

NOVA SCOTIA FEDERATION OF AGRICULTURE

Standing Policy 2012 -2013



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Our Mission:

To ensure a competitive and sustainable future for agriculture and a high quality of rural life in Nova Scotia.

Introduction

Since 1895, the Nova Scotia Federation of Agriculture has represented the interests of Nova Scotia's agricultural community. Today its members account for over 90% of all agricultural production in Nova Scotia. With an organizational structure that includes representation from 13 county and regional federations and 27 recognized agricultural commodity groups, the Federation brings

together over 2400 individual farm businesses representing all aspects of primary agriculture in the province.

The NSFA Standing Policy outlines, in terms of issues and action strategies, its position on major issues facing the industry. This document consists of current policy statements as well as resolutions passed during the past 3 years at the annual meeting of the Federation. Once adopted

the Policy Paper along with resolutions adopted at the Annual General Meeting become the major focus of the Federation's activities during the ensuing year.

The Policy Paper reflects unresolved and ongoing issues from previous years and emerging issues that may have an impact on the development of a profitable agricultural sector. It is developed through industry discussion, background papers prepared by the Federation and issues that surface throughout the year. The context for the Policy Paper is developed by the Executive Committee; it is expanded through consultation and discussion by the Council of Leaders and presented to the Annual General Meeting.

The objectives and actions set out in the Policy Paper are informed by the principal mission of the Nova Scotia Federation of Agriculture: *“to ensure a competitive and sustainable future for agriculture and a high quality of rural life in Nova Scotia”* and are consistent with the goal of a financially viable, ecologically sound and socially responsible primary agricultural sector.

The Policy Paper is distributed to all Federation Members through the Federation's newsletter. It is debated and amended by the Annual General Meeting before it effectively becomes the blueprint for the Federation's lobbying efforts in the following year. Principal Initiatives will become the main focus of the Federation's policy agenda in the coming year.

Members of the NSFA:

NSFA Affiliated Commodity Groups

1. Chicken Farmers of Nova Scotia
2. Chicken Producers Association of Nova Scotia
3. Christmas Tree Council of Nova Scotia
4. Dairy Farmers of Nova Scotia
5. Goat Association of Nova Scotia
6. Grape Growers Association of Nova Scotia
7. Greenhouse Nova Scotia
8. Horticulture Nova Scotia (Berry)
9. Horticulture Nova Scotia (Vegetable)
10. Nova Scotia Potato Marketing Board
11. Landscape Nova Scotia
12. Maple Producers Association of Nova Scotia
13. Nova Scotia Beekeepers Association
14. Nova Scotia Cattle Producers
15. Nova Scotia Egg Producers
16. Nova Scotia Fox Breeders Association
17. Nova Scotia Fruit Growers Association
18. Nova Scotia Greenhouse Vegetable Marketing Board
19. Nova Scotia Mink Breeders Association
20. Nova Scotia Young Farmers Forum

21. Organic Council of Nova Scotia
22. Pork Nova Scotia
23. Sheep Producers Association of Nova Scotia
24. Soil and Crop Improvement Association of Nova Scotia
25. Turkey Farmers of Nova Scotia
26. West Nova Agro Commodities Limited
27. Wild Blueberry Producers Association of Nova Scotia

County/Regional Federations

1. Annapolis County
2. Antigonish/Guysborough Counties
3. Cape Breton / Richmond Counties
4. Colchester County
5. Cumberland County
6. Digby County
7. Halifax-East Hants
8. Hants County
9. Inverness/Victoria Counties
10. Kings County
11. Lunenburg/Queens Counties
12. Pictou-North Colchester
13. Yarmouth / Shelburne Counties

Standing Policy Statements

1. Environment and Energy Conservation

The Federation has been actively pursuing a number of issues related to the environment and energy conservation. These initiatives include:

- An energy audit process delivered through the Environmental Farm Plan (EFP) to work with farm businesses on energy conservation.
- Energy Chair at the Nova Scotia Agriculture College who is working with farm businesses on farm energy issues including energy conservation and alternate energy sources.
- Standing Offer/Feed in tariff legislation: The Province of Nova Scotia enhanced net metering and COMFIT (Community Feed in Tariff) plan encourages implementation of renewable technologies at scales that should significantly impact provincial electricity generation albeit in a pragmatic manner.

