

Frogworks Consultants

PFRA PASTURES TRANSITION STUDY

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1. Introduction

The 2,500 patrons of AAFC's former PFRA Community Pasture Program (CPP) in Saskatchewan are being challenged to adapt to numerous impacts on their cattle operations as a result of recent policy changes by the Governments of Canada and Saskatchewan. These changes announced in 2012 and beginning in the 2014 grazing season will see the Crown lands in 62 federal community pastures transition from federal to provincial government administration over the five year period between 2014 and 2018.

Responsibilities for pasture leasing are being imposed on pasture patron groups by the Government of Saskatchewan which is requiring new patron-run business entities to pay higher fees for grazing on these public lands and provide for the stewardship of public goods and services that were previously managed by professional federal government employees. This divestiture of federal pasture lands is occurring in the context of a declining Saskatchewan producer base and shrinking provincial beef herd, growing concern over the ecological integrity of Saskatchewan's threatened native grassland ecosystems, and public apprehension over the potential future sale and consequent loss of public access for hunting, recreation and research on provincial Crown lands.

Since this process of change and transition started two years ago, these and other concerns have pulled diverse interests together in a process of collaboration that has recently culminated in more formal cooperation among federal community pasture patrons represented by the Community Pasture Patron's Association of Saskatchewan (CPPAS), agricultural producers represented by the Agricultural Producers Association of Saskatchewan (APAS), wildlife conservation interests represented by the Saskatchewan Wildlife Federation (SWF) and grassland naturalists represented by a group known as Public Pastures – Public Interest (PPPI). The Government of Saskatchewan (Saskatchewan Agriculture) has been non-responsive to the individual organizations' past requests for change in the policies and guidelines being used in the pasture divestiture process and this has triggered growing levels of frustration and apprehension in members of these organizations.

The present study was undertaken in October 2014 to summarize the changed circumstances which have confronted patrons of the former PFRA pastures over the last two years. The study is intended to outline and explain the growing concerns regarding the government's pasture association Crown lease requirements and related policies affecting the transitioning federal pasture lands. It also seeks to provide a summary of lease costs and fee structures for different administration systems used for public grazing lands in the prairies and an interpretation of existing literature on valuation of public benefits provided by the former CPP.

During November 2014, a variety of individuals involved with these issues were interviewed by the author (Appendix A). Government officials with administrative responsibilities for grazing systems on public land in Saskatchewan, Manitoba and Alberta provided summary information on the policies, management systems and costs applied to Crown lands in their respective jurisdictions. Research conducted through the University of Saskatchewan's Department of Bioresource Policy, Business and Economics was summarized to describe the estimated value of public benefits from the transitioning federal pasture lands. Direct interviews with key spokespersons for CPPAS, APAS, SWF and PPPI provided a basis from which individual perspectives could be aggregated into themes of more general concern. Finally these elements were consolidated into the perspectives that are presented in this report.

All four organizations share a common belief that over the long term, management of the transitioning federal pasture lands must be based on the principles that:

1. conserving native grasslands is critically important;
2. land use should reinforce the economic viability of our livestock sector;
3. natural working ecosystems must be preserved for the long term;
4. business and governance systems must be efficient and effective ; and,
5. producers should not be expected to pay for public benefits.

It is hoped this report will establish a fresh launch point for discussions with the Government of Saskatchewan, the people of Saskatchewan and the media based on these principles. This new conversation is critical to define the actions that need to be taken now to ensure the historic public benefits of the CPP system are not sacrificed as these CPP lands transition into a new management system for the future.

2. Developments to date

2.1 Historical context:

The Prairie Farm Rehabilitation Act was enacted in 1935 by the Government of Canada in response to severe drought causing damage to farmland in Prairie Canada and the related dislocation of numerous farm families in the region. The purpose of the legislation was “...to secure the rehabilitation of the drought and soil drifting areas in the Prairie Provinces..., and to develop and promote within those areas systems...that will afford greater economic security..” (PPPI 2014). The Prairie Farm Rehabilitation Administration (PFRA) was established under this Act to deliver federal government services and achieve these purposes.

Arrangements were made in 1939 to establish community pastures to be operated by PFRA to rehabilitate and conserve fragile and marginal lands that had been subject to drought and erosion. The provinces of Manitoba and Saskatchewan identified and assembled blocks of degraded and sometimes abandoned lands to be incorporated into the Community Pasture Program (CPP). While the primary objective of the program was to rehabilitate and conserve lands subjected to erosion, an equally important purpose in establishing the pastures was to help advance economic stability and diversification in the Prairie Provinces (Kulshreshtha et. a. 2008).

In Saskatchewan, lands were transferred to the Government of Canada for the exclusive purpose of inclusion in the community pasture system with the condition that the lands would revert to the province if they were to be used for any other purpose. It was apparent from the outset of the program that the best use of these lands for conservation and economic purposes was livestock grazing. While land assembly for the PFRA community pastures started in the most degraded areas of the brown soil zone, the program gradually grew over time to include at-risk lands elsewhere in the Prairies.

The process of land assembly for the CPP system changed in 1949 after which date any new pasture lands acquired by the province were leased to the Government of Canada (PFRA). In the years that followed the establishment of the community pasture program, PFRA also

purchased additional lands in Manitoba and Saskatchewan to supplement the leased and “reversionary” provincial lands in the system. Typically such purchases of “non-reversionary” lands enabled the establishment of infrastructure necessary to support operations at each pasture (headquarters housing for managers, barns, corrals, etc.) or added lands to improve the efficiency of local range management.

By 2006 there were 85 community pastures operated by PFRA including approximately 920,000 hectares of largely marginal land providing grazing for approximately 220,000 head of cattle belonging to 3,400 patrons (Kulshreshtha et. al. 2008). Native grassland constituted approximately 73.1% of these lands, 16% was seeded or “improved” pasture, 8% was woodland, and slightly more than 2% was water bodies. Of the total 85 pastures, 24 were in Manitoba with a combined area of approximately 162,000 ha, 60 were in Saskatchewan with an area of 718,000 ha, and one was situated on Canadian Forces Suffield base in southeastern Alberta with an area of 40,000 ha.

The pastures varied in size between 2,023 ha and 44,920 ha with the average pasture having an approximate area of 10,117 ha. Each community pasture was typically managed by a resident manager; in some cases two small adjacent pastures were managed by a common manager. The managers were responsible for the management of rangeland and hundreds of head of cattle within their pasture including treating sick animals, baling hay, and repairing equipment and fences. Over the years of PFRA management more than 1,000 dugouts, 770 wells, 420 windmills, and 130 dams were built on community pastures to provide water to livestock and wildlife.

Over time, PFRA endeavoured to maintain a system of charges for community pasture users that bore a fair relationship between the benefits received by patrons, the contribution of pastures to the public good and comparable charges for provincial and private pastures. The fee schedule charged to patrons was set by PFRA on an annual basis with the aim of recovering a share of annual operating costs proportional to the private benefits received by patrons through fees for grazing, breeding and miscellaneous services. The remaining costs of CPP operations were offset by annual funding from the Government of Canada (AAFC) based on the premise that this funding covered all other costs associated with the public benefits of CPP operations such as soil conservation, carbon sequestration and consumptive wildlife use (hunting). AAFC costs were offset by fees for other uses such as surface access for mineral extraction. The net annual AAFC expense (“subsidy”) costs had been approximately \$3 million/year in recent years.

Current AAFC rates CPP grazing are \$0.65 (grazing fee per day for a cow) over a 135 day grazing season plus a \$35.00 calf rate for the season. These rates equate to \$122.75 for a cow calf pair for the season to which the cost of breeding (\$45.00 per cow) would be added if CPP bulls are used for a total cost of \$167.75. Under AAFC's CPP program patrons do not pay for the costs of facility maintenance, capital improvements or municipal taxes. Under the current CPP fee schedule the Government of Canada pays the municipal taxes on lands within the system under a payment in lieu of taxes or "PILT" payment. In 2013, the costs for the PILT payment on CPP lands in Saskatchewan were \$1.8 million.

During the fall of 2011 the Minister of Agriculture and Agri-Food Canada (Gerry Ritz) informally mentioned the Government of Canada was considering major changes to the federal community pasture program at the Saskatchewan Association of Rural Municipalities (SARM) mid-term meetings. By early March, 2012, the Federal Budget plans were sufficiently advanced that senior AAFC officials were able to provide a very general indication to Saskatchewan Agriculture officials that changes were likely to be coming.

The 2012 Federal Budget release on March 29, 2012 gave the first official announcement of the plan to withdraw from the CPP program over a six year period ending in 2018. This plan called for the divestiture of the pastures to begin in 2013 with the transfer of ten pastures back to provincial government control (five pastures in Saskatchewan and five in Manitoba) followed by additional pastures each year until "full divestiture was achieved in 2018". The extended six-year period of the divestiture process was described as having the intention of allowing time for provinces, municipalities, pasture users and "other stakeholders" to help manage the transition. Grazing and breeding services on remaining pastures were to be maintained throughout the transition period and pasture patrons were to receive as much notice as possible.

This announcement largely caught provincial agricultural agencies by surprise and presented a major challenge in adapting to and managing this transition.

2.2 S Saskatchewan policy approach to receiving and managing divested lands:

Saskatchewan Agriculture officials have observed that the federal plan to withdraw from the pastures was launched onto the provincial government very quickly and with only limited and vague advance notice a few months before the announcement instead of years as would more normally be the case. The provincial government's existing policy at the time of the

announcement had been aimed at withdrawing government from direct ownership or management of agricultural land.

The Saskatchewan Provincial Pasture (SPP) program has been operated by Saskatchewan Agriculture since 1922 providing summer grazing on Crown lands on a fee-for-service basis. Livestock are managed by professional employees, hired by the Ministry, with particular skills in livestock care and handling and pasture and range management. At the time AAFC announced that the Government of Canada would be discontinuing the CPP program and returning the reversionary lands back to the provincial government, Saskatchewan Agriculture had already been actively assessing how the province could withdraw from ownership and management of their existing SPP community pastures. Pilot projects testing the interest and ability of private interests to purchase Crown lands within two provincial community pastures were underway at the time.

