Appendix 2 - Regional Food and Farmland Trust Research and Responses to PPSC Questions and Comments – Prepared by the Regional Food and Agriculture Task Force

# REGIONAL FOOD AND FARMLAND TRUST RESEARCH AND INFORMATION July 2017

## Summary

A farmland trust is based on the principle of managing farmland as a community asset for the public good. Through partnerships and programming, farmland trusts facilitate and enable the protection of farmland while promoting environmentally sensitive farm practices, supporting new farmers in accessing land, securing long term farm use on agricultural land and retaining farmers. A land trust is a tool that can protect existing farmland while supporting the succession process between retiring and new farmers. A food and farmland trust also helps to address high agricultural land values, and speculative development pressure. A trust may further support land use policies that address the erosion of farmland at the urban/rural interface. CR FAIR estimates that almost 50% of farmland in the CRD is idle and the average age of farmers in the CRD is 57.5, 1.5 years older than the provincial average, and 2.5 years older than the national average. Farmland Trusts can be governed using a number of different models. A regional (geography) approach would be most effective, however, whether a regional (government) approach to management would be warranted has not been assessed. A regional food and farmland trust could also serve to support indigenous food systems. There are currently at least 15 food and farmland trusts in Canada and 16 in the USA. Most models examined initiate the trust by using existing public lands and donated private lands, with a few being focused on land purchases. A Regional Food and Farmland Trust (RFFT) could start by using existing public lands and donated private lands and could consider land purchases in the future.

#### 1. RATIONALE

# WHY SHOULD TAXPAYERS SUPPORT ACQUISITION OF FOOD AND FARMLAND? HOW CAN A LAND TRUST BE ECONOMICALLY JUSTIFIED?

A large capital investment to acquire land may not be necessary. There are vacant, government owned lands that could be managed and coordinated as a farmland trust. Farmland is quickly being priced out of the reach of both established and emerging farmers. The challenge is not only retention but effectively making farmland available to those who would use it productively and in a manner that supports the interests of the local/regional community.

A RFFLT would ensure that farm lands realize their full potential in terms of increased food production, ecological services and other public benefits. A Regional Food and Farmland Trust (RFFT) will help address the affordability gap of land ownership, a key economic barrier for most producers seeking access to underused local food and farmlands. A farm business should be able to pay for itself, based on the sale of its products, while also sustaining its workers. The RFFLT also provides opportunities for farmers to ensure farm succession or transfer.

- Farmland is scarce in BC. Less than 3% of the province's land area has an agricultural capability allowing a range of crops<sup>1</sup>.
- Today locally-produced food is estimated to account for only 10% of the food consumed on the Island<sup>2</sup>
- A 2014 survey of BC residents reported that 92% believe local food production and the reduction of dependency on food imports is very important<sup>3</sup>.
- Agricultural land presents diverse public benefits beyond food production including regional jobs, agri-tourism, cultural heritage and practices, learning and education, health and wellness, community engagement, wildlife habitat, biodiversity and greenspace<sup>4</sup>.
- Agricultural land provides a range of ecological services and is a natural capital asset—the fields, farms, forests, wetlands, provide valuable land based services and benefits.
- Studies in Abbotsford (2007)<sup>5</sup> and Metro Vancouver (2009)<sup>6</sup> found the public amenity value of farmland to be \$29,490/acre per year in Abbotsford, and the public amenity value of farmland in Metro Vancouver to be \$58,000/acre per year, with the average household willing to pay \$73 per year to preserve 400ha.
- A national survey of new farmers in Canada found that of 18 obstacles faced by new farmers, "affordability of land ownership" was the top ranked obstacle.<sup>7</sup>

<sup>&</sup>lt;sup>1</sup> Smith, B. A Work in Progress-The British Columbia Farmland Preservation Program, in Farmland Preservation for Future Generations. University of Guelph.

<sup>&</sup>lt;sup>2</sup> MacNair, E. 2004. A baseline assessment of food security in British Columbia's Capital Region. CRFAIR.

