



PLAN Policy Network - Meeting Summary

Date: November 29, 2024

Key Information:

The third meeting of the PLAN Policy Network focused on the complex economics of land use change, with particular emphasis on conservation programs and environmental payments for agricultural producers.

The discussion began by examining a new European Union deforestation regulation and its potential impact on Canadian soybean exports. This regulation presents both challenges and opportunities for Canadian producers, as it sets strict criteria for land use that could affect even small areas of land clearing. Key concerns highlighted included the lack of recognition for existing sustainability schemes and the diverse regional impacts across Canada.

The conversation then shifted to the evolving landscape of conservation programs and environmental payments. Insights were provided into the development of flexible, farm-specific approaches to sustainability and conservation. The importance of monetizing environmental benefits to provide returns to producers while supporting farm profitability was emphasized.

Three key areas for future program development were outlined:

1. Carbon markets, which are slowly coming online and may soon expand beyond voluntary markets into regulated systems.
2. Biodiversity markets, which conservation agencies are prepared to implement once carbon markets are fully developed.
3. Water retention and filtration markets, which are expected to emerge as water management becomes increasingly critical in the face of droughts and floods.

The discussion highlighted the need for conservation programs to be adaptable and customizable to address the unique needs of farms across different regions. The

importance of pragmatic partnerships between conservation organizations and agricultural producers was stressed, noting that trust-building is essential for mutual success.

A key point raised was the necessity of increasing yields on existing farmland to meet global food demand while simultaneously retiring unproductive annual cropland for environmental benefits. Technology was identified as a crucial factor in achieving this balance.

The meeting also touched on the positive sustainability efforts already underway in Canadian agriculture, particularly in the fertilizer industry. However, it was noted that these efforts are often underreported, and there is a need for better communication of existing sustainability initiatives.

A significant challenge highlighted was engaging with the largest landowners, who represent a small percentage of farms but manage a substantial portion of agricultural land. Current conservation programs often struggle to attract these large-scale operations due to issues such as low payment ceilings, cumbersome administration, and insufficient incentives relative to farm size.

The discussion emphasized the need for innovative approaches to engage these large landowners, potentially through emerging carbon and biodiversity markets. It was suggested that if even a small percentage of these large farms could be incentivized to repurpose unprofitable land for conservation, it could lead to significant sustainability gains.

Overall, the meeting highlighted the complex interplay between agricultural productivity, environmental sustainability, and economic viability. As the agricultural sector navigates these challenges, priorities include developing flexible, farm-specific approaches to sustainability, exploring innovative funding models for environmental services, and strengthening collaboration between farmers, conservation organizations, and policymakers. Additionally, finding ways to effectively engage and incentivize large-scale agricultural operations in conservation efforts emerged as a critical area for future focus.

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Policies for Land Use, Agriculture, and Nature (PLAN) Policy Network is a collaborative initiative led by CAPI focused on addressing pressing land use challenges and unlocking new opportunities within Canada's agricultural sector. The network brings together practitioners, policymakers, and experts to exchange knowledge, develop innovative solutions, and shape policies that support sustainable land use, agricultural productivity, and biodiversity conservation. The Policy Network is part of CAPI's larger initiative, Policies for Land Use, Agriculture and Nature (PLAN), supported by the RBC Foundation through RBC Tech for Nature, which aims to support new ideas, technologies, and partnerships to address environmental challenges.