Agriculture and Ranching – Summary of Input and Information May 28, 2009 Prepared for: Southern Interior Beetle Action Coalition Prepared by: SIBAC Staff

1. Introduction

The consultation process undertaken by the Southern Interior Beetle Action Coalition (SIBAC) consisted of public forums, interviews and written submissions. In addition a variety of information sources were researched (refer to end notes). The purpose of this document is to summarize the input received. No attempt is made to prioritize the issues and recommendations presented.

2. National Context

Statistic Canada's web site (<u>www.statcan.gc.ca</u>) is a source of agriculture data, summaries and analysis. Selected highlights include:

- The number of census farms in Canada continues to drop, declining 7.1% to 229,373 farms over the five-year period between the 2001 and 2006 censuses. The number of larger farms, with gross farm receipts of \$250,000 or more (at 2005 constant prices), increased 13.8% since 2001 while those with less than \$250,000 in receipts declined by 10.5%.
- The average size of a Canadian farm increased from 676 acres to 728 acres.
- The average age of farm operators continues to increase, from 49.9 in 2001 to 52.0 in 2006.
- While some provinces had much higher rates of farm decreases than the national average, provinces with diverse agricultural sectors such as British Columbia have had much lower rates of decline. BC lost 2.2% of its 2001 farm numbers.
- Greenhouse operators boosted area by 21.1% to 239.3 million square feet. Operations in Ontario accounted for over half the increase in total area.
- Vegetable processors have closed or become less competitive as the effects of a strong Canadian dollar and increasing offshore competition were felt.
- In spring 2006 farmers were facing one challenge after another: continued fallout from bovine spongiform encephalopathy (BSE) and avian influenza, falling commodity prices and the rising cost of fertilizers, fuels and other inputs. Since then, some commodity prices have improved.
- With increasing production costs and generally decreasing commodity prices, successful farming increasingly requires a niche market or a large operation with significant capital investments to remain viable.

2.1 British Columbia – Southern Interior Beetle Action Coalition area of interest

The BC Ministry of Agriculture and Lands (MAL) prepared snapshots of the agriculture industry providing an overview for most of the Regional Districts in SIBAC's area of interest. In its overall assessment of the sector MAL reports:

"Agriculture is a significant and expanding industry in British Columbia with more than 290,000 people employed on farms, ranches, orchards, greenhouses, nurseries, as well as warehouses, veterinary offices, hatcheries, grocery stores, and other food-related

services in 2006. The primary agriculture sector generates more than \$782 million towards the province's total Gross Domestic Product. Although the industry is relatively small by itself, it contributes significantly to spinoffs in the food processing, food wholesaling, food retailing and food service sectors. This translates in total gross revenues for this industry of more than \$36 billion a year.

Climatic conditions in the province make it possible for British Columbia farmers to grow a wide variety of crops - approximately 200 different commodities. The top farm commodities in terms of sales in 2006 B.C. were dairy, chicken, floriculture, cattle, nursery, greenhouse tomatoes, mushrooms, calves, and blueberries. Total farm cash receipts reached \$2.3 billion in 2006 and total crop receipts reached over \$1.1 billion in 2006. The livestock sector, which includes cattle, hogs, poultry, eggs, dairy, honey, fur and game-farm animals, reached \$1.2 billion in 2006.

The **Southern Interior** is well-suited for the production of tree fruits and grapes. The **Fraser Valley** and southern **Vancouver Island**, with a cooler, wetter climate, are extremely favourable for the production of berries and vegetables. Most of the province's grain and oilseed crops are grown in the **Peace River** region. Beef cattle are concentrated in the **North, Cariboo** and **Thompson-Okanagan** regions. Large dairy herds are found mostly in the **Lower Mainland**, southeastern **Vancouver Island** and the **Okanagan-Shuswap** area. Hog, poultry and egg production are concentrated in the **Lower Mainland**.¹"

The full reports can be accessed at the individual Regional District web sites. The exceptions being the Regional Districts of Central Kootenay and Kootenay Boundary for which reports were not available.

2.2 Ranching

- Ranchers tend to also work in the forest sector and with both sectors in distress it has magnified the
 economic peril of the industry.
- There has been a significant reduction in the BC herd size, estimated at approximately 30.5% over the past five years as compared to 11.6% for Canada as a whole. The provincial heard is now below 1986 numbers.
- The sector has been hit by successive impacts affecting its competitiveness that include; BSE outbreak, higher grain prices which significantly impact the cow/calf industry, currency exchange rates, US requirements with respect to 'country of origin' labeling which in turn causes packing plants not to buy Canadian due to the extra administrative load associated with tracking, increased costs for both fuel and fertilizer and increased energy costs.