<sup>&</sup>lt;sup>3</sup> McAllister Opinion Research. 2014. BC Public Attitudes Toward Agriculture and Food 2014. <a href="http://www.refbc.com/sites/default/files/BC-Poll-Agriculture-and-Food-Detailed-Topline-Report-Aug-2014-PUBLIC.pdf">http://www.refbc.com/sites/default/files/BC-Poll-Agriculture-and-Food-Detailed-Topline-Report-Aug-2014-PUBLIC.pdf</a>

<sup>&</sup>lt;sup>4</sup> CRFAIR. 2015. Findings Report Exploring Farm and Food Lands Access in the CRD: A Local Government Farmland Trust Approach. P4.

<sup>&</sup>lt;sup>5</sup> Ministry of Agriculture and Lands. 2007. <u>Public Amenity Benefits and Ecological Services Provided by Farmland to Local Communities in the Fraser Valley: A Case Study in Abbotsford, B.C. Strengthening Farming Report. File Number 800.100-1. B.C.</u>

<sup>&</sup>lt;sup>6</sup> Fraser Basin Council. 2009. <u>An Estimate of the Public Amenity Benefits and Ecological Goods Provided by Farmland in Metro Vancouver.</u>

<sup>&</sup>lt;sup>7</sup> Lavallée-Picard, V., Laforge, J., Dennis, J., and Gale, J. (Forthcoming). *New farmers in Canada: A Baseline Report: A Report by the National Farmers Union Youth Caucus*. Also See Dennis, J. *Emerging Farmer Movements and Alternative Land Access Initiatives in British Columbia, Canada*. P46.

 In the survey mentioned above, education opportunities such as on-farm education (including field days and farm tours), mentorship and apprenticeships were successful and supportive programs

#### 2. SUPPLY

## WE ALREADY HAVE THE ALR TO PROTECT FARMLAND, WHY DO WE NEED A RFFLT?

The ALR's capacity to protect farmland is limited, a RFFLT will support an increase in food and farmland use and enable new farmers to farm and gain experience and knowledge.

Limitations of the ALR include its process and rate of removals. The review process does not sufficiently protect farms for long term farm use, nor does it enhance food production. The RFFLT will complement the ALR by strengthening food and farmland protection measures in the face of increased population and development pressures. It will also create opportunities for the protection of non-ALR food and farmland.

- "ALR zoning by itself is insufficient to protect farmland; other policies likely need to be implemented in conjunction with zoning to protect agricultural land."
- For the 2015-2016 period, amongst the three zone 1 ALC regions, land exclusion rates were highest on Vancouver Island at 77% (compared to 70% in Okanagan and 19% in South Coast). On Vancouver Island, the ALC rendered 13 decisions on exclusion applications: 10 were approved with or without conditions, and 3 were refused<sup>9</sup>.
- The 2013-2014 ALC Annual Report shows that <sup>10</sup>:
  - o At ALR designation (1974 and 1975), the CRD had 19,595 ha of ALR land Since ALR designation, the estimated net change in the CRD is a loss of approximately 3,196 ha of ALR land, which amounts to approximately 16% of CRD ALR land.
- Statistics Canada data show that Total Farmland Area<sup>11</sup> in the CRD was 15,058 ha in 1996<sup>12</sup> and 13,265 ha in 2016<sup>13</sup>. Between 1996 and 2016, Total Farmland Area decreased by 1,793 ha. Between 2011 and 2016, Total Farmland Area decreased by 341 ha<sup>14</sup>.

<sup>&</sup>lt;sup>8</sup> Eagle, A.J., D.E. Eagle, T.E. Stobbe and G.C. van Kooten. 2015. "<u>Farmland Protection and Agricultural Land Values at the Urban-Rural Fringe:</u>
<u>British Columbia's Agricultural Land Reserve</u>". *American Journal of Agricultural Economics*. 97 (1): 282-298.

