

Alberta Grazing Leaseholders Association Newsletter

January 2023

AGLA— What we are all about

The first grazing leases were instituted in 1881. Today, there are over 5,700 grazing leases in Alberta covering over 8 million acres of the province. The most common grazing disposition on Crown land is the lease (other dispositions include permits, licenses and head tax permits).

Grazing leaseholders undertake a significant stewardship role on public lands; they are responsible for maintaining rangeland health and serve to both protect and maintain environmental values. The extensive experience and knowledge of grazing disposition holders is an important resource in ensuring the health of the rangelands. Crown lands under grazing disposition have benefitted from the intergenerational knowledge of its stewards, and the succession of those stewards depends on security and profitability. Continued stewardship of Crown land in Alberta is reliant on the recognition of property rights in grazing leases and legislation supporting it. This is where AGLA comes in.

AGLA's mission is "To protect Alberta's grazing lease-holders from erosion of rights and property and to preserve the assets and income of grazing lease owners." We strive to be the voice of reason in matters of land use, property rights and surface rights. AGLA has represented the interests of leaseholders provincially, nationally and locally since 1998.

AGLA's more recent efforts include successful negotiations with government in 2020 after changes to the lease contract would result in reduced rights for leaseholders, completion of a third party study on the annual value the

leaseholder represents to the province, engagement with the Special Select Committee on Real Property Rights in Alberta, consultation regarding the Red Tape Reduction initiative and on-going engagement with elected officials, bureaucrats and other stakeholders for continued recognition of the importance of the leaseholder role on Crown lands under grazing disposition. Current issues include modernization of the grazing-timber integration manual and access / liability concerns over undeveloped road allowances. And there is always the ever-present conversations on recreational access and surface compensation where we continue to sit at the table to represent leaseholders.

All of the advocacy work that AGLA does is done by the volunteers that sit on the board of directors. To keep costs down, AGLA directors do not take an honorarium nor do they claim expenses. The administration and other management duties is filled with a part-time contract position. AGLA is run solely on memberships and donations so the support of the membership is everything. It keeps the organization accountable and closely tied to the producers we represent.

If you are already a member, we thank-you for your support and hope you continue to be a member. If you have not purchased a membership, please consider doing so to sustain the important work AGLA does for leaseholders. At \$50 per year, it is the best deal out there for representation and advocacy. AGLA also accepts donations to help with operational costs.



CHAIRMAN'S REPORT

This past year, our association continued to be consistently busy working through the various concerns that arose and hopefully finding solutions to some of the more nagging issues that have been plaguing us. After the Grazing Summit that was held with senior government officials in December 2021, we began to lay the ground work for the Rangeland Grazing Framework which is now nearing completion. This framework was developed through the Grazing Disposition Holders Operational Committee by a group of stakeholders from AGLA, WSGA, NAGA, and ABP along with representatives from the Alberta Environment. Our hope is that this framework will provide some context to the partnership that exists between us as leaseholders and the government of Alberta. It will work toward directing policies moving forward and should ensure that leaseholders are meaningfully consulted when other overlapping dispositions are being considered. Through the operational committee we have also been working on tackling several other issues such as new supplemental feeding guidelines, subletting, assignment fee structures and recreational access.



This year many leaseholders saw several surveys show up in their mailboxes. The first one was a recreational access survey that was sent out with AGLA membership renewals. The purpose of this survey was to gather information as to what concerns the membership had when it came to granting access and to double check that the issues we are highlighting to government are the same ones you are concerned about. Some discussion on the results of the survey can be found here in the newsletter and have already come in handy with some our most recent advocacy efforts. The second survey was the grazing lease cost survey that is mandated as part of the new rental fee structure. This survey, while voluntary, is crucially important when it comes to accurately tracking the costs we have as producers. These costs are then inputted in to the rental fee formula, thus having a direct impact on the amounts we will pay for the next 10 years. It has been recognized that the survey did come off as complex and intrusive and those concerns have been noted. Improvements will be made in the future to address this and hopefully harvest a better response next time. If you were one of the producers who received this survey and filled it out, thank you.

Currently, two of our directors are working diligently on the Grazing Timber Integration Manual modernization. Kevin Menice and Darwayne Claypool have been volunteering their time and have been doing a great job of representing those leaseholders who are plagued by trees. The modernization of the manual was last done in 2011 and our directors are working hard to ensure that there are more protections for the long term sustainability of grazing in these areas. Timber companies have the ability to fund a substantial lobbying effort and for a long time it seemed as though the scales were tipped in their favour. It can feel like David vs Goliath but with some of the recommendations we have made, our hope is to level the playing field and protect the rights of leaseholders. Time will tell if we have been able to influence things in the right direction but hopefully, by having the right people at the table, we can have some positive movement on other issues such as fence line clearing widths and scarification.

