

Frequently Asked Questions

What is a grazing lease?

The first grazing leases in Alberta were instituted in 1881. The system was designed to encourage economic activity utilizing the forage resource on Crown land.

A grazing lease is a formal disposition from the Government of Alberta, normally granted on public land where grazing is considered to be the best long-term use of the land. The leases can be issued for a term not exceeding 20 years (usually issued for 10 years). Leaseholders have exclusive right to the use of land **for grazing purposes**.

Public access to lands under a grazing lease is governed by the Recreational Access Regulation under the *Public Lands Act*. Agreements for improving the quality of range on the grazing leases (Range Improvement Agreements) are issued subject to certain conditions.

How many grazing leases are there in the province?

There is about 8 million acres (3.3 million hectares) of Crown grazing land used by livestock producers under various forms of dispositions. Today there are about 5,700 grazing leases covering an estimated 5.2 million acres (2.1 million hectares). Alberta's land mass is estimated at 150,000,000 acres (60,702,846 hectares), not including water, putting grazing lease acreage at less than 5% of the province's land base. The average lease in Alberta is just over a section and supports approximately 50 cows. A section is a land unit measuring 1 mile by 1 mile (2.6 km x 2.6 km) or 640 acres (259 hectares).

What is required of a grazing leaseholder?

The [Grazing Lease Stewardship Code of Practice](#) identifies the roles and responsibilities public land grazing leaseholders have. Range management principles are applied to maintain and foster healthy productive rangeland. On Alberta rangelands, a planned and balanced cycle of forage harvest and renewal is required to protect the range resource and sustain the many benefits that rangelands provide.

These include:

- Balancing livestock demands with the available forage supply; the rancher harvests forage to produce red meat but leaves adequate ungrazed residue to protect plants and soil
- Promoting even livestock distribution by using tools like fencing, salt placement and water development to spread the grazing over the landscape
- Avoiding grazing rangeland during vulnerable periods; early spring grazing can stress range plants when energy reserves are depleted as new growth is initiated
- Providing effective rest periods after grazing to allow range plants to recover from the stresses of grazing



What value does the grazing lease system provide to Alberta?

The grazing lease system was originally intended to allow cattle producers to grow their herds and make beneficial use of the vast grass resources of the province. Allowing cattle to be grazed on Crown lands through the grazing lease system is a critical component to Alberta's successful beef industry. Alberta's beef industry is a significant contributor to Alberta's GDP and plays an increasingly important role in Alberta's diversified economy employing thousands of Albertans.

What does it cost leaseholders to develop and maintain a grazing lease?

Leaseholders have a number of costs to provide proper stewardship and maintain a grazing lease. There are both long-term capital costs and annual operating costs. Some examples are:

Capital Costs

- Fence building and rebuilding
- Rangeland improvements
- Construction of buildings or corrals to manage livestock
- Road construction
- Fire protection and prevention
- Dugout development
- Watering system development

Annual Operating Costs

- Rent payments to the Government of Alberta
- Property taxes payable to the municipality
- Direct labour
- Supplemental feed costs
- Maintenance of roads, buildings, corrals, fencing and rangelands
- Multiple use costs.

Can I, as an Albertan, access a grazing lease to hunt?

In Alberta there are about 5 million acres of Crown land under agricultural lease that hunters may access. Whether you wish to hunt on agricultural Crown land or privately owned land, there are some steps you need to complete before you enter onto the land. If you wish to access agricultural Crown land, you must first contact the leaseholder and provide information about your visit. Although leaseholders must allow reasonable access to the land for recreation, there are some circumstances where the leaseholder may deny or apply conditions to access. For detailed information on access to agricultural public land visit: [Recreational Access to Agricultural Public Land](#) which includes a map of the location of agricultural Crown lands in Alberta, contact information for these lands, and information on the rights and responsibilities of leaseholders and recreational users.



What about other recreational activities, like quadding or hiking?

As the holder of a grazing lease, leaseholders must allow reasonable access to the land for recreation. Leaseholders may have legitimate concerns about some recreational use.

