



National Farmers Union
Union Nationale des Fermiers



The National Farmers Union

District 1, Region 1

Submission concerning

The Lands Protection Act

Presented to the

**Standing Committee of the PEI Legislature
on Communities, Land and Environment**

**Charlottetown, PEI
November 2, 2017**

Introduction

The National Farmers Union (NFU) thanks the Standing Committee for the invitation to speak with you today. This being the last opportunity for you to hear from us before you go to the Legislature, your invitation raises our expectations. We expect that you intend to take our deeply felt concerns and recommendations to the Legislative Assembly. Through this short presentation, you will hear us indicate more than once that many other Islanders share our alarm about land transfers. This is not only an NFU issue. Threats to the land awaken the ire of Islanders. It is the same with water. In reference to the land, people from their knowledge of our history quickly use the phrase “absentee landlords”. What is upsetting for us, and for many other aware community groups, is the lack of transparency about how ownership and control of farm land can take place under the radar.

1.0 The Letter of the Law and the Spirit of the Law

In 1982 then-Premier Angus MacLean made it clear that the spirit/intent of the act was to keep farm land in the control of Island farmers. Control of the land was Premier MacLean’s over-arching theme. Part of this was that individuals and corporations must be prohibited from amassing large land holding. The Act also put tight restrictions on non-resident purchases of land. It is clear to anyone who is keeping an eye on land transactions that PEI policy makers have allowed amassing of land, the selling of vast acreages to non-residents and have permitted corporations to take control of land even without legal ownership. This, as we have pointed out many times, is accomplished by controlling the producers through keeping them in debt to the corporation, by making most production decisions, by supplying the inputs, and by administering all aspects of the sale of agricultural products.

2.0 What the Community Observes

There are three main points of concern in the community. One is situated mainly in Prince County where we have a gigantic transnational corporation with unimaginable power which is a continuous threat to PEI land. This entity has free rein on the Island, as elsewhere, and has a “successful” history and continuous thirst for expanding its dominance until it surpasses the government of the jurisdictions in which it operates.

In the Southeastern PEI there is another phenomenon. It seems in that situation that there is another form of taking over Island land. It follows the land grabbing pattern in effect worldwide, including other parts of Canada. It amounts to investment in land for the purpose of future returns to be gained by the increased value of land. The source of the investment capital is understood as being Asian financial interests.

Sprawled out over Kings and Queens County is an accumulation of well developed farm operations. The source of the money seems to be a mega corporation of European origin, with the capacity to offer pay high dollars for farm operations.

3.0 What the NFU Knows

In all three cases of big money available for ownership and control of the land the National Farmers Union is learning the following:

- the value of land per acre is rising to the point of being not accessible to beginning farmers
- an ordinary expanded family-owned corporation was bought for \$6 million
- many established farmers are easily convinced to sell, given the high prices offered and given the fact that most farmers have no retirement fund; with the generous offers, land sales can provide this
- the European-based corporation is so assured of the rightness of their expansions, they make no attempt to hide their accumulations; their logos and brand name are on many former Island-owned operations. We have photos of a number of these.
- the Asian-based financing seems to be used to acquire numerous small farm land holdings scattered through the county. It is not clear what their current acreage is. It is also not clear if the new owners are individuals or corporations.
- In this latter situation there is also a question of how the residency requirement of the Act is being enforced.

4.0 Those Responsible for the Administration of the Lands Protection Act

Currently the Minister of Communities, Lands, and Environment is responsible for the administration of the Lands Protection Act.

For the past 26 years, the Island Regulatory and Appeals Commission (IRAC) is appointed by Government as an arm-length entity responsible for monitoring land holdings, and new land purchase proposals. IRAC recommends action on these proposals to the Minister who must bring them to Cabinet for approval or rejection.

The NFU is sometimes shocked by the lack of knowledge that we find in those who make serious and irreversible decisions about the land. “Once the land is gone, it is gone for good”. It is not sufficient to base decisions so vital to the future of Prince Edward Island merely on the advice of lawyers and accountants, who are quite active in all the deals in question, finding loopholes wherever possible. Decision makers must know for themselves both the letter and the spirit of the Act.

It is disheartening that over the years, a number of Premiers have had little interest in the Lands Protection Act. Sometimes this may be a simple lack of understanding of the land and farming. At other times there appears to be too great a kinship with the corporate giants and too little respect for diversified production. A person with a high position in government circles told us that “Irving’s have a unique relationship with government”. This did not increase our confidence of getting a good hearing.

5.0 What we have discussed with IRAC

The National Farmers Union has met with IRAC on various occasions. The past year has not been one of our finest with that body. We feel that IRAC has the authority and the resources to investigate the situations of all three land acquisition models which we outlined above in item #3. We found them nervous about some of the information which we had to offer from our research. In February 10, 2017 we wrote IRAC a letter asking them to investigate the massive land transfers in which the European-based corporation was involved,. We requested information on the source of the financial capital, the identification of the decision-makers, and the interconnectedness of the various corporations of this empire. On February 24, we asked for details about another situation of various corporations run by one family and for justifications for considering them to be more than one corporation. The point of reference was Section 1 (d) of the Lands Protection Act, which seems to prohibit an arrangement of interlocking corporations. As yet, we have received no reply to our letters to IRAC.

6.0 Our conclusions about IRAC

The following are some of our observations about IRAC:

- this Commission seems to be a weak monitor, with too little leeway to research and make available vital information about land transfers
- they need to be the eyes on the ground to see how corporations are forming and how many are over the acreage limit
- they seem to be lax in the requirements for residency
- they have little means of tracking the farmer-to-farmer land transactions
- they cannot operate in the interests of PEI land if the political will is not behind them.

7.0 The Community is on Alert about the Land

The National Farmers Union is seeing and hearing an increase in the anxiety of the wider community about the land. We get a lot of positive responses when we publish our opinion pieces. CBC Toronto did an interview with us recently. People in Saskatchewan identified with the land grab situation in PEI. We are seeing an increasing number of Face Book followers expressing their concerns. A filmmaker from Saskatchewan produced a film called “Islanders and the Land”. Generally people feel that they have a right to know what government and IRAC is doing to protect the land.

8.0 The Role of MLAs and what we ask of this Committee

As we complete our submission to you, the Standing Committee on Communities, Land and Environment, we are not only asking you to hear our point of view and then just tuck it away as part of your report. We address you as MLAs, about your serious role as policy-makers in this crucial time for the land. We expect you to be protectors of the land and to do all in your power to uphold the spirit and intent of the Lands Protection Act. We challenge you to become experts on the Act and to promote ways of tightening it up. We ask you to do all in your power to stop the rapid disappearance of Island-owned and controlled land.

The National Farmers Union together with our backers ask you to bring the following to the attention of the November, 2017 Legislative Assembly:

- *that PEI land, more than ever needs protection from massive corporate takeovers*
- *that the damage done by giving up ownership of, and control over, our land cannot be reversed.*
- *that the loopholes in the Lands Protection Act must be closed*
- *that the PEI Government give to IRAC a strengthened mandate to investigate the source of investor capital*
- *that the PEI Government practice utmost transparency in any land transactions so that communities are kept up-to-date on all land issues.*

Thank you again for inviting us today.

Respectfully submitted

National Farmers Union

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