

Alternative Land Use Services (ALUS) Case Study: Rural Municipality of Blanshard (MB) pilot project

Association of Manitoba Municipalities
Municipal Officials Seminar

Brandon, Manitoba

By

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Delta Waterfowl Foundation
February 26, 2007

Alternate Land Use Services (ALUS) Proposal

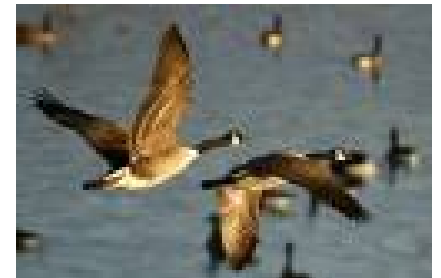
Goal:

- *Encourage the production of ecological goods and services from privately-owned agricultural land in Canada*
- *Ultimate goal: a large-scale, landscape conservation program for the agricultural regions of Canada*

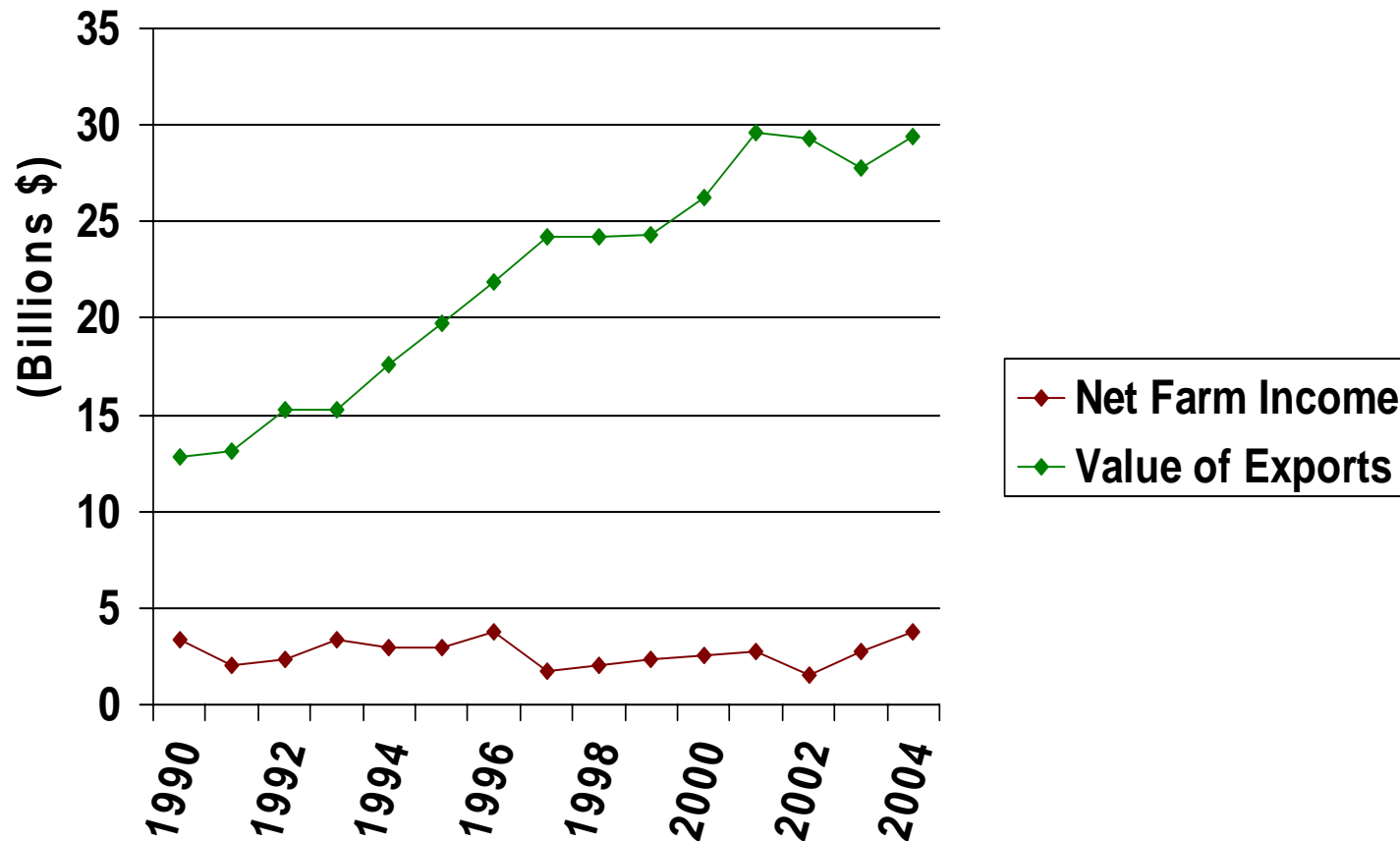
Designed by farm groups...

Context

- Society placing demands on farmers & ranchers to provide environmental benefits
- Environmental departments implementing regulatory agenda
- Producers not in a position to bear additional costs to produce ecological services and protect natural capital
- World trade talks re-defining nature of farm support programs
- Opportunity to enlist the rural community to produce ecological goods & services



Natural Capital and Agriculture – is there a disconnect??



