



BRITISH COLUMBIA CATTLEMEN'S ASSOCIATION

Representing the Beef Cattle Industry of British Columbia

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BY EMAIL (original to follow by mail)

RE: Feedback on Water Pricing Proposal

The BC Cattlemen's Association appreciates the opportunity to provide feedback on the Ministry's discussion paper titled *Pricing B.C.'s Water*. Our comprehensive comments and recommendations are outlined below.

AFFORDABLE WATER

Water for agriculture must be affordable. Water for agriculture must be given a priority and should be priced well below other users to avoid disadvantaging the future of local agriculture. Unlike other industries, ranching remains primarily family owned and operated. Affordable water and adequate supplies are essential to provide the cattle industry with water security. Local agriculture must be cherished and encouraged with regulation and policies that provide water security.

- Recommendations:
- That water for agriculture be identified as a high priority.
 - That water for agricultural purposes should be priced well below fees for other users.

STEWARDSHIP

The cattle industry is committed to water stewardship and conservation. As some of the oldest water licence holders in the province, the ranching industry has made significant investments to establish water systems. These systems benefit our ranch operations and provide many additional benefits to society such as green space, aesthetics, recreational opportunities, fish and wildlife habitat, etc. In some areas, agricultural water systems are the reason that year-round flow is available in creeks and streams thereby providing critical fish habitat. These ecosystem services are vital to society and as such the ranching industry should be recognized and rewarded for these valuable contributions.

- Recommendations:
- That the ecosystem services provided by the ranching industry be recognized and rewarded in the pricing model.

NON-CONSUMPTIVE USERS

"*Pricing B.C.'s Water*" distinguishes water users into two categories: consumptive and non-consumptive. It is our view that ranching activities are non-consumptive as our crops and livestock use the water and eventually return it to the hydrologic system.

- Recommendations:
- That ranching activities are defined as a non-consumptive use.

Principle #1: SIMPLICITY

BC Cattlemen's Association agrees with the province that the approach and delivery of water pricing should be simple and easy to understand.

Simplicity in water licensing and pricing is needed. Many ranchers currently hold surface water licences, and now will be required to license groundwater. It is our recommendation that a new system for licensing is not necessary. Combining both under the same system would make the process more efficient for licensed users.

Ranches are often comprised of multiple parcels of land and can have several wells as part of the overall ranch operation. It is our recommendation that multiple wells for a ranch operation be able to be registered under one licence. This would reduce the administrative costs for the province and reduce the licensing burden on landowners.

- Recommendations:
- That the systems for licensing, reporting, and pricing be easy to navigate and not create additional burden on the users.
 - That one licensing system is used for both surface and groundwater.
 - That landowners be able to register multiple wells on a ranch operation under one licence.

Principle #2: FAIRNESS AND EQUITY

We are pleased that First In Time, First In Right (FITFIR) will be retained for surface water and believe this to be both fair and equitable. It is our understanding that only registered groundwater users will have security.

The BC Cattlemen's Association disagrees with the proposal to vary the pricing based on location or the scarcity of the resource. This approach will create disadvantages for those ranchers who operate within drier climates or in highly populated areas. The Act and its regulations should be applied uniformly across the province.

Ranchers should pay significantly lower fees than other users because of the costs already incurred to extract, store and use the water resources. In an effort to ensure fairness, the province should make certain that a user is not charged multiple times for the same water (for licensing, storage and usage).

Agriculture provides many secondary benefits such as habitat and recreational opportunities that provide the province with financial benefits and opportunities. The investments made by individuals to install and maintain water infrastructure need to be recognized when developing pricing rates for agriculture.

- Recommendations:
- That the value of water should not differ because of location, demand or scarcity.
 - That the investments by licensed users to install and maintain water infrastructure be recognized and valued as part of the pricing rates and categories.
 - That the province recognizes the ecological benefits provided by agricultural users and that those benefits are valued in the pricing structure.
 - That pricing is fair and a user is not charged multiple times for the same water (for licensing, then for storage and then again for usage).

Principle #3: IMPLICATIONS TO WATER USERS

The discussion document “Pricing B.C.’s Water” proposes that fees may vary based on the intended purpose or use and distinguishes users as either consumptive or non-consumptive. The primary benefit of agriculture is food production – a high priority for society – and therefore should be managed separately from industrial users. Ranching activities should be classed as a non-consumptive because crops and livestock use the water temporarily, eventually returning it to the hydrologic system. It is important to recognize the secondary benefits, in addition to food production and security, which are provided by agricultural water developments and the beneficial management practices adopted by individuals.

- Recommendations:
- *That ranching activities be categorized as non-consumptive uses.*
 - *That agricultural licences be managed separately from industrial uses.*
 - *That benefits from agricultural water developments be recognized (food security, wildlife habitat, recreational opportunities, household water, etc).*

Principle #4: IMPACT ON THE WATER RESOURCE

Ranching must be considered to be a non-consumptive user of the resource and therefore should not be charged the same rates as industrial users. There are additional factors to consider when developing a pricing model including investment and benefits. Ranching in British Columbia is comprised mainly of small, family run businesses with limited resources and capacity. Individual ranchers have already made significant investments to establish water systems for their ranch which should be a benefit that is factored into the fee structure.

