

**Land Consolidation Review Committee
Annual Performance Report**

April 1, 2009 to March 31, 2010



Chairperson's Message

September 27, 2010

Honourable Kathy Dunderdale
Minister of Natural Resources
Natural Resources Building
P.O. Box 8700
St. John's, NL
A1B 4J6

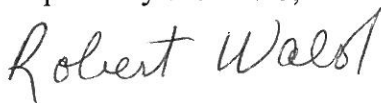
Dear Minister:

In accordance with the provisions of the *Transparency and Accountability Act* for category 3 public bodies, I am pleased to submit the Activity Report for the Land Consolidation Review Committee for April 1, 2009 to March 31, 2010.

The Land Consolidation Review Committee was successful in achieving all indicators of the objectives outlined in the Activity Plan. The Committee was also successful in furthering the strategic directions of the Minister of Natural Resources to improve sustainable resource development through the acquisition of land which will contribute to an expanded agricultural land base.

My signature below is on behalf of the Land Consolidation Review Committee and is indicative of the Committee's accountability for the preparation of this Report and for the results reported on its activities for 2009-10.

Respectfully submitted,



Robert Walsh
Chairperson

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Overview

There are significant growth opportunities in the agriculture sector in Newfoundland and Labrador. Only 3% of beef and 15% of root crops consumed by Newfoundlanders and Labradorians are produced here. Furthermore, as a result of an additional 31 million litres in industrial milk quota negotiated in 2001 and to be developed by 2016 specifically for the production of such dairy products as cheeses and ice cream yogurts, there is an opportunity to double the province's total milk production.

The availability of suitable farm land is one of the more critical challenges facing the agriculture and agrifoods industry. In order to position this industry to take advantage of the tremendous growth opportunities, farmland has to be made available. The expansion and development of the land base will provide the root crop sector with the means to increase local production and create opportunities to increase the consumption of locally-grown goods. For the dairy sector, it will mean having access to more land for forage production.

The Land Consolidation Review Committee administers the land consolidation program designed to provide the opportunity for non-farmer landowners and retiring farmers to sell their granted land to the provincial government. In turn, government makes this land available to existing commercial farmers, part-time farmers and new entrants who are in need of additional lands.

The Land Consolidation Review Committee has one member from the Department of Natural Resources, one member from the Department of Transportation and Works, and a chairperson from the public at large. The current members are: Richard Carey (Department of Natural Resources); Martin Balodis (Department of Transportation & Works); and Robert Walsh (Chairperson). Raymond Tucker (Department of Natural Resources) is the Committee's secretary, researcher/assessor who maintains the files. Ernest Boone LLB, was under contract to negotiate transactions and secure legal titles on behalf of the Committee. Mr. Boone resigned his position in the fall of 2009. Mr. Thomas Fraize, LLB, was retained in March, 2010 to continue to the duties formerly conducted by Mr. Boone, LLB.

The Land Consolidation Review Committee receives extensive operational support from the Forestry and Agrifoods Agency. Employees of the Agency perform many of the day to day administrative functions. The Land Consolidation Program was currently funded by the Agency based on a \$17.5 million, five-year budget covering the period April 1, 2005 until March 31, 2010. The 2009-10 approved budget was \$2.35 million for the purchase of land and \$150,000 for professional services, for a total of \$2.5 million.

Mandate

The Land Consolidation Review Committee has a mandate to:

- (a) Ensure public awareness of government's Land Consolidation Program;
- (b) Evaluate applications for land acquisition by the Government of Newfoundland and Labrador under the Land Consolidation Program based on established guidelines and policies; and
- (c) Facilitate and conclude negotiations for a land purchase and sale agreement for applications that meet criteria.

Values

The Land Consolidation Review Committee performs its duties within the following core values: integrity, respect and professionalism, timelines, collaboration and innovation.

Clients

The clients of the Land Consolidation Review Committee are members of the public who wish to sell or relinquish land to the Government of Newfoundland and Labrador for agricultural purposes.

Vision

The vision of the Land Consolidation Review Committee is of a province that is realizing the full benefit from its agrifood resources in a sustainable manner.

Mission

To prepare the mission of the Land Consolidation Review Committee, the Committee considered that the province has many opportunities for expansion of agricultural and Agrifoods production. The consolidation of agricultural land will help achieve adequate economies of scale in operation needed to sustain current operations and make agricultural production more feasible for new entrants. Thereby, the Committee contributes to the Strategic Direction of the Minister responsible for the Department of Natural Resources to: work toward the sustainable development of its natural resources for the long term benefit of residents of the province; and to work toward increased agriculture and Agrifoods development and diversification.

Mission Statement:

By March 31, 2011, the Land Consolidation Review Committee will have identified and facilitated land consolidation opportunities in support of sustainable agriculture and agrifoods resource development.

