PROVINCIAL AGRICULTURAL LAND COMMISSION

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August 21, 2026

The Honourable Lana Popham
Minister of Agriculture and Food
Room 325 Parliament Buildings
Victoria, BC V8V 1X4

DELIVERED ELECTRONICALLY

Dear Minister Popham:

Re: Response to Discussion Paper on Encouraging Food Processing Inside the Agricultural Land Reserve

The Agricultural Land Commission (Commission) appreciates the opportunity to provide feedback regarding the proposal to designate food processing facilities on certain Agricultural Land Reserve (ALR) lands as a permitted use, provided specified soil capability and sourcing requirements are met.

The Commission recognizes the important role that food processing plays in British Columbia's food system. Food processing can create value-added opportunities for farmers, strengthen supply chains, support food security, and contribute to economic development. The Commission has historically supported food processing proposals where a meaningful connection to BC agriculture can be demonstrated. Existing regulations already provide opportunities for farm-based processing and establish a framework through which processing proposals that do not meet regulatory requirements may be considered on a case-by-case basis through the Commission's application process.

However, the proposal raises serious concerns regarding the long-term protection of the agricultural land base, the viability of farming, agricultural land affordability, and the continued ability of the ALR to fulfill its statutory purposes. In the Commission's view, the proposal represents a significant policy shift that has not been supported by evidence demonstrating the need for change or showing that the proposed change would increase agricultural production, improve farm viability, or enhance food security within British Columbia.

A central concern for the Commission is that the proposal appears designed primarily around the needs of industrial food processors rather than the needs of agriculture. Facilities operating under the proposed framework could source 95 percent of their inputs from outside British Columbia and Canada. The Commission is not satisfied that the discussion paper demonstrates how allowing industrial development opportunities on ALR land with such limited reliance on

B.C. agricultural products would materially increase agricultural production, strengthen farm viability, or improve food security within the province of BC.

Part of the Commission's mandate is to preserve agricultural land and encourage farming. In considering this proposal, it is important to recognize the broader context in which pressures on the ALR continue to evolve. Agricultural land is frequently viewed as “land in waiting” of competing land uses (i.e. residential, commercial and industrial) as economic, and political priorities change over time. In many parts of British Columbia, particularly in the South Coast and Okanagan regions, agricultural land is increasingly perceived as comparatively affordable when measured against the cost of residential, commercial, and industrial land outside of the ALR.

The Commission is concerned that the proposal appears to reflect growing pressure to address industrial land constraints through access to agricultural land. Over the past several decades, significant areas of industrial land have been converted to other uses, including residential and commercial development. In the Metro Vancouver region alone, more than 3,000 hectares of industrial land have reportedly been redesignated to other uses over the past thirty years. As industrial land becomes scarcer and more expensive, pressure increasingly shifts toward the ALR. The Commission is not persuaded that the long-term preservation of agricultural land should be compromised in order to address industrial land supply challenges that exist outside the agricultural sector. The Commission is concerned that this proposal reflects a broader trend of treating agricultural land as a solution to industrial land availability and affordability challenges rather than protecting agricultural land as a finite resource intended to support agricultural food production and encourage farming for future generations.

Only a small proportion of British Columbia's land base possesses the soil, climate, and topographic characteristics necessary to support agriculture. The ALR was established to ensure that lands capable and suitable for agriculture would be preserved over the long term. While the ALR contains approximately 4.6 million hectares of land, a significant portion (54%) is Crown land and much of the land within the ALR is already occupied by roads, airports, utility corridors, landfills, forestry activities, water bodies, recreation tenures, residences, and other permitted uses that reduce the amount of land available for primary agricultural production.

The Commission is alarmed not only with the immediate impact of the proposal, but also with its cumulative effect on the agricultural land base. The proposal would establish a new industrial-use entitlement within the ALR and contribute to the ongoing reduction of land available for primary agricultural production. This concern is particularly significant given existing pressures from residential development, transportation infrastructure, energy development (oil & gas, wind and solar farms) and other non-farm uses that already occupy portions of the ALR.

The Commission also wishes to address a key assumption underlying the discussion paper that Class 4 to 7 lands are of limited agricultural value. The Commission does not agree. The Ministry's own historical analysis has recognized that lower capability lands support specialty crops, forage production, livestock operations, orchards, vineyards, berry production, and other agricultural enterprises (Class 4, 5 and 6). These lands often play a critical role in regional agricultural systems and should not be viewed as surplus to agriculture simply because they possess a lower agricultural capability classification.

The proposal's focus on serviced Class 4 lands raises additional concerns. Many of the Province's most productive agricultural areas are located in proximity to transportation corridors, utilities, labour pools, and population centres. These same characteristics make such lands attractive for industrial development. Using servicing as a basis for reducing protections on agricultural land will place some of the Province's most strategically located agricultural lands into direct competition with industrial-scale development.

The Commission also notes that the discussion paper does not accurately describe the current regulatory framework respecting processing within the ALR. Existing permissive regulations (50% rule) do not limit processing based on facility size. Rather, they require that processing occurring on agricultural land maintain a direct connection to agricultural production. The current regulatory framework is designed so that processing on ALR land remains supportive of farming and agricultural production rather than functioning as a stand-alone industrial activity.

