

Manitoba

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Benefits far outstrip costs

ALUS delivers big financial dividends: study

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A made-in-Manitoba environmental program would save taxpayers tens of millions of dollars and benefit society by hundreds of millions more if implemented across Canada, a new study concludes.

Including Canada's entire 37 million acres of wetlands, riparian zones and other ecologically sensitive land under Alternative Land Use Services (ALUS) would cost nearly \$739 million a year. But the financial benefit would greatly outweigh the expense, according to the study done for the Delta Waterfowl Foundation.

Governments would save an average \$61.8 million annually in lower crop insurance, safety net and other payments. Society in general would benefit by nearly \$820.8 million, the study calculates.

It is the first attempt to put a dollar value on the potential cost savings and social benefits of ALUS, a land stewardship program devised by Keystone Agricultural Producers.

The study gives proponents a powerful tool in arguing for government funding for ALUS because of the strong financial advantages, said Robert Sopuck, a Delta Waterfowl Foundation vice-president.

"This has some real dollar value savings," said Sopuck. "The methodology of this study is sound. It helps us lots."

Ian Wishart, KAP vice-president and ALUS architect, said the study shows conclusively the program saves more money than it costs.

"I think the numbers are credible," Wishart said. "We think it strengthens our case considerably."

KAP, Delta Waterfowl and the Canadian Federation of Agriculture plan to use the study as ammunition when they meet

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federal cabinet ministers later this month to request government support for ALUS.

The principle behind ALUS is that farmers and ranchers provide environmental benefits (e.g., clean air, natural habitat) through land management practices. Since these are services to society, landowners should be compensated for them.

The study by the Winnipeg father-and-son consulting team of Ed and Allen Tyrchniewicz envisions enrolling 31.8 million acres in Western Canada and 5.2 million acres in the East under ALUS, with payments averaging \$20 an acre. Total payments would be \$738.76 million — not a small amount.

But cost reductions resulting from ALUS would be even greater, the study says.

Converting ecologically sensitive land to permanent cover would result in lower crop insurance payments. It would also save money through reduced government support payments — through CAIS, for example. Municipalities would save on drainage, erosion control, water treatment and flooding costs.

The study puts total annual cost reductions between \$26.6 million and \$99.9 million, with

a best estimate of \$61.8 million.

Those are the actual dollar savings. There are also "opportunity cost" savings in societal benefits: water recreation, reduced greenhouse gas emissions, increased fishing and wildlife hunting. Those financial benefits range between \$401 million and \$1.35 billion annually. The best estimate is \$820.8 million.

ALUS has attracted considerable attention from conservationists and environmentalists since KAP first floated it roughly six years ago. A pilot project is under way in the rural municipality of Blanshard in western Manitoba. A similar project was recently approved for Prince Edward Island. Several other provinces are considering projects of their own.

But ALUS always runs into resistance from Agriculture and Agri-Food Canada senior bureaucrats, who view it as an expense, not a cost saving, said Sopuck.

"They always say, 'Why should we pay farmers for doing nothing?' Well, the conservation of wetlands is not doing nothing."

Sopuck called ALUS "non-traditional Canadian public policy" because it emphasizes conservation, not just crop production. For that reason, embracing the program requires a shift in thinking toward protecting as well as producing, he said.

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