

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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Standing Committee on Communities, Land and Environment

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SUBJECT: BRIEFING ON LAND SPECULATION AND COST OF REAL ESTATE

COMMITTEE:

Kathleen Casey, MLA Charlottetown-Lewis Point [Chair]
Dr. Peter Bevan-Baker, Leader of the Third Party
Colin LaVie, MLA Souris-Elmira
Alan McIsaac, MLA Vernon River-Stratford
Hon. Pat Murphy, Minister of Rural and Regional Development
Hal Perry, MLA Tignish-Palmer Road
Allen Roach, MLA Montague-Kilmuir
Bradley Trivers, MLA Rustico-Emerald

COMMITTEE MEMBERS ABSENT:

none

MEMBERS IN ATTENDANCE:

none

GUESTS:

PEI Federation of Agriculture (Robert Godfrey, David Mol)

STAFF:

Ryan Reddin, Clerk Assistant (Research and Committees)

The Committee met at 10:00 a.m.

Chair (Casey): Good morning, everybody and welcome to the Standing Committee on Communities, Land and Environment for today. I would just ask you all to silence your phones and remind you that there is no picture taking from the gallery.

I'd also like to welcome the Member from Souris-Elmira, Colin LaVie, who is joining our committee. We welcome your input to the committee.

Also, members, I'd like to introduce to you David Mol, President; and Robert Godfrey, the Executive Director of the PEI Federation of Agriculture, who are in today to give us a briefing on land speculation and the cost of real estate.

I am going to open the floor for your presentation. If you could identify yourself for the record so that we know who is giving the remarks to our committee.

Would you prefer to have questions after the presentation or during?

David Mol: I think the presentation is short enough that just let me ramble through it and then ask after, unless there's –

Chair: Okay.

David Mol: – something that can't wait.

Chair: Thank you.

We have the agenda before us, hon. members; I'm looking for adoption of the agenda.

Mr. Trivers: (Indistinct)

Chair: Thank you, Bradley G. Trivers.

Now, I'll turn the floor over to our presenters to make a presentation.

David Mol: Good morning, committee Chair and committee members. Thank you very much.

My name is David Mol and I am the President of the PEI Federation of Agriculture. To my immediate right here is

Robert Godfrey. Robert is the executive director of the federation's office.

Again, I appreciate the opportunity to come before you here. A little preamble to my presentation: up until about 10 years ago I was a registered real estate broker on Prince Edward Island, as well. I do hold a land appraiser evaluation accreditation, as well. I do have two brothers in the real estate business, and my father did have a long distinguished career in it, as well.

I also farm in the City of Charlottetown, so I'm aware of the benefits and concerns that relate to farming in various municipalities.

With that, I'll start the presentation.

Chair: Thank you.

David Mol: The PEI Federation of Agriculture is the province's largest general farm organization representing about 80%, 85% of the farmers on Prince Edward Island. The federation comprises of approximately 600 farmers and we also include 15 different commodity organizations. Those organizations range from the potato producers, the dairy industry to fur industry and the honey producers.

We're diverse and therefore, we have a diversity of farms in our membership. It includes farms with thousands of acres. Just as well, we have many farms that are two or three or five or 100 acres. Having said that, our membership is in agreement when it comes to the importance of protecting farmland and how the rising cost of land presents growing challenges in the future.

On Prince Edward Island, as many of you are aware, agriculture is the largest industry. In 2016, the industry contributed over \$487 million towards the GDP. Further, over \$70 million was paid out in wages to approximately 4,000 Islanders, who are gainfully employed by the industry. The majority of this money was spent in rural PEI, where agriculture acts as the foundation and backbone of many rural communities.

According to the 2016 census, PEI is home to 1,353 farms that operate on average of 425 acres. The total land under production amounts to a little over 575,000 acres. Both

of these numbers, it's important to note, are trending downwards.

In 2011, there was close to 1,500 farms and operating at just about 600,000 acres of land. To put that in perspective, in 1951, there was over a million acres, or roughly a million acres of land, that was in agriculture production with over 10,000 farms.

Times have changed and as the year continues to go by farmland is disappearing year after year to development. This is disconcerting. At some point, in a not-too-distant future, we may need to start asking: How much land PEI needs to leave in agriculture production in order to have an industry that's viable?

Further to this, the capital value of this land has grown at an average rate of 7% a year since 2010. In the last three years alone, PEI has seen farmland values jump 9.3% in 2014; 8.5% in 2015; and a further 13.4% in 2016.

PEI has the largest average increase in farmland values reported in Canada. Land that was once selling for around 2,500 to 3,000 an acre in some areas is suddenly going for over \$4,000 an acre.

Just to be clear, these increases are not just in one area of the province. In 2016, Prince County's land values increased 12.4%; Queens County, 13.5%. Kings County experienced the highest increase going up over 15.4% in just one year. The average increase in Canada in the year 2016, was 7.9%. Certainly, every single county in PEI well outpaced the national average and the closest to us was Alberta, which was still about four percentage points less than our increase.

Needless to say, PEI land values have reached historic highs. Some areas of the province are seeing land sold in excess of \$5,500 an acre. That may not sound like much when you consider that some farmland in Ontario is selling for over \$20,000 an acre. But when farm sizes on PEI are, on average, just 425 acres some farmers are potentially mortgaging the next generation in order to acquire the farmland they need for their business to grow.

This is unsettling, and suggests something

must be done. This is not unique to PEI. We are aware that the national value of farmland increased 10.5% in 2015, following gains of 14.3 in 2014 and 22% in 2013. No province has been immune to the rising value of farmland. All these values have placed pressure on the marketplace.

What is driving these increases? For a start commodity prices across Canada have done historically well in the first part of this decade as the world recovered from the great recession and began to grow.

On PEI, for example, soybean acres, a crop relatively new to the Island in the last 10 years, began to climb at an increasingly fast rate and export opportunities for that crop in particular began to materialize.

The last number of years, the PEI grain elevator has been successful in docking ships in Summerside harbour destined to take PEI soybeans to hungry Asian markets. Potatoes, too, have seen a string of good years in a market that was looking for our product. Exports to the United States and across Canada have been relatively strong, and the demand continues to be there.

In addition to market pressures for commodities, the passage of the *Agricultural Crop Rotation Act* on the Island has forced many operations to look for more land in order to comply. While the federation does not dispute the importance of crop rotation, the reality is Island farm operations are competing against one another in order to have a land base that allows for at least a three-year crop rotation; and with market prices for some crops relatively strong, it's no small wonder why land values are going up.

According to the Farm Credit Canada *Farmland Values Report* of 2015, even land located in marginal or outlying areas has increased in value. The report went on to say that premium land continues to attract high competition from farmers willing and eager to pay higher prices. The report also pointed out that land values on PEI relative to the rest of the country are still seen as fairly low. I mentioned Ontario values at \$20,000 an acre earlier; according to the FCC, some of these producers are selling their land in Ontario and relocating to PEI and

purchasing old farms. This, too, is driving land value prices.

So how does government combat this? A recent report led by Dr. Dave Connell from the University of Northern British Columbia took a look at agriculture land-use planning in Canada. This study examined a number of things, but among them was land speculation and foreign buyers purchasing agriculture land as an investment looking to make financial gains and enjoying low land tax rates.

He suggests that the federal government must show leadership by making a clear policy statement about the importance of farmland and protecting it for food production. This would send a message to all provinces about the need to protect the farmland that they have.

The PEIFA would argue that this leadership can be shown here on the Island by the provincial government. Deeming our agricultural land as resource land would send a message to potential buyers, developers and indeed sellers of this land that we want it to remain in agriculture unless a clear case for development is made.

As the province has recently passed the municipal act, we know communities across the Island will eventually be placed inside an incorporated municipality. Consider that when it comes to agriculture, when woodlands are counted, Island farmers own or operate approximately 70% of the land base on PEI. This will potentially represent major change to the industry. It will also present the government with an opportunity to save farmland.

The municipal act requires municipalities to do a land-use planning strategy. Much like the suggestion Dr. Connell had given the federal government, we are asking that our province deem farmland on PEI to be prime land or a resource land that needs to be protected. We are asking the province retain power over land-use planning for farmland and ultimately protect this land from being commercialized.

This change or deceleration can be placed right into the municipal act's regulations, which are still being drafted. In discussions the federation has had with officials inside

the department, there seems to be openness to this idea and we recommend that this committee get behind it.

Having said that, there are limitations to this ask; while protecting farmland is the goal, the federation is aware of certain realities. PEI has a growing population and a goal as a province to grow further with it. The fact is, some farmland will need to be developed, and indeed it makes sense, with some farmland bordering major communities that this happens. It's also well known that farmland is sometimes developed or sold in order to finance succession or even to finance a string of bad years. So a clear process needs to be developed that allows for development when it makes sense.

It is a delicate balance, but we need to move forward together. I certainly do not want to argue that farmland shouldn't change hands, or that farmland should never be developed; but we do need to protect the resource we have, or we will not have an industry.

In closing, I want to thank you again for this opportunity. Farmland and land values are an important issue that requires the attention of this committee, and I commend you for taking on this issue. I also want to assure you that the PEIFA is willing to work with governments at all levels to protect farmland for future generations and further the interests of Island farmers.

I thank you very much.

Chair: (Indistinct)

David Mol: No, no, that's it.

Chair: Thank you. Thank you for your presentation.

Hon. members, I will now open the floor. If anybody has any questions, just signal and I'll add you to the speaking order.

I have Hal Perry first.

Mr. Perry: Thank you, gentlemen, for coming here this morning to do this presentation.

You had mentioned about calling upon the government to create a land bank to better protect the lands that are on here. You kind

of touched on that at the end of your presentation, of better protecting the farmland that we have on the Island. Can you just elaborate a little bit more on that discussion? And what specifically is your ask, because farmers also have a responsibility in protecting the farmland, too?

David Mol: We're kind of talking about two different issues here: protecting farmland from the farmer's point of view touches a lot on the environmental aspects and good stewardship. I guess when we're talking about land values and the ability for farmers in future to be able to afford to buy land here, that goes more to the question of availability and how the land is – what the options are for you to sell the land.

In here, I don't think that we were really advocating for a land bank as such, but I will touch on that a little bit.

I think the primary ask is that we have the land designated as a primary resource or given a status at which the province has the final say. There are always municipal needs and wants and desires to increase land base; but ultimately, to keep land into agriculture and the ability for the neighbour to have a chance to buy the land, you don't want to have a zoning change or use change that is not driven by the industry that's thriving on the land.

Robert Godfrey: I just want to add to that in saying that the municipal act now requires every municipality to create a land-use planning strategy, and to hire a planner was one of the reasons that – one of the arguments, anyway, made that why the municipal act needed to be passed.

When that happens – right now you've got a large swath of farmland that is not inside an incorporated municipality that all of a sudden will be. When they do land-use planning strategies as 20, 25, however different municipalities we end up having, they're required to do this and they're going to look at that farmland as growth potential. This is where a municipality is going to grow and go out and say: We're going to look to rezone this portion of land as commercial and this is where we want to go.

We're asking that the province protect us from that. We're saying municipalities should not be able to supersede – I guess, drive farmland values further by going out, zoning different parcels of farmland as commercial land and trying to develop them because you're going to see – we're at 575,000 acres of production now. Of that, we're at about 400,000 acres that's actually in crops, right? And that's been decreasing now for a long time.