Where a processing proposal does not satisfy the regulatory requirements, the Commission already has an established application process through which site-specific proposals may be evaluated. Existing regulations and the application process are intended to work together: the regulation provides certainty for farm-based processing activities, while the application process provides flexibility to consider other proposals on their individual merits. The discussion paper does not demonstrate why this existing framework is inadequate or why the removal of case-by-case Commission review is necessary.

The Commission believes the fundamental policy question remains unanswered by this proposal:

How does allowing facilities that may source up to 95 percent of their inputs from outside British Columbia and Canada materially help British Columbia farmers grow more food?

The Commission's comments that follow examine this question through four primary themes: the weakening of the connection between processing and agriculture, the creation of industrial development opportunities without demonstrated agricultural benefit, the replacement of case-by-case review with broad eligibility criteria, and the lack of evidence that the proposal would advance the purposes of the Agricultural Land Reserve.

Theme 1: The Proposal Weakens the Connection Between Processing and Agriculture

At the heart of the proposal is a fundamental question: **how does allowing facilities that import up to 95 percent of their inputs from outside British Columbia and Canada strengthen British Columbia agriculture?**

While the discussion paper repeatedly links the proposal to food security, supply-chain resilience, and support for British Columbia agriculture, the proposal measures success primarily in terms of processing capacity rather than agricultural production capacity. These are not the same.. A proposal that increases the processing of food within British Columbia does not necessarily increase the production of food within British Columbia.

The existing regulatory framework permits food processing within the ALR where a meaningful connection to agricultural production is demonstrated. There are two streams for processing in the ALR right now; an application, or processing under the current 50 percent rule, which ensures that processing remains substantially connected to agricultural production occurring on the farm or through agricultural cooperative arrangements. The 50 percent rule is intended to ensure that processing occurring on agricultural land supports agricultural production, creates a meaningful connection between processors and producers, and provides an incentive for agricultural production within British Columbia.

The proposed 5 percent rule fundamentally changes that policy rationale.

Under the proposal:

- none of the product being processed is required to originate from the host parcel or farm;
- only five percent of facility inputs are required to originate in British Columbia; and
- up to ninety-five percent of facility inputs may originate from outside British Columbia.

While the discussion paper repeatedly characterizes the 5 percent requirement as a meaningful connection to British Columbia agriculture, at its core the proposal is designed to increase industrial processing capacity and related commercial activity rather than agricultural production capacity.

The Commission remains concerned that industrial development on ALR land is being justified on food-security grounds despite the fact that facilities operating under the proposed framework may source up to 95 percent of their inputs from outside British Columbia. The proposal would permit the increased processing of food within British Columbia without requiring a corresponding increase in the production of farm products within British Columbia.

How such facilities would materially strengthen agricultural production, food security, farm viability, or agricultural resilience within the province of BC has not been demonstrated by the proposal.

The Commission is therefore not satisfied that a 5 percent sourcing threshold establishes a meaningful or sufficient connection between industrial processing facilities and the agricultural purposes of the ALR.

Theme 2: The Proposal May Increase Industrial Development Opportunities Without Demonstrated Agricultural Benefit

Several of the justifications advanced in support of the proposal are directed toward the needs of industrial-scale food processors, including:

- access to large parcels;
- lower land costs;

- transportation infrastructure;
- labour availability; and
- access to utilities and services.

The Commission's concern is that the rationale presented throughout the discussion paper is largely framed around the operational and economic needs of processors rather than the needs of agricultural producers. The benefits cited in support of the proposal, including access to lower-cost land, larger sites, transportation infrastructure, utilities, and labour pools, are primarily development and business considerations. However, the discussion paper provides comparatively little evidence, if any, demonstrating how the proposal would increase agricultural production, improve farm profitability, support farm succession, enhance access to affordable farmland, or strengthen the long-term viability of farming in British Columbia. As a result, the proposal appears structured primarily to address processor land-use needs rather than agricultural production needs.

Indeed, many of the factors identified in support of the proposal, including access to affordable land, transportation infrastructure, labour, utilities, and opportunities for expansion, are equally important to farming operations and agricultural production. In the Commission's view, approval of the proposal would place farmers in direct competition with industrial developers and investors for access to agricultural land, including land that is suitable for farm expansion or agricultural entry opportunities. This outcome is inconsistent with the Commission's mandate to preserve land for agricultural production and encourage farming.

By introducing a new industrial development opportunity within the ALR, the proposal will increase demand and place upward pressure on agricultural land values and lease rates, and make it more difficult for farmers to acquire, lease, and expand agricultural operations.

The proposal would create new land-access advantages for industrial processors while doing little to address the affordability and land-access challenges facing farmers. The proposal appears to improve access to land for industrial users while making agricultural land less accessible for agricultural producers.

The Business Council of BC (BCBC) media release entitled *Strengthening BC's Economy amid US Tariff Threats* suggested that "only half the ALR in Metro Vancouver is actively used for farming" and that "significant portions are underutilized across the province" and should therefore be used for more industrial food processing.