The renewable electricity plan has the potential to contribute a strategy of encouraging rural development while providing a sustainable opportunity for diversification in the agricultural industry. Farms are well positioned in rural locations with sufficient land and are a crucial component of the government objectives to meet 25% renewable generation by 2015.

Under the COMFIT program, farms have to either form co-operatives or be operating as a small business under Community Economic Development Investment funds (CEDIF) to qualify; the definition of community should be

expanded to include individual farm operations and supporting businesses.

Policy Objective: It shall be the policy of the Federation to continue to examine and expand environmental and energy related issues and to insure that farm businesses in Nova Scotia are in a position to actively participate in and benefit from any future policy initiatives undertaken by federal and provincial governments.

2. Food Strategy

It is imperative that Nova Scotia and Canada develop a long term food strategy that will provide citizens with the secure understanding that we will be able to feed ourselves and contribute to the world's food needs in the years to come through sustainable production, processing and distribution of food.

Nova Scotia Food Strategy

The NS Federation of Agriculture also believes that it is time for Nova Scotia to develop a food strategy in order to insure an economically, environmentally, socially responsive, and sustainable food system that will provide increasing amounts of nutritious, safe, affordable, local food.

The strategy should:

- ensure the economic and financial sustainability of farmers,
- recognize that the need for food is central to policies and food is more than just a commodity,
- value and respect the work of farmers,
- localize food systems and reduce distances between farmers and consumers,
- focus on farmers and their stewardship of the land, and
- educate the public on the health benefits of safe local food.

Policy objective: It shall be the policy of the Federation to:

- lobby for the creation of a food strategy (similar to EGSPA -Environmental Goals and Sustainable Prosperity Act) that meets the needs of the Agricultural Industry, and
- to support the CFA efforts toward the implementation of a national food strategy

The following resolutions are also included in this policy:

- request a cost of production and a return on investment model for all sectors [as a benchmark tool],
- continue to pursue mandatory point of origin labeling on all agricultural products, and lobby the NSDA in conjunction with AAFC to provide the necessary funding to support the development, implementation and maintenance of On Farm Food Safety (OFFS) Programs on farms in Nova Scotia.
- pursue all political parties to support a “Buy Nova Scotia First” legislation and the Nova Scotia First Fund; funding primary productive agriculture to the public benefit.

3. New Entrants

The business of farming has changed dramatically in just a few short generations; progressive advances in agricultural related technology, government regulation, marketing and risk management limit successful farm start-ups to highly-trained individuals.

Almost no other business venture involves more risk than agriculture. Infinite varieties of weather, the vagaries of both plant and animal parasites and disease and volatile commodity price structures all constitute risks that are unavoidable in farming. Many of these factors are beyond the direct control of the farmer and are virtually unknown in most other types of businesses.

The management of these elements and other risks factors inherent in an agricultural venture demand not only careful planning but a substantial capital cushion. In addition to a risk cushion, modern farming requires more capital per dollar of potential earnings than most other business ventures. The NSFA has identified access to capital and, particularly access in the beginning years of a farm business, as one of the most strategically important issues facing the agricultural industry. This can be provided through programs and policies such as:

- Loan Guarantees
- Interest Subsidies
- Infrastructure Funding
- Tax Incentives
- Mentoring

Policy Objective: It shall be the policy of the Federation to promote programs and policies targeted at new entrants to agriculture and to examine the issues associated with entering the agricultural industry and to encourage the provincial government to increase the financial and technical assistance to new farmers in existing and new business oriented programs

4. Non Agricultural Waste Products

Agriculture is both a beneficiary and a provider of Ecological Goods and Services (EG&S). For example, best management practices through soil renewal and crop inputs are critical to agricultural production. At the same time, well managed agricultural lands can provide benefits to broader society like the creation of wildlife habitats, buffer zones, scenic views, and purification of air and water.

Nova Scotia farmers are leaders in sustainable agricultural practices and continually implement best management practices to improve the soil, air and water.

The farm community recognizes that the use of non agricultural waste products have benefits in agriculture production when managed under the

Canadian Council of Ministers of the Environment (CCME), Industry food safety protocols and provincial guidelines.

