“IT IS THE WILD WEST OUT HERE”:

Reporting on a survey of prairie farmers on farmland investment and farmland concentration trends

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EXECUTIVE SUMMARY

In recent years, farmland markets have become more competitive and dynamic. Farmland values have risen rapidly since the mid-2000s as investors and expansion-oriented farmers have become important players in local markets. Rising land prices and increased competition may pose challenges to smaller farmers and new entrants into the sector. This report summarizes the findings of a survey of 400 prairie grain farmers focusing on their experiences in local farmland markets. We find that farmers face a number of challenges in purchasing and renting farmland, including increased competition from investors and large-scale operations. Farmers view trends like investor ownership of farmland and land concentration with concern, citing competition, higher land prices, the decline of rural communities, barriers for younger farmers, and damage to the environment as associated problems.

As part of this study, we analyze 668 farmland rental contracts to better understand today's rental market. Seventy-six percent of the farmers in our sample rent land and the most common landlord types are retired farmers, the spouse or relative of a retired or deceased farmer, and non-farmer individual investors. Investment corporations represent 2.2% of landlords across the three provinces, but nearly 4% in Saskatchewan. When comparing landlord types, we find that investment corporations favour longer rental contracts and had, on average, a longer relationship with the tenant farmer. Investment corporations charged higher rental rates than other landlord types, but individual investors charged lower rental rates. While tenants maintain a high degree of autonomy over farming decisions, investment corporations were much more likely than other landlords to require specific farm management practices of their tenants. Our study points to the need to re-examine policies and programs that shape access to land for prairie farmers with an eye to questions of ecological, social, and economic sustainability.

ABOUT THE AUTHORS

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INTRODUCTION

Change is a constant in the Prairie agricultural sector. For decades, farm numbers have steadily declined, as farms get larger and larger. Technological change has been equally swift and transformative — today's commercial farming operation looks very different from that of a generation or two ago. Aside from bigger, more sophisticated, and much more expensive field equipment, farmers' toolboxes now include mobile phones, specialized software, precision agriculture equipment, digital platforms, and much more.

In recent years, changes to farmland ownership and rental patterns have also had a significant impact on the sector. Since the mid-2000s, farmland prices have increased dramatically across the three Prairie Provinces. From 2007 to 2019, farmland prices rose by a yearly average of 9.1% in Alberta, 13% in Saskatchewan, and 10.6% in Manitoba (FCC 2020). Today, a parcel of land in some regions of the prairies will have doubled or nearly tripled in value in those 13 years. Farmland ownership concentration has also increased with very large farms now controlling a significant share of all farmland. In 2016, farms over 5 000 acres controlled 38% of all Saskatchewan farmland, 40% of Alberta farmland, and 24% of Manitoba farmland (Qualman et al. 2020). In addition, a new class of farmland owners — individual and institutional investors — have increased competition for land in certain regions. Since about 2007, investors of many stripes have purchased farmland across the prairies in the hopes of realizing financial returns while safely storing their wealth. Our most recent analysis of land titles data reveals that investors own about 945 000 acres of farmland in Saskatchewan, which is a 13% increase since 2014[1]. While many farmland investors fly under the radar, there are some high-profile players. In 2015, the Canada Pension Plan Investment Board (CPPIB) acquired 115 000 acres of Saskatchewan farmland from a private farmland investment company, Assiniboia Farmland Inc., which had been building its land base since the early 2000s. By 2018, the CPPIB had increased its holdings to 157 000 acres[2]. Robert Andjelic, a wealthy businessman originally from Manitoba, is now the single largest private landowner in Saskatchewan, with more than 225 000 acres to his name across 92 rural municipalities (Andjelic.ca). As new players enter and the financial stakes continue to rise, the farmland market is becoming more complex than ever.

It is with these changes in mind that we launched a survey of prairie farmers and their experiences in farmland markets. The objectives of the survey were to better understand the challenges and opportunities farmers are facing when it comes to accessing land. We took a particular interest in understanding rental patterns in more detail, allowing us to shed some light on the changing relationship between landlords and tenants. We also wanted to hear from farmers about how they believe local farmland markets have changed in their own areas. We present the survey results here, providing an informative snapshot of a rapidly evolving agricultural sector. Farmers view some of these changes with concern, as increasing competition and growing land concentration make accessing land more difficult and have negative implications for local communities.

