

**Written Submission to the
Standing Senate Committee on Agriculture and Forestry
'Status of Soil Health in Canada' – January 15, 2024**

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Further to my Witness Statements of May 2, 2019 and September 22, 2022, following is a recommendation for your consideration.

OPPORTUNITIES TO INCENTIVIZE SOIL CARE ACTION

SOIL CARE – THE SITUATION

Every facet of agriculture depends upon the health and productivity of the soil.

We need a new soil care paradigm. We must, as permanently as possible, fairly reward the application of practices that contribute to reliable and sustainable crop production. This is essential to social, economic and political stability. History has proven that food security is a strategic issue.

Following the Senate of Canada's 1984 "Soil at Risk" Report, several short-term programs were initiated that supported the adoption of practices that improved soil management.

Those practices built on the experience of a few soil care leaders of the day. On some fronts, this has continued. However, during the past two decades, there has been a return to full surface tillage and intensive tillage in some areas. In this situation, many farmers, particularly those leasing and renting land are exploiting publicly funded soil improvements made by the previous generation. This has been an outcome of:

- higher crop prices that bought new tillage equipment;
- a loss of much of our soils research and extension leadership; and
- a change in land tenure to more land being cropped by non-owner operators.

There is also some cropland where effective soil care measures have never been adopted.

All of this must be addressed.

Change always provokes resistance by many and outrage by some. Thus, policy influencers will need to demonstrate vision, courage, commitment and perseverance in developing the "means" to incentivize sustained economic advantage to soil caretakers.

SOIL CARE INCENTIVES:

- must provide long-term public benefit for public investment;
- must be logistically manageable and deliverable;
- must be accessible to every farmland owner/operator;
- Must provide a financial competitive advantage to those farms or operators that employ effective soil care practices;
- Must be optional to accommodate those who choose to not participate in an incentive program, or to accommodate circumstance where some land (at least temporarily) is not managed in a way that qualifies for incentives.
- Incentives would only apply to “incentive participation” lands.

SOIL CARE INCENTIVE OPPORTUNITIES

A. Flexible Property Tax

- This would make farmland owners responsible for care of their soil. The practices used on their land would determine their property tax rate. Owners would then give careful consideration every year to practices used on every portion of their land.
- This program would apply to all land classified as agricultural.
- The tax rate would vary depending on cropland soil management. For example, land receiving no soil disturbance (i.e. pasture/rangeland) would be “zero” taxed (as with the Ontario ‘Farm Forestry Exemption’), while full surface tillage and no winter crop would be at a maximum tax rate. Tax rates could be set to give a serious economic advantage to good soil management.
- If soil management improved to the extent that it causes a net loss in municipal tax revenue, then senior governments should compensate a municipality for that loss in return for improved food security, air quality and water quality. That would constitute a public investment for the public good.
- The tax incentive program would be administered by provincially sanctioned agencies with a property tax mandate with spot checks for cropland management activity.
- Because property taxation is a provincial responsibility, a federal/provincial “understanding” would be needed.

B. Agricultural Commodity Sales Check-off

All agricultural commodities are first of all dependent on soil productivity. Thus, it would be reasonable that any commodity check-off allocates a portion of the total to an incentive fund that rewards practices that contribute to reliable and sustainable production. Because this is in the public interest it would be reasonable that the federal government (beyond agriculture) top up the check-off levy so rewards (incentives) for the use of beneficial soil care practices would give incentive participants a real economic advantage over non-participants. This incentivization must be long-term to provide enduring benefit.

To ensure that incentives would be dispersed equitably and effectively it may be necessary that the check-off monies be directed to an entity whose sole responsibility would be food security. Incentives for beneficial soil management would be a means to that end.

C. Food Security Support Fund

Historically, to ensure inexpensive, reliable food production that contributes to a constantly improving standard of living, governments have maintained a flow of “subsidy” money to agriculture. When these funds are directed to a particular commodity or activity, this can distort markets, or support short-term-focused decisions, often at the expense of soil health. Furthermore, land users continue to degrade soil without consideration for the cost and effects of lost soil organic matter, the destruction of water-stable soil aggregates, the loss of essential soil biota, the effects of compaction and the outcomes of soil erosion. The cost of this soil health draw-down has been masked by the use of improved crop production practices and products so the true cost of food and other agricultural products is never accounted for. Cheap food comes at the expense of soil health. This must be recognized as a societal issue, not just an agricultural issue. Governments have a responsibility to ensure that public funds directed to agriculture are an enduring investment to encourage agricultural output security.

Government (public) financial “support” to agriculture can be justified in the interest of food security. However, the public would be best served if “all support” to agriculture was directed to incentivize soil care and protection. Ultimately, this would strengthen agriculture and would be a more fruitful investment on behalf of the public – with greater food security, improved water quality and less carbon and nitrogen lost to the atmosphere.

Soil, as an essential and strategic natural resource, should be the responsibility of a government entity other than an agricultural ministry. Within agriculture, “support” for production always trumps soil care and protection because production generates immediate revenue for farmers and governments. It has been too easy to ignore that every aspect of agriculture is first of all dependent on soil health and productivity.