



Regional Foodlands Access Program Feasibility Study and Business Case

Prepared by Upland Agricultural Consulting Ltd for the CRD

CRD

Planning and Protective
Services Committee

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With support from Farm Food Drink

Agenda

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- Rationale
- Project Objectives
- Methods and Process
- Why is Access Needed?
- Public Amenity Benefits of Foodlands
- Access Tools – Ranking Results
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Foodlands

- Diversity of food growing and harvesting systems, colonial history of agricultural land policies.
- Reaches across communities, land access, and Indigenous land rights.
- Includes land designated as farmland in the Agricultural Land Reserve as well as those outside the ALR.



Rationale

- Population growth
 - Increase by 27% by 2038
- Agricultural land base
 - ALR is 16,000 ha (7%)
 - 50% is productive (3.5%)
- Regional Growth Strategy target:
 - Increase productive foodlands by 5,000 ha by 2038

So....how will the CRD meet that target?



Project Objectives

1. Examine challenges to foodland productivity
2. Explore tools to increase productivity
3. Provide comparative analysis of access models and recommend best tool
4. Explore how access can be used as a community asset for public good
5. Develop business case model based on realistic costs and revenues



Methods and Process

- Stakeholder engagement
- Literature review
- Food Systems Task Force
- Natural asset valuation
- Community partnerships
- Public benefits



The Need for Land Access

The Problem

- 50% of farmers will retire in the next 10 years
- Need new leadership for farmers institutes, 4-H clubs
- Cost of land is > \$100,000 per acre
- Lack of practical hands-on apprenticeships
- Lack of long term lease opportunities
- ALR protects farmland but does not promote farming

Local Government Priority

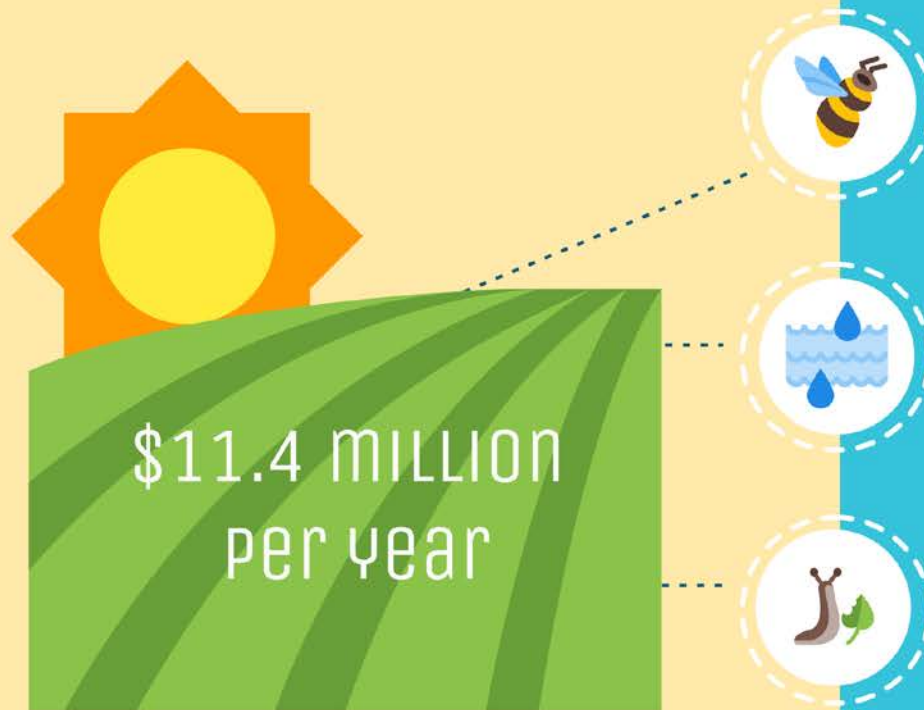
- Already maintaining public lands capable of being used as foodlands
- Lack of land access is a lost regional economic opportunity
- Foodlands provide natural asset services
- Public benefit potential through community partnerships

Public Amenity Benefits of Foodlands

- Increased food security
- First Nation Partnerships: Indigenous Food Systems
- Academic and research opportunities
- Job creation and spin-off enterprises
- Increased agri-tourism opportunities
- Room for education programs (e.g. Farm2School)



Natural Asset Value of Foodlands



A foodlands access program will provide the long-term protection of **natural assets** and will incur tangible benefits to the greater community, such as flooding mitigation and pollinator & wildlife habitat.

Studies indicate the value of farmland natural assets at approximately \$698 per hectare. This would amount to **over \$11.4 million** of natural asset value provided by CRD foodlands per year.

Access Tools – Ranking Results

1. Land trusts
 - Trustee holds ownership of property for the benefit of another in perpetuity.
2. Land banks
 - Public acquisition of land for future development purposes
3. Land connecting services
 - Connects and facilitates negotiations, and land use agreements.
4. Incubator farms
 - Multi-grower project to provide training and assistance to new farmers.
5. Farm tax policies
 - Increase farm income threshold for farm tax status.
6. Land ownership restrictions
 - Restricts foreign or domestic individuals or companies from purchasing land,
7. Regulation of farm leases
 - Requiring long lease terms, tenant rights to purchase, rent control.

