Organizations and Services in New-Entry Agroforestry: Resources for Farm Startups and Succession Planning in Ontario

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1 Introduction

Agroforestry is a sustainable agricultural practice wherein trees are planted alongside crops or pastureland. Tree planting has a relatively low investment cost compared to at-scale agriculture, and as such presents a unique opportunity for new-entry farmers to invest in long-term sustainable land management. For example, alley cropping - which involves planting rows of trees between crops - provides shade and buffers against wind and runoff, reducing soil erosion and increasing agrochemical use efficiency while providing additional income streams (Sollen-Norrlin et al. 2020).

Tree planting presents a myriad of benefits to both farmers and the ecosystem, including:

- Diversification of income streams (timber, lumber, fruit and nuts);
- Soil health regeneration (nitrogen fixation, erosion prevention);
- Organic carbon sequestration;
- Runoff prevention (buffer zones, water retention);
- Biodiversity improvements (habitat for pollinators, birds, and other wildlife); and
- Ecotourism and land value appreciation.

Investment in forests presents slow returns, and depends largely on land availability. While existing farmers do have the land available, they may not see the benefits of agroforestry in their lifetime, and are thus less likely to invest. As an alternative, new-entry farmers may be able to create a collaborative succession plan with retiring farmers centered on investment in forest resources to ensure low-risk, long-term results.

This report examines the availability of resources for new-entry farmers investing in agroforestry in Ontario. Furthermore, I will be investigating the intersections between long-term reforestation investment and its application to succession planning. Finally, I will address limitations that exist in the currently available supports specifically related to forest management.

2 Resources for Farm Startups

Farm Credit Canada is a crown corporation that provides resources for new and established farmers, including opportunities for funding through repayable loans and grants, which are often limited to purchases of land and equipment. For example, the Young Farmer Loan program provides repayable loans of up to \$2 million to farmers under 40 years of age, even with limited credit (Farm Credit Canada n.d.).

The Ontario Soil and Crop Improvement Association offers programs for projects that improve soil health and conservation practices. One such program is the Resilient Agricultural Landscape Program (RALP), which provides grants of up to \$3,000 per acre for shrub- and tree-planting initiatives that include at least 4 species and that achieve a final density of at least 700 trees per acre (Ontario Soil and Crop Improvement Association n.d.). Eligible activity expenditures include, beyond site preparation and planting, "costs of third-party technical expertise to support detailed project planning, design, planting/establishment, and on-going maintenance oversight", which would apply directly to young farmers in a succession planning scenario, especially those from an academic background.

3 Critique and Recommendations

A public study done by Agriculture and Agri-Food Canada concluded that "in all the scenarios ... the public benefits outweigh the costs incurred by farmers to establish and maintain agroforestry practices" (Agriculture and Agri-Food Canada 2011). If funding opportunities with criteria appropriate for agroforestry (i.e. carbon capture, soil health and conservation) are to be leveraged, new-entry farmers would be better served by an increase in the abundance and priority of resources more tailored to farm succession planning such as, for example, a program similar to FedDev Ontario's Advance Payments Program but designed for timber and lumber production.

If cash advances were available for woodlot producers, this could enable lowered-risk for farm startups by partnering with existing landowners to invest in forestation projects with advance payment guarantees (i.e. paying salaries and expenses upfront, retirement dividends). Furthermore, a program similar to the Natural Resources Conservation Service's Environmental Quality Incentives Program (EQIP) in the United States would provide tailored financial and technical assistance to private forest landowners to plan and implement conservation practices that improve soil, water, air, and related natural resources (Natural Resources Conservation Service n.d.).

References

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