



WSGA Response to Draft SSR Plan

January 10, 2014

WSGA has been active on the land use framework file since the conceptualization stage of the project. We appreciate the efforts Ministers responsible, the Land Use Secretariat, Deputy Ministers, ADMs and all levels of staff as well as the Regional Advisory Council members have put into the multiple meetings we have had with them. In general we have based our positions on the importance of property rights and security of tenure in creating and maintaining a progressive and successful society such as the one described in the proposed regional vision statement. Our positions have been formed recognizing the incredible and omnipresent influence of the market place, the supremacy of natural processes that drive ecosystem functioning, the finite carrying capacity of the land and ecosystems for any or all uses, and the escalating demand for diverse land uses ranging from conservation / preservation (recovery of species at risk) to recreation to residential to industrial. Alberta is uniquely positioned globally and has been generously endowed with natural beauty, productive agricultural lands, incredible mineral wealth, and a favorable climate but even we cannot have everything everywhere all the time. Land use planning will require making choices and those choices, in our opinion, must respect property rights, security of tenure, the supremacy of natural processes, and the influence of the marketplace.

Specific Comments:

1. Regional Vision

- a. The proposed vision statement fails to define the social, economic, and environmental values that are to be achieved. Thus we fail to respect that the land and its related ecosystems have a finite carrying capacity for all purposes.
- b. Our recommendation for improvement would be a statement that recognizes the need for choices in balancing economic, social and environmental values and outcomes; the inadequacy of relying on past decision making processes for achieving that balance; and that initiates a new decision making system that attempts to more effectively achieve that balance while respecting property rights and the role of the marketplace. This appears to have been the author's intent when drafting Part III of the *Alberta Land Stewardship Act*.

2. Economic Growth

- a. WSGA questions whether a growth rate of 28% per decade for both population and the economy is sustainable. Perhaps the province also questions this as evidenced by the recent introduction of Bill 28 in the legislature. We do support some level of growth and strongly support the diversified economy objective.
- b. WSGA supports the proposed respect for freehold petroleum, natural gas, coal and minerals. We expect similar respect for freehold land in terms of being able to work, harvest, and develop under SSRP.
- c. The creation / addition of Heritage Rangelands under which mineral leases will continue to be sold but without surface access, while supporting the economic growth outcome for energy, has the perverse effect of forcing and clustering the surface access associated with those leases onto adjacent landowners who do not necessarily wish to have them. The *Responsible Energy Development Act* with its changes to affected party status and right to a hearing exacerbate these concerns.
- d. WSGA supports the efficient use of land for linear infrastructure but also understands that multi-use corridors will impact ecosystem functioning on the affected as well as adjacent lands and property. The plan must include compensation for those impacts.
- e. With the exception of maintaining an agricultural land base and perhaps some irrigation, the strategies for maintaining the agricultural industry are focused on downstream innovation, value added processing, and marketing. While over time these will provide market pull incentive for primary production they do not address the current market forces promoting fragmentation and conversion of agricultural land.
- f. For the grasslands in particular the strategies proposed will, in our opinion fail because they do not address the full suite of products produced from grazing land use nor do they consider the externalities in non-grazing land use. Some of the products produced by managed grazing grasslands are water capture and storage, sediment capture, carbon capture and sequestration, erosion control, biodiversity, wildlife habitat, wildlife corridor connectivity, and the aesthetic values underlying the region's tourism potential. The externalities of other land uses that the plan fails to encompass are for the most part the opposite of the aforementioned ecosystem goods and services associated with managed grazing. For example, cultivation, residential, recreational and energy development land uses are associated with linear disturbance, carbon emissions and negative impacts on water capture and quality, biodiversity, habitat, connectivity and aesthetics. Ultimately, within the parameters of the regulatory requirements, economics drive land use decisions. The failure to acknowledge the positive value EGS associated with grazing and the practice of ignoring the negative value externalities associated with other land uses inevitably drives the economic decision to fragment and convert grasslands. In fact, there are perverse incentives in existence and supported by government policy that worsen this problem – the no till carbon credit program being one example. Well managed rangelands do not qualify for C credits but the same land converted to cultivation and with much of its sequestered C released suddenly does qualify. The plan is silent on strategies to overcome this problem but other jurisdictions in N. America are confronting

it head-on using direct financial incentives to discourage conversion (see attachments re North Dakota and Portugal).