Public versus Private Good...

resource ownership on private lands

Resource	Private	Public
Soil	X	
Water		X
Crop	X	
Wildlife		X
Fish		X
Livestock	X	
Trees	X	X
Air		X

Canada is the only industrialized country that does NOT have an incentive program to encourage producers to deliver ecological goods and services from private farmland

Public expenditure on agri-environmental payments: 1993 to 2001

Index 1993 = 100 OECD, 2003



Farm Bill Program	Focus	Annual Budget (%)
Conservation Reserve Program (CRP)	Upland restoration & set aside, annual payments for 10 years	\$1.6b (37%)
Wetlands Reserve Program (WRP)	Wetland restoration and set aside, long term easements	\$280m (6%)
Conservation Security Program (CSP)	Maintenance & enhancement on working lands	\$1.5b (34%)
Environmental Quality Incentives Program (EQIP)	Risk reduction & EQIP Plan	\$1b (23%)



Why
ALUS?

ALUS – Key Points

- Emphasis on assets not risk, landscapes not point source
- Meaningful incentives for existing and new landscape practices
- Trade neutral as a ‘green box’ program
- Delivery achieved through existing agencies
- Alternate conservation delivery model to the regulatory approach

History of the ALUS process

- 1999 - Keystone Agricultural Producers (KAP) released a paper titled “Alternate Land Use Services” (ALUS)
- Delta Waterfowl Foundation soon after supported the concept.
- 2000 - Little Saskatchewan River Conservation River (LSRCD) became involved in investigating a pilot project.
- Subsequent years - ongoing discussions between:
 - KAP
 - Delta
 - LSRCD
 - MAFRI
 - AAFC/PFRA
 - MRAC
 - Manitoba Agricultural Services Corporation (MASC)
 - 2005- pilot project initiated in the Rural Municipality of Blanshard in Manitoba

ALUS across Canada

- Alberta – supported by Wild Rose Agric. Prod. And ABP
–pilot proposal has been submitted for Vermilion River County
- Saskatchewan – ALUS Task Force formed
-pilot project proposal submitted for RM of Lakeside for 2007
- Ontario – Norfolk County – have established 4 ALUS demo farms
- PEI – watershed approach - progress underway

Political consensus developing across Canada

GROWING A BETTER ENVIRONMENT IN NORFOLK COUNTY With Alternative Land Use Services (ALUS)



By Farmers,
For Farmers,
For the Environment,
For Canadians

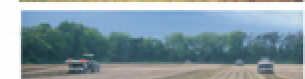


A pilot project to conserve the Environment in Norfolk County

ALUS - GROWING A BETTER ENVIRONMENT

Farming is an important livelihood for many families in Norfolk County, contributing to prosperity in our community. Farmers understand that a healthy, safe environment is vital to farming, and that it also provides environmental services like clean water, clean air, an attractive countryside, habitat for fish and wildlife, and many kinds of outdoor recreation.

Alternative Land Use Services (ALUS) is a new conservation concept developed by farmers for all Canadians. As the largest single group of landowners in Canada, farmers have a profound impact on our environment. Farmers can and would like to do more for the environment, but because they are only paid for the crops and livestock they produce, environmental services come at an additional





Endorsements

- Canadian Federation of Agriculture
 - PEI Federation of Agriculture
 - PEI Dept. of Environment, Energy & Forestry
 - Ontario Federation of Agriculture
 - Christian Farmers Federation of Ontario
 - Norfolk Federation of Agriculture
 - Norfolk County Land Stewardship Council
 - Norfolk County
 - Norfolk Soil & Crop Improvement Asn.
 - Ontario Ministry of Natural Resources
 - Ontario Stewardship
 - Ontario Federation of Anglers & Hunters
 - Ontario Wildlife Foundation
 - Norfolk Field Naturalists
 - Keystone Agricultural Producers
 - Association of Manitoba Municipalities
 - Rural Municipality of Blanshard
 - Little Saskatchewan River Conservation District
 - Manitoba Agricultural Services Corporation
 - Manitoba Agriculture, Food & Rural Initiatives
- more...

Farmers Growing a Better Environment for Canadians



Endorsements cont'd

- Manitoba Corn Growers Association
- Manitoba Pulse Growers Asn.
- Manitoba Chicken Producers
- Manitoba Canola Growers Asn.
- Manitoba Rural Adaptation Council
- Agricultural Producers Association of Saskatchewan
- Alberta Beef Producers
- Wild Rose Agricultural Producers
- Delta Waterfowl Foundation
- TD Friends of the Environment Foundation
- Long Point Region Conservation Authority
- Long Point World Biosphere Reserve Foundation
- Mississippi Department of Wildlife, Fisheries & Parks / Duck Stamp Program
- Tennessee Duck Stamp Program
- Saskatchewan Association of Rural Municipalities (SARM)
- Saskatchewan Soil Conservation Association (SSCA)
- Provincial Council of ADD Boards (PCAB) (AG Diversification and Development)
- Saskatchewan Wildlife Federation (SWF)
- RM's of Colonsay, Lakeside, Spy Hill..

Farmers Growing a Better Environment for Canadians

Endorsements cont'd

- Ontario Fruit and Vegetable Growers' Association
- Ontario Power Generation
- The W. Garfield Weston Foundation
- The Metcalf Foundation
- The Bechtel Foundation
- Wildlife Habitat Fund
- Wildlife Habitat Canada
- National Wild Turkey Federation

Edmonton Sun, Dec 6, 2006. Re Premier Ed Stelmach

- Then he got down to policy. Stelmach talked about "creating economic incentives" to encourage landowners to conserve habitat and spoke of how agricultural practices - which always emphasized more land and greater production - haven't changed "since the 1800s" and need to be brought into the new millennium.

A lot of this land he describes as "marginal" is much better suited for cover crops and wildlife habitat.

