. The McVean Incubator Farm in Brampton supports farmers to eventually become independent in agriculture by providing partnerships

Municipal Programs to Support Local Agriculture

The City of Toronto has just released a report for consultation called *Food Connections: Towards a Healthy and Sustainable Food System for Toronto*. The report is part of Toronto's Food Strategy, launched by its Medical Officer of Health to develop a framework to use food policies as a strategic and synergistic approach to meet crucial city goals (Toronto Public Health, 2010). These strategic approaches include not only food security in a time of increasing volatility in fuel markets, but also building on the opportunities of dynamic entrepreneurial and community initiatives to strengthen an emerging regional food system.

Addressing the Question of Density

Municipalities need to strongly encourage the development of a wide variety of new housing options adjacent to existing public transportation networks that through smart design, renewable energy and conservation approaches can decrease resource use and demand of services such as electricity supply, sewage and water while simultaneously increasing its ratepayer and tax base.

that ease access to land and other farming resources (often a difficult barrier for new farmers who want to become established). FarmStart has shown interest in developing an Incubator farm in the Markham Whitebelt.

Local Food Plus is another organization that works to connect farmers to regional markets. Markham's partnership with Local Food Plus supports local farmers by providing a market for local, sustainable food within municipal operations. Expanded partnerships with local Food Plus could support Markham Whitebelt farmers to enter markets and ensure future farming can exist and farms can be used for local supply to Markham's institutional, corporate and other consumers.

Conclusion

There are a number of resources and organizations available to the Town of Markham to be innovative and find ways to continue to support and expand its support for local agriculture. Agriculture has been since 1791 an integral part of the Markham landscape and deserves a viable future in the Whitebelt. In addition to the three key measures the Academic Alliance for Agriculture recommends that Markham take the following steps:

Overarching Recommendations

1. Adopt an Agricultural Vision as recommended in the Phase 2 Report of Markham's Agricultural Assessment Strategy, that is to: "Encourage and support, a viable, productive and sustainable agricultural sector."
2. Keep land zoned for agriculture in the Whitebelt in the same zoning designation in perpetuity by asking the province to add these lands to the Greenbelt.
3. Consider Council adoption of the "Policy Options for Future Considerations" as presented in Phase 3 of Markham's Agricultural Assessment Strategy, which include: placing agriculture in Markham's Economic Strategy; financial assessments including tax exemptions and paying for land use services; implementing a local food charter; expanding farm promotion; enhancing and expanding the Local Food Plus program; farm family infrastructure; and hiring a staff agricultural coordinator.
4. Create a plan to support the viability of remaining Whitebelt farmland – which should include as priorities:
 - Support and increase Markham infrastructure for local food markets, value-added agriculture and community education;
 - Provide farm families with municipal taxation reductions;
 - Consider purchases of family farm land as public agricultural land trusts using farm compensation funds with public and private funds.
5. Invite agricultural organizations such as FarmStart, Ontario Farmland Trust and Local Food Plus to discussions aimed at creating and enhancing local agriculture and supporting local markets linked to Markham farmland.
6. Work with other levels of government on plans to support agriculture and local farmers, including farm succession reports (OMAFRA), community improvement plans (MMAH) and other resources available to farmers and municipal planning.
7. Analyze, design and implement the best smart planning strategies that provide practical incentives for development within existing urban areas using sustainable design

practices, renewable energy and conservation strategies to minimize both resource use and service demands while increasing density and ratepayer base in areas properly serviced by existing public transit networks.

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