

Lease Guidelines
Agricultural Crown Land
March 2025

A. Definitions

1. **"Account in acceptable status"** means having all accounts with Ministry of Agriculture, Saskatchewan Crop Insurance Corporation and of any debt owing to the Government of Saskatchewan which Lands Branch has received notification, in a status that is acceptable to the respective agency.
2. **"Actively manage"** means to actively manage and operate the farm, as evidenced by a Statement of Farming Income and Expenses (Form T2042) and/or invoices and receipts in the name of the applicant as proof of payments for costs or such other evidence as the minister deems satisfactory.
3. **"Reserve value"** also called the starting bid is determined by the ministry.
4. **"Corporation"** means a corporation that is engaged in the business of farming whose members are Canadian citizens or resident persons. The corporation must be registered and in active status with Information Services Corporation.
5. **"Deeded land associated with the lease"** includes deeded land adjoining or operated with the lease. This includes lands in adjoining Canadian provinces and territories.
6. **"Home quarter"** is where grain or livestock facilities are located.
7. **"Immediate family member"** includes the assignor's spouse, common-law partner, parent, grandparent, brother, sister, or children of these persons.
8. **"Renewal"** refers to a new lease that has been granted, after the termination of a lease, to the lessee who held the lease before termination.
9. **"Spouse"** includes a common-law spouse where the couple have been co-habiting continuously for at least two years.

B. Procedures

1. Lease Auction
 - a. The Lease Application may be in the name of the successful bidder or designate(s), including corporations; provided the successful bidder submits the request in writing at the time of preparation, at no charge.
 - b. The person(s) or corporation being issued the lease, must complete an Application for Agricultural Lease and meet all eligibility requirements; including the requirements of *The Saskatchewan Farm Security Act* and complete a 'Farm Land

Ownership Declaration’.

- c. The fee for issuing a new lease will be included in the bid price.
- d. Leases may be for a maximum term of up to 33 years. Lease term length will be advertised in each auction lot listing. Shorter terms may be used at the discretion of the Ministry.
- e. Leases allocated through auction are subject to the terms and conditions outlined in the Lease Policy and Lease Guidelines.
- f. Successful bidders or designates(s) are responsible for paying the municipal property tax on leased lands; which the rural municipality will bill directly to the lessee.
- g. Annual lease rentals will be determined based on formula(s) listed in *The Provincial Lands (Agriculture) Regulations*.
- h. The value of any improvements on the lease is included in the reserve value. The lessee is responsible for the construction and maintenance of improvements on the leased land.
- i. Permits may be offered to the successful bidder for the current season if a lease cannot be issued quickly.
- j. The Ministry of Agriculture will refund 100 per cent of the bid amount to the bidder if they are unable to meet the eligibility requirements.
- k. Lands where a rental premium (Section 3-8 *The Provincial Lands (Agriculture) Regulations*) was not applied due to their ineligibility for sale, will have the premium applied when the originally allocated lease is renewed or assigned.

2. Renewal

- a. Lessees will be sent an application early in January of the year that their lease expires.
- b. Lessees must continue to actively manage and operate the leased lands and have shown satisfactory performance as lessees in order to be eligible for a new lease. Unsatisfactory performance includes, but is not limited to:
 - i. Abuses outlined in the Agricultural Crown Land Management Policy.
 - ii. Evidence of prolonged heavy grazing resulting in a deterioration in range condition;
 - iii. Evidence of prolonged severe weed infestation.
- c. Lessees whose lease is not renewable as a long-term lease because of unsatisfactory performance must be counselled and advised of the specific reasons. They may receive up to a five-year lease after which if they show no improvement the lease will not be renewed.
- d. Completed applications must be submitted to the Ministry.
- e. An individual may change the name on the new disposition to a corporation that is wholly owned by the lessee and spouse for no charge at the time of lease preparation.
- f. 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.
- g. Fees as set out *The Provincial Lands (Agriculture) Regulations* will be charged.
- h. If parcel production state, usage, or acreage adjustments are made at the time of renewal, the new lease will not be issued until the effective year.