- From this week's Western Producer March 16, 2006 – page 19
- **Sask Party outlines ag policy**
this document web posted: 2006-03-16
- **By Karen Briere**
Regina bureau
- Saskatchewan Party leader Brad Wall has assigned several of his MLAs to look at the biofuels industry and how farmers could best benefit from it.
- Speaking to delegates at the annual Saskatchewan Association of Rural Municipalities convention, Wall announced that Bob Bjornerud, Lyle Stewart, Wayne Elhard and Glen Hart would examine ways to put more money in farmers' hands from ethanol and biodiesel.
- He sees those industries as key parts of a new generation of farm policy.
- Wall said a federal mandate requiring ethanol and biodiesel use would be a farm program that creates value-added industry, jobs and spinoffs.
- Commodity prices would rise, he said, pointing to strong corn prices that reacted to a burgeoning American ethanol industry.
- "We have a serious, serious crisis with respect to grains and oilseeds," Wall told delegates during his speech.
- "Out of crisis, if there is resolve and vision and leadership, there comes opportunity."
- **Aside from biofuels, Wall supports the Alternate Land Use Services initiative that would see landowners paid for their land stewardship and environmental management.**
- **Wall said a bridge needs to be built between rural and urban Saskatchewan and it's up to voters to decide who can best do that.**
- The current government is in the third year of its mandate.
- Rural Saskatchewan should demand leadership that understands the need to invest in infrastructure that will develop the natural resources found outside the cities.
- There are no oil pump jacks on Regina's Albert Street or Saskatoon's College Avenue, he said.

- **The Liberal Government: Supporting Canada's Food Producers**
- The Liberal government is committed to creating new opportunities for Canada's food producers and ensuring the long-term sustainability of the sector.
- **Income Support and Risk Management**
- The Liberal government has committed to review the Agriculture Policy Framework (APF), which is due to expire in 2007-08.

Beginning in 2006, the Liberal government will work with farm organizations and provinces to review the APF with a view to implementing the main recommendations of the "Easter" report.

Malpeque M.P. Wayne Easter, Parliamentary Secretary to the Minister of Agriculture and Agri-Food, conducted cross-country consultations with more than 450 producers and representatives of commodity groups and farm organizations in January and February 2005.

Following these consultations, he produced "Empowering Canadian Farmers in the Marketplace." The report's key recommendations include:

- Increasing the use of cooperatives and similar farmer collective actions to achieve market equality;
- **That governments consider implementing an Alternate Land Use Services (ALUS) proposal put forward by the Keystone Agricultural Producers;**
- Helping producers earn a greater share of the total value of agri-food products;
- That the federal government ensure that young farmers have access to the Farm Improvement and Marketing Cooperatives Loans Act (FIMCLA); and
- Continuing strong leadership by the federal government on international trade.

- *From the January 16, 2006 issue of Grainews-page 41*
- **Conservative Agricultural Policy**
- Provided by Dianne Finley, MP and Conservative agricultural critic.
- “Agriculture is an essential, key sector for Canada. Canadians must have a strong and healthy agriculture and agri-food sector to protect the environment. Canada also needs a viable agrifood sector from a security point of view. Canada cannot rely on other countries to feed us.”
- **Key Conservative policies include:**
- Promote market access by negotiating a reduction in tariffs and foreign subsidies.
- **Protect the environment through programs such as ALUS**
- Protect our current supply management systems dairy, poultry and egg production
- Make sure all government programs focus on farmers and not on bureaucrats
- Make the federal government 100% responsible for farm income problems caused by foreign trade actions.

From the Agricultural Policy Framework Review Panel – Advice to the Minister – May 31, 2006

- **Recommendation 10:**
- *“FURTHER CONSIDERATION SHOULD BE GIVEN FOR THE IMPLEMENTATION OF SOCIETY'S PURCHASE OF ECOLOGICAL GOODS AND SERVICES (EGS) FROM FARMERS WITH A VIEW TO IMPLEMENTING SUCH A PROGRAM UNDER A FUTURE APF.*
- The Panel was impressed with a presentation on the ALUS concept (Alternative Land Use Services) from the Keystone Agricultural Producers, and agreed that the concept of society purchasing ecological goods and services from producers warrants further consideration...”

Note: Review panel chaired by Dr. Ed Tyrchniewicz

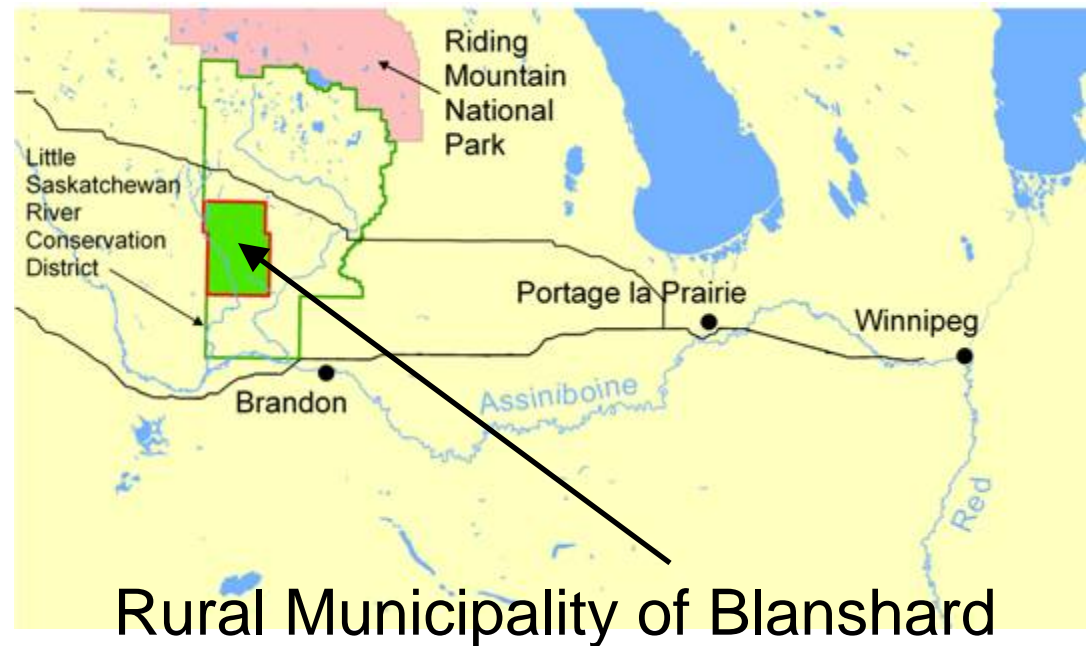
Goals and Objectives of the Pilot Project