So when we go down into 25 different municipalities or whatever we end up having and they start saying okay, we're going to grow out here, we're saying that the government protect us from – or at least limit how that happens so that deeming, and this is my understanding from my discussions with officials in municipal affairs here inside of the department of CLE to – if we go out and we declare farmland as resource land it will set out a (Indistinct) of limitations on what municipalities can actually do in the development of farmland.

Mr. Perry: With that, so you're trying limit what municipalities can do to rezone and change the zone of the farmland for future development. Early in the presentation, it was said that farmers are – one of their priorities is protecting the land. With that though, but and it gets back to what I said about farmers having a responsibility, too. But some farmers also look at their farmland as part of their retirement and selling it off for future development. Can you talk a little bit about that? Because that goes back, again, to the responsibility of the farmer wanting to retain land zoned for farming, whether it's succession or what have you, but at the same time, some of them may want it for their retirement.

Robert Godfrey: Right now on PEI, you've got about 30,000 different lots on PEI that there's not a structure on right now. What we're saying is that, and I agree with you, I think a lot of farmers look at their land as, and we mentioned that in here as their retirement, as a way to finance succession, as a way to finance just a string of bad years. We're not saying that they shouldn't have the right to sell their we're saying that make it harder for them to go out and put a one home on 10 acres and taking that 10 acres completely out of production. There's a lot of that going on now.

You've got people, who have a romantic notion about what it's like to live in the country, who go outside of Charlottetown or Stratford or outside of O'Leary, or wherever they might be and they build a large home on five to 10 acres of land. Right now, they're able to do that and the province currently has no real recourses to say you can't actually do that because you're taking prime resource land out of the production.

Maybe that home is on a quarter-acre lot or an acre lot; those kinds of things. I'm not going to pretend to tell the government what to do on that. But making sure that you're limiting how much farmland is coming out of production over time. Because eventually, 400,000 acres of crops now is producing, or 575,000 of production is producing \$487 million in GDP. If you take 100,000 acres out of that over the next 10 years, obviously, that number is going to do down.

We've got to – I think there's a responsibility as a federation to say, we want farmland in production while respecting that yes, we somewhat want our cake and we want to eat it too, the ability to sell, especially the ability to develop when it makes sense.

Chair: Before we move on, Hal Perry, I just want to remind people that the microphones in front of you are not for amplification; they are for recording purposes. If you could just speak up a bit so people could hear; that would be great.

Hal Perry, you have the floor.

Mr. Perry: Thank you very much, Chair.

I know that it's very important for farmers to – they put a lifetime of commitment and work into their land and their property, so they have a right to retire and have a happy little nest, let's say, right? But, at the same time, we do have to protect our land because the demand for food is growing, as we know that. Our land for development, or we're losing land to development and also to erosion, too. I'm glad you're in here and having this conversation today.

You mentioned about young families or anyone moving to the country to build their home. I often see this where they will go after a farmer to buy a piece of property and

they'll, you know, we want to live here. Will you sell? And the farmer gives in after a while. They may buy only an acre or a half-acre lot and the farmer will give it to them. Then, maybe five years down the road, this family will complain about the smell. Or they'll complain about spraying, or something on that.

Is there anything there to protect the farmer from this happening?

David Mol: If we look at Ontario as an example, they did, they have dealt with that in rural areas. PEI has made a couple of attempts, but things got in the way. We did have some restrictions as to the ability to just build on a lot. The feeling was that if you kept the things over 10 acres you didn't have to go before land-use that might discourage people. That didn't discourage people.

In Ontario, if you own a farm and you have a mile of road frontage on Highway 9 near Orangeville, for example, the only way, if one of your family members is going to continue farming, so all of a sudden you need two homes on the property, you can build that second home in the existing farmyard using the existing driveway that belongs to the farm. It doesn't create an impediment to continued access traffic in and out of the highways.

You cannot sell a piece of land off the frontage of that. If there are two children that want to farm, the parents want to retire. The parents end up moving to Orangeville. And, thank you very much, there's a piece – this is what we talked about, that the adjacent land, even though it might have agricultural, it turns into a subdivision. It's more of a dense-ified way of keeping the population that's not farming in a community.

If we did that here, so, if you wanted to move, you moved into Crapaud, for example, you don't buy a lot on a highway in DeSable or somewhere. That would support the communities and the value of the farmland in Ontario has increased in part, I feel, because of the very nature of having kept the farmland farmland and not having – and I farm around a lot of houses and I find it – I wouldn't – if I was a farmer I wouldn't buy a field that had a lovely

\$350,000 home on it with three acres of land because I know full well, maybe not the current owner, but the next one that it's sold to, is likely not going to want to see me in the field with a sprayer or a manure spreader.

It's a detrimental consideration to the value of that farmland as a farmer. The more we invite the city into the country in a scattered approach, the more we kind of urbanize the whole province and the more, I think, we challenge the value to the operator of that agricultural land.

We're not talking down the concept of increased farmland. The market is the market and that's the reality. As commodity prices go up, there's no reason that the farmer gets a free pass on this and is able to buy the land for less than going value. But, and in that is some way in assuring, as you mentioned, about the retirement.

If your whole 500 acres is worth \$1,000 more, well, that's a considerable value to you in terms of your retirement. As opposed to selling a lot off the front for \$50,000, and the rest of your land has stayed the same, you're not really – you're not further ahead. From your banker's point of view, you're also not further ahead because it's the equity that you have that allows you to refinance it and move forward.

Chair: Hal Perry. Oh, sorry, Robert, do you –

Robert Godfrey: I just wanted to add. Like, in terms of legislation now to protect you from people complaining, I just wanted to, just further on David's comment, you have the *Farm Practices Act* and you have the *Pesticide Control Act*, just two off the top of my head that allow you to operate the farm the way you see fit within a certain size of limitations.

I also do want to, I agree with, I take your point that it's important if some farmers look at that farm as their retirement. But there's the other generation that looks at how do I expand my farm now that I'm 25 or 30 years old. You have to keep those two balances in – balance those two needs at the same time, I think, is at the crux of what we're saying.

Mr. Perry: Okay, thanks.

Chair: Hal Perry.

Mr. Perry: Last question.

It was mentioned that the farmland value has gone up, actually, quite dramatically over the last two years. What is that accredited to?

David Mol: Supply and demand, I would say is the number one related issue. We are the cheapest farmland, of the quality of farmland we have, in the country barring one or two areas in Saskatchewan that's also playing catch up there. But that's land that tends to run a little short of moisture. When you're given all of the factors about the ability of our land in PEI to produce, we are, across the country, by far the cheapest per acre price.

Just the nature of being that, a good example is on the Brackley Point Road, there was a farm there that used to be a hog farm. It closed down and the people sold it. It was on the market. There are potato operations in the area. They didn't buy, which would have been traditionally the approach. The land was priced such that it was in the upper end of the asking of the market. So, the neighbouring farmers had an opportunity to buy it. It was advertised. A family from Ontario bought the farm and they're operating it as a cash crop operation and they are getting livestock, as well.

They sold their farm in Ontario and had a land base that was close to \$15,000 an acre. It was in excess of 10,000. That allowed them to pick up and make a family decision to move the whole family here and started farming on a land base that was, let's say, 4 or \$5,000 an acre. We're not going to change; that's economics 101 in Canada, wherever.

As long, as farmers, we're able to access commodity prices at markets, we should be competitive. Again, I say: we're not looking for a free pass or anything here but we also want to make sure that land on PEI is recognized as a prime resource and that I would rather have my land, we'll say, the control of what happens to it based on what happens in this room here, as opposed to a municipality where the farm – and I say this

without prejudice because I farm in four or five municipalities. Some of them are good. Some of them are motivated, perhaps, if you look at the make-up of the municipality, not agriculturally-driven. We've always argued, as a federation, that the provincial – we'd like to see the province be the final sayer of what happens to our farms.

Mr. Perry: Thank you.

Chair: Thank you. Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair. Thank you David and Robert for being here, and for the presentation.

You explained very carefully and in detail just the meteoric rise in land prices here on Prince Edward Island. My first question is, is there any historic equivalent of this, or this is unprecedented in PEI history?

David Mol: Actually, there is a precedent in PEI history. If you go back to the, and some of you might remember the LDC –

Dr. Bevan-Baker: Yeah, the land development corporation.

David Mol: – land development corporation that was put in place in the 1960s as a way of land-banking. Just a demographics, there was a lot of farmers retiring. And a 100 acre farm was only worth 15, \$20,000 perhaps, maybe 25. A farmer could not retire and move to Sherwood or wherever and buy a bungalow and have a nickel leftover. So, that was set-up as a way of allowing them to capture the market value, at the time, of land and move out. At the same time, given commodity prices, the young farmers had the opportunity to come in and lease to buy the operation.

What happened was – this is just prior to the 10-acre minimum non-resident; we got a number of people from Europe, from Switzerland, Holland, a number of countries and from western Canada, who all of a sudden saw 250 and \$500 an acre land values on PEI as really being cheap. So, people were coming in and they were buying these farms from the farmer and instead of paying them 15 or \$20,000 what is might have been worth agriculturally, they were getting 35 and \$40,000 so the land

values went up. We can blame the federal government, in part for this too.

Land values crested around 1972, at around \$1,000 an acre. That was an unheard of number. The federal government decided to move, relocate the research station from Charlottetown. They went looking for land and they initially were looking on the road where your family farm is and they made an offer to a farmer there for about – and you have to keep this in perspective, for about 50 to 60% more than what the going price was of the day. That, all of a sudden, small PEI, whatever, they set the market, so we had – I can recall, our family real estate firm selling 6, 800 acres of farmland, maybe even more, to somebody from Ontario for \$1,000 an acre shortly after that. That kind of set the tone for the price.

Then, restrictions came in, in terms of having to go before IRAC, and 10-acre minimum without approval; at the same time there were some issues with the potato industry, and we all know that the farm values and how quick land sells and doesn't sell is based on whether you got nine cents a pound or four cents a pound for your potatoes in the previous year.

Land dropped and we went back down to 6, \$700 an acre for a number of years. The non-residents, particularly the Americans, when we, sort of, double taxed, or created a tax thing, started bailing out of their land. They, in a lot of cases, were not able to recoup their initial purchase price. That's the only time that I can recall where the market has taken an upturn and realizing that PEI being as small as it is, it doesn't take a whole lot of people to put their fingers in the market to change the flavour, you know, change the market pressure.

Since then, it's been a relatively steady step-by-step climb in values, which, we're more reflective of just the cost of land elsewhere versus here. I don't really recall, even in Ontario, where land jumped significantly in any one year for any one reason.

Robert Godfrey: Just to add to that, in 2007 through to 2009, farmland values on PEI actually decreased. I mean we're talking one, two, 3%, but commodity prices were very poor around that time. Therefore, land values decreased at the same time.

Dr. Bevan-Baker: Very interesting. You talked about when the land development corporation was set-up and the purpose of that, of course, was to make land affordable for new farmers. Or, to, and also, as you say, to compensate farmers who wanted to retire. And, it had the effect in an unregulated market of spiking prices.

Now, we have the *Lands Protection Act, P.E.I.* of course, which limits the amount of acreage, which can be owned by non-residents here. You've talked about land being a prime resource, David, and I absolutely agree with you. Here on Prince Edward Island, we don't have minerals, we don't have oil, we don't have that, those sorts of resources, but we do have land. Because of the history, the unique history of this place that land has been treasured and it's a very touchy subject for very good reasons.

My question is: Do you think that the land protection act is working?

David Mol: Good question. I don't say that at all facetiously. It is. It's a question I have thought about a little bit and I think it's working in the sense that we've probably dodged a few opportunities from some large corporations to have come in and bought a lot of land when it was cheap in the eyes of the world.

