



AGRICULTURAL ADVISORY COMMITTEE MEETING

March 22, 2011

12:00 PM – CVRD Boardroom
175 Ingram Street, Duncan, BC V9L 1N8

AGENDA

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PLEASE BRING YOUR COPY OF AREA AGRICULTURE PLAN	
5. <u>NEW BUSINESS:</u>	
6. <u>CLOSED SESSION:</u>	
Motion that the meeting be closed to the public in accordance with the Community Charter Part 4, Division 3, Section 90(1), subsections as noted in accordance with each agenda item.	
7. <u>ADJOURNMENT:</u>	

Note: A copy of the full agenda package is available at the CVRD website www.cvrld.bc.ca

Director M. Marcotte, Chair
Director L. Duncan
Director I. Iannidinardo
Director G. Giles

Director G. Seymour
Peter Keber
Rodger Hunter
Joanne McLeod

Ian Christison
Wayne Haddow
George Robbins
Dan Ferguson

DISTRIBUTION:

Full Agenda Package:

DIRECTOR HARRISON
DIRECTOR HAYWOOD
DIRECTOR WALKER
DIRECTOR MCGONIGLE
DIRECTOR KENT

DIRECTOR COSSEY
DIRECTOR HUTCHINS
DIRECTOR DOREY
DIRECTOR KUHN
DIRECTOR MORRISON

AS WELL AS:

GEORGE BAIRD, ALTERNATE
JOHN MILNE, ALTERNATE
MARSHA STANLEY, ALTERNATE
WARREN JONES, CHIEF ADMINISTRATIVE OFFICER
MARK KUEBER, GENERAL MANAGER CORPORATE SERVICES
TOM ANDERSON, GENERAL MANAGER PLANNING & DEVELOPMENT
GEOFF MILLAR, ECONOMIC DEVELOPMENT MANAGER
KATHY LACHMAN, BUSINESS DEVELOPMENT OFFICER

Minutes of the regular meeting of the AGRICULTURAL
ADVISORY COMMITTEE held at the CVRD Boardroom, February
25, 2011 at 12:00 pm.

PRESENT: Chair M. Marcotte
Director L. Duncan
Director G. Giles
Director G. Seymour
Director L. Iannidinardo
Peter Keber
Rodger Hunter
Joanne McLeod
Ian Christison
Dan Ferguson
George Robbins
Rob Kline
George Baird
John Milne
Marsha Stanley

**ALSO
PRESENT:** Director M. Dorey
Director K. Kuhn
Director I. Morrison
Pat Durose, Farm Credit Canada

STAFF: Tom Anderson, GM, Planning & Development
Geoff Millar, Manager, Economic Development
Kathy Lachman, Business Development Officer
Judy Mills, Recording Secretary

**WELCOME &
INTRODUCTIONS**

The Chair called the inaugural Agricultural Advisory Committee meeting to order. All members introduced themselves.

**APPROVAL OF
AGENDA**

Two addenda were added. New Business was moved to item #3.

It was moved and seconded the agenda be accepted.

MOTION CARRIED

NEW BUSINESS

**NB1
PROPOSED AVICC
RESOLUTION**

A handout was provided with the proposed AVICC (Association of Vancouver Island & Coastal Communities) resolution and February 9, 2011 Board recommendation (11-060) referring to the Agricultural Advisory Committee. Director M. Dorey reviewed the proposal. The Chair requested members send their comments to EDC staff (Judy Mills) prior to the next meeting. It will be on the next AAC agenda for discussion and a recommendation to the Board. Director G. Giles requested Director G. Seymour's comments/email be circulated to the members for information purposes.

Director M. Dorey left at this point.

REPORTS

R1 TERMS OF REFERENCE

The AAC Terms of Reference were provided with the agenda.

Director L. Iannidinardo and Rob Kline arrived at this point and gave introductions.

R2 PROVINCIAL AAC MEETING

Geoff Millar reported there was very good representation at the Provincial Agricultural Advisory Committee meeting on February 24, 2011 in Richmond, BC. Local attendees included Geoff Millar, Kathy Lachman, Rob Kline, Joanne McLeod and Chair M. Marcotte. The Provincial Committee mandate is:

- 1) Work with communities who want to institute Agricultural Committees
- 2) Work with Agriculture Committees who are starting up
- 3) Work with Agriculture Committees to move forward with Agriculture strategy/plan

IAF (Investment Agriculture Foundation) discussed various funding programs to support Agriculture throughout the province. Report to be released in April 2011 on how well Agriculture Area Plans have fulfilled their mandates, by-laws and working with Agriculture Sector. Geoff Millar & Kathy Lachman met with experienced Ministry of Agriculture staff regarding the Area Agriculture Plan. An overview paper of the days input will be circulated by event organizers.

