

Supporting Farmland Access and Use by Farmers

Spring 2021

This policy brief is part of a series developed for the Okanagan Bioregion Food System Project. Each policy brief is connected to an area of local food policy development identified based on a review of local government comprehensive plans in the Okanagan bioregion. These briefs are designed to give context to the policy challenge and bring forth instructive examples to support local-level decision making.

To access all the policy briefs and get more information about the project visit:
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Introduction

In British Columbia, only 5% of the land base is suitable for agriculture (ALC, 2017). The Agriculture Land Reserve (ALR), a provincial land use zone, was established in 1973 to protect this limited land base and promote its use for agriculture. The ALR and its administrative body, the Agricultural Land Commission (ALC), regulates the use of the province's farmland to maintain its integrity and agricultural capacity into the future. However, protecting farmland alone does not ensure its productive use for farming. Approximately 50% of the agricultural land in the province is currently not used for agriculture (BC Ministry of Agriculture, 2016). There are many reasons for this, with a number of them directly related to the inability of farmers to access farmland in the province (Tatebe et al., 2018). Farmland access is fundamental to maintaining agricultural capacity and is therefore critical to a functioning food system.

Farmland in much of Canada is expensive and increasing in price. In some regions, particularly BC's South Coast and Okanagan, the price of farmland can be prohibitively expensive to most land-seeking farmers.

Farmland Prices in the Okanagan

In 2019, Farm Credit Canada reported farmland prices in the Okanagan as high as \$103,000/acre (FCCa, 2020), the most expensive in the province. Farmland prices in BC have increased an average of 10% annually between 2009 and 2017 (FCCb, 2020). Over the same period, farmer incomes have remained relatively constant, with the exception of supply managed sectors. For example, the net operating income for fruit and nut farms in BC over this period of time ranged from approximately \$17,000 to \$60,000 annually, which is insufficient to support families and a large mortgage (Statistics Canada, n.d.), and likely is financially prohibitive for the majority of farmers seeking land, especially new entrants.



In addition to policies which directly address the high cost of farmland like ownership restrictions and conversion taxes (detailed in Tatebe et al., 2018), policies and programs are called for which assist farmers to access farmland through means other than direct purchase in the open market. Examples of such programs exist in Europe, where they are largely driven by grassroots and non-profit organizations. In Canada, land use planning is the responsibility of the provinces and local governments, and as such, a few provinces have developed land access programs. However, there is no national, coordinated program or policy to address farmland access (Wilson et al., 2017).

Farmers who are Black, Indigenous, or People of Colour (BIPOC) in particular, face even greater challenges accessing farmland, stemming from the systemic racism experienced by these communities throughout history (Figuera and Penniman, 2020). Policies and programs are needed to address the additional barriers faced by these communities in accessing farmland.

Challenges to a thriving food and agriculture sector exist in the form of agricultural land loss (due to competition from other uses, speculation, or price increases) (Tatebe et al., 2018), and challenges with farmland access for farmers. This policy brief focuses on understanding local government actions and broader policy contexts that can assist farmers to access and productively use agricultural lands. The examples cited in this brief represent innovative approaches from around the world and are intended to be instructive for local level policy development in the Okanagan bioregion, and across British Columbia. Recognizing the impact of provincial, state and federal policies on climate mitigation some higher level policies are also highlighted.

Local Government Initiatives

- [Support farmland access for farmers in comprehensive policy documents](#)
- [Support for farmers in leasing private land](#)
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Policy and Planning Initiatives

Local Government Initiatives

Support farmland access for farmers in comprehensive policy documents

In British Columbia, the ALR aims to protect the province's limited agricultural land base. Given this regulatory environment, policy at both local and provincial levels currently directs considerable attention to farmland protection. However, there is notably less attention dedicated to supporting farmers' access to protected agricultural land and ensuring its use for farming (Tatebe et al., 2018). Including directives that prioritize the use of farmland for agriculture can help support the development of related policy and initiatives.

[Central Saanich's Official Community Plan](#) includes two policies which speak to farmland access in the document's agriculture section. These policies encourage alternative models of agricultural land ownership such as farmland trusts (independent non-profit organizations that own and manage farmland, hold covenants, and/or provide support for farmland protection and farming), and the creation of opportunities for new farmers.