The thing we have to keep in mind here is two or three huge players can have a disproportionate effect on the overall – especially if there's a special interest in a particular area of affecting the marketplace in PEI. So from that point of view, I think it's been effective.

I don't think that the land restrictions have been a real factor in terms of altering the value of land. Most people have expanded in a fashion that relates to the number of family members that are in the next generation that are going to move to the farm. Dairy might be the one exception where the economies of scale have come into play there and no longer do you have big families who can look after the milking on the weekend and two brothers to share it, so all of a sudden you're into commercial levels of milking.

As the land-use – what it's done, I think, is it has kept more land out of non-residents'

hands. That's probably, I would say, its most effective role that it's played.

Robert Godfrey: What I would add is that it does and it doesn't. In Kings County, land values went up 15.5 %, right? I don't think that that – and land in that part of PEI has been fairly scarce, and I don't think that there's been one group of individuals. There are a thousand of them that are set up in eastern PEI and they now own or operate – from what I understand from officials, they operate well over 4 or 5,000 acres of farmland in eastern PEI, and they've put restrictions on what they will allow people to do with that farmland.

A lot of it has to do with organics, and I'm not knocking organics, but I am saying that that if I'm an organic farmer I'd rather own that land. I'll just name them: The Buddhist monks own a considerable amount of farmland on PEI. They've been able to do that because they're buying to the maximum of \$1000 an acre an individual. Does it all come from the same pot? I don't know; but right now they're operating a considerable amount of land, and land values are going up as a result.

In that sense, I question whether or not it's doing enough; but on the other side, I agree with David. It is restricting large corporations from buying up large swaths of land, and we go back to Confederation where you have absentee landlords, so we don't want to see that either. I guess that'd be all I'd add to David's answer.

Dr. Bevan-Baker: Thank you.

Again, I appreciate your candour in answering that. Of course, we all knew that at some point or other the *Municipal Government Act* would be brought into this conversation; you both alluded to that on a couple of occasions. I sort of got a pretty clear impression from what you've both said that you would prefer land-use planning regulation to be held centrally here at the province rather than given to the municipalities.

David, you mentioned that in your experience some municipalities do that well and some do not. Now of course, the reason for the MGA was to improve local governance. That was one of the reasons

why there was this change in municipal governance; and I'm wondering whether you feel if municipalities, whether it's 20 or 25 or whatever it is that we end up with, given the proper resources, and allowing the local community to take control over that if they have the resources and they have the expertise locally, do you think it would be possible for municipalities to retain control over their land-use planning?

David Mol: You're all elected officials and you recognize what an individual vote means. It's numbers. It's always a numbers game. It's no different in a municipality. If there's 500 members in a municipality and we're starting off from an existing community, and given how we have so many non-agriculture people who have moved into the countryside, and every road you go down, there's – you just go up 235 towards Emyvale and my goodness there's a whole slew of beautiful houses built all along there.

Well, all of those folks are part of the group that would make up that municipality. The number of farmers that would make up, in any given municipality – now, some might be a little greater than others, but in most cases the farmers representation in terms of percentage, and I think in that provincially it's, what, three?

Robert Godfrey: It's like 2.5, 3%.

David Mol: There's no reason to think that the numbers would be much more reflective at a municipal council. In part it's the farmers' fault. I've talked to some farmers. I've said: Why aren't you on the (Indistinct) – I don't have time.

Well, and that's the easy answer, but the reality is with the labour shortages that's happening now, that is a more valid point than it was a number of years ago. You're so busy looking after the farm that you're less likely to (Indistinct) – you probably are on the volunteer fire department, but you're less likely to be going for council.

So how do we make sure that the farmer who might represent 70% of the land base in your municipality has enough of a voice at that council meeting that somebody can't decide that: Mr. Mol, you can't spread manure after 6:00 p.m. in the evening? If

you're not there at the table, you miss that; and that's our concern, that there is someone, and we put our faith that provincially, someone who has oversight to make sure that rights to farm is protected. We just don't have faith in our numbers being able to have a big enough voice at municipal tables.

Robert Godfrey: And we also don't know what that makeup of municipalities even looks like at this point in time. We're talking hypothetically at 20, 25. You don't know, I don't know. I don't think anyone in this room knows yet. We're watching what's going on in Montague, Georgetown, and the Three Rivers municipality discussion, and we don't know where we're going to land by 2022.

So in the meantime, I think with the municipal act regulations currently in draft form – like, I have not been able to actually see them – maybe you have – but there's an opportunity right now for the government to do something immediately by putting in those regulations that farmland is resource or prime land, however you want to describe it, and put limitations right now on what municipalities can do with land-use planning related to farmland.

We can do that today. So that's –

David Mol: And what those limitations in that are is a bigger discussion than today, but it's a discussion that if it's an opportunity for people to sit together and spend time coming to some sort of consensus on.

Dr. Bevan-Baker: Thank you.

I hear that loud and clear and I have to say I agree, I absolutely agree with you that we need to protect the farmland as a precious resource, as a vital resource.

Typically, of course, in the past – and we talk about five, 10-generation farms here on Prince Edward Island – that the farm would be inherited by a son or sons or daughters. That is not happening. We have fewer and fewer young farmers coming forward. The next generation are unwilling for a number of reasons, not to carry on with farming in the traditional way that has happened here, that inheritance pattern that's gone on for

hundreds of years here on Prince Edward Island.

So as older farmers retire – and if you look at the median age, the average age of farmers, it's crept up and it's now, I can't remember what, is it 60-something or –

Robert Godfrey: It's 55.

Dr. Bevan-Baker: Fifty-five, so, we're getting up there. Without the influx of young farmers to take over the land, as was typically done, which is part of the reason we've ended up in the situation that we have here.

I want to ask a question about the impact that this is having on property taxes because as land values increase, property taxes also increase and of course this isn't confined to rural areas. We know that the huge balloon that's happened here in property prices here in Charlottetown, in urban areas as well. David, as a realtor, I'd be interested in your thoughts on this.

As property values increase dramatically as they have, the neighbours who may not be selling, may just be holding onto their land or their house in Charlottetown or whatever, as suddenly faced with, when they have a reevaluation done or a reassessment done of their house, with greatly increased property taxes – can you give me your thoughts on the economics on that?

Chair: David Mol.

David Mol: Well, first of all, I've never been one to not advocate having property assessments reflect real value. And too often that's what people have fought back. I think that the onus comes on setting the (Indistinct) the tax right to reflect the reality of the economy to pay for it, an appropriate amount, and the same time for the council or the municipality or the government to be fiscally responsible; not need too many taxes.

To deny the reality that a house in Charlottetown sells for below the national average in terms of value, as a homeowner and perhaps most of you are homeowners, where do you want the value of your house to be, lower or higher? It's a pretty obvious answer. It comes down to the rates, the tax

rates, is the burden. It's not the assessed value.

We've got that focus when we're talking about the value of farmland, and we don't want to get caught up in that; we want to keep the value of farmland down. I think, more, we want to make sure that there's either programs available to allow young farmers to move in, to buying properties at the real value, but that gives them some sort of break to move into buying farms. The LDC way back when was a way that it allowed young people.

Well, today maybe we need to be a little more creative. But, there's maybe some opportunity. The minute we start trying to tinker with keys in economics, we're taking on something that's much bigger than any of us.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you.

I wouldn't pretend to be an expert on agricultural economics at all, but when you talked about the reasons for the rise in prices the first one you gave was commodity prices. You also talked about supply and demand and some other issues, but the first one you mentioned was commodity prices; how they have risen.

Now, if you look at what's going on in the world at the moment in terms of free trade agreements, import tariffs, whether that be in India for pulses or in the States for, currently, steel and aluminum, but goodness knows where that's going to go in the whole free trade agreement, it's clear that the future of commodity prices is, as it always has been but I think perhaps more than ever; it's very much up in the air.

If the agricultural land that we have, and is in productive use just now, is being passed on to farmers who are going to keep that land in production and the example you gave, David, was of the farm on Brackley Point Road being owned by people who came from Ontario and they put that land into production; I don't think anybody in this room has a big problem with that.

The problem that we have, and you more than alluded to this, Robert, was land not

being used in production but being used speculatively; people coming here and buying land speculatively. That is, to me, the huge problem here. That can only be done by sort of bending the rules or not complying with the spirit of the *Lands Protection Act P.E.I.* You brought up the monks in Kings County, the county here on Prince Edward Island where we've seen the largest increase in land values.

You're farmers; you speak to farmers everywhere. Those 1,000 acres that are being bought by each of the individuals who comes and attaches themselves to the monasteries that are there, do you see that land being kept in production when it is purchased by those individuals?

David Mol: Not always, no. Not always, and I mean I can't speak to the full 5,500 acres but I can tell you that not always is it kept in production.

Chair: Thank you.

Dr. Bevan-Baker: I'm fine.

Thank you, Chair.

Chair: Great.

Brad Trivers.

Mr. Trivers: Well, thank you, Chair. Thank you for your presentation.

The topic is land speculation and it's good to see some questions getting out about that. That was the main interest I have, is finding out whether there's land being purchased on PEI for speculative reasons that's driving up prices. When you talked, you talked about, really, land use a lot, as well as land ownership. I wanted to find out first of all, if the land is kept in agricultural use, protecting the resource land.

What is your opinion on the land ownership piece? If it is owned by non-residents, are you okay as long as Island farmers can rent it and keep it in production? Or do you have an opinion about whether non-residents – we need more protection to make sure that less land is owned by non-residents?

Chair: David Mol.

David Mol: I rent land from both local people and non-residents. I probably rent land from over 20 land owners and it's a mixture of things. I'll give you one example of a piece of land I was renting – had rented from a local person who worked at the department of agriculture, and he never farmed it. He just went there to enjoy the pristine beauty of it and there were 70 or 80 acres, and I farmed that for a number of years.

He reached a point at which he wished to retire. He set a value on it. I would have liked to have bought it myself, but not being in a potato business the price was out of reach; just did not make economic sense for me to do that. It sold for a price similar to what he asked and it sold to a non-resident who moved to PEI, but didn't move on the property; had bought another house somewhere else. The first thing I knew, I was told: Sorry, you're not going to be able to rent this anymore. I thought: Did somebody, another neighbour, did somebody come and offer them more to rent? No. They wanted the land to enjoy the esthetics of it. They came to PEI because it's such a beautiful place and they're just going to let the land grow up in wild natural, in wild flowers, and go back to nature.

This was a piece of ground that was quite a good piece of ground, and I felt that somehow there was not the right disincentive for someone to be able to buy that property with the concept that it could just be taken out of agricultural production. It's 75 or 80 acres, but you multiply that by 10 or 100 times, or more, and you start seeing the problem of the issue when you talk about non-residents. Not all non-residents come here with the idea that they want it to be farmed. A lot of them do, and often cases I have no problems with that.

I wanted to just follow up on something Peter said, when you brought up commodities. Just in the last couple of years, a new company has come to PEI from Alberta, New Leaf Essentials, and they set up a large operation in Slemmon Park and Summerside promoting the growing of peas and lentils and products where they're going to extract stuff for it, and they have a very much an international and an American – they make ingredients for pet foods et cetera. So, it's a value-added commodity.

It's turned out that this is a commodity that we should have been growing for years. It works well here.

But, the prime minister made a visit to India; got the Indian government a little upset. All of a sudden we have some levies on some of our pulses. Last year, they were offering us \$300 a tonne for their peas. This year, we were informed it's 280 because one of their markets, they're going to see an increased tariff on exporting to. That's how, when we're talking about commodities, it can affect it.