- To test the feasibility of the ALUS concept at the local level
- To test the ability of agricultural agencies to administer landscape conservation programs
- To determine whether landowners and farmers will enroll in an ALUS-type program.
- In other words: To work out the “glitches”
- Ultimate goal of pilot is to inform regarding the design of a national landscape conservation program



General Overview of the Blanshard Pilot Project

- 2 communities: Oak River & Cardale
- RM of Blanshard landowners eligible
- Initial estimate of 25,000 to 30,000 acres potentially eligible
- 2-3 year program
- Payment levels vary with levels of use.



Manitoba ALUS Pilot Project-Program Partners

- AAFC/PFRA - ACAAF
- ARDI
- MRAC
- Rural Municipality of Blanshard
- Delta Waterfowl Foundation
- Mississippi Wildlife, Fisheries and Parks Commission
- Tennessee Wildlife Resources Commission
- Covering New Ground

- Manitoba Agricultural Services Corporation – Administration, Delivery
- Little Saskatchewan River Conservation District – Local Management
- MAFRI – Management Committee Chair, Logistics, Facilitation
- KAP – Communications, Financial
- MHHC, PFRA, DWF – Technical Expertise
- FSAM – Technical Expertise
- University of Manitoba - Evaluation

Program Funding Sources

- Federal – AAFC/PFRA 60%
 - ACAAF
 - ARDI – APF Transition
- MRAC
- Provincial - MAFRI 20%
 - Covering New Ground
- Local - RM of Blanshard 7%
- Delta Waterfowl Foundation 13%
 - Mississippi Wildlife, Fisheries and Parks Commission
 - Tennessee Wildlife Resources Commission
- These organizations and several others are providing in-kind assistance

Determination of Eligible Lands

Ecological Goods & Services eligible under ALUS

1. Wetland Services providing: clean water, flood control, wildlife/biodiversity
2. Riparian Buffer Services providing: clean water, nutrient capture, wildlife/biodiversity
3. Natural Area Services providing: wildlife/biodiversity, water management
4. Ecologically Sensitive Land Services providing: reduced silting, soil conservation, wildlife production

Program Delivery Steps

Main steps of program delivery

1. Landowner contacts LSRCD or MASC to express interest
2. Eligible acres are initially estimated by LSRCD or MASC.
 - Preliminary indications of eligible areas are determined and mapped with GIS (using 2005 orthophotography).
 - Landowner visits office to verify areas, acre counts, and indicate type of agricultural activity (no use, haying, or grazing).
3. Once consensus is reached concerning eligible areas, landowner signs MASC application form.
4. Field audit/verification may be conducted.
5. Landowner will receive payment in December.

1. Wetland Services



Wetlands refer to land areas on farms that hold spring-season, semi-permanent or permanent water. These include bogs, marshes and swamps.

2. Riparian Buffer Services



A riparian buffer includes the riparian area plus areas of perennial cover that extend beyond the riparian area.

3. Natural Areas Services



Natural areas are lands that have not been cultivated for 20 years or more excluding wetlands and riparian areas. These areas have grass or trees, or any combination thereof.

4. Ecologically Sensitive Land Services



Ecologically sensitive lands are areas that are currently cultivated or have been cultivated in the previous 20 years and are subject to severe water erosion, wind erosion, flooding, salinity, runoff or leaching.

Includes land classes 4 to 7.