3. Lease Assignment

- a. The following assignment documents must be completed and submitted to the Land Management Specialist (LMS):
 - i. Assignment of Lease
 - ii. Application for Agricultural Lease and Grazing Allocation
 - iii. Affidavit of Personal Representative under *The Homesteads Act, 1989* (if the assignor is an estate).
 - iv. Farm Land Ownership Declaration (for non-family assignments and family assignments to corporations)
- b. Confirmation of paid municipal taxes on the lease land is also required.
- c. A copy of the purchase agreement will be required for non-family assignments. The closing date of the purchase must be within the last year of the assignment request to be eligible. If purchase of the deeded land is contingent on approval of the Crown lease assignment, submission of the forms prior to the closing date is recommended.
- d. A new term can be offered on the new lease agreement if the existing lease is within five years of expiry.
- e. No transfer of deeded land is required for an immediate family assignment.
- f. Preparation of assignment requests received prior to June 1 will be processed and a new disposition will be issued with an effective date January 1 of the current year.
- g. Preparation of assignment requests received after June 1 can be approved by the LMS and a new disposition will be issued after the current year's billing with an effective date January 1 of the following year.
- h. A request to assign that is received from an estate will be treated as though the lessee were alive.
- i. To be eligible for an assignment, all accounts held by the assignee and assignor whether individually or jointly with the ministry must be in acceptable status.
- j. The ministry may deny requests to assign the leased lands when:
 - i. The lessee is no longer actively managing the leased lands; or
 - ii. The lessee has not demonstrated satisfactory performance including, but not limited to:
 - the use of acceptable agricultural practices
 - the payment of rent
 - evidence of prolonged heavy grazing resulting in a deterioration in range condition
 - evidence of prolonged severe weed infestation
 - iii. The lessee is in contravention of their lease agreement as described in this policy.
- k. When a non-family assignment is requested, the deeded land associated with the lease must be included in the purchase.
 - i. The original lease agreement will need to be reviewed as the associated deeded land clause and land descriptions may not display in eCLMS.
- l. Non-family assignments where there is no deeded land to transfer will only be approved where the lessee (assignor) obtains title to a minimum of one of the

- quarters of the lease and in turn, transfers it to the assignee.
- m. Non-family assignment requests will be denied where there is no deeded land to transfer to the assignee and no leased land is eligible for sale.
 - n. Non-family assignment requests to an entity whose nature of business is not listed as farming must be reviewed and approved by the Executive Director.
 - If the applicant is a corporation or co-operative, complete an Information Services Corporation (ISC) Corporate Registry search. The Nature of Business should be agricultural (e.g.: farming, ranching, grain farming, grazing, etc.).
 - If the applicant does not own livestock for a hay or grazing lease, a Lease Utilization Plan will be required, and a shorter term may be issued to ensure the lease will be actively managed by the applicant.
 - o. Verification with ISC that the title on the deeded land has been transferred is required prior to completing the assignment.
 - p. Associated deeded land eligible for a non-family assignment includes:
 - i. Land that is adjoining the lease land or;
 - ii. Land that has the same usage (i.e.: grazing, cultivated or hay) or;
 - iii. Land that is integral to the farm operation (e.g.: fencing, water supply, etc.) or;
 - iv. Land previously listed in the disposition Associated Deeded Land clause.

4. Lease Assignments Involving Corporations

- a. A family assignment will be used where the assignee (corporation or individual) **AND** the assignor (corporation or individual) meets the immediate family member definition.
- b. A non-family assignment will be used where the assignee (corporation or individual) **OR** the assignor (corporation or individual) does not meet the immediate family member definition.
- c. Corporations and co-operatives must be registered and in active status with ISC and meet all requirements set out under *The Saskatchewan Farm Security Act*, including being a Canadian citizen, permanent resident of Canada, or corporation/membership-based organization which is 100 per cent Canadian-owned and not publicly traded;
- d. Forms signed and sealed with the corporate seal do not require all shareholders to sign. The signatory has the authority to bind the corporation.
- e. These guidelines do not apply to corporate pasture associations.

*To determine family or non-family assignment eligibility, the relationship of assignor to assignee will be determined by whether the shareholder or combination of shareholders within the corporation controls 51 per cent of the corporation.

