

Chapter 11

Farm Land Security Board—Regulating Foreign Ownership of Saskatchewan Farmland

1.0 MAIN POINTS

Saskatchewan farmland values have steadily increased in the past several years. For example, in 2023, farmland values rose by about 15% representing the highest increase in Canada. Non-Canadians purchasing Saskatchewan farmland can increase farmland prices and prevent Canadian residents from affording farmland.

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 the control of Saskatchewan farmland, including approving (exempting) non-Canadian entities to control more farmland than the legislated limit (i.e., 10 acres). The Board utilizes six employees who are Ministry of Agriculture staff to support its activities.

Saskatchewan operates a land titles registration model where the Board reviews farmland purchases after the transaction and the land title change is finalized for compliance with the Act. 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.

We audited the Board's processes to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities. At August 31, 2024, we found the Board had effective processes, except it needs to:

- Request proof of residency from permanent residents and ownership declarations, called statutory declarations, from higher risk farmland purchasers (e.g., corporations not registered in Saskatchewan) to sufficiently identify non-Canadian entities purchasing Saskatchewan farmland. We found the Board did not request statutory declarations for 9 of 18 farmland purchases made by corporations not registered in Saskatchewan that we tested.
- Determine how quickly staff should assess farmland transactions. At August 2024, staff were reviewing transactions about five months later. Not reviewing farmland transactions timely delays identifying potential non-compliance and taking enforcement action. We found one farmland transaction from November 2023 where the Board did not request a statutory declaration until April 2024, which was still not received at September 2024.
- Communicate the requirement to sell farmland timely for identified non-compliance and set escalation procedures for continued non-compliance. We found the Board requested eight statutory declarations since 2020 where it did not receive responses; the Board remains unable to conclude whether these eight purchasers complied with the Act. The Board does not have escalation procedures for staff to take further action (e.g., fines, penalties).



- Work with the Ministry of Agriculture to determine how to effectively regulate farmland leases as no central tracking of lease transactions currently exists, which reduces the Board's ability to effectively enforce farmland lease restrictions.

The Board also needs to provide adequate notice of hearings to exemption applicants, document declared conflicts of interest in its minutes, use sufficient performance indicators to monitor its regulatory activities, and enhance its public reporting.

Effective processes to regulate ownership of Saskatchewan farmland help to preserve ownership and farming operations (an important source of food production) by Canadians, and help to keep farmland prices affordable.

2.0 INTRODUCTION

The Saskatchewan Farm Security Act (Part VI) and related regulations set limits on the amount of farmland non-Canadian entities can control through purchasing or leasing land, hereafter referred to as ownership. The Act authorizes the Farm Land Security Board to regulate farmland ownership and defines who is considered Canadian and non-Canadian entities.

Under Part VI (Farm Ownership) of the Act, the Board's responsibilities include:

- Determining whether rules (limits on ownership) are complied with by assessing farmland transactions (e.g., sales and leases). About 40,000 farmland sale transactions occur each year in Saskatchewan.¹ There is no central tracking of lease transactions. The Board may request information (e.g., ownership declarations called statutory declarations) from entities to determine who is acquiring land to enforce legislative requirements.
- Granting or denying applications for exemptions to the ownership rules (e.g., when a foreign corporation wants to purchase or lease farmland to develop a business).
- Issuing orders to sell land where it identifies non-compliance; the Board may impose any terms and conditions on the entity in its orders (e.g., becoming a Canadian resident within a specified time). It may also issue administrative penalties.
- Recommending court action for continued violation of farm ownership provisions (e.g., not complying with Board order to sell land, entity not providing ownership information requested [such as a statutory declaration form]).

The Board is funded and managed as part of the Ministry of Agriculture. The Board consists of six members appointed by Lieutenant Governor in Council (Board members are not Ministry staff). In 2023–24, the Ministry incurred \$708,000 in operating expenses for the Board's activities (2022–23: \$830,000).² The Board utilizes six employees who are Ministry staff to support its activities.

¹ Farmland transactions are tracked in the land titles registry managed by Information Services Corporation.

² Ministry of Agriculture, Farm Land Security Board, *Annual Report for 2023–24*, p. 10.

Saskatchewan allows anyone to purchase or lease farmland; the Board is then responsible to review whether farmland transactions comply with the Act. From August 1, 2023–July 24, 2024, there were approximately 38,000 farmland transactions. Each land title change results in a transaction (e.g., taking a family member off title, arms-length purchase of farmland).

2.1 Ownership of Saskatchewan Farmland

Agriculture contributes significantly to Saskatchewan's economy with farming income earning an estimated \$4.5 billion in 2022.³ If non-Canadian entities (individuals or corporations) purchase Saskatchewan farmland, this may increase the price of farmland and prevent Saskatchewan or Canadian residents from affording farmland. This may also increase the costs for Saskatchewan residents leasing farmland from non-Canadian entities. Keeping farmland affordable may help to reverse the trend of declining rural populations and family-owned farms.

As per *The Saskatchewan Farm Security Act*, farmland means land used for the purposes of farming that is real property (i.e., land) in Saskatchewan located outside a city, town, village, hamlet, or resort village. It does not include:

- Minerals contained in, on, or under that real property
- Land used primarily for the purpose of extracting, processing, storing, or transporting minerals (e.g., oil and gas)
- Land used primarily for sand and gravel extraction⁴

In 2021, Saskatchewan had approximately 60 million acres of farmland, and over 34,000 farms.⁵

According to Farm Credit Canada, in 2023, Saskatchewan saw the highest increase in cultivated farmland values in the country. Values increased by 15.7%, slightly higher than the increase of 14.2% in 2022 and more than double the 7.4% increase in 2021. These increases occurred province-wide, with the exception of west central Saskatchewan. Similar to 2022, a lack of farmland available to meet demand is resulting in higher market values.⁶

In 2023, the average value per acre of cultivated land in Saskatchewan was \$3,443.⁷

2.2 Importance of Regulating Foreign Ownership of Farmland

Regulating ownership of Saskatchewan farmland by non-Canadian entities is important to preserve ownership and operations of Saskatchewan farmland by Canadians or Canadian-owned entities.

³ Ministry of Agriculture, *Annual Report for 2022–23*, p. 9.

⁴ *The Saskatchewan Farm Security Act*, section 76(d).

⁵ www150.statcan.gc.ca/n1/en/pub/96-325-x/2021001/article/00008-eng.pdf?st=QJMte6aW (16 June 2024).

⁶ Farm Credit Canada, *2023 FCC Farmland Values Report*, p. 8.

⁷ Farm Credit Canada, *Historic FCC Farmland Values Report 1985–2023*, p. 2.



Media articles suggest there is concern by the Saskatchewan farming community that non-Canadian entities may have, and continue to find, ways to invest in and own Saskatchewan farmland. These articles, as recent as April 2024, report discussions with farmers who believe foreign investors are finding ways to control farmland undetected, which does not comply with Saskatchewan's farmland ownership rules.⁸ These articles suggest foreign investors establish corporations where the president and majority voting shareholder(s) are Saskatchewan resident(s) and become the directors of the corporation. Foreign investors may then invest significant money allowing the corporation to buy farmland and expand farm operations quickly.