- g. The SSR region has a large area of white area public rangeland that has functioned effectively as grassland under a grazing lease system for over one hundred years. However, since the late nineteen-nineties the security of tenure for this system has repeatedly been threatened to the extent that banks are now refusing grazing lease contracts as collateral and grassland stewards (ranchers) are reluctant to invest in this resource. The plan specifically mentions enhanced security of tenure (longer leases) as a strategy to promote investment for tourism and recreation opportunities on Crown land; but fails to deal with the loss of confidence in the statutory consent known as grazing leases.

Grazing leases share many characteristics with mineral leases – both enable the province to benefit from the harvesting of its natural resources without directly investing in the tools, management and infrastructure to achieve that harvest. Both contribute positively (directly and indirectly) to provincial employment and revenues while using private capital to drive the harvest of the resource. Beyond those basic similarities the statutory consents governing the leases vary dramatically. The mineral lease is renewable as long as the resource is producing – the grazing lease is renewable subject to the approval of the department. The mineral lease is transferrable and subject to a transfer fee that represents the cost of the administrative requirement – the grazing lease is transferrable but subject to a transfer fee designed to claw back some of the proprietary value of the contract to a varying degree dependent on the region of the province. The fee is totally unrelated to the administrative requirement. This transfer fee varies from five dollars to one hundred dollars per AUM and at its extreme represents approximately four times the annual **gross** value of the resource being extracted (it likely represents almost thirty times the **net** value of the harvested resource). Royalties or rental rates for mineral leases are determined from a formula utilizing market value of the extracted resource and cost of production – grazing lease rental rates are set annually by the Minister. Mineral leases can be and routinely are sublet. Subletting is prohibited on grazing leases. WSGA questions how Alberta's energy industry would look if the rules for investment in the mineral lease statutory consents were reflected the uncertainties and insecurity of grazing lease statutory consents.

WSGA, Alberta Beef Producers, and Alberta Grazing Leaseholders Association have previously worked with Sustainable Resource Development to overcome these issues. Proactive solutions were developed and accepted by the industry and the department (including the Minister) but have yet to be implemented some five years later. While the draft SSRP does create the Pekisko Heritage Rangeland (complete with potential extended tenure to thirty years) it could do so much more to ensure effective management of the entire white area public land under grazing disposition by addressing the security of tenure and confidence issues outlined above. WSGA hereby offers to work with the Land Use Secretariat and ESRD to improve the plan in this area.

- h. WSGA supports the objective and strategies for forestry.

- i. WSGA recognizes that tourism is an important contributor to the region's quality of life and economy but realize that by its nature tourism tends to be a consumer of EGS – whether directly through hunting and fishing or indirectly through the infrastructure required for the distinctive travel experiences. We suggest a more direct market-based approach than the one in the draft plan. We agree with the long term security aspect of the statutory consents related to tourism investment.

WSGA has experience with the RAMP pilot project which was discontinued shortly after inception. In a fashion similar to carbon, Government policy and regulation directly interfere in a potential EGS marketplace by prohibiting charging for access for hunting. As outlined above, the habitat and wildlife driving this particular aspect of tourism / recreation are a co-product of grazing land management that is ignored in the economic calculation driving land use decisions. Worse yet, that wildlife have a detrimental effect on the efficiency of livestock production by consuming stockpiled forages and winter feed supplies. While the carrying capacities on public lands under grazing disposition incorporated wildlife grazing in their calculation those same wildlife do not limit their forage consumption to public lands – rather they go to where the forage is best and the disturbance is least – often freehold private lands. The RAMP project was an attempt to offset the cost of providing this environmental service, and other jurisdictions around North America utilize a variety of models to incent wildlife habitat and hunting opportunities. Except for a commitment to the exploration and facilitation of economic tools, such as financial incentives; and a commitment to the development of voluntary market-based instruments for ecosystem services; this plan is silent in this regard and ignores the direct obstruction of government regulation in the development of ecosystem services markets. This obstruction is not limited to hunting and carbon – it is pervasive throughout government policy. Again WSGA offers to work with the drafters of the plan to fully identify these obstructions to an EGS marketplace and to revise the plan to overcome them.