Members commented on their experience with the AAC information day.

DISCUSSION

D1 AAC MEETING SCHEDULE

EDC staff will circulate a proposed meeting schedule. Initially the consensus was monthly meetings. As time goes by if less meetings are required this can be decided.

Director I. Morrison arrived at this point.

D2 MEMBER REVIEW OF PLAN

The Chair asked the members to read the Area Agricultural Plan thoroughly prior to the next meeting so the Committee can then review general points of the document. In the Plan there are 78 recommendations. A Top Five Action Items worksheet was distributed to complete. Kathy Lachman will email an electronic version of the worksheet and collect responses. Working groups will then be set up to work on common items. Role of the Committee is implementation of Plan.

The AAC mandate was discussed and the Chair pointed out the Committee is to advise the Board on issues of importance to the

Agriculture community and on ALR exclusion applications as well as any matters referred to the Committee. Will not be reviewing all applications but applicable ones involved with sustaining agriculture and depending on the interest to the Committee, review and decide if they will go to the ALC. The AAC will decide criteria.

It was noted there is no budget allocated to the AAC and the administrative support will come from the EDC budget.

Director G. Seymour recommended this group determine the relationship between DNC and the AAC. DNC is in the middle of an OCP review so the timing is good for feedback and comments.

Discussion took place regarding protection by-laws of agriculture land. Rob Kline will send link on info on buffers and examples of provincial by-laws and edge planning processes.

AAC meeting minutes will be forwarded to the Board.

Director I. Morrison left at this point.

CORRESPONDENCE

**C1
EMAIL FROM JIM
(J.W.) VAN
BARNEVELD**

Director G. Giles received an email from Jim (J.W.) van Barneveld dated February 14, 2011 which commented on the DNC OCP. The email is included in your agenda.

**C2
MINISTRY OF
AGRICULTURE
DISCUSSION PAPER**

Geoff Millar received a package from the Ministry of Agriculture dated January 20, 2011 regarding a Discussion Paper on the draft Bylaw Standard for Residential Uses in the ALR. Rob Kline stated the Ministry of Agriculture & Land has extended the response deadline from February 28, 2011 to April 15, 2011.

CLOSED SESSION

Not applicable.

ADJOURNMENT

It was moved and seconded that the meeting be adjourned.

MOTION CARRIED

The meeting adjourned at 2:03 pm.

Certified Correct:

Chairperson

Secretary

Dated: _____

11-060

It was moved and seconded that the following recommendation:

"1. 1. That the following resolution be submitted to AVICC:

"REDUCING THE PRICE OF FARMLAND THROUGH TAXATION:

WHEREAS the price of farmland is escalating beyond the affordability of potential farmers;

AND WHEREAS farmland is being subdivided and being sold to some buyers that have no intention of ever farming the land and thus are competing with real farmers artificially driving the price up of newly subdivided farmland;

THEREFORE BE IT RESOLVED that the government institute a premium level of taxation higher than residential rates as a method of discouraging non farmers from purchasing newly subdivided farmland and using it as a country estate."

2. That the proposed AVICC resolution respecting "Reducing the Price of Farmland Through Taxation" be forwarded to the Regional Agricultural Committee as well as the Municipality of North Cowichan for review and comment."

be referred to the Agricultural Advisory Committee.

Opposed: Director Dorey

MOTION CARRIED

11-061

It was moved and seconded:

5. That rezoning application 4-A-07 RS (Logan) be denied, partial fees refunded, and the file closed, unless the following three conditions are satisfied by June 30, 2011:

1. A letter is received from the Ministry of Transportation and Infrastructure, indicating that the sight distance issue has been resolved or can be resolved to their satisfaction;
2. A landscaping plan is submitted, including cost estimates, for the purpose of screening the RV storage from the perspective of the Trans Canada Highway;
3. A draft covenant is received, which prohibits any signs from being posted along the southern boundary of the property along the Trans Canada Highway.

PROPOSED AVICC RESOLUTION

REDUCING THE PRICE OF FARMLAND THROUGH TAXATION

COWICHAN VALLEY REGIONAL DISTRICT

WHEREAS the price of farmland is escalating beyond the affordability of potential farmers.

AND WHEREAS farmland is being subdivided and being sold to some buyers that have no intention of ever farming the land and thus are competing with real farmers artificially driving the price up of newly subdivided farmland.