Having effective processes to regulate ownership of Saskatchewan farmland help preserve farming ownership and operations by Canadian residents, and help to keep farmland prices affordable.

3.0 AUDIT CONCLUSION

We concluded, for the period ending August 31, 2024, the Farm Land Security Board had, except in the following areas, effective processes to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities.

The Farm Land Security Board needs to:

- **Request statutory declarations from higher risk farmland purchasers (e.g., corporations registered in jurisdictions outside of Saskatchewan) to assess compliance with the law**
- **Work with the Ministry of Agriculture to determine how to effectively regulate non-Canadian farmland leases**
- **Determine how quickly staff should assess whether farmland transactions comply with the law and notify exemption applicants of Board discussion dates**
- **Communicate the requirement to sell land timely for identified non-compliance and set escalation procedures for continued non-compliance**
- **Set sufficient performance indicators (e.g., number of non-compliant transactions) to assess and report on the effectiveness of regulatory and enforcement activities**
- **Clearly record declared conflicts of interest in Board meeting minutes**
- **Update its statutory declaration form templates to require proof of permanent residency status**

⁸ producer.com/news/speculation-about-farmland-ownership-is-running-hot (20 June 2024).

Figure 1—Audit Objective, Criteria, and Approach**Audit Objective:**

Assess the effectiveness of the Farm Land Security Board's processes for the period ending August 31, 2024, to regulate foreign ownership of Saskatchewan farmland by non-Canadian entities.

Audit Criteria:

Processes to:

- 1. Set enforcement requirements for restricting foreign farmland ownership consistent with legislation and good practice**
 - Maintain policies and procedures for staff to assess compliance with farmland ownership restrictions (e.g., ownership declarations, criteria to evaluate farmland transactions, expected timeframes)
 - Maintain policies and procedures for Farm Land Security Board hearings (e.g., information required, criteria for approving exemptions, communication of decisions, conflict of interest, Board member training)
 - Communicate restrictions for foreign farmland ownership and leases (e.g., eligibility, required documents) to interested parties (e.g., non-residents, real estate agents, lawyers, estate planners)
- 2. Monitor compliance with foreign farmland ownership restrictions**
 - Use qualified personnel to assess compliance (e.g., assess complaints, complete investigations)
 - Assess sufficient farmland information to determine entities meet requirements (e.g., sales and leases, beneficial ownership, investigation results)
 - Assess farmland requirement exemption applications
 - Investigate complaints received
- 3. Action identified non-compliance**
 - Provide notice of hearings to all relevant parties
 - Carry out hearings considering assessment of information (e.g., follow hearing procedures, declare and resolve conflicts of interest)
 - Take timely action on identified non-compliance with foreign farmland ownership requirements (e.g., make clear orders, issue fines, approve exemptions, refer continued non-compliance to court)
- 4. Monitor performance of enforcement activities**
 - Assess compliance with issued orders (e.g., follow up terms and conditions in orders)
 - Analyze key performance information (e.g., trends of non-compliance, number of appeals, number of voluntary ownership declarations received) and adjust policies and procedures as necessary
 - Periodically report results of enforcement activities to the public (e.g., identified non-compliance, enforcement actions)

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate the Farm Land Security Board's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management and external advisors. The Board agreed with the above criteria.

We examined the Farm Land Security Board's policies and procedures relating to regulating foreign ownership of Saskatchewan farmland by non-Canadian entities. We assessed the Board's processes to gather and analyze information on farmland transactions and exemption order applications. In addition, we tested samples of farmland transactions, exemption order applications, investigations, and complaints received, and assessed the information staff and the Board received. We also used external consultants with expertise in the area to help us identify good practice and assess the Board's processes.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Legislation Establishes Eligible and Ineligible Farmland Owners

Individuals who are Canadian citizens or permanent residents of Canada (i.e., called resident persons), or wholly Canadian-owned corporations or membership-based organizations that are not publicly traded on a stock exchange, are eligible entities to own farmland in Saskatchewan (i.e., no restrictions on quantity owned).⁹ *The Saskatchewan Farm Security Act* only allows non-Canadian-owned entities to hold less than an aggregate

⁹ *The Saskatchewan Farm Security Act*, section 76(g).



(combined) land holding of 10 acres of farmland. An aggregate land holding includes all farmland controlled by that person and all land holdings of that person's spouse and children. Controlling farmland (land holdings) includes:

- Owning farmland
- Any interest in farmland held under an agreement to purchase or lease farmland
- Any agreement that directly or indirectly provides the right or control that ordinarily accrues to the owner of farmland¹⁰
- Any interest held by debt funded other than by a Canadian resident, a Canadian bank, Canadian credit union, or other Canadian financial institution (i.e., financing land purchase)¹¹

Figure 2 details entities that are ineligible to own Saskatchewan farmland.

Figure 2—Restrictions on Farmland Ownership in Saskatchewan

No person shall acquire a land holding on behalf of a non-resident person or a non-Canadian-owned entity if that acquisition of the land holding by the non-resident person or non-Canadian-owned entity would be in contravention of *The Saskatchewan Farm Security Act*.

None of the following persons shall acquire a land holding in Saskatchewan:

- (a) a pension plan;
- (b) the administrator of a pension plan while that person is acting in that person's capacity as an administrator;
- (c) a trust other than a trust that, in the trust instrument creating the trust, lists 10 or fewer individuals, all of whom are resident persons, as beneficiaries of the trust;
- (d) a person or class of persons prescribed in the Regulations.

The Saskatchewan Farm Security Regulations, section 6, make some exceptions to the above, such as the Saskatchewan Wildlife Federation (can have land holdings up to 104,000 acres) and the Canada Pension Plan Investment Board (maximum land holdings is the amount it owned at 2015—about 115,000 acres).^A

Source: *The Saskatchewan Farm Security Act*, section 89.

^A cppinvestments.com/newsroom/cppib-sask-statement/ (24 June 2024).

These restrictions do not apply to farmland acquired prior to 1974.

Ineligible individuals or entities must apply to the Farm Land Security Board for an exemption to acquire an interest in more than 10 acres of farmland in Saskatchewan.¹²

We found the Board provides key information on foreign ownership restrictions to the public on its website.¹³

The public website contains appropriate information on the exemption application process, Board meeting dates and submission deadlines, statutory declarations, and approved farm ownership exemption orders. We found the content posted publicly sufficiently informs the public of farmland ownership restrictions.

Providing clear requirements in legislation promotes consistent and appropriate application of farmland ownership restrictions. Making information about requirements publicly available allows the Board to be transparent with foreign farmland ownership requirements.

¹⁰ *The Saskatchewan Farm Security Act*, section 76(e).

¹¹ *The Saskatchewan Farm Security Regulations*, section 2(4).

¹² saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/farm-land-security-board-and-farm-ownership/farm-ownership (26 September 2024).

