

# Rural Land Markets insights and international examples of land financialisation

Prof. Annette Desmarais

*National Farmers Foundation, Canada*

[Online]

# Growing land inequality:

*The case of Saskatchewan, Canada*



# Policy context – Sask. land legislation

Early 1970s:

- Restricts farmland purchases to provincial residents
- Creates the Saskatchewan Land Bank Act (1972 – 1982)

Early 2000s:

- NDP government opens farmland ownership to all Canadian citizens, permanent residents, and 100% Canadian-owned corporations

|

2013-2015/2016: Controversy re the Canadian Pension Plan purchase of farmland leads to a ‘tightening’ of rules:

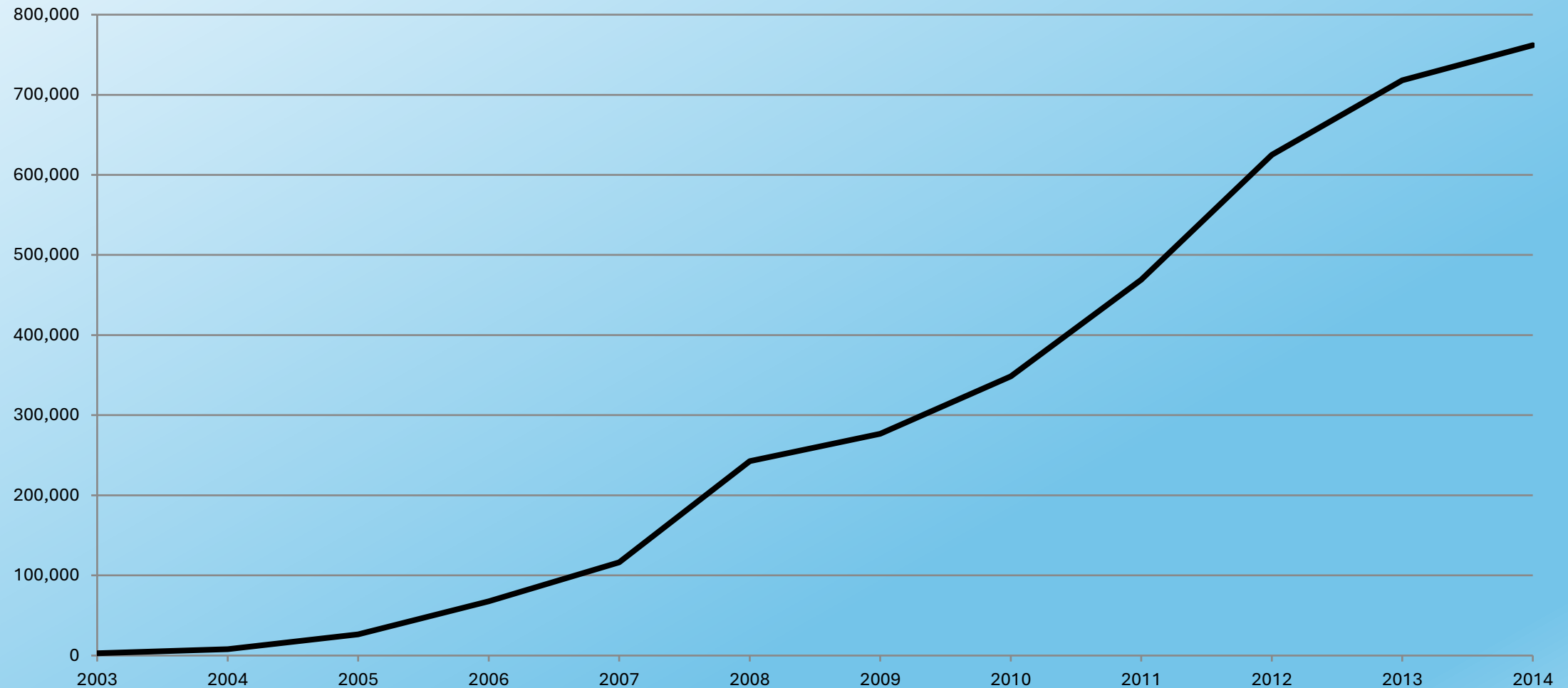
- Pension plans and investment trusts with more than 10 beneficiaries are prohibited from purchasing farmland