In the weeks leading up to Christmas we were able to head north and had several very positive meetings. We spent time with Premier Danielle Smith, Minister Todd Loewen, Minister Nate Horner and MLA Drew Barnes. In each of these meetings we highlighted some of the most pressing concerns we face both as leaseholders and an industry. Our concerns didn't feel like they were falling on deaf ears and in the ensuing conversations there was an overall positivity that as not been felt in some time. Hopefully this positivity continues in to the new year and manifests itself in the form of a common sense government and a whole heck of a lot of rain.

2023 will bring the initiation of consultations to review the Recreational Access Regulations. We are getting ready for that and ask that if you have any input to contact your AGLA director, the AGLA office or myself.

On behalf of the board of directors I want to thank each and every one of you who have taken the time to support our association. Without the strong support of our membership and the valued input of everyone who has served on our board in the past, we wouldn't have been able to have nearly the impact we have had over the last 25 years. I look forward to toasting to our 25th Anniversary with you in Medicine Hat in February.

Transferring a Grazing Lease – Where things go wrong

Every now and again it becomes necessary to transfer a lease to another person or entity. Sometimes it is due to the lease contract and the improvements being sold or perhaps it is to put the name of a child or grandchild on the lease for succession.

Not too long ago we were dealing with a backlog with the department where some transfers were taking up to three years and sometimes longer to go through. There has been a concerted effort on the part of the department to clear the backlog, including the implementation some things to streamline the process. They now report it takes around 45 days to process a transfer; sometimes less if everything is in order. This is without a doubt an incredible improvement.

Representatives from the department tell us that family transfers sometimes take the most amount AGLA has been asking the GoA to review the of administrative time because the proper paperwork is not always submitted or filled out correctly. Although it seems a bit ridiculous to fill out a mountain of paperwork to simply change the name on the lease contract, it is in your best in-

terest to make sure it is submitted correctly. For help to make sure all is in order with your transfer, contact your GoA rangeland agrologist with the Forest, Parks and Tourism Ministry.

The assignment fee that leaseholders are charged for transfers is \$3150. Nope, we didn't miss a decimal place in there somewhere. This is the fee charged whether it is a family transfer, a sale of a grazing lease or the assignment of a gravel and sand disposition. In some cases, this fee does not make sense. Family transfer is one example and the high fees are a barrier to succession and proper management. For small leases with low AUMS, the transfer fee can be more than the purchase price of the lease or the cost of the lawyer to take care of the transaction. This represents a barrier to commerce.

assignment fee schedule and make changes so their fee does not create barriers to succession and commerce in the beef industry. If you happen to be in conversation with your elected official, please bring this up.

AGLA 2022 Rec Access Survey – what we heard from leaseholders

A nine-question survey on recreational access on Crown lease land was sent out in the 2022 membership renewal. We decided to send out a survey because rec access is a constant topic in our advocacy efforts with elected officials, bureaucrats and other stakeholders. We need to go into these conversations with the best information from our membership to help guide our position, to be proactive and to act in the best interests of leaseholders. This is especially timely since consultation on the review of the Recreational Access Regulations is expected to start in 2023. Please note that this survey was not intended to develop scientifically significant statistics, it is merely to poll the membership on what is going on out on the landscape.

While the number of surveys returned seems low (182), it does give us a good idea of the concerns, challenges and opinions of our AGLA membership. The overall results align with the messaging and advocacy AGLA has been engaging in over the past few years. This serves to reinforce the confidence AGLA has that we are representing our membership when we talk to stakeholders

about recreational access.

The majority of leaseholders province-wide are concerned with being required to grant access for recreation. When considering the risk leaseholders are forced to accept when granting access, this is not a surprise. In the comments received back, there were many leaseholders who reported not having troubles with recreationalists respecting both the position of the leaseholder and the land they are accessing for recreation. As with almost everything, it's the bad examples that ruin it for everyone.

The percentage of respondents who denied access for recreation and the percentage of respondents who are concerned about recreational access are most likely directly related given how close these numbers are. Because the most common reason for denying access is the presence of livestock, it is reasonable to think that there will not be a change to the degree of accessibility since the grazing window wouldn't change significantly from year to year.

Rec Access Survey from page 3

There was a significant number of respondents in the south zones that cited fire risk and dry conditions as being a concern when granting recreational access. Fire is becoming an increasingly strong concern on the landscape especially as some MDs and counties are downloading the cost of fighting fire to the landowner. That serves only to increase the risk and liability for the landowner and leaseholder, thus also potentially increasing the degree of concern when being forced to grant recreational access. Recreational access and the potential damage that comes from that are not limited to just the Crown land the recreationalist is accessing when it comes to fire. The amount that leaseholders, along with neighbouring landowners and leaseholders, stand to lose is staggering, which should trigger the department to re-examine the access rules around fire bans and fire risk.

