Open for Business - Saskatchewan Farmland Ownership

by Ken Zeigler as originally published in MPact, September, 2002

Since first being introduced in 1974, the law governing the ownership of Saskatchewan farmland has been changed many times. Until recently, farmland ownership laws have been much more restrictive in Saskatchewan than has been the case in either Manitoba or Alberta.

Saskatchewan has restricted ownership of Saskatchewan farmland by Canadian residents to a maximum of 320 acres. Neither Alberta nor Manitoba has similar restrictions. All three provinces restrict ownership of farmland by non-Canadian residents. Saskatchewan limits ownership of farmland by non-Canadian residents to 10 acres, whereas Alberta has a limit of 20 acres and Manitoba has a limit of 40 acres.

Saskatchewan has suffered a steady decline in rural population, an aging farm population and a restricted number of willing investors in agriculture. These factors, coupled with a growing demand by residents from other provinces to invest in Saskatchewan farm land, has recently moved the Government of Saskatchewan to undertake a review of the farmland ownership rules.

The Standing Committee on Agriculture recently conducted hearings with respect to the agricultural land holding provisions in Saskatchewan. A common theme in witness submissions to the Committee suggested that farmland ownership rules need to change to address fundamental concerns in rural Saskatchewan and be competitive with neighbouring jurisdictions. The Committee considered these submissions and recommended changes in the law to the Government of Saskatchewan.

The Saskatchewan Farm Security Amendment Act, 2002, is the result of this process. This Act has just been passed by the Saskatchewan Legislature and will be proclaimed law this fall. The Act now provides for the following:

- a person who is a Canadian citizen or is resident in Canada (183 or more days per year) is no longer restricted in the amount of Saskatchewan farm land he or she can own
- Similarly, Canadian companies involved in the business of farming are not restricted in the amount of Saskatchewan farm land they can own, but
- non-resident persons and non-Canadian owned companies are still restricted to 10 acres of farm land, unless special permission is granted by the Farm Land Security Board
- a non-Canadian owned entity may own up to 320 acres of Saskatchewan farm if the majority of the issued voting shares are legally or beneficially owned by Saskatchewan residents.

Over the past few years, there has been a growing trend among agribusiness in both Alberta and Manitoba to expand into Saskatchewan. Many factors have contributed to this, but the significant difference in land values has certainly driven much of this trend. In some cases, this investment has been in the form of an expanded land base intended to complement the existing farm operation; in other cases, it has been in the form of a relocation of part of the farm business or the establishment
of a new operation in Saskatchewan. We can only speculate on how the changes to the Act will impact on this trend, but it is clear that the unrestricted ability by non-Saskatchewan residents to now invest in Saskatchewan farmland will facilitate those individuals and companies seeking to expand or establish new agribusiness in Saskatchewan.

There was substantial evidence submitted to the Standing Committee on Agriculture that much of the new agricultural capital (both human and monetary) in Saskatchewan will come from Europe. This prompted the Committee to recommend another significant change to the law—one that would allow non-Canadian residents to own up to 320 acres per person. The government of Saskatchewan chose not to include this recommendation in the Act, but with the winds of change blowing across rural Saskatchewan it remains to be seen whether further changes will be made to farmland ownership in Saskatchewan in the near future.

**Contacting a Lawyer on This Subject**

For more information on this subject or specific legal advice, contact Ken Ziegler at (306) 933-1314.

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