



# Western Stock Growers' Association

## *September 2015 Newsletter*

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### **WSGA meets with new Environment and Parks Minister**

WSGA accepted an invitation to attend a Grazing Stakeholders Roundtable meeting on September 1, 2015 with Environment and Parks Minister Shannon Phillips. Representing the WSGA was past president Phil Rowland, governor Bill Newton and WSGA manager Lindsye Dunbar. Beside us, representatives from Alberta Beef Producers, Alberta Grazing Leaseholders Association and the Northern Alberta Grazing Association were in attendance. On the Environment and Parks side, around the table were four Assistant Deputy Ministers – Rick Blackwood, Graham Statt, Shannon Flint and Matt Machielse, as well as staffers Curt Horning and Brent Dancey. We did very well in getting our messages across, all of the aforementioned made copious notes. The Minister is fairly sharp and asked some pertinent questions throughout the meeting.

We articulated our concerns with the Auditor General's report while putting forward the case for the leaseholder and the instrument that puts us there. There was extensive discussion on oil and gas surface compensation on grazing leases. As well, there was quite a bit of discussion around ecosystem goods and services, and as an extension of this discussion we also touched on Alberta Land Stewardship Act, Surface Rights Act and Species At Risk Act. We took the opportunity to emphasize the importance of market driven instruments.

At the end of the meeting, the minister asked us for written input on a number of things, which hopefully signifies the beginning of a productive and cooperative relationship. Overall, the meeting was a good investment of time.

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## **AG Report not objective or accurate**

The Office of the Auditor General (OAG) released a report in July which includes a systems audit on Alberta's grazing lease system. It's a healthy and even necessary process to undertake audits on the systems operating under the government but when these audits don't remain objective and don't include all the information, it ends up being a disservice and injustice to all Albertans.

In the overall conclusion, the report states "The department's processes ensure that public land in Alberta used for grazing is in good health" and "Albertans benefit by having leaseholders who help ensure long-term sustainability of the land and protect animal and plants at risk where needed". (page 15) But then states the department can't prove the grazing lease program is meeting objectives. Isn't having healthy landscape that is sustainable long-term the overall objective? If the department's objective was to maintain those grasslands the public "owns" as healthy functioning grasslands complete with a broad array of ecosystem goods and services (carbon sequestration, water infiltration and purification, habitat for native pollinators, wildlife and species at risk, biodiversity, prevention of erosion and all the esthetic ecosystem products to name a few) then the current measurements of rangeland health coupled with metrics to determine whether leased lands have been lost to other uses would satisfy the OAG's audit.

Much of the OAG report deals with the statement that "current legislation allows an unquantified amount of personal financial benefit to some leaseholders over and above the benefits of grazing livestock on public land". (Although, if the amount is unquantified, how does the OAG know it's even a financial benefit?) The OAG acknowledges that "the department has no way to confirm whether the fees paid to leaseholders simply cover the costs as intended or are greater than the actual costs incurred (costs the OAG doesn't bother to quantify), providing a personal financial benefit to the leaseholder".

The OAG brings up two ways the leaseholder reaps the financial benefit of managing a lease. The first is the compensation paid to leaseholders as mandated under Surface Rights Act for the headache of managing industrial activity on lease lands. "In some cases the amount of surface compensation paid to leaseholders is many times the amount of rent they pay on a grazing lease." (page 15) And in those cases of high industrial activity on Crown lands, the objective of "keeping the land under lease in good health" is many times harder and takes many times more hours than those lands that don't have industrial activity. Honestly ask yourself – if your job just got many times harder due to circumstances outside your control, would you think a higher compensation is out of line? It should be noted that less than half of lease land has industrial activity on it and

very few to the degree where the payments are high meaning widespread financial benefit, if there is any, is simply not happening

Further to this topic, the OAG report then sites Bill 31, an unproclaimed bill from 1999, that would see more of these compensation fees go to the government and less towards the party who suffers the consequences and accepts the liability of industrial activity. It is irresponsible to bring up Bill 31 without also bringing up Bill 16, which was proclaimed and repealed most of Bill 31. The OAG also doesn't report (or research) *why* Bill 31 was unproclaimed and later repealed. This is one important question because the answer involves the embarrassment of the provincial government in defending the numbers that don't add up to the US government in a countervail suit. Had the US government been able to find these high compensation numbers were accurate, the beef industry in Alberta would now be decimated by tariffs imposed by it's trading partner to the south.

The second way the OAG reports leaseholders gain financial benefit from a public asset is the sale of leases and using the lease as collateral on mortgages and loans. Grazing dispositions are very similar to how other disposition agreements work in this regard. The lease contract itself is the (private) property of the leaseholder. The contract has value for the person who holds it. (This concept is an essential foundation for all business.) It's standard for all dispositions to be able to transfer or sell them to others who take over the management of the lease. If these contracts held no value, among other things, oil and gas companies wouldn't operate on Crown land, lumber wouldn't be extracted from Crown land and Crown land grasslands wouldn't be managed for the health of the landscape. The results of this would be extensive; the province's income would be slashed to a fraction of what it is, industry would move elsewhere to do business, a mismanaged forest ecosystem would mean an exponential danger of fire and loss of overall ecosystem health (on Crown lands), a degradation of grassland health means a fast track to desertification and loss of species at risk and further implications nationally and internationally in the spheres of protection of natural areas (IUCN for example). In addition, ranchers carry the liability on the leases. Since they are undertaking all the risk for all the land users on the Crown land, there absolutely should be some collateral value of the lease contract.

