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Perspectives on a New Path Forward: The Future of Conservation Payments

A *What We Heard* Report prepared
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What We
Heard
Report



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The Canadian Agri-Food Policy Institute's mission is to lead policy development, collaborate with partners and advance policy solutions within agriculture and food.



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From National Goals to On-Farm Realities

Understanding Conservation Programs in Canadian Agriculture

WHY IT MATTERS

Farms manage **62M hectares** and drive **\$150B of output** annually.



AT A GLANCE



Only about **7%** of producers say they are very familiar with available conservation programs.



Roughly **one-third** have ever taken part in at least one program.



Just **4%** cite government payments as a top factor in land-use decisions.



63% rank soil health as their leading environmental priority.

WHAT'S WORKING



Local delivery builds trust: Programs led by watershed districts, producer groups, or conservation organizations often see stronger engagement.



Link to productivity: Practices that also improve farm performance, like soil health or water retention, are more likely to last.



Tailored design matters: Sector-specific support (e.g., cattle grazing infrastructure) tends to achieve higher uptake than uniform national models.

WHAT'S NOT WORKING



Clarity: Different interpretations of "conservation" or "sustainability" create confusion about goals.



Program structure: Uniform models and complex rules often don't fit the diversity of Canadian farms.



Data and trust: Concerns about ownership, privacy, and regulatory use of farm data limit participation.



Financial scale: Incentives are seen as too small to compete with market and land-use pressures.

THE PATH FORWARD

- **Local delivery:** Use trusted regional hubs to simplify access and build trust.
- **Flexible design:** Adapt programs to farm type, scale, and regional needs.
- **Smart incentives:** Focus on practices that add real value and reward outcomes.
- **Clear measurement:** Start with a baseline and track a few key indicators.
- **Data trust:** Support farmer-centred models that protect privacy and add value.

Note from CAPI

Canada's agricultural landscapes are complex living systems where the health of nature and the success of farming are deeply intertwined. This reality stands in stark contrast to a policy environment that often treats conservation and food production as separate goals. The result is a disconnect often felt on the farm, where programs meant to support environmental stewardship are sometimes perceived as complex, untrustworthy, and misaligned with economic realities.

CAPI, in collaboration with Ducks Unlimited Canada, organized a workshop in mid-July 2025 in Stonewall, Manitoba, which attracted participation from stakeholders across the country, including representatives from industry, government, farm groups, land-use experts, and conservation organizations. The conversations highlighted that despite strong national policies and high producer interest in conservation, the current patchwork of programs is failing to deliver impact at scale. Participants suggested the core challenge is not a lack of will, but a fundamental misalignment between top-down program design and the bottom-up, trust-based, and profit-driven decision-making that defines modern agriculture.

The workshop revealed a desire for a "restart" - a call to move beyond siloed initiatives and build a coherent, systems-based approach that places farmers at the centre. From these shared frustrations, a constructive and consensus-based vision for the future emerged. This report distills that vision beginning with the key takeaways that were consistently raised by participants.

Key Takeaways

1. **Current programs are a complex patchwork.** A coherent, watershed-scale spatial plan is needed to strategically guide investment and align with the realities of farming.
2. **Conservation should be practical and profitable.** Farmer interest is high, but participation is often limited by programs that are overly complex, unprofitable, or disconnected from their operational needs.
3. **Local organizations should be empowered to lead delivery.** Using trusted, local hubs as the primary point of contact can simplify processes, increase participation, and strengthen or rebuild working relationships.
4. **Environmental outcomes should be rewarded, not just practices.** Shifting to an outcome-based model would position stewardship as a viable and profitable business choice for farmers.
5. **Farmers should have ownership and control of their data.** This is a foundational step to address the trust deficit and ensure farmers benefit from the value their on-farm information creates.

