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| NAME OF POLICY: | Agriculture - Extensive |
| APPLICATION: | Applies to all Crown land used for extensive agriculture (soil bound cultivation to produce cereal, seed, forage, vegetable or fruit crops for mechanical harvesting) including land within and outside of Agricultural Land Reserves. |
| ISSUANCE: | Assistant Deputy Minister Reconciliation, Lands and Natural Resource Policy |
| IMPLEMENTATION: | Ministry of Water, Land and Resource Stewardship |
| REFERENCES: | <i>Land Act</i> (ch. 245, R.S.B.C., 1996), Agreement with the Provincial Agriculture Land Commission on Agricultural Land Administration |
| RELATIONSHIP TO PREVIOUS POLICY: | This policy replaces the previous Agriculture - Extensive Policy dated June 1, 2011. |



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May 9, 2024

Date:

| APPROVED AMENDMENTS: | | |
|-----------------------------|-------------------------|--|
| Effective Date | Briefing Note /Approval | Summary of Changes: |
| July 19, 2021 | 254285 | Expansion of lease to purchase, lease, and timber deferral availability |
| June 17, 2022 | BN 270324 | Moved general insurance and financial security information to the Insurance and Financial Security Procedure |
| May 9, 2024 | BN CLIFF 41581 | Updated cover page to reflect the transfer of administration of the <i>Land Act</i> from the Ministry of Forests to the Ministry of Water, Land and Resource Stewardship. No amendments to the policy. |

Table of Contents

| | | |
|-------|---|---|
| 1. | POLICY APPLICATION | 1 |
| 2. | PRINCIPLES AND GOALS | 1 |
| 3. | DEFINITIONS AND ABBREVIATIONS | 1 |
| 4. | APPLICANT ELIGIBILITY | 1 |
| 4.1 | Determination of Applicant Eligibility | 1 |
| 4.1.1 | Subsequent Acquisitions of Crown land | 1 |
| 4.2 | Crown Land Requirements Regarding Arability, Proximity and Area | 2 |
| 5. | FORM OF LAND ALLOCATION | 2 |
| 5.1 | Lease | 2 |
| 5.1.1 | Lease-Only | 2 |
| 5.1.2 | Lease-Purchase | 3 |
| 5.2 | Direct Sale | 3 |
| 6. | PRICING POLICY | 3 |
| 7. | ALLOCATION PROCESSES | 3 |
| 7.1 | Applications | 3 |
| 7.1.1 | Application Package | 3 |
| 7.1.2 | Advertising/Notification | 3 |
| 7.2 | Competitive Process | 4 |
| 7.3 | Planned Tenure Dispositions | 4 |
| 7.4 | Direct Sale | 4 |
| 8. | TENURE ADMINISTRATION | 4 |
| 8.1 | Insurance | 4 |
| 8.2 | Security/Financial Guarantee | 4 |
| 8.3 | Assignment and Sub-Tenuring | 4 |
| 8.3.1 | Assignment | 4 |
| 8.3.2 | Assignment to Financial Institutions | 4 |
| 8.4 | Monitoring and Enforcement | 5 |
| 8.4.1 | Reverted Agricultural Lease Parcels | 5 |
| 8.4.2 | Timber Removal | 5 |
| 9. | BINDING OR CONSOLIDATION OF TITLES | 5 |
| 10. | VARIANCE | 5 |
| | APPENDIX 1. EXTENSIVE AGRICULTURE POLICY SUMMARY | 6 |

1. POLICY APPLICATION

This policy applies to the disposition of Crown land for extensive agriculture meaning the use of Crown land for soil bound cultivation to produce cereal, seed, forage, vegetable or fruit crops for mechanical harvesting.

This policy applies to Crown land located both within and outside of the Agricultural Land Reserve.

2. PRINCIPLES AND GOALS

For information on Crown land allocation principles see [Crown Land Allocation Principles](#).

3. DEFINITIONS AND ABBREVIATIONS

For a glossary of definitions and abbreviations see [Glossary and Abbreviations](#).

4. APPLICANT ELIGIBILITY

For standard policy information on eligibility see [Eligibility and Restrictions](#).

In addition to standard requirements and subject to the exceptions noted below, applicants under this program must be Existing Farmers (as defined in the Glossary).

Parcels in existing Crown land agricultural subdivisions may be marketed to individuals or agricultural corporations that are not Existing Farmers.

Existing Farmer eligibility requirements can also be waived in Planned Areas (i.e. areas that have undergone planning for agricultural use) where:

- An emerging farming community is being developed;
- The land base can sustain new opportunities without impacting the existing farming community; and,
- The farming community has been consulted.