<sup>&</sup>lt;sup>9</sup> B.C. Agricultural Land Commission, *Annual Report 2015-2016*, June 30 2016, p. 31

http://www.alc.gov.bc.ca/assets/alc/assets/library/commission-reports/annual report 2015-2016.pdf

<sup>&</sup>lt;sup>10</sup> B.C. Agricultural Land Commission, *Annual Report 2013-2014*, June 30 2014, p.31

http://www.alc.gov.bc.ca/assets/alc/assets/library/commission-reports/2013-14 alc annual report final revised.pdf

<sup>11</sup> Excludes "Woodlands and wetlands"

<sup>12</sup> BC Ministry of Agriculture, Statistics and Research, Agriculture in Brief Capital Regional District, January 2013

 $<sup>13\</sup> Statistics\ Canada.\ \textit{Table\ 004-0203}\ -\ \textit{Census\ of\ Agriculture,\ land\ use,\ every\ 5\ years,\ CANSIM\ (database)}.\ (accessed: 6/28/2017\ )$ 

 $<sup>14\</sup> Statistics\ Canada.\ \textit{Table\ 004-0203}\ -\ \textit{Census\ of\ Agriculture,\ land\ use,\ every\ 5\ years,\ CANSIM\ (database).\ (accessed: 6/28/2017\ )$ 

## THERE IS ALREADY UNDERUTILIZED FARMLAND; WOULDN'T A RFFLT JUST EXACERBATE THAT?

Food and farmland is underutilized in large part because it is difficult for farmers to access this land. Food and farmland access requires:

- Land being priced at agricultural value and affordable to farm enterprises, hence no affordability gap.
- Duration and security of tenure that meets farmer/producer needs, because sustainable farming requires long-term investments.

A RFFLT addresses the existing affordability gap by providing secure land tenure through long-term rental agreements designed to enhance food and farmland and increase production<sup>15</sup>.

- The average cost of farmland in Southern BC is the most expensive in Canada<sup>16</sup>.
- In 2016 the average value of farmland in British Columbia increased by 8.2%, compared to 6.5% in 2015 and 4.2 % in 2014. In 2016 the average value of farmland on Vancouver Island increased by 4.4% and 17.7% in the South Coast<sup>17</sup>.
- 2016 Stats Can data shows that 916 of the 1003 reporting farms in the CRD, approximately 91% of reporting farms, reported total annual gross farm receipts of less than \$100,000<sup>18</sup>.
- Across Canada, the proportion of rented farmland is rising and the proportion of owned farmland is decreasing. In the CRD, 73% of farmed hectares were owned by the farm enterprise in 2016, compared to 76% in 2011<sup>19</sup>.

<sup>&</sup>lt;sup>15</sup> See two papers of interest on the topic of increasing farmland utilization: Mullinix, K., Dorward, C., Shutzbank, M., Krishnan, P., Ageson, K., & Fallick, A. 2013. "Beyond protection: Delineating the economic and food production potential of underutilized, small-parcel farmland in metropolitan Surrey, British Columbia". Journal of Agriculture, Food Systems, and Community Development. 4(1). Mullinix, K., Fallick, A., and Dorward, C. 2012, Revised 2013. Surrey's Underutilized ALR Lands: An Analysis of their Economic, Job Creation, and Food Production Potential in Direct Market Agriculture. Report prepared for the City of Surrey.

<sup>16</sup> REMAX. (2014). FARM Report 2014. www.download.remax.ca/PR/FarmReport/FinalReport.pdf

<sup>17</sup> Farm Credit Canada, 2016 FCC Farmland Values Report, 2017, https://www.fcc-fac.ca/en/about-fcc/governance/reports/farmland-values-report.html

<sup>18</sup> Statistics Canada. Table 004-0233 - Census of Agriculture, farms classified by total gross farm receipts in the year prior to the census, every 5 years (number of farms reporting unless otherwise noted), CANSIM (database). (accessed: 6/29/2017)

<sup>19</sup> Statistics Canada. Table 004-0204 - Census of Agriculture, tenure of land owned, leased, rented, crop-shared, used through other arrangements or used by others, every 5 years, CANSIM (database). (accessed:6/29/2017)

#### 3. DEFINING SUCCESS

#### **HOW WOULD SUCCESS FOR A RFFLT BE DEFINED?**

Indicators of success need to be developed with the CRD and address:

Land Protection Amount and value of farmland preserved for farming (both ALR and non-

ALR)

Promote Food Production

Amount and value of local food produced from leased land

Support NewOutdoor opportunities encouraging agri-tourismAgriculturalEducational opportunities

**Opportunities** Farm business training/incubation space

Support New Number of beginning and established farmers accessing RFFLT lands

Farmers Amount of RFFLT land being farmed

#### **Considerations:**

Based on the case studies of other land trust models, calculating the quantity of land matches (farmers on the land) alone is a narrow metric of genuine success<sup>20</sup>. One metric alone may not take into consideration the quality of match and discounts the educational and support services that programs provide<sup>21</sup>.

Additional performance metrics to consider include:

- Number and diversity of media recognition
- Number and diversity of partners/collaborating organizations
- Number and diversity of funding streams
- Number of unique website hits
- Number of community members demonstrating support
- Number of acres made available by exiting and non-farming land owners
- Number of workshops or consultations
- Number of services provided to clients
- Number of clients served by each service offered<sup>22</sup>

<sup>&</sup>lt;sup>20</sup> Food Secure Canada and FarmStart. New Farmers Initiative Webinar Series 2015. <u>Linking Farmers to Land; Alternative Land Access and Tenure</u>.

<sup>&</sup>lt;sup>21</sup> Pillen, L. & Hinrichs C. 2014. <u>Land Link Programs in the Northeast US: A Program Assessment and Lessons Learned</u>. Pennsylvania State

<sup>&</sup>lt;sup>22</sup> Pillen, L. & Hinrichs C. 2014. <u>Land Link Programs in the Northeast US: A Program Assessment and Lessons Learned</u>. Pennsylvania State University. P7.

### 4. PRIORITIES, TIMING & SUITABILITY

## IS A RFFLT THE AGRICULTURAL INITIATIVE THAT COULD MAKE THE BIGGEST DIFFERENCE RIGHT NOW OR ARE EFFORTS BETTER DIRECTED ELSEWHERE?

A RFFLT is one of many tools that work together to address land access issues and farmland protection. Efforts should be directed to the RFFT because throughout Canada and in the CRD, the overall number of farmers is decreasing while the average age of farmers is increasing. In the CRD, the average age of farm operators was 57.5 in 2016 (compared to 56.3 in BC and 55 in Canada), and 62.5% of farmers were over 55 years old<sup>23</sup>. The number of farm operators in the CRD decreased from 1,660 in 2011 to 1,495 in 2016<sup>24</sup>.

This trend increases the risk of lost intergenerational knowledge transfer and more food and farmland becoming underutilized.

A RFFT addresses this imminent issue by directly supporting new farmers with land access while the experience and knowledge of aging farmers can still be accessed and transferred. A RFFT is a mechanism to seize this time-sensitive opportunity.

While the RFFLT is the initiative that could make the biggest difference over the short <u>and</u> long term, the following additional opportunities could be pursued over the longer term:

- A version or expansion of existing private landowner land matching and linking (such as Young Agrarians and FarmLINK.net)
- ALR non-farm use enforcement
- Zoning enhancement
- Provincial land ownership restriction advocacy (e.g., On Prince Edward Island, restrictions
  are in place for a combination of historical reasons such as absentee landowners and
  coastline protection. In Quebec, non-residents or non-resident corporations must apply
  to purchase more than four hectares of farm land.<sup>25</sup>

#### IS NOW THE BEST TIME TO PURSUE A RFFLT?

In short, yes. Two decades ago CR FAIR began processes to advance the ideas of farmland protection through various mechanisms. Beginning in 2009, significant research and consultation work created momentum that resulted in an RFAS recommendation to explore a RFFLT.<sup>26</sup>

<sup>&</sup>lt;sup>23</sup> Statistics Canada. *Table 004-0239 - Census of Agriculture, number of farm operators per farm by age, every 5 years (number),* CANSIM (database). (accessed: 7/13/2017)

<sup>&</sup>lt;sup>24</sup> Statistics Canada. *Table 004-0237 - Census of Agriculture, total number of farms and farm operators, every 5 years (number),* CANSIM (database). (accessed: 7/13/2017)

<sup>&</sup>lt;sup>25</sup> Devanney, M. & Maynard, M. 2008. <u>A Review of Initiatives Intended to Conserve Agricultural Land</u>. Nova Scotia Department of Agriculture. P22.