¹³ *Ibid.*

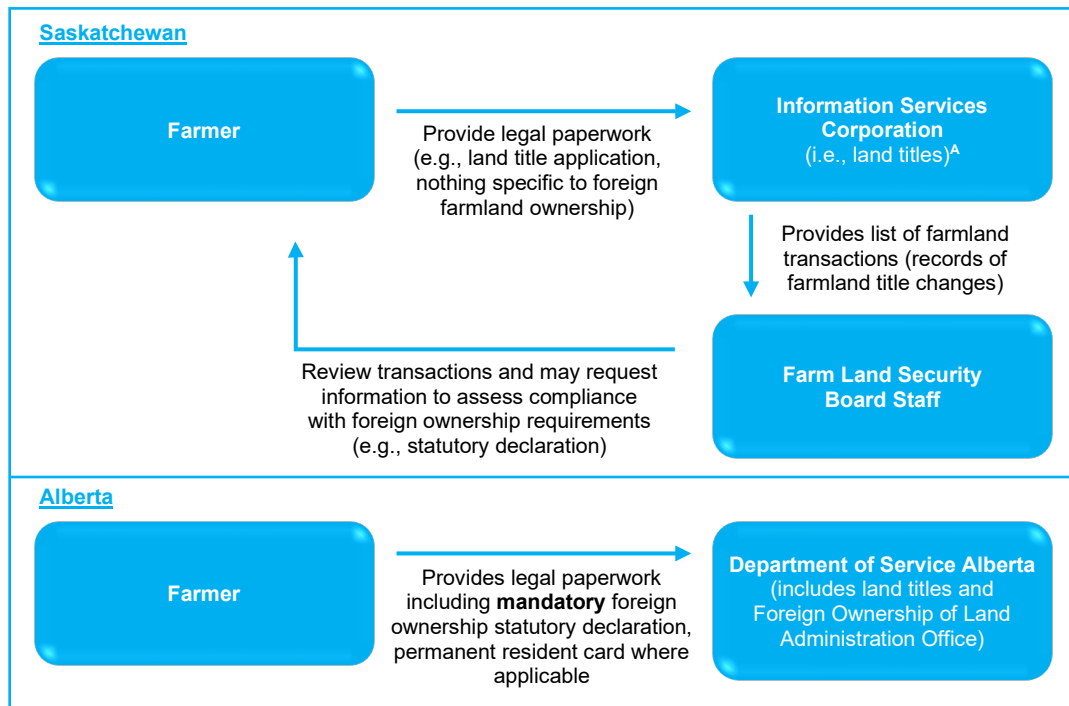
4.2 Saskatchewan's Foreign Ownership Model Creates Challenges But Can Be Effective

Saskatchewan established a land titles registration model where it requires the Farm Land Security Board to review farmland purchases after the transaction and the land title change is finalized. Some other Canadian jurisdictions' models (e.g., Alberta, Manitoba) require this assessment before finalization of the land title change. This key difference creates challenges for the Board (e.g., Board does not obtain statutory declarations for all transactions to assess compliance).¹⁴

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 (e.g., purchases, any change in land title of farmland) after they occur for compliance with *The Saskatchewan Farm Security Act*.

We found some provinces that also have foreign farmland restrictions, such as Alberta and Manitoba, require the government to review farmland purchases before the land transaction legally transfers to assess compliance with their foreign ownership restrictions.¹⁵ See **Figure 3** for a summary of Saskatchewan's model for registering farmland purchases and updating land titles compared to Alberta's model.

Figure 3—Summary of Saskatchewan and Alberta Land Titles Models, Including Review of Farmland Transactions, to Assess Compliance with Foreign Ownership Rules



Source: The Office of the Provincial Auditor of Saskatchewan.

^A Information Services Corporation is a publicly-traded company that administers Saskatchewan's land title registry pursuant to *The Land Titles Act, 2000*.

¹⁴ We noted, similar to Saskatchewan, the United States of America's submission of a statutory declaration form is not mandatory for all farmland transactions.

¹⁵ At August 2024, we found the following Canadian jurisdictions have established foreign farmland ownership restrictions: Alberta, Saskatchewan, Manitoba, Quebec, and Prince Edward Island.



This model creates some challenges for the Board and its staff, but it does have some benefits.

Challenges include:

- Statutory declaration forms are not mandatory in Saskatchewan.

As an example, Alberta requires all farmland purchasers to provide statutory declaration forms as part of the paperwork to change land titles. This is a key piece of required information for a government to assess purchasers' compliance with foreign farmland ownership rules. This form requires purchasers to sign a legal document indicating compliance with all foreign ownership restrictions such as land holdings not exceeding restrictions (e.g., including leases), financing requirements are met (from a Canadian source), and purchasers are not holding land for the benefit of foreign interests (i.e., beneficial ownership). Providing false information on a statutory declaration form is a convictable offence.

Without a statutory declaration, Saskatchewan's Farm Land Security Board has limited information to assess compliance with certain provincial restrictions; see **Section 4.5** for more about leases and lacking a central registry of leases.

- Not receiving mandatory statutory declarations means the Board must attempt to obtain information to assess compliance. It may be more efficient for the Board to obtain complete information up front for all farmland transactions to assess purchasers' compliance with foreign farmland ownership rules.
- Lack of incentive to comply. Staff finding any non-compliance with foreign farmland ownership occurs after the completed sale/transaction. If a foreign entity inappropriately purchases farmland, the Act directs these foreign owners to sell the land (in practice within one year).¹⁶ As Saskatchewan farmland continues to increase in value, owning the land even for a year may create a profit. See **Section 4.13** about the Board needing to do more to escalate enforcement actions.

See **Figure 4** for some benefits of reviewing for compliance after the farmland transaction registration.

Figure 4—Benefits of Review After Farmland Transaction Finalized

| Benefits |
|---|
| <ul style="list-style-type: none"> • Purchasers may receive land ownership more timely. Government review of farmland purchases before a finalized transaction takes additional time for purchasers to receive legal ownership. For example, we found Alberta indicated in September 2024 it expected at least a five-week delay for processing land title change applications, whereas Saskatchewan's Information Services Corporation's processing time was two days.^{A, B} • Purchasers may incur less cost because less forms require notarization as part of the paperwork for land title applications. • Purchasers may incur less land title insurance cost to protect against changes before the land purchase is registered (quicker land title processing times). |

Source: The Office of the Provincial Auditor of Saskatchewan.
^A alta.registries.gov.ab.ca/spinii/logon.aspx (13 September 2024).
^B isc.ca/LandTitles/Pages/default.aspx (3 October 2024).

¹⁶ *The Saskatchewan Farm Security Act*, section 85(1).

In 2023, the Board identified its current procedures as reactive in nature, and requested the Minister of Agriculture to consider a change to legislation to make compliance with *The Saskatchewan Farm Security Act* a prerequisite before registering farmland title changes.

