

The Productive Farmland Protection and Valuation Act

A policy proposal to protect food-producing land from speculative taxation

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FOOD SECURITY | HOUSING & COMMUNITY

Civic Sketches is a series of draft policy proposals by Lawrence Nault — an independent researcher and policy writer based in Alberta's Badlands. These proposals are working drafts, not party platforms or final answers. They are intended to invite discussion, challenge, and refinement across all levels of government and the broader public.

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Food affordability does not begin at the grocery store. It begins much earlier, with the land itself.

Across Canada, agricultural land is increasingly being valued not only for what it can grow, but for what it might become: subdivisions, recreational estates, corporate land banks, industrial sites, warehouses, data centres, or other non-farm uses.

When that speculative value pushes up land prices, assessments, and property taxes, farmers are left carrying costs created by people who may never plant a seed, raise livestock, or produce food.

Those costs do not disappear. They move into the food system.

This policy proposal is built around a simple idea: if land is being used to feed people, it should be taxed as farmland. If someone profits from taking it out of food production, the public should recover part of that speculative gain.

The Productive Farmland Protection and Valuation Act is a proposal to protect family farms, support food affordability, reduce speculative pressure on agricultural land, and recognize farmland as food-system infrastructure rather than just another real estate asset.

Purpose

Agricultural land should be valued and taxed as agricultural land for as long as it remains in active food production.

Across Canada, farmland is increasingly being priced not only for what it can grow, but for what it might become: recreational estates, subdivisions, corporate land banks, industrial sites, data centres, logistics hubs, and other non-farm uses.

When that speculative value pushes up assessments and property taxes, the cost does not stay on a spreadsheet. It moves into the cost of food production. Farmers pay more to hold the same land. New farmers face higher barriers to entry. Family farms become harder to pass down. Food-producing land becomes easier to sell off than to keep in production.

This policy would create a protected valuation class for productive farmland, ensuring that land used for food production is assessed according to its agricultural use, not its speculative development value.

The goal is simple: If land is feeding people, tax it as farmland. If someone wants to profit from taking it out of food production, tax the conversion.

1. Productive Farmland Valuation

Qualifying agricultural land would be assessed at a protected productive-use value.

This value would be based on factors such as:

- Soil quality.
- Agricultural productivity.
- Water access.
- Pasture, crop, or livestock capacity.
- Actual farm use.
- Regional agricultural conditions.
- Long-term food-production potential.

It would not be based on:

- Nearby housing development.
- Recreational land demand.
- Industrial speculation.
- Corporate land assembly.

- Data-centre or warehouse interest.
- Subdivision potential.
- Non-agricultural market pressure.

The purpose is to separate the value of farmland as food-producing infrastructure from the speculative value of land as a future development asset.

2. Protected Assessment Status

Once land qualifies, its agricultural assessment would remain stable and low for as long as the land remains in active agricultural use.

The protected value could be adjusted modestly for agricultural realities, such as soil productivity, farm income conditions, inflation in farm operations, or changes in land quality.

However, it could not be increased simply because surrounding land has become attractive to developers, recreational buyers, corporate investors, or non-farm users.

Farmers should not be taxed on the fantasy value of what someone else wants to build on their land.

3. Family Farm Continuity

The protected farmland valuation would transfer when the farm is passed down within a family, provided the land remains in active agricultural production.

This would include transfer to:

- Children.
- Grandchildren.
- Siblings.
- Nieces or nephews.
- Other family successors involved in maintaining the farm operation.

The purpose is to protect intergenerational farm continuity.

A family should not be forced to sell productive farmland simply because the market around them has decided the land is worth more as something other than a farm.

4. Sale to Another Farmer

The protected valuation should also be able to transfer to a non-family buyer when the land is sold as an active farm to another qualifying farmer or farm family.

This is important because not every farmer has children or relatives able to take over the farm.

The policy should not trap retiring farmers. It should protect farmland.

A sale to another active farmer should preserve the protected agricultural valuation, provided the buyer commits to keeping the land in agricultural use for a defined period.

A reasonable commitment period could be 10 to 20 years, depending on provincial law and local agricultural conditions.

5. Conversion Trigger

The protected valuation would end when the land is no longer being used as productive farmland.

A conversion trigger would apply if the land is sold for non-agricultural use, rezoned, or substantially repurposed for uses such as:

- Residential subdivision.
- Recreational estate development.
- Commercial or industrial development.
- Corporate land banking.
- Data centres.
- Warehousing or logistics facilities.
- Resource extraction.
- Speculative holding.
- Non-farm investment use.
- Any other purpose that removes the land from food production.

A conversion trigger should also apply where the owner enters into a long-term lease, purchase option, development agreement, land assembly agreement, beneficial-control arrangement, financing arrangement, secured interest, side agreement, or other contract that gives another party effective control over the land or its future non-agricultural use, even if legal title has not yet changed hands.

