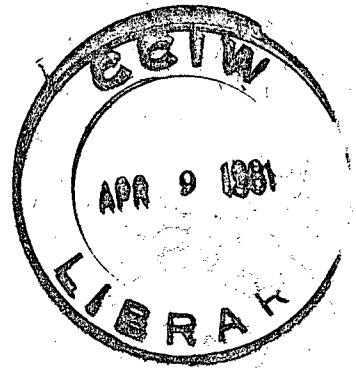


#16

PRINCE EDWARD ISLAND LAND DEVELOPMENT CORPORATION ACTIVITIES AND IMPACT 1970-1977



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des terres



**PRINCE EDWARD ISLAND LAND
DEVELOPMENT CORPORATION**

ACTIVITIES AND IMPACT 1970-1977

**Prepared by Maritime Resource
Management Service
Council of Maritime Premiers**

**Lands Directorate
Environment Canada
Ottawa
August 1979**

LAND USE IN CANADA SERIES

The Land Use in Canada series is designed to address major land use issues and problems in Canada. It contains papers produced in and for the Lands Directorate of Environment Canada which address the causes and consequences of major land problems, land use trends throughout Canada, and the role of various government programs in effecting solutions. Incorporating the earlier series entitled "Land Use Programs in Canada" which reviewed the land-use programs of Canada's ten provinces, the series will examine activities affecting the use of Canada's land from a national perspective, significant to all Canadians. This series is designed to be of use to policy makers and the informed public since it provides information on land-use trends, analyses the effects of current and proposed means to influence the use of the land and reviews the impact of various laws, regulations and government programs on land-use in Canada.

Cover Photo: Canada Land Inventory Map - Prince Edward Island
Land Use

Cartography: Maritime Resource Management Service

Editor: Jane Buckley

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PREFACE

The efforts of different jurisdictions in Canada to develop and manage the land resource are of nationwide interest, as, taken together, they influence Canada's capability to produce renewable resources, to compete internationally as an exporter, and to maintain a high standard of living. In the late 1960's, under the ARDA/FRED program, a Comprehensive Development Plan was devised to revitalize the economy of the Province of Prince Edward Island. The success of the plan hinged heavily on the development of the agricultural sector. A number of studies carried out under the Canada Land Inventory Program had indicated that extensive adjustments to land use and land tenure were required. The Land Development Corporation was established specifically to facilitate these adjustments and to assist in the expansion and consolidation of farm operations. Analysis of the results of Corporation activities is of interest not only for its contribution to knowledge about impacts on land and its use, but also as a means to examine the results of an instance of federal involvement as it has influenced the use of land. Along with the P.E.I. Land Ownership Legislation (reviewed in an earlier publication in this series) the Land Development Corporation activity constitutes a significant means to influence the use of land in one of Canada's productive agricultural regions.

The Lands Directorate of Environment Canada is engaged in a continuing program of research into the causes and consequences of land problems and issues in Canada and the means by which they can be resolved. The investigation of the Prince Edward Island Land Development Corporation, with the full cooperation of the province, is a continuation of this program, and follows a line of similar studies into land use legislation and controls of significance to Canada's land use. Examples of previous studies include the P.E.I. Land Ownership Legislation (#12) and the impact analysis of the B.C. Agricultural Land Reserves (#13). A clearer understanding of the impacts of such innovative legislation should contribute in the long run to better management of Canada's land resource.



R.J. McCormack

Director General
Lands Directorate

Préface

Les efforts des divers gouvernements du Canada en vue de mettre en valeur et de gérer les ressources terrestres revêtent un intérêt national puisqu'ils influent, dans l'ensemble, sur les capacités du Canada de produire des ressources renouvelables, d'exercer une concurrence internationale en tant qu'exportateur, et de maintenir un niveau de vie élevé. Vers la fin des années 60, on a ainsi élaboré, dans le cadre du programme ARDA/FEDOR, un plan de développement intégré visant à redresser l'économie de la province de l'Ile-du-Prince-Edouard, et qui misait en grande partie sur le développement du secteur agricole. D'autre part, plusieurs études découlant du programme de l'Inventaire des terres du Canada avaient démontré la nécessité de modifier sensiblement l'utilisation des terres et le régime foncier. On a donc créé le Land Development Corporation, dont le but essentiel était de faciliter l'implantation de ces changements et de favoriser l'expansion et l'intégration des activités agricoles. Aujourd'hui, l'analyse des résultats des activités du LDC présente un intérêt certain, non seulement parce qu'elle élargit nos connaissances des incidences sur les terres et leur utilisation, mais aussi parce qu'elle nous permet d'examiner les conséquences d'une intervention fédérale dans ce domaine. Parallèlement à la législation sur la propriété foncière en Ile-du-Prince-Edouard (examinée dans une publication antérieure de la présente série), le LDC offre un moyen important d'influencer l'utilisation des terres dans cette région agricole productive du Canada.

La Direction générale des terres d'Environnement Canada poursuit un programme permanent de recherches sur les causes et les conséquences des conflits d'utilisation des terres au Canada, ainsi que sur les façons de les résoudre. L'enquête menée par le Land Development Corporation de l'Ile-du-Prince-Edouard, en étroite collaboration avec la province, est un prolongement de ce programme et s'inscrit dans la même ligne que d'autres études similaires sur la législation et la réglementation touchant l'utilisation des terres au Canada. Parmi ces études, citons entre autres la revue de la législation sur la propriété foncière en Ile-du-Prince-Edouard (#12) et l'analyse d'impact des

réserves de terres agricoles en Colombie-Britannique (#13). Une meilleure compréhension des effets de cette loi innovatrice devrait permettre, à la longue, de mieux gérer les ressources terrestres au Canada.



R.J. McCormack

Directeur général

Direction générale des terres

ACKNOWLEDGEMENTS

The staff of the Charlottetown Regional Office Maritime Resource Management Service acknowledges with appreciation the willing and continued cooperation provided by the staff of the Prince Edward Island Land Development Corporation. Deserving of special mention are Mr. Stan Moore, General Manager, and Mr. Tom Wallis, Administrative Officer, both of whom gave freely of their knowledge and time.

NOTE: Acres have been used in this publication in lieu of the metric equivalent, hectares, because all records of the L.D.C. at the time of study were in the imperial system. One acre equals approximately 0.4 hectare. Unless specified otherwise the source of information for all figures is the L.D.C. Inventory Record.

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Chapter 1



INTRODUCTION

Land ownership, land tenure, and management of the land resource have historically troubled the agricultural industry on Prince Edward Island. While the nature of the problems has changed through time, problems arising from ownership and management patterns still persist.

During the late 1960's, the federal Department of Energy, Mines and Resources carried out an exhaustive study of the agricultural industry on P.E.I. in accordance with the aims and policies of the Comprehensive Development Plan. Findings indicated that the farm sector was greatly in need of significant alterations if it were to meet national levels of productivity and efficiency and to contribute positively to the provincial economy. In particular, land ownership patterns and land tenure arrangements were perceived as obstacles to progress.