SURVEY METHODOLOGY

We designed the survey[3] and contracted Kynetec, a polling company, to administer it. The survey was distributed to 3096 members of Kynetec's online database of agricultural producers in the Prairie Provinces. A quota for the number of respondents from each province was used to ensure that the sample reflected the proportion of grain farming operations located in each province. To be eligible to participate in the study, each respondent had to be a primary decision maker on the farm, and the farm had to be a field crop or mixed field crop and livestock operation with at least 200 acres in crops. A total of 25 respondents were disqualified from the study based on these criteria. A further 71 respondents failed to complete the survey. Respondents who completed the survey received a cash incentive of $25. The data were collected in July 2019.

[1] Authors' calculations, data yet to be published.
[2] Authors' calculations, data yet to be published.
[3] The survey was adapted from a similar survey conducted by Brady Deaton, University of Guelph, and his colleagues. We gratefully acknowledge Dr. Deaton's willingness to share his survey questionnaire with us.

SURVEY PARTICIPANTS

A total of 400 farmers responded to the survey. Table 1 summarizes some of the key characteristics of the survey sample.

Table 1

Province	# of respondents	Mean age	Mean # of years farming	Male	Female	Mixed farm	Field crop farm	FT farm operators	FT employees
Alberta	124	54.0	30.2	95.9%	4.1%	42%	58%	2.8	3.4
Saskatchewan	210	56.7	34.3	92.2%	7.3%	38%	62%	2.3	1.5
Manitoba	66	52.9	30.4	95.5%	1.5%	23%	77%	2.0	1.1
All provinces	400	55.3	32.4	93.9%	5.4%	31%	69%	2.3	1.9

There was significant variation in the proportion of field crop farms versus mixed field crop and livestock farms across the three provinces. Alberta had the highest proportion of mixed farms at 42%, versus 23% in Manitoba. The mean number of full-time farm operators per farm, across all provinces, was 2.3. Not including farm operators, respondents reported an average of 1.9 full-time employees on their farms, with Alberta indicating a significantly higher number than the other two provinces.

The mean farm size (including owned and rented land) reported in our sample was 3 832 acres across all provinces, compared to 1 820 acres reported in the Census of Agriculture[4]. Table 2 presents the gross farm revenues indicated by respondents in our sample versus those reported in the 2016 Census of Agriculture. Farms with revenues under $50 000 are underrepresented in our sample, whereas those with revenues above $250 000 are overrepresented.

Table 2 — Gross Farm Revenues, All Provinces

	Census of Ag (2016)*	Survey Sample (2018)
Farms, under $10,000	11.75%	0.3%
Farms, $10,000 to $24,999	12.50%	1.0%
Farms, $25,000 to $49,999	11.71%	1.3%
Farms, $50,000 to $99,999	13.39%	14.4%
Farms, $100,000 to $249,999	18.55%	18.8%
Farms, $250,000 to $499,999	12.88%	24.5%
Farms, $500,000 to $999,999	10.12%	20.4%
Farms, $1,000,000 to $1,999,999	5.76%	12.3%
Farms, $2,000,000 and over	3.33%	7.0%

*Statistics Canada. Table 32-10-0436-01 Farms classified by total gross farm receipts in the year prior to the census. DOI: https://doi.org/10.25318/3210043601-eng

[4] Statistics Canada. Table 32-10-0153-01 Total area of farms and use of farm land, historical data. DOI: https://doi org/10.25318/3210015301-eng The average farm size in our sample is likely inflated by the fact that we excluded farm operations with less than 200 acres in crop production.

BUYING, RENTING, AND SELLING FARMLAND

One of the main objectives of this study was to get a better sense of farmers' experiences in the farmland market, including their intentions to buy, sell, or rent land; the opportunities and challenges associated with these activities; and their views of local conditions in the farmland market. Respondents indicated the typical cash rental rate as well as the typical purchase price of farmland in their local areas (Table 3). The annual Farm Credit Canada (FCC) *Farmland Values* report provides a point of comparison between purchase prices reported in our study and those compiled by FCC. In 2018, according to FCC, farmland purchase prices in Alberta ranged from an average of $2 119 to $6 157, depending on the region. In Saskatchewan, prices ranged from $ 1 475 to $1 985, and in Manitoba, from $2 344 to $5 010 (FCC 2019). The farmland prices reported in our study are closer to the higher end of those reported by FCC.

Table 3 — Farmer-reported rental and purchase prices for farmland

	Typical cash rent for average quality farmland ($/acre)	Typical purchase price for average quality farmland ($/acre)
Alberta	94.7*	4 037
Saskatchewan	60.6	1 753
Manitoba	88.5	3 795
All Provinces	70.5	2 773

*This figure includes a small number of respondents who reported unusually high rental rates (between $250 to 500/acre), which may skew the results.

