COMMON GROUND
CONNECTING PEOPLE, RESEARCH, ACTION & FOOD

TERRAIN D'ENTENTE
RELIER LES GENS, LA RECHERCHE L'ACTION ET L'ALIMENTATION

Supporting Succession for Food Sovereignty

As members of the Common Ground Network with expertise on farm succession, we are encouraged by the National Food Security Strategy's (NFSS) recognition of the critical importance of farm succession to the resilience, productivity and sustainability of local, regional and national food systems.

In this document, we offer some high-level responses to the NFSS, with encouragement to view succession as implicated not *just* in measures designed to support the specific transaction of farm succession, but also in broader efforts to make farming profitable, to support new farmers and aspiring farmers, and to steward our farmlands as critical public resources in a national transition to agroecology. A list of contributors is at the end of this brief. We invite you to follow up with us if you would like to hear more about our research, as most of us are in the middle of active research projects focused on succession and are happy to draw on that research-in-progress to answer questions.

Succession in the NFSS

The Strategy names two existing measures and three new initiatives designed to support farm succession:

1. Increasing the Lifetime Capital Gains Exemption (LCGE) to $1.25 million for qualified farm property;
2. Indexing to inflation and tax-deferral;
3. Doubling the guaranteed loan limit;
4. Extending terms of the Canadian Agricultural Loans Act;
5. Launching a task force on intergenerational succession.

These are laudable efforts that respond to what many familiar with farm succession challenges have long advocated for. However, we see additional barriers in our research and advocacy that could diminish the effectiveness of the first four initiatives in particular, if they are not also addressed in the NFSS's implementation.

Farm succession concerns and remedies often focus on the discrete hand-off from one generation to another. If farmers can't find successors, the first solution that comes to mind is matchmaking. If farmers want to hand the farm to their children, taxation comes under the microscope. But there are many barriers–and opportunities–that arise long before farmers think about retiring and persist even when a retiring farmer has an enthusiastic, experienced successor identified.

RECOMMENDATIONS

1. **Provide support for farm succession planning.** While estimates vary, most studies suggest that only around 1 in 10 Canadian farmers has a written succession plan, even though nearly half of the country's farmers are expected to retire within the next 10 years.[1] Researchers have noted that farmers delay succession planning because they are waiting for their own health to deteriorate or their children's career direction to become clearer (Purc-Stephenson, 2025; Foster, unpublished). When the time comes to plan, farmers–and those they rely on for legal, financial and business advice–turn to a limited set of traditional estate-planning tools without considering the broader range of farm ownership and governance options that are available to meet the needs of retiring farmers, new entrants, and local communities. Farmers also sometimes operate on misunderstandings or partial understandings of the tax implications of various succession arrangements (Purc-Stephenson, 2025; Foster, unpublished). For this reason, it is important for changes to succession-related law to be supported by:

    a. Farmer education initiatives–community sessions that ensure the mechanisms for farmland and farm succession are understood by the people who will use them. Feedback and observation from these events and initiatives should also be used to simplify how tax policy is communicated;

    b. New training initiatives for farm advice professionals; and

    c. Developing and piloting an access-to-justice initiative focused on farm succession to improve farmers' access to legal and other advice services related to succession.

2. **Think beyond the family.** Intergenerational family farm succession–handing a farm from parent to child–has become the idealized version of farm succession because it is seen by farmers and by policymakers as the only or easiest way to avoid or overcome some of the key barriers to farm succession, such as the high cost of land and capital for new farmers and the need for knowledge transfer between farmers over many years. But there are other ways to address these barriers that do not require farm succession to stay within the family.

---

[1] https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210024401

The majority of new farmers in Canada did *not* grow up on farms (Laforge et al., 2018). They have the passion and persistence, and often the values, that retiring farmers are looking for in a successor, but are typically not in a position to afford a Fair Market Value (FMV) purchase of an existing farm. At the same time, children who grow up on family farms do not always want to take over the farm as adults; in many cases, farm parents *encourage* their children to pursue other careers because farming is less and less profitable. But by and large, farmers would still prefer to pass their business and their land on to someone they trust–either as a gift or below FMV–to keep their legacy alive and continue feeding Canadians rather than selling to the highest bidder. Thus, the NFSS should focus on making it easier for family farms to be *transferred* to non-family individuals and to groups of farmers organized to share resources, spread risks and engage in collective decision-making.

There are several promising policy levers to operationalize this focus, some of which would require additional research to fully scope.

1) As Young Agrarians proposed in 2024, the Government could expand eligibility for tax deferral to transfers to *non*-family, as long as the land recipient intends to continue to farm the land (Young Agrarians, 2024).

2) Support the development of alternative land tenure systems, such as regional and community land trusts, land co-operatives, and secure long-term ground-lease arrangements (see no. 4 below). This includes strengthening the capacity of third-sector organizations to support and facilitate transitions in farmland ownership with a focus on protecting and stewarding working farmlands to improve access for new and equity-deserving farmers.