<sup>&</sup>lt;sup>26</sup> First calls to action regarding RFFLT were found in Geggie, L. & Platt, K. 2009. <u>Our farmlands, Our foodlands, Our future: a findings report on tools and strategies for ensuring productive and accessible farmlands in the CRD</u>. The Land Conservancy of British Columbia. 2009. <u>BC's Farming and Food Future Local Government Toolkit for Sustainable Food Production</u>. Curran, D & Stobbe, T. 2010. <u>Local Government Policy Options to Protect Agricultural Land and Improve the Viability of Farming in Metro Vancouver</u>.

- In 2014 the Districts of Saanich<sup>27</sup> and North Saanich<sup>28</sup> Councils both passed motions to explore a farmland trust as a mechanism to support farmland protection and utilization.
- The topic was identified in the CRD Board Strategic Priorities 2015-2018. Item 4d. ("Develop a regional agricultural land banking solution"<sup>29</sup>) directly speaking to the topic with supporting actions around agricultural access and promotion (4b. "Enable others and advocate for supportive agricultural programs and policies by provincial and federal governments" and 4e. "Establish additional incentives and new policies to promote and encourage farming in the region."<sup>30</sup>)
- The policies helped develop the recommendations for CRD's Regional Food & Agricultural Strategy, which was adopted by the Board in December 2016 and states that: "There is an absence of organizations or agencies dedicated to the effective protection and management of operating farmland. There is strong interest and rationale for the establishment of a regional farmland trust and supporting trust fund. The regional farmland trust could begin to address current barriers to farmers entering the sector such as agricultural land availability, high land costs, high startup costs and the long term preservation of agricultural land."

#### IS THE CRD THE ENTITY BEST EQUIPPED TO OVERSEE A FARMLAND TRUST?

A regional (geography) approach to a farmland trust and acquisition fund was favoured over implementation at the municipal level based on stakeholder input from a CR FAIR report. The CRD (government) may or may not be the best organization to manage a RFFT, but it has an important role to play in initiating the process of creating a RFFT. However, municipal leadership and support is critical to implementation.<sup>32</sup>

At the Saanich Council meeting on December 2016 Saanich Councillors shared numerous statements of support for a regional approach:

"The recommendation creates an opportunity to evolve the conversation to a regionally focused, collaborative and cooperative solution." (Murdock)

"In the past, regional approaches have been successful; food security is a concern to all residents in the region, therefore a regional approach is appropriate." (Brice)

"Food security has been a concern for a number of years; taking a regional approach is appropriate." (Brownoff)

<sup>&</sup>lt;sup>27</sup> District of Saanich. *Minutes of the Council Meeting, February 24, 2014*. 2014. P4.

<sup>&</sup>lt;sup>28</sup> District of North Saanich. *Staff Report: Notice of Motion: Regional Farm Trust and Farmland Acquisition Fund.* 2014. P2.

<sup>&</sup>lt;sup>29</sup> <u>CRD Board Strategic Priorities 2015-2018 – At A Glance</u>.

<sup>30</sup> CRD Board Strategic Priorities 2015-2018 – At A Glance.

<sup>&</sup>lt;sup>31</sup> CRD. 2016. Setting Our Table: CRD Regional Food & Agriculture Strategy. P15.

<sup>&</sup>lt;sup>32</sup> CRFAIR.2015. Findings Report Exploring Farm and Food Lands Access in the CRD: A Local Government Farmland Trust Approach.PIV.