Although the ranching sector is experiencing a serious downturn the utilization of Crown range, as reported by the Ministry of Forests and Range for 2008, shows a close correlation between the Net Authorized Animal Unit Months (AUM's) and the Annual Crown Authorized AUM's reflecting the actual use (refer to Figure 1) for the Forest Districts in the SIBAC area.

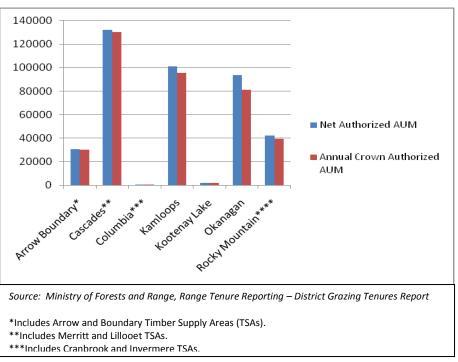


Figure 1 - Crown Range Utilization 2008 Grazing Season

2.3 Outlook for Ranching

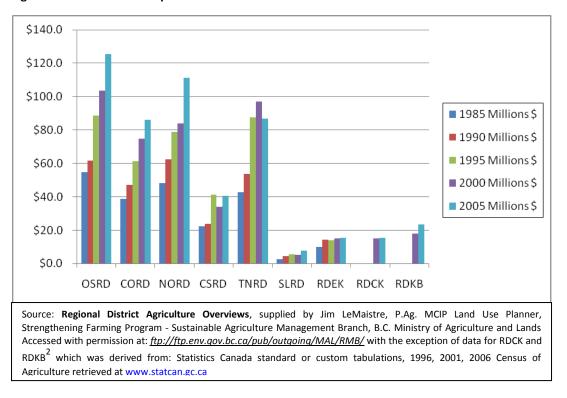
- The Canadian industry is relatively small in on the global scene but is a significant player at the rural level.
- The export market is very important however not without issues (i.e. grading differences between US and Canada, trade barriers).
- Canada's advantages include; excellent cattle with good genetics, climate, land availability and market access.
- Farm/ranch ownership continues to change. A number of large holding, with multiple titles, have changed hands. In the process some larger units have been broken apart with new owners not continuing the traditional agriculture/ranching activities. In some instances new owners sell herds and either give up the range permits or ask for use deferment. Consequently some range units may not be utilized to potential.

3. Issues and Opportunities Identified

3.1 Agriculture

- Greenhousing is an opportunity given sunlight hours are not an issue and there is potential to utilize biomass and methane (i.e. Cash Creek landfill) for heating.
- MAL in cooperation with landowners is conducting a vineyard/grape trial in the Lytton-Lillooet corridor. The program is in its third year of testing 18 varieties of grapes.
- The local market place is seen as a growth opportunity
- Organic products are becoming more prevalent.
- Branding and market development of local products is an opportunity. This includes development and implementation of quality assurance programs.

The economic significance of the agriculture sector in the SIBAC area can be demonstrated by the gross farm receipts (refer Figure 2). This information was derived from the MAL reports with the exception of the Regional Districts of Central Kootenay (RDCK) and Kootenay Boundary (RDKB).





3.2 Ranching

Opportunities

- There is a need to focus on the advantages BC has given the expanse of Crown lands and opportunity for grass fed beef to reduce wintering costs. This will require a marketing strategy given consumers' traditional preference for grain-finished beef.
- The present downturn has caused farmers and ranchers alike to assess different opportunities including other crops and renting out their farmlands.
- Efforts continue to develop value-added products especially in cattle industry (i.e. sausage, by-products).

Cost Reduction and Competitiveness

- Moving to grass/range vs. grain fed beef, thereby capitalizing on the BC land advantage, is an option. The downside is that quality/market acceptance is a concern over grain fed/finished feeder stock and competitors such as Australia and New Zealand that have longer growing seasons.
- The BSE outbreak caused considerable distress and resulted in increased inspection and disposal costs (specified risk material). Some have viewed this as an opportunity for certified products and a necessary step to gain market access.
- The BC Cattlemen's Association (BCCA), the BC Association of Cattle Feeders, the BC Breeders and Feeders, MAL and the BC Food Processors formed a roundtable to address ranching issues.