We determined Saskatchewan's risk-based model can be effective, as long as the Board consistently obtains sufficient information (e.g., statutory declarations) to assess whether higher risk farmland transactions comply with the law. We encourage the Board to continue to work with the Ministry of Agriculture and Ministry of Justice and Attorney General to formally analyze and conclude on the best model for Saskatchewan.¹⁷

4.3 Board has Reasonable Processes to Review Farmland Transactions Other Than Expected Timeframes Needed

The Farm Land Security Board's processes to review farmland transactions to assess possible foreign ownership were generally reasonable except it has not documented a timeframe for how quickly staff should review farmland transactions. Also, it should improve its statutory declaration form by requiring permanent residents to provide proof of permanent residency with the completed form.

The Ministry of Agriculture receives farmland transaction data from Information Services Corporation (ISC), including any changes to farmland titles (changing/removing a name on the title, purchases). The transaction data also includes the purchaser and vendor names, purchaser's address, legal land description, parcel number, sale price, number of acres, and the sale date.

We found the farmland transaction data the Ministry imported into its Comparable Land Sales Database IT system to be complete.¹⁸ Staff followed the Board's documented processes to import this data.

We found the Board has reasonable written policies and procedures to guide foreign ownership regulation activities completed by staff except as described below and in **Section 4.5** (assessing compliance for leases). We found the existing policies and procedures consistent with legislation. It had reasonable documented procedures for when staff should request statutory declarations from individuals and corporations. We found the sources and types of information staff review to assess foreign ownership reasonable (e.g., statutory declarations, ISC corporate annual returns).

4.3.1 Assessing Individuals Purchasing Farmland

We found the Farm Land Security Board staff's risk-based procedure to use a purchaser's address from the transaction data to review whether they are likely to be a foreign purchaser was reasonable.

If the purchaser is an individual with a Canadian address, staff deem this as low risk for the individual not being a Canadian resident. Staff use their professional judgement to look further into whether an individual is a Canadian resident (e.g., land title search, request

¹⁷ This assessment involves considering Saskatchewan's land title legislation; the Registrar of Titles position resides within the Ministry of Justice and Attorney General.

¹⁸ Through this database, the public can retrieve reports of farmland sold within a rural municipality or within a radius of one to 14 kilometers from a given legal land description to obtain information about local recent farmland values.



statutory declaration) and when to assess the individual's total land holdings (e.g., including spouse's land holdings). For example, staff may assess an individual further when a purchaser's address is from a large city outside Saskatchewan.

An individual having a Canadian address does not necessarily mean they are a Canadian resident as defined by *The Saskatchewan Farm Security Act*. Management told us the Board accepted this risk based on it having identified few individuals not complying with foreign ownership requirements from its regulatory activities (e.g., assessing complaints, reviewing transactions, assessing exemption applications).

Since 2020, the Board issued five orders to sell farmland purchased by four foreign individuals, and issued two orders to a corporation to reduce land holdings (leases).

If an individual has a non-Canadian address, staff check the Board's IT system to see whether the Board previously received a statutory declaration and the individual is a Canadian resident. If no statutory declaration is found in the IT system, the Board expects staff to request one from the individual.

Using the address as the main source of information to determine the individuals' residency status (e.g., no mandatory statutory declaration of residency) increases the risk of the Board not identifying a foreign individual purchasing farmland. For example, Alberta and Manitoba rely on individuals to self-declare their residency status in mandatory statutory declarations before registering the land title. We determined the Board could also consider requesting other sources of information to verify residency status such as comparing to vital statistics data (birth certificates), passports, and permanent residency cards (see **Recommendation 1**).

4.3.2 Assessing Corporations Purchasing Farmland

We found the Farm Land Security Board had reasonable procedures to review farmland transactions by corporations, but inconsistently followed its procedures of requesting statutory declarations from non-Saskatchewan corporations (see **Section 4.4**).

See **Figure 5** for the procedures staff follow when the purchaser is a corporation.

Figure 5—Procedures to Assess Foreign Ownership of Corporations

- Corporation incorporated in Saskatchewan:
 - Check Board's IT system to see whether staff previously researched this corporation, and previously deemed Canadian-owned, and whether the Board previously received a statutory declaration.
 - Conduct a corporate registry search of ISC records to look for corporate annual returns. On these returns, check for shareholder names and addresses.
 - If any shareholders do not have Canadian addresses, send a request for a statutory declaration to the corporation.
 - Check whether changes in shareholder reports on ISC indicate a change in shareholders. If so, check for foreign addresses and, if any, request a statutory declaration.
- Canadian corporation incorporated outside Saskatchewan (e.g., another province, an out-of-country address):
 - Follow the steps above.
 - If the corporation is not registered in ISC, look it up in its jurisdiction's corporate registry (gather corporate information).
 - If the Board has not previously received a statutory declaration, request a declaration.

Source: Adapted from information provided by the Farm Land Security Board.

We found the Board's use of corporate registry information for corporations registered in Saskatchewan to be appropriate, but may not be going forward. For corporations registered in Saskatchewan, staff use information from ISC corporate annual returns. *The Business Corporations Act, 2021*, required corporations to submit annual corporate returns to ISC, which include all shareholder names and their addresses. Due to a change in the Act in March 2023, corporations no longer disclose shareholder addresses on their corporate annual returns, resulting in information the Board previously used for assessing foreign ownership to no longer be available.

From March 2023 to September 2024, Board staff continued to use the latest corporate information available at ISC with addresses (up to March 2023) supplemented with searching for any changes to shareholder names. We considered this reasonable up to September 2024 because corporate shareholder information is not expected to change significantly (e.g., based on annual returns) in the short term.

However, in the longer term as more changes to shareholders occur, it would be increasingly difficult to use this corporate registry information to accurately determine residency of shareholders as it will become outdated. With less information publicly available from March 2023 onward, staff will likely need to obtain more statutory declarations in the future. At September 2024, the Board had not formally revised its documented processes to adjust for this change. See **Recommendation 3** about obtaining statutory declarations when expected.

We determined the Board's process to use statutory declarations to assess corporations not incorporated in Saskatchewan to be appropriate. Saskatchewan's farmland ownership restrictions require all shareholders to be Canadian residents. Other jurisdictions' corporate registries may not include all types of shareholders (e.g., Alberta does not require corporations to disclose preferred shareholders).¹⁹ By relying on these corporate registries and not obtaining statutory declarations, staff may not identify whether these corporations have foreign shareholders not included in other jurisdictions' corporate registries.

4.3.3 Statutory Declaration Form Could Be Enhanced

The Farm Land Security Board's statutory declaration form could be enhanced to require proof of residency status.

We reviewed the Board's forms and templates (e.g., statutory declaration, exemption application) and found these generally align with good practice and are consistent with legislation, other than the statutory declaration form can be enhanced. The forms are easily accessible on the Board's public website. These documents include roles and obligations for potential land purchasers and lessors/lessees seeking foreign ownership exemptions.

See **Figure 6** for information included in a statutory declaration. Purchasers may voluntarily complete a statutory declaration and send it to the Board. If the Board requests one from a purchaser, it becomes mandatory to comply.

¹⁹ Differences in jurisdictions' business corporation legislation led to different information available in corporate information registries.

