Overview of Agriculture in the Slocan Valley

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Preface

This report, written and researched by Alys Ford of Ravine Creek Farm, was commissioned by the Slocan Valley Economic Development Partnership (consisting of the Villages of Slocan, Silverton, New Denver and RDCK Area H).

The goal of the report is to get a quick snapshot of agriculture in the Slocan Valley, identifying the health of the sector and ways that it can be supported through local initiatives, particularly through economic development. The scope of the report is not meant to be all-encompassing.

In the public consultations leading up to the creation of the Slocan Valley Economic Development Plan, residents were asked what kind of businesses they would like to see expand or locate in the valley. "Agriculture/Agri-food Processing" was tied (with "Green Industry") for top response at 41.46% each. Agriculture, particularly local food production, was a key theme during the public consultations. Additional themes included agricultural education opportunities, agri-food tourism, providing land to youth/farmers and co-op farm and food processing/training.

The Slocan Valley Economic Development Plan identifies "Providing Support for Expanded Agricultural Opportunities" as one of six key focus areas within the Strategic Plan Framework.

Specifically, it recommends;

- 1. Coordinate Agriculture Asset Mapping Inventory
- 2. Create a Buy Local Agriculture Awareness Program (Slocan Grown).

The aim of this *Overview of Agriculture in the Slocan Valley* is to view agriculture from the perspective of a successful, established and horizontally-integrated market garden farm - that vends at local farmers markets, has a roadside produce stand and provides a community-supported agriculture program (where members pay a seasonal fee to receive a weekly share of produce).

The question is, from the perspective of a farmer and business owner, what support might the local agriculture sector need in order to thrive, and therefore how best can the Slocan Valley Economic Development Project help facilitate this?

Ron LeBlanc Slocan Valley Economic Development Coordinator



SUMMARY

Agriculture in the Slocan Valley has shown promising growth in recent years. Farmers in our region have proven that small, commercially viable farm businesses are possible here and our communities are benefiting from it. Currently the Regional District of Central Kootenay has the opportunity to provide targeted support to key areas that will provide exponential benefits to the agricultural community and continue to build on the success of previous initiatives.

Key Requirements for Agriculture

- 1. Access to Land
- 2. Access to Water
- 3. Sufficient Capital for Infrastructure
- 4. Affordable Housing

Opportunities for Local Support

- 1. Keep Funding Kootenay Boundary Farm Advisors
- 2. Show Capacity Building in the Agricultural Labour Force
- 3. Support Improvements to Agricultural Water Use Resiliency (Climate Change Adaptation)
- 4. Support Improved Access to Capital for Infrastructure
- Make Climate Adaptation a Cornerstone of Any Future RDCK Agriculture Plan
- 6. Explore the Potential for the Slocan Valley to Become Agriculturally 'Branded'
- 7. Review and Revise RDCK Agriculture Plan

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OVERVIEW OF AGRICULTURE IN THE SLOCAN VALLEY

In the past decade the Slocan Valley has emerged as vibrant contributor to the local agriculture renaissance. While the steepness of our ridges, quality of our soils and the relatively small size of our land-base means we will never be able to compete with Creston or Nakusp in sheer volume, our area has nonetheless generated over 500k **growth** in agricultural sales receipts between 2011 and 2016, a growth rate of 30%. This is 6% greater than the rate for the whole Central Kootenay for those dates (24%) and 9% greater than the national average for that year (21%). Source

As of the 2016 census farmers in Area H reported \$1,721,040 in gross receipts. Anecdotally this growth spurt shows no signs of slowing down, with new entrants to the business cropping up annually and well-established players expanding production we in the agriculture business are quietly optimistic for a continuation of this positive trajectory.

To illustrate: when it began a decade ago the Nelson Farmer's market had only a tiny handful of produce vendors, today there are over a dozen and nearly half of them are from the Slocan Valley. Likewise the Kootenay Organic Growers Society reports that from a historic low in 2012 membership has steadily grown with exceptional gains made in the last 4 years especially.



KEY REQUIREMENTS FOR AGRICULTURE

Listed here are the basic requirements for operating a successful farming venture with a brief assessment of conditions specific to the Slocan Valley.

