

Farmland Values, Farmland Ownership & Agricultural Policy

Brady Deaton, Jr.

Web Site:

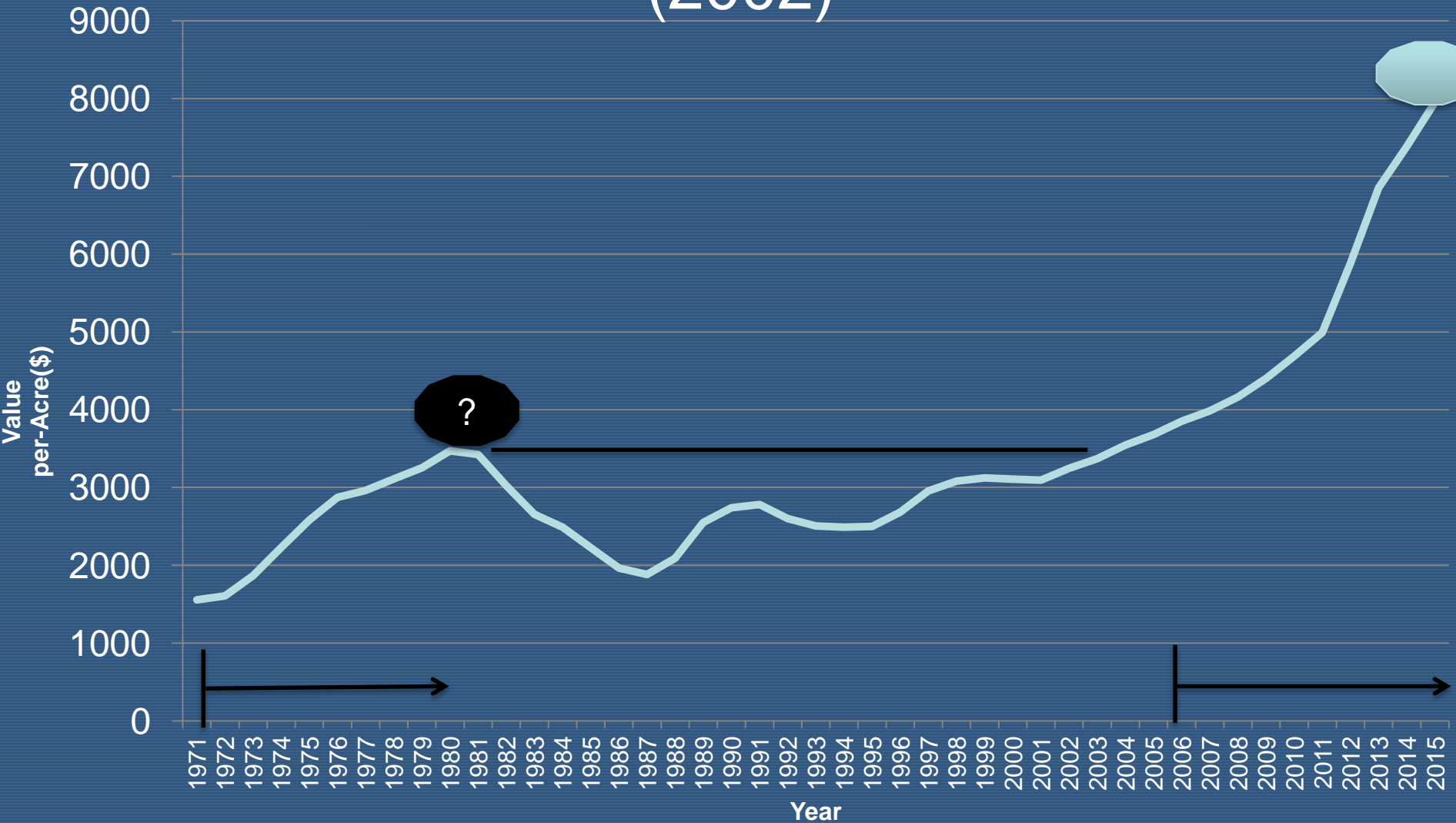
<https://www.uoguelph.ca/fare/users/bdeaton>