**Figure 6—Statutory Declaration Content**

- Shareholder or individual is a Canadian citizen or permanent resident
- No non-Canadian individuals or corporations hold interest in the farmland the individual or corporation controls (includes leases, beneficial ownership)
- Land location
- Understand restrictions of *The Saskatchewan Farm Security Act* and understand the consequences and penalties for not completing the declaration (may include receiving an administrative penalty up to \$10,000)
- Lists funds used to purchase the farmland (includes foreign financing)
- Signed by the individual
- Witnessed by a Commissioner for Oaths

Source: Adapted from information provided by the Farm Land Security Board. Statutory declaration template at: www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/farm-land-security-board-and-farm-ownership/farm-ownership (27 September 2024).

We compared Saskatchewan's statutory declaration templates to Alberta's template, and found one important difference. Alberta's form requires a permanent resident to provide a copy of their permanent resident card and a waiver authorizing the Federal Government to release that person's resident information to the Alberta government. This provides another source of information to verify the purchaser's residency status complies with Alberta's requirements.

Without requesting readily available and verifiable proof of residency status, the Board has less robust information to determine whether residency status for individuals and corporate shareholders comply with legislative requirements.

1. We recommend the Farm Land Security Board update its statutory declaration form templates to require permanent residents provide proof of residency when submitting statutory declaration forms.

4.3.4 Need to Set Timeframe to Review Farmland Transactions

We found the Farm Land Security Board does not have a written timeframe for how quickly it expects staff to review farmland transactions.

Management told us it has an unwritten expectation for staff to review farmland transactions within two months of the transaction taking place. As of August 2024, we found staff reviewed transactions approximately five months after the date of the transaction (i.e., reviewing April 2024 transactions in August 2024).

Delays in reviewing transactions cause delays in staff requesting information to determine compliance (e.g., statutory declaration form, permanent resident card). If the Board identifies non-compliance with *The Saskatchewan Farm Security Act*, this late review adds further delays to any enforcement action. For example, we found one farmland transaction from November 2023 where staff did not request a statutory declaration until April 2024. As of September 2024, the Board has not yet received a response to its second request for a statutory declaration. Thus, the Board is unable to conclude whether this transaction complied with the foreign ownership restrictions almost a year later.

Without set expectations for farmland transaction review, the Board cannot determine staff resources it needs to assess farmland transactions in a timely way. Not assessing farmland transactions timely delays identifying potential non-compliance and taking enforcement action when required.

2. We recommend the Farm Land Security Board set an expected timeframe for staff to review farmland transactions to assess compliance with *The Saskatchewan Farm Security Act* and related regulations.

4.4 Board Not Obtaining Statutory Declarations as Expected

We found the Farm Land Security Board staff did not always follow established procedures to request statutory declarations from higher risk corporations (e.g., incorporated outside Saskatchewan) and individuals who purchased land.

If any shareholders of a corporation or individual purchasers have a non-Canadian address, staff are to request a statutory declaration.

Figure 7 shows the number of statutory declarations requested and received as a percentage of almost 18,000 unique purchasers from August 1, 2023, to July 31, 2024. It shows the Board is receiving statutory declarations from about 5% of farmland purchasers voluntarily. Also, at September 2024, the Board had not yet received 34% (10/29) of requested statutory declarations. These are not all overdue (see **Section 4.13** for discussion of statutory declarations that have passed the Board's deadline to provide the statutory declaration).

Figure 7—Statutory Declarations from August 1, 2023, to July 31, 2024

| | Voluntarily Provided | Requested | Received after Request | Otherwise Resolved | No Response |
|--------------------------------------|----------------------|-----------|------------------------|--------------------|-------------|
| Statutory Declarations | 811 | 29 | 15 | 4 | 10 |
| Unique Purchasers^A | 4.60% | 0.16% | 0.09% | 0.02% | 0.03% |

Source: Adapted from information provided by the Farm Land Security Board.

^A Unique purchasers means we removed purchasers with more than one farmland purchase transaction from the about 38,000 transactions during this time.

We tested 30 farmland transactions between August 1, 2023, and July 24, 2024, and found staff sufficiently documented their review of all 30 transactions for foreign ownership. Of the 29 transactions fully assessed, staff did not identify any non-compliance with *The Saskatchewan Farm Security Act*. Staff had not fully assessed one transaction by mid-September 2024, as they were waiting to receive additional information requested from the corporation.

However, in our testing, we found staff were not always requesting a statutory declaration for non-Saskatchewan corporations as required by its procedures (**Figure 5**). During our testing of 18 farmland purchases made by corporations incorporated outside of Saskatchewan, we found the Board did not request or receive a statutory declaration for nine corporations. Instead, it relied on other jurisdictions' corporate registry information that may not be complete (as noted in **Section 4.3.2** those corporate registries may not include all types of shareholders).



Not requesting statutory declarations as required by its procedures increases the risk the Board does not use sufficient information to determine whether farmland transactions comply with the Act. This increases the risk of not identifying foreign individuals or corporations owning Saskatchewan farmland.

3. We recommend the Farm Land Security Board follow its established procedures to request statutory declarations for individuals and corporations to assess compliance with *The Saskatchewan Farm Security Act* and related regulations.

We also assessed transactions we considered higher risk to try to identify potential non-compliance with the Act. For farmland transactions between August 1, 2023 and July 24, 2024:

- We tested a sample of five individuals with foreign addresses who had aggregate farmland holdings of more than 10 acres. We found these individuals complied with the Act (e.g., Canadian citizens, subsequently sold land to Canadian corporations).
- We tested purchasers with an aggregate sale price of more than \$10 million and found all 18 identified individuals and corporations complied with the Act (e.g., Canadian-resident, Canadian-owned entity, have an exemption order).
- We tested purchasers with more than 60 land title changes and found all 16 complied with the Act (e.g., rural municipality, Provincial Government, Canadian resident or Canadian-owned corporation).

4.5 Need to Enforce Restrictions on Farmland Leases

The Farm Land Security Board does not have an efficient way to verify and thus enforce restrictions in *The Saskatchewan Farm Security Act* on foreign leasing of farmland because there is no requirement to register lease agreements in any central registry.

The Act's definition of a land holding includes any interest in farmland held under an agreement to lease. This means the Act restricts land holdings, including foreign leasing of farmland to less than 10 acres.

Farmland leases can be formal or informal (i.e., verbal agreements) between parties. We confirmed with the Board, Ministry of Agriculture, Information Services Corporation, and Saskatchewan Crop Insurance Corporation that there is no central listing of farmland leases in Saskatchewan.²⁰ Leases may be registered on the land title, but this is not a requirement, and is not common in Saskatchewan. Currently, the Board reviews leases on a complaint basis, if it receives an exemption application, or if reported on a statutory declaration form.

Other Canadian jurisdictions also restrict foreign leasing of farmland. See **Figure 8** for lease restrictions in Alberta and Manitoba.

²⁰ The Saskatchewan Crop Insurance Corporation is the provincial Treasury Board Crown corporation that administers significant agricultural support programs (e.g., crop insurance, AgriStability). It may become aware of leases through various program information it receives from farmers. The Corporation makes significant payments to farmers and relies on the Farm Land Security Board as part of its process to not make payments to foreign land owners.

