



**Ontario Farmland Trust
Annual Report
2007**

www.ontariofarmlandtrust.ca

Mission Statement

The mission of the Ontario Farmland Trust is to protect and preserve farmland and associated agricultural, natural and cultural features in the countryside and to research and educate to further the preservation of these lands for the benefit of current and future generations.

A Year of Growth

Message from the Chair



The year 2007 was a year of enormous progress and growth for the Ontario Farmland Trust, thanks to the many contributions of our hard-working Board members and staff.

We welcomed two new Board members, Tony Fuller, a retired professor from the University of Guelph, and Peter Mitchell, a Research Associate in the Agricultural College. We enjoyed the huge contributions of Ivan Lee, an intern funded by the George Cedric Metcalf Charitable Foundation. And our own Executive Director, Melissa Watkins, provided her own continuing leadership, and at the end of the year finished her M.Sc. in Land Resource Science!

I'd like to single out two Board members and a former member for their huge contributions 'beyond the call of duty'. Don Prince, a founding member of our Board, left to work for the Oak Ridges Moraine Land Trust, with whom we have a partnership to investigate farmland for securement. Rodger Cummins holds up our end of the land securement program as Chair of the Land Committee, working closely with Don in visiting landowners and negotiating details of potential easements.

Nancy Walther serves as our Vice-Chair and has made numerous presentations on behalf of the Trust. In 2007 yours truly was off-work for some months with serious illness, and Nancy took over leadership of the Trust, running meetings and providing direction. Melissa picked up other key parts of my role and put in many hours beyond the usual 9 to 5 keeping the Trust growing. Special thanks to them both.

Thanks also to several other former Board members who have moved on - Bill Salmon, Harry Brander, Margaret Black, and Drew Crinklaw. We appreciate the work of all these Board and staff members, past and current, enormously.

At the same time we face continuing challenges in getting farmland preservation on the public agenda. Farmland continues to simply get priced out of the market in comparison to land for development. Farmers don't get the same tax incentives as the Eco-Gifts program provides, hence our work to establish an 'Agricultural Gifts Program'. Agricultural easements are challenging to negotiate.

Public education is the other dimension of our work. Jobs, other environmental issues, and farm income take precedence, even though local food is becoming a high public priority. We will continue to work to make farmland preservation an issue that gets strong public attention.

Please join us in our continuing work – becoming a member, a volunteer, or by joining our Board. We would be glad to discuss opportunities with you.



*-Stew Hilts
Chair*

Highlights

2007 at a glance

- OFT hosted the very successful 2007 Farmland Preservation Conference entitled: Places to Grow...*Food*
- We received a significant grant from the Friends of the Greenbelt Foundation to help secure easements on some of our best farmlands experiencing 'leapfrog' development pressures
- We received funding from the Metcalf Foundation to hire Ivan Lee on a 12-month Internship. Ivan did an amazing job establishing our volunteer program, among other things!
- We received funding to begin work on a major outreach and education campaign from the Metcalf Foundation, which we will launch in 2008.
- We are making progress towards establishing a fiscal incentive program for donors of threatened agricultural land.
- We have forged many new working relationships with like-minded organizations such as FarmStart and the Kawartha Heritage Conservancy. We have also been working with municipalities to help develop farmland preservation strategies.



Places to Grow Food

The 2007 Farmland Preservation Conference

The 2007 Farmland Preservation Conference, “Places to Grow Food” was held April 12th and 13th at the University of Guelph.

The conference explored many issues related to farmland preservation and farm viability, but focused on three particular issues important to the future of farming in southern Ontario:

1. Local food marketing initiatives – urbanites are increasingly looking for the opportunity to purchase ‘local food’ and reduce ‘food miles’. For farmers who choose to move in this direction, local food production can be one route to economic viability, while also helping to reconnect the urban consumer with farmers and the countryside.
2. New directions in land use planning for agriculture – although the Planning Act has been strengthened, and both the Greenbelt and growth management legislation has been passed, there is still much to do to ensure agricultural viability. Municipalities can undertake a number of supportive programs to enhance agriculture at the local level.
3. Support for immigrant, new and young farmers entering the industry – new Canadians, young people, and adults switching careers wish to try farming, at least on a small, near-urban scale. The next generation within farm families often hopes to take over their family farms. In all cases, costs make it almost impossible. There are specific programs that could be developed to support these potential new, immigrant and next generation farmers.

