

B.C. Agriculture Sector **STRATEGIC PRIORITIES**

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ABOUT BCAC

We work for B.C.'s farmers and ranchers.

BC Agriculture Council (BCAC) is the **lead industry advocate** for key sector-wide priorities in British Columbia.

Our mission is to grow a **strong**, **sustainable and competitive agriculture sector** through building industry consensus and advancing public policy.

We achieve this by delivering a unified voice for the sector to government through our **29 member farm associations**, representing **over 20,000 farming families** and approximately **96% of farm gate sales** in B.C.





SECTOR PRIORITIES

We believe the best solutions <u>for</u> agriculture sector challenges should come <u>from</u> the agriculture sector.

The economic viability of farm production is in jeopardy as a result of the financial stress caused by increased input costs and a continually growing tax burden. According to the Farm Input Price Index maintained by Statistics Canada, British Columbia is now the second least profitable province in which to farm.

We are pleased to share several specific ways B.C. farmers and ranchers feel our province is uniquely positioned to provide solutions in food security.

The following B.C. agricultural sector priorities were identified in consultation with BC Agriculture Council's 29 member associations.

For questions about the information presented, please contact: **communications@bcac.ca**

PRIORITY: DEVELOP A PROVINCIAL AGRI-FOOD COMPETITIVENESS AND GROWTH STRATEGY

OUR GOAL: A strong, sustainable and competitive agriculture sector that leads the country in its innovation, resilience and food security.

THE CHALLENGE:

In recent years, agricultural producers in British Columbia have seen significantly increased costs for inputs critical to their operations. Interest rates and insurance premiums have simultaneously skyrocketed. Climate events like drought and flooding, disruptions to global supply chains and the COVID-19 pandemic are beyond the scope of individual producers' influence yet can radically impact their ability to farm.

Our current food system is overly dependent on imports which leaves B.C. at risk in times of crisis or supply chain disruption. Alberta and other provinces in Canada are having success attracting people and business from B.C. because they have a clear strategy and are executing it well. Our province lacks a vision and a clear strategy for agriculture and food in B.C.

Apart from the economic benefit, our sector offers an important social benefit – the ability to feed our own population. Recent years have demonstrated our vulnerability in our ability to do this.

THE OPPORTUNITY:

BCAC, along with other agri-food system stakeholders are recommending the development of a clear strategy to guide government support and decision-making that leads to a more competitive sector moving forward. A coordinated action and open discussions with government and industry are needed to ensure meaningful solutions to advance sustainable and competitive agricultural production and processing in B.C.

Forward action includes:

- A **Premier's Task Force** including agriculture industry stakeholders would provide both the Premier and the Minister of Agriculture and Food with the timely and accurate insight necessary to define what food security means in B.C. and identify results-driven ways to ensure competitive growth in the provincial food production sector.
- The Premier's Task Force would then work with government to co-develop a Provincial Agri-Food Competitiveness and Growth Strategy that would bring government and industry together to strengthen B.C.'s food system future.



PRIORITY: INCREASE MINISTRY FUNDING TO APPROPRIATELY SUPPORT THE SECTOR



OUR GOAL: The BC Ministry of Agriculture and Food is funded to a level that appropriately resources the needs to the sector and is comparable to province's investment levels.

THE CHALLENGE:

Among all provinces, B.C. ranks dead last in provincial investment in agriculture. B.C.'s public spending as a portion of agriculture's contribution to GDP is the lowest in Canada, at only 2.5%.

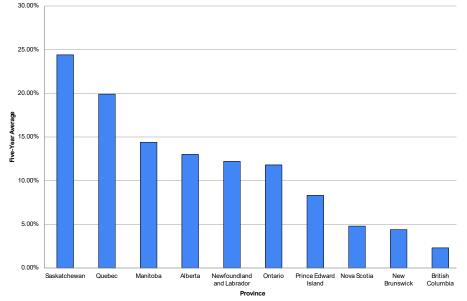
To move B.C. up just one place in the rankings to 9th place, the Ministry's budget would need to increase by \$60 million – an increase of 45% over current funding levels.