Among our survey respondents, 38% indicated that they intended to purchase farmland in the next five years. Those who intend to buy land, as a group, were nearly 10 years younger than those who do not intend to buy land. Of those who intend to buy land, a very high proportion suggested that they expected to face challenges in doing so (96% of Manitoba respondents and 85% in both Alberta and Saskatchewan). The most commonly cited challenges in purchasing land were competition from other buyers, high farmland prices, and difficulty finding land for sale nearby (Table 4).

Table 4 — Challenges in purchasing farmland, respondents who intend to buy land in the next 5 years

%	Alberta	Saskatchewan	Manitoba	All Provinces
Competition from other buyers	88.8	91.3	93.9	91.8
High farmland prices	84.4	87.8	77.3	85.0
Finding land for sale nearby	75.6	50.0	48.5	57.9
Little land available for sale	51.1	31.8	40.9	42.9
Finding good quality land	33.3	36.2	21.1	27.8
Other	2.2	0.0	10.6	6.0

When asked whether they intended to sell land in the next five years, only 4% of our survey respondents answered 'Yes'. Of these, 61% anticipated no challenges in selling their land. These data suggest that prairie farmers are experiencing a 'seller's market' for farmland, where farmers are much more interested in acquiring land than selling it, and where many face significant obstacles in buying.

We asked farmers to estimate the proportion of farmland purchases being made by farmers versus non-farmer investors in their local area (Table 5). Respondents from Saskatchewan reported a significantly higher proportion of purchases by investors (23%) compared to the other provinces.

Table 5 — Farmer-reported farmland sales to farmers versus investors

%	Alberta	Manitoba	Saskatchewan	All sample
Farmers	82.3	89.4	76.2	80.3
Non-farmer investors	14.9	10.5	22.5	18.1
Others	2.8	0.1	1.3	1.5

ANALYSIS OF RENTAL CONTRACTS

Among our survey respondents, 76% reported renting farmland in 2018, with only minor differences in this figure across provinces. The likelihood of renting was highest among younger farmers (under 35), at 89%, versus 81% for those 35 to 54 years old, and 72% for those over 55. Among the renters, the average number of acres rented was 1 383 in Saskatchewan, 1 250 in Alberta, and 882 in Manitoba. The number of acres rented decreased steadily according to the number of years in farming reported by respondents, suggesting that farmers gradually rely less on renting as their farming careers progress. Across the three provinces, 65% of renters had three or fewer landlords. Interestingly, however, 26.5% of Alberta renters reported more than five different landlords.

To better understand rental patterns and landlord-tenant relationships, we asked survey respondents a series of detailed questions about their rental contracts, allowing each individual to provide information on up to three rental agreements. In total, we collected information about 668 different rental agreements. The average parcel size across all rental agreements was 438 acres, but somewhat higher in Saskatchewan, at 490 acres. On average, farmers had been renting from the landlord in question for nearly 12 years. Fixed cash rental agreements were by far the most common type of rental contract, with some variation across provinces (Table 6). Oral agreements were slightly more common overall (53.5%) than written agreements (46.5%). Only in Manitoba were written contracts more common (51.4%) than oral contracts.

Table 6 — Type of Rental Agreement

%	Alberta	Manitoba	Saskatchewan	All sample
Fixed	74.4	92.4	76.4	78.3
Crop-share	16.3	4.7	16.1	14.4
Flexible cash	4.9	1.0	4.4	4.0
Cost-share	1.0	1.9	1.1	1.2
No cost	1.0	0.0	0.8	0.7
Others	2.5	0.0	1.1	1.3
Number of contracts	203	105	360	668

The average rental rate reported was $65/acre in Alberta, $50/acre in Saskatchewan, and $76/acre in Manitoba. For comparison, a Government of Saskatchewan report found that the average cash rental rate per acre in the province was $51.90 in 2019 (Insightrix Research 2020) while Manitoba Agriculture

indicated a rate of $69.29 (based on a smaller sample) in 2021 (Manitoba Agriculture and Resource Development 2021) and no information was available on Alberta. For contracts classified as crop share, the average proportion of the crop paid to landlords was approximately one-third in Alberta and Manitoba and one-quarter in Saskatchewan.