The province reserves the right to refuse applications from parties with outstanding debts to the province.

4.1 Determination of Applicant Eligibility

Where applicant eligibility cannot be determined from information on file with the Authorizing Agency, applicants are responsible for providing relevant 'existing farmer' information (i.e. regarding the size, level of cultivation, and arability of their private holdings) at their own cost.

Eligibility information provided by applicants will take the form of a report prepared by a Professional Agrologist (soils specialist) who is approved by the Authorizing Agency to prepare the eligibility report.

4.1.1 Subsequent Acquisitions of Crown land

Applicants must have cultivated 25% of the most recent Crown land acquisition (as well as meeting the standard eligibility requirements) before an additional application for Crown land under this program will be considered.

No individual or agricultural corporation may hold more than one Crown land agricultural lease at any one time.

4.2 Crown Land Requirements Regarding Arability, Proximity and Area

At least 70% of the Crown land held under application must be arable land (as defined in the glossary).

The Crown land under application must be located near the farmer's base of operations. Where practical, the parcel under application will be within a 15 kilometre radius of the applicant's base of farming operations.

Normally, the parcel size for a lease, lease-purchase or direct sale will not exceed 65 ha. Larger areas may be considered in limited situations; for example, where there is an absence of merchantable timber, where it makes sense to follow natural or man-made boundaries, or where creation of such parcels avoids isolating small areas of Crown land. Another exception is in existing Crown land agricultural subdivisions where the standard parcel size may be greater than 65 ha.

5. FORM OF LAND ALLOCATION

For standard policy information on forms of allocation see [Form of Crown Land Allocation](#).

Refer to Appendix 1 for a summary of the forms and terms of Crown land allocation available for extensive agriculture operations.

5.1 Lease

The maximum term for a lease is 30 years.

Fencing

Where the application area borders on cattle range areas or other sensitive lands, fencing may be a requirement of the lease.

Dwellings

No habitable dwellings may be placed on the leased land without the permission of the Authorizing Agency. The province will authorize the placement of habitable dwellings only under exceptional circumstances.

5.1.1 Lease-Only

The maximum term for a lease without purchase option is up to 10 years if unsurveyed, and up to 30 years for surveyed leases.

If the development requirements specified in the development plan are not met by the end of the tenure term, the lease expires and the land may be allocated to other interested parties. Refer to section 7.1 for more information on development plans.

Cancelled flooding reserve

Where the Lease-Only status was originally created because of a flooding reserve which has since been cancelled, the Authorizing Agency may consider the direct sale of the tenured area to the lessee.

Lease-Only agricultural leases issued prior to October 10, 1990 will not be subject to the Existing Farmer requirement.

5.1.2 Lease-Purchase

The term of a lease with a purchase option is 5 years.

The purchase option may be exercised at any time within the lease term, provided that a minimum of 25% of the arable portion of the leasehold is in active cultivation.

The Lease-Purchase policy applies only to Crown land parcels of which the arable portion constitutes 15 hectares or more. Parcels containing less than 15 hectares of arable land may be available to existing farmers on a direct sale basis (see [Extension to Private Holdings Procedure](#) and [Intensive Agriculture Policy](#)).

5.2 Direct Sale

Direct sale disposition is available in all regions. There is no development criteria when purchasing an existing leased parcel (i.e., the applicant does not require 25% of the arable portion of the leasehold in active cultivation) prior to purchase. Cultivation requirements for previous acquisitions (see 4.1.1) continue to apply.

Direct sale disposition may be available to Lease-Only tenure holders in the case of cancelled flooding reserves (see above).

6. PRICING POLICY

For information on pricing see the [Pricing Policy](#).

For information on application and service fees see the [Crown Land Fees Procedure](#).

7. ALLOCATION PROCESSES

For detailed standard information on allocation processes see [Allocation Procedures - Applications](#).

Additional or special requirements for extensive agriculture allocations are:

7.1 Applications

Dispositions are made in response to individual applications, if there is only a single eligible interested party. A competitive process will be used if there is more than one eligible interested party (as determined through local advertisement - see below).

In existing Crown land agricultural subdivisions, vacant parcels (including reverted or abandoned parcels) may be disposed of through direct offer, at the discretion of the Authorizing Agency.

7.1.1 Application Package

Development Plan

Management plans are not required with any application.

Development plans are only required for Lease-Only tenures.

7.1.2 Advertising/Notification

All applicants are required to advertise applications in local newspapers. If the advertisement results in disposition by limited auction to a different party (see 6.2), the

original applicant's advertising costs are refunded by the province. If the parcel is not disposed of for any reason, the advertising costs are not refunded.