Annual Payment Schedules

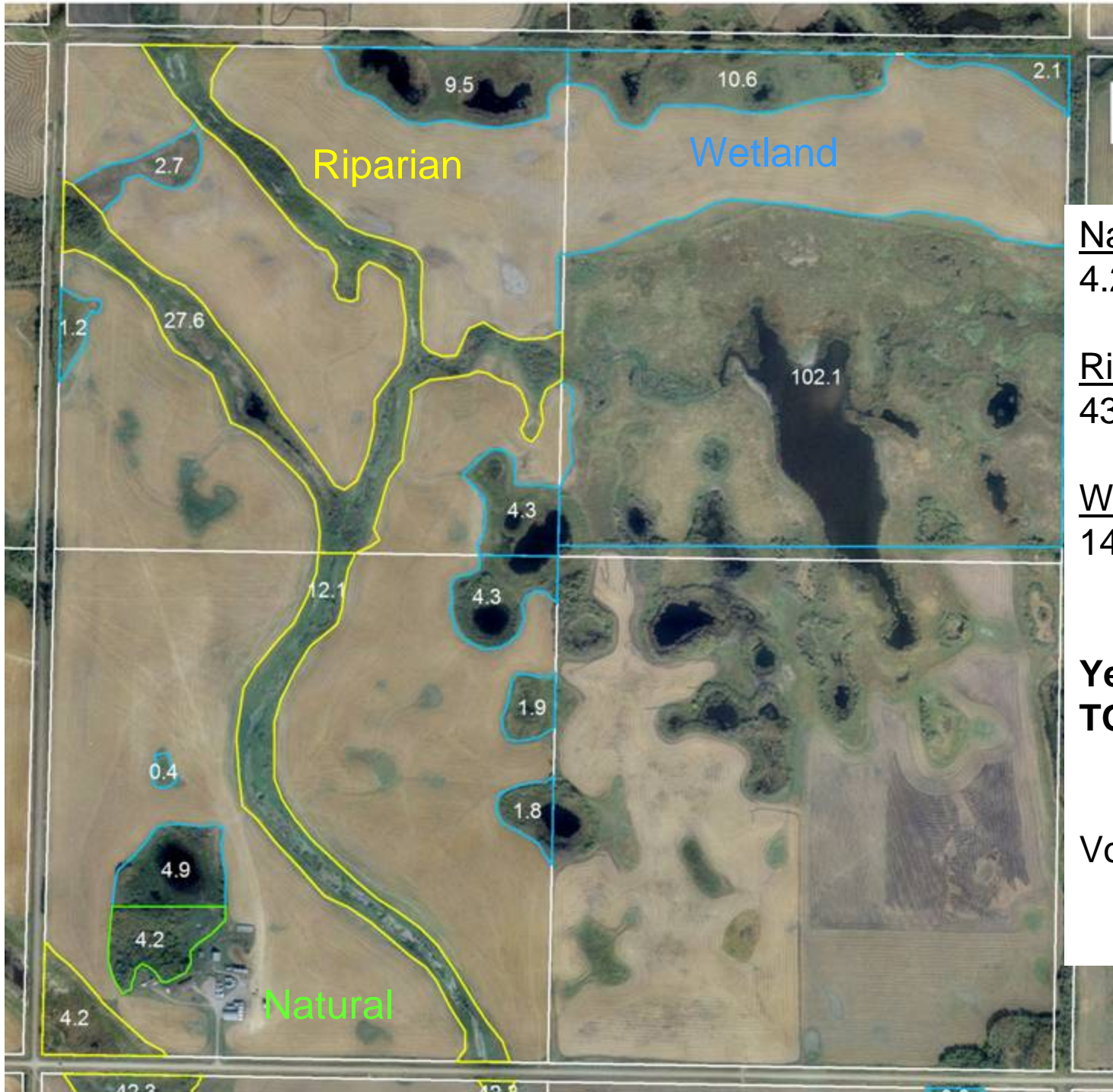
Service	% Enrollment allowed	Payment/acre no use	Payment/acre haying	Payment/acre grazing
Wetland	100%	\$15	\$7.50	\$5
Riparian	100%	\$15	\$7.50	\$5
Natural	100%	\$15	\$7.50	\$5
Ecologically Sensitive	20%	\$25	\$10	\$5

ALUS payment rates based on, to some extent:

1. opportunity costs
2. land rental rates

Advantages and Disadvantages exist.





Natural

4.2a x \$15/a = \$63

Riparian

43.9a x \$15/a = \$659

Wetland

145.6a x \$15/a = \$2,184

Year 1

TOTAL \$2,906

Voluntary & flexible



Natural

4.2a x \$15/a = \$63

Riparian

43.9a x \$15/a = \$659

Wetland

145.6a x \$15/a = \$2,184

Grass seeded in 2006

Wetland

8.8a x \$15/a = \$132

Ecologically Sensitive

9.9a x \$25/a = \$248

Year 2

TOTAL \$3,286

Step 3 of Program Delivery: Application

- MASC Application form – Hamiota GO Centre
- Applications started on Sept. 8 and the deadline was Oct. 13th
- Application forms were mailed/faxed out to distant landowners
- MASC's customized database was modified to accommodate ALUS data and application forms
- Essentially used existing hardware with some small upgrades

**ECOLOGICAL GOODS & SERVICES
R. M. of BLANCHARD - APPLICATION FORM**

A) GENERAL INFORMATION REGARDING PERSON(S) MAKING APPLICATION (APPLICANT)

Applicant Name: _____ EDGE # _____
 Mailing Address: _____ MASC Contract No. _____
 _____ Agent No. Home Municipality
 13 191 BLANCHARD
 _____ Business Identification No. _____
 Postal Code: ROM 0T0
 Email Address: _____ Telephone No. _____ Cellular No. _____ Fax No. _____
 Residence: _____
 Individual Corporation Partnership Co-operative Commune Other

B) LEGAL NAME(S) Legal name(s) of individual, all partners and/or Principal Shareholders (as defined in the Contract of Insurance) of Applicant. Social Insurance Number

C) LOCATION OF ECOLOGICAL SERVICE TO BE PROVIDED BY APPLICANT:

Municipality	Qtr	Sec	Twp	Range	E/W	Field Letter	Acres	Code #	Ecological Service Provided	
									Description	
BLANCHARD									WETLAND	WITH HAYING

D) Declaration:

