

Mass irrigation touted as an untapped opportunity

Canada has suitable soil types and access to water, but trails other countries in irrigation use

BY JOHN MINER, *Ontario Farmer*

Stephen Johnston looks at irrigation statistics for farmland and he sees opportunity for Canada.

A director at Omnigence Asset Management investment firm, Johnston recently released a report on the potential for irrigating farmland.

He concluded Canada has the potential to expand its irrigated acreage by 400 per cent from current levels.

Canada has areas with the soil type suitable for irrigation and areas with sufficient access to water, but has one of the lowest percentage penetrations of any market, Johnston said in an interview.

“Look at all the other large agricultural produc-

ers in the world. They have much higher levels, much higher use of irrigation. It’s an untapped opportunity,” he said.

Omnigence’s report notes that currently only two per cent of Canada’s farmland is irrigated with a potential to irrigate up to 10 per cent. Much of that land is in Saskatchewan and Alberta.

In comparison, 18 per cent of farmland in the United States is irrigated out of a potential for 30 percent while 54 per cent of farmland in China is irrigated out of a potential for 60 per cent.

Other agricultural countries that outstrip Canada when it comes to irrigating farmland include India with 37 per cent of its farmland irrigated, Italy at 14 per cent, France at 10 per cent, Spain seven per cent, and Russia at four per cent.

Expanding irrigation could substantially increase productivity and increase farmland values. It could also increase Canada’s agricultural production for export and attract private capital to

the agricultural sector, Johnston said.

As an investment fund, Omnigence Asset Management currently owns 140,000 acres of farmland in Canada and has converted some of its holdings from dryland farming to irrigated.

There can be a substantial payoff, Johnston said.

If the dryland is in an irrigation district in Western Canada you might pay roughly \$6,000 to \$8,000 an acre, he said.

With a capital investment under \$3,000 it could be irrigated and the land could be worth \$20,000 an acre.

“You get a bump in the valuation and you get much higher productivity. It just makes pure economic sense for it to happen.”

Johnston said there is an increasing trend of larger investors now willing to put down the capital to change non-irrigated land into irrigated.

“I think you’re going to see a lot of conversion of dry land to irrigated land over the next 10 years.”