# Researching the 'land question'

## Analyzing land-titles data over time

- Obtained all land titles records for rural land in Saskatchewan for four different years (2002, 2014, 2018 and 2023)
- First study: How much land do investors own?
- Second study (comparison 2018 – 2023): Continuation of investor-owned land-holdings and added how much is owned by large farmers (non-investors) with over 10,000 acres (4,043 ha)?
- Identified investors using corporate registry searches, web sites, news articles, etc.
- Calculated the holdings of 1. investors; 2. non-investor landowners (over 10,000 acres/4,043 ha)

# Cumulative Investor-Held Acreage, Saskatchewan (acres)



Magnan, A. and A.A. Desmarais. 2017. Who is buying the farm? Farmland Investment Patterns in Saskatchewan, CCPA.

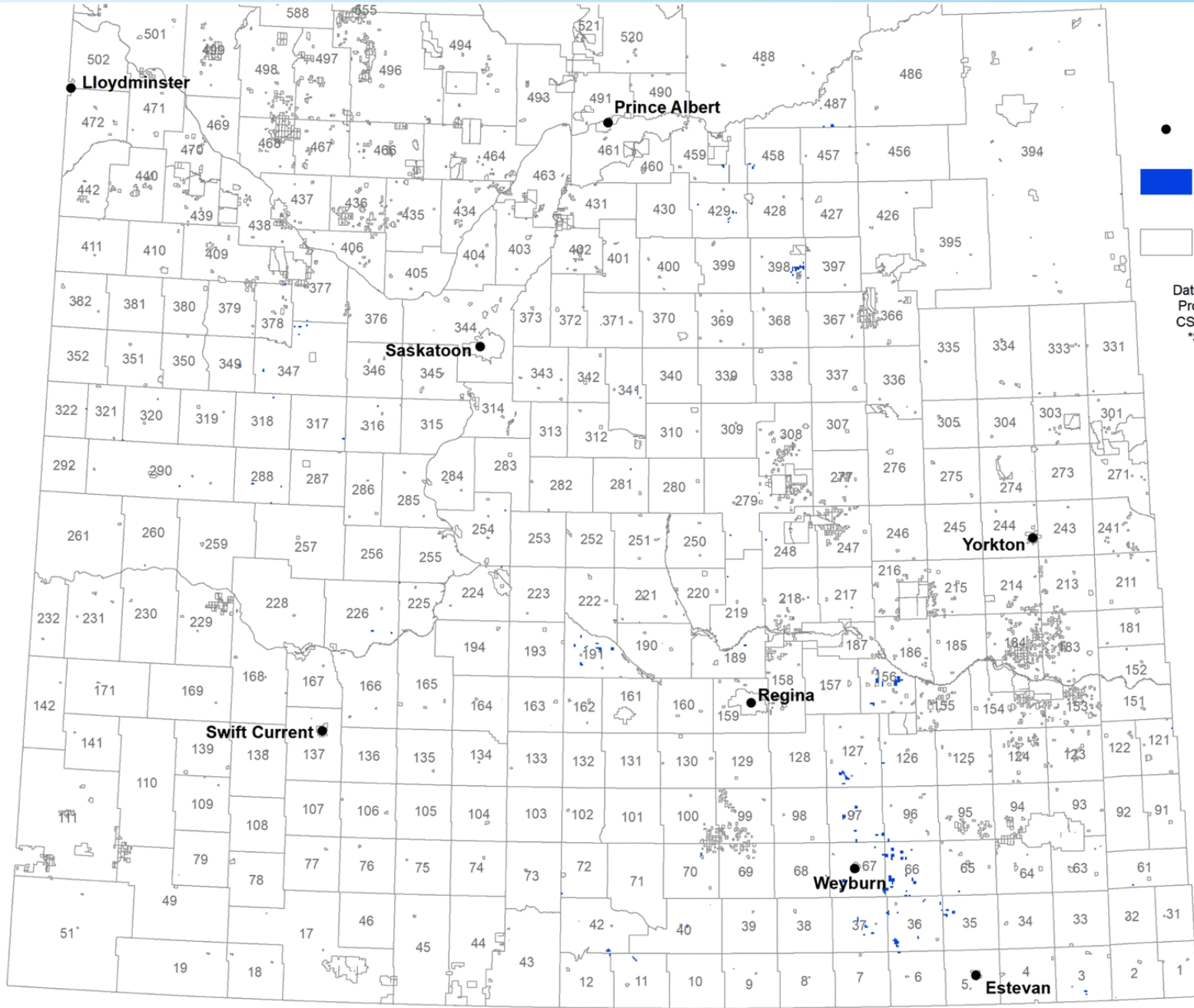


# How much land do investors own?

	2002	2014