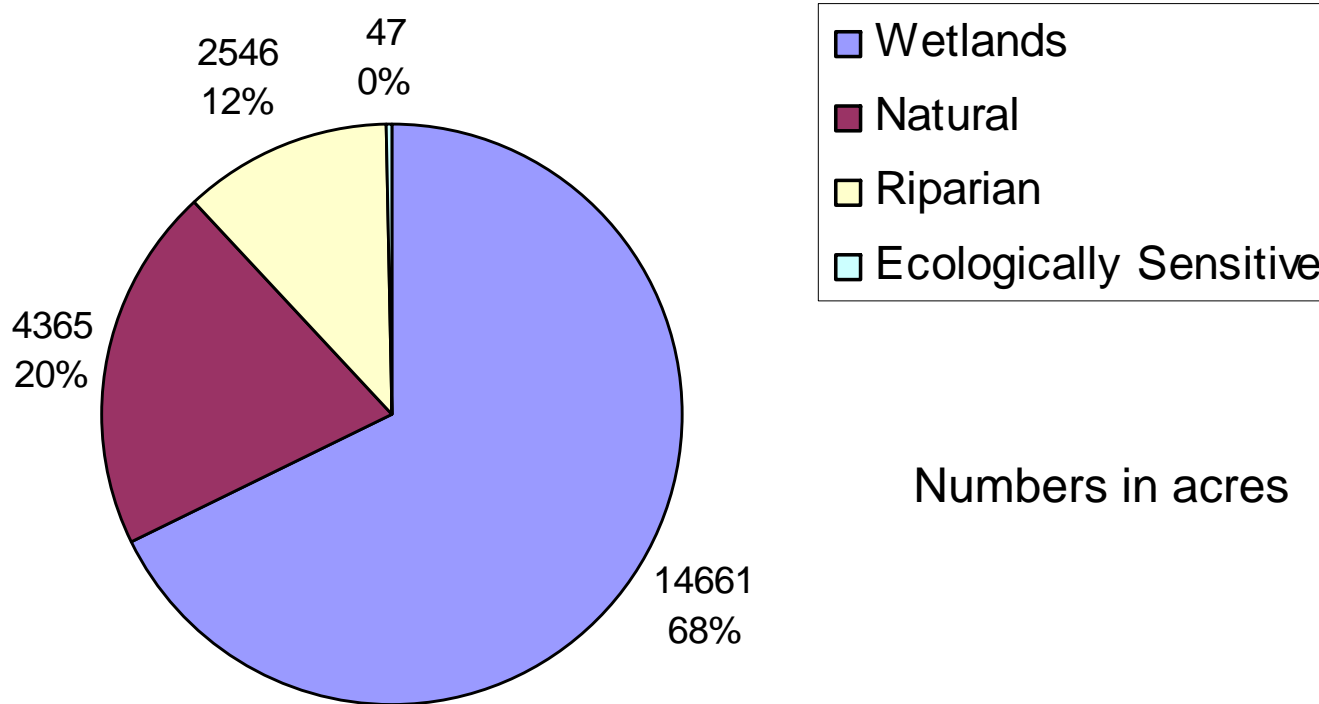
MASC Representative Signature _____ Applicant Signature _____ Date _____

Landowner Uptake – Year 1

- 75% of landowners have signed application forms. (165 applications signed)
- Approximately 21,600 acres have been enrolled.
(Total land in Blanshard: about 138,000 acres)
- Enrolled acres on approximately 70% of the quarter sections in Blanshard.
- Average ALUS acres per ALUS quarter section: 36
- Average ALUS acres per total RM quarters: 25
- Anticipated landowner expenditures: approximately \$303,000 for Year 1 (Budgeted amount: \$400,000)
 - Numbers may change after the audit and appeal process is finished

Landowner Uptake – Year 1

Enrollment by Service Type

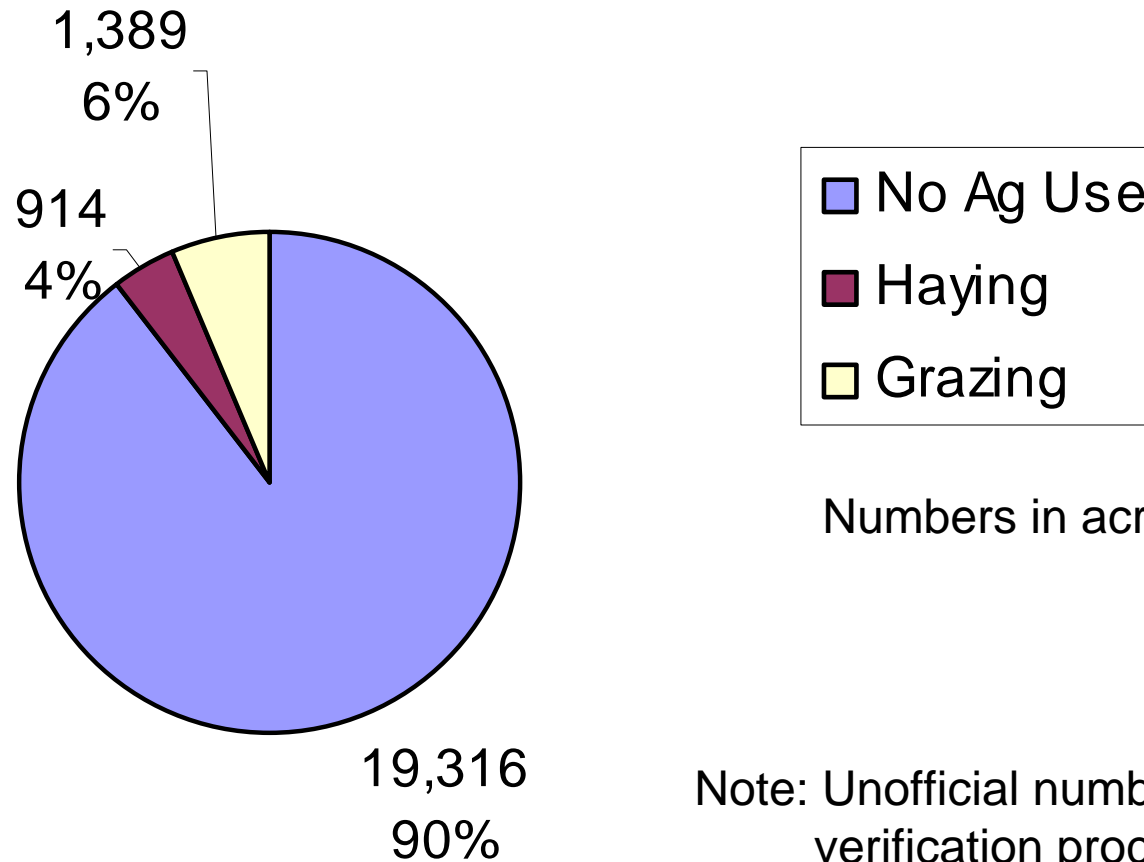


Numbers in acres

Note: Unofficial numbers used since verification process has not been completed.

