

Sweetheart issue for the farm community.

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Wendy R. Holm, P.Ag.

In many ways, the Six Mile Ranch issue could not have come at a better time...

Arriving smack on the 25th anniversary of the enactment of the Agricultural Land Reserve, Six Mile Ranch is a "sweetheart" issue for the farm community because it highlights government's need to "animal husbandry by-product or get off the pot" on farm policy in this province.

Six Mile Ranch is merely a high profile (because it is happening "loudly" thru exclusion rather than "quietly" by inclusion thru ALR-permitted use conversion to country estate) and politicized (the pols now have their mitts on the process) variant on the withdrawal of land from active farming that's already happening every day in the Okanagan and other regions of this province...

I had a chance to look closely at the subject as part of a report just completed for the B. C. Fruit Growers Association.

Entitled The Agricultural Land Reserve in the Okanagan - Renewing The Public Policy Prescription, the study — which references apples but applies equally to soft fruits, dairy, vegetables, grapes and other farm commodities — addresses new policy options to retain productive farmland and viable farming communities.

Dubbed the *ALR Compensation Study* by orchardists who brought the idea of the study to life on the floor of last year's convention, the final product — released at BCFGAs AGM in late January — is a quite readable, 200+ page report. It is accompanied by a stand-alone, 15 page SUMMARY full of colour graphs that tell a compelling story.

Beginning with a review of what was put on the table when the ALR was instituted, the study revisits that policy prescription in light of today's realities and then looks at what policy-makers in the rest of the world are doing to support agriculture.

The results are fascinating.

According to information contained in a "hot-off-the-presses" two-volume 1997 OECD report (Agricultural Policies in OECD Countries - Monitoring and Evaluation, and Measurement of Support and Background Information), Canada has cut its subsidies both sharper and faster than all other OECD nations with the exception of New Zealand. (And reports on N.Z. agriculture are not promising...)

And guess who are the lowest-subsidized farmers in all the reporting OECD member countries (again, except for N.Z.)? Canada...

In response to GATT/WTO agreements on agriculture, policy makers in the rest of the world are quickly replacing old-style, decision-distorting subsidies with "green" subsidies: per acre payments to farmers for being good stewards of the land and for providing the external benefits associated with active farming — such as recharge of groundwater aquifers, processing of wastes, providing habitat for wildlife, protection of fragile ecosystems, a hedge against future food scarcity and scenic countryside landscapes — all of which add benefit/value to society for which the market does not sufficiently compensate.

B.C.'s stringent environmental regulations and guidelines governing farm practices make such programs a natural fit for this province.

Although the reply "the U.S. will never go for it on a trade level" seems to be used of late to counter virtually every good idea that comes up to assist growers, it is precisely in the United States that some of the most forward-looking farm support programs have been developed. Quite successfully. For some twenty years now.

In addressing the role of public policy in imperfect markets (markets that don't value fully the benefits society derives from a given event or process, in this case farming), Professor Sandra S. Batie (Department of Agricultural Economics, University of Michigan), puts it this way:

Private profitability does not necessarily equate with an economically beneficial situation. Economically beneficial situations are those where the net benefits from agriculture, including all agro-environmental services, are positive.

...positive agro-environmental services such as visual amenities can mean an unprofitable farming operation is, nevertheless, economically beneficial.

Gaps between private profitability measures and public assessments of economically beneficial situations imply a role for public programs.

Helsinki Seminar on Environmental Benefits of Agriculture, (OECD, 1966)

And, from the European Union:

While some environmental problems can be addressed through codes of good agricultural practice, backed up where necessary by legal restrictions on some farming techniques, in many cases the enhancement or preservation of the rural environment require a level of commitment well beyond the legal minimum and beyond codes of practice.

...environmentally beneficial measures often entail considerably reduced productivity and costly and time consuming improvements.

For this reason, payments from public funds for farmers who alter their activities substantially to benefit the environment is essential to achieve the environmental goals which society wants.

What can Canada's policy makers be thinking?

The implications of the report just completed for the fruit growers extend far beyond tree fruits and far beyond the Okanagan. With strong support from other farm groups, its report could very well serve as a blueprint for change.

As Alan Claridge — interviewed along with other leaders of the fruit industry on events of the 1970's — so succinctly put it:

When I went to Ottawa, they looked at me and said "And just how many farmers do you represent?" I replied: "I represent them all.". And that's what made the difference...

The main study and its companion SUMMARY document are obtainable thru BCFGGA for a nominal photocopying and handling fee. Their number is 250-762-5225.

(P.S. - How many readers missed my "Country Life Fantasy" piece appearing on the left inside back page of last month's issue? Four out of five dentists recommend it...)