Adding the 62 transitioning federal community pastures that constitute a total additional land base of 710,000 ha to the existing SPP lands created the problem of increasing and complicating the challenge Saskatchewan Agriculture faces in withdrawing from land ownership and community pasture system operations. From the outset of the transition period following the federal government announcement the Government of Saskatchewan has been clear there will be no appetite for the provincial government to take over management and operation of a community pasture program on these lands. It has also been clear that the Government of Saskatchewan expects some level of financial return to the province from the reversionary lands (initially through sale).

In May 2012, Saskatchewan Agriculture began consultations with both AAFC and “federal pasture patrons” that extended through the summer to plan for the transition of the federal community pastures into patron-controlled ownership and operation. Saskatchewan Agriculture negotiated a memorandum of understanding with AAFC that saw federal staff continuing to manage the pastures for the 2013 grazing season. The Ministry also established a five person advisory committee including two representatives from the Saskatchewan Stock Growers Association (SSGA) and two representatives from the Saskatchewan Cattlemen's Association (SCA), and the President of SARM.

Representatives from each of the 62 AAFC community pastures in Saskatchewan were invited to a conference call in July 2012 to discuss transition planning and the chairman of each Pasture patron advisory committee was sent an information package on the transition process. The Saskatchewan Agriculture Minister reported at the time that there had been enquiries by private parties who were interested in owning and operating the pastures.

By mid-August 2012, Saskatchewan Agriculture reported that a series of four principles or “pillars” recommended by the pasture transition advisory committee had been adopted to form the framework for the transition process:

- pasture patrons would have the opportunity to own and operate each pasture;
- each pasture would be maintained as a complete block;
- sales would be based on market values; and
- any sale of native prairie land would be subject to no-break and no-drain conservation easements.

By early fall a subtle shift became evident in this provincial government policy apparently driven by rising public concerns over the sale of Crown-owned (public) pasture lands to large scale private interests and pasture patron concerns over what were perceived as being the prohibitive costs involved with buying these lands. An October 19, 2012 news release announcing the list of the first ten federal community pastures to be transferred to the province also indicated that patrons would have the opportunity “to own or to lease these pastures”.

Those concerned about the federal pastures and their transition out of federal government control and management had started to coalesce into loose organizations during the summer of 2012. The Association of Agricultural Producers of Saskatchewan (APAS) initiated meetings with patrons, rural municipalities, and other interested parties at that time. During the fall, CPP pasture patrons began going to these meetings and by November the CPP patrons were beginning to hold their own PFRA pasture meetings. By November, pasture patrons from several PFRA pastures attended a meeting at Bladworth where a steering committee was formed to bring all of the pasture groups together for an informational meeting scheduled for January 23, 2013 at Saskatoon.

On November 15, 2012 the Governments of Canada and Saskatchewan announced new programs funded under the Growing Forward 2 Federal/Provincial agriculture policy framework to help pasture patron groups assume operation of the transitioning federal community pastures. Under this “Canada Community Pasture Transition Program” patron groups became eligible for 75% per cent funding for professional legal and financial services to develop their business entities and plans to a maximum of \$80,000, and for skills development to manage ecologically sensitive lands, human resources and finances to a maximum of \$40,000. Provisions to cover patron group travel costs associated with meetings to a maximum of \$7,500 and 100% of weed control measure costs were incorporated within these maximum expenditure limits. Eligibility for this assistance was limited to pasture patron groups who had

formally organized into grazing cooperatives, corporations or other form of legal business entity.

Conservation interests concerned about the transition process had also been communicating among themselves through the fall of 2012 and on November 23, 2012, a public forum on the future of community pastures was organized in Regina to coincide with the Canadian Western Agribition. Approximately 75 people attended this forum representing a cross section of former PFRA employees, conservationists, First Nations representatives and otherwise concerned citizens. This forum was the genesis of a new organization to become known as Public Pastures - Public Interest (PPPI) which represented itself as “a group of conservation-minded Saskatchewan residents who are urging the Government of Saskatchewan to ensure that the grasslands within the federal community pasture system will continue to serve the broader public interests of all Saskatchewan people”. PPPI members share a common concern that if the transition to patron control for the 62 PFRA pastures in Saskatchewan is not handled well, the lands could end up in the hands of corporations or groups who are unable or unwilling to manage them in ways that balance short term profit with the wider, long term interests of conservation.

The January 23, 2013 meeting of PFRA patrons in Saskatoon attracted the attendance of 250 people including 58 pasture patron representatives and provided for the establishment of an interim steering committee and executive created to form the Community Pasture Patrons Association (CPPAS). Of the pasture patrons groups represented at this initial meeting, 20 were ready to join the new association at that time. CPPAS held regular conference calls as membership grew over the months that followed; seven of the first ten pastures that were to be transitioned in 2014 joined CPPAS during this period. In February, the SCA formed a PFRA Pasture Patron Committee which met separately with four of the first ten transitioning pastures in early March.

On March 28, 2013, the Minister of Saskatchewan Agriculture announced further options to assist federal community pasture patrons assuming operations of their community pasture. Patron groups were given the opportunity to either lease or purchase their pasture. With the lease option the provincial government offered a 15 year term and provided for the use of the capital assets at no cost provided patrons perform regular maintenance. Patrons were also given the option of purchasing their leased land and any improvements at any time over the term of their lease if they wish to build equity. Under this Federal Community Pasture Transition Policy, patrons leasing their community pasture would be required to report annually on grazing activities, invasive species management, membership, grazing allocations and infrastructure maintenance.

In June 2013, PPPI and Nature Canada hosted a tour by BirdLife International and Canadian authors Margaret Atwood and Graeme Gibson to raise awareness of the urgent need for grasslands conservation with imminent changes in the management of publicly held lands in the federal community pasture system. At joint press conferences following the tour, Nature Canada and PPPI called on the Government of Saskatchewan to delay the decision to either sell or lease the public community pasture to private users.

CPPAS Directors attended the July 2013 APAS mid-term meeting to provide an update on CPPAS's progress and to outline their major concerns with the experience to that point in the pasture transition process. CPPAS was seeking a one-year delay in the scheduled transition to patron-run businesses for the first ten pastures to allow time for resolving outstanding issues that needed to be addressed in business plans including: how non-reversionary federal lands would be treated, disposition of assets, liabilities for decommissioning abandoned wells and contaminated soils, liabilities for invasive species and noxious weed control, and liabilities related to species at risk on the pastures. APAS supported CPPAS' position and called on both the Government of Canada and Government of Saskatchewan to delay the transition of the first ten divested pastures into patron-run businesses until these uncertainties were resolved.

Through August and September 2013 CPAAS worked with representatives from seven of the first five transitioning pastures and legal advisors to examine pasture corporate structure models ranging from individual pasture business entities to partial and complete representation of all the transitioning Saskatchewan pastures. At a meeting with Saskatchewan Agriculture and AAFC officials on October 7, 2013, government representatives gave patrons of the first ten transitioning pastures a deadline of November 30, 2013 as the date by which lease agreements needed to be in place.

CPPAS worked to develop a business proposal that would accomplish the transition to the patron-operated business entity(ies) which government desired while also:

- maximizing the number of existing pasture patrons who could continue to access grazing in the pastures;
- ensuring the pastures would remain financially sustainable in the long run;
- using professional pasture managers to ensure the pasture's productive capacities could be maintained by effectively managing stocking rates and grazing plans;
- retaining the public benefits of the pasture (environmental integrity, biodiversity and carbon sequestration potential); and,
- allowing continued access to the pastures for non-agricultural activities such as hunting and grassland research.

These efforts culminated in a lease proposal submitted to Saskatchewan Agriculture's Lands Branch on October 31, 2013 for transition of the McCraney Community pasture. This proposal was premised on CPPAS' concerns that patrons leasing transitioning pasture lands were being asked to pay full year lease fees and taxes without year-round access control to their leases, and that business inefficiencies were likely or certain to result from the staggered approach to transition of 62 pastures over six years.

To better accommodate these concerns the McCraney Pasture proposal asked that government:

- assess pasture rent and property taxes at 50% of the rent for other Crown leases;
- make financial assistance available under the "Canada Community Pasture Transition Program" to support pasture management operating and up-front business costs during the transition period; and,
- charge pasture patrons a fee-for-service rate consistent with the grazing fees charged to Saskatchewan Pasture Program patrons as well and the other remaining PFRA pastures which had not yet transitioned to patron-run business entities.

This same proposal was also advanced to Saskatchewan Agriculture by four other transitioning pastures. There has never been a response from the Government of Saskatchewan to any of these proposals.

In December 2013, a Memorandum of Understanding was signed between the Governments of Canada (AAFC) and Saskatchewan (Saskatchewan Agriculture) for the interim administration of federal non-reversionary lands in AAFC Community Pastures in Saskatchewan. Under the provisions of this MOU, the non-reversionary (federal lands) were made available for use by pasture patrons assuming the operation of their pastures under lease with the provincial government subject to a variety of conditions. Significant among these was the recognition that AAFC could have aboriginal obligations with the potential to interfere with future use of the transitioning lands by patron-run business entities. The MOU and related Licence to Use and Occupy Crown Lands AAFC issued to the Province of Saskatchewan includes the provision that the licence can be terminated at any time with a minimum of 90 days' written notice if necessary to satisfy this type of obligation.

The Government of Canada discontinued operations and returned the first ten transitioning pastures for each province to the Governments of Saskatchewan and Manitoba respectively after the end of the 2013 grazing season. Over the winter and spring of 2014, Saskatchewan Agriculture worked closely with each of the ten pastures to establish the prerequisite lease for

patron-run business entities to assume control of pasture operations by the beginning of the grazing season in May.