Highlights and Accomplishments

In 2009-10, the Committee negotiated and purchased two properties totaling 87.5 acres. These properties occurred in farming areas throughout the province. Negotiations were in progress for 13 other properties going into the next fiscal year. Reallocation of these strategic properties is a significant part of expansion in the agriculture sector. Demand is strong for these properties.

Activities

The Land Consolidation Review Committee facilitates the purchase of land by the Government of Newfoundland and Labrador for resale to farmers based on guidelines for the Land Consolidation Program. The process involves a periodic public notice explaining the application process. Applications are reviewed by the Committee to determine whether the land is suitable for agricultural purposes and is free of zoning issues. Applicants wishing to sell land are invited to commence negotiations for a purchase and sale agreement. A number of third parties are involved in the process, such as land appraisers, land surveyors and lawyers. An environmental assessment may be required.

The activities of the Land Consolidation Review Committee, 2009-10, are consistent with the Strategic Direction of the Minister of Natural Resources to sustain agriculture and agrifoods development. The Land Consolidation Review Committee contributes to those strategic directions by acquiring granted agricultural land from retiring farmers and non-farmer landowners and making it available for acquisition by new and existing farmers as agricultural leases.

2009-10 Objective: The Land Consolidation Review Committee will have processed applications under the Land Consolidation Program.

Measure: Processed applications

- The Committee processed and assessed 16 applications to sell land to the Government of Newfoundland and Labrador for agricultural purposes in 2009-10.

Indicators

- **Posted Public Notices and informed stakeholders of the Program.**
Advertising in 2007-08 resulted in applications well in excess of program budget. Therefore, no public advertisements were made in 2009-10 other than the program guide posted on the Department of Natural Resources' website (www.gov.nl.ca/nr). However, departmental staff was advised to keep interested individuals informed of the program.
- **Reviewed applications for eligibility based on the guidelines**
The Land Consolidation Review Committee met on 10 occasions during 2009-10. The Committee assessed 16 applications to sell land to the Government of Newfoundland and Labrador for agricultural purposes.

No applications were rejected based on the grounds that the land was not suitable or eligible for agricultural development.

- **Initiated negotiations with eligible applicants**
The Land Consolidation Review Committee initiated and concluded negotiations for the purchase of two properties totalling 87.5 acres in 2009-10 based on the guidelines for land purchase. Negotiations for 13 other properties totalling 710.2 acres were on-going into the 2010-11 fiscal year. Following purchase, the properties are advertised by the Department in a Public Call For Proposals for allocation as agricultural leases. The Committee has had support from Financial Operations Division of the Department of Natural Resources in financial transactions; as well as some in house training for staff.

Activities for 2010-11

The Committee's work for 2010-11 will be as laid out in the Activity Plan effective April 1, 2008 to March 31, 2011. The Activity Plan is available on the Department of Natural Resources' website (www.gov.nl.ca/nr).

The objectives and indicators for 2010-11 are the same for those of 2009-10.

Opportunities and Challenges

The Land Consolidation Review Committee anticipates a busy year in 2010-11 as there are many properties which have been offered for sale pursuant to the terms of the Program. Furthermore, it is possible that once the review of the boundaries of the St. John's Urban Agriculture Development Area is released, landowners may consider selling their land to the province in cases where their land remains in the Agriculture Development Area.

There have been some delays in allocating land as surveys, although acceptable for purchase, have not met Crown Lands standards. The Land Consolidation Review Committee has had consultations with Crown Lands to identify Crown Land standards issues, and have been getting prompt review of surveys from that time on.

Conclusion

The Land Consolidation Review Committee is committed to fulfilling its mandate in support of the vision and mission of the Forestry and Agrifoods Agency by consolidating land to strengthen the agriculture sector and protect land for the future.

Financial Information

The Land Consolidation Review Committee does not have a stand-alone budget and as a result, audited statements are not required. Committee Member expenses are funded through the Department of Natural Resources and totaled \$1,045.00 for the 2009-10 fiscal year. In addition to Committee Member expenses, the Department also has a contract for independent legal services in its purchase negotiations; and these associated expenses are covered in the Department's budget as well.

As Noted in the Highlights and Accomplishments section in 2009-10, the Committee negotiated and purchased two properties totaling \$87.5 acres. These two purchases totaled \$1,727,848.00.

A commitment and agreement to purchase a third property (59.7 acres) was in the final stages of a legal purchase transaction at the end of 2009-10. A further \$253,673 was allocated from this budget, held in trust by legal counsel and was subsequently utilized for fees and purchase of this third property in early 2010-11.

Budget Spent:

Professional Services:	\$ 83,221
Property:	<u>\$1,981,521</u>
Total	\$2,064,742