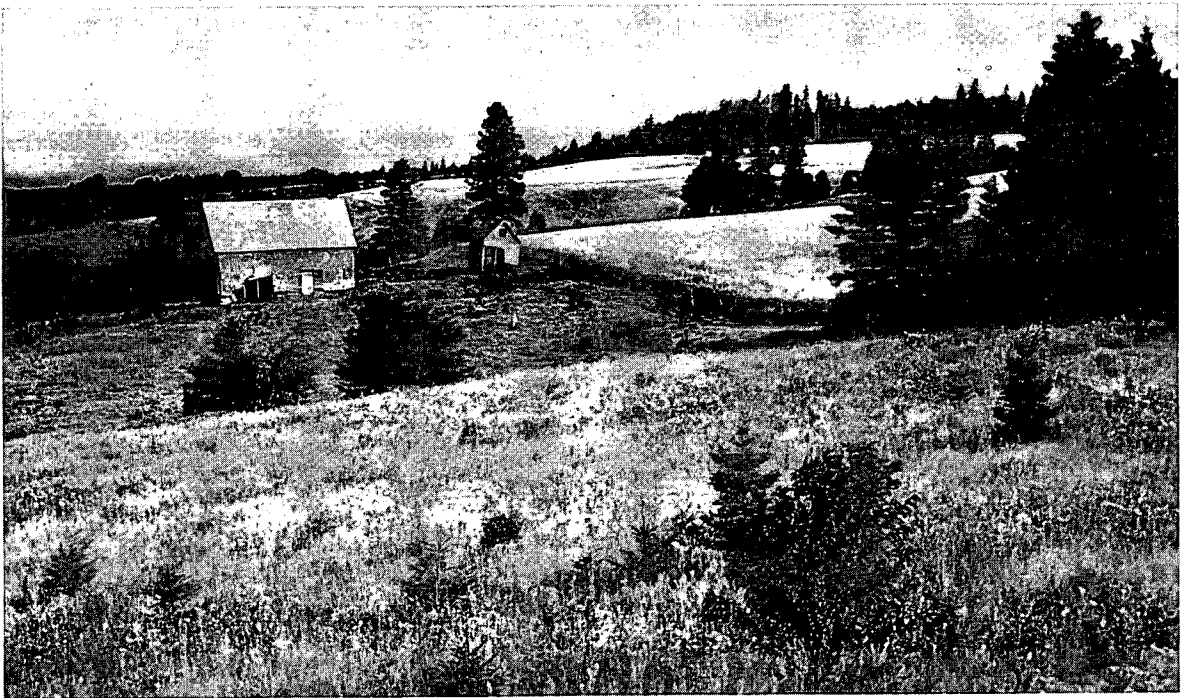
The Economic Improvement Corporation, established by the Province of Prince Edward Island to formulate the Comprehensive Development Plan, acted upon these results, and, in June 1969, the Provincial Legislature passed "The Land Development Corporation Act". The Crown Corporation so created was to provide a means by which the rural land resource base could be adjusted to meet more adequately the needs of modern agricultural methods and the public in general.

A study of the activities and impact of the Prince Edward Island Land Development Corporation (L.D.C.) is considered of relevance and interest not only to residents of the Island but also to Canadians in general. The rapid changes which have characterized the agricultural industry in recent decades, such as farm consolidation and the concomitant rural depopulation, rising land values, mechanization, and changing markets, have necessarily resulted in greater emphasis being placed on farming as a competitive business. The LDC provides a means by which the farming industry can become more successful, and is therefore worthy of consideration.

In addition to the assistance provided to the agricultural sector, the L.D.C. also plays an important role in acquiring lands to be managed for tourism and outdoor recreation, forestry, fish and wildlife, and community pasture use. As a result, Prince Edward Island now has a substantial acreage of land dedicated to the public's present and future enjoyment, education, and use.

The purposes of this report are:

- (1) to provide a general background on the establishment and development of the L.D.C., its policies, objectives, programs, and activities for the period from 1970 to April 1977;
- (2) to perform an in-depth case study for a small area in the St. Peters--Morell district (lots 38, 39, and 40) which will consider all transactions between 1970 and April 1977; and
- (3) to analyze in detail the purchases and releases of the L.D.C. for the fiscal year 1976 to 1977.



Objectives, Organization, and Powers of the Land Development Corporation

The Land Development Corporation (L.D.C.) was established as a Crown Corporation in 1969 by the passage of "The Land Development Corporation Act". Provision was made in the Act for the adoption of regulations by the Corporation which would enable it to conduct its business and meet stated objectives. Copies of the Act as amended and Regulations are attached as Appendix A.

As stated in the "Development Plan for Prince Edward Island" the agricultural sector must be restructured if the value which it adds to the provincial economy is to show a significant increase. From studies of the Island's agricultural capability, it has been observed that substantial amounts of potentially productive land exist. Utilization of these additional acres and intensification of production methods could lead, by 1983, to a tripling of the value added by agriculture in 1969.

Creation of the Corporation was seen as one means to achieve this goal. As an agency of the Province, the L.D.C. would function as an intermediary between the individual members of the agricultural community, and between the community and various government departments. Through the judicious acquisition and release of land as well as sound land-management practices, land consolidation and farm enlargement could be achieved. At the same time, land unsuited to agricultural production could be managed for other uses such as forestry, fish and wildlife habitat, outdoor recreation, or watershed protection. The Corporation was thus believed to fulfill, at least partially, the need for an agency responsible for a comprehensive land-management program which would enable optimum development of the Island's land resources.

The objectives and purposes of the Corporation as set forth in Section 8 of the Act are:

- "(a) to assist the agricultural industry;
- (b) to acquire, develop and improve land;
- (c) to make land available to farmers;
- (d) to enable consolidation of farm lands;
- (e) to provide credit to farmers for land acquisition;
- (f) to acquire, develop or improve land for such purposes including agriculture, forestry, wildlife, fishing, industry and tourism and generally to advance the interests of the people of the province in the economic and efficient use of the land comprising the province and without limiting the generality thereof
 - (i) to preserve, develop, and hold agricultural land for agricultural and farm uses,
 - (ii) to preserve, develop, and hold green belt land in and around urban areas, streams, ponds and fragile habitats, and
 - (iii) to preserve, develop and hold lands having desirable qualities for urban, industrial, recreational, forestry and wildlife capabilities; and
- (g) generally to advance the interest of farmers in an economic and efficient manner in the province."

In addition to the staff indicated in its internal organization chart (Figure 1), the L.D.C. uses the services of other groups to assist in achieving its objectives. Among these are:

1. Land Registration and Information Services, which provide orthophoto mapping for all purchases and releases.

2. Land Valuation and Assessment Division, Department of Finance, which provides an assessment of all prospective purchases and classifies each property by type (according to highest and best use), class and grade.
3. Private Legal Firms which provide legal documents and contractual arrangements on purchases and releases.
4. Computer Services Division, Department of Finance, which provides a storage and retrieval system for data on all purchases and releases.

Sections 9 and 10 of the Act define the powers of the Corporation. These are, in summary:

- (1) to purchase land and buildings;
- (2) to improve any land or buildings which it has acquired;
- (3) to dispose of its real property through transfers to any government department or by sale, lease, or otherwise to any person;
- (4) to take necessary security;
- (5) to enter into annuity contracts;
- (6) to acquire and dispose of personal property;
- (7) to formulate and administer programs to advance agriculture;
- (8) to preserve, develop, and hold lands for purposes set forth in the Act; and
- (9) to borrow by way of grant or loan, money from the province, Government of Canada, chartered bank, or individual.

Initially, funds for the operation of the L.D.C. were derived from the budget for the Comprehensive Development Plan. For the fiscal year 1970 to 1971, these funds were in the order of \$240 thousand. As programs developed, this sum was increased to approximately \$1.4 million in the 1976 to 1977 fiscal year. A second major source of funds was derived from the lease of purchased land. In 1971 to 1972, this was

approximately \$31 thousand, increasing to \$211,357 for the 1976 to 1977 fiscal year. Financial statements for the fiscal years 1970 to 1971 and 1976 to 1977 are attached as Appendix B.

Information Systems

Computerized information relating to the L.D.C. purchases and releases is stored at the Computer Services Division. This information is retrieved on monthly and yearly computer print-outs which summarize the activities of the L.D.C. Information may be retrieved describing the type of purchase, location of property, name of seller or purchaser, present land use by type and acreage, type of buildings, appraised value of land and buildings, type of release, and dates of transactions. Master print-outs can be obtained containing all of this information or combinations of it. As well, special programs can be prepared and print-outs obtained for specific purposes.

A second and more-detailed source of information on each property purchased is maintained at the L.D.C. office. Individual files for each property contain air photographs showing property location and present land use, detailed property assessment, and the legal documents pertaining to the transactions.

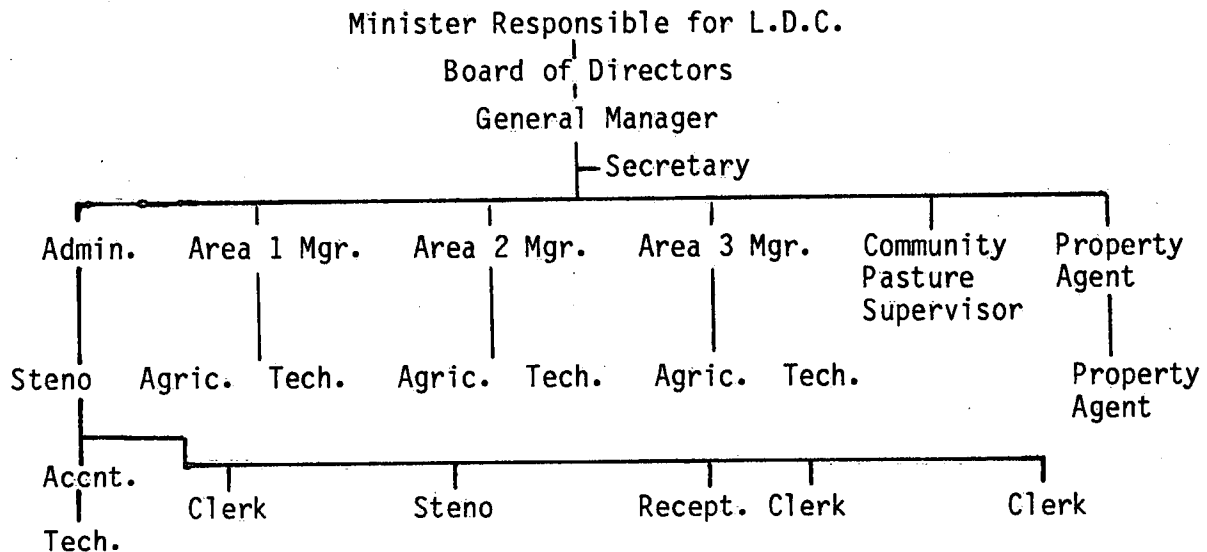


Figure 1 - Internal Organization, L.D.C.