In regions where more leaseholders are making the effort to report non-compliance to either Alberta Environment and Parks or to Report-a-Poacher, we are seeing an increased uptake in the use of some kind of booking management system. It is reasonable to think that the demand for a booking management system is regionalized and only seen in areas where either the number of requests is very high or the number of non-compliance issues

2023 RENTAL RATES

Zone 1: \$4.58 / AUM Zone 2: \$3.08 / AUM

The annual rental rates are calculated based on the market prices, consumer price index for the first 8 months of the year and recognizing costs of production. The results of the Grazing Lease Cost Survey that was sent out in 2021 will be reflected in the 2023 rental rate calculation.

The modernized rental rate framework is founded on a two-zone system with a boundary based on the transition to the boreal region of the province — an area that incurs higher capital costs on grazing leases. These zones have different rental rates to reflect these differences in capital costs.

is high. A move to make the use of a booking system mandatory may not be met favourably given the regional nature of the issue.

The need for appropriate and responsive enforcement continues. The fish and wildlife officers are overworked and spread too thinly to properly enforce the province. Education and awareness programs rolled out by the government detailing the role and rights of the leaseholder on the land when it comes to recreational access have had some success. The need for them continues.

We would like to thank all the leaseholders who took the time to complete the survey. With the majority of leaseholders expressing concern over requiring to give access and at some point denying access, AGLA will continue to advocate for leaseholders on recreational access issues. We will also engage in efforts in education and awareness on the regulations surrounding recreational access and the role of the leaseholder in the management and stewardship of Crown lands.

The full report can be found on our website albertagrazinglease.ca or by request from the office: albertagrazinglease@gmail.com or 587-435-4072.



2022 Grazing Lease Cost Survey — Unofficial Results

It's no surprise that it costs more to run a lease today than it did six years ago—the surprise is how much the cost survey says the increase is.

The grazing lease cost survey was mailed to leaseholders earlier this year. The purpose of the survey is to true up the value of running a lease inputting into the calculations for the rental rate. The calcula- agriculture input costs are documented to be intion, which was developed in collaboration with grazing industry organizations, is based on the cost of production and potential of the leaseholder to be profitable. For that we need proper cost data which is where the survey comes in.

The department gave an update at our recent regional meetings in Teepee Creek and Pincher Creek on the grazing lease cost survey. The full report is expected to be out soon and will be posted on our website. In the meantime, the following is what they told us at the regional meetings.

There are three dynamic inputs that are updated each year for the calculation of rental rate: the April steer price for 650 lb animals, the September steer price for 850lb animals and the Consumer Price Index (CPI) for the first 8 months of the year to adjust for inflation. We recognize most people are not grazing steers on their lease, however, when developing the calculation, industry and government agreed that this price index would be an appropriate trend indicator to use.

The overall annual operating costs reported in the lease cost survey compared to the previous lease cost survey are:

The cost data shows that the cost increases are quite similar to the consumer price index. This was a bit surprising since there are strong indicators that creasing at over two times the consumer price index. A more detailed look shows that producers have likely reduced their investments into replacing equipment and infrastructure due to record costs. There is only so much money to go around and producers have had to make a choice.

At this point the department is doing some follow up work on CPI and specific grazing costs. The grazing rental rate calculator will be updated using the new data and will be reflected in the 2023 rental rate. The next lease cost survey is scheduled to be in 10 years time. Before then, the industry grazing organizations and the department will be working together to address some of the issues that came up regarding the survey. These include increasing clarity and simplifying the survey. The hope is that, if we simplify the survey and make it easier to complete, we will have more robust data to base the rental rates on.

Zone 1 (South)		Zone 2 (North)	
2015 costs	2021 costs	2015 costs	2021 costs
\$31.69/AUM/yr	\$36.60/AUM/yr	\$35.39/AUM/yr	\$40.86/AUM/yr

AGLA CALL FOR RESOLUTIONS

Do you have an issue AGLA should be working on? Submit it in the form of a resolution.

Send in your resolution to albertagrazinglease@gmail.com or 587-435-4072 or contact the director for your area

AGLA AGM—Wednesday, February 15 at 1:00 pm Medicine Hat

YOUR 2022-2023 AGLA BOARD OF DIRECTORS

	Position	Phone	Email	Town
Kyle Forbes	Chairman (Zone A1)	403-548-3183	kaforbes@cciwireless.ca	Redcliff
Larry Gaultier	Vice Chairman (Zone D)	587-343-2575	blgaultier@gmail.com	Grovedale
Larry Sears	Past Chairman (Zone A)	403-625-0417	larrylsears@gmail.com	Stavely
Darcy Wills	Treasurer (Zone A)	403-344-4312	drwills@cciwireless.ca	Coutts
Don Broomfield	Zone A Director	403-625-6368	broomfield.agla@gmail.com	Turner Valley
Brian Loewen	Zone B Director	780-210-2113	Ifw@mcsnet.ca	Brosseau
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^{*} Board listing up-to-date until 2023 AGM in February

KEEP US ACCOUNTABLE: Please feel free to reach out to any of our directors or to the office at the information below.