Figure 8—Farmland Lease Restrictions in Alberta and Manitoba

| Alberta | Manitoba |
|---|---|
| <ul style="list-style-type: none"> An ineligible person or foreign-controlled corporation may lease land for a term of 20 years or less, if they register the lease in a land titles office within 60 days | <ul style="list-style-type: none"> Interest in farmland is restricted for non-Canadian citizens or non-Canadian permanent residents to no more than 40 acres Interest in farmland includes leases |

Source: Alberta's *Foreign Ownership of Land Regulations* and Manitoba's *The Farm Lands Ownership Act*.

The Ministry of Agriculture requires lessors to comply with *The Saskatchewan Farm Security Act* before approving leases of agricultural Crown land (land owned by the Ministry of Agriculture). In our testing of 30 agricultural Crown leases, we did not identify any foreign lessees. Further, in our testing of staff reviewing farmland transactions, we found staff only received information during its reviews to assess leases for the five individuals and corporations where it received statutory declarations; these did not identify any foreign leasing.

By requesting a statutory declaration, the Board could obtain information on leases because it requires an individual or corporation to self-declare. See discussion of challenges created by Saskatchewan's land titles model in **Section 4.2**.

One common occurrence of foreign entities leasing farmland was to develop renewable energy projects. Entities submitted and the Board assessed exemption applications for these types of projects, see **Section 4.9**.

Provincial legislation tasks the Board to enforce foreign leasing of farmland restrictions but does not provide it with a practical way of doing so. This reduces the Board's ability to effectively enforce lease restrictions, increasing the risk the Board will not detect foreign entities leasing Saskatchewan farmland, thereby making farmland unavailable to Saskatchewan farmers.

4. We recommend the Farm Land Security Board work with the Ministry of Agriculture to determine how to enforce restrictions on foreign leasing of farmland under *The Saskatchewan Farm Security Act*.

4.6 Informal Process for Assessing Foreign Financing

The Farm Land Security Board does not have formal procedures for staff to assess whether purchasers use foreign financing to fund farmland purchases, but we consider this lack of procedure as lower risk.

The Saskatchewan Farm Security Regulations define a land holding to include any interest through debt or obligation funded other than by:

- A resident person;
- A bank, credit union, or other financial institution supervised or examined by a governmental authority in Canada; or
- A farm input supplier who provided inputs to a producer.



Purchases of Saskatchewan farmland cannot be funded by foreign financing. Board staff can identify financing sources (e.g., mortgages) through ISC searches of the land title, but also could further identify financing sources by requesting statutory declarations.

Staff only occasionally assess financing using their professional judgement. In our testing of 30 farmland transactions, we found staff only reviewed financing for the five individuals and corporations where it received a statutory declaration; these reviews did not identify any foreign financing.

See discussion of challenges created by Saskatchewan's land titles model in **Section 4.2**.

The risk of non-compliance with this aspect of the foreign ownership restriction requirements is somewhat mitigated because when an individual or corporation provides financing to a land purchaser, they typically register their interest publicly on the land title to protect their investment.

4.7 Qualified Staff Perform Key Regulatory Activities

The Farm Land Security Board uses qualified staff to assess foreign ownership of Saskatchewan farmland. Staff from the Ministry of Agriculture's Board Governance and Operations Branch complete this work.

The Ministry sets requirements for relevant education and prior experience when hiring staff responsible for regulating foreign ownership of Saskatchewan farmland in job descriptions. We found the Ministry's requirements for relevant education (e.g., master's degree) and relevant experience (e.g., knowledge of western Canadian agriculture, knowledge of farmland ownership legislation) reasonable when hiring these staff.

We found the job descriptions for key positions (e.g., manager, specialists) sufficiently outline key responsibilities and qualifications. We tested three staff positions and found all staff had the appropriate qualifications set in their job descriptions.

We found two staff files had signed conflict of interest forms. We note that one form could not be located, but the manager was aware of the individual's declared potential conflict (thus could mitigate). The individual subsequently completed a conflict of interest form, which Ministry management appropriately approved in September 2024.

The Board also hires external consultants to meet its needs (e.g., court reporting, Board training). We tested one external consultant's qualifications and found them sufficiently qualified to provide advice to the Board.

Having qualified staff perform key regulatory activities (e.g., reviewing exemption applications, assessing farmland transactions for compliance with foreign ownership requirements) helps the Board appropriately identify foreign ownership of Saskatchewan farmland.

4.8 Need to Clearly Document Board Member Conflicts of Interest

The Farm Land Security Board has generally set guidance to manage its regulatory activities consistent with good practice, except it does not clearly document declared conflicts of interest during Board meetings. In addition, it does not notify exemption applicants of when applications will be discussed (**Section 4.10**), or include escalation procedures for continued non-compliance (**Section 4.13**).

We tested three Board members' qualifications and found they had appropriate credentials (e.g., agricultural experience) to be on the Board. The Ministry of Agriculture provides Board members procedure documents and training from qualified consultants and staff.

We found the Board's guidance manual included all the requirements we expected, except relating to providing notice to exemption applicants of scheduled Board meetings to discuss applications. The Board also has appropriate documented processes to carry out hearings (e.g., information required from staff, using consultants, making motions and decisions, quorum, voting).

We found the Board conducted meetings every six weeks or less and approved all meeting minutes consistent with its policies.

The Board's manual requires Board members to declare conflicts of interest at each meeting and document the nature of the conflict. During our testing of all Board meeting minutes from August 1, 2023, to July 31, 2024, we did not see sufficient documentation of declared conflicts of interest including the nature of the conflict. The minutes documented when Board members left and returned to meetings, but did not indicate whether their departure was due to a conflict of interest.

Not clearly documenting declared conflicts of interest increases the risk the Board is unable to demonstrate it makes fair and impartial decisions when evaluating compliance with foreign farmland ownership rules (e.g., evaluating whether to approve exemption applications).

5. We recommend the Farm Land Security Board document in its meeting minutes declared conflicts of interest as required by its Board manual.

4.9 Exemption Applications Appropriately Assessed and Board Decisions Rationalized

The Farm Land Security Board appropriately followed its process to assess exemption applications and properly communicated its rationale for its decisions to applicants.

The Board receives exemption applications from foreign individuals and corporations wanting to purchase or lease Saskatchewan farmland. *The Saskatchewan Farm Security Act* allows the Board discretion to grant exemptions to the foreign ownership restrictions if the Board deems it appropriate to do so. The Board's manual describes general categories of exemptions (see **Figure 9**). The Board uses its discretion in approving exemption applications (i.e., not required to approve an application from one of the exemption categories).



Figure 9—Exemption Categories

- Applicant intends to become a Canadian citizen or permanent resident, and farm in Saskatchewan
- Wind and solar projects (e.g., foreign company leases land to develop these projects)
- Inheritance or estate planning
- Intensive livestock (e.g., foreign company purchases or leases land to raise livestock in specialized facilities)
- Commercial development (e.g., foreign company purchases or leases land for commercial development)
- Recreational property

Source: Adapted from the Farm Land Security Board's *Information and Procedures for Board Members*.