Podcast Series: <http://www.uoguelph.ca/fare/FARE-talk/index.html>

Twitter:

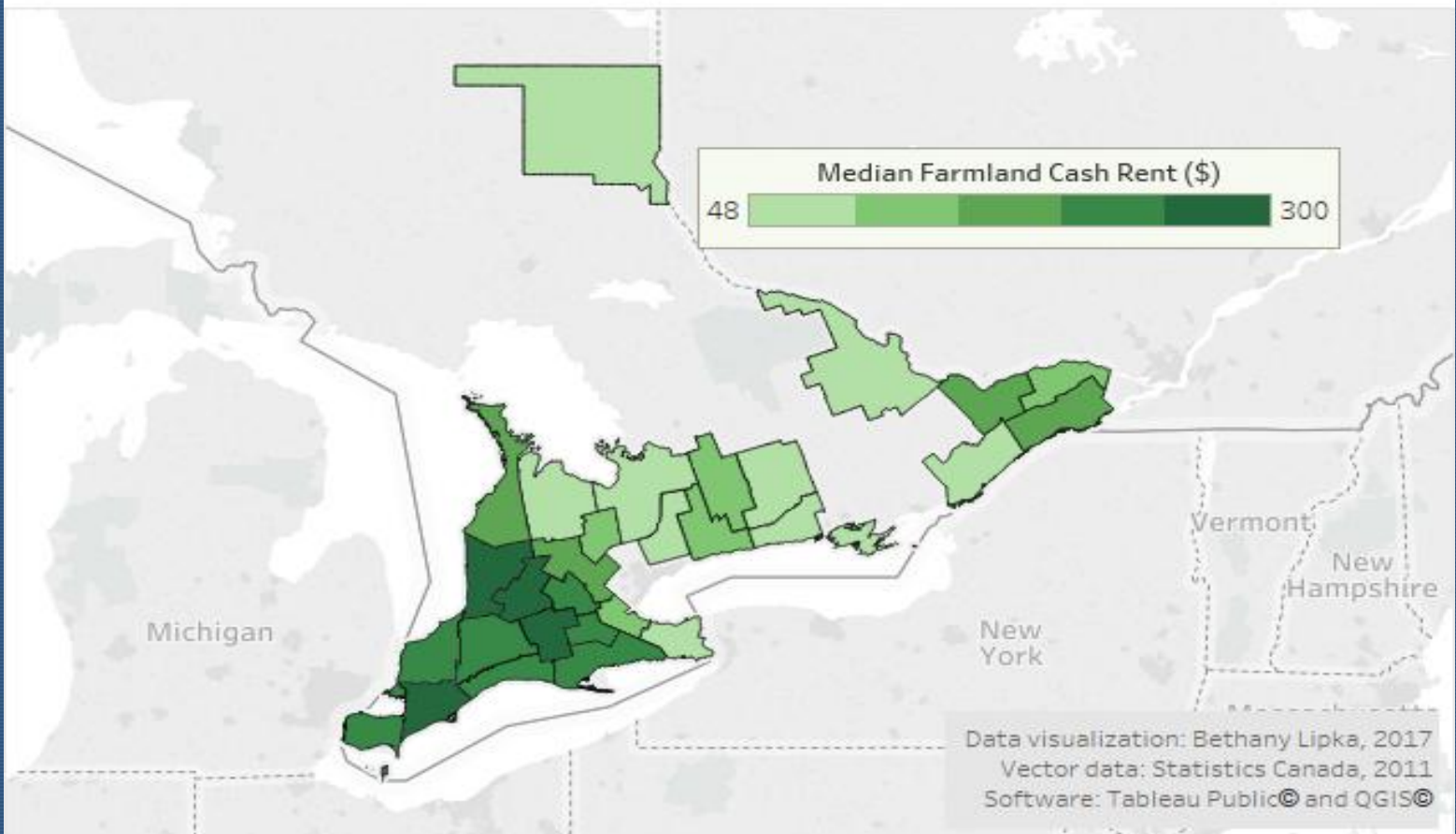
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Ontario Per-acre Value of farmland and Buildings (2002)



