

PEI Federation of Agriculture
Presentation to
Senate Committee on Agriculture and Forestry
Study on Farmland Acquisitions on Agriculture

Good Evening Committee Chair and Committee Members,

My name is Mary Robinson and I am the President of the Prince Edward Island Federation of Agriculture.

I want to thank you for inviting me here and providing the Federation with this opportunity to present to you.

Our Federation of Agriculture is the PEI's largest general farm organization; representing the interest of more than 80 percent of farms across our island. We have approximately 600 farm members and 15 different commodity associations. Our membership is not only diverse in production (cattle, dairy, potato, strawberry, fur, honey and so on) but also varied in the quantity and quality of agricultural land they control (a few acres to a few thousand acres, blueberry land to potato land).

Agriculture is consistently PEI's largest economic driver, contributing \$450 million to the 2014 provincial GDP, almost \$100 million more than the next closest industry.

The 2011 Census reported PEI had 1,495 farms, averaging 400 acres each. Total land under production in 2011 was around 600,000 acres. Compare this with 1996 – 2,200 farms and 655,000 acres in production. In order to gain economies of scale and satisfy buyers' requirements for a consistent supply of product, farms are amalgamating in PEI just as they are across the country. And at the same time we are seeing the disappearance of cultivated land.

The value of PEI farmland has grown at an average rate of 4% a year since 2010. In the last two years alone, PEI has seen land values jump 9.3% in 2014 and a further 8.5% in 2015. Although the magnitude of rising farmland prices may vary across Canada, we all know the commonality is an upward nationwide.

We believe farmland price increases in PEI can be largely attributed to the requirement of more acres so as to be in compliance with our mandatory 3-year crop rotation. As well, land that has had strategic value for individual farms has garnered big prices. For example a field that is close to the main operation, completes a block of land or where it seems to be in the best long-term interest of the farm to control a parcel that has come onto the market.

We have seen out of province farmers choose to sell in higher price markets and relocate to our province and buy complete farms. And we have see religious groups buying up tracts of land as well.

All of these factors have placed pressures on the land prices.

PEI does have a Land Protections Act. The purpose of this act was to halt single entities controlling more than 3,000 acres. It has been a thorn in the side of some producers and has probably been effective to quell some of the land grab that we feared was starting to happen in the mid 1980's.

Potential solutions? How I wish I could tell you we have an easy, clean-cut situation for this problem! We don't. But we strongly support the protection of resource land in Canada.

Provincial governments could be encouraged to develop a sliding land tax policy that would reward the owner(s) for keeping Ag land in production. Taxing land that is not kept in agricultural production at a high rate would incentivize non-farming landowners to develop a relationship with an established farmer or new entrant to cultivate their land.

A recent report led by Dr. David Connell from the University of Northern British Columbia suggests that the federal government must show leadership, by making a clear policy statement about the importance of farmland. This policy statement should become a foundation within the next Agriculture Policy Framework agreement that is currently under consultation here in Ottawa. This would send a message to all provinces about the need to protect the farmland they have.

Prince Edward Island is currently undergoing municipal amalgamation. Provincial government legislation on this subject includes the downloading of land use policy powers to municipal governments and this has the farming community calling for reconsideration. Much like the suggestion Dr. Connell has given the Federal Government; we are asking that our Province deem farmland on PEI to be resource land that needs protection. We are asking that the Province retain power over land use planning for farmland and ultimately protect this land from being taken out of production.

In closing, I want to thank you again for this opportunity and assure you that the PEIFA is prepared to work with governments at all levels to protect farmland for future generations and further the interests of Canadian farmers.

Thank you for your time.