

Agricultural Land Consolidation Review Committee

Annual Performance Report

April 1, 2016 to March 31, 2017



Chairperson's Message

The Honourable Gerry Byrne
Department of Fisheries and Land Resources
Petten Building
P.O. Box 8700
St. John's, NL A1B 4J6

Dear Minister Byrne:

I am pleased to submit the Annual Performance Report for the Agricultural Land Consolidation Review Committee (the Committee) for April 1, 2016 to March 31, 2017. This report meets the requirements of the **Transparency and Accountability Act** for a Category 3 entity.

The Committee was successful in achieving its annual objective as outlined in the Committee's Activity Plan of 2014-17. Progress towards the achievement of the commitments of Government related to the Department of Fisheries and Land Resources (FLR), including those outlined in **The Way Forward**, have been described in this report. Specifically, the work undertaken will assist in reaching the target to increase Newfoundland and Labrador's food self-sufficiency from its current 10 per cent to at least 20 per cent by 2022.

My signature below is on behalf of the Committee and is indicative of the Committee's accountability for the reported results of its activities for 2016-17.

Respectfully submitted,



Robert Walsh
Chairperson

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Overview

The Agricultural Land Consolidation Review Committee administers the Agricultural Land Consolidation Program (the Program) designed to provide the opportunity for non-farmer landowners and retiring farmers to sell their granted land to the Provincial Government and facilitates this process based on the guidelines of the Program. In turn, makes this land available to existing commercial farmers, part-time farmers and new entrants who are in need of additional lands.

Promotion of the Program is done through periodic public notices explaining the Program and application procedure through newspaper publications as well as directly by FLR officials. Applications are reviewed by the Committee to determine whether the land is suitable for agricultural purposes and is free of zoning issues. Applicants wishing to sell land are invited to commence negotiations for a purchase and sale agreement. A number of third parties are involved in the process, such as land appraisers, land surveyors and lawyers. An environmental assessment may be required.

For the 2016-17 fiscal year, the Committee included:

Name	Position	Term
Robert Walsh	Chairperson, Dairy farmer, St. John's, NL	At Pleasure
Richard Carey	Member, Dept. of Fisheries & Land Resources	At Pleasure
Andrew Pike	Member, Dept. of Fisheries & Land Resources	At Pleasure
Deanne McCarthy	Secretary, Dept. of Fisheries & Land Resources	At Pleasure

Mr. John Hogan, WPH Law, began his role as the Committee's solicitor for 2016-17 with responsibilities for negotiations with landowners interested in selling their land to the province under the terms of the Agricultural Land Consolidation Program.

The Agricultural Land Consolidation Review Committee received extensive operational support from FLR. Employees of FLR performed many of the day-to-day administrative functions. In 2016-17, the Program was funded by FLR based on a \$1,695,000 annual budget which includes program funding of \$1,100,000 for land purchases and \$145,000 for professional services. Information regarding program expenditures for 2016-2017 can be found in the Financial Information Section (page 6) of this report. Since the inception of the Program in 1985, and its expansion in 2006, the Program has become well known for providing an opportunity for the sale of private agricultural land, resulting in this land being made available to producer's long term as agricultural leases through the Crown.

Mandate

The Agricultural Land Consolidation Review Committee was established by the Government of Newfoundland and Labrador to provide an opportunity for non-farm landowners and retiring farmers to sell granted (freehold) land to the Government of Newfoundland and Labrador. This will allow the Government to make it available to existing commercial farmers, part-time farmers or new entrants aspiring towards commercial farming who are in need of additional land.

Activities

Outcome of Objective

Committee activities were consistent with the Provincial Government's commitment toward agriculture and agrifoods sustainability. The Committee contributes to that commitment by acquiring granted agricultural land from retiring farmers and non-farmer landowners and making it available for acquisition by new and existing farmers as agricultural leases thereby increasing the amount of agricultural land development. Increased development provides for the growth of primary production and opportunities for diversification, which will encourage growth in the area of value added and secondary processing activities. Securing additional land reduces on farm costs and provides farmers with access to capital that can be used to further grow their operations.