Approval of rezoning, subdivision, development permits, area-structure plans, servicing agreements, or other land-use changes that materially increase the land's non-agricultural value should trigger an immediate review of protected farmland status.

Where the approved change removes the land from food production, enables non-agricultural development, materially increases non-agricultural value, or creates a clear development pathway, the farmland conversion tax should apply even if the land has not yet been sold.

Where only part of a protected farmland parcel is converted to non-agricultural use, the farmland conversion tax should apply to the converted portion, and the remaining land should be reviewed to determine whether it still qualifies for protected agricultural valuation.

The conversion trigger would not punish farmers for selling. It would apply when the land leaves agriculture or when another party gains effective control over the land for a non-agricultural purpose.

6. Farmland Conversion Tax

When protected farmland is converted to a non-farm use, a farmland conversion tax would apply.

This tax would be based on the gap between the protected agricultural value and the actual market value or sale price at the time of conversion.

For example:

Protected agricultural value: \$500,000.

Sale price for development: \$2,500,000.

Conversion gain: \$2,000,000.

A percentage of that conversion gain would be taxed on a sliding scale based on how long the current owner held the land, with short-term speculative ownership taxed at a much higher rate than long-term farm stewardship. (For example, land converted after two years or less of ownership could face a conversion tax of up to 90% of the gain, while land held for ten years or more could face a lower rate, such as 50%, with the rate declining gradually based on years of ownership.)

Transfers between related parties, family-controlled corporations, trusts, partnerships, nominees, beneficial owners, or other associated entities should not reset the ownership clock for the purpose of calculating the farmland conversion tax.

For the purpose of the sliding-scale conversion tax, the holding period should be based on the earliest date the land came under the ownership, control, or beneficial interest of the current owner or any associated person or entity.

If protected farmland is sold and then resold, rezoned, or converted to non-agricultural use within five years, a portion of the conversion gain should be shared with the previous agricultural landholder. (For example, 50% of the conversion gain could be returned to the previous landholder when the land is converted within five years of purchase, with the remaining taxable gain subject to the farmland conversion tax.)

This would discourage speculative buyers from acquiring farmland at agricultural value, misrepresenting their intentions, and then quickly profiting from development, corporate land assembly, or non-farm resale.

The purpose is to ensure that the people profiting from the removal of farmland from food production pay a portion of the public cost of that conversion.

Farmers should not carry the tax burden created by speculation. Developers, investors, and non-farm buyers who profit from conversion should.

7. Use of Conversion Tax Revenue

Revenue from the farmland conversion tax should be dedicated to food-system protection, not absorbed into general revenue.

Eligible uses could include:

- Supporting young and new farmers.
- Farmland preservation funds.
- Local food infrastructure.
- Irrigation and water resilience.
- Soil conservation.
- Small farm succession programs.
- Agricultural disaster support.
- Public food-security programs.
- Municipal tax stabilization in rural areas.

If farmland is removed from production, some of the private profit from that conversion should be used to protect the remaining food system.

8. Anti-Abuse Rules

The policy would require strong anti-abuse provisions.

To qualify for protected farmland valuation, landowners would need to demonstrate genuine agricultural use.

Eligibility should be based on a combination of agricultural production, farm income, acreage use, livestock or crop activity, soil or pasture management, and operational records. The test should be flexible enough to include small farms, new farmers, mixed farms, Indigenous food production, market gardens, drought years, disaster recovery, illness, disability, and succession transitions, while still excluding token or artificial agricultural activity used only to obtain a lower tax rate.

Possible requirements could include:

- Active farm operation.

- Farm income reporting.
- Agricultural production records.
- Lease transparency.
- Beneficial ownership disclosure.
- Disclosure of the real beneficial owners and controlling interests behind any corporation, trust, partnership, lease, or holding structure connected to the land.
- Disclosure of long-term leases, purchase options, development agreements, land assembly agreements, financing arrangements, secured interests, side agreements, and other arrangements that may transfer effective control of the land.
- Disclosure of rezoning applications, subdivision approvals, development permits, servicing agreements, and other land-use changes that may affect protected farmland status.
- A minimum agricultural-use threshold based on production, land use, farm activity, and operational records.
- Limits on shell-company ownership.
- Limits on speculative land holding.
- Restrictions on fake or token agricultural activity.
- Penalties, back taxes, interest, and loss of eligibility for misrepresentation or abuse.

Protected valuation should not be available where the true ownership, control, financing, lease structure, or development interest in the land is hidden through corporations, trusts, partnerships, nominees, long-term leases, purchase options, side agreements, or other holding arrangements.

A family farm designation should require meaningful participation by family members or qualifying farm successors in the actual operation, management, risk, and decision-making of the farm.

Protected family-farm status should not apply where the land is merely owned by a family while the agricultural work, management, financial risk, and operational control are entirely contracted out to outside operators, management firms, corporate tenants, or other third parties.