5. Lease Assignments when there is an active Treaty Land Entitlement (TLE) Reservation Detail
 - a. If any parcel to be assigned has an active TLE reservation detail with 90-day freeze in the description, the assignment can be completed if processing will occur within the 90-day freeze period. Lands Branch Consultation and Engagement Unit must be notified of the pending assignment of lease to ensure the correct lessee information is provided to the selecting First Nation.
 - b. If any parcel to be assigned has an active TLE reservation detail with 90 Day Freeze in the description, but the new agreement cannot be processed within the 90-day freeze period, Lands Branch Consultation and Engagement Unit must be notified of the pending assignment of lease to determine if there will be an impact on the selection.
 - c. If any parcel to be assigned has an active TLE reservation detail with 18-month freeze (including any extension) in the description, the Ministry has made these lands available for purchase by the First Nation. The assignment request will be reviewed by the Lands Branch Consultation and Engagement Unit and the Land Management Director on a case-by-case basis. If approval is granted, an extension to the freeze period may be required. Examples of requests that may be considered for approval include estates or non-family assignments when approval for sub-leasing until the freeze period expires is not feasible.

6. Leases with Associated Deeded Land
 - a. Under Section 2-15(2) of *The Provincial Lands Act, 2016*, the Ministry may cancel a lease if the lessee fails to comply with any term or condition of the lease. For a lease received through a non-family assignment, the lease includes a clause stating that the lessee will not dispose or cease to have control over the land identified.
 - b. Associated deeded land may be sold if:
 - i. The associated deeded land is replaced by deeded land that is closer to the lessee's farm operation; AND
 - ii. Ten years have passed since the assignment, which would indicate the lessee has not purchased the deeded land solely to acquire the lease; OR
 - iii. The lessee has experienced extenuating circumstances such as financial problems or family situations. These will be assessed on a case-by-case basis and a decision may depend on the lessee providing proof of the situation.
 - c. Associated deeded land may not be sold if:
 - i. The leased land cannot be accessed once the associated deeded land is sold;
 - ii. The leased land and the associated deeded land are managed as a unit. For example, pastureland with perimeter fencing includes associated deeded land and leased land.
 - d. The Land Management Director must provide approval prior to the sale of associated deeded land.
 - e. When a family assignment is requested of a lease containing the associated

deeded land clause, a review may be undertaken to determine if the associated deeded land clause can be removed. The LMS and Land Management Director will complete the review by determining if the deeded land is integral to the operation of the leased land. If the associated deeded land is determined integral to the lease, the associated deeded land will be included in the family assignment.

7. Lease Consolidation

Existing lease agreements may be consolidated into one lease where:

- a. The lessee(s) is the same on all existing lease agreements.
- b. The disposition and application types are the same on all existing agreements.
- c. It is to the benefit of either the lessee or Lands Branch to consolidate to decrease administration of multiple leases.
- d. The term of the new agreement is equal to the shortest term of the existing agreements.
- e. If all existing leases are within five years of expiry, a new term can be offered on the new agreement.
- f. A consolidation fee (Issuing or amending a disposition - \$200) will be charged and any assignment and renewal fees will be based on the new consolidated lease agreement.

8. Direct Lease

- a. Prior to issuing a direct lease, the LMS will confirm that issuing the lease would meet the conditions set out in the policy.
- b. The LMS will provide rationale on how issuing the lease is in the public's interest (i.e. why this is the only person it makes sense to lease to and the land will be managed sustainably, preserving it for future generations).
- c. Direct leasing will be approved at the Land Management Director's discretion.
- d. When there is only one individual with direct physical or legal access to the land, the LMS and Director will confirm if they want the lease.
- e. Vacant land that does not have direct physical or legal access should be direct leased and not advertised in a lease auction.

9. Invitational Lease Tender

- a. When there are two, three, or four individuals with direct physical or legal access to the land, the LMS and Director will complete an invitational tender to determine who will receive the lease.
- b. Eligible individuals must be notified by at least two of the following methods:
 - i. email;
 - ii. letter;
 - iii. phone; or
 - iv. in person.
- c. Only the applicants listed on the tender form will be considered to obtain a lease.
- d. Applicants are required to submit a completed Agricultural Crown Land Invitational Lease Tender, Application for Agricultural Lease and Grazing Allocation and a Farmland Ownership Declaration.