Access to land

Small gains have been made in recent years to improve access to land for prospective farmers. The rising profile of young farmers as entrepreneurs, and farming as a viable business have made some progress. The RDCK Land Use Inventory (2018) and programs such as the Young Agrarians land linking service have provided much needed support in this regard.

Access to water

Farming in our bio-region necessitates the use of irrigation for virtually all crops. The majority of farms in Area H use water from privately (as opposed to municipal or RD) maintained systems. Wells and gravity fed surface water dominate.

Sufficient capital for infrastructure

Farming enterprises require a significant amount of capital for infrastructure and equipment. The cash outlay required to secure these is often disproportionate to the return on investment, especially compared to other types of businesses which can reasonably expect better returns on capital investments.



Affordable housing

Slocan Valley has experienced the same low vacancy, high cost housing climate as the rest of British Columbia. Recent trends such as Airbnb/short term vacation rentals have only exacerbated the shortages. Agriculturalists face unique difficulties in that not only do they need to find shelter that is affordable and appropriate for their families, they are also looking for adequate farmland. While it is of course possible to live in one place and farm in another this solution complicates and adds burden to an already complicated and difficult profession.

OPPORTUNITIES FOR LOCAL SUPPORT

Keep funding Kootenay Boundary Farm Advisors

This program has arguably had the single greatest positive impact of any local agriculture initiative in recent years. Highly popular. Well used. Unique services not offered by any other public or private institution. The program will only improve as the team continues to gain expertise through regular and close interaction with local operators and ongoing skills acquisition (e.g. 2 members of the KBFA team recently took training courses in Environmental Farm Plan assessment allowing them to officially advise operators on this important government program). A simple survey could provide ideas for how end users would like to see the project grow in the future.

2. Support Capacity Building in the Agricultural Labour Force

Slocan Valley faces unique challenges in regard to labour shortages in the agriculture sector:

- Modest profitability of small scale farms make it challenging for potential farm employers to offer competitive wages, compared to say cannabis.
- Because agriculture is an uncommon profession in the Valley, there are by extension relatively few skilled labourers in the area
- High cost of living for farm labourers
- Low vacancy rate for housing for farm workers

Here are some examples of how to assist in resolving to these challenges:

- a) Expand/replicate the recent success in Area D with the North Kootenay Lake Rural Revitalization Project grant from Rural Dividend to other RDCK Areas. This grant is a powerful tool to address small farm capacity to offer living wages to workers (see also capital investment). Application for Rural Dividend grants should be a top priority for the Slocan Valley.
- b) Strengthen the capacity of the **Basin Business Advisors** and **Community Futures** to provide regionally appropriate counsel to farm

businesses and to better see the 'Big Picture' needs of farm businesses in our region. Perhaps by improving the quality of communication between the RDCK, KBFA, CKFPC and the CBT gaps between the intention to support agriculture and delivery of programs can be eliminated (see comment on CBT wage subsidy programs below).

c) Partnerships with other key stakeholders, for example:

Kootenay Career Development runs a local jobs listing, currently there is not even a category for 'agricultural jobs'. The RDCK or one of its partner organizations such as the Central Kootenay Food Policy Council or the KBFA could give KCD a briefing on current needs/opportunities in the agriculture sector. In turn, KCD may have feedback to offer about funding opportunities for HR capacity building.

Selkirk College offers programing related to forestry, tourism and natural resource management but currently not agriculture. Again, a local organisation might provide a briefing on the needs and opportunities of this growing industry in our area. In the short term this could lead to, at a minimum, networking between faculty and local farm businesses – in the longer term local farms could serve as case studies, field trip locations and co-op placements.

While there are some useful Hire-A-Student/Career Development programs for wage subsidies, farms are disqualified on two counts;

- 1) Student employees are required to work in their field of study with no locally available agriculture study programs there are virtually no agriculture students in our area.
- 2) None of the currently available CBT wage subsidy grants are applicable to farms for technical reasons, School Works program is only Sept. May, farms are generally not operational during those dates, Apprentice Wage Subsidy does not list farm worker as one of the eligible positions, Co-op Wage Subsidy requires a co-op program which currently there are none in our Area.