Land Matching Supporting Farmland Access in BC

The [Young Agrarians \(YA\)](#) offers [lease and license templates](#) to assist farmers and landowners navigate lease agreements. The BC Land Matching Program further supports these arrangements with hands-on support and advice. With land linking staff and facilitators in regions across BC, YA hosts [land linking workshops](#) across the province in the fall and winter months.

The [King County Comprehensive Plan](#) (Washington) references developing additional mechanisms to preserve the affordability of farmland along with farmland protection, and acknowledges the difficulty farmers face in accessing farmland. Specific policies address leasing, incentivizing farmland use through tax credits, expedited permit review and fee reductions, and support for land access by working with organizations that help farmers and minority groups to access farmland.

Support for farmers in leasing private land

The prohibitive cost of farmland has made leasing one form of land access in BC. Most of these leases are between private landowners and farmers. Despite the growing trend towards farmland leasing, farmers need security in their tenure in order to be able to develop and maintain a profitable farm business, and leasing may not be an attractive option for some farmers. Many farm ventures, particularly those with perennial crops such as berries, fruit trees, and grapes, require years before realizing a profit. As such, longer term, secure lease agreements are necessary to better support farmers.

In France, the local municipal council of [Ile d'Yeu](#) embarked on a participatory governance program contacting landowners of underutilized agriculture land to encourage them to sell or lease to farmers. This program was undertaken in the context of the French SAFER system (detailed below), which regulates the sale and purchase of agricultural land in the country.

In Canada, non-profit organizations such as [Young Agrarians](#) (BC) and [L'Arterre](#) (Quebec) match land-seeking farmers with landowners willing to lease land. These organizations support both parties in navigating lease agreements and ensuring that these appropriately consider the specific context of agricultural land and businesses. Support for such organizations is often provided through granting programs (both government and private foundation).

Farm and Foodland Trusts

Farm and foodland trusts are established when organizations acquire and maintain land for farming and food provisioning. Lands that are acquired are protected with instruments such as covenants or conservation easements, which restrict land use activities to preserve farming capacity. Acquired lands can then be re-sold or leased to farmers at accessible prices (Curran & Stobbe, 2010; Land Conservancy, 2010). In BC, the [Foodlands Cooperative of BC](#) founded *to secure land in trust and promote the protection and stewardship of food providing lands across BC. Foodlands works with landholders, farmers, local communities and leaders in the agricultural and land trust sectors to develop and support community foodlands models and build healthy, local food systems (Foodlands Cooperative of BC Mission Statement)*. Work with Indigenous partners resulted in adopting the terms “foodlands” to recognize the diversity of food production and harvesting systems.

While most farm and foodland trusts are held by non-profit organizations, local governments can support such trusts by providing funding, land or other supports and regulatory concessions. [The Lincoln Institute of Land Policy](#) has a report outlining the partnerships between cities and land trusts in the US. The Capital Region Food and Agriculture Initiatives Roundtable (CRFAIR) has worked to build support for a local government supported farmland trust model on Vancouver Island. This model would see local governments acquire and hold farmland in order to make it accessible to farmers. The strategies proposed by CRFAIR is outlined in a [policy brief](#) published by the organization with support from local government partners and other funders.

For more details on farm and foodland trusts, see Tatebe et al., 2018.