7.2 Competitive Process

If, as a result of advertising an application, there is more than one eligible interested party, the land is disposed of through a limited auction, with the highest "bonus bid" determining the successful party.

7.3 Planned Tenure Dispositions

Vacant parcels (including reverted or abandoned parcels) in existing Crown land agricultural subdivisions may also be disposed of through open or limited auction, at the discretion of the Authorizing Agency.

7.4 Direct Sale

Standard eligibility requirements apply (as per Section 3). If, as a result of advertising an application, there is more than one eligible interested party, a competitive process is initiated (see Section 7.2).

8. TENURE ADMINISTRATION

For standard tenure administration information see the [Tenure Administration Procedure](#).

Additional or special requirements for extensive agriculture allocations are:

8.1 Insurance

See the [Insurance and Financial Securities Procedure](#).

8.2 Security/Financial Guarantee

See the [Insurance and Financial Securities Procedure](#).

8.3 Assignment and Sub-Tenuring

8.3.1 Assignment

If a proposed assignment does not meet applicant or parcel eligibility requirements, the assignment may be allowed if it is in conjunction with the sale of the lessee's private property. The assignee must be the purchaser of the private land to which the lease is intended to be bound or consolidated.

8.3.2 Assignment to Financial Institutions

Normal applicant eligibility requirements are waived for assignment or foreclosure of agricultural leases to recognized financial institutions, (e.g. Farm Credit Corporation, Business Development Bank, credit unions, chartered banks or trust companies).

The financial institution may hold the tenure for its unexpired term provided the tenure is maintained in good standing.

Financial institutions are advised that any subsequent assignment of the unexpired term must meet the prevailing eligibility requirements.

A financial institution that is a lessee through assignment or foreclosure may exercise an option to purchase provided development requirements and any other conditions of the option have been fulfilled.

8.4 Monitoring and Enforcement

For Lease-Only tenures, if the lessee cultivates the arable portion of the leasehold in accordance with the development plan the lessee may apply for a replacement lease.

Lease-Purchase tenures are not replaceable.

8.4.1 Reverted Agricultural Lease Parcels

Parcels which have reverted to the province due to lease cancellation or abandonment may be re-offered provided that all eligibility requirements respecting the applicant and the land are satisfied.

The exception to the above is that reverted parcels located within existing Crown land agricultural subdivisions may be marketed to any individual or agricultural corporation, at the discretion of the Authorizing Agency.

8.4.2 Timber Removal

Timber removal must comply with:

- the Development Plan for Lease-Only tenures,
- the Arability Map for Lease-Purchase tenures, and
- the Forest Act Licence to Cut issued by the Ministry responsible for the Forest Act.

9. BINDING OR CONSOLIDATION OF TITLES

Binding or consolidation of titles is a condition of disposition for all lease-purchase tenures and direct sales issued under this policy.

Consolidation of titles applies where the subject Crown land and the applicant's private base of operations directly adjoin each other, and where the parcel being acquired is smaller in size than the minimum parcel size established in local zoning, or through Provincial Agricultural Land Commission requirements.

Binding of titles applies in all other cases. Where the lessee's farm operation is comprised of more than one titled parcel, the subject Crown parcel is to be bound to the lessee's principle farm parcel (i.e., the parcel that contains the ranch/farm headquarters).

Refer to [Extensions to Private Holdings](#) and [Appraisals](#) procedures.

10. VARIANCE

Variances to this policy must be completed in accordance with the [Policy Variance Procedure](#).

Appendix 1. Extensive Agriculture Policy Summary

| TENURE | TERM | METHOD OF DISPOSITION | SPECIAL REQUIREMENTS |
|--------------------------------------|---|--|---|
| Lease-Only (without Purchase Option) | Normally 10 years for unsurveyed parcels; up to 30 years for surveyed | Application or limited public auction | <u>Applicant Eligibility</u> (except in existing agricultural subdivisions): Applicant must be an existing farmer. |
| Lease-Purchase | 5 years | Application or limited public auction | <u>Land Eligibility</u> : The land under application must be 70% arable (as defined in Part 3), it should be near the applicant's existing holdings (generally within 15 km radius), and normally no more than 65 hectares of Crown land (except within existing agricultural subdivisions); only one parcel can be leased at any one time. Timber removal must comply with the Licence to Cut issued by the BC Forest Service. Binding or consolidation of titles is a condition of sale. |
| Direct Sale | Application | Application, open auction or limited public auction, as appropriate. | Same as above. |