

Agricultural Land Consolidation Review Committee

Annual Performance Report

April 1, 2017 to March 31, 2018



Chairperson's Message

The Honourable Gerry Byrne
Department of Fisheries and Land Resources
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St. John's, NL A1B 4J6

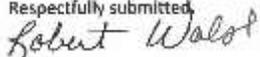
Dear Minister Byrne:

I am pleased to submit the Annual Performance Report for the Agricultural Land Consolidation Review Committee (the Committee) for April 1, 2017 to March 31, 2018. 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 2017-2020. The commitments of Government related to the Department of Fisheries and Land Resources (FLR), including those outlined in **The Way Forward**, have been considered in the preparation of 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 2017-18.

Respectfully submitted,



Robert Walsh
Chairperson

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Overview

The Agricultural Land Consolidation Review Committee (the 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, the Department of Fisheries and Land Resources (FLR) 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 through direct contact by Department of Fisheries and Land Resources (FLR) officials and the FLR website, <http://www.flr.gov.nl.ca/>. Applications were 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 were 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 also be required.

The members of the Committee as of March 31, 2018 were as follows:

Name	Position	Term
Robert Walsh	Chairperson, Dairy farmer, St. John's, NL	At Pleasure
Richard Carey	Member, Dept. of Fisheries & Land Resources	At Pleasure
Jonathan Grandy	Member, Dept. of Fisheries & Land Resources	At Pleasure

FLR provides secretariat support to the Committee. Mr. John Hogan, WPH Law, continued his role as the Committee's solicitor for 2017-18. Mr. Hogan's responsibilities include negotiations with landowners interested in selling their land to the province.

The Committee received extensive operational support from FLR. Employees of FLR performed many of the day-to-day administrative functions. In 2017-18, the Program was funded by FLR based on a \$1,303,000 budget which includes program funding of \$1,100,000 for land purchases, \$104,000 for professional services and \$99,000 for purchase services. Information regarding program expenditures for 2017-18 can be found in the Financial Information Section (page 4) of this report. Professional services included but were not limited to surveys, consultant fees, appraisals and environmental fees. Purchase services included but were not limited to costs associated with surveys and mapping equipment, construction services and land development.

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 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.

Highlights and Partnerships

The 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.

In 2017-18, FLR purchased approximately 33 acres of land at a value of \$523,000 and concluded transactions for an additional 176 acres of land. Expenditures for the Program varies from year to year depending on availability of land for purchase. This land is then advertised as land available for agricultural lease.

With the current emphasis on agriculture lands and goals of the current Government to increase food self-sufficiency, the importance of the Committee to negotiate purchase of private land for agriculture is of the utmost importance. The nine new applications submitted in the 2017-18 fiscal year to the Committee were reviewed, finalized, purchased and/or refused by the Committee.

Agriculture communities such as Cormack and Goulds, are limited in the amount of available agriculture lands, thus the purchase of lands negotiated through the committee enables land availability for future farming expansion or new entrants. Once the land purchase has been finalized by the Committee, FLR begins the allocation process.

Report on Performance

As the focus of Agricultural Land Consolidation Review Committee will remain the same for the entire plan, the committee will report on the same objective and indicators in all three years.

Outcome of Objective

Committee activities in 2017-18 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.

Typically, applications received are evaluated for land use and soil suitability. Then negotiations commence and can take considerable time. If an agreement can be reached and a Purchase and Sale Agreement is signed by Government of Newfoundland and Labrador and the applicant, funds are deducted from the budget for the fiscal year and transferred to a trust account with the legal consultant. The funds remain in the trust account until a survey is completed, to confirm size and boundaries of the land in question. If any legal issues arise this can delay the process. For this reason, the process can most times go beyond the fiscal year.

Objective: By March 31, 2018, 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

- Evaluated applications for land acquisition by the Government of Newfoundland and Labrador under the Agricultural Land Consolidation Program based on established guidelines and policies;
 - The Committee met on 11 occasions during 2017-18. The Committee evaluated nine new applications and 10 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.

- The status update on applications from previous fiscal years is as follows: two were closed due to lack of title information; three applications were rejected based on the grounds that the land was not suitable for agricultural development; and one was withdrawn because of offer price. The remaining four applications were finalized and purchased by the Government of Newfoundland and Labrador.
- Nine new applications were submitted in the 2017-18 fiscal year. Two applications was reviewed, finalized and purchased by the Committee. Six are waiting for committee review and assessment and one was turned down based on the grounds that the land was not suitable for agricultural development.
- Facilitated and concluded negotiations for a land purchase and sale agreement for applications that meet program criteria;
 - The Committee concluded negotiations on four properties from previous fiscal years totalling 176 acres of land. The Committee negotiated Purchase and Sale Agreements and finalized land sales for two properties totalling 33 acres in the 2017-18 fiscal year.
- Allocated properties purchased as Agricultural Crown Land Leases; and
 - Following purchase, five properties were advertised by FLR through a Public call for Proposal on the FLR website and issued as agricultural leases.
- Publicly communicated the opportunity to private landowners to sell private, agriculturally suited land through the Agricultural Land Consolidation Program.
 - Information and applications for the Program can be found on the FLR website

Opportunities and Challenges

The availability of suitable farmland 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 livestock sector, it will mean having access to more land for forage production. The 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.

A challenge with the program is receiving an application and completing the legal process of purchase of land, within a fiscal year.

Financial Information

The Committee does not have a stand-alone administration budget and as a result audited statements are not required. The following is a Table of Expenditures of FLR for the Land Consolidation Program. Committee expenses were funded through FLR. The expenditures for reimbursement of travel expenses and remuneration of Committee members are very similar from year to year and in the 2017-18 fiscal year totaled \$665.00.

Table of 2017-18 Expenditures	
	Expenditures
Property:	522,965.50
Professional Services:	23,243.75
Purchase Services	7,031.42
Total	553,240.67

In addition to Committee expenses, FLR also has a contract for independent legal services with 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 2017-18, the Committee negotiated Purchase and Sale Agreements for, and subsequently the Government of Newfoundland and Labrador purchased, four properties from previous fiscal year totaling 176 acres and two new properties totaling 33.5 acres for a total of 209.5 acres. The Committee closed purchase transactions of four additional properties.