Saskatchewan Agriculture assigned specific staff to work with the patrons of each transitioning pasture as they moved toward establishing their new business entity including specialists in farm business management, forage and land management. Farm business management specialists typically facilitated several initial business meetings with patron groups being very careful not to advise the groups on specific business entity structures. Once patron groups had signed the generic pasture association lease agreement (thereby becoming eligible for assistance under the Canada Community Pasture Transition Program) they were able to access cost-shared funding for the professional legal and accounting advice they needed to establish their respective business entity.

Saskatchewan Agriculture reports it has been typical to see two or three individual patrons step forward into leadership roles at each transitioning pasture to lead the process of business planning and set up. To date, most of the pasture business entities have chosen “for profit” businesses although a few have chosen not-for-profit entities. Saskatchewan Agriculture is unable to release specific information on any of the first ten transitioned pastures’ business entities (business organization, membership, Directors, share structure, etc.) due to privacy concerns. Such information would need to be requested directly from each pasture’s business entity to develop a comprehensive summary of the experience to date in the first ten transitioning pastures.

Saskatchewan Agriculture indicates that with the transition of the first ten pastures they have a growing sense the affected patrons are accepting that there will be a new model in place for pasture operations and that they need to become more proactively involved. A number of pastures which are not scheduled for transition until 2016 are reportedly working on incorporation and business planning ahead of schedule in order to access the funding available under the Canada Community Pasture Transition Program. The Ministry reports that there are more than the next ten pastures to transition (20 in fact) which are well advanced in the business set up process now. While Saskatchewan Agriculture remains open to modify the current policies, processes and provisions being applied to the transition of federal pastures if necessary, the Ministry does not expect that there will be much change.

2.3 Responsibilities of lessees:

In Saskatchewan, patron-run business entities leasing provincial (reversionary) and non-reversionary (federal) lands that transition out of AAFC’s Community Pasture Program do so

under the provisions of a generic lease agreement common to each of the transitioning pastures. The term of these agreements may be up to 15 years unlike other agricultural Crown land leases which have typical terms of 33 years.

The basic provisions of the generic agreement are similar to those of other (private) agricultural Crown land lessees including those relating to not knowingly interfering with the residences of wild species at risk, providing surface access for mineral rights holders, and not changing the natural course of any waterways. There are however a series of additional unique provisions in the generic pasture association lease agreement:

Maintenance of improvements: Pasture organizations leasing the land are provided with free use of improvements such as fences, dugouts, corrals, wells, headquarters yardsites etc. but they are required to maintain these assets in the condition in which they were received, and to report annually on the location and schedule of all maintenance activities they have undertaken. Patron organizations may purchase these improvements at any point during the term of the lease with special provisions applicable to yard site purchases.

Disposal of deeded land: Pasture organizations are obligated to obtain prior approval from the Minister of Agriculture before disposing of any lands which have been purchased within their respective lease area.

Hunter access: Patron organizations are obligated (must) permit hunting within their lease after November 1 in southern Wildlife Management Zones (WMZ), November 10 in WMZ 54 (Blaine Lake area) and November 15 (forest fringe areas) during the period of annual hunting seasons which run until March 31 for some species. Vehicle access may be restricted to roads and trails only or to foot traffic only in select areas and lessees may deny access during periods of extreme fire hazard. Hunting may be permitted outside these dates by permission from the lessees or pasture manager. Trapping is allowed with permission only.

Reporting: In addition to the requirement to report on maintenance of improvements each year, patron organizations are obligated to annually submit:

- a grazing report including the dates livestock were put onto the leased lands, dates they were moved from each field, type of livestock which were pastured, and the Animal Unit Months (AUMs) used for the year;
- an invasive species report detailing the presence, land location and control measures taken for invasive (weed) species;
- a list of all members of the organization;
- notification of changes in the organization's officers; and,

- a copy of the bylaws and any subsequent amendments.

2.4 Manitoba policy approach to receiving and managing divested lands:

As in Saskatchewan, senior AAFC officials were only able to give a very general indication to Manitoba Agriculture and Food and Rural Development (MAFRD) officials that changes were likely to be coming in early March when the 2012 Federal Budget plans were sufficiently advanced to provide certainty.

The existing policy environments into which the federal government's divestiture plans were launched in 2012 were very different in Manitoba and Saskatchewan. From the outset of the transition process, Manitoba operated from the policy position that the primary importance of the lands managed under AAFC's CPP was based on the public benefits these lands provide for ecosystem services. This perspective was rooted in the view that the ecologically fragile lands of the community pasture system would never have been the ones to be chosen for a community pasture system if the primary purpose of such an enterprise had been to provide economic returns to the province. Rather, the lands in the system had been set aside because of their fragility and it was coincidental to the ecological management needs of these lands that the best management prescription for their long term sustainability was controlled grazing.

Manitoba has never held an expectation that the province would see a financial return from the reversionary lands but has also not wanted to assume any long term financial responsibility for the lands or their management. As a consequence, there has been no expectation that the patrons would pay lease fees to the government. As well, the Province of Manitoba has operated with a preference for dealing with the divested pastures as a system rather than on a pasture by pasture basis from the outset of the federal divestiture process. Following the Government of Canada's announced intention to withdraw from the CPP, MAFRD sought the advice and assistance of the Manitoba Beef Producers Association (MBP) in developing an "alternative producer-led structure" to administer community pastures in the province. By November 2012, MBP had facilitated the creation of a steering committee for a new "Association of Manitoba Community Pastures" (AMCP) which would operate independently.

This steering committee developed a business plan for taking over the operation of the former PFRA community pasture system following the 2013 grazing season. In preparation for the pending divestiture of the first ten pastures, MAFRD and Manitoba Conservation and Water Stewardship (MCWS) collaborated in preparing a Treasury Board decision item which emphasized the ecological importance of the 162,000 ha of land within the system and referenced the 2008 cost/benefit analysis by Kulshreshtha and Pearson. The submission

recommended that the province support a three year pilot project to establish a self-sufficient "Association of Manitoba Community Pastures" (AMCP) by providing an operating loan of \$500,000, a capital grant of \$650,000 to buy small assets important for running the pastures (trucks, computers, mowers, etc.), and in-kind management assistance (salary costs for an AMCP Manager and an Office Administrator). Manitoba's decision to accept and implement the recommendation was made in February, 2014 and lead administrative responsibility for the project was assigned to MCWS.

By April 1, 2014 the AMCP was officially recognized in an agreement for the management of seven of the first ten transitioning federal pastures in the province. The agreement is in effect for a one year term but includes a commitment for renewal for an additional two years to complete the pilot project. AMCP will be holding their first Annual General Meeting in February 2015 and MCWS is expecting that the organization will achieve more stability and better geographic representation in the coming year.

Of the first ten Manitoba federal pastures transitioning in 2014, seven are now members of the AMCP while three others which are primarily made up of municipally-owned land have not yet joined. One of the three (Portage Community Pasture) is believed likely to come into AMCP in coming months while the other two (Lakeview and Westbourne Pastures) are already operating as one pasture under the Big Grass Marsh Grazing Cooperative.

With AMCP in place now to administer and manage the transitioning pastures, Manitoba has negotiated with AAFC for the early divestiture of all of the remaining federal pastures in Manitoba by 2016 rather than extending the process out to 2018 as had been originally planned. This now gives AMCP the ability to communicate on the basis of a common transition schedule to all of their remaining pasture patrons groups which is expected to help relieve patron uncertainty and arrest related attrition. MCWS reports that a number of patrons dropped out from the first ten transitioning Manitoba pastures at the end of the 2013 grazing season due to business uncertainty before the AMCP was officially recognized and in operation by the following February.

AMCP has chosen to keep patron grazing fees at AAFC rates for the 2014 grazing season to avoid complicating the first year of transition. The association does realize that fees will need to be raised in the future to offset the eventual discontinuation of the provincial operating grant. They also recognize that some cattle producers view the AMPC as being unfairly subsidized inasmuch as patrons are not exposed to the time and cash expenses of caring for their cattle during the grazing season. Manitoba sees the major challenges for establishing

AMCP as a self-sustaining entity to be establishing a market niche for the organization and making sure that the AMCP pastures are fully subscribed

Manitoba's agreement with AMCP requires the pastures to follow rangeland management prescriptions (for invasive species, species at risk, grass management, aspen encroachment, etc.) that are currently under development. A "Range Management Implementation Group" with representation from MAFRD, MCWS, AMCP, Ducks Unlimited Canada (DUC), the Nature Conservancy of Canada (NCC), and Manitoba Habitat Heritage Corporation (MHHC) is currently designing the criteria, monitoring and reporting procedures that will be used for pasture rangeland management prescriptions in the future. When complete, these protocols will be applied by MAFRD to prepare and administer the rangeland prescriptions for each pasture to ensure the ecological integrity of lands in the system is sustained.

The AMCP business plan is based on the premise that the association will manage cattle grazing on the pastures while the provincial government will carry the responsibility for ecological management activities. How this is actually to be achieved remains to be resolved through future negotiations but it is thought that long-term self-sufficiency of the AMCP system may require supplemental funding from sources other than patron fees to pay for the ecosystem management services undertaken in the pastures. Eight of the 24 Manitoba pastures fall within NCC's natural area priority zones for the province suggesting there may be some potential for a conservation agreement with AMCP to help fund range management to sustain ecological integrity on these lands.

Manitoba indicates that the Manitoba Beef Producers have been very supportive of the AMCP model giving their encouragement to government throughout the process to establish the province-wide system over the past two years. The Association of Manitoba Municipalities is also actively supporting the current AMCP pilot project. Rural municipalities reportedly recognize the limited agricultural potential of lands within the former federal community pasture system and seek to avoid the potential financial liability for building roads to access the interior of large pastures if these lands were to be broken up and sold off in smaller parcels.

2.5 Alberta community pasture system:

AAFC's community pasture system included a 41,000 ha complex of three pastures on Department of National Defence (DND) land in the Suffield Military Reserve near Medicine Hat. AAFC's involvement in this pasture was wound down at the end of the 2014 grazing season. Grazing will continue under the terms of a memorandum of understanding between DND and

the grazers with all aspects of grazing management (stocking rates, grazing plans, maintenance of fences and infrastructure, take in and round up) administered by the former pasture patrons.