In addition, due to federal-provincial cost-sharing agreements, B.C.'s low investment has resulted in a loss of additional matched dollars from the Government of Canada.

THE OPPORTUNITY:

An increase to the Ministry's budget would clearly demonstrate the province's commitment to food security and the sustainability of agriculture. The Canada-wide historical average of direct investment in agriculture is approximately 12%. Addressing this investment gap will help level the playing field for producers and ensure growth and competitiveness for B.C.'s farmers and ranchers.

FIVE-YEAR AVERAGE VS. PROVINCE





The BCAC Board and Membership share that an increase to the Ministry's budget would:

- Empower farmers' ability to innovate and reinvest in their farm operations through additional extension services, programs and other direct supports to the sector.
- Support the implementation of the Provincial Agri-Food Competitiveness and Growth Strategy as proposed above.
- Enhance the Ministry's staffing to provide more access to expertise and support for producers.
 - Support the development of a provincially funded program that can provide timely relief for producers who have experienced adverse climate and emergency events.
 - Offer B.C. farmers and ranchers additional crop insurance in a provincial scheme that is competitive with other provinces.
 - Introduce a wage subsidy for essential farmworkers. This would help offset increased production costs as B.C.'s minimum wage has gone up 47.6% since 2017.
 - Support the execution of a **farm threshold review process** as proposed below (unless addressed during the Strategy development process).

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PRIORITY: WATER SECURITY FOR AGRICULTURE AND LONG-TERM WATER STORAGE SOLUTIONS

OUR GOAL: Water for agricultural purposes is prioritized on a level consistent with that of drinking water and a longterm strategy (with funding) for water storage solutions is developed to plan for future water supply needs (prioritizing food security for British Columbians).

THE CHALLENGE

Provincial food security relies on predictable water availability.

For several years now, adverse climate events brought the agriculture sector unrelenting heat, devastating wildfires, catastrophic floods and prolonged dry spells. Water scarcity hinders crop growth, affects forage availability for livestock and, as a result, farmers and ranchers are suffering significant production losses.

The need for policies and concrete investments can help preserve farmers' access to this precious resource so that British Columbians can benefit from reliable access to healthy, affordable, locally produced food and increase food security for British Columbians.

THE OPPORTUNITY

Prioritizing water for agriculture production at a level consistent with that of drinking water and developing a strategy for water storage solutions in the province, including, but not limited to:

- Establish Agricultural Water Reserves in conjunction with the Agricultural Land Reserve to provide long-term, generational sustainability for agriculture, and the ability for farming to continue in times of drought.
- Ensure reliable access to safe water for agricultural production. This includes the adoption and implementation of legislation and regulations that recognize agriculture as a distinct category of water use. At the local and regional level, Water Sustainability Plans should be developed in close collaboration with farmers and ranchers to ensure both food and water security for affected communities.
- Create supports for large-scale water storage on farms, upgrade and modernize existing water infrastructure, and invest in farm and communitylevel water infrastructure, including reservoirs, to ensure water availability.



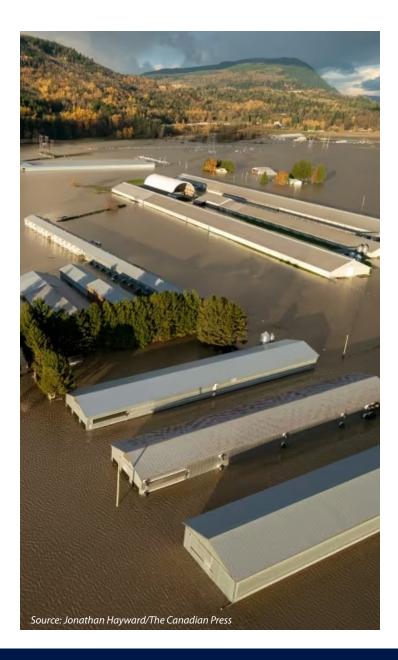
PRIORITY: SUPPORT SECTOR EMERGENCY MANAGEMENT AND CLIMATE READINESS NEEDS



OUR GOAL: B.C.'s food supply is secure, and there is a reduced impact on the agriculture sector from climate-related and other emergencies.

