

# **Agricultural Land Consolidation Review Committee**

## **Annual Performance Report**

**April 1, 2011 to March 31, 2012**



## Chairperson's Message

Honourable Jerome Kennedy  
Minister of Natural Resources  
Natural Resources Building  
P.O. Box 8700  
St. John's, NL  
A1B 4J6

Dear Minister:

In accordance with the provisions of the *Transparency and Accountability Act* for category 3 public bodies, I am pleased to submit the Annual Performance Report for the Agricultural Land Consolidation Review Committee for April 1, 2011 to March 31, 2012.

The Agricultural Land Consolidation Review Committee was successful in achieving its mission, and annual objective as outlined in the Committee's Activity Plan of 2011-14. Through its actions, the Committee achieved sustainable resource development through the acquisition of land which will contribute to an expanded agricultural land base.

My signature below is on behalf of the Agricultural Land Consolidation Review Committee and is indicative of the Committee's accountability for the preparation of this Report and for the results reported on its activities for 2011-12.

Respectfully submitted,



**Robert Walsh**  
Chairperson

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## Overview

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

The Agricultural Land Consolidation Review Committee has one member from the Forestry and Agrifoods Agency (FAA), Department of Natural Resources; one member from the Department of Transportation and Works, and a chairperson from the public at large. The current members are: Richard Carey (FAA); Martin Balodis (Department of Transportation & Works); and Robert Walsh (Chairperson). Raymond Tucker (FAA) is the Committee's secretary, researcher/assessor who maintains the files. Mr. Thomas Fraize, QC, was retained in March, 2010 as the Committee's solicitor 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 receives extensive operational support from the Forestry and Agrifoods Agency. Employees of the Agency perform many of the day to day administrative functions. In 2011-2012, the Agricultural Land Consolidation Program was funded by the Agency based on a \$2,100,000 annual budget including \$1,950,000 for land purchases and \$150,000 for professional services.

## **Highlights and Accomplishments**

In 2011-12, the Committee negotiated and purchased six properties totaling 360.7 acres. These properties are located in farming areas throughout the province. Negotiations were in progress for six other properties going into the next fiscal year. The reallocation of these strategically located properties represents a significant commitment to the expansion of the agriculture sector. Demand is strong for these properties.

### **Mandate**

The Agricultural Land Consolidation Review Committee, as established by Government to:

- (a) Ensure public awareness of government's Agricultural Land Consolidation Program;
- (b) Evaluate applications for land acquisition by the Government of Newfoundland and Labrador under the Agricultural Land Consolidation Program based on established guidelines and policies; and
- (c) Facilitate and conclude negotiations for a land purchase and sale agreement for applications that meet criteria.

### **Values**

The Agricultural Land Consolidation Review Committee performs its duties within the following core values: integrity, respect and professionalism, timeliness, collaboration and innovation.

### **Clients**

The clients of the Agricultural Land Consolidation Review Committee are members of the public who wish to sell or relinquish arable land to the Government of Newfoundland and Labrador for agricultural purposes.

### **Vision**

As outlined in its 2011-14 Activity Plan, the vision of the Agricultural Land Consolidation Review Committee is of a province that realizes the full benefit from the sustainable development of its natural resources.

### **Mission**

To prepare the mission of the Agricultural Land Consolidation Review Committee, the Committee considered that the province has many opportunities for expansion of agricultural and agrifoods production. The consolidation of agricultural land will help achieve adequate economies of scale in operation. This is needed to sustain current operations and make agricultural production more feasible for new entrants. Thereby, the

Agricultural Land Consolidation Review Committee contributes to the Strategic Direction of the Minister responsible for the Forestry and Agrifoods Agency to ensure future primary agriculture and agrifoods production through sound agrifoods resource and land management. The activities of the Agricultural Land Consolidation Review Committee increases the productive land base available for agricultural activities in the province contributing to a stronger agriculture and agrifoods industry through land development leading to increased primary production and improved diversification/value added opportunities.

*Mission Statement:*

By March 31, 2017, the Agricultural Land Consolidation Review Committee will have contributed to the preservation and expansion of land for agriculture purposes.

*Measure:*

Contributed to the preservation and expansion of agricultural land.

## **Outcome of Mission**

The Mission's indicators stated in the two Activity plans covering the period from 2011-2017 include the following:

- Properties purchased and made available for allocation as Agricultural Crown Land Leases;
- Supported Provincial agriculture zoning policies.

The Secretary of the Agricultural Land Consolidation Review Committee maintains files and statistics of all applications received by the Committee. Since 2007, the Committee processed and assessed 62 applications to sell land to the Government. Applications were received from the Northeast Avalon (32), Cormack/Reidville (8), Avalon (6), Pasadena (7), Bonavista Peninsula (1), Hughes Brook (1), Wooddale (1), Parsons Pond (1), Eastport (1), Codroy Valley (1), Heatherton (1), Comfort Cove-Newstead (1) and Green Bay (1).