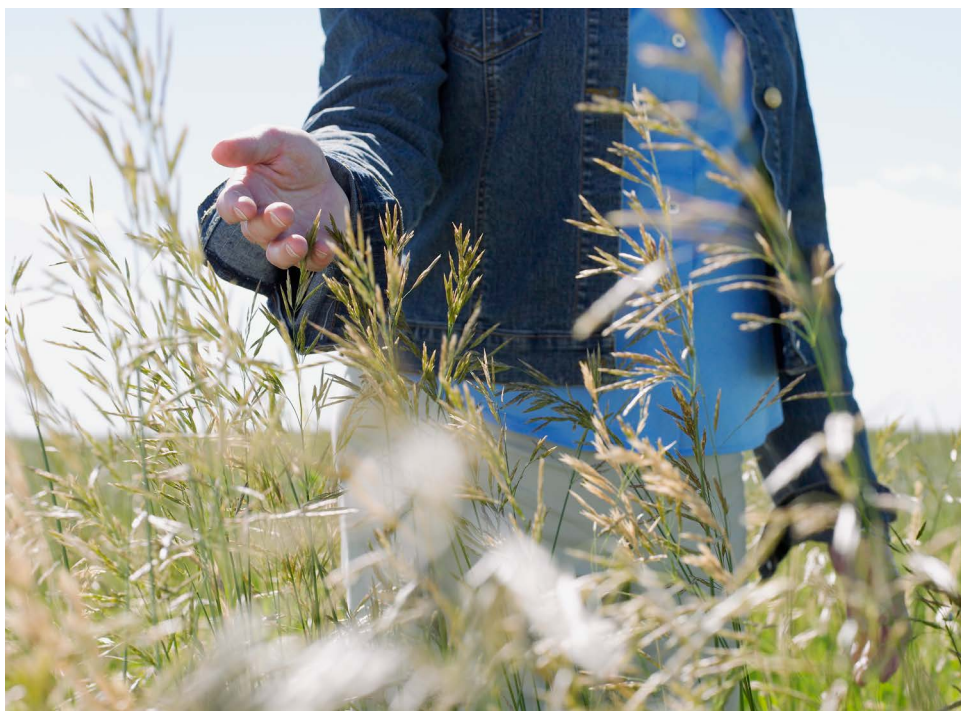


Lease programs for public land

Some jurisdictions are exploring leasing municipally-owned land to individuals or non-profits operating farm businesses.

Examples of farms operating on municipal lands can be found in Europe. Hamburg, Germany has three farm businesses operating on city-owned, leased land. These operations include an organic dairy, and farms with direct-to-consumer markets on-site. The City of Hamburg has been systematically purchasing potentially productive agricultural lands, and is now the largest agricultural landowner in the City. These lands are leased out to farmers on short term leases which automatically renew at the end of their term provided the land is used for farming. In the case of [Hamburg City Estates](#), the City specifically chooses producers who would farm organically. The City recognizes the value of supporting agricultural operations in the form of job creation, landscape quality, and increased local food provisioning (Bahner, 2011).

Examples of similar programs in Canada include the [Toronto Region Conservation Authority](#) (TRCA), and, on a smaller scale, [Loutet Farm](#) in the City of North Vancouver, BC. In the case of Loutet Farm, the City recognized the potential benefits of increased local healthy food available in the community, public education and community involvement through farm programming, job creation, and aesthetic improvement (Davis, 2009). [Downsview Park](#) in Toronto is former Defence land (Federal land), now converted to numerous public uses, including urban farm [Fresh City Farms](#).



Collective public ownership and management of farmland

Local governments are also exploring farm operations as a way to protect farmland and provide opportunities for farmers. This is the case in the [Village of Mouans-Sartoux](#), France, where the local government has purchased former estate lands and hired farmers as municipal employees to manage all aspects of the farm operations. This arrangement not only ensures that land is farmed but also provides job opportunities. The food produced is served at the village's school canteens, providing up to 80% of their produce requirements.

Farmland ownership/sale regulation and restrictions

In some areas of BC, speculative land ownership is believed to be contributing to the rising cost of farmland. Incomplete ownership data makes it difficult to discern who actually owns land in many cases, providing shelter for speculative purchase and sale of farmland (Tatebe et. al, 2018). This can result in land prices that are unattainable for farmers and prevent the use of agricultural land for farming. As a result, some local governments internationally, have explored opportunities to support the sale of farmland for the purpose of farming.

A number of European government agencies regulate transfers of agricultural land ownership or operations in support of desired food system outcomes. In France, public agencies called [SAFERs \(“Sociétés d’Aménagement Foncier et d’Etablissement Rural”\)](#) [Translated into English as “Land Development and Rural Settlement Associations” (Merlet & Levesque, 2008)] are involved in agricultural land markets with the goal of preventing speculation, regulating farmland ownership, supporting new farmers, and consolidating farm parcels to an appropriate and viable size. SAFERs have the pre-emptive right to buy land that is on the market, and then resell it to interested farmers in alignment with their objectives. They can also suggest a lower price if the asking price is judged to be higher than market value for agricultural use. The seller must accept the adjudicated price or take the land off of the real estate market. Because the law requires that SAFERs be notified about all farmland sales, they have comprehensive information about farmland real estate market trends, enabling them to address speculation head on (Merlet, 2015).