Landowner Uptake – Year 1

Enrollment by Designated Practice



Numbers in acres

Note: Unofficial numbers used since verification process has not been completed.

Evaluation

- Evaluation team led by Charles Grant, Dept. of Agribusiness and Agricultural Economics – University of Manitoba
- Upcoming survey of participants & non-participants: 15-20 min. survey
- Survey topics include:
 - Basic farm information
 - Crop types/livestock
 - Management Practices
 - Awareness & opinions of EG&S
 - Change of practices and long-term implications
 - Reaction to payment schedules
 - Reasons for participating (or not)
 - Perceived or actual social, economic, and/or environmental outcomes
 - Evaluation of delivery of the program: administration, verifications, etc



Cost Estimates

Budget

- Total budget of \$1.6 – 1.8 million over 3 years
- Producer payments: \$1.2 million over 3 years
- Other costs: administration, management, communication, evaluation, local operating expenses
- In-Kind: Significant in-kind contributions from many partners

Benefits – Not just environmental

- Providing incentives to reduce further and excessive drainage will reduce further flooding, erosion, and maintenance to municipal infrastructure
 - Enhancing or maintaining riparian areas will reduce, or at least maintain, current levels of nutrient runoff
 - Take out high risk areas – may reduce payments for Excess Moisture Insurance and Production Insurance
 - Providing incentives will help to ensure that EG&S will be available for future generations
- What is the cost of doing nothing?



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Serving the Rivers, Rapid City and Oak River areas for 98 years

February 17, 2007

“Green” Greer garners award

By Sheila Runions
Banner Staff

Roy Greer is well-known in these parts for his passion about conservation. Not only was he instrumental in forming Little Saskatchewan River Conservation District less than 10 years ago, but he's the driving force behind a first-in-Canada project as well. Readers may remember several articles regarding ALUS—Alternate Land Use Services which is a pilot program in RM of Blanshard.

"A research project called ALUS is underway in the rural municipality of Blanshard to promote ecological goods and services (EGS)," says Peter Gray-Donald, chairman of Wildlife Habitat Canada (WHC). "It's an incentive-based environmental program where farmers and landowners are paid to maintain and enhance wetlands, riparian areas, ecologically sensitive lands and natural areas. The payments help to offset the costs of preserving these important landscapes. Greer has been the driving force behind the ALUS project. His enthusiastic support has also been a big part of the project's success. Greer is a municipal councillor in Blanshard as well as a farmer and conservationist. He has traveled throughout Manitoba and Canada promoting ALUS. His efforts have resulted in growing support from farmers, farm organizations and conservation groups for EGS."

Gray-Donald made these remarks at WHC's annual stewardship award ceremony at Ottawa's Canadian Museum of Nature. The awards are part of WHC's continuing efforts to promote good stewardship of Canada's forests and agricultural lands. Nominated by Keystone Agriculture Producers, the Countryside Canada Stewardship Recognition Program award was presented to Greer. He is one of 66 individuals and organizations across the country to receive the award in the past six years and one of six Manitobans.

"The Countryside Canada award has helped raise the profile of stewardship across Canada," says David Brackett, WHC president. "These awards have increased public awareness about the need to promote good stewardship practices and to protect Canada's biodiversity."

Gray-Donald says, "Our motto at WHC is 'Without habitat, there is no wildlife.' By encouraging good stewardship in Canada's forests and on our agricultural lands we can preserve vital habitat and natural areas. This evening's stewardship award is to honour a Manitoba producer whose hard work and determination has led to a growing recognition of the value of EGS."

Greer's award was a framed limited edition print of *The Awakening*, a painting by artist Antony John commissioned by WHC to symbolize good stewardship. He also received an all-expenses paid trip to the nation's capital to accept the award in late January. Although coordinated by WHC, the award is co-sponsored by WHC, Canadian Federation of Agriculture and Agriculture and Agri-Food Canada.



Photos submitted

L/R: Roy Greer and Peter Gray-Donald, Wildlife Habitat Canada chairman, display the award Greer won.

L/R: Greer shares a laugh with Gray-Donald during the awards presentation.