There are circumstances when access is not reasonable and under which leaseholders may restrict access or specify conditions for using the grazing or farm development lease. Generally, this would be based on protecting the land, grazing resource, or livestock and people from possible harm from the proposed activity, or on the timing or season of use.

The Department of Environment and Parks may also add conditions or restrictions on using the land. For example, these restrictions may be placed during times of high fire hazard or to protect the land from erosion. Under the regulations, the leaseholder may deny access, or apply conditions to access, when:

- Access would be anything other than foot access, including bicycles, horse or other animal, or motor vehicles
- The proposed use would occur in a fenced pasture where livestock are present or on cultivated land on which a crop is growing or has not been harvested.
- Access to all or part of the agricultural disposition land has been prohibited due to a fire ban as determined by either the Provincial or municipal authority
- The proposed use would involve hunting at a location that is unreasonably close to a fenced pasture in which livestock of the agricultural disposition holder are present
- The proposed use is camping
- The proposed use would be contrary to a recreational management plan

How can I find out who the leaseholder is on a specific parcel of land I want to access?

Information is publicly available through an online mapping and information tool published by [Alberta Environment and Parks](#). For detailed information on access to agricultural public land in Alberta, visit: [Recreational Access to Agricultural Public Land](#) which includes a map of the location of agricultural Crown lands in Alberta, contact information for these lands, and information on the rights and responsibilities of leaseholders and recreational users.

I have heard that leaseholders receive large sums of money that should be going to the Alberta government. Can you explain this?

Alberta's grazing lease system is complex and not easily understood by those working outside of it. This often results in confusion and calls for numerous policy changes. When oil and gas activity occurs on a grazing lease, the leaseholder can no longer utilize those lands for grazing. The leaseholder may also endure other impacts included increased traffic, damaged fences, need to identify alternate water sources, or relocate cattle, etc. Oil and gas companies are required to compensate the leaseholder for the impacts and increased costs that the leaseholders experiences because of the well site.



Some have suggested that this compensation should go to the Government of Alberta. It would be difficult for the Government to argue they are directly affected by gates left open, moving cattle, loss of use or nuisance, because the Government does not directly experience these impacts.

The Government of Alberta collects its own royalties and other monies from the oil and gas companies for the drilling and production of wells operated on Crown land.

How is compensation determined?

Alberta's *Surface Rights Act* requires that compensation be paid to leaseholders of both private and Crown lands for the loss of use, adverse effects, nuisance and other damages caused by the oil and gas activity on the grazing lands. The compensation is intended to make leaseholders "whole", that is, "to put the grazing leaseholder affected by energy operations in a financial position as close as possible to the position they were in prior to entry by the operator."

The Alberta Surface Rights Board holds hearings to determine compensation rates for both private and Crown lands.

The *Surface Rights Act* and numerous court rulings require compensation being paid to the parties directly affected—the ones who suffer the losses and impacts. The *Surface Rights Act* separates these impacts into two categories:

- Loss of use
- Adverse Effect to the rest of the leaseholder's lease, nuisance, inconvenience, and noise

Energy companies make offers to landowners or leaseholders based on the framework for compensation as set out in section 25 of *Surface Rights Act*. In addition, if the parties fail to reach an agreement, the Surface Rights Board - a provincial, quasi-judicial tribunal - holds a public hearing to determine the compensation payable to the surface occupant and owner.

The Surface Rights Board publishes [detailed written decisions](#). The evidence the Board receives is available to the public. The Board's decisions are reviewable by the Alberta Court of Queen's Bench which is also a public process. The process for determining compensation is completely transparent and follows a clear legal process.

I understand the Auditor General of Alberta did an audit of grazing leases and had some concerns. What were they?

The Auditor General did release a report in July 2015 regarding the management of grazing leases entitled [Environment and Parks – Systems to Manage Grazing Leases](#). This audit report begins on page 15.

The Auditor General examined the Environment and Parks systems to:

- Identify objectives for and benefits expected from grazing leases on public land



- Ensure all Albertans benefit from its management of grazing leases
- Analyze and report on whether grazing leases are meeting objectives or what is needed to improve how the department manages grazing leases.