Chapter 2



PROGRAM AREAS

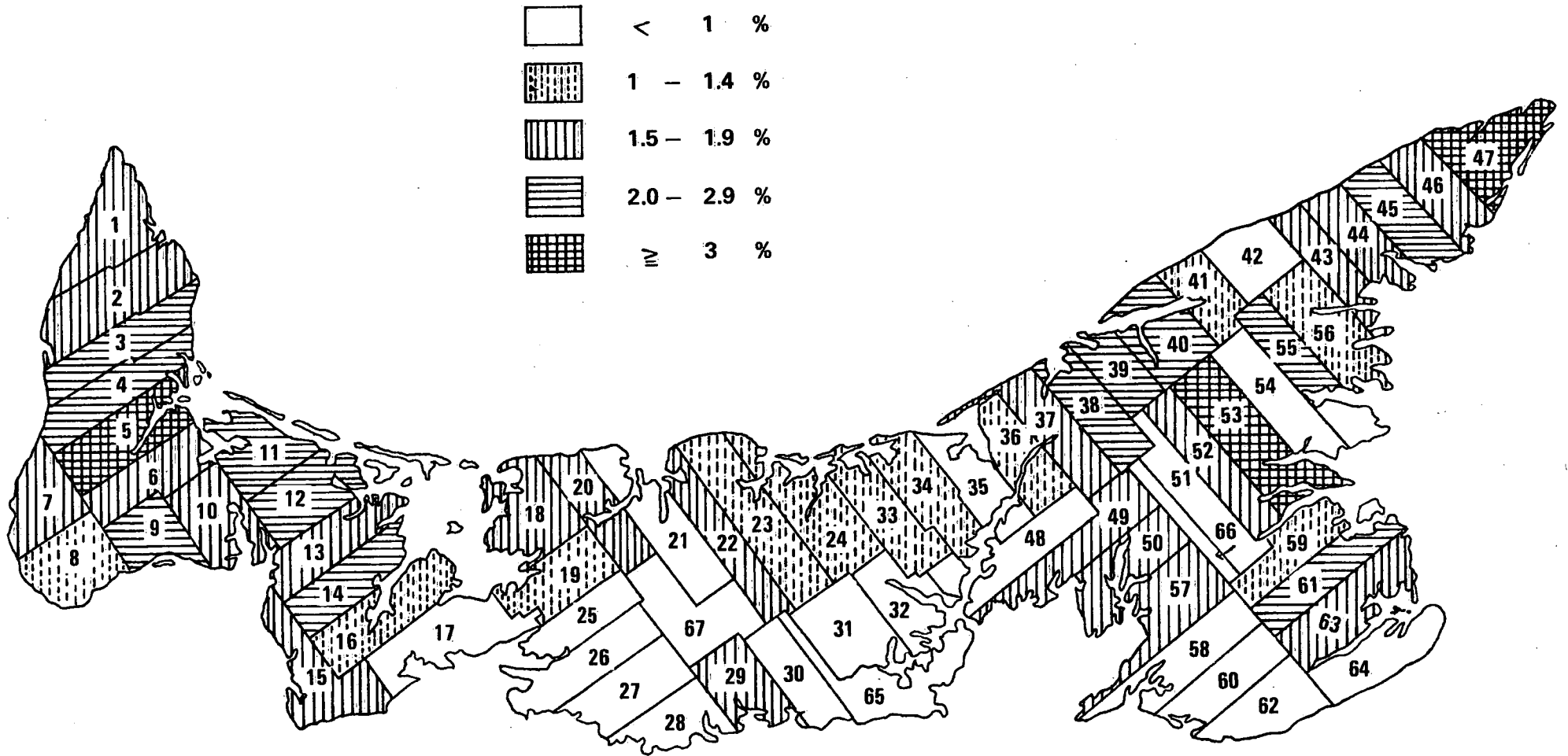
The Land Development Corporation has established a number of programs to fulfill their role in the development of Prince Edward Island's land resources. Before examining the activities of the Corporation in the St. Peters--Morell district and for the 1976 to 1977 fiscal year, a general discussion of the programs is presented.

Land acquisition is the first program to be discussed. Because of the special circumstances surrounding purchases of land for the P.E.I. National Park and land declined by Cabinet to non-residents, these will be dealt with under separate headings. Dispersal of farm land through sale or lease is also a major function and warrants considerable discussion. Similarly, the leakage or transfer of management rights for non-agricultural lands to appropriate provincial departments under the Land Leakage Program is a primary activity carried out by the Corporation. (Leakage is a local term which has come into popular use.) Land may also be leaked to the Community Pasture Program which has been administered directly by the Corporation since 1972. The final program to be discussed, the Land Inventory Program, considers the power to retain land in inventory until such time as it can be released for an appropriate use.

Acquisition of Land

One of the primary aims of the L.D.C. is to purchase good agricultural land and release it for farm use. In doing this, the Corporation acts as an alternative market for farm land thereby adding stability to the demand and price for rural real estate. While anyone may apply to sell land, those farmers with uneconomical units receive a higher priority under this program. Appendix C contains an application to sell land.

FIGURE 2
 PERCENTAGE OF TOTAL PURCHASES BY LOT TO APRIL 1977



It is not the intention to compete with established real estate markets, but to provide a service to landowners and the agricultural sector in general. Because of this policy, most purchases have occurred in Prince and Kings counties where agricultural activity is less intensive and the market for farm land is weaker (Figure 2). Cyclical fluctuations in agricultural income have a direct affect on the demand for farm land as well. Hence, changes in purchasing activity occur over time as well as in space. Generally, when prices for farm produce are low there is little demand for farm land and many farmers would like to sell if the opportunity was present. It is during such periods in the past that the L.D.C. has accumulated a considerable acreage in inventory.

So that the Corporation neither contributes to increases in land values to the detriment of other buyers nor lags behind current market prices, it is Corporation policy to carry out detailed land appraisals. Every reasonable effort is made to maintain an awareness of current market situations.

Some of the variations that occur through time and between different areas, are presented in Tables 1 and 2. The figures represent all purchases including those requested by government departments, cabinet denials, annuity purchases, and regular cash purchases of farm land.

While anyone can apply to sell land to the L.D.C., not all applications are necessarily accepted. For instance it is not customary to purchase viable farm units, though exceptions may be made in cases where the farmer wishes to leave the business because of age, poor health, or for financial reasons.

There are two methods by which the Corporation may purchase property -- cash purchase and the Annuity Program. Greater than 90 per cent of all purchases are cash transactions. This preference has shown an increase in recent years. On the other hand, the Annuity Program, which has accounted for less than 10 per cent of all purchases, has decreased in popularity, mainly because rising land values have made cash transactions more attractive to the land owner.