Guiding principles in the use of non agricultural waste products is outlined as follows:

- Must have recognized soil conditioning properties i.e. structure, biology, fertility.
- Must be scientifically based in order to minimize environmental and health risks.
- The generator of non agricultural waste products bears the cost of independent quality control to meet the provincial guidelines.
- Livestock manures are prioritized for use on farm and are not considered non agricultural waste products.
- Farmers will follow best management practices and industry food safety protocols associated with the use of non agricultural waste products.
- The science is evolving and the guidelines may change over time.

Policy Objective: The Federation recognizes that non-agricultural waste products provide benefits with respect to soil conditioning properties. The use of non agricultural waste products must comply with regulatory standards and current best management practices which are based on the available science. The Federation encourages continued research of the benefits and risks associated with non agricultural waste products. The Federation encourages the establishment of an industry protocol for returning bio-solids spread soils to crop production.

5. Land Use

Food and farming contributes in excess of \$3 billion to our economy and makes a significant contribution to employments in the province. With expanding global markets and the demand for locally produced food, protecting our agricultural land base is a sensible investment in

food security and an economic opportunity for the province.

Well managed agricultural land supplies important non market goods and services. Farm land provides habitat for wildlife, contributes to biodiversity, helps control flooding, protects wetlands and watersheds and helps maintain air quality. It offers Nova Scotians alternative lifestyle choices and protects the quality of life in their communities – scenic and cultural landscapes, farmer’s markets, recreational opportunities, local jobs and community economic development. With new energy crops, farm land has the potential to replace fossil fuels with renewable energy alternatives.

The Federation’s policy regarding the protection of agricultural land suggests government intervention must go well beyond simply placing restrictions on the use of agricultural land. Farmland protection programs can take many forms, varying from the use of zoning to regulate land held by the private sector to programs that offer incentives to encourage private landowners to continue farming. In this province we need to begin to explore all of these options.

Policy Objective: It shall be the policy of the Federation to publicly and vigorously support the development and implementation of a provincially operated compensation program to ensure that farm owners receive adequate compensation for land where land values are adversely affected by agricultural land use policies/restrictions, and to continue to work with provincial policy staff, county and regional planning authorities to ensure on-going land use planning and policy meets the needs of the farm community.

NSFA encourages the Nova Scotia Department of Agriculture to move forward with the recommendations from the Nova Scotia Agricultural Land Review Committee (ALRC) report in consultation with the Nova Scotia Federation of Agriculture.

6. Taxation

Investment Tax Credits - Develop a Nova Scotia Investment Tax Credit on the purchase of machinery and equipment.

The current Nova Scotia Provincial Government has introduced a manufacturing and processing investment tax credit that it says will “allow businesses to improve operations and become more competitive, more productive and more sustainable”. An Investment Tax Credit such as this would benefit the agricultural community and help farm business grow and prosper. We are striving to build farm businesses that are progressive and profitable and an investment tax credit would be fair and equitable for all farm businesses. Capital investments of equipment, buildings and land improvement made by Nova Scotia farmers, reaps positive rewards for Nova Scotia economic activity.

Prior to December 31, 2001, Nova Scotia farmers were eligible for 15% Investment Tax Credits on new production related equipment.

Policy Objective: It shall be the policy of the Federation to lobby the provincial government to provide a provincial tax credit for such investment as new machinery equipment, buildings and land improvement.

Non-Arm’s Length Sale of Shares (84.1(1))

The Canadian tax system favours the transfer of a business to a third party over the transfer to family members. The issue revolves around accessing the capital gains exemption when the transaction is with a family member (non-arm’s length transaction). In situations where a parent is attempting to sell the shares in a family owned small business corporation or family farm corporation, the full income tax benefits are effectively denied as a result of anti-avoidance rules in the Income Tax Act (subsection 84.1(1)). This creates a barrier to the intergenerational transfer of farms, represents a disincentive to new entrants and a source of inequity, selecting against family members taking over the family business.

Policy Objective: It shall be the policy of the Federation to work with CFA in lobbying the Federal Government to exempt agriculture from Section 84.1(1). The Federation shall also continue to ensure membership are aware of barriers/opportunities and work towards continued support of financial business planning programs.