The Ontario Farmland Trust believes that these issues and others could be built into a provincial strategy to support both farmland preservation and the viability of the farm industry. The Trust will continue to sponsor dialogue toward a ‘Places to Grow Food’ plan over the next 3 years.

The conference featured over 20 speakers who addressed a variety of topics, from case studies of local food marketing and education for children, to the challenge of protecting the ‘whitebelt’ of good farmland outside the urban belt of the Golden Horseshoe, but inside the boundary of the Greenbelt. In the final plenary session, a list of 15 practical recommendations was developed.

Land Use Planning:

1. Society needs to value farmland for its unique soil and productivity value, especially the variety of crops that can be grown in southern Ontario, and not just for development at market value.
2. Municipalities need to understand that residential development is a drain on the tax base, while agriculture makes a positive financial contribution in comparison.
3. The Ontario Municipal Board should be given a mandate to ensure that development proposals on prime farmland outside urban boundaries are not approved.
4. As much as possible, efforts should be made to redirect urban growth in southern Ontario away from centres located in the middle of prime agricultural regions.

Local Food Production and Marketing:

5. Programs to support value-added processing or marketing at the farm level should be established, including transition funding and appropriate assessment designations.
6. Innovative programs to support the pooling of resources among farmers to increase local food marketing should be developed and encouraged.
7. The benefits of local food consumption should be promoted.
8. Best practices for supporting agriculture at the municipal level should be developed and promoted, based on outstanding success stories among current municipalities.
9. Innovative alternate land-holding arrangements - from farm partnerships to 'agrominiums' - should be investigated, to support land access for new farmers at reasonable cost.
10. All relevant federal and provincial government agencies and policies should be harmonized to support innovation in local food production and marketing, and avoid inadvertent barriers.
11. Programs to support local food production should be linked to programs that support payments for ecological goods and services.



Support for New, Immigrant and Next Generation Farmers:

12. An innovative suite of new programs such as internships, mentoring and production sharing arrangements, training and incubator farms should be developed to support entering farmers.
13. New Canadians should be encouraged to enter agriculture, and the ethnic market for new crops of value to immigrant communities should be assessed and supported.
14. Innovative means of allowing farm succession between generations must be developed to provide for continuity of family farms where land values are excessively high.
15. Start-up grants and low-interest loans should be provided for new, immigrant and next generation farmers, such as are common in the European community.

We take for granted the unique farmland of southern Ontario, its high quality soils, its amenable climate, and its resiliency as a landscape for agricultural production compared to the rest of Canada (and the world). We leave farmers to worry about the financial viability of the industry. And we take urbanization as inevitable, welcoming the employment it brings.

This status quo needs to change to provide balanced decisions supporting farmland preservation as well as urban growth. The most important means to preserve farmland is to put in place programs that will allow farmers to make a profit, giving them an incentive to continue farming.

In spite of our need for urban development, food production is the fundamental value of the landscape of southern Ontario, and the farm community has the expertise to serve us by doing what they do best – producing crops and livestock. The Ontario Farmland Trust will continue to explore ways to support the farmland preservation and farm viability so crucial for a sustainable future in southern Ontario. □

Agricultural Gifts

Working to Provide Farmers with Options that Make Economic Sense

In 2007, the Ontario Farmland Trust began working on many levels to develop a fiscal incentive program for the protection of agriculturally significant land in Canada. We believe it is important to offer farmers who voluntarily agree to protect their land for agriculture the same treatment that donors of ecologically significant land currently receive through the existing Ecological Gifts Program.

