

TERM LENGTH AND TENURE OF AN AGRICULTURAL LEASE OR PERMIT

I. Objective

To provide farmers with the length and tenure of terms, and renewability of agricultural leases and permits on agricultural Crown lands (ACL).

This policy replaces the previous version (October 2019) and includes the following changes:

- *Inclusion of Cropping Permits*
- *Clarification of when a lease term will be issued for shorter than the standard term*
- *Addition of Legacy Lease and Permit Renewals*

II. Authority

The Crown Lands Act

The Agricultural Crown Lands Leases and Permits Regulation

III. Description

The tenure of an agricultural lease or permit is dependent upon variables, such as type of disposition and type of agricultural activity.

Eligibility must be maintained to hold an agricultural lease or permit on ACL, or to make changes, to renew, or to transfer an agricultural lease or permit.

IV. Background

The regulations stipulate the maximum length of the term based on disposition type.

Forage or Cropping Leases

The maximum term of a cropping lease or forage lease is 15 years.

Cropping, Hay or Grazing Permits

The term of a cropping, hay or grazing permit must not exceed one year, expiring on December 31 in the year of issuance. Renewable permits must not be renewed for a period longer than 15 years.

Special Leases

The term of a special lease must not exceed 21 years.

V. Length of Tenure

The length of term is associated with the type of lease or permit on the ACL. Shorter term leases are for cropping dispositions where the investment in improvements to use the ACL is limited. Longer term leases are for forage dispositions where there are obligated improvements and maintenance to be able to use the land (e.g., fencing, water development, etc.).

Cropping Lease

A cropping lease is issued for a term of up to five years in length. Generally, cropping leases are issued for a five-year term. Cropping lease terms of less than five years in length may be issued at the director's discretion when competing infrastructure or alternate resource use requirements obligate a shorter term.

Forage Lease

A forage lease is issued for a term of up to 15 years in length. Generally, forage leases are issued for a 15-year term. Forage lease terms of less than fifteen years in length may be issued at the director's discretion when;

- Competing infrastructure or alternate resource use requirements obligate a shorter term; or
- Conditions are imposed on a renewal related to leaseholder compliance with lease conditions, requiring review within a shorter term.

Renewable Haying or Grazing Permit

A renewable permit for haying or grazing is issued for a term of up to one year in length, expiring on December 31 in the year of issuance.

The permit is renewable for up to 14 consecutive terms (maximum 15 terms to align with forage leases), provided the land is still available for agricultural use, and the permit holder has complied with the terms and conditions of the permit. Terms and conditions of the permit are subject to change at renewal.

Casual Permit

A casual permit for cropping, haying, or grazing is issued for a term up to one year in length, expiring on December 31 in the year of issuance, and is not eligible for renewal.

Special Lease

A special lease may be issued for the purpose of research, stewardship, or other needs as determined by the department, for a term of up to 21 years in length, at the discretion of the minister. Terms and conditions of a special lease may vary from a standard lease agreement.

VI. Legacy Forage Lease and Permit Renewals

Legacy leases and legacy renewable permits are those forage dispositions that were originally issued prior to October 1, 2019. The legacy status for renewals follows the disposition when transferred to family. Once a disposition (lease or permit) is surrendered or cancelled, it is no longer considered a legacy disposition. These legacy dispositions are able to be renewed for successive terms if:

- lands remain suitable and available for continued use, and
- the holder has complied with lease or permit conditions.

Legacy Lease Renewal

An application for renewal of a legacy lease must be made by June 30 in the year of expiry (e.g. June 30, 2022 for a lease expiring December 31, 2022). A renewal may be issued with amended terms and conditions.

A fee for renewal will not be applied to any renewal to come into effect prior to January 1, 2035. A legacy lease expiring December 31, 2034 (and thereafter) must include a renewal fee with the application for renewal to be made by June 30, 2034. This fee is outlined in the regulation.

Legacy Renewable Permit Renewal

Renewals of legacy renewable permits can be for more than 14 renewals. These renewals are automatically administered if the permit holder pays the annual rent and fees associated with the annual permit by the invoice date.

A fee for renewal will not be applied to any renewal to come into effect prior to January 1, 2035. A legacy renewable permit expiring December 31, 2034 (and thereafter) must also include the annual payment of a renewal fee with the annual rent and fees. This fee is outlined in the regulation.

VII. Exceptions

Land subject to a sales application (applications to purchase ACL)

Where there is a sales application under review for ACL, the terms of the disposition will be extended in one-year intervals, until such time there is a government decision made regarding the sales application.

- If the sales application is *approved*, and the applicant proceeds with the purchase of the agricultural Crown land, the land is no longer available for allocation in the ACL program.
- If the sales approval is in relation to only part of the disposition, only the approved lands are no longer available for allocation in the ACL program.
- If the sales application is *denied*, or there are other ACL within the disposition that are not approved, or the applicant does not proceed with the purchase of the ACL, the land returns to the ACL program for allocation via auction at the end of the term.

Lands owned by Municipalities, subject to return

Where there are lands being managed by the province on behalf of a Municipality, and they are subject to return to the Municipality, there may be instances where terms are modified to facilitate the return of the lands. Efforts will be taken by both the province and the Municipality to facilitate the transfer of lands with minimal impact on existing lease agreements.

Director's Discretion

There may be instances where terms are modified or extended, as required in relation to:

- alternate resource use (e.g. pending use or development by government)
- administrative efficiencies (e.g. regional grouping of ACL available at local auction)

EFFECTIVE 03 DECEMBER 2020 UNTIL RESCINDED OR AMENDED

Original signed by

HONOURABLE BLAINE PEDERSEN
MINISTER OF AGRICULTURE AND
RESOURCE DEVELOPMENT