Now, if this sort of trade thing continues, then all of a sudden those of us, who are in the cash crop business, whether it's growing peas or whatever, we're not going to be as quick to go out and pay 3 or \$4,000 an acre for the land; you're going to put it on hold until you see things turn around.

On PEI, that's been the case of land values, agricultural land values on PEI have been a little bit of a rollercoaster. Not big dips, but they've been related to the commodity prices from the previous year in terms of the demand to buy the land. The demand on PEI, if there's five people in the market to buy your piece and four of them are gone the next year, then all of a sudden, you know what your land is not worth.

Because we're such a small market, it doesn't take a whole lot to change the supply and demand tug on the Island.

Chair: Brad Trivers.

Mr. Trivers: Thank you, Chair.

I just wanted to clarify something about your answer. Though, you have talked about the *Municipal Government Act*, regulations, perhaps, being strengthened to govern land use. Then, you did say, you referenced again, non-resident owners that were taking the land out of agricultural production.

If there is a non-resident owner that buys land on Prince Edward Island and they rent it out to local farmers or just farmers in general, and it is continued to be put into production maybe because of *Municipal Government Act* regulations.

I wanted to know what your opinion is, do we need to put further protections in place to

make sure that land is owned locally or is it, in your opinion: do you have an opinion either way about whether non-residents should be allowed to own that land?

David Mol: I would think that the level of non-resident ownership now actually serves to allow a number of farmers to have that expanded acreage that they need without having to make the investment of buying it.

In my own particular case, if these were local people, chances are they might be farmers and I wouldn't have access. I might lose 2 or 300 acres of land. I think it's allowed for a number of farmers to do a natural expansion, which they would have otherwise, and if they have had to do it otherwise, it would likely drive up the price of land.

In a sense, a certain level of non-resident ownership is, in my mind, has kept the demand by local farmers for buying the land down because if you can rent it for 45 or \$50 an acre, why would you buy it for 3 or \$4,000 an acre?

Robert Godfrey: What I would add is that the *Lands Protection Act, P.E.I.* now, it makes it mandatory that you advertise that land for three months. There has been concern, in some cases, that it's not being followed. We've made that known to government that if you're – so, if a foreign, if someone comes in and out-bids myself or David, for example, in the purchasing of land, and they're from the United States, let's say, for example, then I've lost fair and square. It's the market. I don't think we're going to confine the market.

But, if that individual buys that land and I haven't had the opportunity to bid, then I have a problem with that. I think it's probably what I would say to that.

Absolutely, personally, I think that I'd rather see an Islander own that land, but the market is the market and I don't think that the federation would argue against constraining the market to a point that it just doesn't make sense.

Mr. Trivers: Thanks for that response. I know it's a tough question to publicly answer.

I wanted to know, of the 575,000 or so acres of farmland in production on the Island right now, do you have any idea how much of that is owned by non-residents?

Robert Godfrey: Not off the top of my head.

David Mol: I don't either. I think the only thing during the – I don't know which presentation was it that went across the Island where they showed the non-resident ownership of the map, the map they had the marks in red of all the properties.

Robert Godfrey: I don't think I've seen that.

David Mol: It was surprising, but the province does have a map that shows – it's a fairly large-scale map and it does show ownership. Most of the ownership is confined to the smaller holdings for residents.

In my particular case, let's say, if I – twenty – there's probably three or four landowners out of say 20 that would be non-resident landowners. In fairness, some of the land was land that they – that it would all have gone before IRAC for approval. Some of it was land that we'll say, that potato industry wasn't interested in. I don't know whether somebody local would have bought it or not, because beauty is in the eye of the beholder.

There are a lot of people from away see a lot more beauty in our Island and are willing to pay for it than if you're here. It's no different than, I'm sure, I eat a lot less lobster than our visitors do when they come to PEI. I'm always asked that: You must have lobster every week? Mother's Day, you know.

Mr. Trivers: In the *Lands Protection Act, P.E.I.*, it's actually five acres is the limit. If it's under five acres, you can just go in and buy it. There's no – it doesn't need to go to IRAC; it doesn't need to go to Cabinet, these sorts of things.

Now, of course when we're talking about agricultural land, it's almost always over that five acres so it has that, sort of, level of oversight. But, in urban areas, in particular, under-five acre lots, I mean we've all heard stories. I mean, people firsthand have had

people with money, new Islanders, or perhaps non-residents, offer them, you know, basically: Here's cash, how much are you asking? I'll pay you, you know, 20% more than you're asking. Come up. That is definitely driving up the prices in the urban areas.

I wanted to know if this sort of activity in urban areas, you think, is actually impacting and driving up the price of farmland, as well. Can we make a connection between the two, or do you think we can? Do you think the two are really separate?

Chair: Robert Godfrey.

Robert Godfrey: No, I'll defer to the real estate agent.

Chair: David Mol.

David Mol: I don't think the connect is quite as direct as you might initially think. In part, the drive that has been driving up land within municipalities, or sorry, within developed areas is driven by – and make no bones about it; a lot of it is driven by the influx of Asian people to PEI. They are really not interested in farming. The flow doesn't go too much to buying farms.

You've got to remember; we bring up this PNP whatever, farmers were not, in the first round, for sure, you could not apply under that program for farming. There was no move to put agriculture – to attract people from some other region of the world to agriculture here. It was more industry-driven, PEI was going to advance in aerospace and all technology. We were going to move forward in a whole lot of areas. We weren't really going on trade missions to get people to come here and grow more ginseng or something like that. We were certainly promoting exporting our products, but we weren't bringing people in as farmers.

Chair: Robert Godfrey has a follow-up to –

Robert Godfrey: I think urban sprawl places a – does place an added pressure on the marketplace, right? When you have new homes built and you know you have expansion of communities like Stratford or Cornwall or O'Leary or Montague, or anything like that, obviously, it's a supply

and demand question. Yes, urban sprawl does drive the prices up.

When they're coming in and they're purchasing existing homes, well, they're not – the previous owner goes out and builds a house with that added 20%, I don't know, but I think that you can loosely say that urban sprawl, especially. The \$20,000 outside of Newmarket, Ontario, of farmland is \$20,000 for a reason. Because there's a supply and demand question with land being either in agricultural production or developed.

Chair: Brad Trivers.

Mr. Trivers: Thank you, Chair.

You mentioned then, in 1951, there was a million acres of farmland that was in production and now, there's around 575,000 acres. I just wanted you to clarify why that land was taken out of production. Is it primarily development or are there other reasons?

David Mol: For that answer, we've got to really go back to the turn of that century, when a lot of PEI's land was cleared to build schooners, and to fill those schooners with wood. They were shipped off. You didn't ship a schooner off empty; the schooner was shipped full of something. In a lot of cases, it was shipped off with some good white spruce milled here and shipped away.

Land was cleared that might not have been cleared if agriculture was the primary reason for clearing it. Then, you have to remember that the nature of farming back then was a family, to support yourself and larger families. The land continued to be farmed, but as it went from the first to the Second World War that land became less and less farmed.

When you got in the early 1950s here, that statistic – and I kind of question it myself – I suspect that that statistic might have included a bunch of land that had already grown up in alders. Because that land now, if you look through the countryside has got the crop of spruce on it and trees that are being harvested. Certainly, that land, in a lot of cases, would not have been farmed under today's standards. A lot of it, where you're talking about going on it with horses, it's

land that you might not have been able to get on with a tractor.

Chair: Robert Godfrey.

Robert Godfrey: I live in a subdivision in Cornwall. Right now, I have a quarter-acre lot. Where my house currently sits, I recall, 15 years ago going in there and taking the crop of hay off of it. That is just a reality, as well.

Our population in 1951, I don't know if off the top of my head, but I definitely know it wasn't 153,000 people. So there's that element there, as well.

Mr. Trivers: Just this one last question. I appreciate it.

You had mentioned that when it comes to complying to the crop rotation act, some farmers are facing challenges. That's definitely – farmers have talked to me about that. They say, we need to expand our acreage so we can comply with the crop rotation act because we need that extra land to get that three-year rotation in.

How much of the problem is that the land is not available; either, just the farmland just doesn't exist; they need to go clear more land to make it happen. How much is that because they can't afford the land, or the land, you know, is out of price range? How much is due to the fact that they've hit their acreage limit in the Lands Protection Act P.E.I.? If you could comment on that.

Robert Godfrey: If you follow the farm credit values report from 2015, they argue that this is a major reason for why land values have gone up. In certain areas of the province there's a reason why we have a rule that allows people to farm the same crop two years out of five because it's recognizing the reality that, you know, it's outside of Kensington, for example, it's very hard to find an additional, if it's 50 acres of potatoes here, I can't plant for the next two years in that – potatoes in that field. I have got to find that 50 acres somewhere in order to maintain my business at the current state that it's in. So, they're going out and they're either reducing their acreage or they're paying the additional cost to get that land.

When we talk about mortgaging the next generation, outside of O'Leary you had a piece of property that was sold for close to \$5,500 an acre; unheard of. And it was done because there were three or four different farms bidding on that piece of property and the highest bidder won.

It will take a lot of time and as a 30-year-old, like it's disconcerting, for sure. I would be, if I was to go and farm, be considered a young farmer. I have a 28-year-old brother who is. I have a lot of friends who do. They talk to me about how challenging it is to find the financing if they're not on an existing operation of that size now to go bigger.

Mr. Trivers: Thank you.

Chair: Allen Roach.

Mr. Roach: Thank you, Chair, and David and Robert; thank you for coming.

This is a great conversation that we're having and I think everyone is learning a lot from it. I'll go back to just what Peter Bevan-Baker had talked about. He touched briefly on speculation. I think we all realize that a lot of these and you see it, perhaps, more than most, David, is some of these people have pretty deep pockets, and it's pretty enticing to some of the farmers to want to put their hand in that pocket and we all understand why.

We're not, and I think you also mentioned double taxation; there's no such thing as double taxation. I think you pay tax and then you pay 50% more, so it's like 1.5, so we pay one and then people from out-of-province would pay 1.5. It's really not double tax.

Other jurisdictions have higher fees in some instances to, kind of, deter that non-resident land ownership. Do you think that we, as a province, need to look at that?

David Mol: Certainly, I think fiscally the province would be remiss if they don't look at having a system that is reflected of what's going on in neighbouring jurisdictions, for a start. As far as deterrents go, that's something that is another question.

Then you open up a question of: Am I deliberately trying to keep people out? I

don't really want to answer that question. I don't think too many of us, politically, would want to answer that question, either. But, you want to be real to what is happening in the market; in neighbouring jurisdictions. You don't want to create something that opens the floodgates, or all of a sudden changes the game completely because if you're – in farming you plan five and 10 years down the road, you can't have the rules change dramatically quickly, or it completely throws out – well, it's the quickest way, the second quickest way of going out of business. The first quickest way is always competing with the lowest price. That'll put you out of business –

Mr. Roach: Yeah.

David Mol: – pretty quick.

Mr. Roach: Because there's only one way to go.

Chair: Allen Roach, do you have another question?

Mr. Roach: Yes, I have several, Chair. Thank you.

Again, there were some great conversation around the *Lands Protection Act, P.E.I.*, really, which is tied to ownership. Do we need to look at specifically land-use policies that would kind of correspond or kind of parallel the *Lands Protection Act, P.E.I.*? In other words, you know, if somebody from another province buys a cottage here and they have a, you know – but if somebody from another province speculates on farmland that there would be policies that would be different.

Robert Godfrey: I think –

Mr. Roach: Because it's hard to lump all of the land into one – David, is that correct?

