

# On-Farm Energy: Land Use Implications

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## *Speaking Notes for Farmland Trust Forum*

When Matt got in touch with me he asked for a bit of a talk about the land losses to farming from green energy. Could I say a bit about how much, is it a problem, what does OFA think about it and what are my own views. Do I will try to cover that in 10 minutes. Noting that this talk is really about how we deal with choices when we pit one good thing against another; green energy versus saving farmland in this case.

I will state OFA's views on land use for green energy, then go on to my own which are still open to change pliable, like clay before a potter puts it in a kiln to harden.

### **OFA's views on the loss of farmland aspect:**

OFA opposes large scale solar on good farm land. Large solar is fine on roofs of buildings, but not farmland. For micro-solar, OFA has no objection to it where owners want it, in keeping with local zoning. For wind towers, they may be sited where land owners want them, again given local zoning. OFA cautions that wind leases limit new farm buildings, eg. pork or poultry barns and that may handicap future production. OFA feels the one to three acres of road per tower is a matter for individual farmers and not one for regulation or prohibition. And we pushed for approaches that would help green energy fit into rural communities.

Now my own less well formed views.

Desires to preserve farmland stem from worries about:

Scenery preservation or **Local or global hunger**, or

Limiting use of farmland by others, so land prices stay low for farmers.

Many folks use a hunger argument, but we can suspect that for some their concern is wind towers hurt the view and real estate values. If the spectre of starving people keeps land values up, fine for them. Limiting other uses on land, causes demand for that land to fall so prices are lower for farmers and country residential buyers. But capricious regulation should not destroy savings for some or award wealth to others who have created no new value. Concern for prices is not without merit. But often price related demands are for state intervention to preserve one group's advantage while denying the benefit of new economic circumstances to the public at large. Groups who want land values up and those who want them down can unite on this. There is a mix of concerns here for land values and hunger which are real and there are some who oppose any change to their scenery or who want to keep out any new entrant to the land market while they are buying rather than selling.

Hunger and avoiding regulations that are capriciously destructive in how they take or give wealth, are legitimate concerns. But treating hunger requires more than land. There must also be labour, equipment and markets. Should tractors be rationed so they can't mow golf courses while there are people unfed? Should farm workers be kept on farms as in China? Should rules restrict people to 10 kilos of food per person per week while there are people who can only find nine? Should land be the only resource we regulate or ration to resolve hunger? The answer is no. There is machinery. We find labour. The markets sort of work.

Hunger is not man's only concern. It competes for resources with shelter, health, clothing, family life, exercise, freedom, education for resources. We need markets to allocate between these and inside each. Should we ration resources for these things with no thought for costume jewellery, pearls, Puccini or rock music? Where do we draw the line? When is concern reasonable? When should we feel rules serve us better than markets? We have market failure, how should we correct or compensate?

Every society has regulations and markets and mixes of the two. This choice has driven geo-politics for the past 2000 centuries. It is how nations compete with each other. Which mix of state and markets does best for the people who live with it? Which evolves to meet changing needs and provides defence when challenged? And into this mix we must also choose what self regulation to apply to our own behaviour with each other in families, among friends and strangers, in markets and while applying regulations.

That touches on the general question. Our decisions are about how to allocate resources so they enhance sustainability, growth, freedom and stability as a society and how we treat each other. Now a few details, then some concluding general points.

With respect to solar on farm land in Ontario now and for the next twenty plus years, there are tens of thousands of acres or rooftops and we should use them before we use farmland. There is no reason to trade off farm land for solar power. Solar power is entering a competitive price phase and it can become viable power in Ontario. With this in mind it makes sense to limit future solar to rooftops. This limitation can be achieved by regulation or tax.

With respect to wind towers on farm land. Wind towers can be made quieter and that they ought to be located where they do not cause noise problems. The 550 + meter setbacks applied to all homes achieve this. Others feel more or less is needed or adequate. That is easily tested and resolved. Distances substantially greater than needed are not about noise protection but about making it impossible to find suitable sites. Landowners should preserve 20 acres in every hundred with no restriction on future farm buildings. If they don't they may limit future production.

When we pit two good things against each other and fear one might disappear what should we do? For example housing people and the Brampton plain. In 1860, the Brampton plain was the most productive wheat area in the British empire. It was great farmland. If we wanted to preserve land on the Brampton plain in 1960 when Brampton was 18,000 not the 525,000 it is now, what might we have done? Land use planning gave us the Brampton we have. Would taxes on changing land use have helped build a better Brampton? Possibly. A tax when land changed use would have changed costs and encouraged higher density development. Prices for new and existing homes would have gone up. And it would have compelled changes in family budgets with less for holiday cruises and vet bills. The government collecting the tax might have stayed out of debt. And less land would have been developed and prices per acre would have been lower. There would be a wide range of consequences, one of which would be higher density cities with better mass transit and some land staying in farming for longer.

A tax approach magnifies the market's tests. Resources do not change use unless they can provide a market rate of return and pay the tax, so greater than market benefits. At the same time, the tax addresses some of the needs in non-market goods and services. If the new use can pay the tax, it is obviously desirable in market terms and it will be financing hopefully useful public services, while holding land cautiously. The same approach can be taken for other resource inputs to development such as water and gravel and the approach can apply to energy development as well as urban development.

If we fear the results of market failures, that don't call for total bans on a thing or practice, start with simple adjustments, a tax. It is low cost and allows regulation to look after details once they become clear. This is not OFA policy, it is my meanderings. Farmers don't like taxes much more than anyone else, but this does provide a perspective on how to help conserve farmland while paying for some of Ontario's public services.