- e. Once the highest bid is determined, the LMS notifies the successful applicant including the Payment Statement and sends the Invitational Lease Tender form to billinginquiry@gov.sk.ca cc'ing the Land Management Director.
- f. The LMS enters the information into the Invitational Tender Lease Spreadsheet.
- g. The applicant has 10 business days to submit payment.
- h. The LMS will determine if the applicant is eligible.
 - i. If eligible, the LMS submits a setup sheet to the Land Management Director for review and approval.
 - ii. If not eligible, the applicant will receive a refund and the next highest bidder will be contacted.

10. General

- a. A spouse's name may be added to a lease at the time of lease preparation, provided they meet the eligibility criteria. A spouse's name added at a different time must be done by assignment.
- b. Limits of the amount of Crown land in special project areas which any individual can hold under a lease are as follows (the limit may be waived where no acceptable applicant is found):

Project	Maximum acreage
Brokenshell Wetlands (Buttermilk & Ibsen Lakes)	40
Cheal Lake	120 or 3 plots
Dead Lake	1 plot
Gilroy	80
Grainland	80 or 2 plots
Horseshoe Bend	160 (useable)
Masher Lake	80 or 2 plots
Miry Creek	100
Ponass Lake Basin	80 (useable)
Rosthern	80 (useable)
Rush Lake	Federal jurisdiction
Souris Valley	1 plot
Spangler	80
Squaw Creek	160
Vidora	80

- c. Rental adjustments that the Ministry considers appropriate will be applied as follows:
 - i. In the case of an increase in rental, the adjustment will be effective for the year the change is made.
 - ii. In the case of a decrease in rental, the adjustment will be made retroactive to the year in which the client can prove an adjustment was requested, or where the Ministry considers it appropriate to adjust the rental in the case of a client seeding previously

- cultivated land to forage; the rental adjustment will only be made retroactive to the date that the lessee informed the Ministry of the change. Written documentation that the land was in forage must be provided. Examples of written documentation include information from SCIC and Saskatchewan Assessment Management Agency (SAMA). This adjustment can only be made if the forage produced on lands in question is utilized by livestock owned by the lessee.
- iii. The Disposition Adjustment Letter to Lessee must be sent to the lessee within 10 business days following verbal notification of the production state, usage, or acreage adjustment. Letters will also be sent when adjustments are made during the renewal or assignment process.
 - d. SCIC soil class ratings are to be used in all new lease setups for cultivation. LMS can establish their own AUM ratings using SAMA, Saskatchewan Rangeland Ecosystems Publications, Range Plan Development - A Practical Guide to Planning for Management and Improvement of Saskatchewan Rangeland, An Assessment Procedure for Saskatchewan Rangeland, Lands Branch AUM Guidelines or the Alberta Forage Manual.
 - e. Subleasing on grazing land is prohibited unless approved by the Ministry. Corrective action required is found in the Agricultural Crown Land Management Policy and Agricultural Crown Land Management Guidelines.
 - f. A lessee may, with permission from the Ministry, cut hay on leased pasture and use it for their cattle. A lessee may not cut hay on leased pasture and sell the hay.
 - g. At the request of the lessee, the Ministry may reduce rent for any loss on leased land if the land is ineligible for insurance caused by an uncontrollable natural event. The lessee must complete a Rental Reduction Request form, available on the Ministry's website, indicating the inability to obtain insurance through SCIC or a private insurer. The lessee must be in good standing with the Ministry and SCIC.
 - i. Upon receiving written notification from a lessee impacted by fire, the Ministry will inspect the leased land in the calendar year of the fire. The LMS will create a Restoration Plan that identifies a specific carrying capacity for the leased land. The Restoration Plan will not exceed three years and will trigger a rental reduction the year after the fire occurred based on the new temporary carrying capacity. The Ministry may adjust the Restoration Plan if required.

Further information on insurance coverage: <https://www.scic.ca/ci/forage/cause-of-loss/>.

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