There are two other types of “community pastures” in Alberta: Provincial Grazing Reserves which historically were managed directly by the Government of Alberta, and grazing leases that were held by associations. In the late 1990’s the province moved to privatize landscape management in the grazing reserves and since that time there have not been Alberta government employees directly involved in managing cattle or lands in the Provincial Grazing Reserves. During the transition to privately-run grazing associations on the reserves the Province of Alberta provided direct assistance with bylaw preparation, registration of business entities, share structures, debentures etc. In recent years the Alberta Grazing Reserve Association has been able to access federal government funding assistance under programs such as the (now expired) Canada Community Adjustment Fund.

The Provincial Grazing Reserve system currently includes an area of 290,000 ha in 32 pastures and involves 71,000 head of cattle grazed by 1,500 patrons. Grazing is authorized by a Head Tax Permit, which is issued annually and conveys only the right to graze. For each PGR, a patron association (incorporated under the *Societies Act*) holds the permit, and issues allotments to its members. The association manages livestock according to a Grazing Management Agreement. Membership is controlled by the association bylaws, but the Agreement provides for government involvement. The bylaws must allow government to approve member allotments annually and for half of the Animal Unit Months (AUMs) of a retiring member to be distributed to new members. A patron association has no “ownership” rights in the grazing land and members do not expect compensation for the right to graze when they leave; nonetheless, it is reported that most members show long-term commitment to the pasture.

Associations holding grazing dispositions (primarily leases) currently involve 85 pastures (15 co-operatives, 70 societies) on 445,000 ha, with 43,000 head of cattle and 1,330 memberships. For most of these associations, grazing is authorized by a long-term Grazing Lease that conveys the right to graze as well as security of tenure, control over access, and compensation for industrial or other uses on the land base. A few community pastures in central Alberta are authorized under a long term Forest Grazing License or annual Head Tax Permit which convey only the right to graze. Each disposition is held by an association that is incorporated under either the *Societies Act* or the *Co-operative Associations Act*. Associations control membership and allotment through their bylaws reflecting the needs of members, the local ranching industry and the community. All associations are encouraged to manage membership and allocation issues themselves. The government resolves complaints brought to it under the *Public Lands*

Act. The *Act* provides that government may either recommend the association accept an applicant or reinstate a member, or may order the association to allow a non-member to graze livestock on the leased land.

The market value of grazing lease rights, along with the effort and financial contributions members make for improvements over the years, has led to many association members developing a perception of individual ownership in lease rights as well as improvements. Income to some associations from surface rights compensation contributes to this perception of ownership. In some situations, members expect financial compensation for lease equity when they leave the association or may expect that they will be able to transfer their membership. Neither practice is provided for by the *Societies Act*.

2.6 Considerations:

- The policy environments have been fundamentally different in Manitoba and Saskatchewan from the outset of the federal pasture divestiture process in 2012; the Government of Saskatchewan was already pursuing a course of withdrawal from public ownership and management of agricultural lands while Manitoba preferred public ownership to protect the ecological benefits from such lands.
- The additional reversionary Crown lands now moving back to Saskatchewan from the federal pasture program are increasing and complicating the challenge Saskatchewan Agriculture already faced in achieving government's desire to wind down their SPP program.
- Under similar circumstances of transition from government-operated community pastures to patron-run businesses, both Manitoba and Alberta provided direct advice and assistance in establishing the patron business entities and encouraged the development of a provincial association of patron-run businesses; Saskatchewan has not done so.
- Saskatchewan has pursued a pasture by pasture approach to transitioning federal pastures by providing assistance only to individual pastures and has rejected province-wide approaches proposed by the CPPAS.
- Saskatchewan has made financial assistance available to individual patron-run business entities once they have incorporated but has not encouraged or supported the development of a provincial or regional association of patron-run businesses; Manitoba has provided financial support and direct assistance to develop a provincial association of community pastures.
- This approach exposes the province and patron groups in Saskatchewan to higher costs for business entity designs, administration systems, and professional range managers,

and does not provide a single provincial entity to work with government more effectively or access funding support from other government program sources.

- The policies Saskatchewan has applied to transitioning pastures have aimed to achieve a financial return to the province from use of the land and maintain a common lease rental rate with existing (private) Crown grazing lessees; Manitoba has chosen not to do so.
- While rental rates and lease provisions are generally consistent between the transitioning federal pastures and existing (private) Crown grazing leases in Saskatchewan there are two significant differences:
 1. Pasture association lease provisions give lessees access control but require the lands to be open for hunting outside the grazing season (April 1 to October 31); other Crown grazing leases give complete access control throughout the year.
 2. Pasture association leases require annual reporting of grazing activities, invasive species management, membership, grazing allocations and infrastructure maintenance with onsite provincial audits of range condition on a six-year cycle; other Crown grazing leases do not require annual reporting and onsite audits take place at 33 year intervals coinciding with lease anniversaries or upon complaints.
- Ten of 62 federal pastures in Saskatchewan have transitioned to patron-run business entities as of the end of 2014 and the remainder will have transitioned out of federal government administration by 2018.

3.0 Cost structure comparisons for leases and fees

	AAFC (PFRA) Community Pastures	Sask. Provincial Community Pastures	AMCP Community Pastures (transitioned)	Sask. transitioned federal pastures	Sask. Crown land grazing lease	Manitoba Crown land grazing lease	Alberta Crown land grazing lease	Alberta Provincial Grazing Reserves
Cost per cow calf pair/day	\$0.65	\$0.66	\$0.65					
Calf fee	\$35.00	\$35.00	\$30.00					
Total fees @135 days	\$122.75	\$124.10	\$117.75					
Cost/AUM				\$6.42	\$6.42	\$2.13	\$2.79 (south) \$1.79 (central) \$1.39 (north)	\$2.79 (south) \$1.79 (central) \$1.39 (north)
Lease term	Annual permit/fee	Annual permit/fee	Annual permit/fee	15years	33 years	To age 65 then 5 year terms	10 years	Annual permit/fee
Patron equity	None	None	None	Eligible to purchase improvements and land	Lessees own improvements; eligible to purchase land*	Lessees own improvements	Perception of equity but not provided for by Societies Act	None
Property taxes paid by lessee/patron	No	Yes	Yes**	Yes	Yes	Yes	Yes	No
Lessee/patron control of hunting access	No	No	No	No	Yes	No	No	No
Lessee/patron control for uses other than hunting	No	No	No	Yes	Yes	Yes	"Reasonable" access must be provided	No
Surface access fees paid to lessee	No	No	AMCP now negotiating with Province	Yes (@\$200 per user to annual max. of 30% of lease fees)	Yes (@\$200 per user to annual max. of 30% of lease fees)	No	Yes	No Association gets direct damages only

*subject to provisions of Southern Conservation Land Management Strategy (2014)

** presently offset with provincial "pilot project" funding

4.0 Valuation of public goods prior to divestiture

4.1 Overview of existing literature

The PFRA Community Pasture system was established in the 1930's with the dual purposes of rehabilitating and conserving fragile lands that had been subjected to severe drought and wind erosion, and improving economic stability and agricultural diversification in the Prairie Provinces. These purposes were served by opening these lands to cattle grazing which provided both the most ecologically appropriate and sustainable management regime and a mechanism for new producers to enter the industry via access to grazing and superior genetics.

Operations of the PFRA Community Pasture Program were financed through annual fees paid by pasture patrons who used the services offered in the pastures and by annual Government of Canada funding provided through AAFC. The apportionment of costs between these two sources was based on the principles that costs for services received by private users (patrons) should be fully recovered through fees for these services and costs for conservation of the lands should be covered by the public (Government of Canada).

Under AAFC management and administration, the PFRA Community Pasture Program was subject to the Government of Canada's requirements for departments to periodically review the fees charged for cost recovery where public expenditures have the potential of providing benefits to private individuals or companies. In order to do this PFRA needed a sound basis of measurement for defining and apportioning the costs and benefits attributable to the private and public beneficiaries of the community pasture system. Dr. Suren Kulshreshtha, an Agricultural Economist from the University of Saskatchewan, was recruited to estimate the costs and benefits associated with private and public uses of the pastures and to interpret those results in relation to the grazing and breeding service fees set for the pastures.

This research carried out by Dr. Kulshreshtha is believed to constitute both the best and the only available estimates of the valuation of public goods on lands within the former PFRA Community Pasture system. In a recent review of the available literature pertaining to non-market valuation of native grassland on the Great Plains, Nykoluk (2013) noted that published estimates of the indirect (public) value of grasslands are highly variable across the region and likely constitute gross underestimates due to the lack of sufficient data. She recommended the use of specific grassland data by geographic area as a significant knowledge gap needing to be addressed.

In 2014, researchers at the University of Saskatchewan proposed a project jointly funded by the SCA and Saskatchewan Agricultural Development Fund (ADF) to: i) assess beneficial

management practices and the related environmental benefits and services provided by the grassland ecosystems of the province; and, ii) complete a benefit cost analysis of the public environment benefits of sustainable management of Saskatchewan grassland ecosystems by Saskatchewan cattle grazers (John Patterson, Pers. comm.). The ADF did not approve funding for the proposed research in 2014 but if resubmitted and approved in the future, the result could help to better define the public value of cattle grazers' grassland stewardship on Crown lands in Saskatchewan.

Pending further research of this kind, Dr. Kulshreshtha's cost/benefit analysis gives the best (and only) basis for determining the public benefits values of the lands now transitioning from federal pasture management to patron-run business entities. Over an eight year period between 2000 and 2008, Dr. Kulshreshtha collaborated in three successive studies estimating the distribution and magnitude of the costs incurred on behalf of, and benefits received by, various pasture resource users. The most recent of these studies incorporated a survey of community pasture managers in which each manager was asked to identify various potential benefits to society (user group) and the magnitude of the benefit.

