



Saskatchewan Farmland Ownership

Summary of Results from Public Consultations

October 7, 2015



Participation

Saskatchewan's agricultural sector is growing; cash receipts have been increasing consistently over the past five years, and Saskatchewan agricultural land prices have risen the fastest in Canada. At the same time, Saskatchewan farmland has remained among the most affordable in Canada, making it an attractive investment. While the majority of farmland transfers remain from farmer to farmer, interest has been growing from institutional and out-of-province investors who would like to add Saskatchewan farmland to their portfolios. Concerns were raised that farmland might become unaffordable for Saskatchewan producers and could undermine the growth of the agriculture sector.

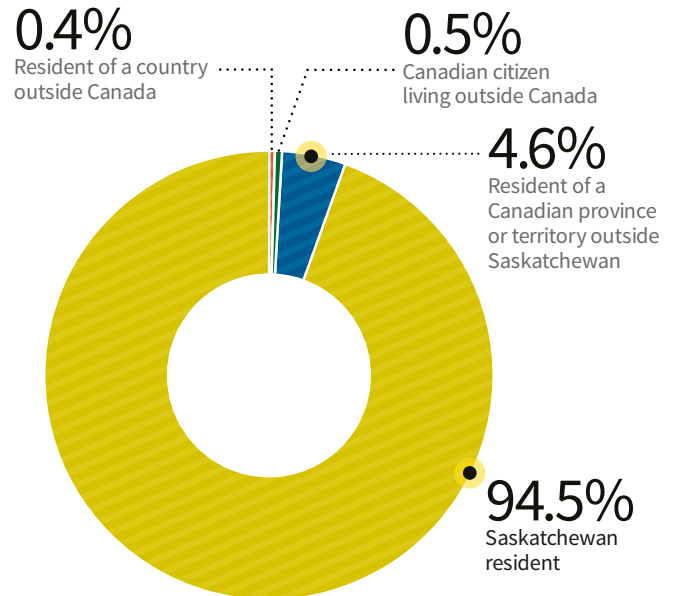
The Government of Saskatchewan initiated consultations to seek advice from the public on how to regulate the sale of farmland. The public was asked:

- Who should be eligible to purchase and own farmland in Saskatchewan?
- Are new rules needed to govern farmland transactions and financing for land purchases?
- What is the appropriate level of government monitoring and enforcement to ensure land transactions comply with the rules?

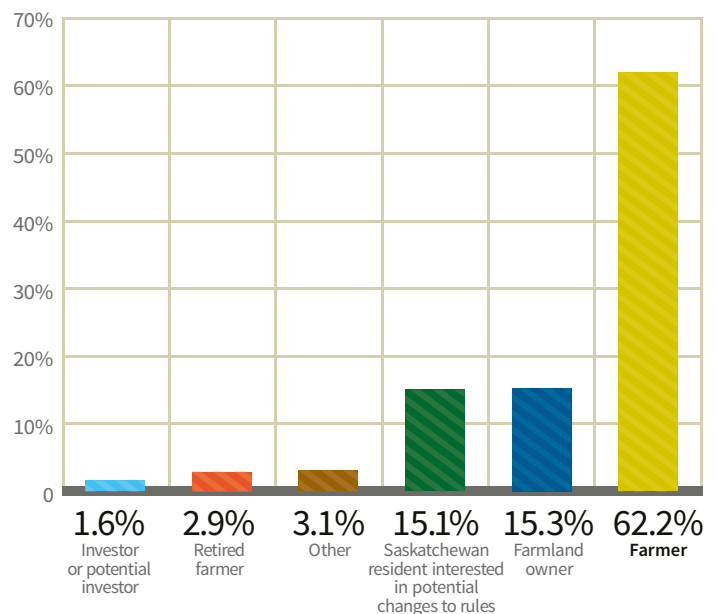
Consultations were open to the public from May 20, 2015, to August 10, 2015, through an on-line survey posted on the Government of Saskatchewan website. As well, paper copies of the survey could be picked up at any Ministry of Agriculture Regional Office. Meetings were also held with stakeholder groups from across Saskatchewan. The agriculture sector, business community, investment and financial services sector, and other stakeholders with an interest in the future of Saskatchewan farmland, were asked for their views on how best to regulate the sale and ownership of Saskatchewan farmland.

More than 3,200 completed surveys were gathered. Nearly all surveys (95 per cent) were completed by Saskatchewan residents from all areas of the province.

Place of Residency

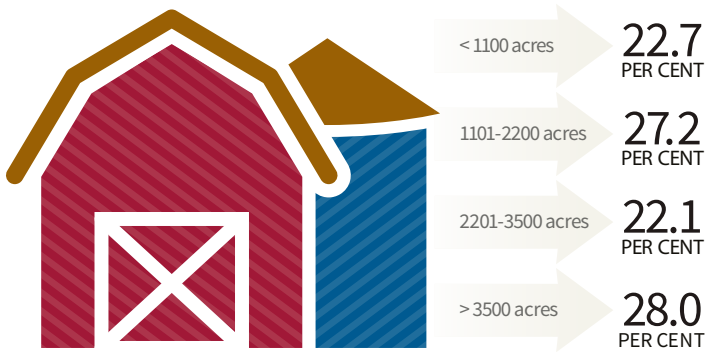


Demographics



Farmers accounted for 62 per cent of completed surveys.