Initiatives such as the VQA labeling for wines are being considered for the cattle industry. The roundtable is sensitive to the need for the private sector to implement any recommendations. The roundtable is exploring and promoting actions that encourage local production and consumption of agriculture products.

• Transportation costs, primarily done by truck transport, have increased. The provincial government carbon tax has added to these costs.

Employment

• It is difficult to attract young people into the industry given the cost of entry, the type of work and associated benefits.

Financing

- Access to capital is a major issue as chartered banks are reluctant to lend to the industry given present market conditions.
- Government financial assistance has morphed from being directed at individual operations to general industry assistance, in part a response to avoid trade restrictions. The majority of funding is directed at broader industry issues including support for commodity organizations, economic analysis and marketing.

Funding Sources

- The multitude of organizations engaged is a concern. A central agency, (i.e. Ministry of Forests and Range) is recommended for overall coordination of programs.
- BCCA is frustrated with funding programs that are ad hoc. Program continuity and duration are issues to be addressed. A trade consideration aside, the realities are the sector is in considerable distress and in need of assistance.
- Funding programs, such as the 1970's *Agriculture and Rural Development Subsidiary Agreement* (ARDSA) were cited as successful initiatives designed to build regional strengths in the sector.
- The *Job Opportunities Program* is presenting challenges with the 60% labour requirement, considered not practical given the need for machinery to complete projects.
- The *Cattle Industry Development Fund* is restricted to using only the interest generated. Given today's economic reality this is not providing significant funds.

Grassland/Conifer interaction

- The fallout of the MPB will likely result in more range. Utilization of the opportunity will require managing range availability with forestry interests over time to a avoid boom and bust cycle of forage availability. Increased range may benefit the cattle industry especially if shifting to grass fed beef products.
- Protecting and enhancing traditional grasslands including 'staged' reforestation to accommodate grazing is important. Considerable encroachment of conifers on to traditional grasslands has occurred, the MPB presents an opportunity to reverse this trend.

Hazards

- The MPB has increased hazards and risks for wildfire.
- Dead trees pose risks to both humans and animals and affect access to forage areas.

Industry Profile

- The industry needs to derive economic ratios, similar to what is done in forestry (i.e. volume to employment), to define the economic value of the agriculture sector.
- Getting recognition by government for the needs of the sector is a considerable challenge.
- Promoting understanding of the contribution ranching and agriculture make to rural BC is a priority.

Legislation and Policy

- Stumpage rates associated with the salvaging of timber along fence lines are a concern. These linear structures lead increased costs not adequately recognized.
- Inconsistent application of Forest and Range Practices Act (FRPA) requirements between Forest Districts was raised as a concern. An example cited is the requirement in some districts to limit fence line clearing to no greater than 5 meters width. Given the hazards associated with dead timber, flexibility should be introduced in the MFR Compliance and Enforcement regime to permit addressing snag hazards.
- Working under FRPA has been challenging. Implementation of Forest Stewardship Plans apparently has reduced engagement between the forest industry and the ranching sector. The BCCA is looking forward to the Forest Practices Board review of FRPA.
- The paper workload has increased significantly taxing individual ranchers' capabilities to manage the requirements.

Natural Barriers and Range Fencing

- The MPB has caused a loss of natural barriers. Barrier replacement program funding was made available but has ended with no firm commitment for continuation. This is particularly concerning for the southern interior where the MPB infestation is progressing. The BCCA sees a great need to expand this program including preventative hazard tree removal along fence lines, cattle trails and access roads.
- Range management is the single most important issue to address impacts associated with barrier loss/replacement, range improvement, development of range use plans, cattle distribution, and managing carrying capacity.

Noxious Weeds

 Noxious weed encroachment is a concern. Funding is needed to expand existing weed control programs in concert with range improvement (i.e. seeding, fencing, access control). Key weeds include; knapweed, sulphur cinquefoil, Canada thistle, Dalmatian toadflax, burdock, and hounds tongue.

Tenure

- Long-term security to crown lands and resolution of the timber-range land issues are priorities.
- There are opportunities for cooperative ventures such as development of community pastures.