In Metro Vancouver, 63% of parcels within the Agricultural Land Reserve are actively farmed. Another 13% are unavailable due to existing development, including residential areas, transportation infrastructure, landfills, water management systems, parks, and ecological reserves (ALUI, 2022). The remaining 24% of parcels that are not currently farmed appear to be idle by choice. Notably, 71% of these unused parcels are residential properties with no active agricultural use despite being suitable for farming.

The solution to unlocking the agricultural potential of these lands is not the industrialization of the ALR, but rather a thoughtful restructuring of provincial tax policies

and a critical review of how non-resident ownership affects farmland prices and availability.

The Commission, along with many local governments, believes current policies can inadvertently encourage speculation, under-utilization of farmland, and the gradual encroachment of non-farm uses into the ALR. These trends continue to create barriers to encouraging farming and supporting agricultural production.

The Commission believes that the goal of the ALR should not simply be preserving farmland. **The goal should be preserving farming.**

The Commission notes that preserving the agricultural land base alone is insufficient if farmers are no longer able to compete for access to that land. Agricultural land cannot fulfill its purpose if escalating land values and industrial development pressures place it beyond the reach of agricultural producers. Currently British Columbia agriculture land values are the highest among all Canadian provinces.

The discussion paper provides no evidence demonstrating:

- a lack of industrial-zoned land suitable for food processing outside of the ALR, rather than the issue being the cost of industrial land;
- that existing industrial lands cannot accommodate projected demand;
- that current approval processes are materially constraining investment in food processing; or
- that ALR lands are necessary to achieve provincial processing objectives.

The Commission also notes that British Columbia's food and beverage processing sector has grown substantially without any change to the existing regulatory framework. While the number of food and beverage processors increased from approximately 1,500 in 2015 to approximately 3,200 in 2024[1]. These figures suggest that the existing regulatory framework has not prevented significant growth in the food and beverage processing sector.

The Commission remains unclear as to what specific problem the proposed changes are intended to solve. Food processing activity has grown under the existing framework and the discussion paper does not demonstrate that the current approval process is preventing growth. Food processing facilities already have access to a Commission application process where site-specific proposals can be considered on their merits. The proposal removes the current local government to ALC case-by-case review and replace it with a broad regulatory entitlement.

Similarly, the case for directing additional processing facilities onto ALR land has not been established by evidence or knowledge of the Commission. Our experience managing a wide variety of land uses should be drawn upon, not bypassed. Information available for the Metro Vancouver region indicates that the industrial vacancy rate has increased to approximately 3.1

[1] https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/business-market-development/food-beverage-processing

percent while a significant inventory of industrial land remains vacant and available for development.

Nor does the discussion paper explain why farmers should be required to compete with industrial-scale processors for access to agricultural land when the purpose of the ALR is to preserve land for agricultural production and encourage farming. That question becomes particularly important where proposed facilities may import up to 95 percent of their agricultural inputs from outside British Columbia and their business models are not dependent upon increasing agricultural production within the province.

In the Commission's view, the proposal appears to create substantial new industrial development opportunities on agricultural land without a corresponding agricultural benefit or incentive. The discussion paper has not established that expanding access to ALR land is necessary to achieve provincial processing objectives, nor has it demonstrated that the resulting impacts on farmland affordability, farmer access to land, and competition for agricultural land have been considered.

Theme 3: The Proposal Relies on Broad Eligibility Criteria as Substitutes for Case-by-Case Review

The proposal relies heavily on broad screening criteria, including:

- agricultural capability classifications;
- servicing requirements;
- minimum sourcing thresholds;
- professional assessments; and
- complaint-driven enforcement.

The Commission is alarmed that these criteria are being used to replace site-specific review rather than inform site-specific review.

Agricultural Capability Does Not Equal Agricultural Value

The proposal assumes that lower capability lands are generally suitable candidates for industrial development.

The Commission does not agree.

Historical Ministry of Agriculture analysis recognized that lower-capability lands may nevertheless possess significant agricultural value and cautioned against assuming that lower agricultural capability equates to lower agricultural importance.

Significant agricultural activity occurs on Class 4-7 lands throughout British Columbia, including grazing, forage production, berries, grapes, nuts and tree fruit crops, agroforestry, and intensive agricultural enterprises.

Historical Ministry analysis also recognized that the soil characteristics responsible for lower agricultural capability ratings have the very characteristics that make certain lands highly productive for specific crops, including grapes, tree fruits, berries, cranberries, and blueberries.

Class 4 and 5 lands also play an important role in forage production and can have as much or more potential for forage crops than higher-capability lands in regions where beef and dairy production are significant agricultural activities.

The Commission routinely observes that agricultural capability alone is not a reliable indicator of agricultural value. The proposal fails to adequately account for cumulative losses of agricultural land, regional dependence on lower-capability lands, future climate adaptation opportunities, management and technological advances that increase productive capacity, and the importance of maintaining a continuous agricultural land base.

The Inclusion of Serviced Class 4 Lands Represents a Significant Policy Shift

The Commission is particularly concerned with the proposal to permit industrial-scale food processing development on serviced Class 4 lands.

