

*LTA The Land
Of British*



*Trust Alliance
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November 27th, 2007

The Honourable James M. Flaherty
Minister of Finance
Department of Finance Canada
140 O'Connor St.
Ottawa, Ontario K1A 0G5

Dear Mr. Flaherty,

RE: Support of PROPOSAL TO ESTABLISH A FEDERAL AGRICULTURAL GIFTS PROGRAM

We are writing you in support of the Ontario Farmland Trust's proposal for a fiscal incentive program for the protection of agriculturally significant land in Canada. Prime farmland makes up less than half of one percent of Canada's land base and we are losing this valuable resource and important part of our cultural heritage at an unprecedented rate. Owners of threatened farmland are seeking options to protect their prime farmland for public benefit. It is time that we offer these conservation-minded individuals the same treatment that donors of ecologically significant land currently receive through the Ecological Gifts Program.

In British Columbia, there are a number of conservation land trusts who work with farmers to protect both the food and farmland so essential to human health and prosperity, in addition to ecological protection such as forage for migrating and local birds, and best management practices that ensure the sustainability of the land and water for the future. We would be happy to arrange for these groups to consult with the Ontario Farmland Trust and your Ministry to enable tax benefits as an incentive for donations of publically valuable farmlands, and interests in farmland, to land trusts.

The Ecological Gifts Program is an outstanding success across Canada, encouraging voluntary donations of ecologically significant lands, or conservation easements, covenants, or servitudes on such lands, to designated conservation agencies by providing tax incentives. We commend your government on the elimination of capital gains under this program. However, no such incentive exists for donations of productive agricultural land, which also provides many environmental, social, and economic public benefits. We support all efforts that will provide equal capital gains benefits to farmland donors and to those protecting farmland through easements, covenants, or servitudes.

Building a Culture of Conservation

The innovative use of conservation easements, covenants, and servitudes by the non-profit conservation sector to achieve public goals has expanded rapidly in recent years. Land trusts have involved many rural landowners in making donations of easements, covenants, servitudes, or land outright and have established credibility by adopting rigorous 'Standards and Practices', which are the ethical and technical guidelines for operating a sound land trust.

From its inception in February 1995 to March 31, 2003, the Ecological Gifts Program certified 325 gifts totalling 24,058 hectares valued at over \$67.3 million. Some farmland has been protected under the Ecological Gifts Program because some farms qualify as ecologically significant. However, donations where the intent is to protect the food production value of the farmland do not currently qualify.

There is an urgent need to address the gap in the existing tax incentives for donations of agricultural land so that over 170 other conservation organizations across Canada can provide those who want to donate farmland or easements, covenants, and servitudes on agricultural land with at least the same opportunities that exist for donors of ecologically significant land.

We urge the federal Finance Department to begin working with the conservation sector in Canada to establish an 'Agricultural Gifts Program' similar to the very successful Ecological Gifts Program. An Agricultural Gifts Program would undoubtedly lead to the permanent protection of some of Canada's best farmland, would enhance the agricultural industry and our environment, and would provide benefits to all Canadians for generations to come.

Thank you for your ongoing support of agriculture and public-minded donors.

Yours truly,

Bill Wagner, Co-Chair

Katherine Dunster, Co-Chair

Cc: The Honourable Gerry Ritz, Minister of Agriculture
The Honourable John Baird, Minister of the Environment
The Honourable Gordon O'Connor, Minister of National Revenue
Ontario Farmland Trust