3. Conserving and Maintaining the Benefits of Biodiversity

- a. WSGA is supportive of the “working landscapes” and “from today into the future” aspects of the plan. We understand the need to utilize a full range of management approaches and tools but caution that the “from today into the future” principle needs to apply to the existing commitments, dispositions and opportunities for both public and private lands as well as to the current cumulative effects as identified in the draft plan. Further, the government received the IAFE Report (*Ecosystem Services Market Policy Framework: Integrated Solutions for Greening Alberta's Growth*) on March 18, 2010 which cautioned against the traditional command and control approach to ensuring ecosystem services provision and instead recommended a transformational approach – Integrated Ecosystems Services Markets. The draft plan has no concrete measures to achieve such a market.
- b. The Biodiversity Management Framework proposed to be completed by the end of 2014 is more a plan to make a land use plan than it is an actual land use plan. Further, the

Linear Footprint Management Plan proposed for the Eastern Slopes Green Area Public Land is not expected to be completed until the end of 2017 yet it is required to meet the targets and objectives established in the Biodiversity Management Plan. All of this leaves a great deal of uncertainty which is our concern. By the end of 2017 we will be 80% of the way to the first review of the SSRP. At some point industry, the economy, and society need certainty on which to base their decisions.

- c. WSGA does not believe it is necessary to create new conservation areas on Crown land to sustain biodiversity and ecosystem function. Rather we are convinced that biodiversity and ecosystem function are sustained by appropriate management of lands and are unrelated to conservation designation. Apparently the authors of the draft SSRP agree with this concept as evidenced by the proposed strategy to: “manage existing conserved lands to achieve long term conservation of biological diversity and ecosystem processes.” Creation of new conservation areas on Crown land must respect the existing dispositions (complete with all their rights and opportunities) on those lands or else they represent a regulatory taking. We believe a market-based approach would not only be more equitable but also more successful than the regulatory creation of conservation areas- because it would result in the appropriate management of both Crown and private lands for biodiversity and ecosystem function and because it would create confidence in investments to manage for ecosystem function.
- d. The use of selected biodiversity indicators to measure against targets / thresholds has inherent dangers in achieving the outcome of maintaining biodiversity. Targeting any particular measure of biological processes will quickly use its usefulness in assessing biodiversity because of the non-diverse aspect of the metric. Focus on grizzly bear recovery as suggested plays politics with the larger objective of ecosystem health and may drive management that will result in more grizzlies and less biodiversity.
- e. WSGA believes that privately owned native grasslands contribute as much to biodiversity and ecosystem function as Crown native grasslands and therefore do not agree with the policy guidelines under Appendix H wherein sales of public native grasslands with irrigation potential would be more likely to receive approval if the proposal included privately owned native grasslands to be transferred to the Crown or to be held by a land trust or the Alberta Conservation Association. Similarly, voluntary conservation offsets on private native grasslands to mitigate public land linear footprint still result in a net loss of ecosystem service production capacity from native grasslands and are thus of little or no value in attempting to preserve biodiversity and ecosystem function.
- f. WSGA understands the need to minimize or prevent new land disturbance in conservation areas and we believe that principle should apply beyond conservation areas. Previously the result of restricting Off-Highway Vehicles (OHV) access in certain public land areas has been increased OHV usage in non-restricted areas. While the proposal for a linear footprint management plan and more Public Land Use Zones (PLUZs) with access management plans may help to reduce land disturbance the delayed implementation (end of 2017) and grandfathering could well lead to even more OHV trails being created in the interval. Additionally, the establishment of Public Land

Recreation Areas (PLRAs) in some of the most highly OHV used areas will likely incite even more demand. The SSRP is silent on how it plans to ration or control that demand for recreational use of public lands. Additionally it contains no mitigation for overlaying new PLRAs on lands required to meet and manage existing grazing permits.