Source: Statistics Canada: Cansim Table 0020003

Median Farmland Cash Rent by Census Division



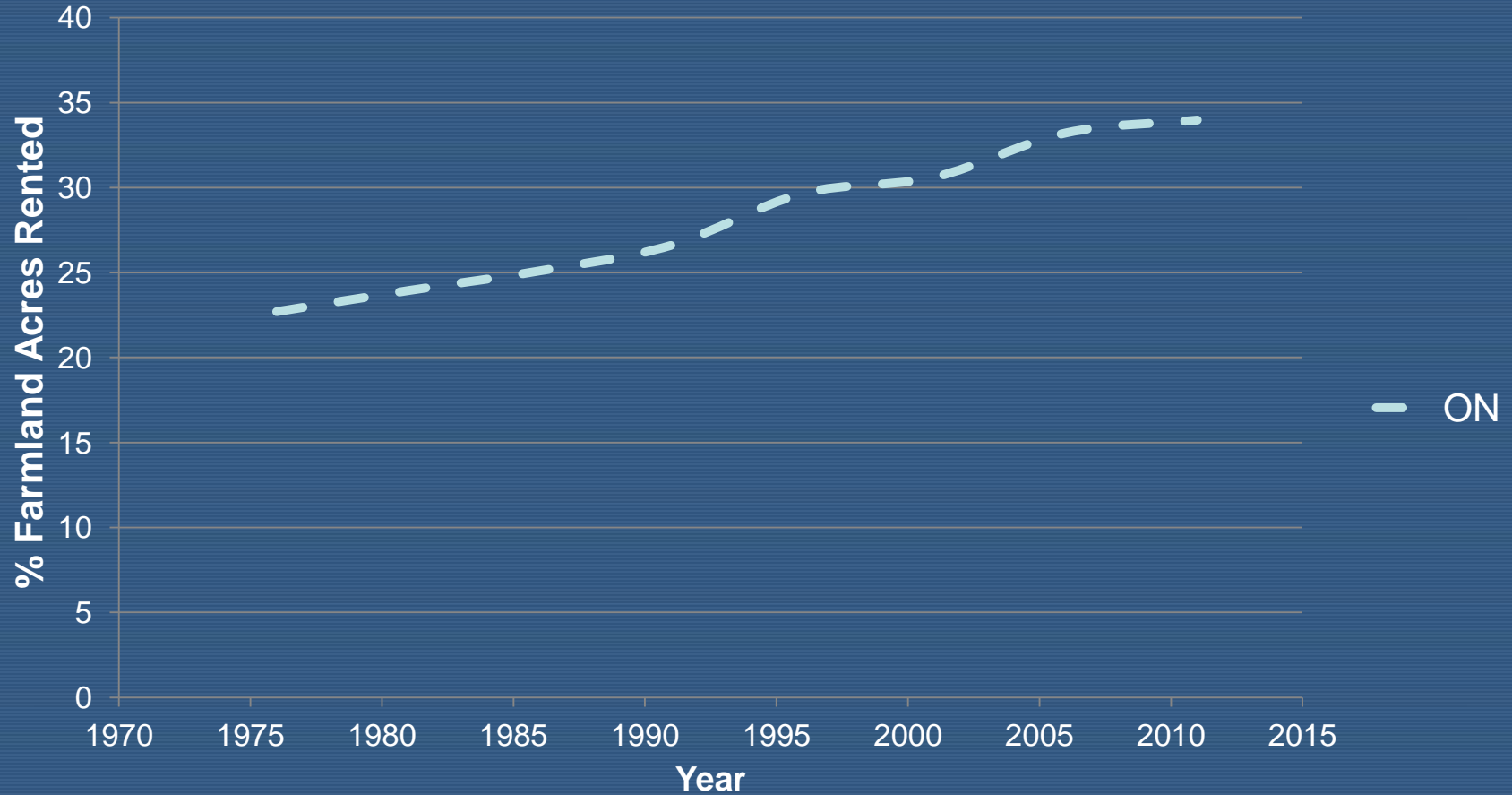
The above heat map was constructed using the median reported per acre cash rental rate for average quality cropland in each Ontario Census Division surveyed. Only Census Divisions with greater than 10 survey responses are represented. The colour scale can be interpreted according to the legend provided. For questions and inquiries, contact Professor Brady Deaton (bdeaton@uoguelph.ca).

