

Report from BC

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Deck: One of an ongoing series of reports on agriculture from other areas of Canada. This week, a report from British Columbia. Wendy R. Holm, P.Ag. is an agricultural economist, Agrologist and farm journalist who lives and works on Bowen Island, B.C.. She was named B.C. Agrologist of the Year 2000 for her advocacy work on behalf of farmers.

By Wendy Holm

Tucked away behind (or in front of, depending on your perspective) the Canadian Rockies, a jumble of mountains dotted with fertile lowlands and high, productive plains, British Columbia is as deep as the prairies are wide. This is particularly true for agriculture.

Boasting a climate that runs the gamut from Peace River prairie to Okanagan/Kamloops desert to productive grasslands to fertile raincoast, British Columbia's varied and isolated microclimates once made B.C. the seed capital of Canada. Today, diversity remains a hallmark of the farm sector.

Over the past decade, B.C.'s farmers have scrambled to cope with globalization, erosion of farm infrastructure, market concentration pre- and post-farm gate, higher input and regulatory compliance costs, increased competition from low-cost suppliers, and a worrisome erosion of the fabric of rural communities.

Following the recent change in government — the provincial Liberals took 58 per cent of the vote and 97 per cent (all but two) of the seats — the functional budgets of the B.C. Ministry of Agriculture were cut by close to 40 per cent, decimating an already wounded ministry. Previous cuts had eliminated the extension staff along with funding for most specialist positions such as organic agriculture.

The past five years also saw the demise of the B.C. Federation of Agriculture, and with it the opportunity for farmers to rub shoulders across commodity groups to raise a collective and effective farm voice.

To B.C. farmers, the latest census snapshot looked about as familiar as a family portrait. As elsewhere in Canada, operating expenses have increased faster than gross receipts. Since the 1996 Census, prices received by B.C. farmers increased by 7.8 per cent while cost of farm inputs rose by 9.8 per cent.

Squeezed by increasing costs, B.C.'s farmers sought different solutions. Some have left the farm — farm numbers have declined by 7.1 per cent in the past five-year period. Some were pushed to expand production; according to the census the average B.C. farm increased in size by 10 per cent to the present 315 acres.

Some have financed dwindling margins by selling off equity in their land. Since 1973, B.C.'s farmland has been frozen within the Agricultural Land Reserve. Intended to preserve farmland for future generations, the ALR expropriated non-farm development rights, in exchange for which farmers were promised solid farm financial support to sustain the economics of farming. B.C.'s Farm Income Insurance Act (FII) was implemented that year and remained in place until the early 1990's, when it was axed along with most other government policies and programs providing economic support to the farm sector.

In the past five years, land area farmed on a leased basis from non-government owners increased by a whopping 30 per cent (the increase for Canada was 4.6 per cent). There was a 10 per cent increase in the number of farms reporting leased land tenures and a seven per cent decline in farms operating on owned land. Much of the land farmed on a leased basis represents a transfer of tenure to the non-farm

sector, which does not bode well for sustainability. Firstly, without security of tenure (minimum 20-year leases), a farmer cannot afford to farm sustainably; in today's farm economy the land is inevitably mined. Secondly, this shift in ownership raises structural concerns for the farm sector. International investors have for the past decade been quietly buying up B.C.'s fertile valley bottoms — smack in the path of development — because they believe use-conversion is inevitable.

And it looks like a safe bet. The provincial government's move last January to disband the provincial Agricultural Land Commission will no doubt speed land conversion. In the government's own words, the effect of restructuring, deregulation and regionalization of the ALR will “expand permitted uses” to allow for “more flexibility for non-farm uses and sub-division”, a “transfer of authority to the regions” and a “delegation to local government” of what is now provincial decision-making. (Indeed, many Liberal election campaigns in the key pressure regions of the province — Saanich Peninsula of Vancouver Island, Fraser Valley and the Okanagan — were likely generously supported by those holding a speculative interest in farmland).

The Census of Agriculture's land tenure numbers understate the extent to which non-farm interests are gaining equity control over B.C.'s farmland. Recently, much of the non-farm land acquisition has been through the purchase of shares in family farm corporations. No, B.C. farmers have not suddenly warmed to the idea of taking advice from a guy-from-the-city-in-a-suit; placed between the rock of rising costs and the hard place of falling margins, some farmers have been forced to finance their farm operations by liquidating equity in the land.

On a commodity basis, declines in farm numbers were observed in wheat (-48 per cent), dairy (-33 per cent), vegetables (-30 per cent), hogs (-29 per cent), and grains and oilseeds (-23 per cent). Field crops, beef cattle and poultry and egg farms increased by 12 per cent, 6 per cent and 5 per cent, respectively.

There are bright spots and reasons for optimism. The Okanagan valley saw a shift to high valued apple plantings and an increase in grape plantings while blueberry production showed a strong increase (30 per cent in acreage) in the Lower Mainland. B.C.'s greenhouse growers — who just won a major trade battle with the US — increased the size of existing operations by 61 per cent. The percentage of farms reporting certified organic products (1.6 per cent, almost double the Canadian average of 0.9 per cent) represents a small but growing segment of B.C.'s farm community. Interestingly, the number of young people entering the profession of agriculture in B.C. has never been higher. This year, Articling Agrologists represent 16 per cent of the total membership of the B.C. Institute of Agrologists.

But for many B C farmers — scrambling to add value and to pay the bills — it has increasingly become “How many more acres can we add?” Or “How many more cows can we milk?” Or the one that hurts the most: “How long can I watch my kids winning ribbons in the show ring and know in good conscience I can't recommend that they farm?”