- g. The SSRP replaces the Eastern Slopes Policy. The Eastern Slopes Policy guaranteed a certain level (carrying capacity) of grazing on the green area public lands in the region. WSGA believes that guarantee should be carried forward into the SSRP.
- h. Creation of the Pekisko Heritage Rangeland is an attempt to conserve grasslands and WSGA agrees that grazing is required to sustain the grassland ecology. The prohibition on surface disturbance in the Heritage Rangeland should be accompanied by a prohibition on the sale of mineral leases underlying the area. Otherwise the surface facilities are simply forced to congregate on the edges of the protected area as mentioned above.
- i. WSGA agrees that “carefully managed grazing and traditional ranching practices on long-term grazing leases contribute to the ecological health of large tracts of remaining native grasslands.” However we are concerned that government policies interfere with renewal in the ranching industry and thus put on site grassland stewardship at risk. We will elaborate on this point in a specific recommendation for the SSRP (to follow).
- j. WSGA agrees that “a provincial approach needs to be explored and developed to encourage a broad suite of ecosystem services by private landowners”. We favor a market-based approach as recommended by the IAFE report. Unfortunately, the Land Trust Grant Program and other conservancy agencies often have a perverse effect on issues like conversion of grasslands and land fragmentation by competing in the marketplace for lands required for expansion of agricultural operations faced with per unit narrowing margins. The focus of these conservancy efforts on lands with high ecological value concentrates the effect on agricultural operations producing food while preserving ecosystem functioning (ranches). In many cases the only way ranches survive narrowing margins - given the prohibitive cost of expansion - is to sub-divide, cultivate, or otherwise disturb the surface and in the process ecosystem function. Therefore we do not support the Land Trust Grant Program making intact native grasslands its highest priority. Indeed, we believe the entire role of governments in conservancy organizations (charitable tax status, grants, assigned management responsibilities) should be reviewed. We propose that governments seed an actual EGS marketplace with funding and support in an amount equivalent to that already received by conservancy organizations.

4. Managing Air Quality

- a. WSGA is in general agreement with the strategies proposed to manage air quality in the region. The aforementioned cautions with regard to use of indicators apply to air quality as well.

5. Advancing Watershed Management

- a. WSGA has been and remains concerned that water allocation discussions have been prohibited in the development of the SSRP.

- b. WSGA is convinced that effective watershed management will require exactly that: management of the entire watershed. We believe there is great potential for flood mitigation, drought management, and climate change resiliency through achieving a more effective water cycle (see Jones article attached). This will largely be determined by soil health which in turn is a result of land use and management. The lack of an effective EGS marketplace combined with unintended consequences of government policies drive land use decisions away from an effective water cycle and make negative impacts of flooding, drought, and climate change more likely. The \$250,000 grant to Calgary to study the feasibility of an underground tunnel to divert water from the Glenmore reservoir to the Bow River can hardly be considered as a wholistic approach to the problem. WSGA recommends that GoA review and rewrite its carbon offset market policies as an initial step.

6. Strengthening Communities

- a. The key proposed strategies here essentially focus on flooding and erosion. WSGA believes this focus to be far too narrow.
- b. The key component of strong communities is a healthy, diverse local economy. In large part government policies for the past few decades have been deleterious to strong local economies by giving preferential treatment to the oil and gas sector. The forgiveness of royalties in the oil sands until the extraction and processing infrastructure was paid for would be one example. Because the marketplace has such a profound effect on everything from career choice to land use, a diverse economy will only be achieved in this province by policy that creates a level playing field for all industries and economic sectors.
- c. As flood control has become a major focus for planning in the region, WSGA emphasizes the importance of soil health in the entire watershed as mitigation for high precipitation events. Raising the soil organic carbon content by an absolute two percentage points (for example from 3% to 5%) is calculated to result in an additional 500 cubic meters of water storage capacity per hectare for that soil. Interestingly, soil carbon levels have fallen on average more than an absolute two percentage points since European settlement. It would be interesting to calculate the reduction in the peak flows of the Bow and Highwood Rivers last June if the watershed had captured and stored even an additional 100 cubic meters per hectare. Again, however, land use is determined by economic factors and those factors have no incentive for increasing or maintaining high soil organic carbon levels.

