



Cabinet Submission– Request for Decision

This Template Last Updated: February 17, 2023

Ministers: Honourable Pam Alexis
Ministries: Ministry of Agriculture and Food (AF)
Date: 01/09/2023

s.12

EXECUTIVE SUMMARY

Issue:

s.12; s.13

Key implications and considerations:

- Currently, processing facilities are permitted on the ALR without approval of the Agricultural Land Commission (ALC) if requirements in the ALRUR are met, with alcohol and non-alcohol processors each having distinct requirements:
 - Non-alcohol processing is permitted if at least 50 percent of the products being processed are produced on the land on which the processing facility is located, or by an association of which the owner of the land is a member.
 - Alcohol processing is permitted if at least 50 percent of the products being processed to alcohol are produced on the land on which the processing facility is located, or if the facility is located on two or more hectares of land and at least 50 percent of the product used to make the alcohol is harvested from a combination of that land and another farm somewhere in B.C.

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Recommended option:

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MAIN BODY OF SUBMISSION

Background and context:

Food and Beverage Processing in B.C.

Food and beverage processing represents the second-largest processing sector in B.C. with \$12.6 billion generated in 2021; profits in this sector have increased annually since 2013. Food and beverage processing accounts for around 70 percent of B.C.'s total agrifood revenue. The food and beverage processing sector provided 40,390 jobs in 2021.

As of August 2023, the number of food and beverage processing and manufacturing operations registered in B.C. increased by 45 percent from 2019. To date, there are 4,199 processing operations in B.C., compared to the 2,894 operating in 2019. 829 (20 percent) of these processing operations operate in the ALR. This has increased from 2019, when there were 659 processors operating in the ALR.

Alcohol processing represents 45 percent of total processing operations in the ALR, despite making up only 20 percent of B.C.'s total processing operations. Most alcoholic beverages processors in the ALR are wineries (89 percent). The meat sector makes up most non-alcohol food and beverage processing in the ALR at nearly 50 percent.



Regulatory Overview (About the ALR)

The ALR covers almost five percent of B.C., establishing designated areas where agriculture is the primary use. Processing is an example of a permitted use of this land that does not require ALC approval if regulatory conditions are met.

The primary piece of legislation governing land use in the ALR is the *Agricultural Land Commission Act* (ALCA). The ALCA establishes the Agricultural Land Commission (ALC) as the oversight body for the ALR and sets its overarching purpose, which is to preserve the ALR and encourage farming. The ALCA also sets out the requirement that land in the ALR can only be used for “farm uses.”¹ Most of these activities (such as food and beverage processing) are prescribed in the ALRUR, which requires operations to meet certain conditions to qualify as a farm use or a permitted non-farm use. Other activities are prohibited from occurring on the ALR unless the landowner has received ALC approval through a non-farm use application. The ALC cannot consider such an application unless it is first approved and forwarded by a local or First Nations government.

For land outside of the ALR, a food and beverage processing facility can be located wherever it receives the necessary approvals from the local government; it is often required to be located on land designated for industrial use. Local zoning rules vary between local governments, with no overarching provincial guidance.

General Processing Rules

The activities included within the ALRUR’s definition of processing are storing, packing, preparing, and processing agricultural products. Processing can occur in the ALR if at least 50 percent of the products being processed are produced on the land the processing facility is located on or are produced by an association² the owner of the land belongs to (the “50 percent rule”). When these conditions are met, local and First

¹ In the ALCA, “farm use” is defined as an occupation or use of agricultural land for farming land, plants, mushrooms, truffles or animals, a farm operation as defined in the *Farm Practices Protection (Right to Farm) Act*, or a purpose designated as a farm use by regulation.

² An association has the same meaning as under the *Cooperative Association Act*.



Nation governments cannot prohibit processing from occurring, but they can regulate it (e.g., setting maximum building sizes).

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Alcohol Processing

The ALRUR outlines separate conditions for alcohol processing in the ALR, implementing a modified version of the 50 percent rule. Alcohol processing facilities can operate in the ALR when the standard 50 percent rule is met, or when the facility is located on more than two hectares of land and at least 50 percent of the primary agricultural product used to make the alcohol is harvested from a combination of that land and another farm operation in B.C.