Agricultural capability and servicing measure fundamentally different things. Agricultural capability reflects the agricultural potential of land. Servicing reflects development readiness. Under the proposal, the presence of servicing becomes a basis for reducing protections on agricultural land.

The significance of including Class 4 lands should not be understated. Approximately 1.4 million hectares of ALR land are classified as Class 4, representing approximately 30 percent of the ALR in British Columbia. More broadly, Classes 4, 5, and 6 lands collectively comprise approximately 3.3 million hectares, or nearly 72 percent of the entire ALR land base. While these lands are often characterized as lower capability, they form the majority of the agricultural land protected within the ALR and are therefore fundamental to the long-term preservation of agriculture in British Columbia

Class 4 lands support a wide range of agricultural activities, including forage production, berry crops, vegetables, tree fruits, vineyards, livestock operations, and other specialty agricultural enterprises. Policy discussions focused primarily on higher capability lands can understate the agricultural importance of lands that, despite certain limitations, continue to support significant agricultural production. This extends to Class 5 and Class 6 lands, which also support tree fruit, vineyards and much of the rangeland that underpins ranching operations throughout British Columbia, critical to the success and viability of the province's livestock sector. The Commission also notes that agricultural capability ratings reflect the breadth of agricultural opportunities available on a parcel, rather than the suitability of land for a particular agricultural use. As a result, lands with lower capability ratings and a limited range of cropping options may nevertheless be highly productive and well suited to specific crops or agricultural enterprises. The characterization of Class 4, 5, and 6 lands as "lower capability" does not recognize or understand the contribution to agricultural production or their importance to the long-term resilience and diversity of British Columbia's agricultural land base.

Many serviced Class 4 lands are located near population centres, transportation corridors, labour pools, and existing infrastructure. These same features make such lands attractive for both agricultural production and industrial development. The proposal risks placing some of the province's most strategically located agricultural lands into direct competition with industrial developers.

The proposed cap should not be viewed as insignificant. Based on there being approximately 2.1 million hectares of fee simple / privately owned land in the ALR, the development cap of 0.25 percent would permit approximately 5,250 hectares of ALR land to be utilized for industrial purposes. While expressed as a small percentage, the potential land area affected is substantial given the proximity of farmland in BC to transportation corridors, services, and urban centres.

The discussion paper provides no analysis of where such development is likely to occur, whether it would disproportionately affect serviced Class 4 lands, or how cumulative impacts on agricultural production, farmland affordability, and agricultural communities would be managed.

The Commission is also concerned that the proposal establishes a precedent whereby the existence of servicing becomes justification for reducing ALR protections. The discussion paper does not explain what policy principle would prevent future expansion of this approach through changes to servicing criteria, servicing dates, or additional capability classes.

The proposal therefore provides no assessment of how permitting industrial-scale development on serviced Class 4, and Class 5 and 6 lands would affect agricultural land affordability, farmer access to land, or the long-term preservation of strategically located agricultural land.

Agricultural Capability Classifications Should Not Become Industrial Development Rights

Historically, agricultural capability classifications have been used to evaluate agricultural potential and inform land-use planning decisions. The proposal would fundamentally change that role by using capability classifications as a mechanism for establishing industrial development rights within the ALR.

Once regulatory benefits become associated with lower-capability classifications, significant economic incentives are created. Land purchases, land valuation, and development decisions will increasingly be influenced by development eligibility rather than agricultural productivity.

The Commission is concerned that the proposal will increase speculation, create pressure to identify lower-capability areas within properties, and shift agricultural capability assessments from tools for evaluating agricultural potential into tools for establishing industrial development opportunities.

The proposal also places considerable reliance on agricultural capability mapping as a determinant of development eligibility. The agricultural capability mapping currently available within the ALR was developed primarily as a planning tool and was not designed to establish industrial development rights at a parcel level. In some areas, mapping boundaries reflect historical interpretations and digital conversions that may not align precisely with current cadastral or base-mapping information. Where significant economic benefits become associated with particular capability classifications, the Commission anticipates increased disputes regarding mapping accuracy, capability interpretation, and development eligibility.

The discussion paper does not specify whether eligibility would be determined using improved agricultural capability ratings, unimproved agricultural capability ratings, or another classification methodology. This distinction is significant because the amount of land potentially eligible under the proposal could vary substantially depending on the approach adopted. For example, in the Lower Mainland, approximately 57,403 hectares of ALR land, representing roughly 61 percent of the region's ALR land base, are classified as Classes 4, 5, 6, and 7 using unimproved capability ratings. The discussion paper provides no analysis of how the choice between improved and unimproved capability ratings would affect eligibility, the amount of land potentially available for development, or the cumulative impacts on agricultural production. Without this information, it is difficult to assess the scope of the proposal or the extent of agricultural land that may ultimately become eligible for industrial development opportunities.

Agricultural Improvements Should Not Create a Regulatory Disadvantage

Many lower-capability lands possess considerable opportunities for enhancement through drainage, irrigation, soil management, and other agricultural investments. However, where development opportunities are associated with lower capability classifications, landowners may perceive greater value in maintaining a lower-capability designation than in undertaking improvements that enhance agricultural productivity.

