

## **SURRENDER OF AGRICULTURAL LEASES AND PERMITS**

### **I. Objective**

To provide farmers with the conditions related to the surrender of agricultural leases and permits on agricultural Crown lands.

*This policy replaces Procedure 212-1: Surrender of Leased or Permitted Lands and Directive 209-6: Surrender of Forage Lease Rental and Tax Payments.*

### **II. Authority**

The Crown Lands Act  
The Agricultural Crown Lands Leases and Permits Regulation

### **III. Description**

The remainder of the term of an agricultural lease or permit can be surrendered to the Crown.

A partial surrender of a legacy lease may be considered.

The timing of a surrender will identify obligated rent and fees to be paid.

### **IV. Background**

The regulations stipulate that:

- The director may issue a forage or cropping lease for a term up to 15 years.
- The director may issue a permit for a term up to 1 year.

The lease agreements stipulate that:

- The leaseholder may request the earlier termination of a lease.

### **V. Type of Surrender**

#### **A. Complete Surrender of a Lease or Renewable Permit**

##### *Lease*

As per the lease agreement, the leaseholder can request early termination (or surrender) of the lease. This involves the surrender of all parcels held within a single lease.

##### *Renewable Permit*

This involves the surrender of, or indication of no intention to renew, all parcels held within a renewable permit.

#### **B. Partial Surrender of a Lease or Renewable Permit**

Partial surrenders are generally not permitted for non-legacy leases and permits, as these parcels have been formed as operational units. However, partial surrenders can be enabled under extenuating circumstances. All partial surrenders are subject to approval by the department to ensure alignment with departmental objectives and goals.

*Change in agricultural capability*

A partial surrender can be enabled when there is a permanent and significant limitation on the agricultural capability of a portion of the lease or permit due to:

- unpreventable environmental conditions (e.g. flooding, etc), or
- where land use codes prevent management activity to maintain agricultural capability (e.g. Wildlife Management Area).

Note: This exception is not to be used in the event of lack of management activity (where land use codes allow) on a lease or permit (e.g. brush encroachment, lack of renovation of forage stand, overgrazing, etc.).

*Legacy Leases or Permits Only*

For leases and renewable permits (in effect prior to October 1, 2019), partial surrenders will be considered where it will not conflict with departmental objectives and goals, and to enable future allocation such as:

- maintaining access to additional agricultural Crown land parcels in a unit
- maintaining viable agricultural units
- maintaining proper land use (i.e. agricultural use)
- facilitating lease/permit management (e.g. fencing and water)

For leases, this involves the surrender of some but not all parcels held within a single lease.

For renewable permits, this involves the surrender of, or indication of no intention to renew, some but not all parcels held within a renewable permit.

**VI. Surrender Conditions****A. Timing of Surrender**

If a lease or permit is surrendered by January 1 prior to the season of use, there is no obligation to pay rent and fees on the disposition for the successive year.

Historically, lease agreements stipulated that surrenders must take place at least three months prior to January 1 (i.e. October 1 the previous year). In practice, this timeframe was generally extended as long as re-allocation of the lease or permit took place.

Starting in 2020, new lease agreements have extended this deadline directly to January 1<sup>st</sup> in the year of use. Leaseholders with older lease agreements in place are also able to take advantage of this extended timeframe, and surrender without penalty, if the lease or permit is surrendered by January 1<sup>st</sup> in the year of use.

Please note that additional extensions to the surrender deadline will no longer be allowed beyond the January 1 deadline.

If a lease or permit is surrendered following January 1, the obligation remains to pay rent and fees on the disposition for the year.

**B. Improvements**

At the time of surrender, the lease/permit holder will identify their intentions related to any remaining improvements (e.g. fences, water systems, etc.) on the land. The options available include:

- Surrender of the improvements to the Crown with no compensation
- Removal of improvements by the lease/permit holder

- Seek compensation from an incoming long-term lease/permit holder.

*Removal of improvements*

If removing the improvements, the holder has 30 days from the effective date of the surrender to do so.

Note: If any arrears are owing to the province related to the agricultural lease or permit, the holder must not remove any improvements without the approval of the director. Please refer to the lease agreement for further details on improvements.

*Compensation sought from incoming holder*

Please note that if a lease or permit is allocated on a casual permit only, there is no obligation of the casual permit holder to compensate the outgoing lease/permit holder for improvements. The compensation for improvements is obligated with the long-term assignment as a lease or renewable permit. This process may take up to two years following the termination of the outgoing lease/permit holder's agreement.

**C. Additional conditions**

Please note that if a partial surrender is enabled, the remaining lands held under a lease or permit may be subject to amended terms and conditions to ensure alignment with departmental goals and objectives.

EFFECTIVE 03 DECEMBER 2020 UNTIL RESCINDED OR AMENDED

*Original signed by*

HONOURABLE BLAINE PEDERSEN  
MINISTER OF AGRICULTURE AND RESOURCE  
DEVELOPMENT