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Introduction: The need for a new conversation

Globally, the Kunming-Montreal Global Biodiversity Framework (KMGBF) has set an ambitious target to halt and reverse [biodiversity](#) loss by 2030. Achieving this vision [depends](#) heavily on the stewardship of multifunctional agricultural landscapes—places that must produce food while also supporting biodiversity, regulating water cycles, contributing to climate resilience, and sustaining the economic viability of the farming families who manage them.

One of the central challenges for agricultural policy today is translating these global targets into effective, trusted, and economically viable actions at the farm scale, where the partnership between agriculture and nature is most critical. Canada has responded with a suite of policies. The Sustainable Canadian Agricultural Partnership (SCAP) and the National 2030 Nature Strategy establish national ambition, channeling funds and setting targets for climate and biodiversity outcomes on these working lands. These efforts are underpinned by a long-running agri-environmental indicator system designed to track progress at the national level. On paper, the foundation for success exists.

Yet, a persistent and well-documented gap remains between policy ambition and on-farm adoption. Research in agricultural economics and rural sociology shows that uptake of conservation programs is often hindered by transaction costs, misaligned incentives, and deficits in trust and social capital needed for effective collaboration. These challenges were front and centre at the CAPI-DUC workshop in July 2025.

In July 2025, the Canadian Agri-Food Policy Institute (CAPI), in partnership with Ducks Unlimited Canada (DUC), convened over 25 leaders in Stonewall, Manitoba, for a constructive conversation about the future of conservation on agricultural landscapes. The dialogue brought together diverse voices and captured perspectives from multiple parts of the agricultural ecosystem in Canada.

The workshop provided a Canadian lens on these global issues, confirming that even well-intentioned programs often fail to resonate with farmers. This finding aligns with [CAPI's most recent national survey](#), which reported that only 7% of farmers are 'very familiar' with available conservation programs, and just one-third have ever participated. Discussions at the workshop brought these statistics to life: participants described "death by a thousand paper cuts" in navigating complex applications, program timelines that misalign with farming seasons, and payment levels that fail to offset real costs and risks.

This report synthesizes the themes and directions that emerged from the workshop. ***It is not a prescriptive plan but a distillation of shared concerns, practical insights, and proposed directions for redesigning conservation programs.*** By highlighting the pressing challenges in conservation measurement and adoption, exploring farmer perceptions, and identifying opportunities for more aligned and responsive approaches, this report suggests ways to close the gap between policy frameworks and on-the-ground realities.

The current landscape: a divided view

The workshop conversations painted a picture of a conservation landscape with a notable tension: a growing number of local, tangible successes operating within what participants described as a fragmented and often frustrating national system.

This lived experience is validated by the findings of a national [CAPI producer survey](#) released in 2025. That survey put hard numbers to what many in the workshop have been feeling for years. While interest in stewardship is high, with soil health and water resilience topping farmer priorities, current program models consistently fall short.

The data reveal a system with limited reach and even less influence:

- Familiarity with programs is low, with only 7% of farmers feeling "very familiar" with the options available.
- Participation is uneven, with just one-third of producers having ever enrolled in a program.
- Government conservation payments rarely drive land-use decisions. Only 4% of farmers name them as a top factor, ranking them far below the powerful market forces of input costs and commodity prices.

As one industry representative noted, "We can't lose sight of the economic pressures at the farm gate." The following section synthesizes what we heard in the workshop about these pockets of success and the persistent, data-supported barriers that prevent them from scaling.

What's working: pockets of success and foundational principles

Despite the challenges, participants identified clear areas where conservation programming is succeeding. These bright spots are not random; they are anchored in a set of foundational principles that offer a clear guide for future program design.

Success follows trust and local delivery.

Time and again, the most effective programs were described as those delivered by trusted, local partners. Participants praised the work of Manitoba's watershed districts and NGO-led initiatives from groups like DUC and ALUS for their ability to build strong, long-term relationships with producers. This grassroots approach feels less bureaucratic and more like a partnership. [The CAPI Survey in 2023](#) provides a backdrop to this insight: while it found that university/government extension and local conservation groups ranked low as sources of information, the workshop clarified that when these groups act as delivery partners, they build the trust that centralized programs lack. As the [2025 survey](#) data also revealed, low awareness of major government programs like the Resilient Agricultural Landscape Program (RALP) coexists with high engagement in these locally led efforts, underscoring that the messenger is often as important as the message. The survey also indicated that farmers are more likely to participate

in a program led by a conservation group than one led by government.