Relative cost, CRD role, timeframe for implementation, level of effort required, level of impact

Access Tools – Ranking Results

Rank

mland ownership

Medium

Land Trust vs. Land Bank

- Trust will better achieve long term land access goals.
- Trust model least subject to changing political influences
- Land donations not just restricted to conservation lands.
- Previous (1970s) provincial trust provides lessons.
- Letters of support for a trust:
 - District of Saanich
 - District of Central Saanich
 - Town of Sidney
 - District of North Saanich



Governance

Hybrid Approach: Partnership between CRD and NGOs

- Grant funding and stable support
- CRD: policy development, property and lease management, and some administration
- NGO: hiring a Program Manager and Farm Caretaker, overseeing a Program Advisory Committee, recruitment of farmers, community partnership programs

Regional Approach: Innovative and Efficient

- Regional problems require regional solutions
- Cost-efficiencies in regional approach vs. several municipalities running multiple land trusts.
- Local governments would remain involved as owners of public land, retain control of infrastructure.



Cost and Revenues

- A point of reference based on best available data
- Would need to be refined if/when specific land has been identified
- Cost of land not included
- No housing will be provided, therefore no residential rental income



Variable Costs

Basic infrastructure:

- Fencing
- Irrigation
- Drainage

Expected variable costs Year 1:

- \$1,950 to \$6,450/acre (avg. \$3,000/acre)

Expected variable costs Year 2+:

- Year 2: \$350 to \$800/acre

Can be shared with municipalities

- e.g. Central Saanich is spending
>\$3,000/acre/year to maintain a 19 acre field



Variable Revenues

- Lease rates: \$100-\$800/acre/year
- Grant funding
- Donations
- Sponsorships
- Programming events
- In-kind contributions

Expected revenues Year 1:

- \$275,000

Expected revenues Year 2+:

- \$60,000



Fixed Costs

Program-related, not land-related

- Staff time (government staff, program manager, farm caretaker)
- Insurance
- Marketing
- Equipment

Establishment costs Year 1:

\$119,000

Ongoing annual costs Year 2+:

\$190,000



Economies of scale with Fixed Costs – shared across sites

Scenario 1: 5 acres vegetables

Lease rate: \$4,000 per year (\$800/acre)

Assumes good soil and infrastructure

Year	Variable (Site) Costs	Fixed (Program) Costs	Variable Revenues	Fixed Revenues	Net Income (Deficit)
1	\$15,000	\$119,000	\$275,000	\$0	\$141,000
2	\$7,500	\$190,000	\$66,500	\$0	\$10,000
3	\$4,000	\$190,000	\$66,500	\$0	(-\$117,500)
4	\$4,000	\$190,000	\$66,500	\$0	(-\$127,500)
5	\$4,000	\$190,000	\$66,500	\$0	(-\$127,500)

Scenario 2: 20 acres hay

Lease rate: \$2,000 per year (\$100/acre)

Assumes marginal soil, minimal infrastructure

Could be an interim use while land improvements are made

Year	Variable (Site) Costs	Fixed (Program) Costs	Variable Revenues	Fixed Revenues	Net Income (Deficit)
1	\$40,000	\$119,000	\$275,000	\$0	\$116,000
2	\$15,000	\$190,000	\$64,500	\$0	(-\$24,500)
3	\$7,000	\$190,000	\$64,500	\$0	(-\$132,500)
4	\$7,000	\$190,000	\$64,500	\$0	(-\$132,500)
5	\$7,000	\$190,000	\$64,500	\$0	(-\$132,500)

Scenario 3: 80 acres mixed

Lease rate: \$20,000 per year (\$250/acre)

Variable soil conditions

More than one type of crop

Year	Variable (Site) Costs	Fixed (Program) Costs	Variable Revenues	Fixed Revenue s	Net Income (Deficit)
1	\$140,000	\$119,000	\$275,000	\$0	\$16,000
2	\$56,000	\$190,000	\$82,500	\$0	(-\$147,500)
3	\$36,000	\$190,000	\$82,500	\$0	(-\$143,500)
4	\$36,000	\$190,000	\$82,500	\$0	(-\$143,500)
5	\$36,000	\$190,000	\$82,500	\$0	(-\$143,500)

Business Case Summary

- Will not be revenue neutral - requires committed support
- Available lands already exist
- Hybrid governance maximizes revenue potential
- Protects natural assets worth >\$11 million/year in services
- Investment in public benefits:
 1. Improved regional food security
 2. Partnerships with First Nations
 3. Preservation of natural assets
 4. Job creation
 5. Stimulation of the agricultural support sector
 6. Increase agri-tourism
 7. New education and learning opportunities
 8. Protection of undeveloped green space

Business Case Summary

- \$127,500 - \$143,500/year required based on scenarios tested
- Example of household levy @ \$127,500/year of funding:
 - \$0.70/household/year for all of CRD
 - \$0.76/household/year for all of CRD except Southern Gulf Islands and SSI
 - \$1.91/household/year for North Saanich, Central Saanich, Sidney, and Saanich.
- Underutilization of foodlands = lost social and economic opportunity
- Action is needed to meet RGS target of increased land productivity
- CRD and local governments are already financing the maintenance of much of this land

Spending incrementally more will open up a wealth of opportunities to provide a wider extent of community benefits.

Questions

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