



**Agricultural Producers Association of Saskatchewan**  
**Discussion Paper**  
**Farmland Ownership Review**  
**June 11, 2015**

**About APAS**

The Agricultural Producers Association of Saskatchewan (APAS) is Saskatchewan's general farm organization – formed to provide farmers and ranchers with a democratically elected, grassroots, non-partisan, producer-run organization based on rural municipal boundaries. As the united voice of thousands of agricultural producers in Saskatchewan, we strive to represent the views of a wide variety of agricultural stakeholders in order to form comprehensive policies that can benefit all sectors of society.

**Introduction**

Restricting ownership of Saskatchewan farmland is a controversial subject within the Saskatchewan farm population and there are valid arguments from both perspectives.

Those suggesting that farm ownership rules should be relaxed point out the need to support the flow of outside investment into agriculture to allow for growth and diversification. The case is also made that legislation should not be restricting opportunities for retiring producers to optimize their retirement funding and that various business models exist to allow new entrants to begin farming without having to purchase lands.

Others see outside investment as inflating land prices and limiting the ability for expansion through ownership, particularly for young beginning producers. For generations, Saskatchewan agriculture has developed through a business model in which producers invest in and own the land on which their production is based. This business model is highly valued in the farming community. The argument is also made that non-resident ownership threatens the viability of rural communities as farmland renters may be less likely to commit to and invest in rural communities. Finally, Saskatchewan comprises almost half of the arable land in Canada and many see farm land as a strategic national resource for Canada and the food security of Canadians.

**Member Survey – Spring, 2015**

Many of these arguments have been raised within Agricultural Producer Association of Saskatchewan (APAS) policy discussions. As a democratic organization, APAS prides itself on reflecting the views of its members. In the spring of 2015, the APAS undertook a survey of its membership with four questions surrounding farm land ownership. Nearly 250 individuals responded.



1. Should non-Canadian individuals eligible to invest in Saskatchewan farmland?

Response	Number of Participants	Percentage
Yes	30	12.3
No	200	82
Don't know	14	5.7

2. Should Foreign Governments, foreign government agencies, or foreign government owned corporations be eligible to invest in Saskatchewan farmland?

Response	Number of Participants	Percentage
Yes	2	0.8
No	236	96.7
Don't know	6	2.5

3. Should Foreign non-government corporations be eligible to invest in Saskatchewan farmland?

Response	Number of Participants	Percentage
Yes	3	1.2
No	231	94.7
Don't know	10	4.1

4. Should Canadian and Saskatchewan-based pension plans be eligible to invest in Saskatchewan farmland?

Response	Number of Participants	Percentage
Yes	52	21.3
No	172	70.5
Don't know	20	8.2



## Recommendations

These member responses frame the policy approach of APAS. Clearly, agricultural producers are supportive of excluding foreign governments, foreign agencies, foreign companies and foreign individuals from owning Saskatchewan farmland. Within the comments accompanying the survey, it was also clear that ownership by foreign individuals was not opposed, provided these newcomers were in the process of locating in Saskatchewan as owner-operators of farmlands being purchased. Opposition to the foreign ownership and control of Saskatchewan agricultural land is a near unanimous position within the APAS membership and the survey results shown here.

APAS members were also clear that they oppose the purchase of Saskatchewan farm land by pension plans and investment trusts. Key concerns include:

- lands purchased by large institutional investors often are removed from the marketplace for the long term;
- an unequal playing field is created when producers are competing to purchase lands with “after tax dollars” against pension funds using “tax sheltered RRSP capital”;
- competition with speculative interests represents an additional barrier on the ability for new producers to own their own land when entering the industry;
- non-resident farm land ownership has a negative impact on rural communities in terms of limited investment and participation in rural communities; and
- the ownership of large tracts of land by outside investors poses a financial risk when large institutional ventures either fail or exit the market.

As new financing arrangements emerge, APAS takes the position that these instruments must clearly result in title and decision making remaining with the agricultural producer. APAS also asks that Section 88 of the *Saskatchewan Farm Security Act* that sets out a 2 year ownership limitation for a non-resident or non- Canadian owned entities (in most cases this refers to land acquired by financial institutions due to default) remain in place.

APAS is supportive of shifting responsibility for prospective purchasers to verify with documentation that they are in compliance with legislation. APAS members believe that the Farm Land Security Board needs to have the right tools, resources and capacity to investigate and restrict farmland purchases by foreign entities. APAS also supports balancing the enhanced investigation and enforcement powers for the Farm Land Security Board with increased accountability to Saskatchewan’s agricultural producers.

APAS appreciates the opportunity to provide input on this important topic and the Ministry’s ongoing review.