David Mol: Again, I've always felt that our PEI zoning has been a bit lax. We've got land, we had some fairly clear soil maps that show the quality and the highest and best use of our farmland across the way. I've often thought that zoning somehow can reflect what uses should and should not be made of Charlottetown's sandy loam versus Alberry versus some of the other soil types.

Zoning would have a way and it's an awful dirty word to use, it starts with four letters before you add the – they added a G. You need to look at what's working in other jurisdictions. I think there are – British Columbia, has done a lot more work than we have in terms of fighting urban sprawl and protecting some of their vegetable-growing areas and some of their basins.

I'm sure these farmers are growing vegetables and some of these estuaries there can sell their land for a whole lot more. What's keeping them there? How are they being kept there? How is the next generation being fostered to continue taking over this land?

I don't think we've asked enough questions in a broad enough spectrum to, you know, we don't have to have a made-on-PEI-thing here. Let's see what's working in some other areas.

Robert Godfrey: Outside of Vancouver, right now there's an awful lot of land speculation as I'm sure you're aware. Farmland, in particular, there's speculation. What they've done, in the last number of years, is they've actually looked at what that individual is paying for land tax and they've put a premium on that. The owner is a foreign owner, they're not farming the land, or they're renting it out to a local farmer.

Is that something I'm advocating here? I don't know. It would be something to study and look at. I don't know how much of that is going on.

Mr. Roach: A couple of comments were made about the Buddhists and the amount of land that they own and the number that there are. PEI is a great place to start rumours and things grow incredibly. I'm not sure, Robert, whether it was you, or David, who mentioned 1,000 Buddhists.

I bring this up because all of the Buddhists live in my district. Would you be surprised if I told you that there are two groups that are there. There are 132 nuns, who, they're a foundation that's totally separate from the monks. There's about – I think there are about 320 monks. Would you be surprised about those numbers?

Robert Godfrey: I would be surprised that 325 individuals own about 5,000 acres of land –

Mr. Roach: Yeah, okay –

Robert Godfrey: – and that isn't a rumour –

Mr. Roach: Okay –

Chair: Allen –

Robert Godfrey: – that –

Chair: – oh, sorry.

Robert Godfrey: Sorry.

Mr. Roach: Go ahead.

Robert Godfrey: My number, the 5,000. Maybe I'm wrong on the 1,000 and I do apologize. But I know that the 5,000-plus acres is a number that I've gotten from government officials.

Mr. Roach: Yes. Would you be surprised if I told you that the Buddhist nuns currently own about 585 acres? And that the Buddhist monks currently own about 1,100 acres? In fact.

Robert Godfrey: I would be surprised.

Mr. Roach: Okay. I just – you know, I hear all these rumours that are floating around. So, because they live in my district, I've asked and met and got the exact numbers that are out there. I recall, the first farm that they bought, because I knew the farmer. He had retired from farming. He had just gotten old and wasn't able to continue farming. None of his family wanted to continue. His land was for sale for about eight years. Not a bite, and it was cheap. That was the first farm that the Buddhist monks bought.

One of the things that they did was they put that land back into production. Would that surprise you?

Robert Godfrey: No, it doesn't surprise me they put into production; I understand that they had.

Mr. Roach: Yeah.

Robert Godfrey: But they've put limitations on what is allowed to happen on the land.

Mr. Roach: Yes, and I've asked that question. They have bought other farmland since and they've bought a lot of woodland and they've bought a lot of swamp. It's not all farmland that's been purchased. I know how much land they'd like to purchase as each one of them as a foundation. They're working towards that. I guess, I just, I'd like to, kind of, dispel, a little bit, some of the high-end, what I refer to as exaggeration. I mean, they're my constituents. A lot of them are now Canadian citizens. They are teaching schools. There is one going to be in Brudenell and one down in Heatherdale.

In most cases, where they've bought farmland, a lot of the land wasn't being farmed. Some of it was. It's my understanding that the only limitation that's been placed on it is that it has to be organic farming on that land. They don't want pesticides or any of that stuff.

Robert Godfrey: That's my understanding, as well.

Mr. Roach: Okay.

Robert Godfrey: (Indistinct)

Mr. Roach: I think David had it.

Chair: Okay, who is going to take this one first?

David Mol.

David Mol: And in fairness to the whole situation, and you're right about the cost of the thing. There have been a number of farmers in the area who have felt threatened by this move. Some of them, who are members of the federation, some felt that they had been denied the opportunities to get this land and it would never – the opportunity would never come there again, once the ownership has moved on it's gone for their lifetime.

I concur with your point that a lot of the land was land that nobody, at the time, wanted. That it was land that either had slipped out of production. Today, that might be a little different question. I think there probably

would be a little more interest in it by local people.

How do we dispel that myth? Because I certainly had heard also, not from Robert, that the ownership of monks or the lay people there's different –

Mr. Roach: Yes.

David Mol: – sectors there –

Mr. Roach: Yeah.

David Mol: – was in the vicinity of 5,000 acres. I know the Mermuys's and there's one sitting right there –

Mr. Roach: Yeah.

David Mol: – and that the roads in Heatherdale and all that and this farm is gone and that one is there and further down. I know the property that the nuns have. As a matter of fact, I even cropped it one year down there.

Maybe we need to get – and here's a lesson for all of us. Maybe we need to have – I didn't go to the open house, but maybe we need to have some of this dispelled –

Chair: Absolutely.

David Mol: – and it would clear the air.

Chair: Robert Godfrey.

Robert Godfrey: I do apologize. I mean, the number that I'm using, I did get from a government official, so I took it as fact. I'll have that, I'll have a discussion with that person. I'm not going to name names because I don't feel that it's necessary.

I do want to say, though, that the federation welcomes whoever does want to come to the Island and farm. I think at the crux of what we've been talking about today isn't necessarily, we don't want foreign people coming to PEI to farm. Certainly, we're more than welcome – we welcome anyone who wants to as long as the land is in production.

Mr. Roach: Sure and I would be more than happy to arrange for the both of you to get a presentation. They have a full presentation

that, I think, for those of us who have gone and seen it, it dispels an awful lot of gossip and rumour that's out there.

Certainly, the stewardship of the land that they are displaying is quite something; larger buffer zones than what is required. I think they've planted over 30,000 trees to protect some of the land. They've taken some of the land that they've purchased that is in certain areas, and they've actually turned it over and given it to Island Nature Trust to ensure that that property is protected forever in perpetuity. That would be great to see.

Do you think that, with the amount of land that they've purchased, that that is the only reason why land values have gone up in Kings County?

Robert Godfrey: No, not at all.

Mr. Roach: Okay.

Robert Godfrey: I think that in Kings County land is at a premium. There was a sale of land down there that was under dispute only last year around this time where an American owned a considerable amount of acreage. There was a young farmer farming it at the time. It was reportedly sold. Again, that was a rumour, that was reportedly sold to this individual from out west and the young farmer didn't have an opportunity to bid.

IRAC turned down the sale and it was advertised, and I understand that it was eventually purchased by, I think, the foreign individual who was bidding on it and it's being farmed locally by a farmer, by a member of the federation. I have family who live in Eastern PEI, I have in-laws that live in Eastern PEI who farm a couple thousand acres, let's say, and it's very hard to find land the further east you go.

Mr. Roach: I agree. Land is certainly disappearing.

We talked about the responsibility of the farmers. How do you see that would fit in and how would we overcome, as Hal Perry had mentioned, a lot of farmers for whatever reason may have not planned well, or well enough, for retirement. They do see that land as their retirement package. How do

you tell that farmer if policy were to develop: Sorry, you can't do that. How is that going to wash out within your membership?

Robert Godfrey: No, did you want to talk to that first?

David Mol: Yeah (Indistinct)

Mr. Roach: I mean, it's kind of like a bit of an elephant in the room here, to some degree.

David Mol: Clearly grandfathering wouldn't work in a situation like this because everybody would be grandfathered in at this point.

It comes down to if you own a commodity and you own a resource, land, you know when you've bought into it you know what was handed to you, or whether you bought it, it was reflective of a current value but also potential value. The expectation that you're going to get a huge windfall out of it is wonderful, but I don't think that's an inherent right of an individual to say that: I have the right just to do anything I want with this.

I'm certainly not an advocate for controls, and I'm sitting in a situation in the city where my brothers have land and one brother this morning said: Boy, if we had to sell that only for farmland, it's not worth very much. The taxes would have to change.

But, how do we appease someone's concept that it's my retirement and most farmers view it that way, and rightly so. If you own a bunch of apartment buildings or you buy into them, your expectation is that you can sell them for fair market value, and if you've kept them up it's better than it was because the economy has marched on. That's the key thing, is the economy has marched on. Well, in Prince Edward Island terms, and we're talking about these increases in land, yes but they've increased from where? From pretty low prices.

We're not talking about the farmland here has jumped from \$3,000 to \$9,000 an acre. We're talking where we're starting to come into the 21st century here and we're still behind national averages. In that part, if we catch up to national averages, the farmers

will be partially answered in that farmland as farmland is now worth more if he has 300 acre farm and his land has moved up from \$4,000 to \$5,000, that's \$300,000. Well, that's not a bad retirement. That's comparable to a lot of peoples' RRSPs.

It depends on how you look at it. I've never been an advocate for keeping the land values below what they really are. I think we need to look more at programs that deal with the use and deal with opportunities for young farmers to be able to move into it in some sort of an affordable way.

Robert Godfrey: In talking to an older farmer the other day, he sort of said to me: The land value increases is a good story, depending on your age. If I'm going to turn around and sell my land at \$4,000 an acre tomorrow or \$5,000 an acre tomorrow, that's great. He's like: But, if I'm 23-24 years old, it's difficult.

See, it is an elephant in the room. It is a delicate balance and we do concede that with 153,000 people in the province now, and a goal to go higher, farmland will need to be developed. It's more of what makes sense. We've got 30,000 lots on PEI right now, without a hold, without a structure. That was one of their arguments made to me as to why we need a *Municipal Government Act*.

Government has the responsibility to make that balance work, and as the executive director of an organization where I have people who are on the retirement side of things, and I have people who are younger than myself who are coming into the industry, it is tough. But, if we want to have farming – if we want to have an agriculture industry on Prince Edward Island in 25-30 years from now, we've got to get serious about how we keep a land base that's viable.

Mr. Roach: Thank you.

Chair: I have Colin LaVie.

Mr. LaVie: Thank you, Chair.

PEI is unique; very unique from other provinces and I'm a firm believer in that. It's a great discussion here today; great discussion and I think it has to go further. I think you need a lot of players at the table

and this is not going to happen overnight because it's a fine line in all discussions here today.

You have farmers that have land, farmers that are selling land. You mentioned that the communities to grow, your municipalities need to grow. Farmers selling land to build houses and selling 10 acres to build a house on; the community I live in, which is Souris, if it is to grow it's got to grow into farmland, if you want our community to grow. When I grew up in Souris it was all fields. You had your Main Street and a few off-roads, and now there's not a piece of land to build a house in Souris. You would have a hard job to find a piece of land. In order for that community to grow, we're going to be building on farmland.

It's a great topic here today. You talk about farmers selling land to build a home on, but sometimes – it's great when the prices are up and the prices are down, and a farmer is struggling a little and to get them through that year, they sell land for houses. Not everybody wants to live in a municipality. People want to live out in the country where it's quiet, where they grew up. I really enjoyed the discussions here today, but I think we've got to get a lot of players at the table and it's going to take a lot of discussions to get this to where we want to go.