<sup>&</sup>lt;sup>33</sup> District of Saanich Minutes of the Council Meeting, December 12, 2016. P10

<sup>&</sup>lt;sup>34</sup> District of Saanich Minutes of the Council Meeting, December 12, 2016. P10

<sup>&</sup>lt;sup>35</sup> District of Saanich Minutes of the Council Meeting, December 12, 2016. P10

Local governments (regional districts and municipalities) have "the means and authority to encourage farming in their respective jurisdictions, and can facilitate and support creation of community-initiated farmland trusts." <sup>36</sup>

The CRD can draw on experience from establishing the Regional Housing Corporation and the Parkland Acquisition Fund to create a governance structure and provide the guidance needed for the implementation of the RFFT.

#### 5. MARKET

# WOULDN'T A FARMLAND TRUST PRESENT UNFAIR COMPETITION TO EXISTING FARMERS? FARMING IS A PRIVATE SECTOR/MARKET BASED ACTIVITY... A FARMLAND TRUST INTERFERES WITH THAT...

Leasing property allows for the participation of many private sector enterprises in the market economy. Farmers throughout Canada and the CRD are increasingly renting farmland<sup>37</sup>, and land rental is not considered a practice that results in unfair competition. Because fees are relatively low<sup>38</sup>, land rental is a strategy used by producers to gain land access and overcome the affordability gap of land ownership.

Renting property from the RFFT does present unique benefits not available in a "typical" rental agreement: advantageous rental terms (durable and secure tenure) could add value to the lease.

The RFFT would not result in unfair competition because lease rates would account for the potential impact on the broader agricultural sector. Lease terms could also differentiate between established enterprises and start-ups. For example, annual lease rates could be calculated based on the sum of:

- A set rental price per acre informed by the land's agricultural value established by BC Assessment and aligned with regional averages.
- A fee that reflects the level of development of the farm enterprise, such as a % of total sales, or a set amount per bracket of total sales generated from the leased property or the farm enterprise. Start-ups could be exempt from this additional fee in their first years.
- Existing farm incubator programs offer examples of rental terms and rates (land and infrastructures).
- Intervale Center (Burlington, VT, 365 acres): Has two categories of farmers, "Mentor Farms" were established prior to 2005, "Incubator Farms" are new enterprises. See rates on p. 26 of their <u>application packet</u>. The CREDETAO (Ange-Guardien, QC, 58 acres):

<sup>36</sup> Gorsuch, W., & Scott, R. A Review of Farmland Trusts. 2010. PVIII.

<sup>&</sup>lt;sup>37</sup> Statistics Canada. *Table 004-0204 - Census of Agriculture, tenure of land owned, leased, rented, crop-shared, used through other arrangements or used by others, every 5 years*, CANSIM (database). (accessed:6/29/2017)

<sup>&</sup>lt;sup>38</sup> Email communication with John Buchanan from Parry Bay Sheep Farm (pastures approximately 700 animals in the CRD): "Most people pay no rent for hay fields, but we pay \$100.00 an acre for the good fields. Pasture we don't pay for. I think vegetables would be more as it is more intrusive. Who pays for the infrastructure is also a big thing. We can't pay 100.00 if we are doing fencing etc." July 3<sup>rd</sup> 2017

- description of land/on-site infrastructure is available <u>here</u>, rates and application form is available <u>here</u>.
- Multiple Farmland Trusts and Land Access programs exist, -- 15 in Canada, with 2 in progress and 1 that no longer exists, and 16 in the United States, and unfair competition does not appear to be an emerging issue. Instead, these models are increasingly pointed to by donor <sup>39</sup> and community organizations <sup>40</sup> as a potential solution to establishing a vibrant and growing future for BC food and farm lands.

#### WHAT IS THE BUSINESS CASE?

#### For the producer:

An important limitation of renting land is tenure insecurity: a producer starting up or investing in a farm enterprise without secure tenure is typically at risk of losing his/her investments on short notice. A RFFT reduces this risk. By providing secure and durable tenure, the RFFT gives producers solid ground on which to launch, expand, invest in and ultimately grow the productivity and profitability of their enterprises. A producer at the end of his/her term could recuperate part of the investment by moving or selling his/her assets off-site (i.e. to a private individual), the RFFT, or to the next leaser in line. There is high, unmet demand for local food on Vancouver Island<sup>41</sup>. Producers would not be competing in a saturated market.