Farmland area owned by investors, investment companies, and farmer/investor hybrids	51,957 acres 21,026 ha	<b>837,019 acres</b> <b>338,729 ha</b>
Portion of total farmland area owned by investors, investment companies, and farmer/investor hybrids	0.09 percent	1.44 percent

Sources: Desmarais et al. 2016. Adapted from Information Services Corporation (ISC) Ownership Dataset, reproduced with the permission of Information Services Corporation. Additional data from Saskatchewan Assessment Management Agency (SAMA), by request.

Investors, investment companies, pension funds, and farmer-investor hybrids in 2014 owned **16 times** more land than they did in 2002—the year before farmland ownership laws in Saskatchewan were changed.



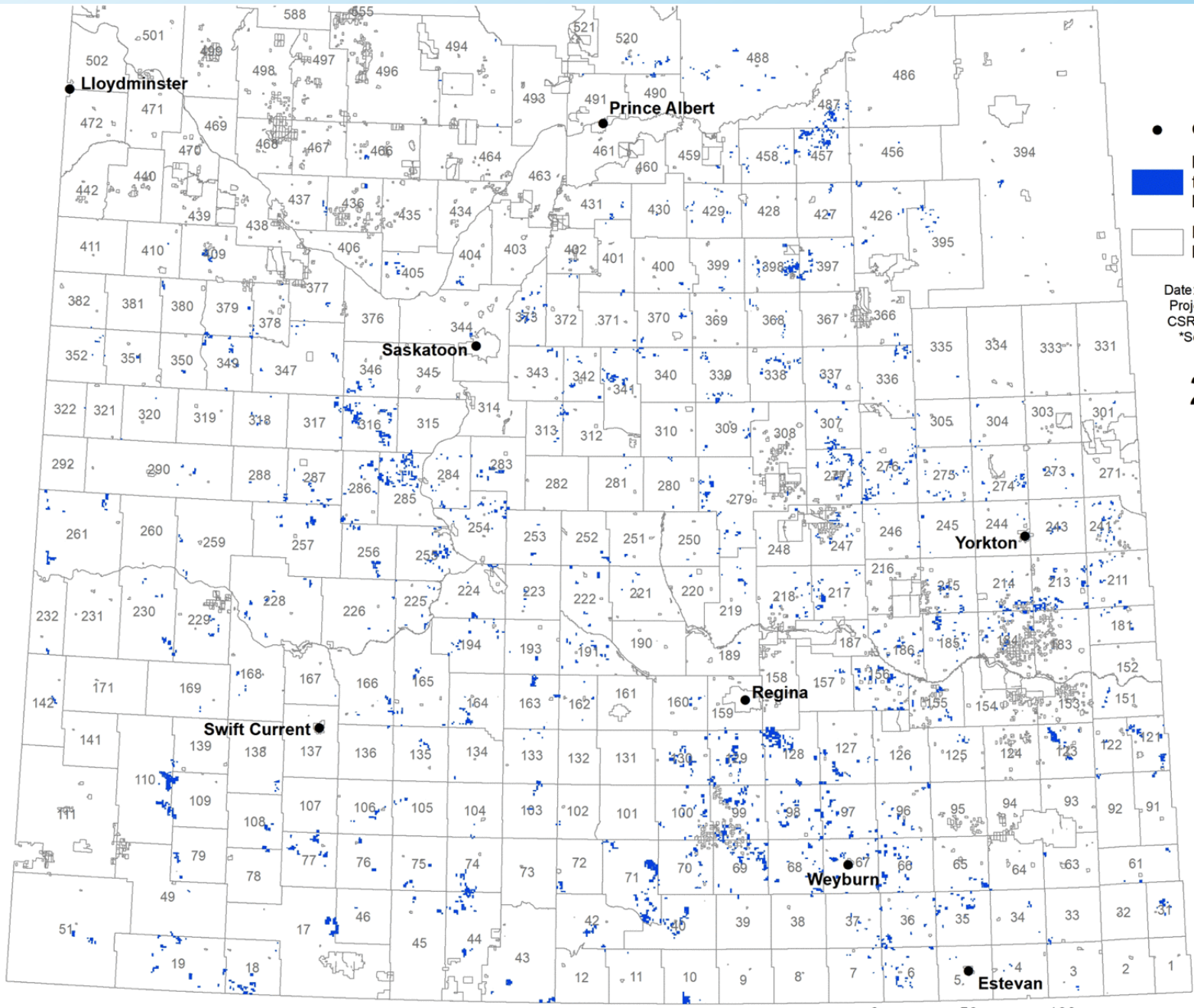
- Cities\*
- Investors and farmer-investor hybrids
- Rural Municipalities