In the Commission’s view the proposal could create unintended incentives for land degradation or the failure to maintain agricultural improvements if lower capability classifications become associated with industrial development opportunities. The Commission routinely encounters applications in which the lack of current agricultural use, the absence of agricultural investment, or the degraded condition of a property are cited as evidence that the land has limited agricultural value and should be considered for non-farm development. The proposal risks reinforcing these incentives by attaching potential development benefits to lower capability classifications rather than encouraging agricultural improvement and production. Such outcomes would be inconsistent with the purposes of the ALR and the long-standing objective of preserving, enhancing, and encouraging the agricultural use and productivity of agricultural land.

Servicing Does Not Necessarily Indicate Suitability

The proposal further assumes that serviced lands are appropriate candidates for food processing development. However, the discussion paper does not clearly define what constitutes a "serviced" parcel beyond general references to roads, utilities, water, sewer, and electricity. It is unclear whether private wells, innovative on-site wastewater systems, or other private servicing arrangements would satisfy the proposed criteria, and if so, whether such servicing should be sufficient to unlock industrial development opportunities within the ALR.

A parcel may technically satisfy servicing requirements while lacking infrastructure capable of supporting industrial-scale operations. The existence of an access road, for example, does not establish that the road network can safely accommodate the frequency, weight, and turning requirements of commercial truck traffic associated with food processing facilities.

The proposal appears to assume that the existence of a road is evidence of development suitability. The Commission does not agree. A road network that is adequate for agricultural, rural residential, or low-intensity commercial uses may be wholly inadequate for industrial-scale food processing operations. Where local governments subsequently identify post-development safety concerns or infrastructure deficiencies requiring road widening, intersection upgrades, turning lanes, or other improvements, additional pressure may be placed on agricultural land to accommodate such upgrades. The discussion paper does not assess these potential consequences or explain how they would be managed.

Water systems, wastewater infrastructure, electrical service, and transportation networks that may be adequate for existing agricultural, residential, or rural commercial uses may not have the capacity to support the water consumption, wastewater discharge, energy requirements, or traffic volumes associated with large-scale processing facilities. The discussion paper does not address whether existing infrastructure capacity would be assessed, whether infrastructure upgrades would be permitted, or whether such upgrades would themselves create additional development pressures within the ALR.

The Definition of "Processing" Is Broader Than Most Readers Realize

The discussion paper refers repeatedly to food processing facilities. However, the proposal is specific to section 11 of the *ALR Use Regulation*, which currently designates the storing, packing, preparing, **and** processing of farm products as a farm use where at least 50 percent of the product being handled originates from the farm or qualifying agricultural sources.

This raises a broader policy question regarding the continued characterization of these activities as a farm use. Under the proposed framework, none of the products handled by a facility would be required to originate from the host parcel or farm and only five percent would be required to originate from British Columbia. As a result, the direct connection between the activity and agricultural production would be largely symbolic.

The discussion paper does not explain whether activities authorized under the proposed framework would continue to be considered farm uses or whether they would more appropriately be characterized as non-farm industrial or commercial activities occurring on agricultural land.

The proposal also raises a significant question as to whether large-scale storage, warehousing, distribution, refrigerated logistics facilities, and other industrial food-handling operations could qualify under the proposed framework.

A facility could potentially satisfy the proposed 5 percent sourcing threshold while functioning as a stand-alone warehousing or distribution operation rather than a processing facility, particularly if the proposed amendments apply broadly to all activities currently authorized under section 11 of the ALR Use Regulation.

The proposal blurs the distinction between agricultural processing and industrial logistics operations. As drafted, the proposal may create a pathway for stand-alone storage, warehousing, distribution, and other industrial-scale food handling facilities to locate within the ALR despite having only a minimal connection to agricultural production in British Columbia.

This distinction is significant because it expands the potential pool of industrial users eligible to locate within the ALR. Stand-alone storage, warehousing, distribution, refrigerated logistics, and similar facilities may compete directly with agricultural uses for access to land, infrastructure, services, and labour. Historically, these forms of development have been directed to industrially zoned lands rather than agricultural lands, in recognition of their industrial rather than agricultural function.

Without clear limitations, the proposal risks introducing several new categories of industrial development into the ALR through a section of the regulation that was originally intended to support activities closely connected to farming and agricultural production.

Theme 4: The Proposal Has Not Demonstrated That the Purposes of the ALR Will Be Advanced

The proposal is presented as a food security and agricultural initiative; however, the measures contained in the discussion paper primarily address the needs of industrial food processors rather than the needs of agricultural producers. The proposal focuses on reducing land access constraints for processors while providing no evidence that British Columbia farmers will produce more food, gain greater market opportunities, or realize improved farm viability as a result.

The discussion paper provides:

- no evidence supporting the selection of a 5 percent sourcing threshold;
- no assessment of how primary agriculture can compete with industrial food processing and remain viable;
- no definition of processing;
- no analysis of industrial land alternatives;
- no assessment of impacts on farmland affordability;
- no assessment of implications for farm succession and farmer access to land;
- no cumulative impact assessment;
- no clear framework for administering the proposed cap on eligible lands; and
- no detailed explanation of how compliance with sourcing requirements will be monitored and enforced over time.

