

Farm Ownership Exemption Denial Order

On September 22, 2025, FarmCap Farmland LP ("FarmCap LP") applied to the Farm Land Security Board (the "Board") for an Exemption pursuant to Section 91(2) of *The Saskatchewan Farm Security Act* (the "Act"). FarmCap LP is seeking an Exemption to authorize its principles to establish a trust called FarmCap Farmland Trust for the purposes of increasing available funds to acquire farm land.

An Exemption is required as sub-section 89(2)(c) of the *Act* states a trust that benefits more than 10 individuals cannot acquire a land holding. From the application materials, it does not appear that FarmCap Farmland Trust will be registered on title for farm land owned by FarmCap LP. Rather, the proposed trust will hold shares in FarmCap Farmland LP and FarmCap Farmland GP Inc., which own farm land. Because the trust will have a financial interest in these corporations, the trust will have an interest in farm land as defined in the *Act*.

In its application materials, FarmCap LP advised that it was created in 2021 to preserve farmland for farming by local farmers. It advises that since 2021, FarmCap LP has acquired approximately 1,440 acres of Saskatchewan farm land and then leases that land to local Saskatchewan farmers. FarmCap LP also advised it currently owns seven quarters of farm land totaling 1,117.93 acres, with an agreement to purchase two additional quarters totaling 319.87 acres with the sale completing in 2027. It holds land in the Rural Municipalities of Happyland No. 231, Wood Creek No. 281, Morris No. 312, and Colonsay No. 342.

FarmCap LP advised that it has provided liquidity for farm land sellers in areas negatively impacted by drought where there were insufficient buyers to meet market demand. FarmCap LP stated that it has provided lease sustainability for existing leaseholders and has leased farm land to farmers known to the family that previously owned the land. It also enables young farmers to expand farming operations when they could not access the required capital to purchase more farm land.

After thorough consideration, the Board has determined it is not appropriate to grant an Exemption to FarmCap LP to authorize its principles to establish a trust called FarmCap Farmland Trust. Large scale farm land investment funds create an unfair competitive disadvantage for Saskatchewan farmers. This is especially true when investment structures can access tax-sheltered funds that are not available to individual farmers. This specific structure goes against the spirit and intent of the *Act*. FarmCap LP and GP can continue to purchase farm land as a Canadian Owned Entity supported by Canadian investors only.

The Farm Land Security Board therefore denies the application for Exemption.



Witness



Kim McLean, General Manager,
Farm Land Security Board



Board Meeting Date: October 2, 2025
File No: FO54064