Table 1L.D.C. Purchases by County, 1970 to 1977

Fiscal Year	Prince	Queens	Kings	Total
1970 - 71	60	27	46	133
1971 - 72	112	39	58	209
1972 - 73	99	43	90	232
1973 - 74	82	42	55	179
1974 - 75	46	45	62	153
1975 - 76	73	56	70	199
1976 - 77	52	43	58	153
TOTAL	524	295	439	1258

Source: Annual Reports, P.E.I. Land Development (1971-1977)

Table 2L.D.C. Purchases, 1970 to April 1977, by Number of Purchases, Acreage, and Value

Fiscal Year	No. of Purchases	No. of Acres	Total Value	Value/ Purchase
1970 - 71	133	16,854	\$ 887,861	\$ 6,675
1971 - 72	209	23,448	1,507,776	7,214
1972 - 73	232	21,194	1,681,473	7,247
1973 - 74	179	14,687	1,374,445	7,678
1974 - 75	153	12,760	2,456,708	16,056
1975 - 76	199	15,230	2,574,565	12,937
1976 - 77	153	12,023	2,219,080	14,503

Source: Annual Reports, P.E.I. Land Development Corporation (1971-1977)

When a cash purchase takes place several steps normally occur. Once the application to sell land to the L.D.C. is accepted, the land and buildings, if any, are appraised by the Land Assessment and Valuation Division of the Department of Finance. Taking the appraised value into consideration, an "offer to purchase" is made to the owner. Should he accept, the title is searched to establish whether or not a good chain of title exists. If necessary, a survey for any exceptions under two acres will be conducted. An example of this occurs when the owner decides to retain the house and an adjoining parcel of land. After negotiations are completed and agreed upon by both parties, the sale takes place.

The Annuity Program was designed to benefit older farmers near retirement age. To be eligible, the applicant must (1) be sixty years old or more, (2) have resided in P.E.I. since January 1, 1967, (3) have owned at least fifty acres on January 1, 1967 and not have sold any substantial acreage since that time, (4) have an equity value equal to or greater than \$2,500, (5) release all his or her farmlands, and (6) be or have been a farmer.

Payments are made on a monthly basis for a period of five years. In this way the annuitant is assured of an adequate monthly income. For instance, a person age 60 who sells to the L.D.C. under the Annuity Program will receive a monthly payment until he is 65 at which time he becomes eligible for Old Age Security payments. Similar to the Old Age Security payments, periodic adjustments are made in the rate of payment to reflect increases in cost of living. If an annuitant is married there is a corresponding increase in the payment. Should a married person survive his or her spouse, he or she has the option to continue for the balance of the agreement at a single rate or receive the balance owing. But should a widowed or single annuitant marry, the new spouse is not entitled to any of the normal benefits. If both partners of a marriage or a single annuitant dies, the balance is paid to the executor of the estate.

An annuitant, if he so desires, may retain a life interest in the home

and up to one acre of adjoining land. This lease can be cancelled if the home ceases to be used as the principal residence. The annuitant is obliged to pay the taxes and carry out normal maintenance procedures. Fire insurance is carried by the Corporation on these properties but if the annuitant wishes to place additional coverage at his own expense, he will be compensated should damage through fire occur.

In the future it is expected that other changes will be made in the program to make it more acceptable, or the program will be phased out.

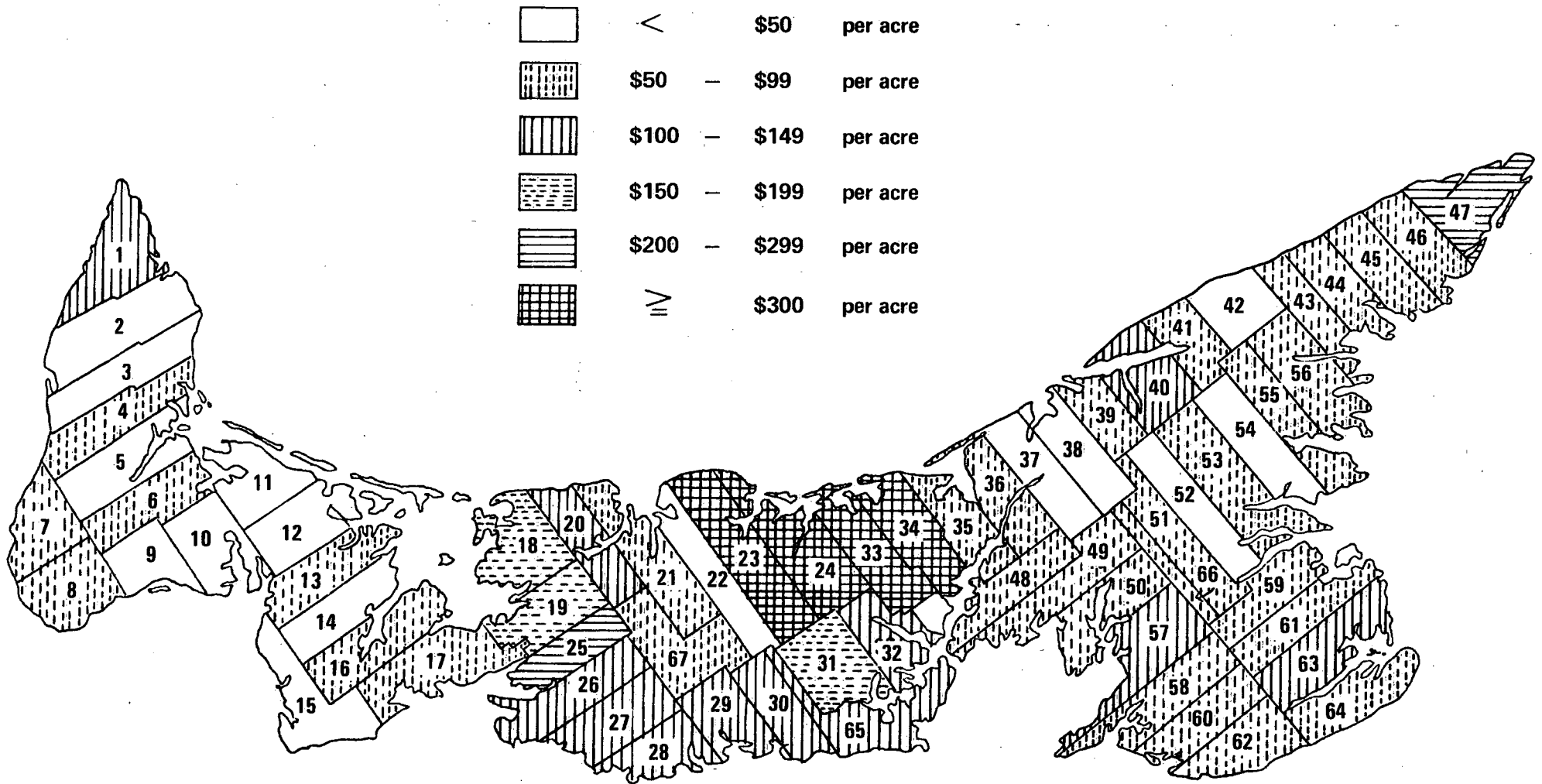
It sometimes happens that there are encumbrances against the titles of property offered for sale under the Annuity Program. Long-term established encumbrances will normally be released by the L.D.C. up to a certain amount (\$4,000) provided that the applicant retains an equity in the property of at least \$2,500.

Land values vary widely throughout the province and depend on such factors as location, present use, proposed use, and capability. Figure 3 illustrates the average price per acre by lot paid for land up to April 1977. Total land costs to April 1977 are \$10.46 million. Building costs are valued separately and for this period are in the order of \$2.34 million throughout the province.

During the appraisal of land offered to the L.D.C., a capability rating is assigned to each parcel of land. Agricultural land is rated on a scale of 1 to 5 with such factors as soil texture and depth, slope, drainage, flooding, and stoniness being given consideration. Agricultural ratings are as follows:

Arable Land:	Class 1 (A1) - no limitations
	Class 2 (A2) - capable of producing row crops every year
	Class 3 (A3) - limited capability, suitable for grain
	Class 4 (A4) - capability suited for grassland
	Class 5 (A5) - severe limitations

FIGURE 3
AVERAGE PRICE PER ACRE FOR LAND BY LOT TO APRIL 1977



The capability of forestry land is related to slope, drainage, access, type of wood, volume of wood, nearness to other woodlots, and the amount of site preparation necessary before replanting can take place. The forestry ratings are as follows:

Forestry Land : Class 1 (F1) - productive forest, timber or pulp wood
 Class 2 (F2) - reforestation land, growing to
 productive state
 Class 3 (F3) - non-productive forest land
 Class 4 (F4) - other forest land

Recreation land is also rated during the appraisal under the following headings:

Recreation Land: Class 1 (R1) - suitable to sustain very high use based
 on a number of recreational activities
 Beach (BE) - suitable for beach activities
 Beach Backup (BB) - developable land adjacent to a
 beach
 Foot Frontage (FF) - shore frontage in feet
 Site (S) - building site or lot

Wildlife capability has one category (W1), and is applied to land suitable for wildlife habitat.