7. Enhancing Recreation and Cultural Opportunities

- a. WSGA is concerned by Alberta's Plan For Parks document and its admission that the LUF will provide the tool for expansion of Alberta's parks system.
- b. The SSRP proposes to "expand and designate new provincial parks and provincial recreation areas to provide recreational opportunities, contribute to tourism growth and

begin to address growing recreation demand in the region.” This strategy is likely not compatible with some of the other desired outcomes of the plan.

- c. The plan has no details regarding PLRAs other than the general area in which they will be developed. While grazing is a permitted use and forest grazing permits (dispositions) are in existence in those areas, it will be critical to locate and design the PLRAs such that they don’t interfere with the pre-existing disposition.

8. Ensuring Aboriginal Peoples Are Included in Land Use Planning

- a. WSGA supports consultation with First Nations regarding land use planning
- b. WSGA reminds the land use secretariat that unique local ecological, historical, and stewardship knowledge is also an attribute of the people owning and operating the land and as such they need enhanced recognition in land use planning.

9. The Draft Plan comments several times on respecting property rights and not changing or affecting property values. This simply is not true. The Biodiversity Management Framework, once completed, will establish biodiversity thresholds and targets that will require a management response should they be violated. Municipalities will be required to design their land-use by-laws to align with the SSRP. Linear disturbance may be limited by these actions as it is known to adversely impact biodiversity. Since linear disturbance is required to fully “develop” (even at one residence per quarter section) freehold properties, the limitations on linear disturbance result in limitations of land uses for private property owners and limitations on their property value.

The Municipal District of Willow Creek amended their land-use by-law in January 2013. The amendments changed the definition of Environmentally Significant Areas from the areas identified on a particular M D of Willow Creek map to a descriptive definition which was apparently first authored by Cliff Wallis of Cottonwood Consulting. That definition mentions, for example, areas that contribute to recharge of the aquifer as ESAs. In short, the definition is extremely subjective and open to various interpretations, yet the Municipal Council has already used the ESA as reason to refuse a rezoning application. The only equitable option regarding land-use planning and property rights is to compensate fairly and under the rules of expropriation any time land-use plans and policies are amended in any fashion that impacts property rights and property values.

WSGA Specific Recommendations:

1. WSGA recommends that the land use secretariat, ESRD, and affected disposition holders in the South Saskatchewan Region review, refine, adapt and implement the recommendations for a revised system of calculating grazing rentals on Crown lands under grazing lease disposition in the SSR. These recommendations were initially developed and approved by SRD (including at the DM and Ministerial level), WSGA, Alberta Beef Producers, and Alberta Grazing Leaseholders Association in late 2008 or early 2009.

Rationale:

All of the stakeholders involved with grazing leases recognize the importance of managed grazing in preserving and supporting grassland ecosystem functioning. There are currently several factors discouraging investment in grasslands for livestock grazing purposes – including acquisition of grazing lease contracts. Some of these factors were identified in point 2 g above.

Recent events with revised Country Of Origin Labelling have limited access for Canadian finished (fat) cattle to U. S. packers resulting in larger numbers of feeder cattle being exported to the USA. The Canadian dollar is declining relative to USD. These circumstances mimic those of the 1990s which led to the countervail action against Canadian beef and in which grazing lease rates were determined to be a subsidy to the Canadian industry. Tariffs were collected on Canadian beef and cattle exports for a period of time and would have been permanently except that the extent of the subsidy was ruled to be *de minimus*. The revised system of calculating grazing lease rentals would be a defence against a future CVD action.