Wildlife Habitat Canada
Habitat Faunique Canada
<http://www.whc.org>

*Without habitat, there is no
wildlife... it's that simple!*

Key Observations and Preliminary Lessons Learned

- Must have producers involved in program design
- Importance of interaction, communication and cooperation between program partners and program committees
- Balancing act to keep the program simple, administratively efficient, yet flexible.
- Always a need for more accurate, relevant, & current data
- Payment levels for EG&S may need to be reviewed.
 - Currently based on opportunity costs.
 - Future payments schemes may need to be based on the value of the EG&S provided.
 - Potential for “bid and offer” system similar to Australian model

Key Observations and Preliminary Lessons Learned

- Challenges when dealing with livestock, especially grazing.
- Due to short nature of pilot project, have had low uptake on converting annual cropland to perennial cover
- Some landowners willing to forego payments so that they have the option to convert land to agriculture.
- Flexibility of timelines is very important to producers in terms of making commitments
- GIS technology works; land can be verified; program can be audited.
- Crop Insurance agencies have ability to administer such programs
- Feedback from many landowners very positive; this type of programming long overdue if society is “serious” about conservation

In summary the time has come to:

- Put the knowledge we have gained to use
- Do “conservation” in a manner that really contributes to rural and agricultural communities
- Replace ineffective regulatory programs with effective incentive programs
- Take advantage of local knowledge
- Really start to address environmental conservation on the agricultural landscape on a scale “big” enough to show “big” results.
- Eventually do this across Manitoba and across the country

From the Calgary Herald, Jan 2007

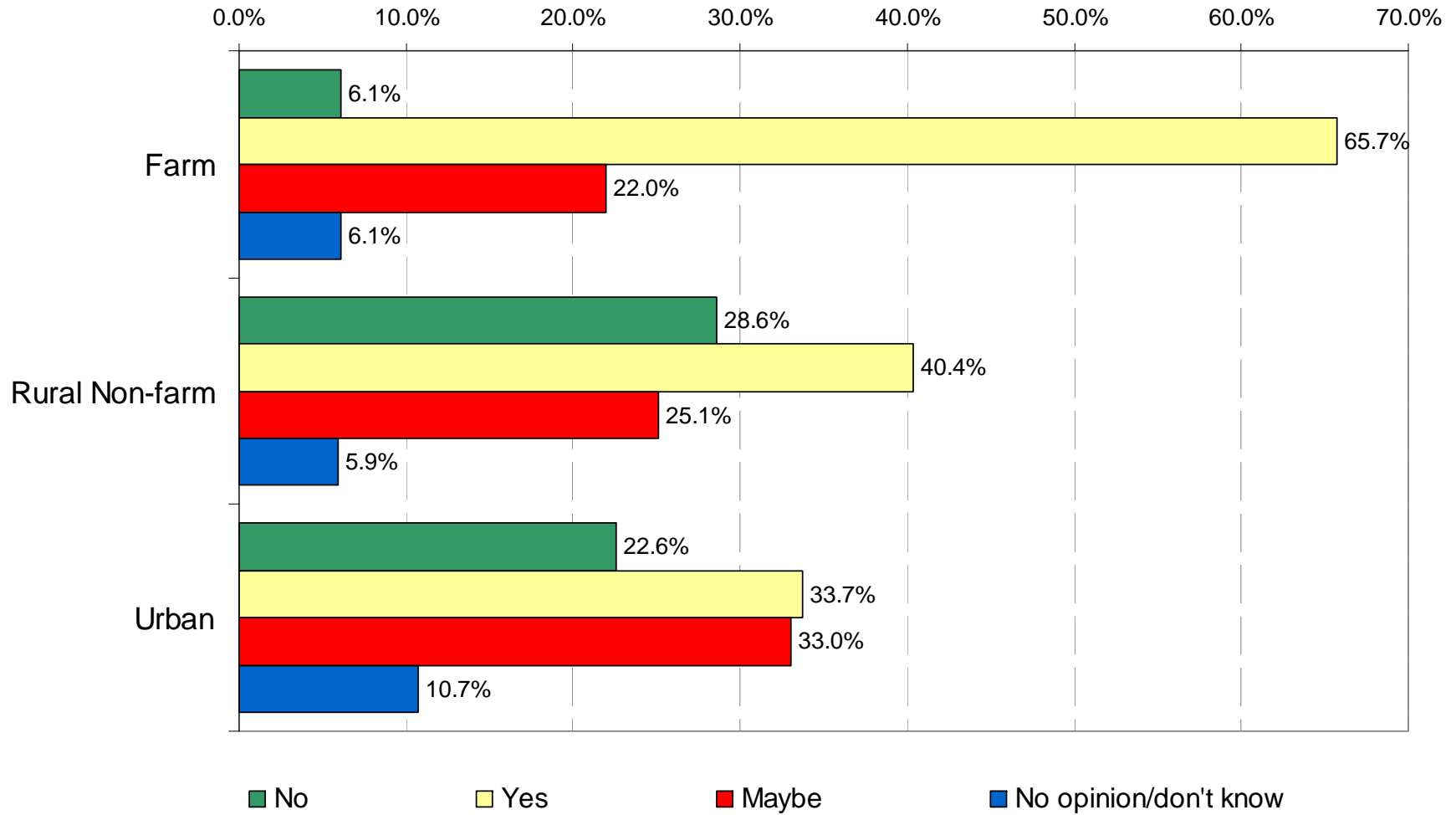
- “Let’s Nurture our Rural Roots” by Roger Gibbins – Canada West
“ ..the agrarian countryside has become the proverbial canary in the mineshaft from climate change as well as a whole host of other environmental challenges including water shortages and water quality.” he continues
- “ Traditional forms of agriculture may not keep people on the land and if the land stewards leave, we are all in trouble. If the ecological integrity of the land suffers, if our natural capital is eroded, we will all suffer in the long run if not before.”

Roger Gibbins, cont'd

“At issue is the willingness of urban electorates to pony up tax dollars to support the countryside and the appropriate public policy mix to protect the land base, to keep stewards on the land in a period of growing economic stress.”

Should Farmers be Paid to Produce Environmental Services on their Land?

% of respondents in each group, group differences significant at $p < .001$



In my view

- Society IS willing to pay
- The needs are greater than ever
- We know it works
- And the money is there

What are we waiting for.....

Thank you