



November 18, 2015

Honourable Shannon Phillips
Minister of Environment and Parks
208 Legislature Building
10800 – 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Phillips:

On behalf of Alberta Beef Producers (ABP), we thank you for the opportunity to participate in the grazing organization roundtable you hosted on September 1, 2015. We welcomed the chance to join our colleagues from the grazing community in discussing grazing lease issues with you. The discussion was productive and we appreciated your commitment to listening to our points and understanding our positions.

During the roundtable, you asked us to respond to a series of questions regarding grazing leases and climate change. We have provided our responses on the attached paper and we would be happy to provide further clarification on these responses or address any questions arising from them. We tried to keep our answers concise and we certainly could provide more information on any of the responses if you wish.

We trust we were clear during the roundtable about the importance of grazing leases to the cattle and beef industry in Alberta. Grazing leases are an integral part of our industry and a fundamental component of a Crown land use strategy that provides great benefits for the people of Alberta and leaseholders. We look forward to continued collaboration with you as you move forward with careful decisions regarding future policies and direction for these leases.

Sincerely,

Bob Lowe
Vice-Chair

John Buckley
Director

Alberta Beef Producers (ABP) Responses to Grazing Roundtable Questions

1. What are ABP objectives for functional grasslands?

Rangelands, which include grasslands and forest areas used for grazing, are the foundation of the province's cattle and beef industry and grazing on Crown land under agricultural dispositions is an integral part of our industry. Grazing leases are a fundamental component of a Crown land use strategy that provides benefits to the people of Alberta and the leaseholders while maintaining our province's rangelands as functional, working landscapes. Our objectives for functional rangelands are that these lands support efficient and economical cattle production while also meeting the environmental and social objectives of Albertans for protecting land, water, plants, and animals.

2. What are ABP thoughts on tenure of grazing dispositions?

On Crown land under agricultural disposition, the leaseholders have relatively secure tenure. This security of tenure provides a strong incentive for leaseholders to manage the land sustainably. Secure tenure and sound oversight by Alberta Environment and Parks staff are key reasons why the land, water, and biodiversity on these lands are in good health. Secure tenure for grazing dispositions does not preclude the use of the land for other compatible activities or land uses and serves Albertans and leaseholders well.

3. What are the background and ABP position on grazing lease rental rates?

ABP recognizes the need for changes in grazing lease rental rates and assignment fees that have been frozen since 1994, although it is important to note that studies have shown that the total cost to the leaseholder is significantly more than the rental rate that is charged. We have been an active participant in the reviews of these fees that occurred in 2008 and 2014. ABP supported the ESRD Grazing Royalty Proposal of October 2014 and we support the objectives of developing a rental rate and assignment fee system that is fair to both leaseholders and the government; is justifiable to the Alberta public, other provinces, and other resource sectors; has comparable methodology to other resource sectors; can be defended against countervail actions, and encourages good stewardship.

4. What is the ABP position on transparency of surface disturbance compensation?

The framework for compensation for surface disturbance of land by companies extracting subsurface resources has been established by the *Surface Rights Act*. The framework applies to both private and public land with the levels of compensation set by negotiation and precedent. Grazing leaseholders, as the occupants of Crown land under agricultural disposition, are entitled for compensation for the impacts of surface disturbance on the use of the land. As the owner of the Crown land, the Government of Alberta is entitled to compensation for land value related to the disturbance. Surface disturbance compensation payments are not, and should not be, a matter of public record, but it is appropriate for the Government of Alberta to monitor the land value payments it receives for surface disturbance on Crown land.

5. What about carbon offsets and effects on cattle production?

The current carbon offset system in Alberta has not generated strong interest among cattle producers or provided significant benefits for these producers. A major barrier to participation in the offset system is the principle of additionality that penalizes early adopters of technology and does not recognize cattle producers who maintain grasslands and native range. The participation of cattle producers in the carbon offset system also is discouraged by the high cost, onerous verification requirements, and low returns of the beef cattle protocols.

6. What contribution can cattle producers make to climate change discussions?

Cattle production does contribute to the greenhouse gas emissions of Alberta, but cattle producers have consistently shown leadership in addressing environmental issues. Significant improvements in the efficiency of cattle production have not only reduced land, feed and water requirements, but also decreased the greenhouse gas emission intensity of our industry by 36% between 1981 and 2006. The industry continues to invest in research and development work that will further reduce enteric emissions of methane from cattle. The ability of cattle producers to raise food from grass helps protect 28 million acres of range, pasture and forage land in Alberta that sequesters large amounts of carbon while also enhancing water quality, soil health, and biodiversity. Cattle producers are fully prepared to participate in climate change discussions and actions.