Incentives work when aligned with on-farm benefits.

The most durable conservation practices are those that offer a clear agronomic or business advantage. [The CAPI survey](#) result in 2023 confirmed this, revealing that a significant portion of enrolled farmers (45% of crop farmers and 35% of livestock farmers) would have adopted sustainable practices even without third-party funding, because they see direct benefits to their businesses. This aligns with workshop discussions where actions that build soil health and manage water risk were seen as priorities. These payments are meaningful at their scale and have enabled intergenerational ranch transfers, preventing the conversion of valuable grasslands to cropland.

Effective incentives are tailored to sector and scale.

While good practices can stand on their own, effective incentives are crucial for accelerating adoption and helping producers overcome the initial costs and risks. The workshop made it clear that for incentives to work, they need to be tailored. This is most evident in the beef sector, where the [CAPI survey](#) in 2023 found a significantly higher program participation rate (42%) than in the crop sector

(26%). Participants explained this success is due to practical support for relevant practices like cross-fencing and off-site watering. What works for a mid-sized cattle operation, however, does not work for a

large-scale grain farm, highlighting the critical need for sector-and-region-specific and scale-appropriate program design.

What's not working: persistent gaps and systemic barriers

For every success story, participants described a barrier that prevents good ideas from becoming standard practice. These are reflections of the widespread sentiment captured in the [CAPI survey](#), where a majority of farmers find current programs inflexible, insufficient, and poorly communicated.

A fragmented "problem definition" and a lack of baseline

A common challenge raised across all tables was the absence of a clear, shared goal. The [CAPI survey](#) in 2023 identified a clear "need for a common and clear definition for sustainable agriculture," a confusion that participants said results in partners "speaking different languages." Policymakers for example may be focused on nutrient loading, while producers are focused on soil health for farm viability. This disconnect is compounded by a lack of agreed-upon metrics. Participants described a state of analysis paralysis over what to measure and from when, with a general feeling that the sector should simply "pick one [baseline] and start measuring" to escape the cycle of debate.

Flawed program design: complexity, rigidity, and mismatch

The design of programs themselves was cited as a primary deterrent. This failure is twofold:

- **The "One-Size-Fits-All" failure:** A dominant theme was the failure of standardized programs to account for Canada's immense agricultural diversity. The [CAPI survey](#) highlights this "heterogeneity," showing that motivations and barriers differ significantly by farm type, size, age, and region. The workshop provided the on-the-ground context: incentives that are meaningful for a mixed livestock operation are dismissed by large-scale grain operations, where low per-acre payments are not worth the administrative headache. The [survey](#) further elaborates this, showing that while larger farms

have higher overall participation rates, they also have the strongest preference for outcome-based payments over prescriptive practices, indicating their desire for more autonomy and a focus on results rather than rules.

- **Complexity and rigidity:** Participants described application processes as burdensome and time-consuming, supported in the 2025 survey, where 56% of farmers cited the 'complex application process' as a top barrier to participation. In addition, participants emphasized that rigid rules and reporting timelines (often misaligned with the realities of a farming season) were among the most significant barriers to participation.

Lack of trust, clarity, and communication.

Beneath the flawed design lies what many participants described as a persistent lack of trust. Participants raised repeated concerns about low program awareness (such as RALP), which the [survey](#) confirms, but they also pointed to deeper issues. Producers are sceptical of government motives and data requests, fearing punitive action—the "shoot, shovel, and shut up" mentality—if monitoring discovers a species-at-risk. This trust gap extends to the private sector, where many producers expressed concern about corporate data platforms offered by large agricultural technology and equipment companies. Participants noted that these systems often provide little ownership or transparency over the data farmers generate. This dual trust deficit—in both public regulators and private corporations—leaves producers feeling exposed, making them justifiably hesitant to share any information.

