



# Western Stock Growers' Association

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**Environmental Goods and Services Draft Proposal  
Western Stock Growers Association - Draft Proposal  
Environmental Goods and Services**

## **Background**

The Alberta Government proclaimed Bill 36, the Alberta Land Stewardship Act (ALSA) on October 1, 2009. This Act provides legislative tools which may be used in the development of regional plans for seven new Land-use regions. ALSA has three main features which include the following.

- 1) Section 11, which gives government power to amend or extinguish statutory consents. A statutory consent includes water licenses, intensive livestock operation licenses, grazing dispositions on public land, mineral disposition on public land, ERCB licenses for pipelines or wells, and instruments under land titles.
- 2) Section 19, restricts compensation to other affected Government Acts which have existing expropriation legislation within, or for new conservation directives, as described under ALSA.
- 3) Section 23, which provides for market - based instruments to support and enhance the environment.

The following discussion will focus on the use of section 23 – market based instruments for environmental services.

## **Environmental Services**

Environmental services may be described in four broad areas.

- 1) Traditional food production services such as grain, livestock, fuel and wood
- 2) Regulating services such as carbon capture, water storage, air quality, biological control and erosion control.
- 3) Cultural services such as panoramic views, and the aesthetics of open fields/spaces
- 4) Ecosystem services such as nutrient recycling, water cycling, photosynthesis, and habitat for wildlife.

### **Market-based Instruments**

Market-based instruments (MBIs) facilitate incentives for those who are providing ecosystem services. Using a market approach, governments would be relying on economic signals to positively influence behaviour. The agriculture industry would make informed decisions based on the market signal, improving efficiency and potentially becoming a “seller” of an ecosystem service.

It is understood that not all agriculture producers will be willing nor be required to participate in ecosystem market.

## **Types of Payments**

Payments for environmental services may take the form of a direct payment to the producer of the service or an indirect payment through the use of a branded (ES) product. The initial WSGA project will focus on direct payment. Although branded ES beef products may be viable in the future, there are no packing plant facilities in the province at this point in time capable of handling segregated branded product on a large scale.

## **Scope of the Alpha Project**

The initial WSGA project will focus on environmental services/wildlife habitat for grizzly bear, deer, and elk provided by agriculture producers through the use of the grazing animal as a management tool. Although ecosystem services provided by these producers is much larger and diverse than just habitat for the three mentioned wildlife species, the scope of the project will be narrowly defined for the first year.

The land area for the initial study will be limited to four existing Government of Alberta wildlife zones with bear, deer and elk habitat within the South Saskatchewan River Basin, west of Highway 2, which also has domestic grazing animals within the ecosystem.

Results of the initial study will be available to the SSRB Regional Advisory Council before the council makes recommendations to cabinet at the end of 2010. Although a functioning market place for ES may not be complete by the end of 2010, initial market place ES data will be sufficient for continued land-use planning by RAC and the Alberta Government cabinet.

The study will include the following.

- 1) The identification of the existing habitat for bear, deer and elk within the previously described project area.
- 2) The identification of agriculture producers within the project area that may be interested in participating in a market place for ES for bear, deer, and elk.
- 3) The identification of the existing ES by use of the Millennium Ecosystem Assessment definition on lands enrolled on the project.
- 4) The ES rating as expressed as a stewardship unit for each of individually owned/leased lands in the project.
- 5) The identification of market based tools which may be appropriate for each individually unique habitat. The ES tools, although not always used, may include – conservation directives initiated by the province, and privately negotiated conservation offsets, conservation easements, development credits and ecosystem contracts.

### **The Role of the Alberta Government Liaison**

The Alberta Government role will be to provide liaison and leadership between all existing government departments which may be impacted by the study. The study will deal with a diverse and complex ecosystem with diverse and complex management linked together by many government departments and private land owners.

The assumption is that the market based ES system will become a part of the regional plan for the SSRB. Section 17 of the ALSA outlines the requirement for all departments to work together on the regional plan and the study outlined may provide a “hands on” test for the legislation.

### **The Identification of ES Lands**

The Alberta Government in conjunction with field staff within government departments impacted by the study will identify ES/wildlife habitat within the study area using the Millennium Ecosystem Assessment (MEA). A significant amount of habitat information on bear, deer, and elk already exists within Government departments, and this information will be amalgamated for the project area.

### **The Development of Stewardship Units and Market Place Regulation/Policy**

The definition of stewardship units (SU) as it pertains to bear, deer and elk habitat will be a shared responsibility between government and WSGA. These stewardship units will be dynamic in definition and for the initial project, be limited to the study habitat.

Stewardship units will become the “product” within a newly defined market place. Existing Alberta Government legislation pertaining to this market place may need to be reviewed and appropriate regulation and policy developed.

The end result will be stewardship units that are defined, and transferable in a market place.

Applying Stewardship Units to Individual Producer Land Management and Lands The Alberta Government in cooperation with WSGA and individual land managers will identify the ES tools best used on each piece of property.

### **Initial Market Place Funding**

During the initial development of the ES market place there may be a requirement for “seed” money to be provided by the Alberta Government. The market place is for the most part “private” in nature, with government monetary participation being limited to payment for products of direct benefit to Albertans.

Examples of the Alberta Government participation in the new market place may be for grizzly bear habitat (stewardship units) in areas designated as a grizzly bear recovery plan, using legislation under the Alberta Wildlife Act. As well, the Federal government may also be a market place purchaser of stewardship units with regard to grizzly bear habitat for recovery plans under Federal Species at Risk Act legislation.

A further example of the Alberta Governments participation in the ES market place may be for the use of private lands for winter grazing deer and elk. Given the market place opportunity producer may raise less domestic grazing animals so that more winter grass is available for wildlife.

### **The Role of WSGA**

The role of WSGA will be limited to in kind service for communication of the new program to producers in the project area, and ongoing consultation with government with regard to the development of the project area test, stewardship units and the market place.