It's like you talked about in the early days; I read an article where the first cars came to PEI and if you were travelling from Charlottetown to Souris, there were fence gates, farmers had fence gates across the road and you literally had to stop, open the gate, go through the gate and shut the gate behind you or you were fined. That got to be a nuisance to the highways, people travelling on the highways, and the government took the fence away from the highways, crossing the highways.

Yeah, farming changed on PEI. But, one of my questions is – we talk about non-residents. Could you explain a non-resident?

Robert Godfrey: Someone who has not lived on the Island for 12 months. The law defines an Island resident as someone who has lived in the province for 12 full months, and that would –

David Mol: That changed from six months to 12.

Robert Godfrey: Only two years ago or last year? Yeah.

Mr. LaVie: What happens to – we've all got relatives that live away. It's either in the United States or it's out west or it's in Newfoundland, or wherever, and they have 10 acres of land that when they retire, they want to come back to that 10 acres of land.

There are a lot of issues that we're talking about here and this is where we got to get to the table and this is not going to happen overnight. So, what happens to that non-resident's land?

David Mol: Well I guess, first of all, if they already own, say, 10 acres for example, then that's a non-issue. They're going to build on it, retire on it. But, if the standards of the Island are that if you want to come here and retire and you have to buy a piece of land in an incorporated subdivision or development or something, then that's what you shop. But, if you want to buy the corner of Alvin Keenan's field down the road next to his house, or one of the MacDonalds, 10 acres out of a potato field; I don't think that opportunity should exist. That shouldn't even be a question that it's available for you to think about. I think that's been the problem that we've had, that we've had too many big corners out of production fields.

A good example of how something that would work is in Emyvale. I don't know how many of you are familiar of where the decommissioned Roman Catholic Church is, well diagonally across from that there's a sloping hilly piece of ground that was never farmed. Well, they've turned it into a lovely subdivision and there are maybe 15 or 20 houses in there and there's room for a few more. What a great place to retire and to go to, and it hasn't hurt agriculture one little bit. There are lots of Emyvales around the Island, if we want to look at using the land for what it's highest and best use could be.

I think if we were a little more open-minded about, that you don't need to build a house in the corner of a 50-acre potato field. That option is not open to you, but you can certainly build it on a hill or a slope or something, a wooded area. Now, the

woodlot owners might have a few issues, but basically the only – now the blueberry industry has taken some of that land away and I thought about that in our discussion a bit here, that we haven't talked about what the blueberry industry has done here in PEI, and they're also members of our organization. They've taken a lot of land that would have been in that million acres that I talked about that wasn't going to be used for farming; there were too many stones. There's too many little clay areas or whatever, and they've turned that into production on the Island.

It's not really safe to say anymore that we stereotype our land use, but at the same time that example, every time – I go by Emyvale all the time because I farm the land of Louis Callaghan next door to it and there are a couple of fields of his that I farm that probably would be great subdivisions and should never see potatoes in it, but there are a lot more examples.

Chair: Robert Godfrey has (Indistinct)

Robert Godfrey: In the Town of Souris, Mr. LaVie, you'd have a case – what we argued was we acknowledge that there are certain realities with a growing population and that you should just – if there's going to be development made, they should have to make a case as to why the development needs to be there.

Land-use planning should rest with the government so the Town of Souris can say: We think to grow our community we advocate that this piece of ground be developed, and a subdivision placed in that particular piece of land. Making it harder, essentially, to just say: If we're going to put up one home on four or five acres, we're going to be more constructive in how we build our communities outward.

I recognize Souris, Cornwall, Stratford, Charlottetown, Summerside – name a community that's of any size that's growing and they will inevitably need to build outward and in some cases, take further land out of production. But, we need to be responsible on how that happens going forward. That's why we point to the municipal act as a way to do this overnight. How that language is crafted, yes, it would make sense to get everyone around the table

but we acknowledge that there are realities in the system in PEI today where land will need to come out of production, but how fast that happens; we need to be more responsible.

Chair: You good?

Mr. LaVie: No, no.

Chair: Oh, you have another one?

Mr. LaVie: Oh yeah.

Chair: Colin LaVie.

Mr. LaVie: Several.

Thank you, Chair, and thanks for that.

You mentioned earlier, Robert, that there was land and it don't make any difference how much acreage it was, that was for sale that nobody had a chance to bid on. It's got to be advertised for three months. Now, that's happening in Eastern PEI right now.

Robert Godfrey: (Indistinct)

Mr. LaVie: If that's happening, who is pushing the regulations? Who is holding government accountable for this not following the regulations?

Robert Godfrey: I can tell you that the PEI Federation of Agriculture is among the people holding the government to the fire.

I've had several phone calls with Scott MacEwen at IRAC to talk to him about how the *Lands Protection Act, P.E.I.* regulation that talks about that three – I mean, it's very specific, it talks about three months. A piece of property needs to be advertised for three months before it is sold to a non-resident. The size of the sign is right inside the *Lands Protection Act, P.E.I.* It's very specific.

What IRAC does is when the sale comes, if it doesn't make any sense and in this case that I mentioned, it didn't. IRAC automatically turns it down. In some cases, though, they make the recommendation to government, at least according to Mr. MacEwen. Cabinet ultimately makes the decision because there are certain circumstances where it doesn't make sense to follow the three months. If someone

wanted to purchase the Charlottetown mall tomorrow, if there were no other players, IRAC would say go ahead. Cabinet would probably approve.

But, when it comes to 2,800 acres in Eastern PEI, IRAC looked at it and said: No, it doesn't make sense. I called the minister. I called the minister of the day, minister McIsaac, and he told me it didn't even reach his desk. IRAC is playing their part, and the rumour mill does go that: Oh well, this piece of property was sold, I never had an opportunity. I get phone calls like that. I don't know if they're true, but I can tell you that we had an actual resolution come from our membership in January of 2017 that said for non-residents, that we need to push as an organization for the non-resident clauses inside the *Lands Protection Act, P.E.I.* be enforced.

Mr. LaVie: Thanks, Robert.

My last question; if we don't do something – you can put as many regulations in as you want, if you don't follow the rules –

Robert Godfrey: That's right.

Mr. LaVie: You've got to follow the rules if you put regulations in.

My final question is: If we don't do something or start the process, where will PEI be in land use 10, 15, 20 years out?

Robert Godfrey: Well, I think we're certainly arguing that you're seeing a downward trend in the number of farms. You're seeing a downward trend in the number of acres under production. I would focus on the number of acres under production that are going downwards. That will continue, and that will continue in perpetuity until something is done to make it harder.

At what rate do we want to lose farmland?

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

I want to pick up on something David mentioned. Emyvale is in my district. I assume you're talking about the Westwood Hills development –

David Mol: Yes.

Dr. Bevan-Baker: – which is a wonderful development in a community where they have a very active community council, where they have an official plan; where they are looking after development there.

I'm just going to put this in your ear because I think it's important to have a different perspective here. I know you're advocating for land-use planning to be held centrally. You've mentioned that a couple of times; but you mentioned, Robert, about 30,000 undeveloped lots that have been granted and zoned here, and the history of ribbon development which is such a damaging thing in so many ways, not just in terms of land use but transportation and community cohesion and all sorts of things.

In my own district again, a project in DeSable which actually never came to fruition, but where a lot of land, much of it agricultural, hundreds of acres, was bought not with the intention at all of keeping it in production, but of turning it into a very high development – I'm not sure if you're aware of the project I'm talking about, David.

David Mol: (Indistinct)

Dr. Bevan-Baker: Anyhow, the point I'm trying to make is that central regulation or administration of land-use planning, in my opinion, is not working well. There are all sorts of historical precedents that suggest that putting it in the hands of the province when you're talking about rural development is not – we haven't done a very good job.

The example of Westwood Hills that David brought up is, in my opinion, an example of really good land-use planning, where land which, as you say, not suitable for agricultural land, was taken, it's now high-density housing. I'm not sure how many buildings are there, but I just wanted to put that out there, that local control, when it's done well, and when the people have the resources and the expertise, can be really, really good.

I want to talk about government policies. That's in implementing the land-use planning; but what, in your opinion, if any – what, if any government policies that are

currently in place do you think might be contributing to the inflated land prices that we're seeing now?

David Mol: Well, I guess first of all, I would probably take exception to the word 'inflated' here. 'Inflated' has a connotation that it's artificially propped up. I don't think we've got anything that's artificially propped up on PEI when we're playing catch-up, and we are playing catch-up to Nova Scotia when it comes to shore land values. The exception is New Brunswick with woodland values; but in agriculture clear land values, we're playing catch-up to our neighbour Nova Scotia, and certainly to the rest of the country with the exception of a couple of arid areas in Saskatchewan.

But to the bigger question that you're asking, that – I don't know if it's so much the policies or maybe it's the lack of sort of equal enforcement? I just noticed the other day a mobile home was located on a piece of ground on highway two, a standalone, and it looked on a clear field, and it looks like maybe an eight or 10-acre field, and the home was set back enough that it's probably eating up three or four acres of land.

It's on a curve of the highway. I don't know if they're using the existing driveway, and you know the property I'm talking about. I thought to myself: Did they meet all the standards that we had in place? I didn't think that that would have happened 20 years ago.

I guess it's, let's look at – and you know, it's the same thing with gun laws. The police say if we enforced what we have properly, we wouldn't need to change things. Well, let's look at the laws that we have, and are we following them to the almost letter of the law. Nothing is perfect. There's always a reasonable exception; but it has to be – you have to use the word exception, and not a matter of rule.

So I think if we look at that aspect first. In your particular area there, I look at the land behind where your office used to be, that sloping hill, what a wonderful place to build houses: beautiful overlook, there's 300 or 400 acres up there that could make a great new community. There are some houses up there, but they're sort of scattered so that people are using up three or five acres for each house or more.

I'm not going to go there if that's right or wrong, but the land that you were talking about there, a lovely piece of shore land, and it was bought with that whole concept in mind of developing it because it did have this shore land attraction. Then you weigh the interests of the tourist industry, and quite frankly, we don't have an abundance of shore land development that's ongoing. Would that be an exception? I don't know, but I think there are a lot of people that could sit around and maybe figure that out. It won't be me.

Chair: Hon. members, it's 11:55 a.m. When we sent out the meeting notice, it said 10:00 a.m. till 12:00 p.m. Are we agreeable that we'll continue on and are our presenters still able to stay?

I have Peter Bevan-Baker who has the floor; Pat Murphy, Allen Roach and Brad Trivers have questions. Are we able to stay for those questions?

Unidentified Voices: (Indistinct)

Chair: Good? All good?

Unidentified Voice: Yes.

Chair: Great.

Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair. I have two more questions.

I take your exception to my use of the word 'inflated'. 'Increased' should have been what I said, not 'inflated'. I also agree with you that perhaps the rules are fine, the laws are in place. It's consistent implementation of that which could be the source of the problem here.

I want to talk a little bit about crop rotation and the impact that that has. You both mentioned that, Robert more so, on pressures on land use and purchase. The suggestion there, of course, is that if you have a farm that is small or medium size and you are following the crop rotation act and you can make a living on that small or medium size farm, there's no problem.

The inference from your statement is that the only way to remain competitive is to go

big, that we can't operate on a three-year rotation within the confines of a thousand-acre farm because we cannot compete. Am I interpreting that correctly?

Robert Godfrey: I don't think that's necessarily – that's not my argument at all. No, I think that – we're simply saying that if you were a, let's say you were a 100 or – let's say you had a 425-acre farm, which is the average size today.