The results of this survey identified a total of 24 types of potential benefits (Table 2) that were categorized into five types of goods and services received by three distinct groups:

- 1) private users of the services who received private goods or benefits (typically pasture patrons receiving grazing and breeding services);
- 2) the public and society at large which received public goods or benefits (including ecosystem function-related benefits, provision of social goods, and impact on external parties); and,
- 3) government which received fiscal benefits (primarily the federal government and to a certain extent provincial and local government).

Table 2. Types of benefits produced by Community pastures attributed to beneficiaries (from Kulshreshtha and Pearson 2006).

Nature of services	Benefits	Private	Public/societal	Government
Pasture-related activities producing private benefits	Grazing	X		
	Breeding	X		
	Crop damage	X		
	Provision of water	X		
Pasture-related activities	Soil conservation		X	
	Land use conversion			X

producing public benefits	Health of animals and thereby people*		X	
Societal goods	Wildlife/waterfowl based recreation		X	
	Access for scientific research*		X	
	Technology transfer*		X	
	Income distribution		X	
Economic development	Local community development		X	
Ecosystem functions	Carbon sequestration		X	
	Biodiversity		X	
	Wildlife/waterfowl habitats		X	
Protection of resource base	Preservation of heritage sites		X	
	Protection of endangered species		X	
	Protection of fragile ecosystems		X	
	Watershed/wetlands protection		X	
Commercial activities	Licensed commercial activities			X
	Non-licenced commercial activities		X	
Fiscal benefits	Reduced program payments by federal government (from land use changes)			X
	Benefits to Rural Municipalities			X

*Benefits not quantified due to lack of data in Kulshreshtha 2008 study.

Only benefits to the first two of these groups were used in Dr. Kulshreshtha's 2006 analysis based upon the assumption that any fiscal benefit accruing to government would have the effect of reducing costs for operating the program and hence not need to be recovered in the user fee rate.

Total annual costs related to private users of PFRA pastures for grazing and breeding activities were estimated to be \$11.6 million in the 2008 study. All other costs (\$10.4 million) were attributed to uses that benefit the public and society at large including soil, wildlife and waterfowl hunting, carbon sequestration, and other uses. Total benefits of both private and public uses were valued at an estimated \$54.9 million to produce an estimated benefit/cost ratio of 2.5.

4.2 Valuation of benefits

4.2.1 Pasture-related activities producing private benefits

Grazing services: Kulshreshtha and Pearson (2006) estimated the value of grazing benefits to community pasture patrons based on a method of alternative cost to farmers and an assumption that there were no other commercial pasture alternatives available in the regions where community pastures are located. This approach limits the alternatives to the farmer's costs if they were to use private grazing lands. The authors tested this assumption through a survey of pasture patrons which indicated that access to provincial or coop pastures was unlikely to be available as an alternative to PFRA community pastures. The most likely alternative identified was lease of Crown or private land with lease of private land as the most favoured option. At the time of the 2006 study the average grazing cost per day for both options was estimated to be \$1.10/AU (cow and calf)/day which compared to the prevalent cost for CPP fees of \$0.50/AU/day.

Breeding services: The costs of breeding with privately owned bulls were assumed to be the alternative cost to using PFRA breeding services. Patrons surveyed identified purchase of a bull or rental of a bull as their primary breeding alternatives. Weighted annual average breeding cost was estimated to be \$43.28/cow

The benefit of public grazing lands was assumed to be the cost of private grazing as represented by the cost of production for cow-calf operations published by the Governments of Alberta, Saskatchewan and Manitoba.

Crop Damage: This variable was interpreted as a negative benefit to farms neighbouring community pastures in the 2006 study by Kulshrestha and Pearson. Based on pasture managers' reported incidents of crop damage by cattle pastured in community pastures the annual value of this damage was estimated to be \$6,301.00.

Provision of water: This potential benefit related to the value individuals neighbouring community pastures who used water sources on community pastures received from accessing these resources. As no such use was reported in the survey of community pasture managers this type of private benefit was estimated to have zero value in the 2006 study.

4.2.2 Pasture-related activities producing public benefits

Soil Conservation: This benefit was interpreted to be the estimated value of reductions in water and wind-caused erosion arising from permanent cover management in community pastures relative to other more intensive land use practises such as annual tillage. Kulshrestha and Pearson (2006) concluded there were few published estimates for the value of off-site benefits of reduced soil erosion from the Canadian Prairies based on an extensive review of North American studies dealing with the topic. Referencing a value range of between \$2.31 and \$34.31/ha published by Belcher and Gray (2001), they chose the lower value of \$2.31/ha as the estimated public value of soil erosion controls attributable to community pastures.

Land use conversion: Kulshrestha and Pearson (2006) estimated the value of reduced federal program payments as being equal to the value of agriculture program support payments that would have been paid on the area of improved pasture lands within the PFRA system had these lands been under private agricultural production. Their analysis referenced a study published by Olewiler (2004) to generate estimated annual benefits of \$12.83/ha for general programs including income stabilization payments and *ad hoc* assistance, and \$3.51/ha for crop insurance based on his estimates for the Upper Assiniboine River Basin. In aggregate this \$16.34/ha/year benefit was estimated to have a total value of \$2,409,055.00 when extrapolated across the 147,433 acres of improved pasture in the PFRA Community pasture system.

Health of animals and thereby people: While Kulshrestha and Pearson (2006) identified this variable as being a potential public benefit attributable to operation of the PFRA community pasture system, their survey respondents did not consistently indicate that cattle on public pastures were healthier than cattle on private pastures. No estimate of this potential benefit was developed or attributed to valuation of the community pasture program in their study.

4.2.3 Societal goods

Wildlife/waterfowl based recreation: Kulshrestha and Pearson (2006) reviewed various Canadian studies estimating the value of consumptive wildlife-related recreation (hunting) and non-consumptive wildlife-based recreation and concluded that there was considerable variation in the published data on this subject. They chose to use rates of \$48.60/day for consumptive wildlife-related recreation based upon previous studies by Kulshrestha and Knopf (2003), and \$10.56/day in Saskatchewan for non-consumptive wildlife-based recreation based on the 2000 estimates generated by the Federal/Provincial/Territorial Task Force on the Importance of Wildlife to Canadians. Based on these parameters the total annual value of consumptive wildlife-related recreation within the PFRA community pasture system was estimated to be \$3,805,000 (or \$4.09/ha/year over 929,357 ha in 2004 dollars); other recreation including non-consumptive wildlife-based recreation was estimated to be \$2,571,000 (or \$2.77/ha/year).

Access for scientific research: While Kulshrestha and Pearson (2006) identified this variable as being a public benefit attributable to operation of the PFRA community pasture system they were unable to develop a specific estimate of the value of this activity within the scope of their research.

Technology transfer: This benefit was also not quantified in the research by Kulshrestha and Pearson (2006) due to a lack of information on the exact activities undertaken by individuals on the basis of improved management practices they had been exposed to within the PFRA community pasture system. The researchers concluded that while a real benefit may have existed, a full survey of all visitors to the community pastures was beyond the scope and feasibility of their research.

Income distribution: Kulshrestha and Pearson (2006) identified the hypothetical possibility that there may be societal benefits arising from a more equitable distribution of income in the economy favouring small cattle producers as a result of their access to grazing in PFRA community pastures. They estimated the theoretical value of this benefit at \$2.66 million/year but discounted it from their valuation of public benefits citing controversy over differences in philosophy about this benefit source.

4.2.4 Economic development

Local community development: Kulshrestha and Pearson (2006) defined the public benefits of economic development at the community level as being the additional gain in income of individuals arising from the existence of community pasture operations. They recognized that such benefits are only significant from a regional accounting perspective because the relevant

expenditures could be assumed to be otherwise spent elsewhere in the country. Their estimate of the annual value of this benefit was \$4,649,000.

4.2.5 Ecosystem functions

Carbon sequestration: Kulshreshtha and Pearson (2006) established a value for the annual public benefits of carbon sequestration attributed to operations of the PFRA Community pasture by:

- estimating carbon sequestration rates based on a consensus of Canadian experts;
- subtracting estimated livestock emissions rates based on data from previous research work (Sobool and Kulshreshtha 2005); and,
- valuing sequestered carbon at \$15/tonne.

Based on this method the total annual public value of carbon sequestered in the 929,357 ha PFRA Community pasture system was estimated to be \$20,545,000.00 inferring an average value of \$22.11/ha/year across the system. The authors acknowledged that both their sources of data and valuation rates were the subject of ongoing controversy.

Biodiversity: Kulshreshtha and Pearson (2006) estimated the public value of biodiversity on lands in the PFRA system at \$2.73/ha/year basing this value on the area of wooded and “other” lands which totalled \$204,000. This was recognized as being a very conservative estimate considering that these land types constituted only 74,799 ha of the total 929, 357 ha area of the community pasture system, and that published estimates for biodiversity range from \$2.73 to \$25.92/ha.

Wildlife/waterfowl habitats: This benefit was not quantified in the research by Kulshtreshtha and Pearson (2006) based on the premise that benefits related to consumptive and non-consumptive use of wildlife and biodiversity were specifically valued individually elsewhere in their analysis.

4.2.6 Protection of resource base

Preservation of heritage sites: Kulshtreshtha and Pearson (2006) recognized that historical and archaeological sites have value to society but they did not develop a specific value estimate for this type of benefit because there were no pertinent academic studies available for reference. They concluded that preservation of heritage sites in the community would be a coincident benefit of biodiversity conservation benefits valued elsewhere in their analysis.

Protection of endangered species: This benefit was not specifically quantified in the research by Kulshrestha and Pearson (2006) based on the premise that valuation of biodiversity and non-consumptive wildlife-based recreation captured this value elsewhere in their analysis.

Protection of fragile ecosystems: The public value of benefits from fragile ecosystem protection was also not estimated in the analysis of Kulshrestha and Pearson (2006) based on the premise that these attributes were addressed in the valuation of biodiversity and non-consumptive wildlife-based recreation.