3. <u>Support Improvements to Agricultural Water Use</u> <u>Resiliency (Climate Change Adaptation)</u>

It is a well understood fact that climate modeling projections for the Kootenays predict hotter, drier growing seasons – indeed recent years have already borne this out. <u>Source</u>

According to the West Kootenay Climate Vulnerability and Resilience Project, Report #1:

Across all of the study area, all three [modeling] scenarios project bioclimate envelope shifts that reflect *decreasing* moisture availability at mid and lower elevations with scenarios differing in the magnitude of change, but not the direction. At the lowest elevations in the South subregion, all of the scenarios project shifts from interior cedar-hemlock (ICH) bioclimate envelopes to grassland-steppe envelopes. [emphasis added]

Slocan Valley farmers will increasingly find surface water and shallow well sources running low or dry during the summer months.

- The RD could offer economic support for improvements to irrigation systems for commercial farms, including farms that might need to access ground water for the first time. The drilling of proper, legal wells is a costly proposal not easily borne by small farming businesses. (According to a 2015 Vancouver Sun article, the city of Delta recently supported their farmers' access to irrigation by spending 20 million dollars on municipal system improvements. Source
- The RD could support the implementation of best practices though research and consultation with other jurisdictions, or coordination with the BC Agriculture and Food Climate Action Initiative and then pass on the findings to local farmers through KBFA



4. Support Improved Access to Capital for Infrastructure

There are a number of possible routes to improving access to capital for Slocan Valley farmers;

- Area D just asked for and received a Rural Dividend grant that will allow them to provide direct financial support to eligible farmers for infrastructure improvements. Area H should follow suit.
- An alternative to simple grants for infrastructure could be the establishment of a small fund to supply zero interest short-term loans for infrastructure with seed money from the Rural Dividend
- Or, if the RD does not wish to manage a fund they could pitch to a proposal
 to our local credit unions to develop a zero interest loan program modeled
 on the Van City/Farm Folk-City Folk program. This innovative program
 offers loans ranging from \$1000 \$20,000 to eligible businesses. Source
- Finally the RDCK could ask one of its partner organisations to research and report on other innovative models for direct financial support for small scale agriculture

5. <u>Make Climate Adaptation a Cornerstone of Any</u> <u>Future RDCK Agriculture Plan</u>

As agriculture will be deeply impacted by the effects of climate change any plan for the future must be grounded in good climate science. BC Agriculture and Food Climate Action Initiative is a new program aimed at helping communities and governments plan for both climate adaptation and mitigation (reducing GHGs).

Directors would be well advised to familiarize themselves with the support available from this program.

6. <u>Explore the Potential for the Slocan Valley</u> to Become Agriculturally 'Branded'

Returning now to the hyper-local perspective of the Slocan Valley the following possibility emerges: As the productivity and profile of area farmers increases it is conceivable that the conditions for a popular local reputation might be emerging.

While in the past efforts to start farmer's markets in Winlaw or Crescent Valley have not been successful nor have other initiatives to brand the products of the Valley, it is conceivable that local demand, which historically has been consistent but modest, could experience enough growth to lead to sufficiently improved sales at local farm stands, stores and restaurants that a local reputation (brand) could emerge with enough drawing power to sustain a small, regional agri-tourism industry.

Such an industry could serve citizens from our regional urban centers who already make use of ex-urban areas for other kinds of recreation. As well as Slocan Valley residents looking for locally produced food.

The time could be right to capitalize on the clearly demonstrated momentum of local food - support from local governments for marketing, public education and advertising at this time may offer exponential benefits.

7. Review and Revise RDCK Agriculture Plan

It has been nearly a decade since the research for the RDCK Agricultural Plan was executed in 2010. Much has changed in the intervening years; changes to the demographic make-up and dominant industries of our communities, to say nothing of climate change and the legalization of cannabis have significantly altered the agricultural landscape in the Central Kootenay.