In order to grow, let's say, of the 425 acres, 300 of that is potatoes and you were maybe doing two-year crop rotation, all of a sudden to grow 300 acres with a three-year crop rotation, you will need to purchase more land. It's just the nature of how it goes.

So you'll still be growing 300 acres of potatoes; but now, instead of the 425 acres, you might need (Indistinct) –

Dr. Bevan-Baker: (Indistinct)

Robert Godfrey: I don't know the math on that, but you will need additional acreage. Right? Or you need the ability, at least, to trade with your neighbour, who may not be a potato grower, which is happening in a lot of cases.

But the land base needs to be there, right? So it is forcing individuals to say I need to purchase more land, therefore putting additional pressure on the market. That's not according to me. That's according to Farm Credit Canada.

Chair: Thanks.

Peter, do you have another question?

Dr. Bevan-Baker: I do, actually, Chair.

Chair: Okay. Peter Bevan-Baker.

Dr. Bevan-Baker: The point I was trying to make there, Robert, is if I own a 425-acre farm and I know I have to comply with a three-year crop rotation act, then I'm not going to plant 300 acres of potatoes. I'm going to plant 100 acres of potatoes. If I do that and I am a viable entity as a farm at that scale, then I could do perfectly well.

But the problem is, and I think David said it; the quickest way out of business is to

compete for the lowest price. Farmers here in the commodity markets have to compete with farmers who are either getting subsidized heavily by their national governments or they live in a place where the climate is more suitable or they're closer to markets or the economies of scale allow them to produce things much more cheaply than we do.

So I think the problem that we have run up against here in agriculture on Prince Edward Island is trying to compete for that lowest price, in a situation where we have so many disadvantages we can't do that. Maybe we should be looking at what income per acre we can get off the land rather than just trying to compete in the commodities.

I don't think it's – again, part of that is crop value, how much money can we get per acre of land? But it's more than that. It's farm income. It's not just how much can we produce here, because if we're producing and our cost of production are almost equal or even higher than what we're getting in the marketplace, then that's no good. It's income per acre that I'm interested in.

The point I was trying to make is that if we are forced to go big to compete in a marketplace where we're not ever going to be competitive, are we really doing the right thing for PEI land and PEI farmers?

Robert Godfrey: I don't know if I agree with the idea that we're not competitive. I think I disagree with that. I think that PEI on potatoes, in particular, on soybeans, on, you name a crop on PEI, I think we're highly competitive today.

Some of these farms are not that large and they're very competitive. Certainly, not large by the scalability that you'd find in Idaho, for example, or parts of western Canada.

I struggle with how you get cost per acre given the fact that we deal in commodities, right? Commodities are very cyclical. What I'm getting today for a pound of beef, for example, is going to change next week potentially. We compete on a global marketplace and global commodities change almost every single day. You look at the futures market, I don't need to explain to you how that works, right? I know that you

know that full well. I struggle with how you get there.

Chair: Peter, do you have another question?

Dr. Bevan-Baker: I do have one final question. I'll just make a very short comment on that.

Yes, we have chosen to compete in the global commodity marketplace, but that's not necessarily the way that we have to – we could look at small niche markets of quality, high-quality, low-volume products, if we decide to do that as part of the mix of agriculture here.

The final question I have, Chair, is on the land ownership in Kings County. I despise the rumour mill.

I want us to be able to work here with accurate information. That's why I called several months ago the Buddhist community to come in to this actual standing committee and tell us about how much land they own. How did they come about that. All of these questions. Unfortunately, we haven't – I don't know where, maybe at the end of the meeting today, I'll ask the clerk where we stand on that.

I want accurate information. I hate the rumour mill and I think it does a lot of damage here. I do think – and David made this point – and I think it's really critical that the monks and the monastery itself may well own however many acres Mr. Roach said, but there are lay people associated with the monastery, as well. I think there are questions that need to be answered here. Rather than me speculate on it here, I look forward to the day when we will actually have a presentation from these people and we'll find out exactly what's going on.

Chair: Thank you.

Dr. Bevan-Baker: Thank you.

Mr. Roach: I'll follow that up later with a motion.

Chair: Thank you.

Pat Murphy.

Mr. Murphy: Thank you. I'd like to thank you for your presentation today.

I do understand that as government we do have to continuously review our land ownership and our land-use policies. I think that's very important. I think this here has got a lot more to do with land use than actual ownership.

I'm just wondering if the government does deem farmland to be protected, is that going to increase property values right across the province? Is that going to be a detriment to the farmers themselves if it does increase the actual price of farmland because it's going to be?

Chair: David Mol.

David Mol: I think the devil is in the detail there. The motion itself would not increase the amount of land available, so that would not put downward pressure on it. I think it would provide a little more security to a young farmer who is going to the bank to borrow money for his operation, when he knows, and the banker realizes, that he is starting off with X number of acres and he's driving a school bus and his wife is a teacher. But, if he's going to quit his school bus job and is going to be a full-time farmer, he's going to need another couple of hundred acres of land just to make that that land is going to be more likely available as agricultural land to him or to someone else, than if we were in the wild west or that's it open.

We've got a number of people, who have come to us and said: You know, I'd like to buy this land down the road. I can't afford to buy it for a couple of years. I don't know if it's going to be available to me then, so how do I forward-plan?

I guess the only thing I can think is that if at least that the land is protected in one sense from somebody from away coming and buying it and putting their mobile home on it and enjoying the pastoral view for the summer, in my particular case, they'd rather look at goldenrod growing up on it than fields of waving wheat. Then, at least there's some continuity to plan down the road. I think that's the bigger thing is that we've got a lot of young farmers who are really frustrated about where they're going to go.

Peter alluded to it a bit about, you know, maybe we should, we need to look at what we're growing. I would agree with him that we need to look at increased value. I would agree a whole lot more if we were parked next door to a big market; to Boston or New York City or somewhere.

I ship my organic beans to Ontario. That's the only market that's available to us. The cost of shipping them is a fifth of my total cost of everything. More than a fifth, it's almost a quarter. It's not feasible. I'm not going to do it this year because 90 or \$100 a tonne off the cost of your crop; it's a no-brainer anymore. Transportation costs have gone into the real market and they're charging back the real cost of running that truck back and forth to Ontario.

Chair: Thank you.

The final person on my speaking order is Brad Trivers.

Mr. Trivers: Thank you, Chair.

I'll make this as quick as I can. I just wanted to make a clarification that, in fact, the Great Enlightenment Buddhist Institute Society is in Little Sands, which I think is in District 4 Belfast-Murray River, where the MLA is Darlene Compton, not in District 3 Montague-Kilmuir. I just wanted to clarify that.

My question has to do with – it's really interesting that you talked about the *Municipal Government Act* regulations and changing those to put emphasis on land use to protect agricultural land. You said you preferred to see it looked at at the provincial level, because potentially the farmers could lose their voice without having the bigger numbers within a municipality.

It's something that, I mean, this government has taken the approach that really to do a proper land-use planning they want to incorporate as much of the Island as possible and push that off to municipalities. I've often wondered how come we don't have an official plan for PEI? I've heard the minister talk before about how there's one CAO for the whole Island.

I was wondering, do you think that the province is doing a good job of land-use

planning of the unincorporated areas and the province as a whole? Would you like to see an official plan for the province as a whole?

Robert Godfrey: I think that our resolution on the municipal act that came forward in January of 2016, speaks to the fact that farmers had four main concerns when it came to municipal, when it came to the municipal act: the first one was the right to farm; second one was taxation; the third one was land-use planning; the fourth one was whether it made sense to do an official plan for the Island, to look at the Island as one whole or whether it made sense to go to 25 municipalities or remain with 73.

In that sense, I think that we'd welcome a further look at something like that.

Mr. Trivers: Thank you.

Chair: Allen Roach.

Mr. Roach: Just by way of clarification, Bradley G. Trivers: Not everything you read on Google is correct. The institute is in Heatherdale. They have officially moved. They have a residence down there where some people stay, but eventually they'll be moving, as well. It has changed.

Chair: Thank you.

Thank you, hon. members for the discussion.

David Mol and Robert Godfrey, on behalf of the committee, thank you so much for coming to present to our committee. We've learned a lesson about not to follow the rumour mills and so, thank you. I know you're all great stewards of the land. We appreciate the diversity of the farmers that you represent. I wish you much success in the upcoming season.

You've made some recommendations, David, in your report and we'll be considering those and taking in our final report when we make recommendations to the upcoming Legislature.

David Mol: Thank you for that.

Chair: Thank you very much. Enjoy the rest of your day.

David Mol: Thank you.

Robert Godfrey: Thank you.

Chair: Hon. members, we're going to continue on with our agenda as our presenters are leaving and number four on the agenda –

An Hon. Member: (Indistinct)

Chair: Thank you.

An Hon. Member: It's all about communication.

Chair: Yeah, perfect.

Thank you.

Mr. Trivers: Great jobs (Indistinct)

Chair: Number four on the agenda is the request from MLA Steven Myers re: Three Rivers amalgamation process.

Colin LaVie.

Mr. LaVie: Can I make a statement, Chair?

This is my third standing committee now in the last past month and we booked them for two hours. Every time we ask them for extra time. Chair, we booked these meetings for two hours. You are the Chair. You control the meeting. If it's over 12:00 p.m., you call it at 12:00 o'clock.

Chair: Okay.

Mr. LaVie: We scheduled our days for two hours to be here. Now, the last meeting I had to leave. The meeting continued on probably for another half an hour and we booked these standing committee meetings, and you guys are the chairs. You control it, and that meeting should be over at least quarter to 12:00 p.m. to finish our meeting off. Three questions each; two questions each, whatever it takes.

If we want to govern PEI, we can't even control a two-hour meeting here.

An Hon. Member: (Indistinct)

Mr. LaVie: I have to leave and I wanted to get up and leave, but I don't want to leave every committee meeting in the middle of it.

Chair: Thank you.

Mr. LaVie: We booked these meetings, control these meetings.

Chair: Thank you, hon. member.

It's 12:11 –

Mr. LaVie: I know.

Chair: – and I'd like to continue on with –

Mr. LaVie: And I've got to go.

Chair: – the agenda and hopefully it won't take us that much longer.

On the floor now is a request from MLA Steven Myers, and Mr. Clerk, do you have anything to say about what was received?

Clerk Assistant: Well, Madam Chair, you have a memorandum in front of you that was actually two letters submitted by Mr. Myers asking the committee to seek the appearance of Brian Harding of the Three Rivers steering committee to talk about that process, and then also in the memorandum you have an email from Mr. Harding himself providing his views on appearing before the committee.

It's a request coming from another member for the committee to do something. It's up to the committee to decide if it wants to or should or (Indistinct)

Chair: I'll open the floor for discussion.

Any discussion?

Mr. Trivers.

Mr. Trivers: Thank you, Chair.

I'm just looking at the email from Brian Harding. I'm trying to recall if I've seen that. Did you send that out to the committee –

Clerk Assistant: Yes.

Mr. Trivers: – on March 12th?

Clerk Assistant: Earlier this week (Indistinct)

Mr. Trivers: Okay.

I think Mr. Myers has a good point that as a standing committee – I think that this is, in particular, the Three Rivers steering committee and the Three Rivers amalgamation process is something of great interest to the province because it is going to set a precedent. It is going to help lay the foundation for what could be many different amalgamations going across the province.

I think it's completely appropriate to get an update from the Three Rivers steering committee to find out what they've learned, how things are going, and as well just understand some of the challenges they've faced and get their opinion on things. I would be in support of Mr. Myers' request.

Chair: Thank you.

Allen Roach.