The Auditor General's report states, "The department's processes ensure that, overall, public land in Alberta used for grazing is in good health. However, the department cannot demonstrate that the grazing lease program is meeting defined objectives. Further, current legislation allows for an unquantified amount of personal financial benefit to some leaseholders over and above the benefits of grazing livestock on public land."

What are grazing leaseholders doing in response to the Auditor General's report?

The AGLA remains very concerned with how the Auditor General's report portrayed compensation as a benefit or revenue when in fact it is compensation for impacts to a leaseholder's operation. The AGLA were surprised that the Auditor General appeared to be unaware that compensation rates are in fact set by the Surface Rights Board and the courts through an independent transparent hearing process.

Compensation is not for access. It is not rent. It is not revenue. It is compensation for the disturbance to the leaseholder's operations. Compensation is for adverse effects including loss of use of the grazing land, and damages to lease land, livestock or personal property caused by oil and gas wells. Leaseholders are only receiving compensation that is appropriate for the impact that is occurring on the land and interfering with their operation.

AGLA representatives met with the Auditor General on July 27, 2015 and provided a [response](#) to the report. In follow-up to that meeting, AGLA representatives made a [presentation to the Public Accounts Committee](#) examining the Auditor General's report on February 4, 2016.

Additionally, the AGLA has been involved in ongoing discussions with the Minister of Environment and Parks and staff for an updated rental rate formula for the amount of annual rent payments that leaseholders pay to the government as well reviewing assignment fees and provision for ongoing rangeland sustainability. This collaboration reflects one of the reasons our provincial grazing lease system works in our province, shared responsibility for the stewardship of our grazing lands.

How do grazing leases contribute to economic diversification in Alberta?

Roughly 20% of Alberta's cowherd is dependent on these Crown Lands under Agricultural Disposition for some of their forage requirements annually. Grazing leases, coupled with deeded holdings, generally form an integral and complementary part of a farm or ranch unit. Simply put, they function better together as a unit rather than split apart. Grazing leases provide the additional capacity to feed approximately 1 million head of animals. These animals supply our meat product manufacturing industry which accounted for over half of Alberta's food manufacturing of \$12.7 billion in 2014.



What are the ecological benefits of grazing leases?

The lion's share of grazing leases in Alberta are native landscapes. These landscapes have survived many pressures including settlement, agricultural expansion, urban development and industry. A big reason for that survival is the stewardship of the leaseholder. Our grazing leases lands are managed to ensure the health of the entire grazing ecosystem. This includes soils, grazing animals, plants, minerals, nutrients and water. Leaseholders also must consider wildlife and human activities on the landscape. And it is a responsibility of the leaseholder to make leasehold improvements to properly manage these lands.

The government has laid out objectives along with performance measures in a [Grazing Lease Stewardship Code of Practice](#) for leaseholders and has adopted a range health assessment system to monitor the health of our range lands.

Albertans benefit by having leaseholders manage and help ensure the long-term sustainability of the land and watershed and help protect animals and plants at risk where needed.

Alberta's grazing lease system has implemented a knowledge-based approach, which allows those closest to the land to be the day-to-day managers and natural stewards of 5.2 million acres of crown land on behalf of all Albertans.

How do I know that grazing leaseholders are properly managing this resource?

In Alberta the rules governing leaseholders have been refined over decades through public policy goals, updated legislation, and regulatory decision making. Grazing lease holders must ensure the health of the entire grazing ecosystem. This includes soils, grazing animals, plants, minerals, nutrients and water. Leaseholders also must consider wildlife and human activities on the landscape. The government has laid out objectives along with performance measures in a [Grazing Lease Stewardship Code of Practice](#) and has adopted a range health assessment system to monitor the health of our range lands. In addition, leaseholders must also fence the lease, develop water sources and provide the other livestock handling infrastructure.

I have other questions that are not answered here. Who can help me?

You can [contact the AGLA](#), or [Alberta Environment and Parks](#) .