

1 Introduction and Policy Context of this Study

1.1 Introduction

While public health and safety aspects of farm practices are closely regulated, such as those dealing with pesticides, Ontario has traditionally relied heavily on voluntary stewardship for the environmental protection of privately-owned rural land and farmland. While many farmers likely practice careful environmental stewardship without drawing on program funds, there is always room for improvement among good stewards. There is a public interest in encouraging good practices among those who may not practice the best stewardship.

Since about the mid-1980s, the economic instrument of financial incentives has been used to encourage specific farm management practices which are environmentally friendly. These practices help sustain the natural resource base of individual farms and improve the wider environment. The many public and private programs which have used financial incentives were reviewed in a recent report to the CFFO (McCallum, 2002).

1.2 The Christian Farmers Federation of Ontario's Interest

The CFFO envisions the design and implementation of a new kind of program, one which would make “environmental payments” to farmers for the wide public good which farm stewardship activities could provide (CFFO, 2002). Such payments would recognize the wider, off-farm environmental services and landscape amenities provided by specific on-farm projects. Programs which would provide payments for environmental services could be used to either add to, or replace, existing incentive programs. But in either case, environmental payments to farmers would have a dual role, to:

- Provide a form of domestic financial support to farmers, and
- Promote a specific and desired environmental outcome within a larger public interest.

While the funding, governance and operational details remain to be worked out, it is likely that the implementation of this plan would remain part of the public interest and hence would remain within government programming.

1.3 The Question Addressed in this Study

While new regulations affecting the agri-environment are imminent under the Nutrient Management Act (NMA), the decision to participate in either public or private agri-environmental incentive programs is currently voluntary in Ontario. That is, participation is not specifically required of farmers through environmental regulation, as part of any mandatory health, safety or environmental law or regulation. This stands to change radically under the NMA.

Further, participation in agri-environmental programs is also decoupled from other types of farm support. They are not used in cross-compliance with farm support programs such as safety nets, insurance, production support or income support. Cross-compliance is an economic instrument used in the United States. It denies access to certain agricultural support programs until a farmer is also enrolled in an environmental program. Canadian practice does not currently promote the instrument of cross-compliance.

It is difficult and expensive to adequately monitor and evaluate the environmental outcome of the existing incentive programs. One reason is that there is an intangible demonstration effect by those enrolled in programs on others who may voluntarily adopt the same practices without necessarily enrolling in a program. Still, we must assume that positive environmental change is directly related to both the number of programs available and the level of participation in them.

A survey of 537 visitors to four farm shows in Ontario, conducted by the author and volunteer members of the CFFO in 2001, showed that many had not enrolled in past agri-environmental programs and were reluctant to enroll in current or future ones (CFFO, 2001). These findings, enlarged in section 5, have serious implications for the two basic purposes of potential environmental payment programs: to offer financial support to farmers and to promote a specific environmental outcome.

Since the decision to enroll in agri-environmental programs is currently voluntary, if they are to be effective as either a form of farm support or for a desired environmental outcome, it will be necessary to encourage as wide a voluntary participation as possible. Therefore, the purpose of this research is to uncover and describe the current barriers to participation in programs.

This report represents one of the first studies to identify existing and potential barriers to participation in agri-environmental programs in Ontario. It was done largely from

the perspective of farmers themselves, but also from the perspective of those now involved in program design and implementation.

The results here will help decision-makers at all levels consider ways to improve the design and delivery of existing agri-environmental incentive programs. It will also help the CFFO and other advocates of direct environmental payments to farmers to anticipate a broad range of design and implementation issues. This purpose is enlarged in Section 2.

1.4 The Wider Policy Context

The federal government shares jurisdiction with the provinces for the environment and also for agriculture. It is committed to equity in access to public funding. Nevertheless, the federal approach to agri-environmental programming is often specifically designed to respond to targeted concerns within large geographic regions, such as the Prairie Provinces or the Great Lakes Basin.

Ontario's approach to the agri-environment has always been de-centralized, regionally flexible and reliant on self-regulation by farmers and their organizations. This tradition has allowed delivery agents and local agencies involved in publicly-funded programs considerable freedom to identify and target problem areas, set priorities, establish eligibility criteria and make decisions at the local, watershed or landscape level.

Provincial agri-environmental regulation is increasing, notably under the Nutrient Management Act (NMA). The fact that Ontario has decided to regulate many of the farm practices which would otherwise have been self-regulated in the past or encouraged through voluntary environmental programs suggests that self-regulation is no longer considered adequate to address certain environmental problems.

Within any specific regional focus, federal practice has displayed a strong commitment to equitable access to available funds. This is apparent in the Environmental Farm Plan (EFP), to which all farmers have access. It was originally developed for Ontario but may well serve as a model for a national program.

A plan for an integrated agricultural policy is contained in the federal-provincial-territorial Agricultural Policy Framework (APF). Among its other pillars, the APF will endorse major commitments to environmental sustainability and to public health and safety. Ontario's experience with the EFP will likely inform the APF process considerably.

These public interest concerns will strongly influence the future direction of agri-

environmental programming throughout Canada. The CFFO and other stakeholders will be called on to make constructive suggestions in these initiatives. The results in this report may be useful in the definition and re-definition of the environmental responsibilities farmers will be expected to assume under the APF and provincial regulations under the NMA.