

Lease Policy

Agricultural Crown Land

February 2022

A. Purpose

To provide a means to manage agricultural Crown land in a sustainable fashion through agricultural leasing by:

1. Allocating leases on vacant agricultural Crown lands to Canadian citizens or permanent residents of Canada through auction;
2. Establishing requirements for renewing agricultural leases;
3. Facilitating the transfer of leases between generations, co-lessees, or buyers and sellers; and
4. Providing a direct lease when certain conditions are met.

B. Authority

Section 3-2(1)(b) of *The Provincial Lands (Agriculture) Regulations* provides authority to the Minister to lease vacant provincial agricultural land to the person selected in accordance with the lessee selection policy established by the minister. The Ministry of Agriculture (Ministry) will allocate vacant agricultural Crown land to the highest eligible bidder or designate(s) using an auction process.

C. Eligibility

1. General

The applicant must:

- Be at least 18 years of age;
- Actively manage the leased lands for agricultural purposes;
- Meet all requirements set out under *The Saskatchewan Farm Security Act*;
- Have legal access to the leased land or written agreements for crossing any adjacent lands;
- Have any existing accounts with the Ministry in an acceptable status;
- Complete the required application form and submit any supporting documentation that the Ministry requests; and
- In the case of a grazing or hay lease, have or will obtain a Premises Identification Number.

2. Existing Lease Renewal

Existing leases will be eligible for renewal where:

- The lessee provides proof that all municipal taxes on the expiring lease are paid;
- The lessee continues to actively manage the leased lands and has demonstrated satisfactory performance, including the use of acceptable agricultural practices and

- the payment of rent, as a lessee on the expiring contract; and
- The lease is within five years of expiring; or
- The lease is being used as security.

3. Assignment

Existing leases may be assigned where:

- a. The individual receiving the lease (assignee) and the lessee (assignor) have all existing accounts with the Ministry in acceptable status.
- b. The assignee is:
 - A descending family member as defined in the lease guidelines;
 - An ascending or distant family member as defined in the lease guidelines where the land was originally leased or owned by that individual or that individual's parent;
 - The purchaser of the deeded portion of the farm or ranch associated with the lease; or
 - A co-lessee.
- c. There is mutual benefit to two lessees who wish to trade leases.

4. Direct Lease

A lease may be issued directly where:

- a. The lease is in the public interest; and
- b. The land being leased is not more than 640 acres; or
- c. The land does not have direct physical or legal access.

D. Lease Auction Terms and Conditions

1. Auction lease information will be available on saskatchewan.ca/agriculture and advertised as deemed appropriate by the Ministry.
2. Auction bids will be accepted via the auction service provider's website for the opportunity to receive an agricultural Crown lease.
3. The Ministry will enter into a lease with the successful auction bidder or their designate(s), including corporations; provided the auction bidder submits the request in writing at the time of lease preparation, after being declared the successful bidder.
4. Auction bidders or designates are responsible for meeting any requirements of *The Saskatchewan Farm Security Act* and any requirements of the auction vendor (vendor).
5. The lease will be allocated to the highest eligible bidder or designate(s) who meets or exceeds the reserve value. Results of the lease auction will be posted on the auction website.
6. The successful bidder will be contacted by the vendor to initiate the lease allocation process. The successful bidder or designate(s) must complete an Application for Agricultural Lease, Farm Land Ownership Declaration and if applicable provide written agreements for crossing adjacent lands to access the lease.
7. The successful bidder or designate(s) shall submit 100 per cent of the bid amount (lease purchase price) to the Ministry within five business days after being declared the successful bidder. The winning bid amount will include the \$200 Lease Issuance fee as well as any improvement value. GST and the vendor's Buyer's Fee are not included in the bid