Watershed/wetlands protection: Kulshrestha and Pearson (2006) conducted an extensive review of the available literature on valuation of wetland functions and concluded that wetland values vary substantially based upon their location and the types of services they provide. They developed an average valuation of \$59.64/household/annum and converted this estimate into a value of \$4.40/wetland ha/ year. Applied across the estimated 20, 000 ha of wetlands within the community pasture system the total annual value of this benefit type was estimated to be \$92,000.

4.2.7 Commercial activities

Licensed commercial activities: Kulshrestha and Pearson (2006) used the actual revenues from licenced commercial activities such as surface lease access fees to value this benefit accruing to the government.

Non-licenced commercial activities: Kulshrestha and Pearson (2006) recognized the possibility that there could be public benefits from unlicensed activities such as trapping or antler collection but estimated the value of such benefits to be zero on the basis that PFRA community pasture program staff had not reported these to be significant activities.

4.2.8 Fiscal benefits

Reduced program payments by federal government (from land use changes): Kulshrestha and Pearson (2006) estimated the value of reduced federal program payments as being equal to the value of agriculture program support payments that would have been paid on the area of improved pasture lands within the PFRA system if these lands were under private agricultural production. Their analysis referenced a study published by Olewiler (2004) to generate estimated annual benefits of \$12.83/ha for general programs including income stabilization payments and ad hoc assistance, and \$3.51/ha for crop insurance based on his estimates for the Upper Assiniboine River Basin in Manitoba. In aggregate the rate of \$16.34/ha on improved pasture lands extrapolated across the 147,344 ha of improved pasture land in PFRA's

Community Pasture program produced an estimated total annual benefit of \$2,409,055.00 to government.

Benefits to Rural Municipalities: Kulshrestha and Pearson (2006) identified three sources of potential cost benefits to Rural Municipalities with community pastures including: lower administrative costs for tax collection; lower school costs arising from a lower population base; and, lower road maintenance costs with fewer municipal roads. Their study estimated the annual value of reduced school costs at \$494,860 based on 25% of PFRA's total costs for payment in lieu of taxes. The value of reduced road maintenance costs was estimated to be \$507,900/year based on an estimate of 5,079 km of roads not maintained and an annual cost of \$100/km of road. In aggregate the value of annual savings to Rural Municipalities was estimated to be \$1,002,760.

4.3 Estimated benefits attributed to beneficiaries

Table 3. Estimated value of benefits produced by PFRA Community Pastures attributed to beneficiaries (from Kulshrestha and Pearson 2006)

Nature of services	Benefits	Private	Public/societal 2006 estimate	Public/societal 2014 estimate*	Government
Pasture-related activities producing private benefits	Grazing	\$1.10/AU (cow and calf)/day			
	Breeding	\$43.28/cow			
	Crop damage	\$6,301.00/year			
	Provision of water				
Pasture-related activities producing public benefits	Soil conservation		\$2.31/ha/year	\$2.60/ ha/year	
	Land use conversion				\$16.34/ha/yr (improved pasture only)
	Health of animals and thereby people		Not estimated		
Societal goods	Wildlife/waterfowl based recreation (hunting)		\$4.09/ha/year	\$4.75/ha/year	
	Non-consumptive wildlife-based recreation		\$2.77/ha/year	\$3.08/ha/year	

	Access for scientific research		Not estimated		
	Technology transfer		Not estimated		
	Income distribution		Not estimated		
Economic development	Local community development		\$4,649,000/yr	\$5,237,000/yr	
Ecosystem functions	Carbon sequestration		\$22.11/ha/year	\$4.91/ha/year	
	Biodiversity		\$2.73/ha/year	\$3.08/ha/year	
	Wildlife/waterfowl habitats		Not estimated separately		
Protection of resource base	Preservation of heritage sites		Not estimated separately		
	Protection of endangered species		Not estimated separately		
	Protection of fragile ecosystems		Not estimated separately		
	Watershed/wetlands protection**		\$4.40/ha/year	\$4.96/ha/year	
Commercial activities	Licensed commercial activities				Actual value
	Non-licensed commercial activities				
Fiscal benefits	Reduced program payments by federal government (from land use changes)				\$16.34/ha/yr (improved pasture only)
	Benefits to Rural Municipalities				\$1,002,760
Total public benefits***				\$18.42/ha/year	

*Adjusted based on annual inflation rate estimated at 1.5% (Suren Kulshreshtha, pers. comm.)

**Wetland ha only

***Excludes watershed/wetland protection

4.4 Importance of transitioning lands to Saskatchewan's Representative Areas Network.

Saskatchewan established the Representative Areas Network (RAN) in 1997 to conserve representative or unique examples of landscapes across Saskatchewan, with a target of protecting 12 per cent of each of the province's 11 ecoregions. The RAN includes designated Crown lands that have been given a level of protection by virtue of legislation and private lands that are managed for biodiversity by agreement. The RAN program specifically aims to preserve natural areas that are relatively undisturbed by human activities and maintain their ecological integrity so that they can serve as reservoirs of biological diversity and ecological benchmarks which promote better management of the broader landscape.

The Saskatchewan Ministry of Environment's Plan highlights the number of hectares within the RAN as one of a few key measures that "provide a broad picture of Saskatchewan's environmental status and trends, and highlight ongoing efforts to manage the province's resources and conserve its natural heritage". The Ministry recognizes the number of hectares in the RAN is an indicator of the province's commitment to supporting the protection and retention of native habitat and of long-term ecological health and aligns with government's goals of maintaining a healthy and productive environment and minimizing impacts on the environment.

Since the inception of the RAN system, government has recognized that achieving the objective of 12% representation of each ecoregion will not be possible in some parts of the province because large tracts of undisturbed native land are not available. This is particularly evident in those ecoregions of southern Saskatchewan (Mixed Grassland, Moist Mixed Grassland and Aspen Parkland ecoregions) where land cover has been subject to extensive conversion from native species to agricultural production over the past century or more. In these cases, the province's RAN program seeks out smaller sites to designate that together represent as much of the native landscape as possible and uses partnership agreements with other land administering agencies to help the RAN objective.

AAFC's CPP pastures include many of the largest tracts of relatively undisturbed native lands south of Saskatchewan's northern forests with the occurrence of native cover in the 62 individual pastures averaging over 80% and ranging between 39% and 100% (Table 4).

Table 4. Total area, ecoregion and area of native cover in Saskatchewan AAFC community pastures (2005 AAFC data).

Pasture	Area (ha)	Ecoregion	Proportion native in pasture	Area of native cover (ha)
Mixed Grassland				
Auvergne-Wise Creek	17,660	Mixed Grassland	0.93	16,365
Battle Creek	28,696	Mixed Grassland	0.77	22,077
Beaver Valley	23,802	Mixed Grassland	0.96	22,831
Big Stick	9,008	Mixed Grassland	0.85	7,631
Bitter Lake	18,000	Mixed Grassland	0.90	16,252
Eagle Lake	9,668	Mixed Grassland	0.75	7,208
Excel	8,427	Mixed Grassland	0.88	7,456
Fairview	7,146	Mixed Grassland	0.82	5,856
Govenlock	27,843	Mixed Grassland	0.89	24,865
Gull lake	4,335	Mixed Grassland	0.76	3,319
Hillsburgh	5,342	Mixed Grassland	0.85	4,516
Key West	4,197	Mixed Grassland	0.87	3,658
Kindersley-Elma	7,954	Mixed Grassland	0.41	3,292
Lomond #3	7,284	Mixed Grassland	0.88	6,409
Lone Tree	14,365	Mixed Grassland	0.68	9,735
Mantario	10,101	Mixed Grassland	0.89	9,033
Mariposa	10,876	Mixed Grassland	0.39	4,271
Masefield	15,823	Mixed Grassland	0.81	12,845
Monet	18,935	Mixed Grassland	0.95	17,914
Nashlyn	27,155	Mixed Grassland	0.92	25,018
Newcombe	23,315	Mixed Grassland	0.78	18,200
Oakdale	8,316	Mixed Grassland	0.81	6,773
Progress	8,094	Mixed Grassland	0.62	4,986
Reno #1	7,040	Mixed Grassland	0.53	3,738
Reno #2	4,607	Mixed Grassland	0.62	2,859
Shamrock	8,869	Mixed Grassland	0.51	4,531
Swift Current-Webb	9,882	Mixed Grassland	0.60	5,932
The Gap	5,457	Mixed Grassland	0.97	5,320
Val Marie	40,899	Mixed Grassland	0.97	39,604
Total	393,096			322,494
Moist Mixed Grassland				
Brokenshell #1	9,403	Moist Mixed Grassland	0.80	7,525
Brokenshell #2	3,292	Moist Mixed Grassland	0.84	2,781
Caledonia-Elmsthorpe	10,846	Moist Mixed Grassland	0.93	10,069
Coalfields	13,379	Moist Mixed Grassland	1.00	13,349
Coteau	9,829	Moist Mixed Grassland	0.81	7,919
Dundurn #1 and #2	22,724	Moist Mixed Grassland	0.91	20,588

Elbow	9,324	Moist Mixed Grassland	0.72	6,669
Estevan-Cambria	2,881	Moist Mixed Grassland	0.86	2,471
Hearts Hill	6,281	Moist Mixed Grassland	0.97	6,079
Laurier	14,978	Moist Mixed Grassland	0.73	10,899
Lomond #1	11,449	Moist Mixed Grassland	0.88	10,089
McCraney	4,385	Moist Mixed Grassland	0.60	2,637
Montrose	9,195	Moist Mixed Grassland	0.76	6,977
Mount Hope-Prairie Rose	13,221	Moist Mixed Grassland	0.97	12,768
Nokomis	5,579	Moist Mixed Grassland	0.80*	4,463
Park	2,859	Moist Mixed Grassland	0.87	2,475
Rudy-Rosedale	7,820	Moist Mixed Grassland	0.69	5,360
Usborne	5,004	Moist Mixed Grassland	0.77	3,831
Wellington	10,115	Moist Mixed Grassland	0.64	6,424
Willner	5,250	Moist Mixed Grassland	0.73	3,858
Wreford	5,625	Moist Mixed Grassland	0.87	4,880
Total	183,430			152,111
Aspen Parkland				
Battle River-Cutknife	12,409	Aspen Parkland	0.95	11,746
Foam Lake	4,470	Aspen Parkland	0.93	4,170
Garry	8,290	Aspen Parkland	0.64	5,312
Ituna Bon Accord	9,861	Aspen Parkland	0.72	7,143
Paynton	10,239	Aspen Parkland	0.92	9,430
Spy Hill-Ellice**	7,978**	Aspen Parkland	0.80*	6,382
Tecumseh	7,785	Aspen Parkland	0.93	7,267
Wolverine	6,868	Aspen Parkland	0.86	5,897
Total	67,900			57,347
Cote San Clara**	2,404**	Boreal Transition	0.80*	1,923
Meeting Lake	24,685	Boreal Transition	0.78	19,242
Royal	16,125	Boreal Transition	0.90	14,572
Total	43,214			35,737
Hazel Dell	13,554	Mid-Boreal Uplands	0.81	10,967
Kelvington	3,335	Mid-Boreal Uplands	0.53	1,754
Spiritwood	10,389	Mid-Boreal Uplands	0.85	8,779
Total	27,278			21,500

*Average proportion in all pastures (0.80) used to estimate in the absence of pasture-specific estimate.