3) Improve access to capital for new farmers, especially those identified as underrepresented and marginalized in the Sustainable Canadian Agricultural Partnership. The NFSS's proposal to double the loan limit and extend the terms of the Canadian Agricultural Loans Act is a promising step; it should also carefully study and adjust the requirements of capital and collateral to ensure that new farmers and equity-deserving farmers in particular are able to take advantage of these changes.

    a) CALA loans, for instance, are not permitted to be used to purchase quota for supply-managed commodities. The quota of exiting farmers is tied to the value of the farmland. Such loans do not allow new farmers to take on farms oriented towards the production of supply-managed commodities.

    b) A more effective policy for intergenerational farm transfer may involve the delegation of *grants* instead of loans.

4) Explore ways to specifically facilitate the transfer of farms to migrant farm workers. Matching migrant farm workers with exiting farmers for a process of farm succession could provide migrant farmers with a viable pathway towards citizenship in ways that maintain Canadian food sovereignty.

5) Explore the use of Employee Ownership Trusts or similar instruments as possible vehicles for farm succession that involve workers directly in succession planning and give them a stake in the future of farm businesses.[2]

2. Improve farm profitability. The succession problem does not start and end at the hand-off from retiring to new farmer. In order for a "next generation" to see a future in farming, farming has to be a viable, respected, rewarding career that can support a farmer and their family financially. Unfortunately, it has been difficult to see farming as any of those things for many decades, and it is only getting harder. As scholars and advocates have made clear,

> "Farmers are caught in a cost-price squeeze, with over 90% of revenues required to cover production costs in most years. In January 2022, Statistics Canada reported that farm families continue to depend on off-farm sources for nearly 2/3 of their family's income. Furthermore, farm income includes program payment money, so income from the market averages less than one-third of farm family incomes. Farm families are subsidizing the system with their off-farm jobs" (National Farmers Union, 2022; see also Fitting et al., 2023).

It is, then, not surprising that young farmers rank farm profitability as one of the biggest obstacles to starting to farm, behind two other financial barriers–land prices and access to capital (Laforge et al., 2018). Some of the NFSS's emphasis on lowering food prices is at odds with this objective–or at least, lower prices cannot be accomplished by squeezing farmers more.

Our recommendation in this area is general: across all other NFSS implementation, AAFC should be mindful of impacts on farm profitability. Food costs cannot be lowered through measures that further erode the farmer's share of profits or drive them toward unsustainable business growth and farming practices.

3. Invest in rural communities. If we want farm children to see a future in farming, and new entrants to decide to take the leap, the communities surrounding our farms need to be rich with services and amenities. This includes rural schools, healthcare (including emergency services, considering the prevalence of agricultural accidents and fatalities), high-speed internet, and a healthy small business sector. Unfortunately, Canada's rural

---

2 https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/federal-government-budgets/budget-2023-made-canada-plan-strong-middle-class-affordable-economy-healthy-future/employee-ownership-trusts.html

policy has been criticised for being largely sector-specific and lacking integration (Krawchenko et al., 2023). While there are a host of potential policy levers associated with rural development that could align with the NFSS's objectives, the most important thing it could do is to build collaboration with the Centre for Rural Economic Development at Innovation, Science and Economic Development (ISED) Canada to explore areas of (and ensure continuing) alignment between the NFSS and ISED's strategies, policies and initiatives.

4. Protect farmland and improve land access for new farmers. Land is a farm succession issue, and farm succession is a land issue. If retiring farmers sell their land on the open market, it is likely to be sold either to farmland investors or buyers, such as developers, with no intention to continue using the land for farming. It could also be sold to existing large family farms looking to expand operations. If new entrants can't afford to buy land at or above FMV–and most can't–they can't compete with these other buyers. While selling to an existing family farm is a way to keep farmland agricultural, it also contributes to consolidation in the agricultural sector. Moreover, the larger farms get, the less likely they are to be sold to owners with connection to the community in the event that they are not transferred to family.

As farmland gets less and less affordable, farmers and policymakers should support alternative pathways to land access that do not necessarily rely on private ownership gained on the open market. There are a range of agricultural land tenure systems being developed across the country–including community land trusts, co-operative models, ground leasing arrangements to build equity through capital improvements, and others–that reduce the costs of land access while developing opportunities for resources sharing and ensuring the kind of long-term tenure security farmers need to invest in the land and use it sustainably. As these transitions to alternative tenure systems happen outside the family, Canada's third sector is playing a more and more prominent role (Baxter, forthcoming) . Local, regional and national non-profit, social enterprise and charitable organizations are developing new ways to access and acquire lands, forge relationships with farmers, and build land tenure and governance systems that meet the needs of both new and retiring farmers.

Policy levers to protect farmland and improve land access for new farmers include:

1) Reform laws and policies to improve clarity and certainty for the charitable sector around their ability to hold farmland and make it accessible to farmers at below-market rental rates. Rigid approaches to charity and taxation laws make it difficult for charitable organizations to identify farmland protection, stewardship and access as a recognized charitable purpose, and often interpret measures to improve affordability as prohibited "private" benefits to farmers–rather than seeing these measures as public benefits that build food sovereignty and advance agroecology.