The Ecological Gifts Program is an outstanding success across Canada, encouraging voluntary donations of ecologically significant lands, or conservation easement agreements on such lands, to designated conservation agencies by providing tax incentives. Currently, no such incentive exists for donations of productive agricultural land, which also provides many environmental, social and economic public benefits.

There are a number of ways in which an Agricultural Gifts Program could be developed including adding a new branch or category to the existing Ecological Gifts Program. There are also numerous related issues that merit consideration at the same time, including:

- Pilot projects for the purchase of agricultural easements/covenants/servitudes should be established in areas of critical agricultural resources; these types of projects have been particularly successful in the United States, positively influencing public attitudes as well as keeping farmers farming,
- The difficult question of appraising the value of easements/covenants/servitudes must be addressed,
- Any such program must take into account that farmers are usually land-rich but cash-poor; this circumstance will generally reduce the value of donations to farmers in comparison to other donors,
- The special circumstances that are faced by retired farmers donating land must be addressed; charitable donations can trigger an increased net income that results in claw-back of pensions and other retirement benefits that is obviously unintended,
- Income tax receipts could be used over longer periods of time than the 5 years currently allowed, and made transferable to allow donors to utilize the full value of their donations,
- The rules governing participation by firms regarding donations of farmland should be relaxed to provide an incentive for developers to participate in such a program to conserve farmland.



We have called upon the federal Finance Department to establish an Agricultural Gifts Program that provides incentives for donors of productive farmland or agricultural easements similar to the very successful Ecological Gifts Program. To date, we have also garnered support for our proposal from over 70 municipalities across Ontario, as well as many agricultural and conservation organizations including the Ontario Land Trust Alliance and the Canadian Federation of Agriculture, among others.

We have also recommended examining other steps toward making the use of agricultural easements effective and efficient, such as the purchase of conservation easement (PACE) programs that have proven enormously successful at preserving critical farms and farmers across the United States.

The Ontario Farmland Trust is poised to work with government and others to develop an 'Agricultural Gifts Program', which would undoubtedly lead to the permanent protection of some of Canada's best farmland, enhancing the agricultural industry, our environment, and benefiting all Canadians for generations to come by providing farmers with options that make economic sense. □

Financial Report

For the year ended December 31, 2007

Revenues	2007	2006
Member contributions	1,650	8,155
Donations in-kind	15,673	14,500
Foundation donations	106,186	63,981
Interest	3,048	289
Conference	13,925	n/a
Total Revenues	140,482	86,925
Expenditures		
Payroll and benefits	74,834	44,970
General and administrative	39,583	30,975
Communications	6,564	7,319
Annual conference	16,850	2,922
Board development	n/a	1,323
Land Securement	3,000	500
Total Expenditures	140,831	88,009
Net Revenue (Deficiency)	(349)	(1,084)
Net Assets at Beginning of Year	3,096	4,180
Net Assets at End of Year	2,747	3,096

This report is a summary based on audited financial statements prepared for the Ontario Farmland Trust by Akler, Browning, Frimet & Landzberg LLP. The complete statements with auditor's notes are available from the OFT upon request.

Board of Directors and Staff

Chair

Stewart Hilts

Vice-Chair

Nancy Walther

Secretary-Treasurer

Rick DeGraaf

Board Members

Dan Breen

Rodger Cummins

Bruce Flattery

Tony Fuller

Mark Juhasz

Peter Mitchell

Elbert van Donkersgoed

Bronwynne Wilton

Executive Director

Melissa Watkins



Melissa Watkins

Land Securement

Don Prince

Metcalf Leaders in the Field Intern

Ivan Lee

University of Guelph Work-Study Intern

Matthew Setzkorn

Accountant

Jean Labrecque

Auditor

Sam Landzberg,

Akler, Browning, Frimet & Landzberg LLP

To our Volunteers: Thank you!

Ang Schinas
Andrea Barns-Staples
Tristan Dineen
Libia Grace
Nikki Hammond-Everts
Meghan Sharp
Roli Wilhelm
Leilan Baxter

Erin Kenney
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Thanks to our funders:



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