The discussion paper provides no cumulative impact assessment, nor does it evaluate the implications of permitting up to approximately 5,250 hectares of fee simple / privately owned ALR land to be utilized for agriculture-industrial purposes under the proposed 0.25 percent cap. While expressed as a small percentage, the potential land area affected is substantial and may have disproportionate impacts if concentrated in strategically located agricultural regions.

The Commission suggests the discussion paper provides no framework explaining how the proposed 0.25 percent cap would be administered, monitored, or allocated across the province. Because development decisions would occur in multiple local government jurisdictions, it is unclear how local governments, applicants, or the Commission would determine how much of the cap has already been utilized or remains available. The discussion paper does not explain whether development opportunities would be allocated on a first-come, first-served basis, whether any regional distribution would be considered, or how disproportionate concentration in areas experiencing the greatest industrial development pressure would be prevented. Without such a framework, it is difficult to assess whether the proposed cap would function as a meaningful safeguard on cumulative impacts.

Perhaps most importantly, the proposal does not demonstrate that increased processing capacity will produce a corresponding increase in agricultural production within British Columbia where only five percent of facility inputs are required to originate from within the province.

Facilities operating under the proposed framework may source up to ninety-five percent of their agricultural inputs from outside British Columbia, including products that may compete directly with those produced by B.C. farmers. As drafted, the proposal may increase the movement, storage, processing, and distribution of agricultural products within British Columbia without requiring a corresponding increase in agricultural production within British Columbia. The Commission is alarmed that the proposal will facilitate industrial activities whose success is dependent upon imported agricultural products rather than products grown in British Columbia. The discussion paper does not assess whether such activities could increase competition for B.C. producers or affect the long-term viability of agricultural production within the province.

The Proposal Lacks an Adequate Oversight, Monitoring, and Enforcement Framework

A central feature of the proposal relies upon professional assessments, self-certification, complaint-driven investigations, and post-construction enforcement.

The proposal shifts oversight from preventative review and authorization by the Commission to reactive enforcement. Under the current framework, potential impacts on agricultural land and farming activities are evaluated before development occurs. Under the proposed framework, many issues may only be identified after agricultural land has been altered, paved, or developed for non-farm uses and substantial investments have been made. Once land has been disturbed and industrial facilities established, regulatory intervention becomes significantly more difficult and the impacts on agricultural capability and future farm use may already be severely damaged.

The discussion paper does not explain:

- who will review agricultural capability assessments (see ALC Agrologists letter attached);
- when or whether those assessments will be reviewed (see ALC Agrologists letter attached);
- how conflicting professional opinions will be resolved (see ALC Agrologists letter attached);
- how ongoing compliance with the 5 percent sourcing threshold will be monitored;

- how cumulative impacts will be tracked;
- what resources will be dedicated to enforcement; or
- what occurs when a facility ceases to meet eligibility requirements after construction.

The proposal also appears to assume that sufficient resources exist to support ongoing monitoring, investigation, and enforcement activities. However, the discussion paper does not assess the administrative burden associated with reviewing agricultural capability assessments, investigating complaints, verifying sourcing requirements, monitoring compliance over time, tracking cumulative impacts, or taking enforcement action where non-compliance is identified.

The Commission notes that compliance and enforcement workloads have increased significantly in recent years while staffing and operating resources at the ALC remain constrained. The Commission has experienced sustained growth in application volumes and compliance and enforcement complaints, while operating funding has remained essentially flat. Recent staffing reductions and budget pressures have already affected the Commission's service capacity and response times. The proposal does not identify any additional resources that would be dedicated to these new responsibilities or explain how an expanded compliance-based model would be implemented in practice.

The Commission's experience is that prevention is considerably more effective than enforcement after development has occurred. Once land has been developed, buildings constructed, infrastructure installed, and businesses established, regulatory intervention becomes extremely difficult, and the impacts on agriculture and agricultural land become effectively irreversible. The Commission has consistently found that the protection of agricultural land is best achieved through review and authorization before development occurs, rather than through enforcement after development has taken place.

The proposal therefore removes a principal safeguard currently protecting agricultural land, namely independent review before development occurs, without demonstrating that an equivalent safeguard exists after development. The proposal removes Commission oversight while providing no framework for how equivalent protection of agricultural land will be achieved through monitoring, compliance, and enforcement activities. Nor does it demonstrate that sufficient administrative capacity exists to support the expanded enforcement role contemplated by the proposal.

Conclusion

The Commission supports food processing that remains demonstrably connected to agricultural production and recognizes the important role processing plays in supporting farmers, food security, value-added agriculture, and economic development.

However, the Commission does not support the proposal before it.

The proposal represents one of the most significant policy shifts affecting the Agricultural Land Reserve in decades. It would authorize industrial-scale food processing facilities, and potentially related warehousing, storage, and distribution activities, on ALR land while requiring only a minimal connection to British Columbia agriculture and eliminating independent Commission review that currently evaluates impacts on agricultural land on a case-by-case basis.