The Agricultural Land Consolidation Review Committee maintains statistics related to the location of purchased properties, acreage, to whom allocated, allocation date and the Crown Land Lease/application number. Since 2007, the province purchased 28 properties totaling 850 acres. The properties are located on the Northeast Avalon (18), Cormack (4), Lethbridge (1), Conception Bay Central (3) and Gambo (1). The province advertised a Public Call For Proposals for 18 of the properties. The Agrifoods Agency is currently evaluating the applications for 8 of these properties and will issue a Call for Proposals for the remaining properties in the near future.

The Agricultural Land Consolidation Review Committee has contributed to the sustainability of agriculture in the province through the protection of agriculture land and by providing the opportunity for farms and new entrants to consolidate and expand their land base. These properties, which are strategically located, have enhanced the efficiency of their farms.

Awareness of the Land Consolidation Program has been accomplished through advertising the program and most importantly by explaining the benefits of the program to non farmer property owners and farmers. The effectiveness of the program to consolidate the agricultural land base and at the same time by providing an option to sell land for future agriculture use, has generated interest in the Program. Since the inception of the Program in 1985 and its expansion in 2006, the Program has become well known, resulting in new offers to sell land to the province.

## **Outcome of Objective**

The Agricultural Land Consolidation Review Committee facilitates the purchase of land by the Government of Newfoundland and Labrador for resale to farmers based on guidelines for the Agricultural Land Consolidation Program. The process involves a periodic public notice explaining the application process. 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.

The activities of the Agricultural Land Consolidation Review Committee, 2011-12, were consistent with the Strategic Direction of the Minister responsible for the Forestry and Agrifoods Agency to administer the Agricultural Land Consolidation Program in an effort to preserve and/or increase the Province's agricultural land base. The Agricultural Land Consolidation Review Committee contributes to those strategic directions 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 raising 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.

**2011-12 Objective:** 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.

**Measure:** Administered program

## Indicators

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

Public advertising was conducted through posting on the Department of Natural Resources' website ([www.gov.nl.ca/nr](http://www.gov.nl.ca/nr)) and departmental staff was advised to keep interested individuals informed of the program.

- **Assessed Applications and Prioritized Purchase Opportunities**

The Land Consolidation Review Committee met on 15 occasions during 2011-12. The Committee assessed 13 applications to sell land to the Government of Newfoundland and Labrador for agricultural purposes. Applications are reviewed on a "first come first served" basis with consideration given to prioritizing properties of high agricultural importance.

No applications were rejected based on the grounds that the land was not suitable or eligible for agricultural development.

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

The Agricultural Land Consolidation Review Committee initiated and concluded negotiations for the purchase of six properties totalling 360.7 acres in 2011-12 based on the guidelines for land purchase. Negotiations for 13 other properties totalling 650 acres were on-going into the 2012-13 fiscal year. Following purchase, the properties are advertised by the Forestry and Agrifoods Agency in a Public Call For Proposals for allocation as agricultural leases. The Committee has had support from Financial Operations Division of the Department of Natural Resources in financial transactions; as well as some in house training for staff.

## Activities for 2012-13

The Committee's work for 2012-13 will be as laid out in the Activity Plan effective April 1, 2011 to March 31, 2014. The Activity Plan is available on the Department of Natural Resources' website ([www.gov.nl.ca/nr](http://www.gov.nl.ca/nr)). The Committee will report on the objectives, measures and indicators identified in this Report.

The 2012-13 Annual Report will be based on the same objectives, measures and challenges.

## Opportunities and Challenges

There are significant growth opportunities in the agriculture sector in Newfoundland and Labrador. Only 3% of beef and 15% 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 Strategic Direction of Government to increase agriculture and agrifoods development and diversification.

The Agricultural Land Consolidation Review Committee anticipates a busy year in 2012-13 as there are many properties which have been offered for sale pursuant to the terms of the Program.

Although legal land surveys were suitable for the purchase of properties, the surveys did not meet Crown Lands Standards, which are more stringent than normally required in land transfers, applicable to the allocation of land as Agricultural Crown Land Leases. The Agricultural Land Consolidation Review Committee responded by insisting surveys meet Crown Lands Standards which has facilitated the review and allocation of properties as Crown Land Leases. Surveys are paid and contracted by the Land Consolidation Program.

## **Financial Information**

The Agricultural Land Consolidation Review Committee does not have a stand-alone budget and as a result, audited statements are not required. Committee Member expenses are funded through the Forestry and Agrifoods Agency and totaled \$1,425.00 for the 2011-12 fiscal year. In addition to Committee Member expenses, the Forestry and Agrifoods Agency also has a contract for independent legal services in respect to purchase negotiations. The Department also pays for environmental assessments and legal land surveys. These associated expenses are covered in the Department's budget as well.

As Noted in the Highlights and Accomplishments section in 2011-12, the Committee negotiated and subsequently purchased six properties totaling 360.7 acres. These purchases totaled \$1,274,092.47.

### Budget Spent:

Professional Services:	\$ 139,235.61
Property:	\$1,274,092.47
Total	\$1,413,328.08

## **Conclusion**

The Agricultural Land Consolidation Review Committee is committed to fulfilling its mandate in support of the vision and mission of the Forestry and Agrifoods Agency by consolidating land to strengthen the agriculture sector and protect land for the future.