Non-farmer ownership of farmland is a historic issue

- “In 1897 the economists interested in agriculture put together a discussion... [regarding] the rapid increase in the system of land renting, the absorption of small holdings by wealthy landowners...”

% of Farmland Rented

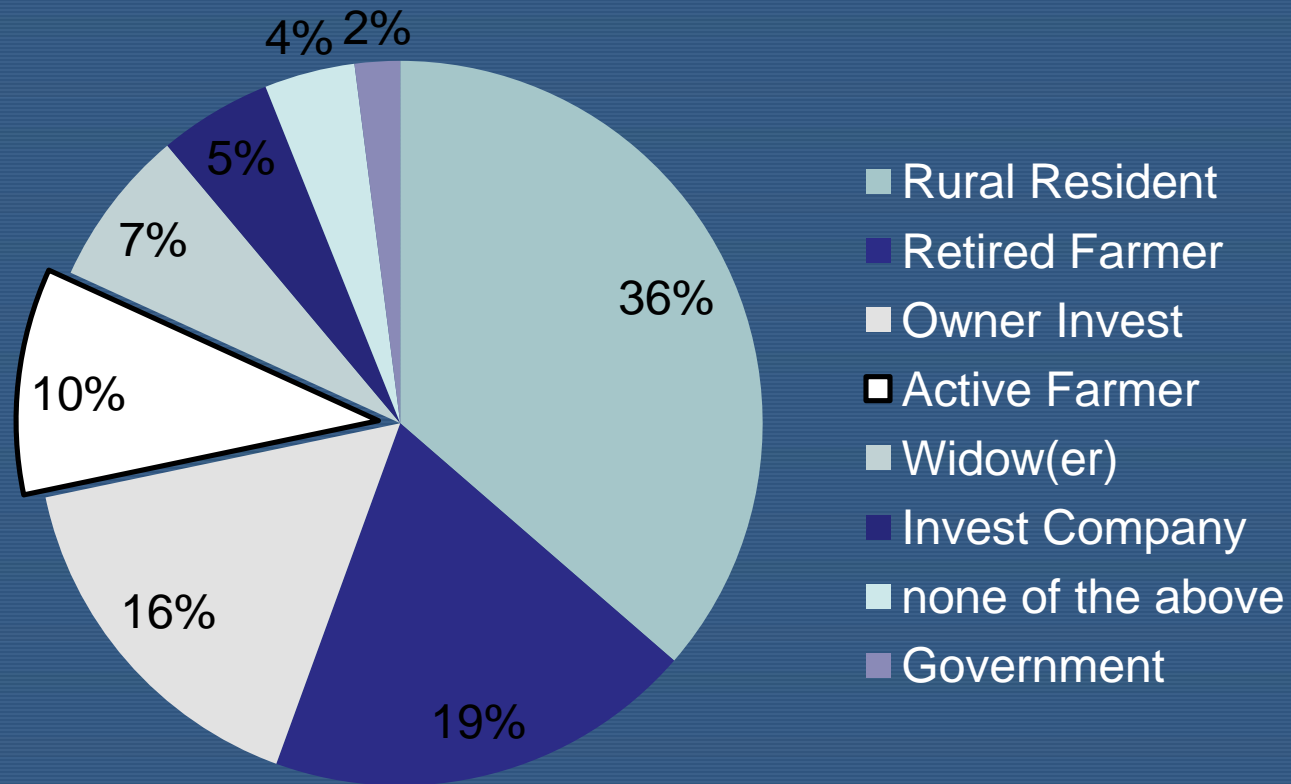
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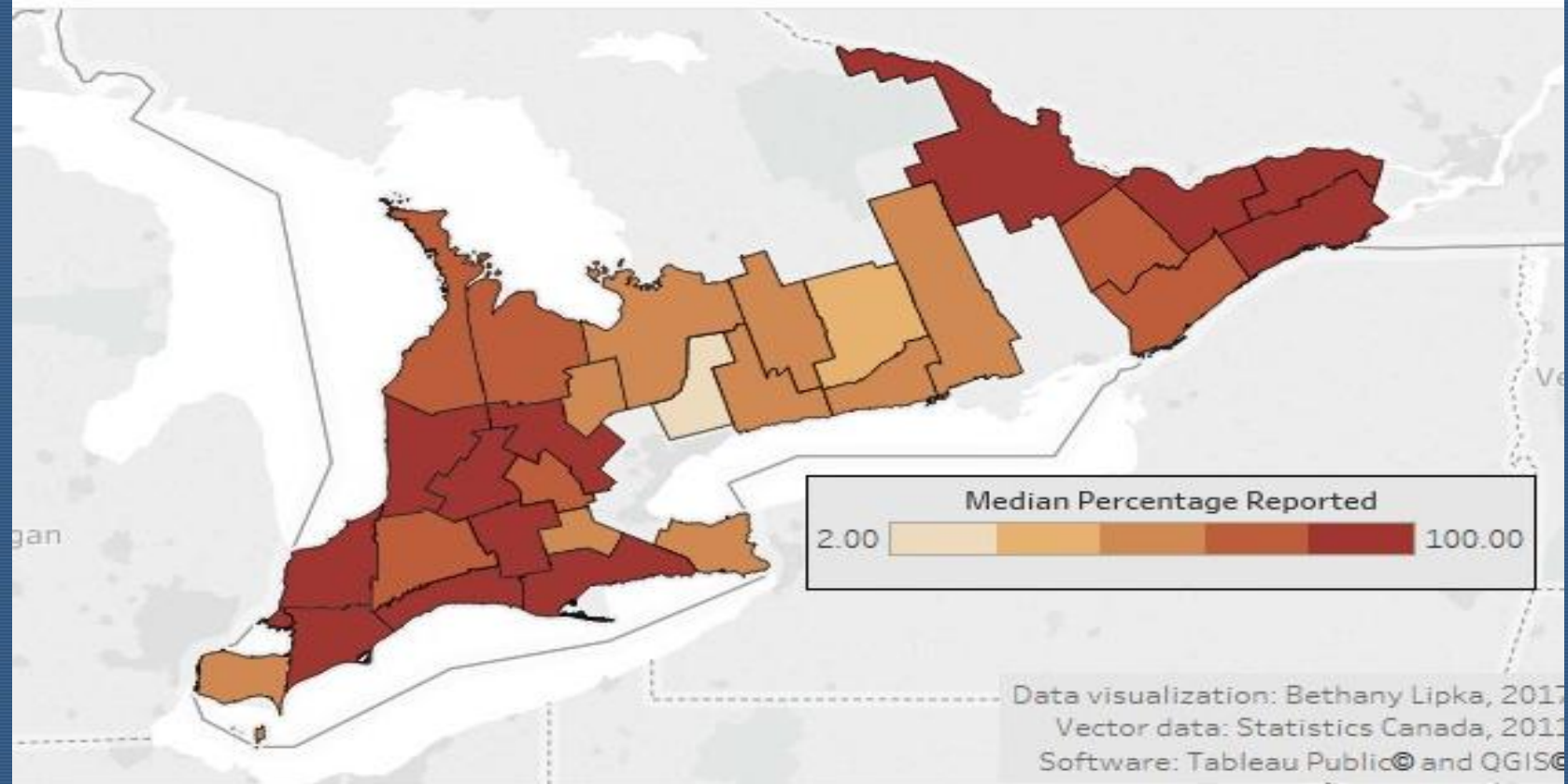
Source: Statistics Canada. <http://www.statcan.gc.ca/pub/95-632-x/2007000/t/4129750-eng.htm>

Ontario Landlords

(Categorized by tenants who cash rent)