We asked farmers to describe their landlord's identity by choosing from a range of categories (Table 7). The three most common landlord types are retired farmer (38%), the spouse or relative of a deceased or retired farmer (20%), and non-farmer individual investor (11%). Investment corporations represented only 2.2% of landlords overall, but 3.8% in Saskatchewan. Together, individual investors and investment corporations made up 13% of landlords in our sample.

Table 7 – Landlord identity

%	Alberta	Manitoba	Saskatchewan	All sample
A retired farmer	36.9	42.9	36.9	37.9
The spouse or relative of a deceased or retired farmer	21.2	9.5	21.9	19.8
A non-farmer individual investor	9.4	15.2	10.3	10.8
An active farmer	9.3	8.6	10.3	9.7
An individual or family using the land for a place of residence	12.8	4.8	6.9	8.4
Investment corporation	0.5	3.8	2.8	2.2
A family-owned farming corporation	3	2.9	1.4	2.1
First Nation band	1.0	1.0	2.2	1.6
Government or government agency	0.5	3.8	1.4	1.5
Others	4.9	7.6	5.0	5.4
Don't know	0.5	0.0	0.8	0.6
Number of contracts	203	105	360	668

We sought to determine the prevalence of absentee landlords in our sample. Across all rental agreements, 65% of landlords were reported to live in the same local area and 87% in the same province as the survey respondent. The prevalence of out-of-province landlords was highest in Saskatchewan, at 18% of rental agreements. In Alberta and Manitoba, only 4.5% and 7.6% of agreements, respectively, were with out-of-province landlords. The number of rental contracts reporting a landlord living outside of Canada was very low, at 2.4% overall, but 4.8% in Manitoba.

To what extent do landlords influence farming decisions made on their land? Overall, rental agreements included specific guidelines for farming practices in only 10 to 15% of cases, depending on the farm management practice in question (Table 8). We also asked respondents to report the extent to which landlords influence a variety of farm management decisions (Table 9). Respondents reported that the tenant alone made management decisions such as crop selection, crop rotation, fertilizer and chemical decisions, and the timing of field crop operations in 90% or more of cases. The management decisions over which landlords have the most influence is the adoption of permanent conservation practices. Some degree of landlord involvement was reported in 8% of rental agreements for the selection of crop varieties or livestock breeds and crop rotation decisions.

Table 8 — Rental agreement stipulations for farm management

Does the rental contract with this landlord require you to follow specific guidelines related to (%)	Yes	No	Not applicable
Crop rotation	15.8	79.2	5.0
Fertility management	11.0	83.9	5.1
Soil management	15.3	79.4	5.3
Straw management	15.8	78.4	5.9
Grain storage	11.5	81.0	7.5
Pest management	10.2	84.0	5.7

Table 9 — Landlord and tenant involvement in farm management decisions

Which of the following best describes who made the management decisions for the practice listed below? (%)	Tenant only	Some landlord involvement	Not applicable
Farm management decisions	91.9	8.0	0.0
Selection of crop varieties and/ or livestock breeds	91.9	8.0	0.0
Crop rotation decisions	89.5	8.1	2.2
Selection of fertilizers and chemicals	93.1	4.6	2.4
Fertilizer and chemical application rates	93.9	3.9	2.2
Timing of fertilizer and chemical application	93.9	3.4	2.5
Adoption of permanent conservation practices (e.g., wetland restoration)	73.1	12.1	14.8
Adoption of one-season conservation practices (e.g., conservation tillage)	81.4	7.5	10.9
Participation in specific government supported conservation programs	75.5	8.3	16.4

DIFFERENCES ACROSS LANDLORD TYPES

A key question we explored in this study was: To what extent does landlord identity influence rental contract characteristics? Table 10 summarizes the differences across three investor types – investment corporation, individual investor, and other landlords – for certain key characteristics. Farmers reported, on average, a somewhat higher average number of years renting from investment corporations compared to both individual investors and other landlords. Farmers were also more likely to report that their rental agreement was renewed every five years or more when renting from corporate landlords compared to other investor types. The data also show that investment corporations favour fixed cash agreements more strongly than other investor types. The mean rental rate was highest for contracts involving investment corporations, but lower for contracts involving individual investors than for those with other landlords. In summary, these data suggest that compared to other landlords, investment corporations favour longer rental contracts, but charge higher rental rates.