Objective: By March 31, 2017, the Agricultural Land Consolidation Review Committee will have administered the Agricultural Land Consolidation Program in an effort to preserve and/or increase the province's agricultural landbase.

Indicators

- **Completed Communication Activities Regarding the Agricultural Land Consolidation Program**

Public advertising was conducted through posting on the Provincial Government website. Staff that were aware of potentially interested individuals were directed to ensure those individuals were fully informed of the program.

A brochure to be placed at Regional Lands Offices, municipal offices and circulated to professionals involved in land sales such as realtors and law offices has been created.

- **Assessed Applications and Prioritized Purchase Opportunities**

The Land Consolidation Review Committee met on 12 occasions during 2016-17. The Committee assessed nine new applications and 15 old applications that were carried forward from previous fiscal years to sell land to the Government of Newfoundland and Labrador for agricultural purposes. As per normal procedure, applications were reviewed on a “first come, first served” basis with consideration given to prioritizing properties of high agricultural importance.

In 2016-17, three applications were rejected based on the grounds that the land was not suitable for agricultural development. One was withdrawn because of lack of pertinent title documentation. The remaining four applications were reviewed and considered for purchase.

- **Carried Out Negotiations for Land Purchase(s)**

The Agricultural Land Consolidation Review Committee concluded negotiations and Purchase and Sale Agreements for the purchase of six properties totalling 200 acres in 2016-17 based on the guidelines for land purchase. Four applications have Purchase of Sale Agreements signed and waiting on legal documentation totalling 160 acres. Ten applications were negotiated and the applicants withdrew the application before the final stages. Negotiations for four other properties are on-going and will continue into the 2017-18 fiscal year. Following purchase, the properties will be advertised through in a Public Call for Proposals for allocation as agricultural leases.

Opportunities and Challenges

There are significant growth opportunities in the agriculture sector in Newfoundland and Labrador. A very small amount of root crops consumed by Newfoundlanders and Labradorians are produced here. Furthermore, as a result of an additional 31 million litres in industrial milk quota negotiated in 2001 and to be developed by 2016 specifically for the production of such dairy products as cheeses and ice cream/yogurts, there is an opportunity to increase the province’s total milk production.

The availability of suitable farm land is one of the more critical challenges facing the agriculture and agrifoods industry. In order to position this industry to take advantage of the tremendous growth opportunities, farmland has to be made available. The expansion and development of the land base will provide the root crop sector with the means to increase local production and create opportunities to increase the consumption of locally-grown goods. For the dairy sector, it will mean having access to more land for forage production. The Agricultural Land Consolidation Program has developed into a vital component of the province’s land protection and development objectives, consistent with

The Way Forward commitment to increase Newfoundland and Labrador’s food self-sufficiency from its current 10 per cent to at least 20 per cent by 2022.

Financial Information

The Agricultural Land Consolidation Review Committee does not have a stand-alone administration budget and as a result audited statements are not required. Committee Member expenses were funded through FLR. The expenditures are very similar from year to year and in the 2016-17 fiscal year totaled \$1,711.00. In addition to Committee Member expenses, FLR also has a contract for independent legal services in respect to purchase negotiations as well as expenses related to environmental assessments and legal land surveys. These associated expenses are covered in FLR’s budget.

In 2016-17, the Committee negotiated Purchase and Sale Agreements for, and subsequently purchased, six properties totaling 200 acres. Where a Purchase and Sale Agreement has been finalized, but conditions of sale are in the process of being met, funds have been allocated in trust. It is anticipated that the purchase of these properties will be completed in the 2017-18 fiscal year. The administration of Purchase and Sale Agreements and the handling of funds in trust are directed by John Hogan, the Committee’s solicitor.

Budget Spent:

Professional Services:	\$	115,139.48
<u>Property:</u>	\$	<u>968,147.00</u>
Total	\$	1,083,286.40

Conclusion

The Agricultural Land Consolidation Review Committee is committed to fulfilling its objective of preserving and increasing the Province’s agricultural landbase. Through the work of the Committee, we will continue to promote the sustainability of the agriculture and agrifoods industry in Newfoundland and Labrador.