The recent Emergency Order related to sage grouse has reignited concerns about security of tenure and conditions related to harvesting the grazing resource on Crown lands under grazing lease disposition. The Order impacts ninety-six agricultural leaseholders in Saskatchewan and Alberta and despite the draft plan assurances that property rights are to be respected in the region, National Post headlines December 21, 2013 state “ranchers lose property-rights fight to a nervous bird”. Compensation for loss of a grazing resource is not considered in the SSRP, the *Public Lands Act*, or the *Species At Risk Act* under which the Order was issued. The Order discusses its own impact in the Regulatory Impact Assessment Statement (RIAS) appended to the Order. The RIAS proposes that there will be minimal effect on agricultural operations and local residents, but that there will be actual significant economic impacts on the oil and gas industry. These are calculated to be a savings to the industry of \$1.6M by the prohibition from drilling two wells and a cost to the industry of \$10.9M from the foregone production from the wells. This net cost is offset in the discussion by the value to society of knowing the species exists – a value of \$161M as determined by a U.S. survey in which households were asked about their willingness to pay for preserving a species. That survey ascribed a value of \$23 per household to preserve Wild Turkeys, and

the RIAS arbitrarily used the same value for Greater Sage Grouse (8.1M households in Canada x \$23 per household = \$161M). Why select the Wild Turkey as equivalent to the Sage Grouse rather than one of the more highly valued raptors which are of course discouraged in the Emergency Order? What amount would the survey have ascribed to knowing that ranching remains a viable industry had that question been asked? The unfortunate reality is that households did not contribute twenty-three actual dollars to preserve the species – rather Environment Canada through a process of estimation followed by extrapolation came up with a benefit figure that in actuality is Monopoly money and then incorporated that into an analysis that on the private (costs) side is real money. Recent media attention to the Draft Plan and the Heritage Rangelands designation (see Calgary Herald January 3, 2014 <http://www.calgaryherald.com/news/alberta/Rancher+wants+protect+grassland/9345352/story.html>) have served as a catalyst for online chatter centered around the great gift grazing leases represent to the few privileged individuals who hold them. Multiple economic studies done in both the USA and Canada (Alberta specifically) regarding grazing on Crown owned resources refute that concept but leaseholders are keenly aware of government policy shifting in response to public perception and news stories such as this only reduce confidence in grazing lease investments.

When the proposed royalty / rental rate restructuring was considered for implementation several years ago, the only opposition from leaseholders came from outside of the South Saskatchewan Region. Despite their democratic organization's approval of the restructuring, a few members of Alberta Beef Producers from central and northern Alberta individually expressed concern that their rental rates might increase under the revised system and given the political sensitivity of the times the entire proposal was shelved. The dissenters at that time did not operate in the South Saskatchewan Region and WSGA is not aware of any dissent arising from within the region. However, given the lapsed time since the former recommendation for implementation it would be necessary to consult with leaseholders in the SSR prior to adoption of a revised system for the region and as a pilot project for the province.

Because of the dynamic nature of the proposed rental rate calculation and the recent improvements in feeder cattle markets the rental rates for the entire province would likely have increased for the last few years. This would reflect more revenue for the province, much like the boom years in the oil industry. It is our opinion that the enhanced security of tenure and the improved opportunities for succession and effective rangeland management would be considered as value received in exchange for somewhat higher rental rates in times of better cattle industry economics.

2. The federal research programs at One-Four and Stavely have recently been discontinued and those lands are likely returning to provincial jurisdiction and management. WSGA recommends that those sites be managed under a three way arrangement between ESRD, University of Alberta, and the grazing industry; and that research specifically targeted to the impacts of various grazing management systems on a wide range of ecosystem services production from

those rangelands be conducted. We specifically recommend that environmental NGOs be excluded from the management system – they are already involved in multiple ecological reserves and natural areas grassland sites and the One-Four and Stavelly sites could serve as a comparison model to those existing management systems. Despite their assurances re the importance of grazing in a grasslands ecosystem, whenever environmental NGOs are involved the universal reaction to declines in ecosystem functioning (as evidenced by the AWA proposal regarding Sage Grouse recovery plan) is to reduce or remove grazing. This may actually exacerbate the problem and WSGA believes it is time to at least try something different.