THEREFORE BE IT RESOLVED that the government institute a premium level of taxation higher than residential rates as a method of discouraging non farmers from purchasing newly subdivided farmland and using it as a country estate.

DISCUSSION;

One of the biggest obstacles to farming as a career is the price of land. It has become too expensive. Unless you inherit a farm young people can't get started in farming. Let's look at why it's so expensive. The notion exists that at some time in the future everyone will be able to subdivide farmland into small lots for residential dwellings. Residential lots are worth a lot of money. So people are willing to pay more money for farmland than actual farmers could afford to pay. This competition drives the price of farmland out of reach for farmers. This makes farming financially nonviable for farmers because of the high price of land. Non farmers are buying this land with never having any intention of farming it.

One of the possible solutions to bringing the price of farmland down to affordable levels is through taxation. Presently if you own farmland and you actually farm it, you get a reduced level of taxation. This is good. If you don't farm it, you are taxed at the residential rate which is higher. This makes sense also. A proposed third higher level of taxation for newly formed lots of Agricultural Reserve Land will help solve this problem.

Applications come forward to regional districts and municipalities to subdivide Agriculture Land Reserve land into smaller lots. Subdividing this land is thought by many to be a good thing because you can do intensive farming on a 5 acre lot economically. Young people can get started on these small lots as well. The problem arises when this land is sometimes bought by people who are never going to farm it. They say, "What's the problem, it's still in the ALR?" The problem is how do we separate the farmers buying this land from the non farmers? Some buyers just want a quiet country estate of 5 acres. The problem is, this land is lost to farming forever. How do we stop it? One solution is to tax these newly subdivided lots at a premium rate much higher than the residential rate IF THEY DON'T FARM IT. They would then think twice about buying one of these agricultural lots if they weren't serious about farming. This new high premium tax rate would only apply to newly subdivided agricultural lots. The question arises, "How serious are we about using farmland for farming?"

QUESTIONS AND ANSWERS TO AVICC FARMLAND RESOLUTION

1 QUESTION; Does the new proposed higher level of taxation include all farmland?

ANSWER; No. It is only newly subdivided ALR land.

2. QUESTION; Would the new change in taxation encourage subdividing ALR lands.

ANSWER; No. In fact, this change is designed to discourage subdividing ALR lands by providing a penalty of a much higher level of taxation like double that of the residential rate. Presently this land is being sold to non farmers without any penalty. Subdividing should be totally discouraged unless there is a good agricultural reason.

3. QUESTION; Are rocky outcrops on farms included in this newly proposed farm taxation policy?

ANSWER; Usually no. If the land is unsuitable for farming then it should be excluded from the ALR and as result not part of the policy. The ALC is currently reviewing these lands and the BC Agriculture Council supports this action. Sometimes rocky outcrops can be an excellent place for a barn or a farmhouse and then would be a part of the policy. This would be up the ALC to decide.

4. QUESTION; If there is an existing farmhouse on the ALR land should this piece of land be subject to the new tax if farming is stopped?

ANSWER; No. Only the newly formed section of the land would be subject to the new tax IF THEY DON'T FARM IT.

5. QUESTION ; Why the new tax?

ANSWER; ALR land is being lost to residential and the price of farmland is skyrocketing to \$80,000 to \$100,000 in some places because non farmers are competing with farmers for ALR land.

6. QUESTION; Will this new tax policy cause the price of farmland to plummet?

ANSWER; No. This will involve very few pieces of land so it will probably arrest the rise. But it will send a message to anyone buying pieces of farmland that there is a penalty to not farming newly subdivided ALR land.

7.QUESTION; Where will the extra taxation money go that will be raised as a result of this change in policy?

ANSWER; It should not be a tax grab for the government to add to general revenues. It should go farming promotion or a farmers' retirement fund or a farmer's coop to preserve food crops, etc.

8. QUESTION; Will farmers be impacted by the tax financially?

ANSWER; Yes. There will fewer numbers of buyers for their ALR farmland and as result prices will level off. Only those interested in farming will buy the land. But the farmers have already benefitted over the years by having very low levels of taxation for farmland. The existing high price now is due to high expectations

THE UNDERLYING PRINCIPLE OF THE PROPOSED NEW PREMIUM TAX LEVEL IS TO REWARD WHAT WE WANT TO HAPPEN AND DISCOURAGE WHAT WE DON'T WANT TO HAPPEN WITH A HIGH LEVEL OF TAXATION.