Timber Harvesting

- Removal of trees changes landscapes both negatively and positively for range. Positive by potentially providing grazing opportunities, negative by potentially introducing and/or providing opportunities for encroachment of noxious weeds.
- Access structures associated with harvesting operations need to be managed including grass seeding.

Water and Climate change

- Water availability in the face of forest cover changes due to MPB and climate change are key issues¹.
 Concerns include water resource and hydrologic balance impacts; de-synchronization of traditional flows; earlier and extended freshets; higher run-offs and late season drought conditions.
- Ranchers generally do not have secure water licenses over range water sources. Discussions with the Ministry of Environment continue on this issue. Late season water availability and potential competition for water resources (i.e. agriculture, domestic, fisheries) are specific issues.
- In some cases existing infrastructure (i.e. reservoirs) are in need of modernization and/or replacement. Consideration for low flows and impact on fisheries has resulted in requests for development of other water sources (i.e. ground water, larger streams) but at a cost of relocation.

4. First Nations

Individual Tribal Councils and unaligned Bands provided reports on MPB impacts on their respective communities. Additional interviews with staff of the First Nations Agricultural Association (FNAA), Federal and Provincial agricultural agencies dealing with First Nations (FN), and individuals engaged in FN agriculture provided an insight into issues relating to MPB.

FNAA provides a number of services to FNs throughout the province; education and training, business incubator services that include financing assistance, liaison with other organizations and agencies to further FN agriculture interests, and working with youth to provide career in agriculture interests and opportunities. The organization delivers environmental stewardship programs in cooperation with MAL at the community level. Primary focus is livestock and water management.

4.1 Issues and Opportunities Identified

Access management

- Road access, including the condition of existing roads and impact from new access is a concern. Proliferation of access development is resulting in increased use of rangelands and associated impacts.
- A priority is access management aimed at limiting impacts from all-terrain type vehicles through enforcement of Band laws. Capacity is limited given the need for monitoring on nearly a full time basis.

Bureaucracy

- Generally the Federal government, through INAC, is not engaged in FNs pursuing agriculture opportunities unless land conversion, requiring an environmental assessment is involved (i.e. from forest to agriculture).
- Multi-jurisdictional issues do occur such as the Adams Lake/Neskonlith Band irrigation project where replacement of the main water line, lost during the 2003 fire season, stalled awaiting Federal approval for work on Reserve lands.

Community Well-being

• Government recognition that improvement in FN diet will go a long way to addressing many of the health issues facing FNs is important. Agriculture expansion and FN involvement is an opportunity to address overall community well-being.

Employment

• Generally individuals working in agriculture, especially ranching, also work in forestry. The downturn in both these sectors is amplified for these individuals.

Funding Sources

- Access to funding is likely the single largest issues. Existing funding mechanisms are difficult to navigate for First Nations. Capacity of FN to deliver requirements (i.e. applications, tracking and reporting) for funding approval is varied. Government needs to understand who it is dealing with, not corporate Canada but almost a 3rd world nation when it comes to making funds available to FN's.
- The requirements for matching funds is an issue given scarcity of resources available to FN's
- Accessing funding through the Investment Agriculture Foundation of BC (IAFBC) is difficult. The
 Foundation is an industry-led, not-for-profit organization working to foster growth and innovation
 across British Columbia's agriculture and agri-food industry. It was established in 1996 to manage
 and distribute federal and provincial funding programs. Specific issues for FN's is the requirements
 for matching funds and overall paperwork associated with the programs.
- Financial bridging, until farm income is generated, is important for FN's starting new enterprises.
- Timeliness of funding approvals needs to be shortened.
- The Canada-BC Environmental Farm Plan (EFP) Program, which provides funding to encourage producers to develop farm plans and implement beneficial management practices and continuously evaluate environmental performance, is not being accessed by FN's due to jurisdictional issues (i.e. Federal lands are not eligible).
- Former programs (i.e. Agricultural Development Act, Economic Measures Fund) provided an opportunity to access funding at low interest for agricultural purposes and to stimulate First Nations communities (i.e. land clearing) but were discontinued.

Financing

- Access to credit and micro loans are priority issues. Chartered Banks are reluctant to lend to First Nations given the inability to use land as a security.
- Former programs (i.e. Agricultural Development Act, Economic Measures Fund) provided opportunities to access funding at low interest for agricultural purposes and to stimulate FN communities.
- Capital costs of bringing land into production for agriculture needs to be financed.