3. WSGA recommends that the SSRP take decisive steps to level the economic playing field between various land uses. Our preferred approach would be as direct an EGS marketplace as possible. However, just addressing the externalities of certain industries and the government policy barriers to development of EGS markets would be significant progress. We have commented earlier on the perverse and ineffective nature of Alberta's carbon policy. Today's news is neonicotinoids in prairies wetlands likely as a result of canola seed treatments. We believe the final SSRP needs to represent a paradigm shift in regards to ecosystem service provisioning and the means to accomplish same.
4. WSGA recommends that the guaranteed grazing carrying capacity for the green areas of the SSRRegion (as found in the Eastern Slopes Policy) be reestablished in the SSR Plan since the Plan is replacing the Eastern Slopes Policy.
5. WSGA recommends that the SSRP include a full compensation scheme, based on expropriation values rather than Fair Market Values, for all incursions on property rights and values whether incurred directly by the SSRP or indirectly by Municipalities aligning with the SSRP.

Conclusion

While WSGA has invested considerable effort in addressing the draft SSRP, we assert that this does not represent support for the Land Use Framework process and the *Alberta Land Stewardship Act*. We remain extremely concerned that the entire process will result in a regulatory transfer of wealth from people directly associated with the land (rural landowners and leaseholders) to people only remotely or even totally disconnected with the land (urban populations and general society). The Sage Grouse Emergency Order is quite blunt in this regard – proposing to exchange \$161 million of Monopoly money for \$9.3 million real dollars of foregone revenue for the oil and gas sector and assuming that further restrictions on grazing and rangeland management practices will have no associated costs or loss of revenue for the agricultural sector.

In her 2012 book *Eco-Fascists*, Elizabeth Nickson claims that more than thirty percent of the United States' land area has "been set aside in formally restricted zones". She states "In Canada conserved or severely restricted lands are much more than 30 percent". The draft SSRP with its expansion of protected areas misses its goal of working landscapes.

Ms. Nickson goes on to describe the history of Adirondack Park, founded in 1892 at 2.6 M acres and today expanded to 6.1 M acres. *Almost sixty percent of the park is privately owned (it had been settled for 150 years prior to creation of the Park) so serves as a demonstration project for creation of protected spaces that were once used or lived upon by humans. According to a 2009 report from the Adirondack Park Regional Assessment Project, school enrollment dropped 30 percent from 1979; between 1986 and 2006 property tax revenues declined 3 percent in spite of the real estate and property tax boom in most areas; private investment within the park dried up; incomes were lower within the park; and municipal expenses within the park were double that of towns outside the park as a result of higher welfare and environmental regulatory costs. Interestingly, the aging trend in the park is three times the national average as a result of emigration of youth coupled with immigration of retirees.* Is this what we want for the South Saskatchewan Region? For Alberta?

Finally, we come to the issue of “who gets to decide”. ALSA is clear, the Lieutenant Governor In Council gets to decide, but how should they make that decision? Do directly impacted stakeholders have more say than occasional recreational users? How much of the decision should rest with people who don't really use the region at all but just want to know that it is there and in some sort of condition they perceive to be healthy? What about the unintended consequences such as those experienced in Adirondack Park? It is because of all these questions around how to decide; and because of the marketplace's ability to effectively allocate scarce resources through rationing (or encouraging) demand and incenting (or discouraging) production, that WSGA recommends a market-based approach.

Further Reading

1. Eco-Fascists

Book by Elizabeth Nickson
Published by Broadside Books
Copyright 2012

2. Cows Save The Planet

Book by Judith D. Schwartz
Published by Chelsea Green Publishing Company, White River Junction, Vermont
Copyright 2013

3. DTN News Release:



DTN Headline News

Carbon Market for ND Prairie

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By Chris Clayton

DTN Ag Policy Editor

OMAHA (DTN) -- Trying to stem the tide of land conversions to crops in the Prairie Pothole region, a pilot program spurred by a USDA grant has gotten a greenlight to sell carbon offsets from grasslands in North Dakota.

By next summer, at least 114 landowners in an eight-county area in North Dakota could be collecting carbon payments that would range from \$16 to \$25 an acre, as long as the land stays in prairie or pasture.

Several environmental and conservation groups last week, as well as USDA, issued news releases praising the development of a new carbon market for ranchers. The project began with a \$161,000 USDA Conservation Innovation Grant in 2011 to Ducks Unlimited, specifically to stem the tide of land conversion to crops.

