



2024 Report V2: Proof of residency and ownership declarations needed for more farmland purchases

Active regulation and enforcement will help the Farm Land Security Board to sufficiently identify and address foreign entities purchasing Saskatchewan farmland

REGINA—December 3, 2024: In her *2024 Report – Volume 2*, Chapter 11, Provincial Auditor Tara Clemett assessed the Farm Land Security Board's processes to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities and made 10 recommendations.

The Saskatchewan Farm Security Act and related regulations restrict the amount of Saskatchewan farmland that non-Canadian entities—individuals and corporations—can own or lease. The Farm Land Security Board is responsible for administering the Act and regulating control of Saskatchewan farmland; the Board utilizes Ministry of Agriculture staff to support its activities.

"Effective ownership regulation of provincial farmland helps to preserve farming ownership and operations by Saskatchewan and Canadian residents, and helps to keep farmland prices affordable," said Tara Clemett.

About 40,000 farmland transactions occur each year in Saskatchewan. Since 2020, the Board issued five orders to sell farmland inappropriately purchased by foreign entities, but there may be more instances of farmland purchased or leased by foreign entities and not addressed by the Board.

We found the Board did not request statutory ownership declarations for 9 of 18 farmland purchases we tested made by corporations not registered in Saskatchewan (i.e., considered higher risk farmland purchasers). Consistently requesting and obtaining proof of residency and statutory declarations from higher risk farmland purchasers would help the Board determine whether foreign entities are acquiring Saskatchewan farmland and effectively enforce the Act and regulations (e.g., make the foreign purchaser sell the farmland timely to limit their ability to profit from the land sale).

We also found the Board does not have escalation procedures for staff to take further action (e.g., fines, penalties). Escalation procedures could be used when requested documents are not received. We identified eight such instances of the Board not receiving requested statutory declarations. We recommend the Board set escalation procedures for continued non-compliance and inform foreign entities timely to sell farmland.

"Obtaining timely proof of residency and ownership declarations from high-risk farmland purchasers is critical to allow the Farm Land Security Board to appropriately assess whether purchasers' comply with provincial foreign farmland ownership rules," noted Tara Clemett. For example, the Board still cannot conclude whether the eight transactions we identified are in compliance with the law years after the land sales occurred because they have not received sufficient information (e.g., statutory declarations they requested), and did not take further action.

Saskatchewan's land titles legislation allows for farmland transactions to occur regardless of residency status. This results in the Board and its staff reviewing farmland transactions *after* they occur for compliance with the Act. The Board should determine how quickly staff need to assess farmland transactions to support swift identification of non-compliance.

Further, the Farm Land Security Board needs to:

- Work with the Ministry of Agriculture to determine how to effectively regulate and enforce non-Canadian farmland leases
- Set performance indicators to allow for effective assessment and public reporting on its regulatory and enforcement activities

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- Average value per acre of cultivated land in Saskatchewan was \$3,443 in 2023
- Each land title change results in a transaction (e.g., family member off title, arms-length farmland purchase)
- Ministry staff reviewed farmland transactions about five months after the transaction occurred
- In two instances, the Board did not inform foreign entities to sell land or request an exemption until 2–6 months after it identified non-compliance