



## NEWS RELEASE

### **Grazing leaseholders provide upwards of \$70 million in value to province annually**

**August 25, 2020** --- Overseeing Crown land for the purpose of grazing cattle requires leaseholders to accept responsibilities and costs required by legislation to effectively steward the range resource. A new Value Estimate Report completed by Serecon concludes that \$69.88 million in value is provided to the province of Alberta on an annual basis by leaseholders managing grazing on Crown land. This number is further split into North (\$19,170,668) and South (\$33,321,483) grazing zones and Special Areas (\$17,383,830).

Crown land grazing leaseholders operate on lands with a multiple use mandate and are required to maintain fences, improve rangeland, develop watering systems, manage recreation and industrial access, and ensure that lands meet stewardship standards as a legislated condition of their disposition. These activities and requirements are undertaken at the cost of the leaseholder, which is unique to Alberta although Manitoba is currently looking at adopting this model. The cost data in the report illustrates that when the full scope of the costs are considered, there is significant economic value above and beyond the grazing fee provided by grazing leaseholders. Only the costs that are legislatively mandated have been included in the report, which can be found on the Alberta Grazing Leaseholders Association website.

The report was developed as an objective assessment through careful background research and stakeholder consultations with a methodology that ensures the results are sound and replicable. “We asked Serecon as a respected and objective company to research into assigning economic values to the costs borne by leaseholders by their stewardship on the land,” says AGLA chair Kyle Forbes. “It was a bit of a gamble on our part that the results would be in our favour but we felt the information was important enough to know so we took the risk.”

The report also compares private pasture lease costs with Crown land lease costs. “At first glance, if you are just looking at the fees, it seems there is a large discrepancy leading to the perception that Crown land grazing opportunities are subsidized by taxpayers,” says Forbes. “What this report shows is that private lease rates include significant ‘landlord services’ and there are considerable differences in rights, regulatory requirements and costs associated with Crown land grazing leases.” The data shows that the costs of managing livestock on a per unit basis is as much or more on Crown lands than on private lands due to the additional requirements borne by the leaseholders. The median private pasture rental rates in 2019 was \$23/AUM (the highest reported was \$45/AUM and the lowest \$0.32/AUM). The average total Crown land grazing costs in Alberta was \$42.52/AUM.

Crown lands in Alberta used for grazing include more than 8 million acres and are managed on behalf of the province by approximately 5,700 grazing disposition holders. Grazing leases are the most common Crown land grazing instrument. Others include grazing licenses, grazing permits, head tax permits and forest reserve grazing permits and were not assessed in this report.

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