Unless otherwise specified, the land capability and land type discussed in this report are based on the above rating system.

The purchasing activity of the L.D.C. varies throughout the province. Figures 4 and 5 illustrate graphically the level of activity both in terms of dollar value and acreage purchased.

From the regular purchase statistics, information can be derived for the former use of land purchased by the L.D.C. At the provincial level, 42,300 acres or 38 per cent of all land purchased was cleared land; the

FIGURE 4

PERCENTAGE OF TOTAL PURCHASE COSTS BY LOT TO APRIL 1977

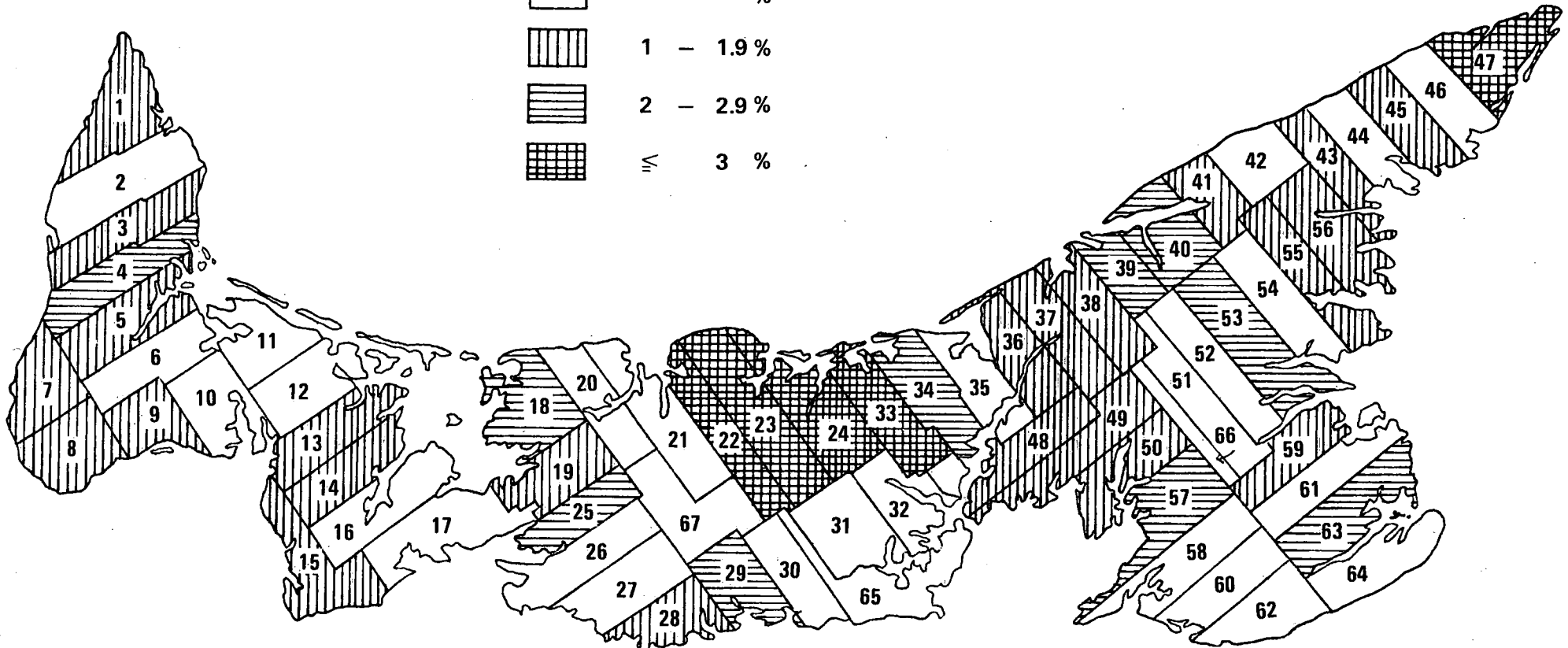
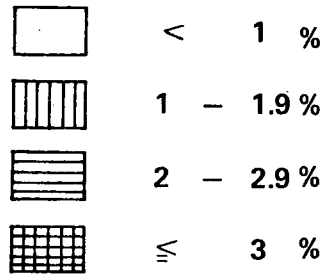
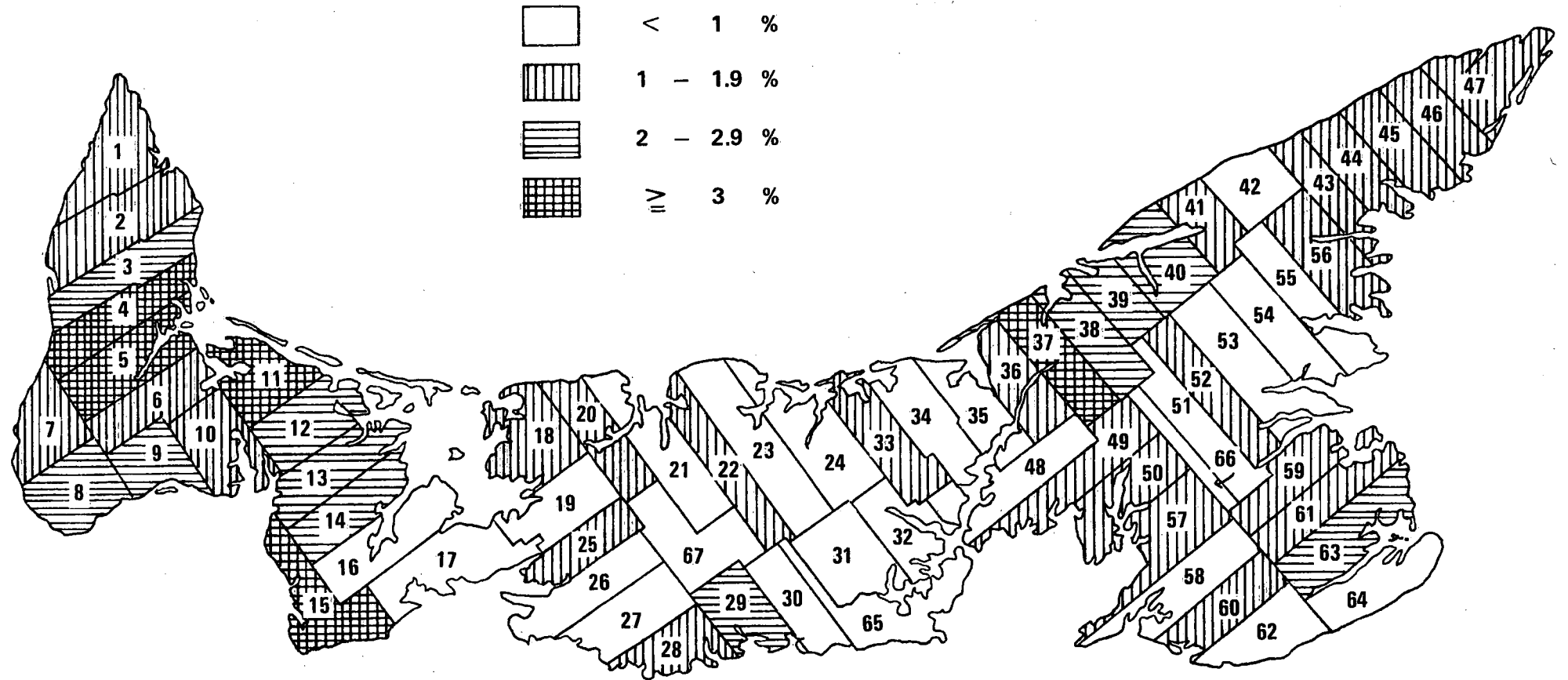


FIGURE 5
PERCENTAGE OF ACREAGE PURCHASED BY LOT TO APRIL 1977



remaining 68,700 acres or 62 per cent was categorized as in other use. This relationship differs throughout the province and is shown by county in Table 3. The data contained within Table 3 and subsequent tables is derived from L.D.C. computer print-outs.

Table 3
L.D.C. Purchases, 1970 to April 1977 of Cleared and Other Land

County	Cleared for Agriculture		Other Land	
	Acres	% of Total for County	Acres	% of Total for County
Prince	21,900	44	28,300	56
Queens	12,000	46	13,900	54
Kings	8,300	24	26,400	76

Note: Figures correct to the nearest whole number.