The consultation on a proposal representing one of the most significant policy changes affecting the ALR in decades was undertaken during a Provincial State of Emergency effecting many farms in the Southern Interior and Okanagan, in the month of August, when many agricultural producers, stakeholders, and local governments are managing seasonal operational demands, council recesses, or annual leave schedules. Given the magnitude of the proposed changes and their potential long-term implications for agricultural land use in British Columbia, the Commission questions whether the consultation process was structured in a manner that maximized informed participation, comprehensive public scrutiny, and fulsome consideration of the proposal's potential impacts on B.C. agriculture.

In the Commission's view, the proposal is fundamentally directed at increasing industrial processing capacity rather than agricultural production capacity. Viewed as a whole, the proposal appears designed primarily to address the land-use, cost, and expansion needs of food processors rather than the production, profitability, and land-access needs of British Columbia farmers. The discussion paper has not demonstrated why access to agricultural land is necessary to achieve provincial processing objectives, how the proposal advances the purposes of the ALR, or how permitting facilities to source up to 95 percent of their inputs from outside British Columbia would encourage agricultural production within the province. The proposal increases competition for agricultural land and places primary producers at a disadvantage while providing substantial benefits to industrial processors. The discussion paper provides no evidence demonstrating how the proposal would materially increase agricultural production, improve farm viability, or strengthen provincial food security.

The Commission is further concerned that the proposal would establish a precedent whereby industrial development opportunities can be created within the ALR through broad regulatory exemptions, through lobby and opinion rather than through evidence, data, or independent assessment of site-specific impacts. Such an approach risks weakening one of the principal safeguards that has protected agricultural land in British Columbia for more than fifty years.

The Commission is troubled that the proposal increasingly positions the Agricultural Land Reserve as a mechanism for addressing industrial land constraints rather than preserving land for agricultural production and encouraging farming.

The Commission is not satisfied that the discussion paper demonstrates:

- that the existing approval framework is preventing food processing investment;
- that industrial land alternatives are unavailable or insufficient;
- that a need exists to direct additional processing facilities onto agricultural land;
- that a 5 percent sourcing threshold would materially strengthen British Columbia agriculture;
- that the proposal would increase agricultural production rather than simply increase industrial food processing, storage, warehousing, or distribution capacity;
- that a clear definition of industrial food processing has been established sufficient to assess the full scope and implications of the proposal;

- that permitting industrial development on lower capability classifications of soil is consistent with the long-term protection of the agricultural land base;
- that impacts on farmland affordability, farm succession, farmer access to land, and the long-term viability of farming have been considered;
- that the implications for local governments, adjacent agricultural operations, neighbouring landowners, and rural communities have been adequately assessed;
- that an effective monitoring, compliance, and enforcement framework exists to replace case-by-case Commission review following development approval and construction; or
- that the purposes of the Agricultural Land Commission Act and the Agricultural Land Reserve would be maintained under the proposed exemption.

The proposal fails to consider the likely impact on agricultural land values, the displacement of primary agricultural production, and the cumulative effects of introducing a new industrial-use entitlement into the ALR. Experience has demonstrated that, as industrial land supplies become constrained and industrial land values increase, pressure inevitably shifts toward agricultural land. The proposal provides no evidence that facilitating industrial development within the ALR is an appropriate or necessary response to those pressures.

The Commission's view is that the proposal removes one of the principal safeguards currently protecting agricultural land, namely independent review before development occurs, without demonstrating that an equivalent level of protection exists after development occurs.

The Commission further notes that preserving the agricultural land base alone is insufficient if farmers are no longer able to compete for access to that land. **The goal of the ALR should not simply be preserving farmland. The goal should be preserving farming.**

The establishment of the Agricultural Land Reserve was a bold and fundamental shift in public policy that placed greater value on the preservation of agricultural land for the benefit of present and future generations, rather than solely on short-term market forces. The result has been a resilient agricultural sector that contributes billions of dollars annually to British Columbia's economy and food system. This proposal, however, risks reversing that principle by prioritizing market pressures for industrial development over the long-term preservation of agricultural land and the encouragement of farming.

The Commission does not believe that the solution to unlocking the agricultural potential of British Columbia's farmland is the industrialization of the Agricultural Land Reserve. The appropriate response is to incentivize and encourage agricultural production, improve access to farmland for farmers, and strengthen policies that support farming and farm viability.

Ultimately, the Commission believes that the fundamental policy question remains unanswered by this proposal:

How does allowing facilities that may source up to 95 percent of their inputs from outside British Columbia materially help British Columbia farmers grow more food?

The proposal to remove Commission oversight while providing no framework for how equivalent protection of agricultural land will be achieved through monitoring, compliance, and enforcement activities. The Commission cannot support the creation of a broad new industrial-use entitlement within the Agricultural Land Reserve that prioritizes the land-use and expansion needs of industrial scale processors over the production, profitability, and long-term viability of British Columbia farmers.