Meaningful participation may include physical labour, day-to-day farm management, production planning, livestock care, crop decisions, equipment operation, marketing, bookkeeping, maintenance, succession training, or other substantial contributions to the farm operation.

Contracted services should still be allowed for specialized, seasonal, occasional, or necessary farm work, including harvesting, seeding, veterinary care, equipment repair, transport, spraying, fencing, accounting, custom work, accessibility-related support, temporary illness coverage, or emergency labour.

Temporary reliance on outside labour or management due to illness, disability, death, estate transition, disaster, equipment failure, or succession planning should not automatically disqualify a

farm, provided the land remains in agricultural production and the family or qualifying successor retains genuine operational control.

However, the core operation of the farm must remain substantially directed, controlled, and economically carried by the farm family or qualifying farm successor. The protected designation should not be available to passive landholders whose main role is ownership rather than farming.

The test should distinguish between a family that uses contractors to keep farming and a family that uses farming as a label to hold land cheaply while waiting for development value to rise.

A corporation, investor, or developer should not be able to buy farmland, run a minimal or artificial agricultural activity, and hold the land at a low tax rate while waiting for its development value to rise.

Where protected status was obtained or maintained through misrepresentation, artificial farming activity, hidden beneficial ownership, undisclosed development intent, undisclosed control arrangements, false reporting, or token agricultural activity, the owner should owe back taxes, conversion taxes, penalties, and interest.

Repeat or serious violations should result in loss of eligibility for protected farmland valuation for a defined period.

Protected farmland valuation must be for food production, not land speculation.

9. Municipal Protection

Municipalities should not be financially punished for protecting agricultural land.

If farmland is assessed at a lower productive-use value, municipalities may worry about reduced property-tax revenue. The policy should include a municipal stabilization mechanism so rural governments are not forced to encourage development simply to maintain their tax base.

This could include:

- Provincial transfers.
- A share of conversion-tax revenue.
- Farmland protection grants.
- Infrastructure support for agricultural communities.
- Regional food-security funding.

Protecting farmland should not mean starving rural municipalities of revenue.

10. Public Registry and Transparency

A public registry should identify land enrolled in the protected farmland valuation system.

The registry should include:

- General location.
- Protected status.
- Agricultural use category.
- Date of enrollment.
- Conversion history, if applicable.
- Beneficial ownership information where legally appropriate.

This would allow the public to see whether the policy is protecting active farms or being misused by land speculators.

Transparency is essential.

11. Relationship to Food Affordability

Food affordability does not begin at the grocery store.

It begins with land, water, soil, labour, energy, transportation, equipment, and the ability of farmers to keep producing food without being priced off the land.

If agricultural land is taxed as future development land, the cost of that speculation enters the food system before a seed is planted or an animal is raised.

This policy addresses one of the lowest levels of food cost: the cost of holding the land that produces the food.

A national food affordability strategy that does not protect farmland from speculative taxation is missing part of the foundation.

12. Core Principle

The core principle of this policy is simple:

Farmland should be valued for feeding people, not for the profit someone could make by ending its ability to feed people.

When land remains in food production, it should receive stable, protected agricultural valuation.

When land is converted out of agriculture, the public should recover part of the speculative gain.

This protects farmers, supports food affordability, strengthens rural communities, and recognizes agricultural land as public-interest infrastructure.

Summary

The Productive Farmland Protection and Valuation Act would:

- Assess active farmland based on productive agricultural value, not speculative market value.
- Keep that valuation stable while the land remains in food production.
- Allow protected valuation to transfer within families.
- Allow protected valuation to transfer to another qualifying farmer.
- End protected status when land is converted to non-farm use.
- Tax the conversion gain when farmland is sold or repurposed for development, corporate land banking, recreation, or other non-agricultural uses.
- Use conversion-tax revenue to support farmland preservation, new farmers, food infrastructure, and rural municipalities.
- Prevent abuse through active-use requirements, ownership transparency, and penalties.
- Protect municipalities from revenue loss.
- Treat farmland as food-system infrastructure, not merely real estate.

Food-producing land should not be taxed into disappearance.

If it feeds people, tax it as farmland.

If someone profits from taking it out of production, tax the conversion.

About the Author

Lawrence Nault is a Canadian author, filmmaker, and independent researcher based in Alberta's Badlands and Rockies. He writes speculative fiction and YA fantasy, directs documentary film, hosts the podcast *Stone & Signal*, and publishes academic research and policy proposals on digital infrastructure, occupational health, and environmental governance. His work asks hard questions about ecology, technology, and what it means to be human.

Contact

lawrencenault.me/contact/

Website

lawrencenault.me

Policy proposals

lawrencenault.me/policy/

Research

lawrencenault.me/research-policy/

Social

Threads: [@mountainhermitauthor](https://www.threads.net/@mountainhermitauthor)

Bluesky: [@mountainhermit.bsky.social](https://bsky.app/profile/mountainhermit.bsky.social)