

**Agricultural Land Consolidation Review Committee
Annual Performance Report**

April 1, 2010 to March 31, 2011



Chairperson's Message

Honourable Jerome Kennedy
Minister of Natural Resources
Natural Resources Building
P.O. Box 8700
St. John's, NL
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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, 2010 to March 31, 2011.

The Agricultural Land Consolidation Review Committee was successful in achieving its mission, and annual objective as outlined in the Committee's Activity Plan of 2008-11. 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 2010-11.

Respectfully submitted,



Robert Walsh
Chairperson

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Overview

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 double 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 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 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 (Department of Natural Resources); Martin Balodis (Department of Transportation & Works); and Robert Walsh (Chairperson). Raymond Tucker (Department of Natural Resources) 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, Department of Natural Resources. Employees of the Agency perform many of the day to day administrative functions. In 2010-2011, 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 2010-11, the Committee negotiated and purchased seven properties totaling 146.6 acres. These properties are located in farming areas throughout the province. Negotiations were in progress for 11 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 2008-11 Activity Plan, the vision of the Agricultural Land Consolidation Review Committee is of a province that is realizing the full benefit from its agrifood resources in a sustainable manner.

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 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 Department of Natural Resources to: work toward the sustainable development of its natural resources for the long term benefit of residents of the province; and to work toward increased agriculture and Agrifoods development and diversification. 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, 2011, the Agricultural Land Consolidation Review Committee will have identified and facilitated land consolidation opportunities in support of sustainable agriculture and agrifoods resource development.

Measure:

Identified and facilitated land consolidation.

Outcome of Mission

The Mission's indicators stated in the two Activity plans covering the period from 2007-2011 include the following:

- Maintained statistics of applications received;
- Properties purchased and made available for allocation as Crown land leases.

The Secretary of the Agricultural Land Consolidation Review Committee maintains files and statistics of all applications received by the Committee. The Committee processed and assessed 47 applications to sell land to the Government. Applications were received from the Northeast Avalon (26), Cormack/Reidville (3), Avalon (4), Pasadena (7), Gambo (1), Clarenville (1), Bonavista Peninsula (1), Hughes Brook (1), Wooddale (1), Butts Pond (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. The Province purchased 22 properties totaling 850 acres. The properties are located on the Northeast Avalon (15), Cormack (2), Lethbridge (1), Conception Bay Central (3) and Gambo (1). The Province advertised a Public Call For Proposals for 17 of the properties. The Agrifoods Agency is currently evaluating the applications for 5 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, 2010-11, were consistent with the Strategic Direction of the Minister of Natural Resources to increase agriculture and agrifoods development and diversification. 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.

2010-11 Objective: The Agricultural Land Consolidation Review Committee will have processed applications under the Agricultural Land Consolidation Program.

Measure: Processed applications.

Indicators

- **Posted Public Notices and informed stakeholders of the Program.**
Advertising in 2007-08 resulted in applications well in excess of program budget. Therefore, no public advertisements were made in 2010-11 other than the program guide posted on the Department of Natural Resources' website (www.gov.nl.ca/nr). However, departmental staff was advised to keep interested individuals informed of the program.
- **Reviewed applications for eligibility based on the guidelines**
The Land Consolidation Review Committee met on 16 occasions during 2010-11. The Committee assessed 15 applications to sell land to the Government of Newfoundland and Labrador for agricultural purposes.

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

- **Initiated negotiations with eligible applicants**
The Agricultural Land Consolidation Review Committee initiated and concluded negotiations for the purchase of seven properties totalling 146.6 acres in 2010-11 based on the guidelines for land purchase. Negotiations for 15 other properties totalling 628 acres were on-going into the 2011-12 fiscal year. Following purchase, the properties are advertised by the Department 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 2011-12

The Committee's work for 2011-12 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).

Opportunities and Challenges

The Agricultural Land Consolidation Review Committee anticipates a busy year in 2011-12 as there are many properties which have been offered for sale pursuant to the terms of the Program.

There were some delays in allocating land as surveys, although acceptable for purchase, the surveys did not meet Crown Lands Standards. The Agricultural Land Consolidation Review Committee insists that surveys meet Crown Lands Standards which has facilitated the review and acceptance of surveys.

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 Department of Natural Resources and totaled \$1,425.00 for the 2010-11 fiscal year. In addition to Committee Member expenses, the Department also has a contract for independent legal services in its purchase negotiations; and these associated expenses are covered in the Department's budget as well.

As Noted in the Highlights and Accomplishments section in 2010-11, the Committee negotiated and subsequently purchased seven properties totaling 146.6 acres. These seven purchases totaled \$1,357,634.17.

A commitment and agreement to purchase a third property (59.7 acres) was in the final stages of a legal purchase transaction at the end of 2009-10. A further \$253,673 was allocated from this budget, held in trust by legal counsel and was subsequently utilized for fees and purchase of this third property in early 2010-11.

Budget Spent:

Professional Services:	\$66,602.83
Property:	<u>\$1,357,634.17</u>
Total	\$1,424,237.00

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.