The 2011 Ag Plan has been a vital guiding document whose recommendations have yielded the exceptional Kootenay Boundary Farm Advisors program, supported the formation of the Central Kootenay Food Policy Council and helped the Columbia Basin Trust identify agriculture as a Strategic Priority. The time has come to update our Agriculture Plan to continue to build on successes and address gaps in policy and services.

A Rationale for Government Support for Local Farmers

There is a truism that states 'you can't make any money farming'. While this statement has a kind of common-sense to it, it hides the reality of farming which is more nuanced. The flow of logic runs like this:

In Canada, as in much of the industrialized world we hold a cultural value that adequate nutrition is a basic human need and that barriers to basic nutrition should be reduced as much as possible. "Statistics Canada figures show that, in 1969, food ate up 18.7 per cent of spending in the average household. By 2009, that number had fallen to 10.2 per cent." Source

This is undeniably a good and moral belief.

The Green Revolution beginning in the 1950's synergized with mechanical innovations to create exponential gains in productivity and efficiency on industrialized farms. Later, globalization and free trade moved technological innovation to geographic locations where land, water and labour were less robustly protected and therefore less costly – add to this the artificially cheap cost of shipping and suddenly by the turn of the 21st century it is less expensive to grow broccoli in Mexico and ship it to Nelson than it is to grow broccoli in Appledale and ship it to Nelson.

These truly remarkable reductions of consumer barriers to food did not come without a cost. Gone was any sort of social commitment to ensure farming and agricultural work retained living wage standards. To say nothing of committing to ensure environmental and social protections for the people and places who now grow the majority of our food.

A straight line can be drawn from the dramatic decrease in the cost of food in the 20th century to the equally dramatic decline in the remuneration available to Canadian agriculturalists, whether farmers or farm workers.

As a society we have loudly declaimed the contradictory statement that *access* to food matters very much but not the *necessary means to produce it*. This, it is implied, the market will resolve for itself. The resolution to this paradox is the current state of affairs where, even those of an inclination to pursue the career and lifestyle of farming struggle to reconcile the cost of production with average retail prices (return on investment). Those of us who would farm here at home are competing directly with products from around the world and a customer base steeped in laudable Canadian values that food is a necessity not a luxury and should be priced as such.

The price of goods not only provide an important indicator of the balance between agricultural production and market demand, but also have strong impacts on food affordability and income. Food prices not only influence consumer affordability, but also influence the income of farmers and producers. In low-to-middle income countries in particular, a large share of the population is employed in agriculture. Producers typically benefit from higher food prices; consumers from lower prices. Source

If we as a society choose to maintain our commitment to low food prices (relative to disposable income), as we should, we must also address the losses transferred to our agricultural communities by these choices. Governments in partnership with public institutions and the non-profit sector can play a leading role in redressing this imbalance.

Fortunately there is precedence to draw from for guidance. At the turn of the last century public opinion changed in relation to another fully privatised industry: education. As moral opinion about the rights of all children to a basic education shifted from a belief that education was the responsibility of individual families to a belief that basic education was a civic right, governments big and small stepped into the breech to address the change in social mores.

There was of course political wrangling and much spilling of ink but in the end the idea that basic education is a right of all citizens prevails in most of the world today. The purveyors of that education - teachers, school boards, principals and janitors - are paid reasonable wages by public funds.

In the last century in Canada other previously private industries have also benefitted from a shift in social perspective; the arts (dance, music, film, graphic arts, creative writing) and health care are notable examples of Canadian industries proudly supported by public funds. Food and its production are as core to a culture's identity as how we make art or educate future generations or provide care to the ill.

Given the current economic climate for small scale agriculture there is a strong case for social, cultural and government institutions to provide direct support to this industry. Its not called agriculture for nothing.

Alys Ford – Ravine Creek Farm, June 2019

west kootenay CooP

West Kootenay Permaculture Co-op Perspective Appendix for the Slocan Valley Agriculture Report By: Damon Chouinard, Director - WKPC

Over the past 5 years the West Kootenay Permaculture Coop has been involved in local food initiatives within the Slocan Valley and elsewhere in the Kootenays. As our board of directors is made up of individuals from a variety of backgrounds related to food and agriculture, as well, activism and education, we feel strongly about the cross section of agriculture and sustainability.