Food Processing

• Location of food processing and research centers, traditionally located in the lower mainland, should be considered for the interior.

Grassland/Conifer interaction

• Impact on range lands, both from the present MPB and from conversion to conifers is a concern. There is a need for broader understanding of the importance of grasslands, not only the value for cattle grazing but for traditional values associated with food supplies and medicinal plants.

Hazards

- Dead pine trees impact use of lands and their removal is important to permit land uses.
- Falling snags restrict access by cattle to traditional water sources.
- Concern exists for negative cattle impacts from Ponderosa pine needles given their toxicity.

Natural Barriers and Range Fencing

• Fencing is needed to control cattle and protect sensitive sites (i.e. riparian zones). The idea of fencing also needs buy-in at the community level.

Non-timber Products

• Impact of the MPB on non-timber products (food and medicinal plants) is a major concern. Areas are negatively impacted as a consequence of harvesting, range use, access and noxious weeds.

Noxious weeds

 Increased spread of noxious weeds, attributable in part to increased access and disturbances, is a concern. FNs are concerned with the potential negative impacts of chemical controls particularly regarding impacts on traditional food sources (berries and plants).

Water and Climate change

- Impact on the water resource, quantity, quality and timing of flow, is a concern. There is a need for adaptive capacity to deal with water regime changes over time.
- Potential for extreme events, both water and fire related, is a concern.
- Soil erosion, a consequence of disturbances and/or increased run-off, may accelerate noxious weed encroachment.
- Impact by cattle on riparian zones as a result of loss of natural and man-made barriers is a concern.

Opportunities

- While some Bands have identified agricultural lands, FNs see mapping of agriculture lands and capability on Reserve Lands as a priority. This would provide a starting and measuring point from which opportunities and expansion can be identified and tracked.
- The Kootenay's appear to be the forgotten corner when it comes to FN agriculture and funding yet there are considerable opportunities (i.e. Creston, Rocky Mt. Trench). FNAA initiated a survey for a number of areas in the province. Funding constraints limited data collection for the Kootenays. FNAA's funding application to Indian and Northern Affairs Canada (INAC) and MAL was denied.
- Water for irrigation is a priority. First Nations Reserve lands generally have high agricultural capability (Canadian Land Inventory) and present development opportunities for agricultural. To realize the potential water irrigation is essential.
- Some First Nations hold range tenures. Agriculture is seen as a significant opportunity for First Nations communities especially when combined with use of Reserve lands.
- Green housing is an opportunity especially if combined with biomass energy sources.
- Expansion of intensive agriculture opportunities, cash crops and small livestock, are opportunities.
- At this time products are primarily marketed within the FN communities. Root crops and small livestock (i.e. chickens, turkeys), primarily for internal consumption, are likely the primary products.
- Hay crops are sold to Band members and to the lower mainland.
- Beef products are sold to the traditional markets as well as local sales and to Band members.
- FNs do provide agriculture products to the Asian community in the lower mainland. Expansion of local markets is seen as an opportunity.
- Addressing range management issues including noxious weeds, grass seeding and range management are opportunities to engage FN's.
- Agri-tourism including trail rides are opportunities.
- Renting of rangelands for non-FNs cattle is a continuing opportunity for revenue.
- Opportunities exist for vineyard development.

- Opportunities exist to organize business clusters, supported by micro loans, involving the agricultural sector incorporating production, services (i.e. harvesting, land preparation) and marketing.
- Traditional economies and emerging non-forest product opportunities present a growth opportunity. There is considerable interest in developing businesses.
- Generating interest in First Nations youth to pursue agriculture as a career is important.

5. Recommendations

5.1 First Nations

- Support funding for capacity building including the full spectrum of business management, reporting, skill development and marketing.
- Support the use of established organizations and partnerships, those with connections to FN communities, for delivery of programs.
- Support funding to address the education of First Nations in agriculture.
- Support a specific survey for the Kootenays to gauge interest and opportunities for agriculture and the development non-forest products.
- Support continuation of initiatives such as 'Siska Traditions' in the Lytton area, a project that includes certification of harvesters and marketing of products.
- Support funding for ecosystem restoration with a focus on grasslands.
- Support the streamlining of the funding processes including moving to larger programs, longer timelines (5 years suggested), timely approvals, and capacity development of FNs in dealing with the associated paperwork requirements.
- Support funding to address the noxious weed issues.
- Support access management and enforcement by First Nations Band members.
- Foster Government recognition that First Nations lands, given their geographic location and capability, offer potential for agriculture.
- Foster recognition that supporting First Nations agriculture will generate revenue, build communities and put people to work.
- Support funding for infrastructure development such as water and irrigation systems.
- Recommend continued dialogue between the various jurisdictions, both Federal and Provincial, engaged in providing services to First Nations communities. Key is the streamlining of requirements associated with land stewardship and development.