We compared the Board's exemption categories to Manitoba and Alberta and found those jurisdictions had similar categories.

When staff receive an exemption application, they assess it for completeness. If the application is incomplete, staff contact the applicant or representative (e.g., lawyer) to request additional information.

We tested seven exemption applications assessed between August 1, 2023, and July 31, 2024. We found for all seven applications, staff verified the application's completeness and followed up on missing information timely (within seven days). We also found staff communicated with applicants timely to confirm receipt of the applications.

We found staff presented sufficient information to the Board about exemption applications. The Board discusses the exemption applications, staff evaluations, and considers an applicant's Board presentations (if any), when deciding whether to approve the exemption. In our testing of seven exemption applications, the Board approved six exemptions and denied one.

If the Board approves an exemption, its documented procedures require staff to issue an exemption order to the applicant and post the order online. We found for six approved exemptions, the Board:

- Approved a sufficient written order including rationale for the decision
- Had clear terms and conditions in the order (e.g., expiry date, reduce land holdings if not required for operations)
- Issued the order timely to the applicant (same day as approval)

For the one denied exemption application tested, we found the Board also notified the applicant about its denial timely, including reasons for denying the request.

We tested 25 approved exemptions and found four exemption orders that staff did not post on the Board's website (e.g., one month late) as of August 31, 2024. We suggest staff follow the Board's written process to post all approved exemption orders on its public website timely.

4.10 Need to Inform Exemption Applicants of Board Discussion Dates

Farm Land Security Board staff do not inform applicants when the Board will discuss their exemption application.

The Board's public website includes all upcoming Board meeting dates, and a deadline to submit exemption applications to be considered in that meeting (i.e., 10 days prior to the meeting). However, the website does not include which applications will be discussed at each meeting and staff do not communicate this to the applicants.

We found four of the seven exemption applicants tested attended Board meetings to present their exemption application. The Board and staff did not communicate to the other three applicants specifically when the Board planned to discuss their applications. Upon request, the Board allows applicants to present and provide additional information to it on their exemption application. The Board does not proactively communicate this to applicants; the applicants in our testing who presented at Board meetings were previously aware of this process due to having multiple previous applications.

The Ombudsman Saskatchewan's *Practice Essentials for Administrative Tribunals* provides good practice for administrative tribunals (e.g., Farm Land Security Board).^{21,22} The Practice Essentials emphasize that the duty to act fairly, including a requirement to provide "notice of the case and an opportunity to reply", as one of the most important requirements for an administrative tribunal. This requires a Board to provide adequate notice to an applicant as to when it will make a decision.²³

Without providing adequate notice to an applicant as to when the Board will consider their exemption application, the Board may not receive additional information or rationale for a requested exemption. This increases the risk of appeals if the Board has not provided an applicant the opportunity to present additional information or to answer questions.

6. We recommend the Farm Land Security Board provide adequate notice to exemption applicants informing them as to when the Board will discuss farmland ownership exemption applications.

4.11 Complaints Reasonably Assessed

The Farm Land Security Board and staff appropriately assessed complaints received.

The Board receives few complaints about specific individuals purchasing land. From August 1, 2023, to July 31, 2024, it received six complaints, mostly general complaints, or rumours of foreign ownership.

We found most public complaints come to the Board's staff from requests sent to the Minister of Agriculture's Office. Staff investigate each complaint (if possible) and draft a response to the Minister's Office in accordance with the Ministry's established deadline (seven days). The Minister of Agriculture responds to the complainant.

²¹ ombudsman.sk.ca/app/uploads/2020/03/Practice-Essentials-Final-with-Cover.pdf (24 September 2024).

²² Administrative tribunals are required to make decisions fairly and in accordance with the law.

²³ Ombudsman Saskatchewan, *Practice Essentials for Administrative Tribunals*, pp. 14–15.



We found in our testing of three complaints between August 2023 and July 2024, staff resolved two complaints timely in accordance with expectations. For the other complaint tested, we found staff appropriately informed the Board about the complaint, and invited the complainant to attend a Board meeting to provide more information so staff could investigate the complaint. As of August 31, 2024 (six months later), the complainant has not agreed to attend a Board meeting or provided additional information to allow for an investigation.

Assessing complaints timely helps the Board investigate and act on possible non-compliance with *The Saskatchewan Farm Security Act*.

4.12 Untimely Communication of Requirements to Sell Land

The Farm Land Security Board does not provide timely communication to individuals and corporations about requirements to sell land when not complying with *The Saskatchewan Farm Security Act*.

Staff may identify non-compliance with the Act by reviewing farmland transactions, assessing complaints and/or exemption applications, and reviewing whether individuals or corporations meet the terms and conditions of Board orders. The Act requires foreign entities in non-compliance to divest farmland immediately or as specified by the Board.²⁴ In practice, we observed an example of the Board providing up to one year to divest.

Staff conduct investigations to assess compliance with terms and conditions of Board orders. We tested four investigations conducted between August 1, 2023, and July 31, 2024, and found staff conducted appropriate investigations for all four investigations (e.g., assessed permanent residency status, checked whether land sold) and provided the Board information as necessary.

When staff identify non-compliance, potential future non-compliance (e.g., inheritance restrictions allowing up to five years to sell land), or a Board order sets time-specific actions, they appropriately enter a diary date (follow-up date) in the Board's IT system to check for future compliance (e.g., verify land sold, land leased to a Saskatchewan farmer).

We tested five Board orders and found the dates in the Board's IT system reasonable based on the Board order deadline, and staff assessed the individual/corporation met the Board order requirements (e.g., leasing land to a Saskatchewan farmer).

We tested eight instances between August 2023 and July 2024 where staff entered diary dates to check whether non-Canadians sold land. We found:

- Two cases where the Board required the corporations to divest land or to apply for an exemption, but staff had not communicated this expectation to the corporations two and six months later respectively.

²⁴ Under *The Saskatchewan Farm Security Act*, section 85(1), if a Canadian entity becomes a non-Canadian entity (e.g., individual or corporate shareholder renounces Canadian citizenship), the Act gives the person one year to divest farmland.

- For a third case, in 2020–21, staff identified the individuals inheriting land were non-Canadian residents and had five years to sell the land in accordance with the Act.²⁵ Staff did not communicate this to the individuals until May 2024.
- For the other five cases, we found staff either communicated the requirements timely, or staff found the individual/corporation sold the land prior to staff checking for compliance.

Not providing timely notice of the need to sell land leaves the owner with limited time to comply with farmland ownership restrictions. Foreign corporations and individuals may be unaware of farmland ownership restrictions, including how long an individual can own land upon inheritance.

7. We recommend the Farm Land Security Board provide timely communication to individuals and corporations about requirements to sell land when not in compliance with *The Saskatchewan Farm Security Act*.

4.13 No Documented Escalation Procedures for Non-Compliance

The Farm Land Security Board does not have documented escalation procedures to follow when it identifies continued non-compliance.