The critical element in creating a carbon program is getting a verified methodology for measuring the carbon. That was a key to last week's announcement. The American Carbon Registry certified carbon offsets from grasslands, based on the work done in the North Dakota project.

Now that a methodology is approved, groups can put together a project plan to enroll landowners and offer up an approved number of acres and carbon offsets.

Groups such as Climate Trust, Environmental Defense Fund and the Nature Conservancy all worked with USDA and Ducks Unlimited to establish the new protocols. It will create incentives for companies to invest in protecting grasslands.

"That's important. These lands are going to stay in agricultural use, but we think we can promote good conservation, promote good agriculture while we create opportunities for land owners who are doing good," said Robert Bonnie, USDA's undersecretary for Natural Resources. "Our hope is there will be investment down the road in this -- that folks will see this as an opportunity."

Land conversion is a growing problem. Last year, USDA reported 398,200 acres of new land broken out into crops with Nebraska topping the list at 54,878 acres, more than double the conversion of any other state. North Dakota had 9,908 acres converted from grasslands to crop production.

To slow conversions, the Senate farm bill has language that would reduce crop insurance subsidies for newly broken land -- a provision commonly known as sodsaver. The House has similar language, but restricts sodsaver to the Prairie Pothole region in parts of Iowa, Minnesota, Montana, North Dakota and South Dakota.

The 114 landowners so far involve about 50,000 acres. That reflects a strong interest in both a carbon offset program and finding ways to keep that land preserved, Bonnie said.

Eric Lindstrom, a government affairs representative and biologist for Ducks Unlimited, said there is a buyer for the offsets that is a large manufacturer in the auto industry, though Lindstrom said there is currently a confidentiality clause to keep the name of the company undisclosed. The actual transaction on the offsets could be disclosed by next summer, he said. "We hope to make an announcement in June or July on a large carbon transaction," Lindstrom said.

Lindstrom said the estimated price range for those eligible producers would be somewhere between \$16 and \$25 per acre, in addition to an easement payment.

Besides the carbon offset, the landowners in North Dakota also collect easement payments that collectively come from a variety of federal sources such as migratory bird stamp revenues, land and water conservation funds, the North American Wetlands Conservation Act funding and other groups such as Ducks Unlimited. The U.S. Fish and Wildlife Service holds the easements.

Carbon offsets are largely piecemeal now and scattered. A \$500-million-a-year voluntary carbon market remains in the U.S., mostly driven by larger companies wanting to show they are reducing greenhouse gas emissions.

"People who are doing that are doing so largely for public-relations benefits," said Joe Fargione, director of science for the Nature Conservancy in North America. "This kind of grasslands project, we feel, has a good opportunity of breaking into the market and getting some of that market share because it has strong co-benefits for biodiversity and wildlife."

A national regulated carbon market failed to get a vote in the U.S. Senate in 2009-10, killing legislation

known as "cap-and-trade." USDA and Ducks Unlimited have a project in North Dakota. A few states such as Oklahoma run their own offset programs. The California Air Resources Board is working on a specific protocol for rice growers in the state. Such programs will grow as EPA pushes states to further cut greenhouse gas emissions from major polluters.

"The situation we find ourselves in is we don't have national legislation and we don't have a national program that would allow for these types of offsets, but we still see there is significant opportunity and there's real interest in the regulated community," Bonnie said.

The offset piece has always been a bit abstract. People never seem to understand what it means on the ground. The hope is to show how offsets work in a practical manner and what it means for landowners and farmers. That was largely the basis for Conservation Innovation Grants so Congress could see projects and how partners would bring additional leverage to sequestering carbon. Farmers would also get more interaction and understanding.

"There are multiple benefits from carbon offsets. There is less soil erosion. Water quality also is improved. Wildlife habitat grows," Bonnie said. "When you take the concept of trapping carbon in the soil, it translates on the ground into protecting the long-term sustainability of that soil. Carbon sequestration discourages farmers from plowing up the fields."

More information about the offset program can be found at <http://www.ducks.org/...>

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