In a world that is changing quicker than ever, creating strong systems of support around the Slocan Valley's farmers seems more critical than ever. Alys Ford's report offers many suggestions that are timely and relevant. From practical ideas to policy suggestions, she covers a sentiment that goes beyond the Slocan.

The past decade, as Alys points out, has had many positive initiatives implemented. She is correct though in suggesting a reassessment of the RDCK Agriculture Plan. The changes within the last ten years have been significant and it is necessary in order to stay relevant that we continue to check back in to feel the current pulse.

The WKPCoop is a community based cooperative working to build a healthy and resilient region, we support recommendations and actions that will see sustainable agricultural as a thriving part of our future in the Slocan Valley.



Central Kootenay Food Policy Council Perspective Appendix for the Slocan Valley Agriculture Report By: Abra Brynne, Executive Director

About the Central Kootenay Food Policy Council

The Central Kootenay Food Policy Council was formed in December 2016 and consists of up to 26 individuals. The Central Kootenay Food Policy Council fosters a just, sustainable and prosperous food system in our region by identifying challenges and opportunities and by advocating for effective policy.

Council members reflect the diverse regions and population of the Central Kootenay. Each member serves as a vital conduit for information exchange between their respective sector and communities and the Food Policy Council. We explore issues related to hunger, food waste, land and water, distribution and production. With Council members that reside across the region and that are engaged in many facets of our food systems, our collective relationships, knowledge and experience helps to identify and create solutions that are not possible for any one organization or community on its own. We have had strong representation on the Council from the Slocan Valley since its founding.

Building strong economies and communities through food

As of 2016, the 67 farms in the Slocan Valley that participated in the Canadian Agriculture Census had, between them, invested in excess of \$56M into their farms. Much of that investment, and their ongoing investments in farm equipment, supplies and labour, cycle around our communities, helping to contribute not just food but a stronger place-based economy. The agricultural economy of these farmers is inevitably linked to the activities of the many homesteaders that call the Slocan Valley home. Together, they enable sufficient volume of demand to support the provision of goods and services that benefit both, such as fencing equipment and installation.

The Council works across food systems, integrating work on food literacy, food economies and food access, because we understand that the synergies and feedback loops between each contribute to a stronger food economy for our region. These synergies play out in the Slocan Valley through the activities of organizations like

Kootenay Food, which builds food literacy through many of their programs. Businesses like The Valley Kitchen incubate fledgling entrepreneurs through access to their equipment and sales in their café. And organizations like The Healthy Community Society of the North Slocan Valley bridge healthy food access with community wellbeing. And all of them, along with many other organizations, businesses and individuals contribute to the vibrant culture of the Slocan Valley.

Where the Food Policy Council can help

The preceding report documented the importance of land access and reliable and safe water supplies as key elements for successful farming. The Council launched the Evidence-based Food Policy Development Project in January 2019 that will run through 2020. The key research question for this project is to determine what helps or hinders the viability and resiliency of the food systems of the Central Kootenay. The Council is partnering with the Institute for Sustainable Food Systems at Kwantlen Polytechnic University, the Selkirk Geospatial Research Centre and the Rural Development Institute at Selkirk College. Together with these academic partners, the Council is leading the analysis of geospatial data available from the RDCK and the province of British Columbia to identify factors, trends and areas of concern for the long-term viability of the food systems in our region. High on the research agenda is a better understanding of factors that affect land values and farm viability as well as the impacts of climate change on water systems and crop selection. The insights provided by the research will then be applied to a review of the policies and planning tools of the RDCK, including the 2011 Agriculture Plan, to identify amendments that could be made to better support our area's food economy and entrepreneurs.



Kootenay and Boundary Farm Advisors Perspective Appendix for the Slocan Valley Agriculture Report By: Rachael Roussin, Coordinator - KBFA

About Kootenay and Boundary Farm Advisors

KBFA supports producers to improve agricultural production and efficiency by helping to find solutions to farms' production issues, coordinating educational events, and connecting producers to information. Technical expertise and support are provided from a network of specialized resources, including independent consultants, academics, and the BC Ministry of Agriculture.