THE CHALLENGE:

As farmers and ranchers rely on the land for their livelihoods, they are particularly vulnerable to extreme weather events. Even brief interruptions to farm operations can negatively affect their financial viability and their capacity to support local food security. It can also be safer in some situations for farmers to shelter in place rather than evacuate.





THE OPPORTUNITY:

With the right supports, producers can play an important role in emergency response and recovery.

Strategic actions to achieve this goal include:

- Supporting industry to adopt, implement, and scale preparedness-related projects that tangibly improve collaboration between local government emergency response programs and producers for high-risk hazards.
- Ensuring formal representation from the agriculture sector in Emergency Operations Centres (EOCs).
- Providing ongoing robust funding for the training of agricultural liaisons to ensure agriculture's capacity to provide qualified representatives to serve on EOCs.
- Bringing together provincial bodies, the agriculture sector, local governments and Indigenous communities to develop and implement a consistent permitting system to allow producers to obtain a pre-qualified pass for access to emergency areas so they can care for animals and continue their work when it is safe to do so.



PRIORITY: ENHANCE B.C. FARMERS' ABILITY TO COMPETE

OUR GOAL: British Columbia leads the country in offering an attractive and competitive operating environment for businesses within the agriculture sector to thrive.

THE CHALLENGE:

The economic viability of farm production is in jeopardy owing to the financial stress on producers caused by increased input costs.

According to the Farm Input Price Index maintained by Statistics Canada, B.C. is now the second least profitable province in which to farm. This has been fueled by input price increases and substantial land costs. Minimum wage has also increased by 47.6% since 2017, driving up labour costs. Drought conditions and policies that restrict agricultural access to water have had significant impacts on operations as well.

At the same time, the tax burden in B.C. continues to grow substantially. For example, in April 2024, B.C.'s carbon tax further increased from \$65 per tonne to \$80. This is frustrating for producers because, in many cases, there are no viable alternatives for equipment or farming methods that emit carbon dioxide.

THE OPPORTUNITY:

We recognize that there is only so much the Government of B.C. can do to address the affordability and availability of inputs. However, it is within the province's power to ease some of the tax burden on farmers and ranchers to ensure that farming has a future in B.C.

Strategic ways to act:

- Supplement the federal **Advanced Payment Program (APP).**
- **Provide on-arrival Medical Services Plan (MSP)** coverage to temporary foreign workers.
- Match the exemption from Provincial Sales Tax already extended to farmers for other goods that are as essential to farm operations as insurance by exempting farm operations from the insurance premium tax.
- **Exemptions from the carbon tax** for agricultural purposes.
- **Cost-shared programs** for farm capital projects to improve productivity.
- Establish an ongoing **joint government-industry committee** to provide a forum for industry to provide advice or feedback to the Ministry of Agriculture and Food (or for the Ministry to seek advice) on farm business challenges and to support any future development of government policies, processes or regulations.



PRIORITY: PRIORITIZE AGRICULTURAL LAND FOR PRIMARY AGRICULTURE



OUR GOAL: Agricultural productivity within B.C.'s Agricultural Land Reserve has increased.

THE CHALLENGE:

In B.C., there is very little suitable land available for agricultural production. This is why the Agricultural Land Reserve (ALR) was established, dedicating just 5% of the province's land mass for this use.