The Saskatchewan Farm Security Act provides the Board and the Ministry of Agriculture with various enforcement tools they can use to try and enforce compliance. See **Figure 10**.

Figure 10—Enforcement Tools Made Available to the Board and the Ministry of Agriculture

| Tool | Authority to use Tool | Act Section | Was Tool Used in the Last Five Years |
|---|-----------------------|-------------|--------------------------------------|
| A court can convict and issue a fine up to \$1,000 to an individual or corporation that does not submit a statutory declaration upon the Board's request | Ministry | 90 | No |
| A court can convict an individual or corporation who has not complied with foreign ownership restrictions (e.g., fine up to \$50,000 for individuals; up to \$500,000 for corporations) | Ministry | 93 | No |
| Board can issue an administrative penalty up to \$10,000 if it is satisfied a person has not complied with the Act | Board | 93.1 | Yes |
| Board can subpoena records from individuals or corporations | Board | 95(2) | No |

Source: *The Saskatchewan Farm Security Act*.

As described in **Section 4.3**, staff may request statutory declarations from individuals and corporations. We found staff appropriately track requests. If staff receive no response to the first statutory declaration request after 60 days, they send a second letter by registered mail.

²⁵ Sections 80, 82, and 85(2) of *The Saskatchewan Farm Security Act* allow non-Canadian residents inheriting land up to five years to sell the land.



The Board does not have escalation procedures for staff to take further action or when to report unreceived statutory declarations to the Board. We found, as of August 2024, the Board sent eight requests to individuals and corporations since 2020 where it did not receive a response to the second request for a statutory declaration. As a result, the Board was unable to conclude whether these eight purchasers comply with *The Saskatchewan Farm Security Act*.

Staff report information about statutory declarations to the Board, but they do not provide details (e.g., how long each request has been outstanding, which declarations staff have not received after the second request). Doing so would enable the Board to decide on appropriate next steps (e.g., issue an administrative penalty). The Board has not issued any administrative penalties for not responding to a request for a statutory declaration.

The Board sent a letter to the Ministry of Justice and Attorney General in 2022 asking the Ministry to consider prosecuting unreceived statutory declarations as an offence. The Board indicated Justice would not pursue conviction. In 2022–23, the Board sent four files for public prosecution for failing to respond to requests for statutory declarations (2023–24, the Board sent no files to public prosecution).^{26,27}

We tested three administrative penalties between August 1, 2023, and July 31, 2024, and found the Board appropriately issued \$10,000 administrative penalties to corporations they found in non-compliance with Board orders or exemptions (non-compliance determined for not providing requested information timely during exemption application assessments).

Without documented escalation procedures, the Board may not take sufficient or consistent enforcement actions that may deter individuals and corporations from not responding to requests for statutory declarations. To help staff act consistently, the Board needs to document its expectations for when staff should bring identified non-compliance to the Board, when to issue administrative penalties, and when to pursue further action (e.g., ask the Ministry of Agriculture and/or Ministry of Justice and Attorney General to initiate legal action in court).

8. We recommend the Farm Land Security Board formalize procedures for the escalation of enforcement actions to address identified non-compliance with *The Saskatchewan Farm Security Act*.

Individuals or corporations can appeal Board decisions through a court.²⁸ The court may refer the issue back to the Board for further consideration. We found two appeals went to court in the last five years. We tested one appeal and found the Board followed appropriate court processes and received advice and representation from the Office of Tribunal Counsel.

²⁶ In order for the Ministry of Justice and Attorney General to pursue conviction, the Board would first need to work with the Ministry of Agriculture to generate a document charging the individual or corporation for failing to respond to a request for a statutory declaration. As of September 2024, the Board has not done this.

²⁷ Ministry of Agriculture, Farm Land Security Board, *Annual Report for 2022–23*, p. 9, *Annual Report for 2023–24*, p. 9.

²⁸ *The Saskatchewan Farm Security Act*, section 97.

4.14 Sufficient Performance Indicators and Public Reporting Needed

The Farm Land Security Board has not established sufficient performance indicators to monitor its effectiveness of regulating foreign ownership of Saskatchewan farmland. It also does not publicly report on all key regulatory activities related to regulating foreign ownership.

The Board received updates from management on some farm ownership information at each Board meeting. For example, the Board received information on:

- Farm ownership exemption applications received, granted, and denied
- Statutory declarations voluntarily received, requested, received after request, and no response to request

The Board has not identified performance indicators to assist in identifying whether the Board meets its objectives for regulating farmland ownership. **Figure 11** provides some examples of potential performance indicators the Board could consider to effectively assess regulation of foreign ownership of Saskatchewan farmland.

Figure 11—Examples of Performance Indicators to Assess Regulation of Foreign Ownership of Saskatchewan Farmland

| Potential Performance Indicator | Purpose |
|--|---|
| Timeframes to review farmland transactions are met | To monitor whether staff are reviewing farmland transactions consistent with its expectations. Help identify resources needed and an acceptable target for how timely to review farmland transactions. |
| Non-compliance identified from reviewing farmland transactions | Assess the results of reviews of farmland transactions and identify trends. |
| Response rate on requested statutory declarations | Determine how many farmland transactions it has been unable to conclude on about compliance. Inform escalation actions. |
| Compliance with Board orders | Monitor staff appropriately follow up with Board orders and orders are complied with. Inform escalation actions. |

Source: The Office of the Provincial Auditor of Saskatchewan.

Without sufficient performance indicators, the Board cannot effectively assess and publicly report on the regulation of foreign ownership of Saskatchewan farmland. Further, the Board may be unable to identify trends to inform ways to improve its regulatory activities.

9. We recommend the Farm Land Security Board use sufficient performance indicators to monitor effectiveness of its regulatory activities related to foreign ownership of Saskatchewan farmland.

The Board publicly reports on certain farmland ownership activities taken each year in its annual report. The annual report focuses on exemption applications granted and denied; see **Figure 12**. It also includes the number of orders to reduce land holdings, administrative penalties issued, and files sent to public prosecution.

**Figure 12—Exemption Applications Granted and Denied from 2021 to 2024**

| Year | Applications Received | Approved | Denied |
|---------|-----------------------|----------|--------|
| 2021–22 | 37 | 32 | 5 |
| 2022–23 | 31 | 23 | 8 |
| 2023–24 | 36 | 35 | 1 |

Source: Ministry of Agriculture, Farm Land Security Board, *Annual Report for 2023–24*, p. 9.

The Board does not publicly report on other key regulatory activities related to its review of about 40,000 farmland transactions each year (e.g., non-compliance trends as a result of reviews, response rate on requested statutory declarations, compliance with Board orders to sell land when it identifies non-compliance).

Publicly reporting on enforcement activities and including examples where the Board identified non-compliance can help deter future non-compliance with *The Saskatchewan Farm Security Act* and enhance public understanding.

- 10. We recommend the Farm Land Security Board enhance its public reporting of all of its key regulatory activities related to foreign ownership of Saskatchewan farmland.**

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