Weak economics in the face of overwhelming systemic pressures

A recurring point was that profitability drives decisions. The [CAPI survey](#) found that while farmers have a strong "interest in participating," they

overwhelmingly perceive existing payments as insufficient to justify changing practices (53% of farmers chose 'insufficient payment amounts' as the second-highest barrier). Workshop participants framed this in starker terms: current incentives fail to cover the full spectrum of costs and risks associated with adoption. This economic weakness is frequently overshadowed by larger systemic forces. Participants pointed to two key pressures:

first, the high profitability of grain, which continues to drive the conversion of critical grassland and prairie, and second, the relentless "*domino effect*" of urban expansion, which pushes agriculture onto more sensitive marginal lands. The small financial incentives offered by current programs stand little chance against these powerful market and land-use pressures.

The path forward: priorities and actions

The challenges detailed in the previous section outlined below represent a summary of proposals from the workshop for a new approach—one built on

shared goals, local empowerment, and the alignment of ecological outcomes with farm profitability.

Empower trusted regional hubs for program delivery

The frustration with the current system gave way to a clear, shared vision for the future. The priorities outlined below represent a summary of proposals from the workshop for a new approach—one built on shared goals, local empowerment, and the alignment of ecological outcomes with farm profitability.

Participants emphasized that trust and local delivery matter as much as policy design. Many pointed to watershed districts and producer-led groups like ALUS and DUC as effective models because they build relationships and understand regional realities.

A common view was that centralizing programs creates complexity and deters participation.

A proposed future model would empower these local hubs to coordinate outreach, simplify applications, and consolidate "braided" funding from multiple sources, reducing the administrative burden on farmers.

Recommendation: *Re-channel a portion of existing SCAP and provincial conservation funding to support a network of these regional "Landscape Advisor" hubs.*

Adopt a coherent spatial planning framework to guide action

The workshop repeatedly identified a critical gap in Canada's policy toolkit: there is no cohesive spatial planning framework to strategically guide conservation across jurisdictions and scales. Farm-level conservation is regularly undermined by larger, uncoordinated land-use decisions—most notably the "domino effect" of urban expansion that pushes agriculture onto more sensitive marginal lands. Participants described this absence of a national land-use strategy as the "elephant in the room." A redesigned approach therefore calls for a strategic spatial plan that stitches together fragmented policies and programs. This is not a call for rigid, top-down zoning, but for a shared map that aligns national goals with regional realities. The workshop consensus was that the watershed often provides the most practical scale—a "sweet spot" that is both ecologically relevant (for managing water and

connected habitats) and politically practical for coordinating action among municipalities, conservation districts, and Indigenous partners.

Such a framework would perform three immediate and complementary functions. First, it would enable targeting for high impact by directing limited public and private investment to ecological "hotspots" that deliver the largest benefits for biodiversity, water regulation, and carbon storage—an approach exemplified by DUC's "ducks per dollar" logic. Second, it would create a clear corridor of communication from national strategies (e.g., the 2030 Nature Strategy) to local delivery, helping realign federal, provincial, municipal, and Indigenous priorities and better integrate effective on-the-ground actors such as DUC and ALUS. Third, it would proactively manage land-use conflict by identifying priority areas for both conservation and

agricultural growth so trade-offs can be resolved before they escalate. The need for this approach is reinforced by [CAPI survey](#) findings showing confusion over the definition and goals of “sustainable agriculture” and clear regional differences in priorities. A shared spatial framework would bring clarity, regional tailoring, and a tangible vision for multifunctional landscapes while

supporting data-driven targeting, monitoring, and adaptive management.