Taxation of Farm Lands

The zero taxation policy on farm land was developed so that farmers in rural and urban setting would have an equalized tax burden, land tax would be higher in more desirable urban or industrial settings. This has been a benefit to farmers but also to owners of farm land that do not farm. In some cases this has the unintended consequence of a landowner not allowing a farmer to use the land since there is no incentive; they receive the zero tax benefit anyway.

Policy Objective: It shall be the policy of the Federation to lobby government to use the farm registration system to apply the tax grant based on active agricultural land use of the land and not change the classification of the land so it does not attract a change of use tax (i.e. if land is not being used [owned] by a registered farmer then tax should be paid on it)

Ongoing Policy Initiatives

Ongoing Policy Initiatives include previous policy initiatives that are of sufficient importance to remain at the top of the Federation’s policy agenda. The Federation will continue to pursue the following issues:

Growing Forward: It shall be the policy of the Federation to continue to play a meaningful role in the implementation of Growing Forward. NS Federation of Agriculture will also advocate for changes to successor programs, advocating for policies and programs that address the specific needs of Nova Scotia’s primary agricultural industry.

Farm Health and Safety: It shall be the policy of the Federation to enhance the health and safety practices of the farmers and the

agricultural workforce by means of working with Farm Safety Nova Scotia (FSNS) to provide NSFA members with opportunities and services related to farm health and safety.

Atlantic Federations of Agriculture: It shall be the policy of the Federation to foster regional cooperation and work as an Atlantic group to advance common issues and gain a stronger position on the national policy agenda.

Research: It shall be the policy of the Federation to advocate with provincial governments, Agriculture and Agri-food Canada, the Nova Scotia Agricultural College and industry stakeholders to support the creation of a strategy to support a regional approach to fundamental and applied research.

Dalhousie Faculty of Agriculture Academic Focus: NS Federation of Agriculture supports Dalhousie Faculty of Agriculture in having a strong technical and academic focus as well as an enhanced capability to continue to support the agricultural sector, and the closely related areas of health, environment, economic development and renewable energy.

Veterinary Services: The Nova Scotia Federation of Agriculture will continue to lobby the provincial government to encourage veterinarians, especially recent graduates to establish large animal practices in the rural farming communities of Nova Scotia.

Legislation Affecting the Use and Movement of Farm Vehicles: It shall be the policy of the Federation to pursue, through the joint working committee that has been established with the departments of Agriculture, Service Nova Scotia and Transportation, a continual review of all Acts and Regulations pertaining to the use and movement of farm vehicles and equipment including fuel tax policy; and, to seek solutions to identified problems.

Natural Resources Legislation and its effect on Farming activities: NSFA through a joint working committee will continue to review acts, legislation and policies affecting the use of agricultural land with respect to wildlife damage

to crops and livestock, forestry and harvest practices, trails and any other emerging issues related to Natural resources and farming activities.

Water Management: It shall be the policy of the Federation to: 1) lobby for the resources to enable the industry to develop a coordinated approach to water management issues in the form of a water management strategy for agriculture; and, 2) lobby for the most practical and cost effective use of the funding being made available for water initiatives. 3) work with the newly established Dalhousie Faculty of Agriculture water chair to develop management strategies for best management practices for agriculture water use in Nova Scotia and to develop strategies for the stream bank protection.

Livestock Mortalities: It shall be the policy of the Federation to seek the resources to provide dead stock pick-up services that meet the industry's needs and ensure guidelines are in place to protect farm businesses that are forced to use other alternatives to dispose of livestock mortalities

Farm Labour Issues: It shall be the policy of the Federation to continue to work with relevant stakeholders on human resource issues and seek solutions that will mitigate the impact of social programs and the tax regime on the availability of seasonal farm labour.

Wetlands: It shall be the policy of the Federation of Agriculture to continue to address the concerns of the wetland policy.

Regulatory Requirements by Government: It shall be the policy of the Federation that any further regulations applied to agriculture that increase the cost of production and are not reflected in an increase in the market value of the product, that such costs will be covered by government department that imposed such regulation, and that any compensation will come from outside of any programs.