5.2 Non-First Nations

- Support the establishment of programs similar to the previous Range Development Fund.
- Support the recognition that not all lands should be covered in trees nor should all lands be reforested once MPB salvage logging is completed. There is a need to identify and protect lands with high agriculture capabilities.
- Support initiatives such as the North Thompson 'kitchen table' forums wherein producers are asked to identify local production and marketing issues. This information is being utilized to develop specific action plans to address the issues.
- Support the roundtable on beef production initiative led by the BCCA that is engaged in identifying issues and corresponding action plans.
- Support research aimed at identifying what agricultural opportunities exist.
- Support funding for the ranching industry to address direct impacts of the MPB infestation as outlined in the BCCA *BC Mountain Pine Beetle Natural Barriers Mitigation Program*³.

- Support the development of Compliance and Enforcement policies that provide for flexibility with respect to addressing removal of tree hazards when threatening range improvements and cattle movement.
- Support the BCCA position for changes in the stumpage appraisal system to more accurately account of tree/snag removal costs as well as consistent cost recognition for range improvements in major licensee stumpage appraisals.

End Notes

Interviews and Information sources

Interviews:

- Bob France, M.Sc., P.Ag., General Manager, BC Cattlemen's Association
- Trevor Kempthorne, General Manager, First Nations Agriculture Association (FNALA)
- Lesley Dale, Assistant Manager, FNALA
- Doug Edwards, P.Eng., Regional Water Resources Engineer, Agriculture and Agri-Food Canada
- Brian Harper, P.Ag., First Nations Development Agrologist, Ministry of Agriculture and Lands
- James Manuel, Range Manager, Kamloops Indian Band
- Graham Strachan, P.Ag., Resource Stewardship Agrologist, Ministry of Agriculture and Lands
- Jim Forbes, P.Ag., Industry Specialist, Beef and Bison, Ministry of Agriculture and Lands
- Len Bawtree, Director BCCA

Other Sources

Cited References:

¹**Regional District Agriculture Overviews**, supplied by Jim LeMaistre, P.Ag. MCIP Land Use Planner, Strengthening Farming Program - Sustainable Agriculture Management Branch, B.C. Ministry of Agriculture and Lands Accessed with permission at: <u>ftp://ftp.env.gov.bc.ca/pub/outgoing/MAL/RMB/</u>

² Data source: Statistics Canada standard or custom tabulations, 1996, 2001, 2006 Census of Agriculture

³ Mountain Pine Beetle: Impacts, Mitigation & Opportunities for the BC Ranching Industry A Discussion Paper. Prepared by the BCCA Land Stewardship Committee, revised April 2007

Submissions and other sources:

- SIBAC Community Consultation Forums
- Written submission and verbal presentation at the Kamloops Forum by Richard Mumford, Contract Worker for the Land Stewardship Committee of the BCCA
- District Grazing Tenures Report supplied by Alex McLean, Ministry of Forests and Range,
- Aboriginal Agriculture BC Survey Project supplied by FNALA

Web Sites

- www.statcan.gc.ca Statistics Canada
- <u>www.iafbc.ca/</u> Investment Agriculture Foundation of BC Accessed
- gcc@bcgrasslands.org Grasslands Conservation Council of BC
- info@invasiveplantcouncilbc.ca Invasive Plant Council of BC
- www.siwmc.ca Southern Interior Weed Management Committee
- www.c-cbac.com Cariboo-Chilcotin Beetle Action Coalition
- http://mpb.cfs.nrcan.gc.ca/index e.html Natural Resources Canada
- http://www.ainc-inac.gc.ca/bc/proser/fna/wkrlr/nrrl/frsty/frsty_e.html Indian and Northern Affairs -

First

- Nations Mountain Pine Beetle Program
- www.fnala.com/ First Nations Agricultural Association
- <u>www.cattlemen.bc.ca/</u> BC Cattlemen's Association