Similarly, the capability of the land purchased by L.D.C. varies throughout the province. At the provincial level, the L.D.C. purchased 104,323 acres of which 38.4 per cent was agriculture land, 52.0 per cent was forestry Land, 5.7 per cent was recreation land, and 2.8 per cent was wildlife land. The remaining 1185 acres, or 1.1 per cent, was classified as "other" at the time of purchase. Again, at the county level this ratio is somewhat different. These statistics are summarized in Table 4.

Table 4
L.D.C. Purchases, 1970 to December 1976, by Land Type

County	Agriculture		Forestry		Wildlife		Recreation		Other	
	Acres	% of Total	Acres	% of Total	Acres	% of Total	Acres	% of Total	Acres	% of Total
Prince	21,634	43.7	25,748	52.1	236	0.5	1305	2.6	538	1.1
Queens	11,666	46.5	10,189	40.6	937	3.7	2150	8.6	145	0.6
Kings	8314	24.6	20,346	60.2	1859	5.5	2753	8.2	502	1.5

Note: Acreage figures correct to the nearest whole number. Percentage figures represent percent of total area purchased in each county.

The role of the L.D.C. as a land buyer is a passive one. It is generally accepted that if the Corporation were to actively campaign for land, it would act as a force in raising the average value of farm land, thereby harming the stability of the agricultural sector. The one exception to the policy is in fulfilling a request for the acquisition of a particular piece of land made by a government department. These are known as special purchases, and, once the land is acquired, it is leased to the requesting department.

Land Dispersal Program — Agricultural Land

Land purchased by the L.D.C. which is suitable for agricultural purposes is leased or sold either to persons wishing to expand their farming operations or to qualified younger persons who wish to enter the business of farming (Figure 6).

When an application to purchase or lease land is completed (see Appendix D), the L.D.C. considers the need of the applicant, his training and background in agriculture, the proposed use of the land as outlined in a farm plan, its location relative to other land owned by the applicant, and other resources. If it seems likely that the addition of the L.D.C. property will be managed wisely and will contribute to the success of the operation, an agreement may be made. As the modern successful farmer must keep pace with advances made in agriculture, the successful applicant is encouraged to continually acquire new knowledge which relates to his business and to maintain a complete set of records.

While the small family farm and the new farmer receive the greatest consideration, applications from producer co-operatives and farm corporations may also be accepted. However, they must be involved primarily in the production of agricultural products, the major part of their assets should be invested in agriculture, and they should not have sufficient capital at their disposal to be eligible for other sources of credit including the Farm Credit Corporation.

The most common method of acquiring Corporation land is to sign a five-year renewal lease with an option to purchase. Farmers are increasingly recognizing the value of this arrangement as evidenced by the rising number of leases. For instance, the number of leases completed each year exceeds sales (Table 5). In 1975 to 1976, more than twice the number of leases as sales were made.

Table 5

Number and Acreage of Leases and Sales Made by L.D.C., 1970 to April 1977

Fiscal Year	Leases		Sales	
	Number	Acreage	Number	Acreage
1970-71		No releases made		
1971-72	24	2686	15	1357
1972-73	65	4637	22	2181
1973-74	111	8946	96	5480
1974-75	110	7724	70	4235
1975-76	122	6800	57	4049
1976-77	65	4110	64	3620

Source: Annual Reports, P.E.I. Land Development Corporation, 1970-1977.

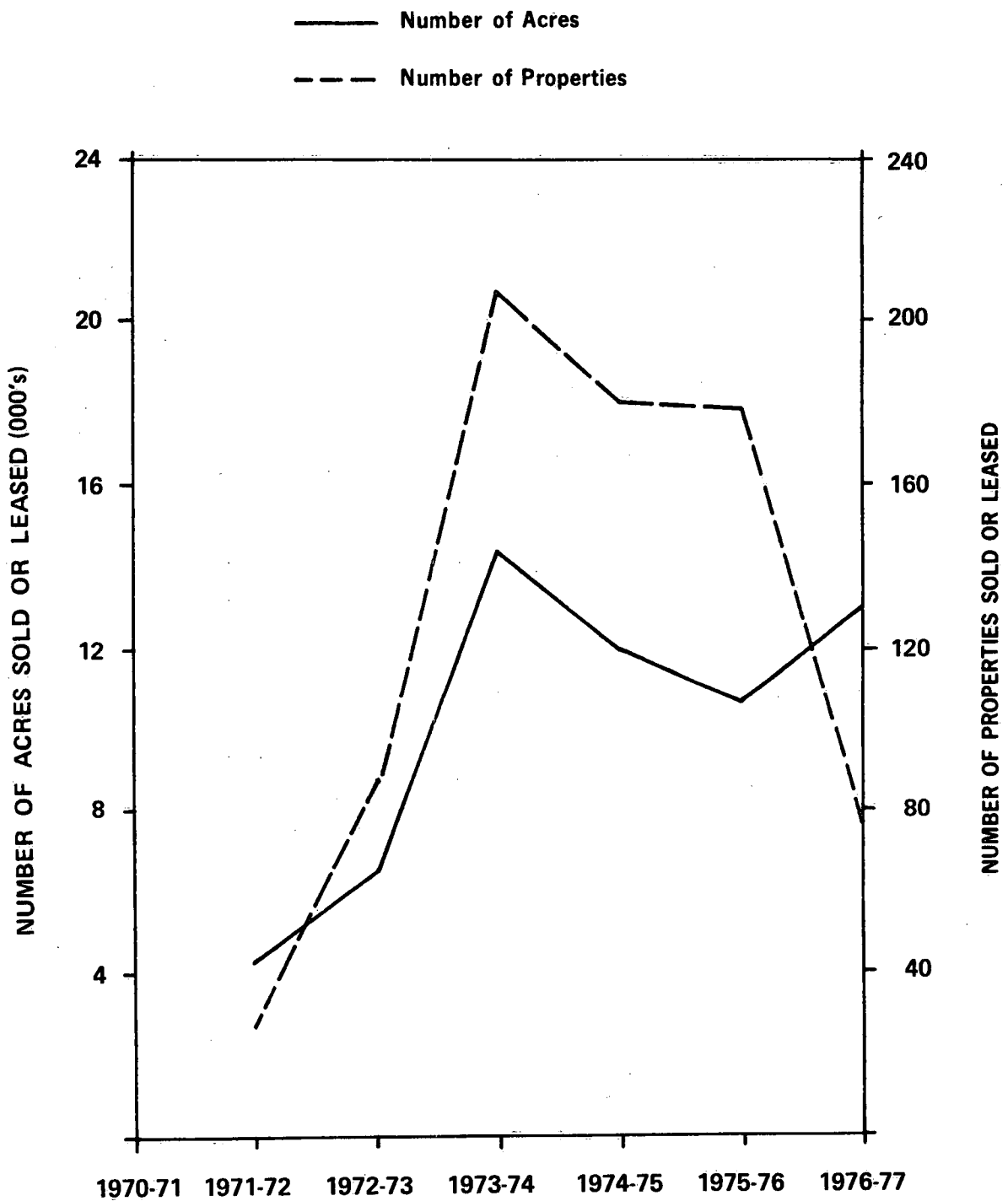
The second type of lease available is a short term lease of one to three years duration without the option to purchase. Such a lease enables a farmer to supplement his own holdings during a period when he may require additional acreage. At the same time, short term leases permit L.D.C. lands to remain in production.

Rates for leased land are based on the cost of money to the Corporation applied to the value of the land and buildings. The lessee is also responsible for payment of taxes and insurance. However, there is no immediate requirement of a large cash outlay, which leaves more cash for operating expenses.

Under special circumstances when land has been idle for three or more years, assistance may be offered for plowing and liming up to a value (subject to change) of \$24 per acre. Financial assistance received through a maintenance contract may be either credited to the lessee's account or paid directly to him.

FIGURE 6

DISPERSAL OF FARM LANDS 1970 - APRIL 1977



Land sales may be by cash sale, mortgage, or agreement of sale. Both mortgages and agreements of sale are offered to a maximum of thirty years. A down-payment of 20 to 25 per cent of the purchase price is normally required. The L.D.C. sells land at market price which is cost price if it is released within a year. When land is held in inventory the Corporation must absorb interest rates, taxes, and the costs incurred in minimum maintenance. If land is bought by the Corporation when prices are high, it might incur a loss should prices decline. However, the fact that land is sold to farmers at market value has proven to be a definite benefit to the agricultural producers.

Any land which the Corporation has for sale is noted in a news release of the Department of Agriculture. In this way, the information reaches all farm homes on the Island while avoiding the possibility of a large number of requests from ineligible persons from the cities or towns.

