Community Pasture Transition Policy
Agricultural Crown Land

January 2023

A. Purpose

Provide direction on aspects of the transition of community pastures to patron managed pastures.

B. Improvements

1. The Ministry valued improvements at each community pasture during the transition year using depreciated replacement cost as outlined in the Valuing Community Pasture Infrastructure Guidelines. The improvements will be re-valued when a new lease is issued or at time of purchase if it is after the transition year.
   - Where there are significant improvements associated with a parcel of land (i.e., yard sites, corrals, major well water distribution systems) the Ministry will provide a discount off the appraised value of the improvements. The discount starts at 30 per cent in the first year of the lease and will decline by two per cent per year thereafter until the end of the initial lease term.

2. Pasture improvements: fences, dugouts, corrals, wells, etc. (excluding yard sites)
   - Patron groups who lease the land will be entitled to use the improvements at no cost during the term of their lease, provided they can demonstrate that the improvements are being adequately maintained.
   - Adequate maintenance requires that the improvements are maintained in the same condition as when the lessees received them. An Improvement Maintenance form detailing the location and schedule of all maintenance is to be completed annually. This will be monitored through one or all of the following:
     - An audited Maintenance Expenditures Statement for fixed assets to be submitted with receipts.
     - Documentation of an improvement account which has been set up by the association to maintain the fixed assets.
     - Improvements may be inspected by the Ministry at any time to ensure that maintenance is being kept up.
   - If improvements are not kept to the standard, this will be a violation of the terms of the lease. A Lease Utilization Plan will be developed to bring the maintenance up to standard.
   - New improvements may be added to the pasture with the prior permission of the Ministry. New improvements added to the pasture will be owned by the lessees. If infrastructure is replaced, such as an old fence completely replaced with a new fence, the lessees will own the new infrastructure. Upon surrender of the lease, the Ministry will purchase the improvements at a depreciated replacement cost.

3. Yard sites
   - Patron organizations will have three options if they wish to retain the yard sites:
     - Patron organizations will be allowed to use the yard sites at no cost provided

they demonstrate adequate investment in maintenance of the improvements. This will be monitored as per B.2.
    - Patron groups who lease the land can purchase the improvements at any point during the term of their lease. The annual purchase payment will be interest free and the amortization period may be up to the balance of the term of their lease. The value of the improvements will be determined by the Ministry using the Valuing Community Pasture Infrastructure Guidelines.
    - Patron organizations that purchase the yard site and the associated land must purchase the improvements associated with the yard site. When the land and improvements associated with the yard site are purchased, the Ministry will provide a discount off the appraised value of the improvements as outlined in B.2.
- The Ministry will consider the sale of the quarter section with the yard site (home quarter), in the event a patron group does not want the improvements associated with a yard site. The Ministry may consider offering additional land for lease or sale to make the sale of the home quarter attractive to purchasers.
- At the recommendation of the pasture patron entity, the Ministry may consider providing the current pasture manager with the first opportunity to purchase the home quarter without an option to lease or purchase any additional land, where possible. Financing will not be available through the Ministry.

C. Rental of pasture headquarters to a third party

1. The legal entity that leases that pasture may choose to sublease the headquarters to a third party with approval from the Ministry. The legal entity decides who occupies the house on the headquarters.

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