Encroaching urban development, rising land costs throughout B.C., increased demand for other uses, and a growing regulatory burden on farmers and ranchers have placed considerable strain on the ALR and could further reduce the already limited amount of land available for agricultural production. These land constraints also impact the competitiveness, growth and long-term viability of the agriculture sector in B.C.

While the exact acreage is unclear, there is unused land within the Agricultural Land Reserve. Much of this 'empty land' is reportedly held by speculators with no agriculturerelated business intentions whatsoever.

Industrial land adjacent to ALR land can sell for 15 times the price of agricultural land. As such, speculators are willing to purchase cheaper ALR land and either try to remove it from the ALR restrictions or bide their time waiting in hopes that changes to ALR land use rules would permit the sale of the land for industrial purposes – and at a significant profit to the speculator.

Soil quality within the ALR can vary by region, but even land considered to be poor for planting crops can be productive for grazing or utilized for controlled growing environments and considered highly valuable. Thus, all ALR land has the potential for productive agricultural uses.





THE OPPORTUNITY:

The following strategic actions can increase the productivity of the ALR:

- Review revenue thresholds for farm classification under the Assessment Act and issue recommendations on updated thresholds beyond the current thresholds which have not been increased—nor even indexed for inflation since 1997.
- Incentivize agriculture production through tax measures that encourage active farm production on ALR land and penalize the misuse of agricultural lands, e.g. expand B.C.'s Speculation and Vacancy Tax to include vacant or unused land in the ALR.
- **Subsidize long-term financing** for agriculture on ALR lands.
- Provide incentives, such as carbon rebates, for productive agricultural land that contributes to carbon capture. A significant body of research shows that well-managed agricultural land can function as a carbon sink. In this way, agriculture can be an important partner in addressing climate change.



PRIORITY: RECONCILIATION

OUR GOAL: To bring about full inclusion of the agriculture sector in government reconciliation processes.

THE CHALLENGE:

Our experience has been that recent approaches to reconciliation do not advance genuine reconciliation with Indigenous Peoples across all economic sectors.

Frequently, consultations with Indigenous Peoples are held separately and behind closed doors. This impedes fostering mutual understanding among everyone who calls these lands home. *If reconciliation is to succeed, it should not be a 'by invitation only' process.*

Many of B.C.'s farmers and ranchers frequently collaborate and engage with Indigenous Peoples, and they wish to continue to do so. What's needed is support to do more of that important work, not processes that cut farmers out of the conversation.

Further, the Government of B.C. has, at times, presented

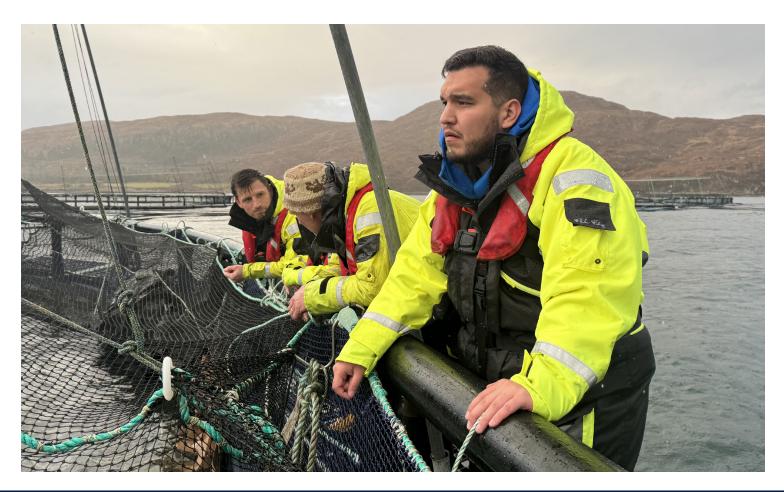
the outcomes of government consultations with Indigenous Peoples as a 'done deal,' neglecting to incorporate feedback and perspectives from others, including the agriculture sector.

