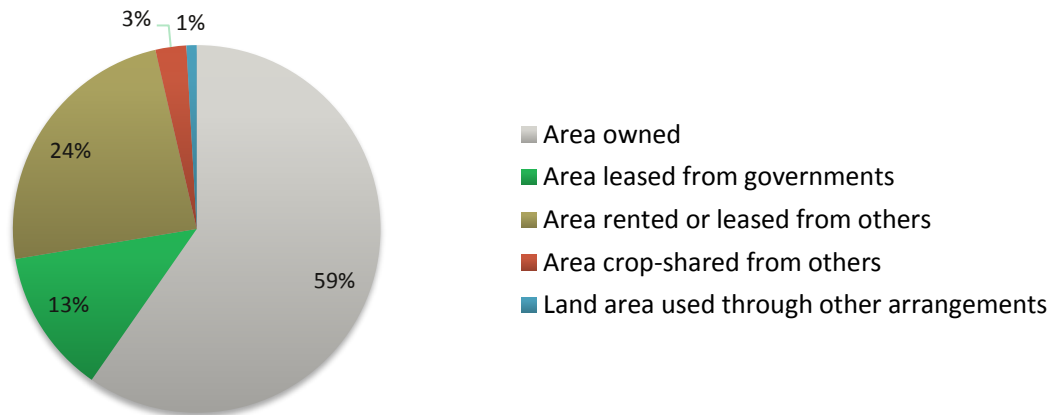


The Changing Structure of Farmland Ownership

Recent results from Statistics Canada's 2016 Census of Agriculture have been released and provide an updated portrait of the Canadian agriculture industry. Several key macro-level indicators provide insight into the status of the industry. Important findings include:

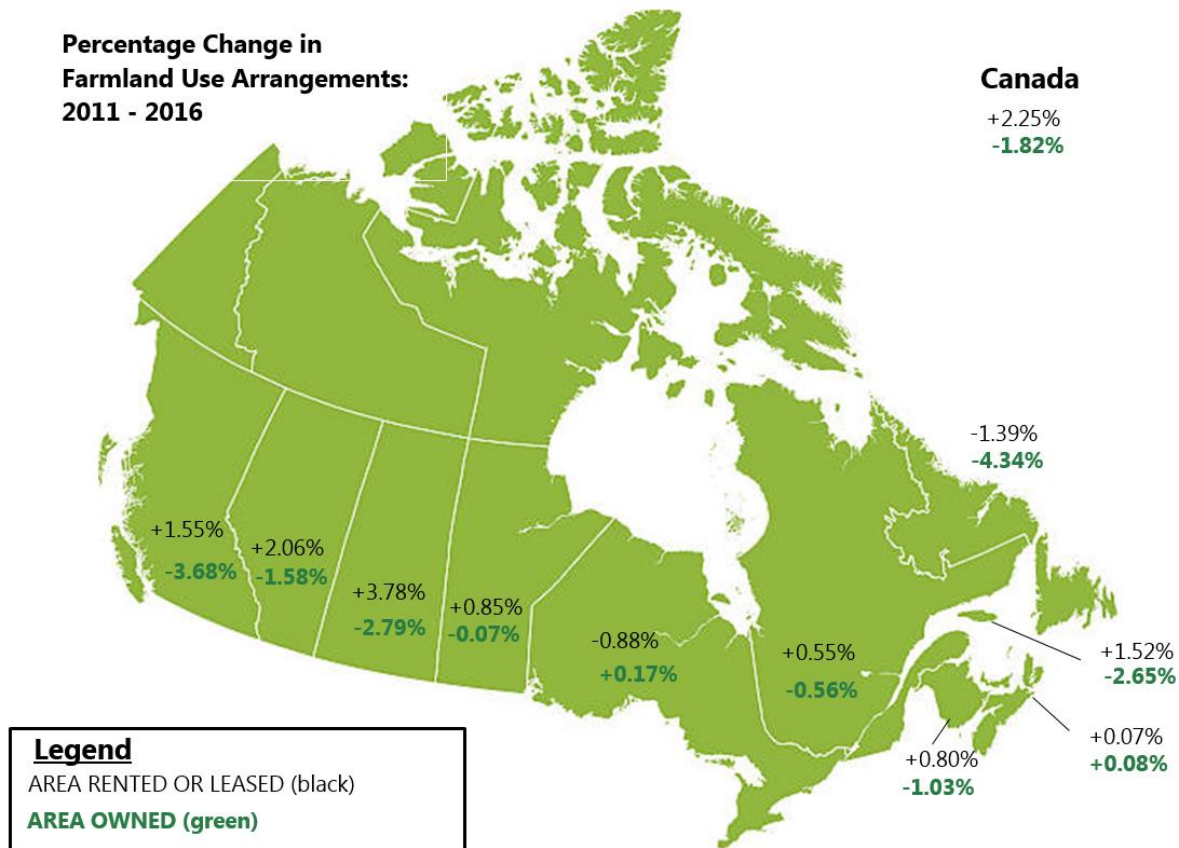
- A reduction in the total number of farms (-5.9%)
- An increase in land used for crop production (6.9% or 6.03 million acres)
- An increase in the average age of farmers (now 55, up from 54)

Another important finding from the Census was the breakdown of farmland use arrangements across Canada. The Census recognizes five different land structure arrangements for total farmed area: owned land, leased from governments, rented or leased from others, crop-shared from others, or used through other arrangements. The breakdown of Canadian farm land usage in 2016 is shown in the figure below.



Ownership is clearly the most prominent form of farmland use arrangement in Canada. Not surprisingly, rented land follows as the second most prominent form of land-use structure. What is interesting to note is the how these farmland arrangements have changed since the last Census survey in 2011. Across Canada, the percentage of area owned has fallen 1.82 per cent and the percentage of rented land has increased 2.25 per cent. This is an important shift in the structure of farmland use. One potential explanation for this shift is the increasing tendency for retired farmers and their families to keep their land and rent it out as opposed to outright selling it.

This trend was analyzed on a province-by-province basis to determine if this pattern was experienced nation-wide. The following map outlines the changes in farmland use arrangements for each respective province from 2011 to 2016. Changes in percentage of farmland owned are denoted in green font whereas changes in the percentage of farmland rented or leased from others is denoted in black font.



The provincial breakdown shows a substantial rise in rented or leased land in the majority of provinces as compared to the 2011 Census results. Eight of the ten provinces show increases with the largest in Saskatchewan (3.78%) followed by Alberta (2.06%) and BC (1.55%). Correspondingly, the proportion of owned farmland has fallen in most of these provinces as well.

These changes amount to an increase of 3.2 million acres of rented land across Canada. More specifically it amounts to 2.3 million acres in Saskatchewan, 0.98 million acres in Alberta, and 44,000 acres in Manitoba. Similar trends can be noted in the results from the previous two Census periods.

As the amount of land being rented expands in Canada, the need for farmland management increases. To find out more, contact Serecon at 780-440-7440.