It seems the big picture is not seen in this issue. It is far more complex than it would seem on the surface and the far reaching implications of recommending changes to a system that is not understood are astronomical.





## Neil sold 200 calves while saddling his horse.

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## WSGA SUMMER MEETING

The WSGA Annual Summer Meeting was hosted by James Jenkins and Phil Rowland on August 11 and 12 outside of Okotoks. It was a great meeting on a hot couple of days. The business meeting on the 11th was attended by directors, governors and members as well as a few MLAs and bureaucrats.

The tour the following day saw the group heading out to the OH Ranch after a pancake breakfast where ranch manager Keith Pigeon gave us a tour. The ranch, which was gifted to the Calgary Stampede Foundation, consists of around 4000 acres of

deeded land under conservation easement through Nature Conservancy Canada and 4000 acres of grazing lease land under Heritage Rangeland designation. As we saw that day, the management of the ranch is so restrictive as a result of the designations on the land, it prevents the ranch from being a real working ranch. After lunch in Longview, we continued to past president Phil Rowlands ranch nearby. The tour of his healthy rangeland renewed our spirits and the view from the top hill on one of his grazing leases renewed our souls.



1st VP James Hargrave presents thank-yous to hosts Phil Rowland and James Jenkins



From L to R: Larry Delver, MLA Wayne Anderson and David Pope enjoying a visit after the business meeting



The tour group at the OH Ranch



From L to R: Bill Hanson, Phil Rowland and Stephen Hughes atop the hill



One of our hosts, James Jenkins at the OH

## Government “protecting” Castle area—input needed

Government is protecting the area with two new designations within the Castle: an expanded Wildland Provincial Park and a new Provincial Park. Covering nearly 104,000 hectares, the Castle area is an ecologically-diverse expanse of mountains, foothills, forests, grasslands, rivers and lakes in southwestern Alberta. It is prized for its headwaters, biodiversity and functions as a key wildlife corridor. The Castle is culturally significant to First Nations, and forms part of the Crown of the Continent – the mountainous region where Alberta, British Columbia and Montana meet.

In addition to discontinuing commercial forestry within the Castle area, there will be a prohibition on surface rights access for any new petroleum and natural gas leases. Existing petroleum and natural gas leases will be honoured. No new tenure will be sold for extracting metallic, mineral, coal or surface resources. Existing leases for metallic, mineral and coal commodities will be cancelled, consistent with direction under the South Saskatchewan Regional Plan. Current livestock grazing permits will be re-specified.

**Consultation with Albertans on the future of the Castle Special Management Area began September 4 and will remain open for 30 days. WSGA urges our membership to participate in the consultation. For more information and to participate, please visit [albertaparks.ca/consult](http://albertaparks.ca/consult).**

In a letter to the minister and her ministry, WSGA pointed out it is not necessary to create a new designation on Crown land to sustain or conserve ecosystem function. Biodiversity and function are sustained by appropriate management of lands and are unrelated to conservation designation. Parks are not an example of a working landscape, particularly when it comes to grasslands, as proven time and time again.

The proposal stated that current grazing permits will be honoured and future grazing is “subject to grazing suitability assessment”. That doesn’t really incite feelings of security. With security of tenure comes better stewardship. To keep grasslands healthy, a grazing animal is needed and adaptive management of the grazing animal is just as important.

The province is hoping to promote this area as an outdoor destination. These visitors will have an effect on the grazing permit because they will affect how livestock is distributed. Without control on the distribution of livestock, there is a loss of control in how to keep the landscape healthy.

The escalating demand for diverse land uses coupled with the finite carrying capacity of the land for all land uses means tough choices for legislators. WSGA believes those choices must respect property rights, security of tenure, the supremacy of natural process and the influence of the marketplace.

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- 1) WSGA E-Newsletter distributed to WSGA members and industry stakeholders
- 2) hard copy newsletter distribution to WSGA members
- 3) electronic versions of the hard copy newsletter are posted to the website and widely available.

To purchase advertising space or for more information, contact Lindsye at the office: 403-250-9121, or [office@wsga.ca](mailto:office@wsga.ca)



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**Contact me for a no obligation  
look at the program**

**RYAN COPITHORNE PHONE: 403-669-3451**

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## Upcoming Events

### Canadian Forage and Grasslands Association Conference

November 17-19 • Sheraton Cavalier Hotel, Saskatoon

The 6th Annual CFGA Conference has an excellent line-up of speakers who will inspire our industry to Capture the Intensity of forage production opportunities for Canadians coast to coast.

For more information go to the CFGA website at <http://www.canadianfga.com/>

### Western Canada Conference on Soil Health

December 8th, 9th & 10th • Radisson Edmonton South

Registration is now open for this fantastic conference. Speakers include Gabe Brown, Dr. Yamily Zavala, Dr. Harold van Es, Dr. Jill Clapperton, Peter Donovan, Jay Fuhrer, Dr. Allen Williams, and Neil Dennis.

## Western Stock Growers' Association

Box 179  
#14 — 900 Village Lane  
Okotoks, AB. T1S 1Z6

Phone: 403-250-9121  
Email: [office@wsga.ca](mailto:office@wsga.ca)