Date: January 28, 2020  
 Projection: NAD 1983  
 CSRS UTM Zone 13N  
 \*Source: GeoSask

**2002**





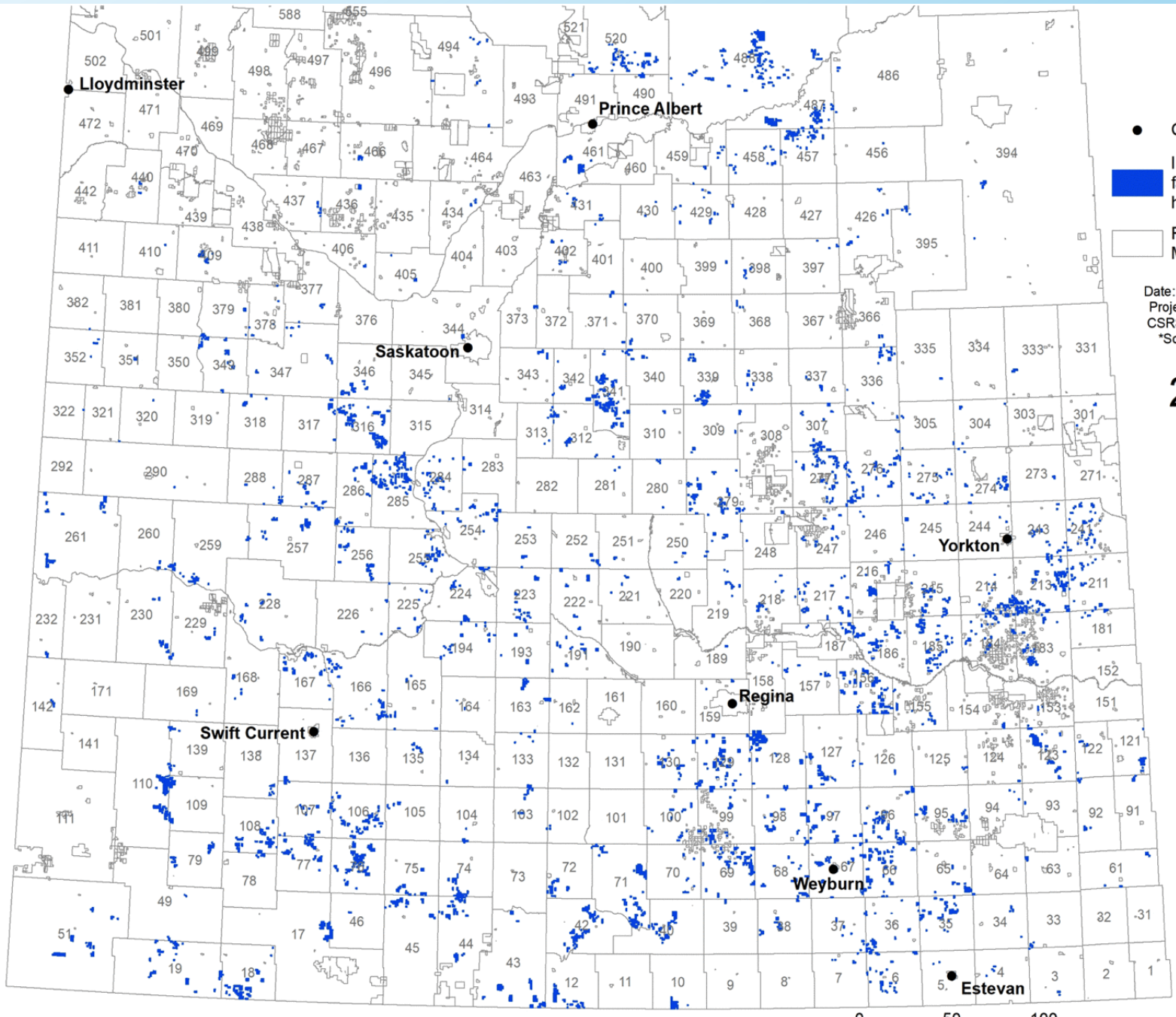


- Cities\*
- Investors and farmer-investor hybrids
- Rural Municipalities

Date: January 28, 2020  
 Projection: NAD 1983  
 CSRS UTM Zone 13N  
 \*Source: GeoSask

