

July 17, 2023

RE: Agricultural Crown Lands Leases and Permits Regulation Amendments

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of over 4,400 farmers and 19 commodity association members. The ACL program is an integral tool for livestock producers in ensuring the growth and stability of agriculture in Manitoba. KAP is pleased to provide comments to the Department of Agriculture regarding proposed amendments to the Agricultural Crown Lands Leases and Permits Regulation.

Forage Lease Rents

Livestock producers in Manitoba have been operating in a challenging environment consisting of rising costs to purchase or rent land (both private and agricultural Crown land) for grazing or forage production, increased input costs, along with the effects of recent drought and flooding events. These pressures have made it difficult to sustain their operations while paying annual ACL lease fees.

The temporary reduction in annual rent for the next three years is welcome news and will provide some relief to forage lease holders. KAP recommends that Department of Agriculture consider reviewing the rental formula once the rent relief discount ends, particularly with respect to recognizing the ecological goods and services provided by producers in managing the ACL. Such a change could help ensure rental rates remain competitive compared to other jurisdictions while recognizing the care and maintenance producers provide to public lands.

Lease Terms

Amendments in 2019 resulted in maximum lease term length being reduced from 50 to 15 years. The result of this change is that it has acted as a disincentive for some producers to bid on leases, or for producers to invest in costly improvements as potential upgrades may not be fully realized in value to a producer under a 15-year lease. KAP supports the five-year extension on forage leases and recommends the Department of Agriculture continually monitor whether this extension meets the needs of livestock producers.

Transfer Rights

KAP supports amendments that would allow for leaseholders to transfer their lease to a third party. This amendment will allow increased flexibility for leaseholders who no longer require the duration of their lease. KAP recommends the Department of Agriculture inform leaseholders of land located in a Community Interest Zone of a First Nation community of the potential for parcels to be selected as party of the Treaty Land Entitlement process. This would allow leaseholders a better understanding of the transfer process and potential outcomes.

Improvements

Agricultural Crown land lease holders value their land and make investments to enhance the productivity, functionality and sustainability of their lease holds. KAP welcomes the amendments that will provide more clarity and predictability regarding compensation for outgoing leaseholders that have made valuable improvements to the leased land. KAP recommends the Department of Agriculture educate leaseholders of scenarios where outgoing leaseholders are not entitled to compensation when their lease expires. This will ensure leaseholders can make informed decisions when investing into improvements to their land.

KAP interprets section 19(4.4) of the proposed amendments as requiring incoming leaseholders to pay the outgoing leaseholder compensation in exchange for a valid lease contract. Further clarity from the department is needed if this is not the case.

Eligibility

KAP welcomes the added definition of 'eligible holder' to the regulations that will expand on the criteria of individuals that are eligible to hold an agricultural Crown land lease.

Determining Land Productivity

KAP supports the amendment that provides clarity on when animal unit months are determined for forage lease rent. KAP is pleased to see that lease rates will not increase over the course of the lease if the producer chooses to make improvements, thereby increasing the AUMs and forage capacity of the land. This measure will certainly help incentivize producers in enhancing their land while improving the cost-effectiveness of their operation.

Other Considerations

Success of these proposed amendments and the overall ACL program will partly depend on monitoring and enforcement activities. Crown land leases must be used for their intended purpose and the public needs to be aware of acceptable behavior when accessing ACL parcels. Proper resources need to be allocated by the department towards key activities that will ensure ACL parcels remain a viable option for livestock producers for years to come.

Thank you for the opportunity to provide feedback on the proposed Agricultural Crown Lands Leases and Permits Regulation amendments.

Sincerely,

A handwritten signature in cursive script that reads "Brenna Mahoney". The signature is written in black ink and is positioned above the printed name.

Brenna Mahoney

General Manager, Keystone Agricultural Producers Inc.