#### For the CRD

Supporting food and farm enterprises and the increased use of underutilized lands will result in increased regional economic activity, food production, ecological services and other public benefits.

Revenue would offset costs related to administration and management of the RFFT, and/or be directed to:

- Maintaining, improving or expanding (i.e. through receiving land donations) the land base and food and farming infrastructures for the private sector/for-profit activities (i.e. shared washing, cooling and storage facilities)
- Working with partners (i.e. non-profit societies and First Nations communities) to diversify the scope and broaden the social and ecological impact of the trust. This could include the creation of:
  - A farm incubator
  - On-site educational opportunities such as an interpretive food and farmland center with activities for the public
  - Partnerships with food banks and local schools
  - Research projects in partnership with local colleges and universities

<sup>&</sup>lt;sup>39</sup> For example, the <u>Green Legacies Guide for BC</u> published by Tides Canada added in 2016 a food and farmland chapter to encourage and support gifting of land as a mean to assist new farmers with land access and protect farmland.

<sup>&</sup>lt;sup>40</sup>For examples, see the CRFAIR 2015 Findings Report Exploring Farm and Food Lands Access in the CRD: A Local Government Farmland Trust Approach, the 2016 Farm Folk City Folk report <u>Farmland Access in British Columbia: Four Innovative Approaches</u>, and the 2010 <u>Review of Farmland Trusts</u> by The Land Conservancy and Farm Folk City Folk.

<sup>&</sup>lt;sup>41</sup> Vancouver Island University, *Agriculture Resource and Innovation Centre Feasibility Study*", December 2009, https://www2.viu.ca/aric/documents/Feasibility%20Study\_ML\_Fall\_2009.pdf

#### 6. OPERATIONS DETAILS

#### **HOW WOULD A RFFLT BE ADMINISTERED?**

There are advantages and disadvantages to each governance model. A key consideration in any model is the integration of community stakeholder involvement in the governance structure and strategic visioning<sup>42</sup>.

A land trust is typically managed one of three ways which depend on the desired level of involvement of the oversight organization:

- 1. In-house: Incorporated into the mandate of an existing government department, a staff position and portfolio specific to the RFFLT would need to be created OR new department created specific to RFFLT. In both cases the governance and operations would be executed by local government staff under direction of elected officials. A citizen advisory board could be appointed to inform and support development of long-term strategic plan.
  - Example: CRD Park <u>Land Acquisition Fund</u>. Staff is responsible for identifying lands with high ecological value, developing management plans, evaluating lands and consulting with partners.
- 2. Local Government Corporation (LGC): A separate legal entity takes responsibility for the operational and financial management. Local government corporations can have different structures and require additional engagement of business, legal and financial expertise to develop.<sup>43</sup>
  - Example: The Capital Regional Housing Corporation (CRHC) and Regional Housing Trust Fund (RHTF). The Corporation is a separate entity, owned by the CRD, and is governed by a Board of Directors, Advisory Committee of government and community directors, possesses non-profit status. The RHTF is overseen by a government commission<sup>44</sup> and advisory committee.<sup>45</sup>
- 3. Mixed Government and NGO: A combined effort, most often used on the west coast, the government organization sets the high level strategic goals and priorities then contracts with a not for profit entity governed by a Board of Directors made up of community members responsible for the day to day financial and operational management of the RFFLT. This model allows for the NGO to access funds to purchase and hold land in trust.
  - Example: Salt Spring Island Farmland Trust Society (SSI FLTS); Burgoyne Valley Community Farm. The SSIFLTS is a charitable organization, the farm is a 60 acre parcel in the ALR that was purchased by a developer and transferred to the SSIFLTS as an amenity contribution as part of a rezoning application on a property in Fulford Harbour. Other case studies to examine are: Sandown Racetrack (North Saanich) and Southlands Farm (Delta). 46 Banque de Terres (soon to be L'Arterre) provides for integrated land matching and education services at the municipal level.