ALC Application Process

For any case where the 50 percent rule is not met, processing can still occur on ALR land through an application to the ALC. There are two application types that could enable processing to occur:

1. An application to exclude the land from the ALR, or,
2. A non-farm use application.

For both applications, a local or First Nation government must agree to forward an application to the ALC. There are no standardized criteria that a local or First Nation government must consider in determining whether an application will be endorsed. If a local or First Nation government refuses to forward an application, the ALC is not aware an application has been made.

Other Approvals

While a food and beverage processing facility meeting the 50 percent rule does not need ALC approval, there will be other approvals needed for constructing the facility (e.g., permits from the Ministry of Environment and Climate Change Strategy (ENV) and



BC Hydro), including local government permits (e.g., building permits). These approvals are outside the control of AF and the ALC.

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Signatures:

Contact: Peter Pokorny
AF Deputy Minister

Peter Pokorny
Deputy Minister

Date Signed



Honourable Pam Alexis

Date Signed

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ID: 8221, Title: DM_SN re: Grand Opening of the Integrated Food Hub in Esquimalt

Full Name:

Approval Route:

Assigned To: Golacka, Magdalena Rush: No Other - Speaking Notes Signature: Deputy Minister

Branch: Food and Beverage Branch Other Number: 201060

Link: N/A

Due Date: 10/3/2023 Date Completed: 10/4/2023 Date Initiated: 9/15/2023 N/A

Item History

10/4/2023 03:19 PM

Golacka, Magdalena [Site Admin] has closed this item for the following reason: Cancelled.

Deputy Minister will no longer be speaking at the event.

9/18/2023 09:45 AM

Boelens, Robert [Assignee] forwarded an eApprovals item to Hunt, Jill for action

With a bit more bg Jill, thank you!

9/15/2023 03:00 PM

Golacka, Magdalena [Assignee] forwarded an eApprovals item to Boelens, Robert for action

Hi Rob, forwarding this eApp to you as I understand you will be drafting the speaking notes for Deputy Minister. Thank you.

9/15/2023 02:51 PM

Bouris, Kristina AGRI:EX [Colleague of Walsh, Jennifer] forwarded an eApprovals item to Golacka, Magdalena for action

GCPE will prepare SNs, confirmed by Rob Boelens. Magdalena, sending e-app back to you as per my conversation with Charlene.

9/15/2023 01:42 PM

Evers, Charlene AGRI:EX [Colleague of Walsh, Jennifer] added a comment

More info from Kitchen Connect.... speech should be approx 5-6 minutes long - they will confirm timing for Peter next week (he won't be arriving there until around 12:30pm)

9/15/2023 12:26 PM

Bouris, Kristina AGRI:EX [Assignee] forwarded an eApprovals item to Walsh, Jennifer for action

Please send to Dir for EOD Sept 25, thank you.

9/15/2023 12:25 PM

Greene, Pauline AGRI:EX [Assignee] forwarded an eApprovals item to Bouris, Kristina AGRI:EX for action

Kristina, due to ED (via Admin) by September 26th End of Day. This request is due to ADMO for Sept 28th. Thank you Pauline

9/15/2023 09:51 AM

Hansen, Erin AGRI:EX [Assignee] forwarded an eApprovals item to Greene, Pauline AGRI:EX for action

Please have staff draft speaking notes for DM. due to ADMO September 28th.

9/15/2023 09:36 AM

Golacka, Magdalena [Assignee] forwarded an eApprovals item to Hansen, Erin AGRI:EX for action

Please have staff draft speaking notes for Deputy Minister. Template has been provided. Background email also attached. Event has been confirmed for October 6, 2023. Please have back to DMO for October 3, 2023. Thank you.

9/15/2023 09:33 AM

Golacka, Magdalena created this item

9/15/2023 09:33 AM

Golacka, Magdalena added a document: CLIFF ID 201060.msg

9/15/2023 09:33 AM

Golacka, Magdalena added a document: 201060 DM_SN re_Grand Opening of the Integrated Food Hub in Esquimalt.docx

9/15/2023 09:33 AM

Golacka, Magdalena added a document: MIN-Speaking Notes Background email.msg