Yours truly,

PROVINCIAL AGRICULTURAL LAND COMMISSION

Jennifer Dyson, Chair

Enclosure: ALC Senior Agrologist Letter

CC: The Honourable David Ebby, Premier of British Columbia

PROVINCIAL AGRICULTURAL LAND COMMISSION

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The Honourable Lana Popham
Minister of Agriculture and Food
Room 325 Parliament Buildings
Victoria, BC V8V 1X4

DELIVERED ELECTRONICALLY

Dear Minister Popham,

I am writing to supplement the Agricultural Land Commission's submission on the proposed change to the Agricultural Land Reserve Use Regulation, which would permit food-processing facilities on Class 5-7 soil (and Class 4 where serviced) without Commission approval, contingent on a registered professional agrologist's soil capability assessment submitted to the local government rather than the Commission.

I am the Commission's Senior Agrologist and Team Lead of the Soils team, where I have reviewed hundreds of soil capability assessments over the past ten years, following eleven years as a consultant conducting similar assessments across the province. In this capacity, I am the province's principal technical reviewer of agricultural capability assessments within the ALR context, and I want to raise a concern grounded directly in that work.

Soil capability classification involves professional judgment, and registered professional agrologists can and do arrive at different classifications for the same parcel, which is why the Commission developed Policy P-10 - Criteria for Agricultural Capability Assessments in 2017 to set a consistent standard for how these assessments are prepared and to address concerns about underqualified individuals conducting this specialized work. Despite the development and adoption of that policy, the problem of underqualified individuals carrying out this work has not been entirely resolved. A separate but equally concerning issue is that outcomes can be shaped by the interests of the party commissioning the soil capability assessment report. Underclassified soils are a recurring pattern with ALC applications, not the exception. Local governments do not have the in-house agricultural expertise to catch either issue, raising the risk that prime agricultural land will be unintentionally developed. Removing Commission oversight removes the mechanism best positioned to catch underqualified practitioners and underclassification of agricultural lands.

I am also concerned about including Class 4 and Class 5 land in this exemption, given that the intent of these proposed changes is to preserve prime agricultural land. Limitations at these classes, such as poor drainage, soil moisture deficiency, and soil structure constraints, commonly found in the Lower Mainland, are improvable through normal farm practices like tile drainage, irrigation, subsoiling, and soil amendments. Class 4 land can and does become Class 1 to 3 land once these practices are applied, and in some cases Class 5 land can be improved to reach prime status. In some areas of the Okanagan Valley, for example, Class 5 soils limited by a soil moisture deficiency are classified as Class 1 once irrigated, illustrating how dramatically a single improvable limitation can affect a parcel's soil capability.

Even if assessments are meant to rely on the land's improved capability rating rather than its unimproved rating, this would not resolve my concern, since whether a limitation is genuinely improvable is itself a judgment call made by the agrologist. This is precisely where the incentive issue raised above becomes relevant. The Commission consistently sees reports concluding that a limitation cannot be corrected, citing reasons such as cost, even where practices like drainage, irrigation, or soil amendment would resolve it. Land can end up assessed at a lower capability than its true potential which is why independent, neutral review of these assessments is essential.

I support the goal of strengthening food security in BC. However, agricultural soil loss is a well-documented, internationally recognized problem, and I'm concerned about what these changes could mean for soil-based agriculture in the province. Soil is a finite, largely non-renewable resource that takes centuries to form and, once paved over or developed, is essentially lost to agriculture permanently. Prioritizing food security through processing facilities that have a negligible connection to BC's agricultural land base is short-sighted, since it displaces agricultural soils rather than directly supporting BC farmers. This puts our agricultural sector and long-term food security at even greater risk.

The Commission has seen this pattern before. Past changes to the ALC regulations relating to cannabis and vertical farming were made without the Commission's input, and the resulting speculative rush to build production and processing facilities, many of which were never used to capacity and were later abandoned, is an outcome the Commission has had to manage despite having had no role in shaping the policy that produced it. Removing Commission oversight for food processing facilities risks a similar outcome, and arguably a worse one, since cannabis and vertical farming operations grow 100% of their product on the land itself. Indiscriminate building on agricultural lands driven by market speculation rather than genuine food security or processing need could still leave stranded facilities and permanently lost farmland and soils once demand fails to materialize. The Commission would ultimately be left to deal with the compliance and cleanup fallout of these facilities or requests for non-farm uses, as it has with abandoned cannabis and vertical farming facilities.

Finally, to date, I have not been part of the discussions on soil capability assessments related to the proposed changes despite being the Commission’s technical expert in this area. If the proposed changes move forward, I formally request to be included in consultations on the development of soil capability assessment criteria.

I also recommend the following if the proposed changes move forward:

- Independent review of any reclassification downward (either improved or unimproved rating) from the existing mapped agricultural capability in areas covered by 1:20,000 mapping.
- Independent review of all assessments in areas where only 1:50,000 agricultural mapping currently exists, given the greater uncertainty inherent in that coarser scale for individual parcels and because mapping does not include improved ratings for many areas mapped at this scale.

The Commission is best positioned to conduct this review, given its significant experience and the standards it has already developed for soil capability assessments to help ensure the preservation of prime agricultural land in practice, not just on paper.

Thank you for considering this feedback.

Sincerely,

Katarina Glavas

Senior Agrologist, Professional Agrologist
Agricultural Land Commission