Table 10 – Rental contract characteristics across landlord types

	Investment corporation	Individual investor	All other landlords
Mean number of years renting from landlord	12.7	11.5	11.8
Mean rental rate ($/acre)	64.2	54.2	61.2
Prevalence of fixed cash rental (%)	86.7	77.7	78.4
Rental agreement renewed every five years or more (%)	33.3	20.8	16.2

Table 11 provides a comparison of the contract requirements with respect to farming practices by landlord type. Investment corporations were significantly more likely to require their tenants to follow specific guidelines related to all of the listed practices. By comparison, there were few notable differences between the requirements imposed by individual investors versus other landlords. Thus, farmers who rent from investment corporations are more likely to be bound to specific practices than those who rent from other landlord types.

Table 11 -- Rental agreement stipulations for farm management by landlord type

Does the rental contract with the landlord require you to follow specific guidelines related to:			
Yes (%)	**Investment corporation**	**Individual investor**	**All other landlords**
Crop rotation	33.3	11.1	16.4
Fertility management	40.0	9.7	10.3
Soil management	46.7	16.7	14
Straw management	46.7	13.9	15.6
Grain storage	26.7	9.7	11.4
Pest management	40.0	9.9	9.4

ATTITUDES TOWARD FARMLAND INVESTMENT AND FARMLAND CONCENTRATION

We also sought to capture farmers' sense of farmland ownership trends in their local areas. When asked whether they thought there had been major changes in farmland ownership patterns in their area in the last ten years, 62% of respondents said 'Yes'. Farmland concentration occurs when ownership is in the hands of fewer and fewer owners. Overall, a strong majority of respondents reported that farmland concentration had increased in the last ten years (Table 12). Those respondents who indicated that concentration had increased or stayed about the same were asked to what extent they believed concentration to be a problem. Overall, 24% believed it had become a major problem, 44% somewhat of a problem, and 26% not a significant problem. Those who considered it somewhat of a problem or a significant problem were then asked to identify the problems associated with land concentration (Table 13). The problem identified by the largest proportion of respondents was the ability of large land owners to outcompete smaller players for land.

Table 12 — Perception of farmland concentration

%	Alberta	Manitoba	Saskatchewan	All sample
Become more concentrated	69.4	72.7	77.5	74.2
Stayed about the same	25.0	15.2	14.8	18.0
Become less concentrated	4.8	9.1	6.2	6.3
Don't know	0.8	3.0	1.4	1.5

Table 13 — Problems associated with land concentration

In your view, what are the problems associated with land concentration in your area? (Select all that apply)	Alberta	Manitoba	Saskatchewan	All sample
Large land owners able to outcompete smaller players for land	57.3	60.1	61.4	60.0
Less land available for sale	43.5	43.9	39.0	41.3
Less land available for rent	44.4	40.9	31.4	37.0
Fewer farmers in the area	40.3	39.4	45.2	42.3
Negative impacts on the local community	36.3	27.3	40.5	37.0
Other	6.5	0.0	7.6	6.0

When asked to indicate whether they thought that non-farm investors had taken an increased interest in buying farmland in their local area, farmers' answers differed significantly across the provinces (Table 14). In Saskatchewan, a strong majority of farmers believe investor activity has increased whereas small majorities of respondents in Alberta and Manitoba answered that this had not occurred. We asked further questions of those who indicated that investor activity had increased. Table 14 reports on respondent attitudes toward the impact non-farm investors have had on the local farmland market and on the local community. A large majority of farmers who indicated that investor activity has increased in their area view these trends as negative for both the local community and the local farmland market (Table 15). There were some modest differences based on age in farmer attitudes towards investor activity. The percentage of farmers under the age of 35 who believe that investor activity has had a negative or very negative effect on the local farmland market was 76%, compared to 55% for farmers 35 to 54 years old,

and 59% for farmers older than 55. By contrast, older farmers were more likely to indicate that investor activity has had a negative or very negative impact on the local community (83.2%) compared to farmers aged 35 to 54 (68.4%) and farmers under 35 (71.1%).

Table 14 — Non-farm investor interest in local farmland

In the last ten years, would you say that non-farmers (e.g., investors, pension plans, etc.) have taken an increased interest in buying farmland in your area? (%)	Alberta	Manitoba	Saskatchewan	All sample
Yes	39.0	29.2	62.5	49.7
No	52.0	58.5	29.3	41.2
Don't know	8.9	12.3	8.2	9.1