Mr. Roach: Chair, I've certainly been following this and they've had tremendous number of public meetings. There's a particular process that they follow. It's now before IRAC. We'll have to wait and see what the decision is with all the information that the steering committee has received and is provided.

I'd make a motion, Chair, that we not ask Mr. Harding to come before this committee until such time as IRAC has dealt with it in the next piece of the process.

Chair: Thank you.

Any discussion on the motion?

Peter Bevan-Baker.

Dr. Bevan-Baker: I would vote against that. I think it is important that we learn from this and absolutely, I understand the process is moving forward and that's clearly laid out. But, this has been a – unfortunately, the situation in Three Rivers has been extremely divisive and it's reached a situation here where I think we could – the rest of the province, who may or may not be embarking on a similar process might learn an awful lot from having Mr. Harding in here and

explaining what happened in the past. Why he has, or why the committee has decided to move this forward to IRAC despite the clearly stated concerns and opposition of, not only, municipal councils, but people in unincorporated areas. I see no harm in having Mr. Harding here. Indeed, I see a lot of potential benefit for other areas, who might be embarking on the same process.

Chair: Thank you.

Any further discussion?

Colin LaVie.

Mr. LaVie: I'll vote against the motion for the same reasons. I think we should have Mr. Harding in and let the people hear what Mr. Harding has to say. Not only the people, but us, ourselves. We heard from the meeting here earlier about the rumours that used to go around; let's hear it from Mr. Harding himself.

Chair: Thank you.

Any further discussion?

Are you ready for the – Brad Trivers.

Mr. Trivers: I just wanted to say that I'll be voting against the motion, as well. It goes along the same lines of what has been discussed already. But also, even when the *Municipal Government Act* was on the floor of the Legislature, we were debating it. The amendment that I put forward was that any sort of amalgamation, especially that includes annexing areas should come forward to the floor of the Legislature, or, at the very least, to standing committee for consideration. Because, as elected MLAs, we are the ones, we're the only ones who are elected to actually represent those unincorporated areas. This would be a perfect way for the elected representatives of the unincorporated areas to represent their constituents and find out what's going on in this matter and make sure we understand it.

Chair: Thank you.

Any further discussion? Are you ready for the question?

All those in favour of the motion, signify by saying 'aye.'

Some Hon. Members: Aye!

Chair: Those voting against the motion, contrary minded 'nay.'

Some Hon. Members: Nay!

Chair: Three. All right.

Mr. LaVie: A tie.

Chair: We are. We are a tie.

Hon. members, when there's a tie at committee or in the House it falls to the Chair or the Speaker to break the tie.

I've read over the communication from Mr. Harding and about the process that was followed. I know that this is before IRAC now. I will be voting not to have Mr. Harding come into the meeting.

The motion is carried.

Hon. members, I'm looking – is there any new business?

Mr. Roach: Chair, just by way of –

Chair: Allen Roach.

Mr. Roach: Thank you, Chair.

Just by way of discussion and it has to do with a conversation we had here today with respect to the Buddhists. I feel it's extremely unfortunate that we have gossip and rumour brought before this committee, which is untrue; and that we're now going to ask the Buddhist's society, or both groups to come in here and defend themselves? I don't like that; I think it's wrong. Are we going to ask the Catholic Church to come in here and tell us how much land they own? If you added it up across the province.

I just feel it's all wrong when we have a group that had been on the Island for eight years. They've had open house after open house; year over year inviting all the Island to come. When you go there you see the plan that they have to build their teaching facilities, their monasteries. How they're going to protect the land around that so that they maintain the peace and tranquility for their teachings. People will go to school there from anywhere from eight to 20 years.

I just feel it's unfortunate that we as a province, who have a group of very extremely peaceful people that have moved into a couple of communities, and based on gossip we're going to bring them in here to justify what they've done, and all they've done is move here.

There's something about that, when we as a committee are going to deal with gossip here. For me, that's all wrong to bring them here.

Chair: Mr. Trivers.

Mr. Roach: But what I would do, on a personal level, I would try to arrange individually that we could go there and have them give us a presentation; not as a standing committee, but just as people that are interested, to get educated on what's taking place there. I just feel it's not right to bring them in here to answer to gossip.

Chair: Thank you.

Brad Trivers.

Mr. Trivers: Thank you, Chair.

I wanted to make two points. First off, when the federation of agriculture was presenting today, Robert Godfrey said he got the numbers that he had quoted from the government department. So that wasn't based on rumour and speculation. He wouldn't have brought them up if they were. So I wanted to defend the federation of agriculture first. I'm not sure if I misunderstood the conversation or got a different take on it.

I think also the Member from Montague-Kilmuir sort of missed the point of why we're bringing the Buddhist society beforehand, and I'm sure Mr. Bevan-Baker will speak to that as he was the one who put the motion forward to have them come; but I want to hear their input on the *Lands Protection Act, P.E.I.* and on land speculation, as a group on PEI that is purchasing land and is going to hit limits and has plans and they're expanding.

Thank you for the correction if they're in Heatherdale. I know that's a multimillion-dollar big expansion that they did there. So I want to hear their input so that we can make

recommendations back to the Legislative Assembly on the appropriate changes to our legislation that will help accommodate them as members of our society and Islanders.

Chair: Thank you.

Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

I also want to make a couple of points. Firstly, I did not just ask the Buddhist society to come in here. I also asked that Cavendish Farms and Vanco come in here; and the reason that those three entities were asked to come before this committee was because in each case – and it's not gossip. This is information, these are conversations that are being had widely in our communities across the Island; that there are potentially all of those entities are holding more land than perhaps the *Lands Protection Act, P.E.I.* would allow.

I didn't call them here in order to defend against gossip. As Brad just said, I want this to be a conversation, a discussion. David left saying this is all about having a conversation and a discussion. I want them to come in here and talk about it, and be part of the conversation about whether land use on Prince Edward Island is going well and how are you doing here. This wasn't an aggressive move by me to ask them in here. It's about a conversation that I think many, many Islanders want to have.

Thank you, Chair.

Chair: Thank you.

I've just spoke to our clerk, and you know he's graciously been filling in for Emily who's off on training. I just said: Did we get a response? He hasn't heard from Emily, or maybe you could –

Clerk Assistant: I'm not aware of whether they've responded, either of those three groups yet. The letters went out in November. They may have provided some correspondence (Indistinct) –

Chair: But we can follow up on that.

Clerk Assistant: Yeah.

Chair: Thank you.

Clerk Assistant: Sure.

Chair: Allen Roach.

Mr. Roach: There are some pretty large landowners that were mentioned by Peter Bevan-Baker, and to take two separate groups and throw them in with those extremely large – I mean, there's no comparison to the amount of land that's owned by the Buddhists. And when –

Dr. Bevan-Baker: I'm sorry, Chair. We don't know that. We don't know that, which is the point. With (Indistinct) –

Mr. Roach: And as Robert said –

Chair: Hon. members, let's come through the Chair.

Mr. Roach: As Robert said, he did not get that number officially from government department. Somebody from government, he said, that he knows – who he won't disclose, because I asked him – said he thinks they own 5,000 acres. So there's nothing official in my view with respect to that.

I just think it's all wrong to single out that group for the purposes of what's taking place in here about large farms and land ownership. I disagree.

Chair: Thank you.

Brad Trivers.

Mr. Trivers: Thank you, Chair.

To that point about making sure we – and any data that government has that can help clarify, especially when rumours are in place, I'd like to just put on the record that we should recommend that government departments like communities, land and environment release as much information as possible.

For example, I wanted to know today the amount of land on PEI, agricultural land in this case, that's owned by non-residents, which very clearly based on the *Lands Protection Act, P.E.I.* the government has. I would like to see that data published and

let's just dispel these rumours. Let's help everybody understand.

I wanted to get that on record as a potential recommendation when we do put our report together.

Chair: Thank you.

Peter Bevan-Baker.

Dr. Bevan-Baker: I have been to the monastery three times, twice by personal invitation and once for one of the open houses, so I want to make it clear that I am not bringing into question other aspects of what they are doing there. This is specifically and solely about land holdings. I don't know how much land the community owns, and that's the entire reason why I want them to be in here.

Chair: Thank you.

Dr. Bevan-Baker: Thank you.

Chair: Do you have a response?

Mr. Roach: Yes. I just feel as long as the land that they've purchased has all gone through IRAC and they know exactly how much land is there and if they've not gone beyond the current regulations that are in place at government, I don't know why we're having them here.

Chair: Thank –

Mr. Roach: Because we could invite – I could invite probably at least another 14 or 15 large land, people who own a lot of land. So I don't know why we're specifically pointing at those people. That bothers me.

Chair: Thank you.

Any further business? I don't have any other – are you speaking to this?

Any further business?

Brad Trivers.

Mr. Trivers: I just – I was curious as to what's next on our work plan given that clerk said that the other two presenters for the land speculation topic haven't responded

yet. I was wondering what is the next item on our work plan?

Clerk Assistant: Well, no. The other two presenters are the potato board and the PEI Real Estate Association has responded. They just couldn't come in today.

Chair: Yeah.

Mr. Trivers: Oh, okay. Great. So the next item on the work plan –

Chair: Yes.

Mr. Trivers: – would be to have them in.

Chair: (Indistinct)

Mr. Trivers: Okay, great.

Chair: Perfect.

Mr. Trivers: So I guess I'm curious as to whether we've got any lined up yet or how we're coming along with that.

Clerk Assistant: No, I don't have a date for them yet.

Mr. Trivers: Okay.

Clerk Assistant: Depends on when the committee wants to try to meet again, essentially.

Chair: Thank you.

Pat Murphy.

Mr. Murphy: I'm just wondering, too, along the same lines there, when will we have recommendations to be presented to the next session of the Legislature, the next sitting of the Legislature?

Chair: I think, as the Chair, how I operate as a chair of any of the committees that I chair, is that the clerk, Emily, of this committee has been keeping a running list of recommendations over the meetings that we've had and we will be presented with those at a meeting where we will prepare our report for the Legislature.

So as soon as we decide that we want to have our meeting to prepare the report, those recommendations will be circulated. If you

happen to have any recommendations on any of the meetings that we've had, please forward them to the clerk and she'd be happy to add them to the list of recommendations that we have.

Good? Thank you.

Allen Roach.

Mr. Roach: Chair, based on the discussion that we've just had here, I'd like to put a motion on the floor that we not bring in the Buddhists to this committee.

Chair: And we will open the floor for discussion on the motion.

Peter Bevan-Baker.

Dr. Bevan-Baker: I just find the righteous indignation a little much here. This committee decided last year, after a very fulsome discussion, that it would be a good idea to bring these people in. I just – clearly Mr. LaVie has now left. I would want to predict what's going to happen here, but I have an idea. I'm just very disappointed if that's what transpires.

Chair: Thank you –

Mr. Roach: Chair, then, I'll withdraw my motion.

Chair: He has withdrawn the motion.

Thank you.

Mr. Roach: If Mr. LaVie can come back and we'll sit and discuss it again.

Chair: Thank you.

Mr. Trivers.

Mr. Trivers: I was just wondering when are we planning to meet next as a committee. I, personally, would like to further our workplan as soon as possible –

Chair: Sure.

Mr. Trivers: – we've got two weeks before the next spring sitting starts.

Chair: We will send out a notice of – when we hear back from the other groups. We'll

send out a notice of dates that we may be available before the next sitting.

Mr. Trivers: All right.

Chair: Thank you.

Motion for adjournment?

Mr. Perry: Called.

Chair: Thank you, Hal Perry.

Have a great day.

The Committee adjourned