** Area of the pasture within Saskatchewan (Saskatchewan Environment data)

The AAFC community pastures are designated as part of the Saskatchewan RAN and these lands constitute particularly substantial proportions of the RAN's representation of the Mixed Grassland Ecoregion (30.9%), Moist Mixed Grassland Ecoregion (46.1%) and Aspen Parkland Ecoregion (14.9%) (Table 5).

Table 5. Representation of Saskatchewan CPP lands within the RAN system by ecoregion.

	Mixed Grassland	Moist Mixed Grassland	Aspen Parkland
Total Ecoregion area (ha)*	8,653,742	6,795,559	8,148,294
Area protected in RAN*	1,283,224	398,037	453,401
% of Ecoregion protected in RAN	14.8%	5.9%	5.6%
Total area within AAFC community pastures (ha)**	393,096	183,430	67,900
% of RAN in Ecoregion within AAFC community pastures	30.9%	46.1%	14.9%
Total area of native cover within AAFC community pastures (ha)**	322,494	152,111	57,347

*Saskatchewan Environment 2005 data

**AAFC 2005 data

4.5 Considerations

- Public benefits from AAFC's CPP lands were estimated by Kulshreshtha and Pearson (2006) to be valued at \$29.74/ha/year for unimproved pasture lands and \$34.14/ha/year for wetlands in 2008.
- These estimates updated to 2014 values based on a factor of 1.5%/year produce values of \$33.50 and \$38.46 respectively.
- Saskatchewan Agriculture takes the position that the requirement to maintain ecosystem services on leased Crown land (including soil conservation, carbon sequestration, biodiversity, wildlife/waterfowl habitats, watershed/wetland protection, protection of endangered species and protection of fragile ecosystems) is an obligation which applies equally to all Crown land lessees (both private and pasture association leases).
- This position is difficult to dispute although pasture association lessees are held to more rigorous standards of reporting and compliance than private lessees (the costs of these activities could be reflected in differential lease rates).
- Public access to transitioning pastures for consumptive wildlife/waterfowl based recreation (hunting) remains unchanged inasmuch as public access for this purpose must be provided from November 1 to March 31.

- It would be difficult for Saskatchewan Agriculture to defend their current position that pricing for providing public benefits associated with consumptive wildlife/waterfowl based recreation (hunting) is reflected equally in leases for private lessees and pasture associations.
- Applying the valuation methods of Kulshreshtha and Pearson (2006) and updating these to 2014 values, the public benefits of access for hunting would be valued at \$4.75/ha/year.
- It could be argued that a discounted Crown land lease rate should be calculated for pasture associations to reflect the fact that the lands they lease are only made available to them for seven months of the year.
- AAFC's community pasture lands constitute a large and critical fraction of the lands making up Saskatchewan's RAN system in southern parts of the province; in the Moist Mixed Grasslands Ecoregion these lands account for close to half (46%) of the total designated representative lands.
- Special protection of the transitioning pasture lands is warranted given that there are no alternative lands available to replace them in the RAN system.

5. Key conservation concerns and risk factors

5.1 Public investments in the former federal community pasture system restored and sustained these fragile lands over the past 75 years and maximized the public benefits they provide (environmental, social and economic) - these lands need to remain in public ownership to balance diverse interests, preserve the integrity of the pastures, and to ensure the legacy of the pastures is secured for future generations.

Request of Government: The Government of Saskatchewan is being asked to withdraw the current agricultural Crown land sale policy from application to federal pasture lands that are transitioning back to the province.

Rationale:

- AAFC's community pasture lands constitute a large and critical fraction of the lands making up Saskatchewan's Representative Areas Network (RAN) in southern parts of the province; in the Moist Mixed Grasslands Ecoregion these pasture lands account for close to half (46%) of the total designated representative lands.
- Special protection of the transitioning pasture lands is warranted given that there are no alternative lands available to replace them in the RAN system.

5.2 The current government policy making the leased Crown lands in transitioned federal pastures available for sale to patrons means that the requirement for these lands to remain open for hunting could change upon sale at any time – these lands should not be available for sale in order to assure long term access for hunting and other public uses.

Request of Government: The Government of Saskatchewan is being asked to withdraw the current agricultural Crown land sale policy from application to federal pasture lands that are transitioning back to the province.

Rationale:

- The Crown lands within the federal pasture system have been open to hunting, First Nations gathering, research and general public access for 75 years and should remain so in the future.

5.3 The natural landscapes and ecological integrity of the transitioning federal pastures must be preserved – clear monitoring criteria and public reporting are needed to assure the public that the ecological condition of leased pastures is being sustained in the future.

Request of Government: Saskatchewan Agriculture is being asked to provide:

- a consolidated inventory of the distribution and condition of native cover types within the transitioning federal pastures to establish a comprehensive baseline;
- an explanation of the criteria and system that will be used to monitor and assure that the ecological integrity of the transitioning federal pasture land is sustained in the future; and,
- a commitment that government will report publicly on the condition of wildlife habitat at frequency of once every six years coincident with Saskatchewan Agriculture's rangeland audit cycle.

Rationale:

- Preservation of the natural landscapes and ecology of the transitioning federal pastures is important at a World level.
- The former PFRA community pasture system contains the largest contiguous blocks of original prairie grasslands in the Northern Great Plains of Canada and is home to many indigenous species, including 32 species at risk found in 55 of the pastures.

- AAFC monitored and documented rangeland conditions on CPP lands on a continual basis; the current habitat conditions could be described from AAFC's data to establish a comprehensive baseline inventory and assessment of the state of these lands at the onset of the transition process.
- There are no apparent performance measures in place by which to assess the validity of the Saskatchewan government's claim that ranchers are the best stewards of grass resources.

6. Key business concerns and risk factors

6.1 Patrons of the transitioning federal pastures are being asked to pay the same fees as Crown leaseholders while also being asked to cover the costs of maintaining public goods and services including public access – a better (more equitable) deal is needed from the provincial government.

Request of Government: The Government of Saskatchewan is being asked to discount the annual rate charged under pasture association leases by 50% to reflect the higher costs for maintaining public goods and services including access for hunting, more extensive annual reporting and heightened public concern about the integrity of grasslands on their leases.

Rationale:

- Business entities assuming control of the transitioning pastures are being held to higher standards for providing public benefits than existing (private) Crown land grazing lessees; these activities add greater costs to the pasture association leases.
- Providing unrestricted access for hunting is a requirement of the pasture association leases between November 1 and March 31 each year which effectively removes these leased lands from their exclusive use during five months of the year.
- Applying the valuation methods of Kulshreshtha and Pearson (2006) and updating these to 2014 values, the uncompensated public value of hunting on the transitioning federal pasture lands is \$4.75/ha/year.
- Pasture association leases require annual reporting of grazing activities, invasive species management, membership, grazing allocations and infrastructure maintenance with onsite provincial audits of range condition on a six-year cycle; other Crown grazing leases do not require annual reporting and onsite audits only take place at 33 year intervals coincident with lease anniversaries or upon complaints.
- The term of pasture association leases is only 15 years while private Crown grazing leases are issued with 33 year terms.

6.2 Divestiture of the former PFRA pastures is taking place in the context of a declining Saskatchewan producer base and shrinking provincial beef herd; once producers exit they will not return – government and/or industry recognition and assessment of the implications of these unintended consequences is needed (economic, social and environmental).

Requests of Government: i) Saskatchewan Agriculture is being asked to provide a summary report on the number and percentage of former federal community pasture patrons who have withdrawn from the industry as a consequence of the transition to patron-run business entities; and, ii) Saskatchewan Agriculture's is being asked to report on and interpret the implications of the apparent loss of 50% of cattle producers affected by the federal pasture transition process, and the loss of grazing opportunities for new entrants to the Saskatchewan livestock industry.

Rationale:

- CPPAS representatives have estimated that 50% of the current federal pasture patrons in the first ten pastures are dropping out of the industry rather than transition themselves into the new patron-run business and indicate this rate of attrition is likely to continue through the remainder of the 52 transitioning federal pastures.
- Extrapolated over the approximately 2,500 patrons using the former PFRA community pasture system in Saskatchewan this 50% attrition rate could constitute an eventual net loss of 1,250 participants from the Saskatchewan cattle industry.
- Patron-run business entities will need to run at full annual subscription rates to be economically viable so there will be no incentive to hold room available for new entrants to access grazing in their pastures.