Table 6 summarizes the dispersal of agricultural land by type of sale or lease for the period 1970 to December 1976.



Table 6
Dispersal of Agricultural Land

Lot	Total Dispersed (acres)	Cash Sale (acres)	Agreement of Sale (acres)	Mortgage (acres)	Leased (acres)
1	739.0	291.25	101.0	-	346.75
2	1092.0	94.0	357.0	125.0	516.0
3	1328.5	265.0	80.0	147.0	836.5
4	1915.3	215.5	531.0	127.0	1041.8
5	1800.6	204.0	146.0	196.0	1254.6
6	1378.5	277.0	346.5	236.0	519.0
7	1728.75	399.25	150.0	137.0	1042.5
8	587.0	114.0	83.0	175.0	215.0
9	1133.5	545.0	---	---	588.5
10	229.0	---	---	198.0	31.0
11	81.5	42.0	---	---	39.5
12	271.5	106.5	41.0	---	124.0
13	916.5	167.0	---	79.0	570.5
14	1600.5	632.0	221.0	---	747.5
15	728.5	252.5	216.0	---	260.0
16	367.0	96.0	94.0	21.0	156.0
17	185.5	12.0	---	---	173.5
18	1309.0	187.0	---	25.0	1097.0
19	1335.0	324.0	---	93.0	918.0
20	1408.5	392.5	57.0	95.5	863.5
21	904.0	361.0	---	---	543.0
22	1191.91	828.91	---	150.0	213.0
23	380.16	166.16	---	115.0	99.0
24	275.0	178.0	---	---	97.0
25	573.0	1.0	115.0	---	457.0
26	603.0	170.0	---	45.0	388.0
27	497.2	30.8	---	212.7	253.7
28	1920.0	1063.0	---	365.0	492.0
29	375.0	97.0	48.0	---	230.0
30	132.0	---	---	---	132.0

(Table 6 - Continued)

Lot	Total Dispersed (acres)	Cash Sale (acres)	Agreement of Sale (acres)	Mortgage (acres)	Leased (acres)
31	357.0	4.0	178.0	---	175.0
32	394.0	---	88.0	254.0	52.0
33	162.12	16.12	96.0	49.0	1.0
34	670.05	15.8	50.0	180.0	424.25
35	298.0	99.0	---	98.0	101.0
36	655.0	59.23	---	139.0	456.77
37	1046.5	337.0	---	---	709.5
38	1510.5	466.5	---	124.0	920.0
39	846.0	274.0	19.0	100.0	453.0
40	1017.5	345.0	265.5	---	407.0
41	1032.5	205.5	205.0	---	622.0
42	73.0	58.0	---	---	15.0
43	428.0	125.0	---	---	303.0
44	144.0	37.0	---	---	107.0
45	713.0	53.0	---	---	660.0
46	100.0	100.0	---	---	---
47	315.1	1.0	---	---	314.1
48	537.5	72.0	42.5	112.0	311.0
49	1825.0	679.0	276.0	46.0	824.0
50	820.0	97.0	---	172.0	551.0
51	683.0	25.0	218.0	---	440.0
52	635.0	1.0	---	76.0	558.0
53	669.8	268.8	---	---	401.0
54	149.0	50.0	---	---	99.0
55	324.25	65.0	87.0	78.25	94.0
56	666.25	386.0	---	---	280.25
57	1945.0	397.0	598.0	460.0	490.0
58	393.0	---	60.0	117.0	216.0
59	269.0	75.0	---	---	194.0
60	415.0	148.0	---	---	267.0
61	333.5	22.5	98.0	---	213.0
62	78.0	78.0	---	---	---
63	358.0	89.0	---	203.0	66.0

Lot	Total Dispersed (acres)	Cash Sale (acres)	Agreement of Sale (acres)	Mortgage (acres)	Leased (acres)
64	87.0	---	---	---	87.0
65	359.0	---	77.0	205.0	77.0
66	260.0	179.0	---	---	81.0
67	680.0	46.0	82.0	---	552.0

NOTE: Insufficient data for January, February, and March of 1977.

Community Pasture Program

The objectives of the Community Pasture Program are to provide additional grazing land to individual farmers at the lowest cost possible. At the same time, land of marginal agricultural capability, but with potential for forage production, is used more efficiently and effectively.

When community pastures were first established in the 1960's under the Agricultural and Rural Development Act (A.R.D.A.) Program, they were administered and managed by co-operatives. The four associations were granted twenty-year leases on Crown land and financial assistance for pasture improvement, the amount to be determined on a per acre basis. In the early 1970's, the Provincial Government requested the L.D.C. to take an active role in creating, developing, and managing the community pastures.

In 1972, the Land Development Corporation assumed responsibility for administration and management of a Community Pasture Program by way of assuming management and administration of the Central Price Grasslands Co-Op. A government committee was formed to decide on the establishment of new pastures. Members of the Committee include a representative of the L.D.C., representatives of the Department of Development, Department of Agriculture and Forestry, the Canada Department of Agriculture, and any other member deemed necessary. Prior to the granting of any funds by the

Department of Regional Economic Expansion (DREE), the Committee meets and passes recommendations. Upon receipt of the Committee's report and recommendations, DREE issues the funds requested. Funds for pasture development are supplied on a 90:10 basis (90 per cent from DREE, 10 per cent from the Province). Subsequent to development, operational costs must be met by pasture fees.

Prior to establishment of any new pasture, a Patrons' Committee is elected. It is this group which decides, in accordance with established guidelines, who will be qualified to use the pasture each summer. They are also responsible for animal loss claims, the breed of bulls used, and presentation to the L.D.C. of recommendations on policy and operational functions.

Pasture managers, usually local residents with a good knowledge of livestock management, are hired on a seasonal basis, and are generally responsible for managing the animals while in the pasture, pasture rotation, and carrying out of pasture regulations. Herd health is of great importance and animals must be in sound condition before being permitted to enter the pasture. As well they must be dehorned and castrated. To aid in identification, animals are ear-tagged before being brought to the pasture.

In 1973, a number of criteria were established for determining eligibility of applicants for pasture use. These are that 1) the patron must be a bona fide farmer, 2) preference is to be given to previous patrons who have incorporated use of the pasture into their operation, 3) farmers in close proximity to the pasture are to be given preference, and 4) those with a real need for additional pasture are to receive preference.

Each spring, application forms are sent to former patrons and an advertisement is placed in the local newspaper to notify prospective

applicants. The applicant must state the pasture preferred, distance from that pasture, and the number and type of cattle to be pastured. The demand for grazing often exceeds the supply, a sign that continued development will be necessary. After the deadline for application (April 15), the Patrons' Committee meets to determine eligible users.

The grazing rates are scheduled to cover the costs of operation which include wages of a manager and part-time help, annual land preparation costs, ear tags, and other miscellaneous costs.

As of the end of the 1976 to 1977 fiscal year, a total of 6284 acres had been transferred to the Community Pasture Program. The general locations of the community pastures are shown on Figure 7. Acreage figures represent the total acreage including ungrazed woodland, cleared land in the process of development, and developed land. It is the developed acreage which is used in determining the number of cattle grazed per acre.

Table 7 provides an indication of the increase in use and area of the community pastures. The quality of the stock has shown marked improvement over the years with a substantial increase in average daily weight gain occurring between 1973 to 1974 and 1974 to 1975. This is due to the government's policy of supplying good breeding bulls, an improved grass base, rotational management, and generally better farm management techniques employed by the patrons.