Table 15 — Attitudes toward non-farm investors

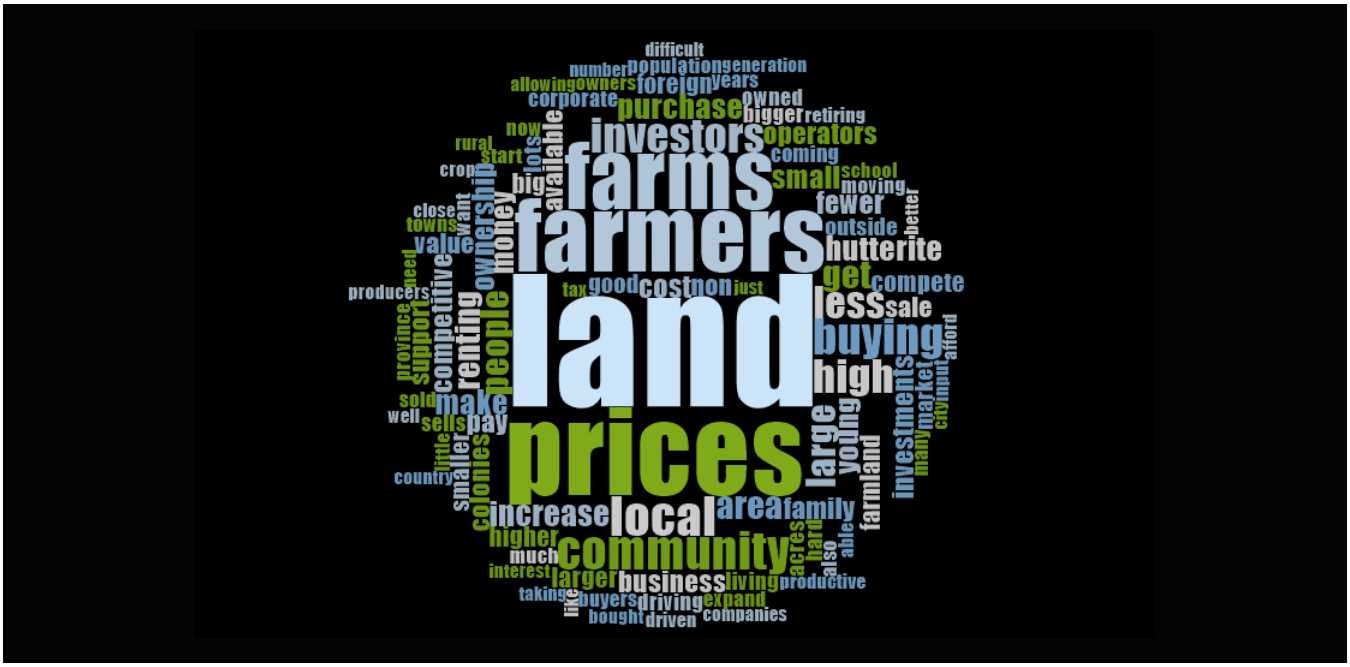
Thinking of the non-farmer investors purchasing farmland in your area, what effect do you believe they have on ...	...the local community	...the local farmland market
Very positive	0.5	6.5
Positive	5.6	10.4
Neutral	12.6	15.9
Negative	39.4	31.8
Very negative	38.4	27.4
Unsure	3.5	8.0

Photo by: Diane Kuefelt

OPEN-ENDED QUESTIONS

Farmers were also asked a series of questions that they answered in their own words. We provide a question-by-question analysis below. Generally, farmers expressed a number of concerns with recent trends in farmland ownership and rental patterns. We created a word cloud (Figure 1) of all of the responses combined, which gives a snapshot of the most frequently used words.

Figure 1 — Word Cloud, all open-ended responses



Challenges faced in the local farmland market

When asked, 'What have been the main challenges in the local farmland market?', respondents cited high prices, lack of available land, increasing competition, and land ownership concentration. Several respondents commented that prices had risen higher than is justified by the income-generating potential of the land:

> *Prices are so high it is not possible to make money working purchased land.*
>
> *Price per acre isn't reflective of potential earnings per acre.*

Respondents named a number of different players who are increasingly competing for farmland: large-scale local farmers, investors, out-of-province or foreign buyers, corporate farms, developers interested in converting farmland into acreages, supply-managed farmers (i.e., dairy, chicken, and egg farmers), potato farmers, and Hutterite colonies. In many cases, respondents suggest that these players are able and willing to pay higher prices for local land as a result of their financial resources.