THE OPPORTUNITY:

We acknowledge the tremendous importance of government-to-government relationships between the province and Indigenous Peoples.

Meaningful and mutually respectful engagement takes time and resources. It also requires opportunity for multistakeholder participation:

- Provide financial resources to farmers and nonprofits to **support Indigenous engagement.**
- Ensure reconciliation is inclusive of all, i.e. those who would be impacted by decisions made as a result of a reconciliation process.



PRIORITY: FOOD PRODUCTION IS PARAMOUNT



OUR GOAL: To ensure food produced in B.C. can also be processed in the province.

THE CHALLENGE:

Alberta is having success attracting people and business from B.C. because they have a clear strategy and are executing it well. BC Food & Beverage Association (BCFB), in collaboration with BCAC, is recommending the development of a clear strategy where land use is an important component, but would also need to include productivity, investment, innovation and labour in order to make the entire agri-food sector more competitive. Those are the key pillars that need to be looked into not separately but together in a strategic way.

The lack of processing capacity has emerged as a significant obstacle to growth for multiple commodities produced in B.C. One of the factors contributing to this lack of processing capacity is commercial and industrial land availability in the Metro Vancouver region and other major urban centres, particularly in southern B.C.

In contrast, increased loss of processing capacity to other jurisdictions could impact farm profitability for those producing related commodities. This has prompted



interest from the Government of B.C. in ways to promote more processing within the province, as demonstrated by the launch of the \$20 million Food Processing Growth Fund in Budget 2023 as part of the broader Food Security Initiative.

However, according to Statistics Canada, over half of new manufacturing plants are retired by the time they are six years old and fewer than 20% are still functioning by the age of 15. In consultations, a significant number of BCAC member associations expressed concern that policy changes that make it easier to exclude lands from the ALR could be abused, with lands initially excluded for processing later being used for cold storage, trucking, and other purposes less relevant to the needs of the agriculture sector. Such lands could likely not be remediated for agricultural production in the near future.

BCAC member associations generally expressed support for the current rules on excluding lands from the ALR for processing and therefore, there is a very strong sentiment that any future considerations in the changing of these rules need to be done in advance and in consultation with the agri-food sector.

THE OPPORTUNITY:

For a processor to be successful, their facility must be located near major transport infrastructure. While close proximity to a willing workforce is also desirable, labour availability is a province-wide challenge. Therefore, finding a way forward requires a multi-faceted approach to developing high-potential economic regions (HiPER) in B.C. outside of the Lower Mainland and Vancouver Island that can develop as viable locations for food processing.

- Provide tax-based incentives for processors to locate their facilities in B.C. regions outside of the Mainland/Southwest and Vancouver Island/Coast.
- **Invest in transport infrastructure** to allow for efficient transfer of supplies and consumer products in and out of underdeveloped economic regions.
- Partner with regional and municipal governments to improve education and recreation infrastructure that is attractive to families.
- Incentivize immigration to HiPER.



MEMBERS

- BC Blueberry Council
- BC Broiler Hatching Egg Producers' Association
- BC Cattlemen's Association
- **BC Cherry Association**
- BC Chicken Growers' Association
- BC Cranberry Growers' Association
- **BC Dairy Association**
- BC Egg Producers' Association
- BC Fruit Growers' Association
- BC Grain Producers' Association
- BC Grapegrowers' Association
- BC Greenhouse Growers' Association
- BC Hazelnut Growers Association
- BC Honey Producers' Association
- BC Landscape & Nursery Association

BC Pork Producers' Association BC Potato & Vegetable Growers' Association BC Poultry Association BC Salmon Farmers Association BC Shellfish Growers Association BC Strawberry Growers Association BC Turkey Association BC Wine Grape Council Fraser Valley Pea and Bush Beans Growers' Association Horse Council British Columbia Organic BC Peace Region Forage Seed Association Raspberry Industry Development Council United Flower Growers

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