<sup>&</sup>lt;sup>42</sup> CRFAIR. 2015. Findings Report Exploring Farm and Food Lands Access in the CRD: A Local Government Farmland Trust Approach. P15.

<sup>&</sup>lt;sup>43</sup> BC Ministry of Community Services. 2006. <u>Launching and Maintaining a Local Government Corporations</u>.

<sup>44</sup> CRD. 2005. Bylaw No. 3294: A Bylaw Establishing the Regional Housing Trust Fund Commission and Administration of the Fund.

<sup>&</sup>lt;sup>45</sup> CRD. 2005. Bylaw No. 3296: A Bylaw Establishing the Regional Housing Trust Fund Commission Advisory Committee.

<sup>&</sup>lt;sup>46</sup> CRFAIR. 2015. Findings Report Exploring Farm and Food Lands Access in the CRD: A Local Government Farmland Trust Approach. P19.

The CRD does not currently have a service or capacity to establish a service for food and agriculture. It is recommended that if the CRD does pursue a RFFLT, that it uses a mixed government and NGO model.

A business case/feasibility study are required to determine:

- diversified strategy for funding
- diversified strategy for land acquisition while starting with existing public lands
- clear governance structure and development of strategic plan
- partnership with non-governmental organization
- building on proven models both partnerships with First Nations governments and communities to assess land access needs and food activities.<sup>47</sup>

# WHAT WOULD BE THE COST OF OPERATING A RFFLT? HOW WILL SUCH COST BE COVERED?

HOW WOULD YOU FAIRLY SELECT THOSE WHO WOULD BE ALLOWED TO FARM RFFLT LAND? WHO WOULD ARBITRATE DISPUTES? WHO OWNS AND FUNDS RFFLT IMPROVEMENTS? HOW WOULD YOU DEAL WITH THE VALUE OF IMPROVEMENTS ON LAND?

A clear and transparent process for farmer selection will need to be established and include: terms of a land offer, dispute resolution process, capital investments and other details.

Application and proposal requests and forms exist on this process from many of the examples listed in this document. The RFFLT will need to articulate what information they require candidates to submit based on the goals of the Trust. For example, the City of Richmond leases farmland directly to a non-profit that addresses the day-to-day management including dispute resolution.

A selection process could include:

- Call for proposals/circulation of application form
- Opportunity for prospective farmers to visit the property and ask questions
- Interviews
- Follow-up meeting with top prospects
- Contract
- Trial period

Forms often request the following information:

- Description of agricultural experience in detail
- Familiarity with sustainability practices and description of how they fit with proposed business
- Experience working in a cooperative/collaborative environment
- Business plan and value proposition
  - vision and objectives

<sup>&</sup>lt;sup>47</sup> CRFAIR. 2015. Findings Report Exploring Farm and Food Lands Access in the CRD: A Local Government Farmland Trust Approach. P34-35.

- the crops and/or livestock intended to grow;
- the amount of land required and a detailed description of how it will be used
- o financial plan
- o strengths, skills, experience, and learning objectives
- farming practices
- o plans of any intended buildings or other structures
- food safety plan
- marketing
- o labour needs and intention of addressing
- o date on which applicant would be prepared to begin work on the land.
- o length of tenure applicant is ideally seeking
- Expected time commitment weekly to be onsite
- Description of how applicant sees their business fitting with vision and mission of the RFFLT (such as education activities, stewardship, etc.)
- References

#### WHO OWNS AND FUNDS RFFLT IMPROVEMENTS?

Typically the lessee is responsible for improvements, however, in some cases separate supporting funds could be made available in order to support new farmers who require start-up funds. The owner of the improvements are worked out in the lease agreement.

#### HOW WOULD YOU DEAL WITH THE VALUE OF IMPROVEMENTS ON LAND?

The way land improvement value is addressed would depend on the model selected to manage the RFFLT, small scale, property specific details are typically managed through lease agreements. In nearly all cases the owner receives the value of the land improvement, and benefits from long term protection from development and incentives to actively farm.