6.3 There is a risk that if producers are viewed as not managing sustainably (species at risk, representative areas, etc.) the Saskatchewan beef industry might come under challenge - a system is needed to monitor and report on the future ecological condition of rangelands in the transitioning federal pastures and in other agricultural Crown grazing lands in the province

Request of Government: (as in 5.3) Saskatchewan Agriculture is being asked to provide:

- a consolidated inventory of the distribution and condition of native cover types within the transitioning federal pastures to establish a comprehensive baseline;
- an explanation of the criteria and system that will be used to monitor and assure that the ecological integrity of the transitioning federal pasture land is sustained in the future; and,

- a commitment that government will report publicly on the condition of wildlife habitat at frequency of once every six years coincident with Saskatchewan Agriculture's rangeland audit cycle.

Rationale:

- Heightened public concern about the integrity of grasslands on the transitioning federal pasture lands makes it likely there will be heightened scrutiny of the lessees' future performance in sustaining their ecological integrity.
- A publicly reported monitoring system documenting the future ecological integrity of these critically important native grasslands will give defensive strength to the grazing industry's reputation.
- Such a system could provide the basis for a marketing advantage to producers grazing these lands if sustainable sourcing designations for their beef can be achieved with major grocery retailers.

6.4 Inefficiencies may be created by having 62 stand-alone associations and these inefficiencies are borne by producers- government should support the development of a provincial or regional association of community pastures to work with government.

Request of Government: The Provincial government is being asked to provide funding to CPPAS under the Canada Community Pasture Transition Program to:

- contract the development of sample business design templates for not-for profit, profit and co-operative business entities to run transitioned pastures;
- hire one or two specialized range managers to design range management plans, invasive species treatment prescriptions, monitoring regimes and reporting templates for use by transitioning pastures; and,
- provide start-up money to cover the initial costs of hiring a provincial or regional association of community pastures manager and administrator (this could potentially be administered by APAS or SARM).

Rationale:

- A provincial approach to designing templates for patron-run business entities and using specialized managers to prepare range management plans would have substantially lower total costs and demand less time from the affected patrons than asking each of the 62 individual transitioning federal pastures to independently access the \$120,000 in

available cost-shared provincial funding under the Canada Community Pasture Transition Program.

- Under comparable circumstances of transition from government-operated community pastures to patron-run businesses, both Manitoba and Alberta provided direct advice and assistance in establishing the patron business entities and encouraged the development of a provincial association of community pastures.
- There is inherent inefficiency in a pasture by pasture approach which prevents adjacent pastures from establishing common business structures and management resource; this could be corrected if the provincial government exercised greater control over the sequence of transition and supported or accepted the development of a provincial or regional patron-run business association.
- Establishing a provincial or regional association of community pastures could provide a business entity and operating system to receive the Saskatchewan Provincial Pastures and help achieve the Government of Saskatchewan's desired withdrawal from direct involvement in this program.

6.5 The Government of Saskatchewan has not responded to CPPAS' efforts to establish a more consistent and fair provincial approach to the transition process – a more transparent and open response to CPPAS and other interested organizations is needed for the process moving forward.

Request of Government: Saskatchewan Agriculture is being asked to: i) report on the status of the first ten pastures to transition in 2014 including their business structures, directors and business plans; and, ii) provide an official response (albeit late) to the 2013 McCraney Pasture lease proposal as a common courtesy and indication the government is prepared to consider further adjustments to the policies now governing the transition of federal community pastures to the provincial government.

Rationale:

- Patrons of the next 52 pastures to undergo transition would benefit from the experience of the first ten pastures if this information were to be made available to them.
- Saskatchewan Agriculture has indicated they will provide a rationale explaining the reasoning behind their denials of some requests from prospective pasture associations; equivalent respect should be given to CPPAS with regard to their 2013 lease proposal for McCraney pasture.

- Outside interests concerned about the reputation of the Saskatchewan beef industry (APAS) and the ecological integrity of lands in the transitioning pastures need reassurances their concerns have been accommodated in the operating plans of the new business entities.

7.0 Literature cited

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APPENDIX A. Individuals interviewed by the author during the PFRA Pastures Transition Study (November 2014)

Name	Organization	Position
Larry Altman	CPPAS	Director
Rick Ashton	AAFC	Assistant Director, Community Pastures Program
Joanne Brochu	CPPAS	Secretary
Bryce Burnett	CPPAS	Director
Brent Cammer	CPPAS	Director
Clint Christensen	CPPAS	Director
Darrell Crabbe	SWF	Executive Director
Trevor Herriot	PPPI	Member
Wally Hoehn	Saskatchewan Agriculture	Executive Director Lands Branch
Brant Kirychuk	Saskatchewan Agriculture	Manager Leasing and Sales Lands Branch
Marlon Klassen	Saskatchewan Environment	Landscape Area Specialist Landscape Stewardship Branch
Dr. Suren Kulshreshtha	Professor	Department of Bioresource Policy, Business and Economics University of Saskatchewan
Ian McCreary	CPPAS	Director
Dr. Rhonda McDougal	Manitoba Conservation and Water Stewardship	Director Watersheds and Community Pastures
Helen Newsham	Alberta Environment and Sustainable Resource Development	Head Rangeland Integration Section Policy Division
John Patterson	PPPI	Practitioner-in-Residence School of Environment and Sustainability University of Saskatchewan
Joe Schmutz	PPPI	Adjunct Professor School of Environment and Sustainability University of Saskatchewan
Lorne Scott	PPPI	Conservationist
Al Shylonyk	APAS	General Manager
Dale Sigurdson	CPPAS	Director

APPENDIX B. Consolidated list of concerns:

Conservation concerns

1. Public investments in the former federal community pasture system restored and sustained these fragile lands over the past 75 years and maximized the public benefits they provide (environmental, social and economic) - these lands need to remain in public ownership to balance diverse interests, preserve the integrity of the pastures, and to ensure the legacy of the pastures is secured for future generations.
2. The current government policy making the leased Crown lands in transitioned federal pastures available for sale to patrons means that the requirement for these lands to remain open for hunting could change upon sale at any time – these lands should not be available for sale in order to assure long term access for hunting and other public uses.
3. The natural landscapes and ecological integrity of the transitioning federal pastures must be preserved – clear monitoring criteria and public reporting are needed to assure the public that the ecological condition of leased pastures is being sustained in the future.

Business concerns:

1. Patrons of the transitioning federal pastures are being asked to pay the same fees as Crown leaseholders while also being asked to cover the costs of maintaining public goods and services including public access – a better (more equitable) deal is needed from the provincial government.
2. Divestiture of the PFRA pastures is taking place in the context of a declining Saskatchewan producer base and shrinking provincial beef herd; once producers exit they will not return – government and/or industry recognition and assessment of the implications of these unintended consequences is needed (economic, social and environmental).
3. There is a risk that if producers are viewed as not managing sustainably (species at risk; representative areas, etc.) the Saskatchewan beef industry might come under challenge - a system is needed to monitor and report on the future ecological condition of

rangelands in the transitioning federal pastures and in other agricultural Crown grazing lands in the province

4. Inefficiencies may be created by having 62 stand-alone associations and these inefficiencies are borne by producers- government should support the development of a provincial or regional association of community pastures to work with government.
5. The Government of Saskatchewan has not responded to CPPAS' efforts to establish a more consistent and fair provincial approach to the transition process – a more transparent and open response to CPPAS and other interested organizations is needed for the process moving forward

APPENDIX C. Consolidated list of requests of government:

- The Government of Saskatchewan is being asked to withdraw the current agricultural Crown land sale policy from application to federal pasture lands that are transitioning back to the province.
- Saskatchewan Agriculture is being asked to provide:
 - a consolidated inventory of the distribution and condition of native cover types within the transitioning federal pastures to establish a comprehensive baseline;
 - an explanation of the criteria and system that will be used to monitor and assure that the ecological integrity of the transitioning federal pasture land is sustained in the future; and,
 - a commitment that government will report publicly on the condition of wildlife habitat at frequency of once every six years coincident with Saskatchewan Agriculture's rangeland audit cycle.
- The Government of Saskatchewan is being asked to discount the annual rate charged under pasture association leases by 50% to reflect the higher costs for maintaining public goods and services including access for hunting, more extensive annual reporting and heightened public concern about the integrity of grasslands on their leases.
- Saskatchewan Agriculture is being asked to provide a summary report on the number and percentage of former federal community pasture patrons who have withdrawn from the industry as a consequence of the transition to patron-run business entities.
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 - hire one or two specialized range managers to design range management plans, invasive species treatment prescriptions, monitoring regimes and reporting templates for use by transitioning pastures; and,

- provide start-up money to cover the initial costs of hiring a provincial or regional association of community pastures manager and administrator (this could potentially be administered by APAS or SARM).
- Saskatchewan Agriculture is being asked to report on the status of the first ten pastures to transition in 2014 including their business structures, directors and business plans.
- Saskatchewan Agriculture is being asked to provide an official response (albeit late) to the 2013 McCraney Pasture lease proposal as a common courtesy and indication the government is prepared to consider further adjustments to the policies now governing the transition of federal community pastures to the provincial government.

APPENDIX D. List of Acronyms

AAFC	Agriculture and Agri-Food Canada
ADF	Agricultural Development Fund
AMCP	Association of Manitoba Community Pastures
APAS	Agricultural Produces Association of Saskatchewan
AUM	Animal Unit Month
CPP	Community Pasture Program
CPPAS	Community Pasture Patrons Association of Saskatchewan
DND	Department of National Defence
DUC	Duck Unlimited Canada
MAFRD	Manitoba Agriculture, Food and Rural Development
MBP	Manitoba Beef Producers
MCWS	Manitoba Conservation and Water Stewardship
MHHC	Manitoba Habitat Heritage Corporation
NCC	Nature Conservancy of Canada
PFRA	Prairie Farm Rehabilitation Administration
PPPI	Public Pastures - Public Interest
RAN	Representative Areas Network
SARM	Saskatchewan Association of Rural Municipalities
SPP	Saskatchewan Provincial Pastures
SWF	Saskatchewan Wildlife Federation
WMZ	Wildlife Management Zone