2014



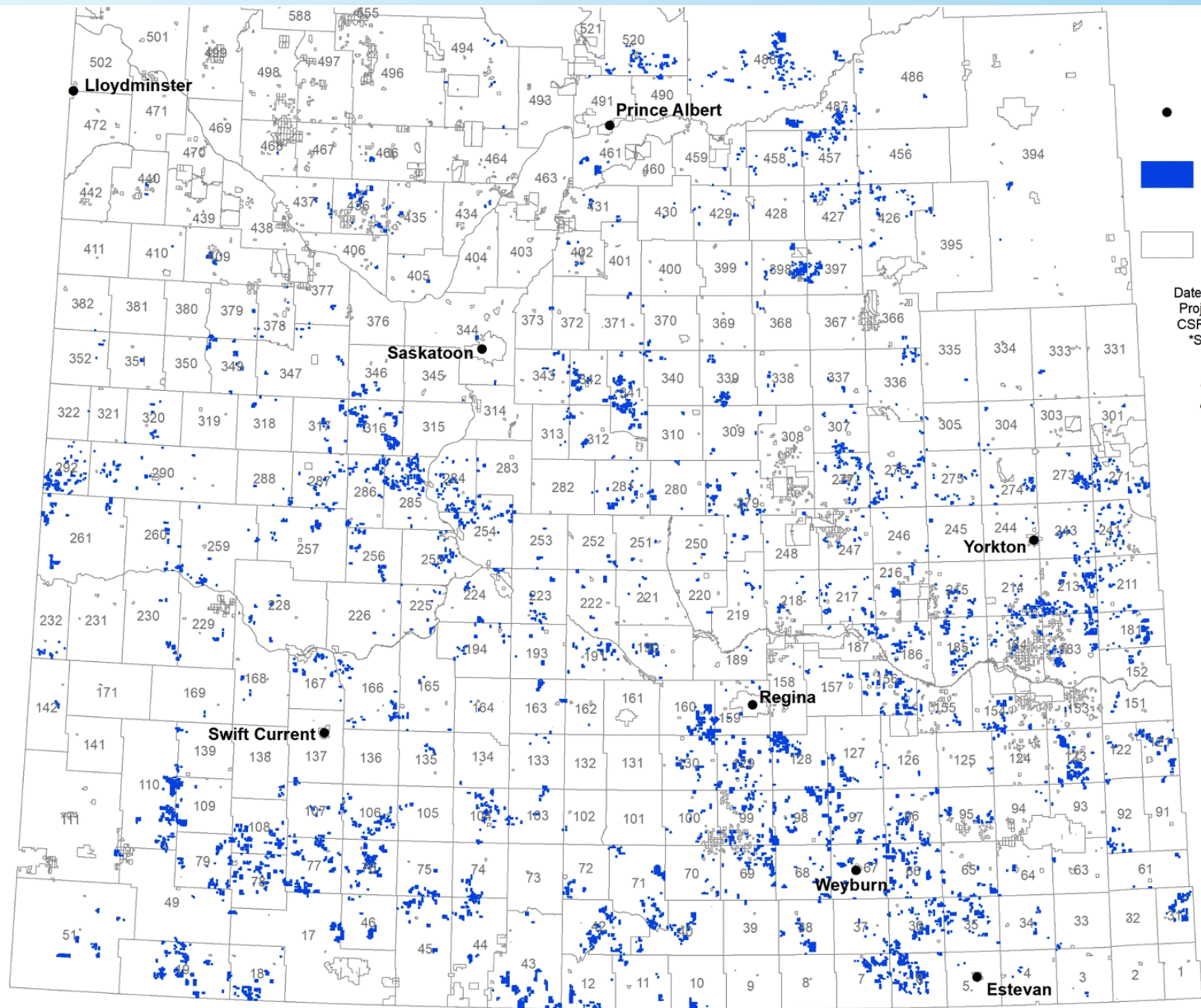


- Cities\*
- Investors and farmer-investor hybrids
- Rural Municipalities

Date: January 28, 2020  
 Projection: NAD 1983  
 CSRS UTM Zone 13N  
 \*Source: GeoSask

**2018**





- Cities\*
- Investors, farmer-investor hybrids and large family farmers
- Rural Municipalities

Date: January 28, 2020  
Projection: NAD 1983  
CSRS UTM Zone 13N  
\*Source: GeoSask

# 2018





# Key findings: Investor ownership is cooling off

2014: 35 investors owned 837,000 acres / **338,721 ha**

2018: 31 investors owned 860,000 acres / **348,029 ha (+ 7.5%)**

2023: 27 investors owned 760 000 acres / **307,561 ha (- 12%)**

Since 2014, the share of investor-owned land has hovered around 1.3% of all Saskatchewan farmland

# Key findings: Investors

Entity name	Description	Area owned in 2014 (Ha)	Area owned in 2018 (Ha)	Area owned in 2023 (Ha)	Change 2018-2023
Andjelic Land	Private investor	65,097	80,462	92,498	<b>+15%</b>
CPP	Public pension plan	46,080	63,539	0	<b>-100%</b>
Avenue Living	Private investor	–	7,843	33,474	<b>+326%</b>
HCI Ventures	Private investor	46,022	16,377	11,217	<b>-32%</b>
Top Soil/ Kiwi & Mango	Private equity fund	34,202	37,127	26,596	<b>-28%</b>
AgCapita/Veripath	Private equity fund	11,828	25,205	27,253	<b>+8%</b>
Bonnefield	Private equity fund	4,517	2,528	1,493	<b>-41%</b>



# Key findings: Large farmers (non-investor owners)

- In 2018, we identified 36 private farmland owners holding more than 10,000 acres / **4,046 ha** in Saskatchewan
- Excludes investors, conservation organizations, Crown land, utilities, First Nations, and Hutterite colonies
- Together, this group of large private landowners account for 620,000 acres / **250,905 ha**, or about 1% of all Sask. farmland