- amount.
8. Payment can be made by certified cheque, bank draft, credit card, online banking or direct deposit. If paying by certified cheque or bank draft; payment may be made at Corporate Services Office, any Ministry Office or at any auction service provider office.
 9. The Ministry will confirm eligibility of the high bidder or designate(s) via the completed Application for Agricultural Lease. A lease agreement will be sent to the successful bidder or designate(s) and this must be signed and returned within 40 days of the postage date.
 10. If the high bidder or designate(s) fails to submit any of the following: a completed Application for Agricultural Lease, Farm Land Ownership Declaration, other documentation as deemed necessary by the Ministry or 100 per cent of the high bid amount within five business days of being declared the high bidder; the auction service provider will re-advertise the land in a secondary auction immediately following the main auction.
 11. The Ministry reserves the right to determine alternate methods of disposition if no successful bid is received, including but not limited to: being listed for permit, or summer fallowed at Ministry expense.
 12. The bidder is solely responsible to determine the condition of the land being allocated, condition of improvements, land quality, land use and any other information pertaining to the auctioned land.

E. Procedures

1. Existing Lease Renewal

- a. Completed applications, along with confirmation of municipal tax payment must be submitted to the Ministry.
- b. The Ministry will contact the lessee to discuss further requirements for renewal, where there is evidence of unsatisfactory performance as a lessee. The lessee may receive up to a three year lease to allow time to correct the situation, where the lessee agrees to the Ministry's requirements for renewal.
- c. The lessee will have until March 1, of the next calendar year to pay all outstanding charges, for nonpayment of rent and municipal taxes. Failure to pay the required charges may result in the lease not being renewed.
- d. Fees as set out *The Provincial Lands (Agriculture) Regulations* will be charged.

2. Assignments

- a. The lessee must submit an application to assign the lease to the individual the lease is being transferred to (assignee).
- b. The assignee must complete an application for the lease.
- c. The assignment document must be completed, once an application has been approved.
- d. A new lease agreement will be created and fees as set out *The Provincial Lands (Agriculture) Regulations* will be charged.

F. Native Prairie

The cultivation or conversion of native prairie is prohibited and will not be approved on

agricultural Crown lands. Disturbing native prairie for the development of improvements that support grazing on the landscape (dug outs, fences, tree removal, etc.) may be permitted on a case by case basis. Pre-approval from Lands Branch must be provided in these cases.

G. General

1. All applicable fees as set out *The Provincial Lands (Agriculture) Regulations* will be charged and are summarized in the table at the end of this policy.
2. Leases may be for a term of up to 33 years.
3. Permits may be offered for the current season if a lease cannot be issued quickly.
4. A lease may be cancelled if a lessee can no longer access the leased land. Access may have changed for a number of reasons including flooding or change of ownership of the adjacent deeded land.

Visit saskatchewan.ca/crownlands for more information or to contact your local regional office.

General Fees

Item	Description	Fee
1	Issuing or amending a disposition (includes a sale agreement)	\$200
2	Assignment of a disposition between family members (lease or permit)	\$200
	Assignment of oil and gas development lease	\$200 per lease to a maximum of \$2,000
	Lease or permit assignments	Greater of \$200 and equivalent of 1 year's rent
	All other assignments	\$200
2.1	Application fee to request minister's consent to a grant of security in a lease	\$200
3	For recording a name change	\$100
	Due to Spousal Election (occurs when a surname is changed due to marriage)	No charge
4	For issuing a certified copy of any document	\$4 per page Minimum charge of \$20
5	Seismic license fees on vacant land	\$435 per km on cultivated lands; \$250 per km on grazing lands; Access charge of \$185 per km; Minimum charge of \$150 per quarter section crossed
6	Land valuation fees - charged if land purchase does not occur	\$300 for first parcel; \$100 for each subsequent parcel, to a maximum of \$1,000 per application
7	Easement (other than easement required for oil and gas developments):	one-time charge
	Domestic water pipeline	\$100 per acre (0.405 hectare)
	Easement required for public utility	(a) Greater of \$780 per acre (0.405 hectare) and the amount payable by the tariff of the public utility; (b) no charge if the easement is required to provide a service line to a primary producer
	Easement required for activity regulated by Canada Energy Regulator	As set by tariff of the Canada Energy Regulator
	All other easements	\$780 per acre (0.405 hectare)
8	Annual wild rice license fee	\$2.50 per hectare
9	Time spent by the ministry for providing services not otherwise provided for in the Appendix of <i>The Provincial Lands (Agriculture) Regulations</i>	\$15 per half hour or portion of a half hour of staff time