Recommendation: *Federal, Provincial, and Territorial governments should collaborate with Indigenous partners, municipalities, and stakeholders to develop a National Agri-Environmental Spatial Strategy to guide all public and private investment.*

Design for profitability and reward verifiable outcomes

The most dominant theme from every discussion was that profitability dictates participation. A new approach should therefore align conservation directly with the farm's bottom line. This represents a strategic shift from paying for prescribed practices to rewarding verifiable environmental outcomes while generating on-farm value.

The most powerful and practical entry point for this shift is to focus on retiring verifiably unprofitable land. As one panelist explained, precision agriculture tools can turn yield maps into conservation maps, identifying the “quarter-section where conservation fits.” By offering incentives to convert these money-losing acres into high-value ecological assets like wetlands or pollinator habitat, programs can provide a clear and compelling business case for conservation. This is the “low-hanging fruit” that makes ecological sense and immediate financial sense.

This principle also calls for a tiered incentive stack that moves the sector toward an outcomes-based model. This includes:

- Simple, practice-based payments for universally beneficial actions like cover crops or riparian buffers to encourage broad participation.
- Result-based top-ups for achieving measurable outcomes, like improved water quality or verified habitat structure. The [CAPI survey](#) confirms this desire, showing a strong preference among farmers—especially on larger farms—for outcome-based payments that provide more autonomy and reward innovation. This approach moves the relationship from compliance to co-management, valuing the producer as an expert steward of their land.

Recommendation: *Provincial program authorities should pilot a tiered, outcomes-based incentive model, starting with robust payments for the permanent conversion of the least profitable acres as identified by producers' own data.*

Create a fair and transparent data ecosystem

A modern conservation framework requires a data ecosystem that is credible, cheap, farmer-useful, and, above all, trustworthy. This means tackling the deep-seated issues of data ownership, privacy, and governance head-on.

The path forward requires two parallel actions. First, it is important to escape “analysis paralysis” by agreeing on a set of “good-enough” metrics and baselines. The consensus from the workshop was to pick a starting point, such as a proposed the 2020 KMGBF as baseline, and use practical, farm-scale proxy indicators (e.g., percent perennial cover, wetland extent) that can be captured via remote

sensing and farm equipment logs. These proxies can be validated over time and linked to national-level indicators (like the AElS), creating a system that is both credible for reporting and practical for producers. As one participant noted, investing in the “boring but essential” baseline data for things like pollinators is critical, and can be supplemented with citizen science to lower costs and build engagement.

Second, it is essential to establish farmer-governed data cooperatives or public data trusts. To counter the fear of regulatory punishment and corporate exploitation, producers should have control over

their own data. An independent, arms-length entity, modeled on public health authorities or Crown corporations, could anonymize and aggregate producer data for public good research and policy development while protecting individual privacy. This ensures that the value generated by on-farm data flows back to the farm, providing insights that can improve profitability and risk management,

thereby creating a virtuous cycle where good data enables both better conservation and better farming.

Recommendation: An organization like CAPI, in partnership with producer groups and technology providers, should spearhead a Farmer-Governed Data Cooperative pilot to develop the governance and technical models needed to solve the trust crisis and empower producers.

Invest in the foundational building blocks of measurement

A final point of conversation was that you can't manage what you don't measure. Participants distinguished between the on-farm data managed by producers (as addressed in the previous principle) and the broader, public-good science needed to track national progress and ecological health. It was argued that for the entire system to be credible—both to farmers and to the Canadian public—there should be a sustained public investment in the underlying scientific infrastructure. This work was seen as a core government responsibility, essential for validating the environmental outcomes generated on agricultural landscapes and for

demonstrating a return on public investment in conservation programs.

Recommendation: The federal government, through departments like AAFC and ECCC, should commit to stable, long-term funding for the core science of measurement. This includes two key streams: establishing an agreed-upon 2020 national baseline for key agri-environmental indicators to escape "analysis paralysis," and funding the taxonomic and monitoring work needed to fill critical data gaps for under-studied groups like pollinators and soil microbes, using a combination of professional science and structured citizen-science protocols.