Ranchers play an important role in the hydrologic system, not just as users of the resource but as providers of it also. Numerous environmental benefits have been derived from the water developments and infrastructure that the cattle industry provides. Ranchers have built dams, reservoirs, and networks of irrigation systems that support our livestock operations. These dams and reservoirs also provide additional benefits for other users such as drinking water for rural homeowners, aesthetics and destinations for recreational activities, wildlife habitat and several other revenue generating opportunities for the province. These benefits are essential to society.

- Recommendations:
- *That pricing rates for agricultural users be affordable for their businesses.*
 - *That environmental contributions and benefits provided by the ranching industry be taken into account when determining a fair and equitable pricing scheme.*
 - *That individual investment in water infrastructure and development be recognized in the pricing model.*

Principle #5: COST RECOVERY

The province’s goal of distributing costs among all users is noble but overlooks the benefits provided by some users. Also, by providing exemptions for domestic groundwater users from registration, and thereby licensing, it erodes the original intent to have all users share costs. This model does not distribute costs fairly across all users. It is our expectation that costs for exempt users will be covered by government, rather than distributing costs among the other licensed users.

Government should be responsible for sustainable water management. Licensed users cannot be expected to cover costs for: science & research, legislation & regulation development, or planning & community involvement. Those are costs that must be borne by society via government. It is reasonable

to expect that user fees will contribute to the administration, monitoring and enforcement of the resource though the full cost of these activities likely exceeds revenues from user fees.

Recommendations:

- *That licensed users not be expected to cover the full cost of this system.*
- *That costs for exempt users will be covered by government, rather than distributing costs among the other licensed users.*
- *That costs for research, watershed planning or public engagement are not expected to be covered by user fees which should be limited to administration, monitoring and enforcement of the resource.*
- *That the province contributes financially as part of the cost distribution for the management and monitoring of the Act.*
- *That costs for science and research are borne independently of this Act.*
- *That legislation and regulation development are borne by society via the province.*
- *That local/watershed planning and community involvement costs are borne by regional and municipal governments in the area of impact.*

Principle #6: EFFICIENCY

The agriculture community continually seeks better technology as a way to improve efficiency and yields. As responsible licensees, ranchers are already making the most beneficial use of the water resource. Advancements in irrigation pumping and delivery systems have reduced the industry's water footprint.

Improved efficiency and water conservation will not be achieved by increasing prices and user fees. Adopting new and improved technology and practices is the best way to improve water conservation. The ranching community has taken full advantage of the support offered through the Environmental Farm Plan program to adopt efficient irrigation systems. This investment has proven successful and should be continued to assist the industry with adopting new technology and management practices that encourage water conservation.

There are no tangible benefits to the ranching sector for inefficient water use. Ranchers are already taking steps toward conservation and making the best use of the resource. It is our opinion that increased fees will not achieve water conservation; it will simply reduce the competitiveness of the individual rancher.

Recommendations:

- *That price increases for primary agriculture be avoided to protect BC's food security.*
- *That incentives and continued funding are needed to assist producers in adopting water efficient technology and practices.*

Principle #7: FOOD SECURITY & PUBLIC HEALTH

Like water, food is an essential need of society and as such the production of food must be considered to be a vital undertaking. British Columbia's food security relies on access to the water resources, beneficial management of the resources and fair pricing. Fair pricing for agriculture should not be determined by open market commodity prices and should consider the many benefits to the resource created by agricultural users.

The cattle industry relies on both private lands as well as Crown tenures to produce cattle. It is essential to have security for livestock drinking water on both the private ranch lands as well as Crown range tenures.

The Agricultural Land Reserve in BC seeks to protect the remaining farmland in order to protect our future food security. BC Cattlemen's Association supports the Land Reserve and recognizes that water security is critical to maintaining our food security. The recently announced changes to the Land Reserve reinforce the importance of ensuring that water is secured for food production, which must include livestock watering. We urge the province to implement pricing for agricultural users that encourages growth in the sector rather than becoming an added burden that could diminish the provincial food security.

Recommendations:

- *That the province recognizes food production as a vital service for BC.*
- *That agriculture's existing and future water needs be incorporated into planning.*
- *That agriculture's current and future water needs be a priority to help meet food security goals.*
- *That pricing for agricultural users be affordable and encourage growth in the sector.*

CONCLUSION

Water is critical for a healthy and sustainable cattle industry to meet the province's food security needs, now and in the future.

It must be said that water is essential to our ranching operations and that primary producers cannot bear additional costs or red tape. The cattle marketing system does not provide any opportunity for ranchers to pass on additional operating costs to consumers; unlike industrial users. The province must consider this factor when developing water pricing models so as not to price water out of the reach of our industry thereby making us unsustainable. It is also important for the province to consider the many benefits provided by our industry when determining an appropriate pricing scheme for agricultural users.

The BC Cattlemen's Association appreciates the opportunity to provide input into the development of the Water Sustainability Act regulations. If you require additional information, please contact our office or the industry representatives listed below.

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