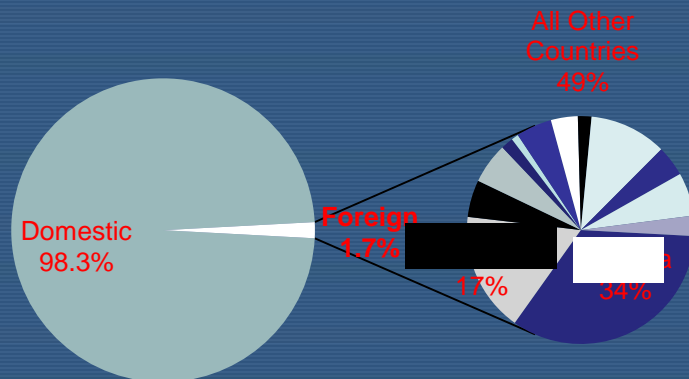
In this region during the past 12 months, approximately what percentage of farmland sales were to farmers?



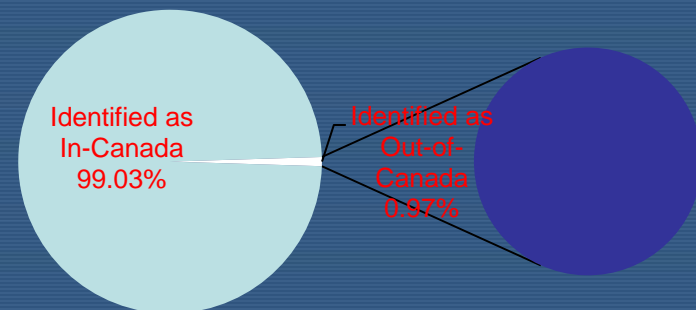
The above heat map was constructed using the median reported percentage of farmland sales to farmers estimated by respondents in each Census Division surveyed. Only Census Divisions with greater than 10 survey responses are represented. The colour scale can be interpreted according to the legend provided. For questions and inquiries, contact Professor Brady Deaton (bdeaton@uoguelph.ca).

Foreign Farmland Ownership in US and Ontario

Landownership in US Farmland and Forestland (Acreage)



Ontario Farmland Ownership on Tenants' Largest Parcel Rented in (Number of Rental Contracts)



Source:

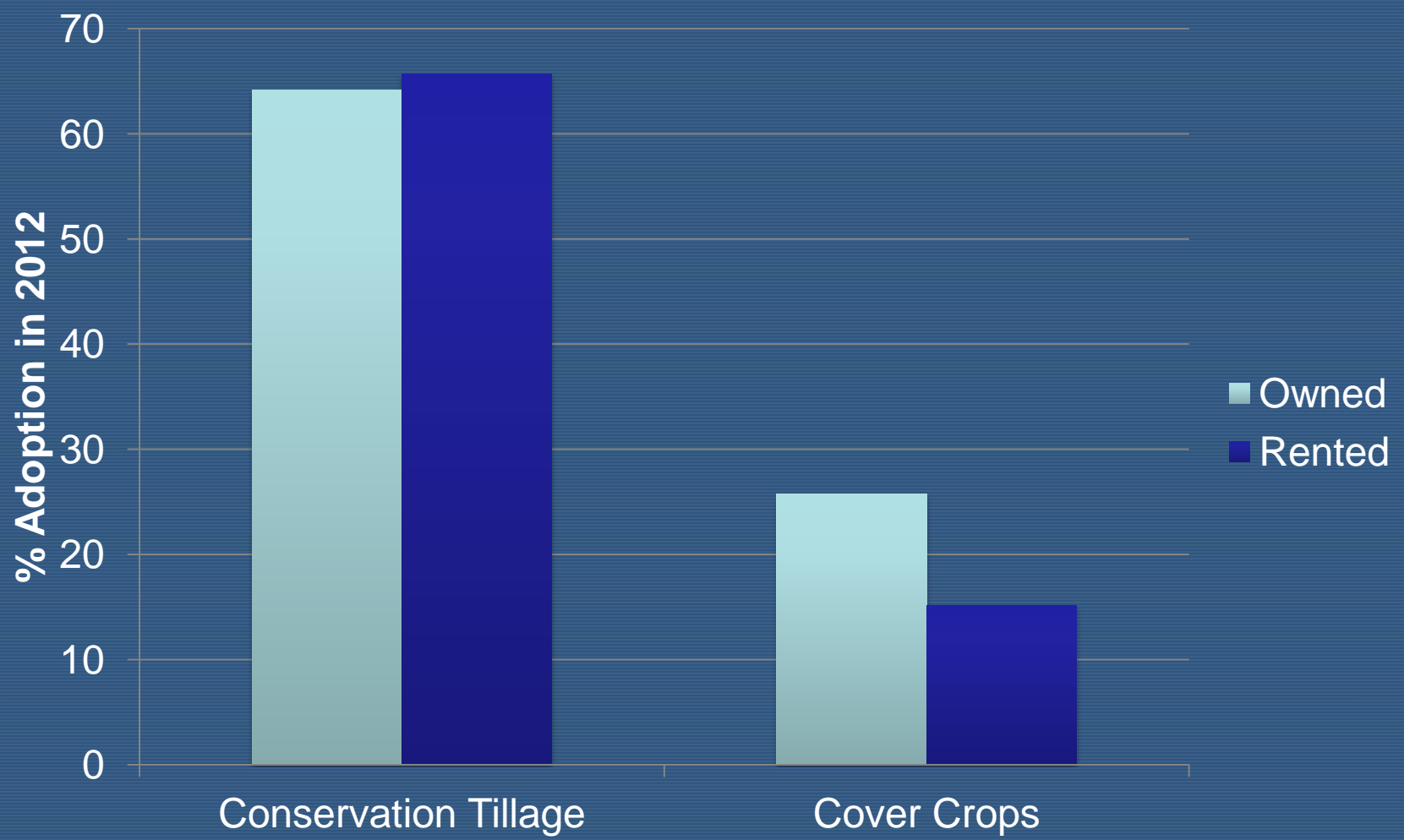
Nickerson, C.J., M. Morehart, T. Kuethe, J. Beckman, J. Ifft, and R. Williams. 2012. *Trends in US farmland values and ownership*. US Department of Agriculture, Economic Research Service.

Nadella, K. 2013. *An Examination of the Adoption of Conservation Practices on Owned and Rented Farmland in Ontario and Manitoba*. Msc Thesis. University of Guelph.

Current Provincial Policies Across Canada

British Columbia	No restriction on foreign ownership. Uses of land in the Agricultural Land Reserve are regulated by the Agricultural Land Commission.
Alberta	Subject to certain exceptions for commercial ventures (including limited natural resource extraction or processing and residential development), non-residents and foreign-controlled corporations can own up to 20 acres of agricultural land. <i>Foreign Ownership of Land Regulations, Alta Reg 160/1979</i>
Saskatchewan	Non-residents and foreign entities can own up to 10 acres of Saskatchewan farm land. Entities that are partially foreign-owned but controlled by Saskatchewan residents or their farming corporations can own up to 320 acres. <i>The Saskatchewan Farm Security Act, SS 1988-89, c S-17.1, The Saskatchewan Farm Security Regulations, RRS c S-17.1 Reg 1</i>
Manitoba	Non-residents and foreign entities can own up to 40 acres of farm land. <i>The Farm Lands Ownership Act, CCSM c F-35</i>
Ontario	No restriction on foreign ownership. Uses of prime agricultural areas are regulated by planning authorities acting pursuant to the 2005 Provincial Policy Statement.
Québec	Non-residents and foreign-controlled entities must get permission to buy more than 4 hectares (or about 10 acres) of agricultural land from the Commission de la protection du territoire agricole du Québec. <i>An Act respecting the acquisition of farm land by non-residents, RSQ c A-4.1</i>

Adoption of Conservation Practices in Ontario



Agricultural Policy

- Agricultural policy is government action or ***forbearance*** that guides present and future conditions in the food and agricultural sector.

Policy Thoughts

- Should government encourage young farmer's to purchase farmland?
- Should government discourage foreign investment in farmland?
 - data collection!
- Can government enhance outcomes in the rental market?
 - Depends on the conservation practice.
 - may require a focus on the landlord.