2) Expand Canada's *Ecological Gifts Program*[3] to include gifts of agricultural land. Under the current program, donors of ecologically-sensitive land or an interest in land benefit from capital gains exemptions, but farmland does not qualify as an eligible gift (except naturalized areas preserved for non-farm uses). Extending the program to include working farmlands would provide significant incentives for potential donors who want to preserve their legacies of land stewardship by protecting farmland and making it accessible to the next generation.

3) Study and develop flexible loan, grant and other financing options–such as microloan progams–geared to the specific needs of farmers and organizations involved in alternative land tenure arrangements. Because traditional lenders are unfamiliar with these alternatives, they often fail to offer appropriate financing options or impose collateral or other requirements on borrowers that are not feasible for participants.

4) Conduct a comprehensive inventory of federal lands suitable for agricultural use (including shared agricultural uses) and review and update applicable policies for supporting farmland access. For example, overly restrictive policies with respect to the construction of residential housing, repairs or improvements to existing premises, and opportunities for multiple dwelling units on federal lands rented to farmers may create barriers for those farmers to develop sustainable businesses and livelihoods.

CONTRIBUTORS

We welcome AAFC to contact us for more information on any of the content in this brief.

Brief preparation: Dr. Jamie Baxter (Dalhousie University) | Dr. Karen Foster (Dalhousie University) | Dr. Christy Kelly-Bisson (Dalhousie University)

Sources and ideas: Dr. Clark Banack (University of Alberta) | Dr. Annette Desmarais (University of Manitoba) | Claire Perttula (York University)

SOURCES

Baxter, Jamie (forthcoming). Agroecology, Charitable Purpose and Public Benefit in Canada's Agricultural Landscapes. Law Commission of Canada, *Charity Law in Canada*.

Calo, Adam, Annie Mckee, Coline Perrin, Pierre Gasselin, Steven McGreevy, Sarah Ruth Sippel, Annette Aurélie Desmarais, Kirsteen Shields, Adrien Baysse-Lainé, André Magnan, Naomi Beingessner and Mai Kobayashi (2021). Achieving food system resilience requires challenging dominant land property regimes. *Frontiers in Sustainable Food Systems: Social Movements, Institutions and Governments,* 5. https://doi.org/10.3389/fsufs.2021.683544

---

[3] https://www.canada.ca/en/environment-climate-change/services/environmental-funding/ecological-gifts-program.html

Calo, A., Sippel, S. R., Kay, S., Perrin, C., & Shields, K. (2024). Transforming land for sustainable food: Emerging contests to property regimes in the Global North. *Elementa: Science of the Anthropocene,* 12(1), 1-18. Article 00028. Advance online publication. https://doi.org/10.1525/elementa.2024.00028

Fitting, E., Bryan, C., Foster, K., & Ellsworth, J. W. (2023). Re-centering labour in local food: Local washing and the growing reliance on permanently temporary migrant farmworkers in Nova Scotia. *Agriculture and Human Values,* 40(3), 973-988.

Foster, Karen (unpublished book manuscript). *Seeing a Future in it.* (SSHRC-funded study of rural farm and business succession, in preparation).

Krawchenko, T., Hayes, B., Foster, K., & Markey, S. (2023). What are contemporary rural development policies? A Pan-Canadian content analysis of government strategies, plans, and programs for rural areas. Canadian Public Policy, 49(3), 252-266.

Laforge, J., Fenton, A., Lavalée-Picard, V., & McLachlan, S. (2018). New farmers and food policies in Canada. *Canadian Food Studies/La Revue canadienne des études sur l'alimentation,* 5(3), 128-152.

National Farmers Union (2022) From Fragile Supply Chains to Resilient Interdependent Networks. Submission to The House of Commons Standing Committee on Agriculture and Agri-food study on Canada's agricultural and agri-food supply chain. Accessed July 13th, 2026 at https://www.nfu.ca/wp-content/uploads/2022/03/2022-03-19-NFU-Brief-to-AGRI-on-Supply-Chain-issues.pdf

National Farmers Union (2026) The National Farmers Union Recommends Centring Food Sovereignty in the Next Policy Framework. Accessed July 24th, 2026 at https://www.nfu.ca/the-national-farmers-union-recommends-centring-food-sovereignty-in-the-next-policy-framework/

Purc-Stephenson, R., Hartman, C., Marriott, E. K., Phillips, S., & Scotton, C. (2025). Understanding farmers' readiness to develop a succession plan: barriers, motivators, and preliminary recommendations. *Sustainability*, 17(1), 270.

Young Agrarians (2024) Re: Issue Agri-116: Intergenerational Transfer of Farms and New Entrants. Submission to The House of Commons Standing Committee on Agriculture and Agri-Food. Accessed July 13th, 2026 at https://www.ourcommons.ca/Content/Committee/441/AGRI/Brief/BR13420646/br-external/YoungAgrarians-e.pdf

-