

# factsheet



## Classifying Farm Land

BC Assessment

### What qualifies for farm class?

Under B.C. Regulation 411/95 (Standards for the Classification of Land as a Farm) of the *Assessment Act*, a farm is all or part of a parcel of land used for:

- primary agricultural production;
- a farmer's dwelling; or
- the training and boarding of horses when operated in conjunction with horse rearing.

All farm structures, including the farmer's dwelling, will be classified as residential.

### How do I apply?

For land to be classified as farm for the next taxation year, the owner must submit an [Application for Farm Classification](#) to the local assessment office. Application forms are also available at your local BC Assessment office.

### What if only a part of my property is farmed?

Land that is used for a purpose other than farming will be classified according to that use.

Land with no present use in the [Agricultural Land Reserve \(ALR\)](#) can qualify for farm class if part of the parcel is farmed.

If the property is not in the ALR, unused land can qualify for farm class if:

- The land is not zoned or held for business, commercial or industrial purposes
- At least 50% of the land is in production or contributes to production, provided the land is farmed by the owner, or
- At least 25% of the land is in production, and the farm meets a higher income requirement, provided the land is farmed by the owner

### Why does BC Assessment need to know about my farm income?

In order to receive and maintain the farm classification, the land must generate income from primary

agricultural production.

Your minimum annual income will be calculated based on the farm gate prices of your agricultural products. This income may be calculated for either of the last two years ending October 31. You must sell primary agricultural products each year. Crops grown for home consumption will not be considered part of your farm income. Minimum income requirements are calculated as follows:

- \$10,000 on land less than 8,000 m<sup>2</sup> (2 ac)
- \$2,500 on land between 8,000 m<sup>2</sup> (2 ac) and 4 ha (10 ac)
- On land larger than 4 ha (10 ac), you must earn \$2,500 plus five per cent of the actual value of any farm land in excess of 4 ha.
- \$10,000, in order to qualify unused land where the area in production makes up at least 25% of the land.

### What is "primary agricultural production"?

For the purposes of farm classification under B.C. Regulation 411/95 of the *Assessment Act*, primary agricultural production is:

- apiculture
- aquaculture
- Christmas tree culture (plantation and cultured native stand)
- dairying
- floriculture
- forage production
- forest seedling and seed production
- fruit and vegetable production
- grain and oilseed production
- herb production
- horse rearing
- horticulture
- Populus species and Salix species intensively cultivated in plantations
- insects raised for biological pest control
- livestock raising
- medicinal plant culture
- poultry and egg production
- seed production

- turf production
- wool, hide, feather or fur production, and
- the raising of crops or animals for human or animal consumption

The following are not considered primary agricultural production:

- (i) the production of manufactured derivatives from agricultural raw materials
- (ii) primary agricultural production for domestic consumption on the farm
- (iii) the production of agricultural by-products
- (iv) agricultural services, or
- (v) breeding and raising of pets, except horses

### What does "farm gate price" mean?

Farm gate price is the dollar value you receive from direct farm sales, or the value of primary products that are used for processing. In the case of livestock, farm gate price means the live weight sale price, less any purchase costs, not the killed or dressed sale price quoted from the butcher.

### What happens if I cannot supply sales receipts?

In the absence of receipts, BC Assessment staff may rely on local market prices supplied by the Ministry of Agriculture and Lands or other local sources. You may be required to provide a sales log or other proof of farm sales.

### What happens if my farm does not meet the income requirements or I stop farming?

BC Assessment will remove the property from the farm class.

### Can I apply to have the farm class re-instated in the future?

Yes. If you re-apply for farm classification and meet the prescribed qualifications, your property can qualify for farm class.

### Do I need to apply for farm classification every year?

No, you are not required to apply annually. However, property already classed as farm land must continue to meet the requirements for farm class to receive farm classification for the following year. BC Assessment may

ask you to provide additional information in support of continued farm classification. Failure to provide the required information about your farm operation will result in the removal of farm classification from your property.

An Application for Farm Classification is required in order to qualify land not currently in farm class. You are encouraged to provide the application to your BC Assessment area Assessor by October 31 to ensure that the correct information appears on the following year's assessment notice.

Owners are strongly encouraged to apply by mid-year to give BC Assessment staff time to conduct a field inspection or request additional information.

### What if I buy a property that is already classified "farm"?

If you plan to continue to farm the property, you should submit a farm application to BC Assessment after you purchase the property.

If you are not planning to continue to farm the property, contact BC Assessment and notify the staff of your plans to cease agricultural activity.

For more information on farm classification, contact your area [BC Assessment office](#) or visit [www.bcassessment.ca](http://www.bcassessment.ca). Applications for farm classification are located [here](#).