Farm Size



The Minister of Agriculture invited 41 organizations representing farmers, ranchers, investors, business, pensions, financial institutions, lawyers, realtors, environmental, and aboriginal groups to meet to discuss farmland ownership rules. Twenty-seven organizations attended meetings, and three additional organizations provided written submissions.

A further 28 submissions were received from individuals, family businesses and larger organizations.

Results

Key themes that emerged from the consultations include:

There is a strong connection between history and identity

Land ownership is connected to identity, family history, connection to nature and pride in preserving the land for the future. People share a conviction that previous generations came to Saskatchewan to own the land they farmed, and create a legacy for their children. Owning the land also provides equity for farmers to draw on during difficult financial times, as well as security for retiring farmers.

"I believe the hard work, dedication and sacrifice of our farmers and ranchers for generations all had one thing in common...they wanted their kids to have something."

Connection between ownership and stewardship of the land

Farmers see themselves as the best stewards of the land. Retired farmers are seen to retain this focus even when they rent out land to young farmers who will eventually buy it and assume the role of steward. Ownership encourages responsible management of the land as opposed to the long-term vs. the short-term focus of investors on generating profits.

"Owning my land allows me to make the decisions that are best for the health of my land and soil rather than chasing the highest short term profit possible."

The importance of personal relationships and community

Farmers support the local community and local business. Business transactions are based on personal relationships. Investors are not seen to hold the same cultural values and relationships as farmers.

"I don't want to be sending land rental cheques to someone who doesn't know our area. I want them to be spending money in our community and having kids and grandkids that help our community thrive, not disappear."

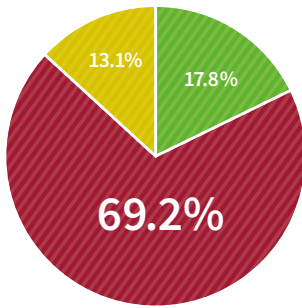
Market consistency

Land values should continue to follow the rise and fall of agricultural commodity markets. Speculating investors are seen to artificially inflate land prices to the point where some farmers are no longer able to compete when land is available for sale.

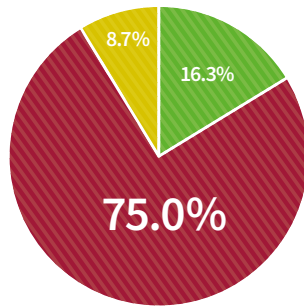
Overall public support

Overall, the Saskatchewan public supports the current restriction on sales of farmland, which limits eligibility to own farmland to Canadian citizens using domestic sources of financing.

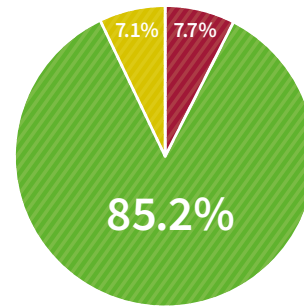
Farmland Ownership Values



Support foreign investors to provide financing to Canadian residents to purchase farmland



Support allowing investors such as Canadian pension funds or larger Canadian investment trusts (10 or more beneficiaries) to purchase farmland in Saskatchewan



Support Government of Saskatchewan (through the Farm Land Security Board) taking a more active role in ensuring compliance on farmland transactions

■ Yes
■ No
■ Not sure

Online Survey

- 87%** do not support allowing foreign ownership of Saskatchewan farmland;
- 69%** do not support allowing foreign financing of Saskatchewan farmland;
- 75%** do not support allowing pension plans and investment trusts to own Saskatchewan farmland;
- 85%** support the Government of Saskatchewan in taking a greater role to enforce compliance of farmland ownership rules.

“It is becoming increasingly difficult for individual producers to compete due to the capitalization of large corporate farms and land investors who have easier access to capital and financing and therefore can out-bid private individual operators.”

Stakeholder Meetings

Of the 27 organizations that attended meetings with Ministry officials, and three additional written submissions:

- The majority of answers were consistent with the results of the online survey, though some supported minority foreign ownership of farmland. Other topics of concern were minimizing new regulations so that compliant land sales did not become too difficult or interfere with the free market too much.
- Producer and rural organizations supported maintaining the status quo along with more active enforcement of the regulations by the Farm Land Security Board. Some supported increasing the maximum amount of land that foreign investors could own.
- Investors and realtors supported opening investment to pensions and investment trusts. Realtors further supported reducing restrictions to allow foreign investment in Saskatchewan farmland.

The Government of Saskatchewan would like to thank all participants for sharing their views on this important issue.