Funding for KBFA is a four-way partnership between the RDCK, RDKB, RDEK and Columbia Basin Trust and is currently in its third year of a three-year pilot project. Future funding and program structure are undetermined at this point but there is strong incentive to continue from the project partners.

KBFA is well situated to support the delivery of select recommendations in this report, such as disseminating information to producers related to water conservation and efficiency through field days and one-on-one support, and through information from the RDCK and Climate Adaptation reports.

The comments below reiterate many of the points highlighted in this report and are included to create an emphasis on the contribution of local agriculture to economic development.

Supporting small scale, diversified agriculture by increasing the bottom line

Although KBFA's mandate is to provide technical support for production issues, it is the *economic* viability of small-scale agriculture that continues to be the primary threat to existing farms and the growth of the sector. Actions that increase the bottom line for commercial farmers such as wage subsidies, capital infrastructure grants, or zero-interest loans will decrease overhead expense and increase return on investment. These actions will increase the likelihood that producers can continue to "afford to farm" and invest back into their local economy.

From an economic development perspective, local agricultural is a strong economic driver. On average, a one or two-acre commercial market garden requires three or four full time workers. This often includes the farm owners plus up to three seasonal employees. As a result, over half a farm's gross revenue is allocated to farm labour, besides many other expenses and infrastructure investments that typically consume up to 70% of total income. These expenses are disproportionally high compared to other industries and leaves little capital at the end of a growing season for a farmer

to invest back into the business or to pay themselves. Increasing the bottom line for farmers will grow the sector and cycle money within the local economy. As mentioned in this report, attracting a skilled work force and affordable housing are equally important for the agricultural sector. Farmers would be better prepared to provide housing and training if they had more dollars in their pockets.

Diversified markets & market opportunities

Opportunities may exist for farms to increase profits by growing specialty crops with higher returns on investment. Cost of production information and support provided by KBFA and BBA has already been helpful for farmers to determine which staple crops may be more profitable than others. Alys Ford highlights in Appendix A key reasons why it is challenging to charge more for traditional crops that are currently grown in the region due to our globalized food system.

An analysis of additional specialty crops that could be grown within the same farm footprint, in conjunction with a gaps analysis with local buyers, could serve to increase potential gross revenues and help farmers to diversify and expand their markets. Examples of such specialty crops include saffron, herbs, artichokes, berries, cultural (or ethnic) crops. This type of market analysis would need to include several components including analyses of product demand, marketing, and agronomic suitability.

BASIN BUSINESS ADVISORS PROGRAM





Basin Business Advisors (Agriculture) Program Perspective Appendix for the Slocan Valley Agriculture Report By: Tracey Fredrickson, Basin Business Advisor Program - Agriculture Specialist

How the Basin Business Advisor Agriculture Program Can Support Agriculture Development in the Slocan Valley

The Basin Business Advisors program, which is funded by Columbia Basin Trust and administered by Community Futures, has, since February, 2018 offered an Agriculture Advisement program. The program is available to farms throughout the Kootenays, with the full-time BBA Agriculture Specialist facilitating advisement on many areas of farm management where many farmers do not have formal training or experience. This ranges from assistance with market research and business plan development, to cost of production analysis, financial analysis, farm succession planning and many others areas, at no cost.

Given the large size of the Kootenays and the distance between farming hubs and business centres, the Agriculture Specialist travels extensively throughout the region to meet with one-to-one with farm operators and industry stakeholders to ensure the program is known and accessed. To this end, she is available to come to the Slocan Valley as needed to work with farmers one-to-one and to do presentations/workshops in the community that address local needs.

Supporting farms in their research and strategic planning is the cornerstone of the BBA Agriculture program. Target clients are established, revenue-generating farm businesses of which several have been identified in the Slocan Valley. In addition to one-on-one work that is immediately available to farmers, all the initiatives identified in Alys Ford's report require strategic planning and development, from labour recruitment initiatives to agri-tourism branding, and the Agriculture Specialist can provide input and guidance to the development of these initiatives.