> *Outside investors are paying too high prices making it impossible for local farmers to expand or for new farmers to start.*
>
> *Land is super expensive and with commodity prices where they are you either need to cut corners or keep doing what you're doing, but understand you're sort of just coasting, and probably won't be able to buy land soon. There's been a number of large (40,000 acres +) farms moving into the area who seem to have endless financial backing.*

Several respondents commented on the negative implications of high prices and increased competition for younger farmers:

> *We have many younger farmers in our area all looking to expand. There is not nearly enough land that will be for sale to satisfy local farmer demand.*
>
> *The big farms just get bigger by grabbing all the land making it hard for the small farmer to buy any land.*

In addition to the above concerns, several suggested that land sales have become increasingly secretive, happening between private parties before local farmers even know the land is for sale:

> *The removal of SK law that limited non SK residents to 360 acres was not managed well in the last 10 years. Large land owning companies totally dominate purchases and real estate agents sometimes give them first opportunity before other buyers even know it is for sale.*
>
> *Most land is sold off market between large farmers and retirees or real estate sells to investors before it reaches the ads.*

Farmers were asked if they believed there had been major changes to their local farmland market in the last ten years. Those who answered 'Yes' were asked to elaborate by identifying the changes they had observed. Many of the trends discussed above were reiterated: more land purchases by investors, large farmers, and Hutterite colonies; higher prices; absentee landlords; and land turnover. One respondent noted how the crisis in the oil patch has affected the local farmland market:

> *Increased land prices have resulted from outside sources of money particularly from persons from Alberta. Buying land at higher values even though they are much lower than our neighbouring province. Slower times in the oil field has increased demand for land in our area. This has been very clear in our immediate area. Many have quit the oil field and are competing for land.*

A few respondents noted connections between very-large operations or absentee owners and a decline in good land stewardship:

> *People who have come in the area treat the land like a garbage dump, bigger farmers are more concerned about grabbing more land than taking care of it properly. For example, leaving out corners because equipment [is] too large. Spraying out road allowances and other neighbours' crop*
>
> *It is now more a mining industry. All trees are removed from hundreds of thousands of acres (no exaggeration), wetlands destroyed and wildlife habitat wiped out. Land ownership is the cornerstone of family farms. Massive amounts of money leave SK when non-residents/corporations gobble up the land ownership. Large corporations have trespassed/damaged my fields by bulldozing forest on my land that they thought was theirs, dug large illegal drainage ditches onto my field, made large rock piles on my field to avoid making piles on their own etc. It is the Wild West out here.*

Impact of ownership concentration

Those respondents who indicated that land concentration has been an issue in their area provided further details on the impacts this trend has had on the local community and the farmland market. The responses were overwhelmingly negative: farmers suggest that increasing concentration has a harmful effect on community well-being and viability. Several noted that as land ownership becomes more concentrated, people leave the local area, leading to a decline in the local population that can affect the viability of schools, businesses, and other local activities. This farmer painted a picture of rapid de-population:

> *I went from having 8 neighbours (number of households) on my 12 mile stretch of road in 2011 to being the only farm living here in 2019.*

Many also suggested that the largest farmers tend not to buy farming and other supplies locally, making it more difficult for local businesses to stay afloat. The following comments capture some of these concerns:

> *There has been a drastic reduction in the number and variety of farms in our area. This has reduced the rural (farm) population which reduces the positives of many friendly neighbours. Also, the large tracts of land are farmed homogeneously, with much less natural areas and habitat.*
>
> *It's ruined rural farm life and damages the provincial economy. Previously, any money made in agriculture stayed in SK. The big landowners don't live here so the money leaves the province. It is like living beside a mining company that breaks as many laws as it can get away with. The environment is now suffering from desertification.*

Aside from these effects, several pointed to a breakdown in social cohesion and social capital:

> *Farmers don't know their neighbours or who to contact with problems.*
>
> *The market has become cut-throat pitting neighbour against neighbour.*

Several respondents focused on the effects land concentration is having on younger farmers and small farmers:

> *Bigger farms are very aggressive in pursuing land. Even talking to landlords while contracts are still in place with tenants. Bigger farms pay sums that are out of reach for smaller operations.*
>
> *Young farmers from small family farms are finding it difficult to rent or buy land. Also young farmers are taking on a lot of debt when purchasing land.*
>
> *There is no question that land concentration has fuelled the escalation of land prices/rent in this area. There are far fewer farmers, and very little opportunity for younger farmers.*

Impact of increased investor activity

Those farmers who indicated that they had seen increased investor activity in their area were asked to comment on the effects this trend had had on their local community and the farmland market. Respondents consistently reported concerns with the impact of increased investor activity: inflated land prices, higher land rental payments, concerns with land management and environmental issues, and little or no contribution to the local community. On this latter point, the following comments were typical:

> *With less active farmers we have seen ag retailers shut their doors and move out. We have lost fuel suppliers as well have seen multiple businesses close their doors as there is not the demographic to support them anymore. Big investors don't care about small towns and villages.*
>
> *The investors usually have very little to do with the community. Very rarely do these groups or individual take part in the community.*
>
> *Non farmers have only driven the price of land up and have not brought anything to the table in the small communities. Which in turn is destroying or small towns.*

Others commented on how investor activity has eroded trust and cooperation among farmers:

> *They have created bad feelings between producers bidding to rent the land and have put absolutely nothing into the community.*
>
> *Promotes the get big or get out mentality. Smaller operators just don't count. Large very rich players don't have time of day for smaller operators. No neighbours only competitors.*
>
> *You only see a big fleet of equipment come by our town to farm the acres they possess. And they are gone in a few days and not support any businesses.*

Concern about rising land prices and rental rates was common:

> *First they drive the price of land up and then charge a fortune to rent the land driving up the rental rates in the area.*
>
> *There seems to have been a strong and steady increase in farmland prices. Non- farmer investors led to increased land prices, but they have (along with large operators) made it difficult for small farmers to expand.*
>
> *Driving up land prices and often renting land to farmers that are not local but are willing to travel 30 to 40 miles to farm large parcels (600 to 1500 acres) of land and pay the high rents.*

There were a few mixed or neutral comments, such as the following:

> *They may have driven land prices slightly higher, but generally they are good neighbours.*
>
> *If you are a young farmer beginning, land prices and rent have skyrocketed, putting you in a tough position right off the bat. For a retiring or small operation looking at stopping, it is a godsend.*
>
> *I guess for myself, I was able to rent land which I did not intend on because of a non-farm investor. But in general, the community suffers socially with fewer people.*
>
> *Non farmer investors have given new people the opportunity to farm this land. It didn't automatically go to the nearest neighbour.*
>
> *The effects of non-farmer investors on the local land market have been inflationary, but not as much as the competition amongst farmer owner-operators. The local community has not been noticeably affected by investor landlords; the land is still being farmed by area farmers. Rural depopulation will continue whether land is owned by local farmers, or by landlords or companies that don't live in the area.*

Final comments

Respondents had an opportunity to provide some closing comments at the end of the survey. Several suggested policy changes that they wish to see including tax incentives for transferring land between family members; further restricting land ownership; tax disincentives for absentee landowners; and prohibiting farmland purchases for investment purposes. A few respondents provided a contrary view, captured by this comment:

> *Liberalizing the market for land ownership might make it more challenging to acquire land, but having a competitive open market for land is better than having a protectionist system for land transactions.*

One respondent commented on the urgency of stricter regulations around corporate ownership:

> *SK needs to take immediate action to restrict massive corporate ownership (ex. largest company now owns over 200,000 acres). It is strip mining not farming therefore they need to be environmentally regulated like mining. People who live in the city would be shocked if they understood how much environmental damage has occurred. There is some awareness of this with illegal drainage flooding small towns. Loss of wildlife habitat will also put many species at risk. 10-15 acres of wildlife habitat on each quarter supports a strong population of wildlife. The large corporations bulldoze it all.*

KEY TAKEAWAYS

Our study suggests that farmers are facing an increasingly competitive farmland market, one in which it has become harder to access land. The farmers in our sample raised concerns about increasing farmland concentration and investor involvement in the farmland market. Generally speaking, they view both of these trends negatively, citing effects on competition, higher land prices, the decline of social cohesion and rural communities, barriers for younger farmers trying to get established in the sector, and damage to the environment.

Our findings suggest that investor activity has been highest in Saskatchewan, with nearly 4% of rental contracts from that province associated with an investment company landlord. A somewhat surprising finding, when comparing across landlord types, is that investment corporations seem to favour longer rental contracts and had, on average, a longer relationship with the tenant farmer. While investment corporations charged higher rental rates, in line with some of the qualitative comments, individual investors on average charged lower rental rates than other landlords.

Our data on rental contracts show that tenant farmers maintain a high degree of autonomy over farming decisions on their rented land. However, investment corporations were much more likely than other landlord types to include specific farm management provisions in their rental agreements, according to the farmers we surveyed. As the farmland rental market continues to evolve, this is a trend that is worth following closely.

The survey results confirm that many farmers are concerned about various elements of the land question in the Prairie Provinces. This points to the need for extensive public consultations with farmers to inform land legislation, policies and programs that enhance long-term ecological, social, and economic sustainability.

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