Similarly, land banks are state agencies with a mandate of purchasing land and resell or rent it, usually for the purpose of land consolidation or land ownership reform (Hartvigsen, 2015). A public land bank with a focus on farmland would take an active role in acquiring underutilized farmland, addressing liabilities or limitations (e.g. lack of infrastructure like irrigation services or access roads), and promote productive agricultural use of the land. [The Land Fund of Latvia](#) is one such example.

Provincial, State and Federal Initiatives

Legislating equality in land access

In the state of Vermont, [a new BIPOC \(Black, Indigenous, and People of Colour\) Land Access and opportunity act](#) is being introduced to address the systemic racism and challenges faced by BIPOC farmers accessing land. The legislation will include a fund to support land purchases, and financial education and resource management education programs, as well as support for other BIPOC-led organizations and initiatives.

Loans and grants for new entrant farmers

Establishing a farm business requires particularly high up-front investments in land and equipment. The terms of traditional business loans are often unsustainable for nascent farm businesses. Accessing appropriate financing and capital has been identified as one of the most significant barriers for new farmers in establishing a viable farming business (Wilson & Martorell, 2017).

In Canada, existing federal programs targeting entrant farmers (e.g. Farm Credit Canada) often most effectively support large scale farming operations. New entrant and small-scale farming operations may have difficulties accessing these loans, which require large down payments and/or other assets as collateral. For example, Farm Credit Canada’s Young Farmer Loan program requires a 25% down payment, which can be financially prohibitive for many new farmers (Wilson et. al., 2017), especially in regions where land prices are

Vermont’s BIPOC Land Access and Opportunity Act

This act addresses systemic racism in land access opportunities in the state of Vermont. The intent is to create new opportunities for individual and collective BIPOC land access throughout the State.

Key components include:

- A BIPOC Board-managed fund to assist with downpayments and grants
- Financial education programs
- Mortgage assistance and tax benefits
- BIPOC land trust programs
- Grants for anti-racism trainings and education opportunities throughout the State.

high. Additionally, financing programs that only target land access can exclude new farmers who have access to land, but require help with initial operating costs.

“Patient Capital”, or financing programs with long-term lending, low-interest rates, and/or delays for first payments, have been proposed as more supportive to new entrants (Wilson & Martorell, 2017). The [United States Department of Agriculture \(USDA\) has a series of financial assistance programs targeting new or small-scale farmers](#); many with low interest rates, and/or long timeframes. Their first time farm buyer loans include a down payment loan program, which creates a partnership between the farmer, USDA Farm Service Agency (FSA), and private lender, to enable down payments for new farms. The Loan Guarantee program provides federal loan guarantees for retiring farmers who self-finance the sale of their land to a beginning or minority farmer. This reduces financial risk for retiring farmers who self-finance the sale of their land, and creates an additional option for land access for new and minority farmers. (National Sustainable Agriculture Coalition, 2017).

A number of provinces have developed financing programs targeting new entrant farmers. [Manitoba’s Bridging Generations Initiative](#) assists farmers aged 18 to 39 who are purchasing a farm, offering either 90% financing or 5 years of interest-only payments. In Quebec, the [Financière Agricole du Québec](#) (FADQ) provides start-up and establishment grants, and long-term loans at suitable rates for new farmers. It is worth noting that FADQ funding is not dependent on cost-sharing from federal sources (unlike most provincial loan programs which channel federal funding), making it potentially more secure over the long-term (Wilson et. al, 2017).

While loans and grants are most commonly provided at federal and provincial levels, local governments can support access to these resources and ensure that entrant farmers have the tools and knowledge to seek financing and support.

Conclusion

Access to affordable farmland for new entrant farmers is increasingly difficult in BC. While the ALR focuses policy attention on farmland protection, initiatives to improve access and productive use of farmland are less common. Initiatives which support leasing of public and private lands, collective ownership of farmland, and regulation of farmland ownership and sales, are potential means to support affordability, increased use, and access. Funding programs for new farmers are also critical. In these ways, local governments can not only advocate to higher levels of government to support access and use of farmland, but can play an integral part.

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About the Okanagan Bioregion Food System Project

These research briefs were developed as part of the Okanagan Bioregion Food System Project. Communities and governments are increasingly looking to strengthen regional food systems as a way to address many complex agriculture and food challenges. This multidisciplinary research project, initiated by ISFS and regional partners, can guide conversations among communities and decision-makers seeking to advance their regional food system.

To access all the policy briefs and the full project report visit: www.kpu.ca/isfs/okanagan-bioregion

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