# Key findings: Mega-farms (over 12,140 ha)

Entity name	Description	Area owned in 2014	Area owned in 2018	Area owned in 2023	Change (2018- 2023)
Monette Farms	Corporate mega-farm with sites in 4 Can. provinces and 2 U.S. states	23,400 acres <b>9,469 ha</b>	60,100 acres <b>24,321 ha</b>	126,044 acres <b>51,008 ha</b>	<b>110%</b>
Primrose Livestock	Alberta-based grain-livestock entity	32,505 acres <b>13,154 ha</b>	46,300 acres <b>18,736 ha</b>	54,705 acres <b>22,138 ha</b>	<b>18%</b>
Van Raay Land	Alberta-based grain-livestock entity	33 700 acres <b>13,637 ha</b>	32 900 acres <b>13,314 ha</b>	36 390 acres <b>14,726 ha</b>	<b>15%</b>
Kambeitz Farms	Corporate mega-farm and agricultural conglomerate		19 357 acres <b>7,833 ha</b>	45 403 acres <b>18,373 ha</b>	<b>119%</b>

# Key findings: Large farmers (Non-investors)

- By 2023, the amount of land owned by non-investor farmland owners with holdings over 10,000 acres / **4,046 ha** increased to 1.5 million acres/ **607,028 ha (up 144%)**
- The number non-investor landowners with over 10,000 acres / **4,046 ha** increased from **32 to 83** distinct title holders between 2018 and 2023
- Some large players doubled their holdings over these 5 years

# Analyzing the land titles registry reveals

- 1/ Changes in land tenure over time
- 2/ Who are Saskatchewan investor and large non-investor landowners
- 3/ Pinpoints the distribution of large-scale land ownership at the provincial and rural municipality level
- 4/ Provides entry points for future research.

BUT – what does it tell us about the impact?

# Investors concentrated in some areas (Desmarais et al. 2016)





# Effects on land markets

## In the 16 'high-activity' rural municipalities::

- In some years investor purchases accounted for **20% - 30%** of all arms'-length transactions
- Pay on average more for land (i.e. **39%** more per acre than other arm's length buyers and **72%** more than intra-family buyers)

***2007-2014: farmland prices increased by 128%;  
this is a rise of 16% per year on average.***

# Another key impact

- Only those who already have capital can purchase high priced land (*these are investors or large farmers*)
- Increased land concentration
- Younger generation has little access to land

**#1 barrier to the next generation of farmers:  
no access to land**

# Attitudes towards investors - Differences among farmers based on age

*Of 400 farmers surveyed:*

- 76% of farmers under the age of 35 believe that investor activity has a **negative or very negative** effect on the local farmland market  
(55% of farmers 35-54 years old, and 59% for over 55)
- 83.2% of over 55 years of age indicate **negative or very negative** impact on the rural community  
(68.4% of farmers 35-54, and 71.1% of farmers under 35)

# Farmers' attitudes toward investors

75% indicated an increase in land concentration in their rural municipality

- DEPOPULATION

- INCREASED COMPETITION

- RURAL DECLINE

- SOCIAL EROSION

# Concluding thoughts re the Saskatchewan case

## *Benefits of using land titles registries*

- Understanding what is happening on the ground is key to inform policy
- Financialization of farmland seems to be levelling off (for the time being) while non-investors (large/mega farmers) are also drivers of increased land concentration

## *Farmers*

- Growing unease re investor activity and increasing land concentration
- Face difficulties to buy land (high prices and increased competition)
- Farmers overwhelmingly view investor activity as negative for local markets and communities
- Need better land legislation to address growing land inequality!



# Thank you!

Annette Desmarais, Professor Emerita, University of Manitoba  
Annette.Desmarais@umanitoba.ca

André Magnan, Professor, Dept. of Sociology and Social Studies, University of Regina  
André.Magnan@uregina.ca

See [www.landfoodsovereignty.ca](http://www.landfoodsovereignty.ca) for publications