The major hindrance to date has been consolidation of large blocks of land suitable for production of forage. An important factor in location of the pastures has therefore been availability of low-capability land for sale. Development work includes fencing, clearing, reseeding, and removal of hazards. While it has been a policy to use hardy forage crops with good recoverability (such as timothy and clover) which are easily

Table 7
Acreeage and Use of Community Pastures

Fiscal Year	No. of Acres	No. of Patrons	No. of Cattle	Average Wt. Gain/Day (lbs.)
1973-74	2242	25	400	1.00
1974-75	4026	60	950	1.90
1975-76	4026	59	1215	1.78
1976-77	6284	68	1711	1.90

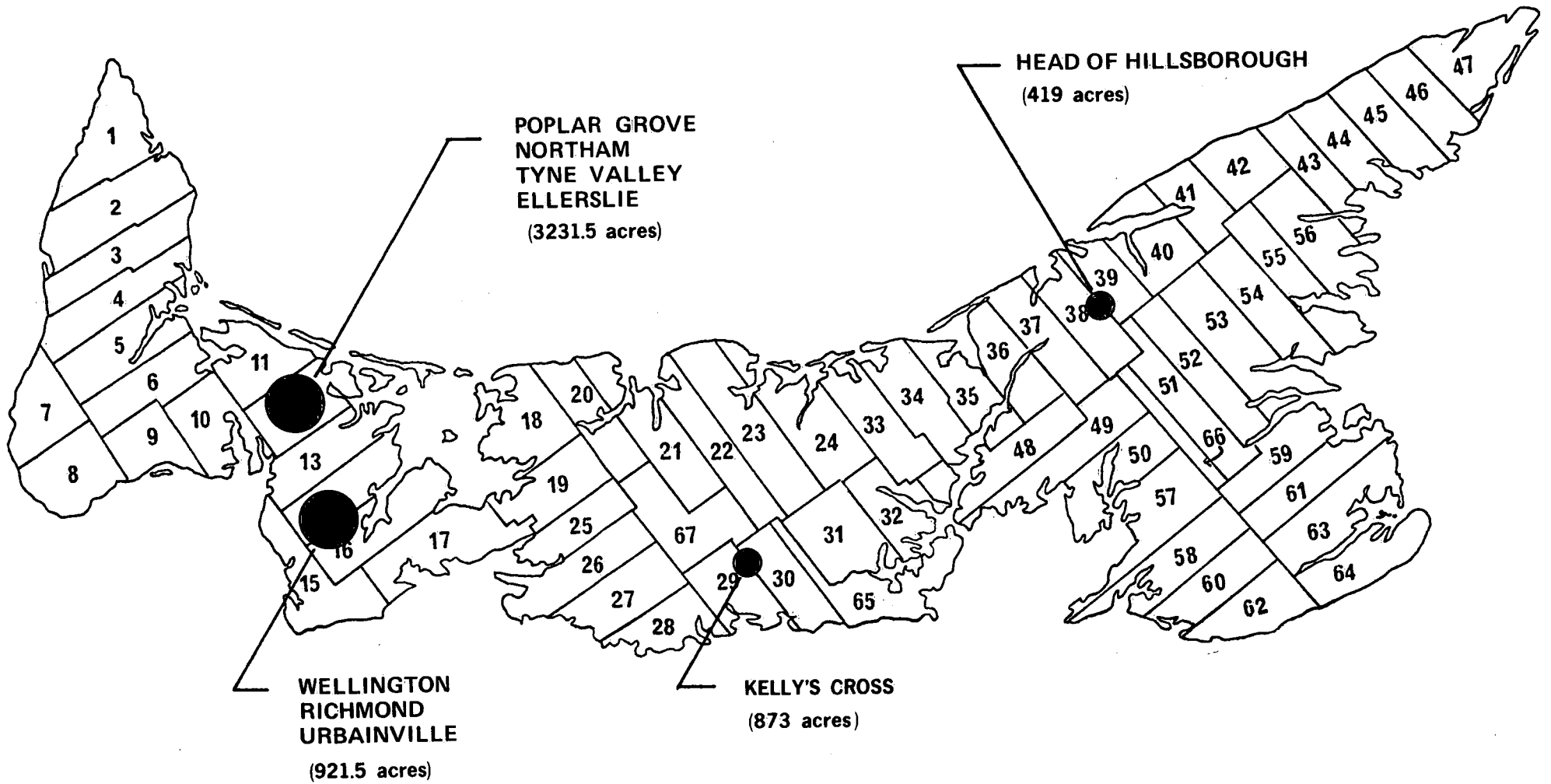
Source: Annual Reports, P.E.I. Land Development Corporation 1974 to 1977

Table 8
Expenses & Income, Community Pasture Program

Fiscal Year	Development Costs	Operation Costs	User Fess	Land Costs
	\$	\$	\$	\$
1972-73	28,246	7,818	4,958	4,299
1973-74	129,471	6,994	6,993	17,516
1974-75	125,848	14,018	9,862	70,638
1975-76	197,558	18,953	18,855	33,161
1976-77	161,278	30,623	32,864	208,000

Source: Annual Reports, P.E.I., Land Development Corporation, 1973 to 1977.

FIGURE 7
COMMUNITY PASTURE LOCATIONS



managed, other species which have a higher yield but require more stringent management practices are also being grown on an experimental basis. The costs involved in the Community Pasture Program are shown in Table 8.

Of all the land leased to the Community Pasture Program, Table 9 indicates that 51 per cent had an agricultural capability of Classes 2 and 3, and 36 per cent had a forestry capability of Classes 1, 2, and 3.

Future plans for development include the start of a new pasture during 1978 to 1979 in the West Prince region (Lot 3), and expansion of the developed areas of existing pastures up to one thousand developed acres. In terms of the scale of agriculture in P.E.I., it is believed that this is the optimum size which can be managed efficiently and wisely.



Table 9Area Transferred to the Community Pasture Program

Land Type		Acreage Transferred					
		1972	1973	1974	1975	1976	1977
Agriculture	Class 2	102.5	no	239.5	67.0	696.5	95.0
	Class 3	-----	transfers	1614.0	-----	261.0	179.0
	Class 4	-----	-----	411.0	-----	60.0	5.0
	Class 5	-----	-----	102.0	-----	36.0	-----
Forestry	Class 1	-----	-----	1146.5	-----	8.0	223.0
	Class 2	40.0	-----	259.5	63.0	436.5	12.0
	Class 3	-----	-----	46.0	-----	4.0	-----
Other		-----	-----	74.0	4.0	-----	-----
Total		142.5	-----	3892.5	134.0	1502.0	514.0

Land Leakage Program

One of the objectives of the L.D.C. is to promote the economic and efficient use of land through management for its best use. When land is acquired that is unsuitable for agricultural purposes, management rights of the land in question may be vested in an appropriate provincial department or the Community Pasture Program through leakage. Formal approval is given to land leakages by the land leakage committees which consists of representatives from the Provincial Departments of 1) Tourism, Parks and Conservation, 2) Agriculture and Forestry, 3) the Environment, and 4) Development, and from DREE and the L.D.C.

While the Forestry Division of the Department of Agriculture and Forestry has received the majority of the leaked land, significant acreages are also managed by the Department of Tourism, Parks and Conservation and by the Fish and Wildlife Branch of the Department of the Environment. To the end of April 1977, a total of 52,283 acres had been leaked to provincial departments. Of this, 4471 acres were cleared. The total value of land and buildings was \$3,197,339. In terms of the percentage of area, 76.4 per cent was leaked to Forestry, 13.0 per cent to Fish and Wildlife, and 10.6 per cent to Tourism. However, the value of land leaked to Forestry represented only 31.1 per cent of the total value. The value of land leaked to Fish and Wildlife and to Tourism, was respectively 12.3 and 56.6 per cent of the total value. The acreage leaked to all provincial departments is shown on an annual basis in Table 10.

Table 10
Land Leakage, 1970 to December 1976

Year	Land Leaked (Acres)
1970	702.00
1971	1794.50
1972	6751.15
1973	7977.73
1974	12,012.77
1975	8882.21
1976	9109.01
TOTAL	47,229.37

Note: Acreage listed exclude land leaked to the Community Pasture Program.

In addition to leakage of land not suitable for agriculture, the provincial departments may obtain management rights to land acquired by the L.D.C. as a result of special requests by the departments. For instance a small piece of private land adjacent to an existing park may be desirable as its inclusion would facilitate planning and development of the recreation area. If the Department of Tourism, Parks, and Conservation desires such a parcel, they may then request the L.D.C. to purchase the parcel if the owner is willing to sell. If the sale occurs, the property would then be leaked to that department. It is only in such an instance that the Corporation assumes an active role as a land buying agent. While it is not necessary, the department may contact the landowner in question prior to making the request to the L.D.C. The area of leaked land acquired through special purchases is relatively small. There are essentially no special purchases of land for the Forestry Branch.

Once a parcel of land has been leaked, it may be managed in various ways depending upon its physical attributes as well as the economic and social pressures exerted upon the area. If there is a strong current demand the land will be utilized to meet the need; if not, it will be held for future use.

Land leaked to the Department of Tourism is often included within the system of Provincial Parks. The intensity of use and type of development differs among the five categories of parks. These are recreation parks, beach access and wayside parks, nature preserves, natural environment parks, and heritage parks.

The Fish and Wildlife Branch is interested in the conservation of habitat for waterfowl, wildlife, and fish and to this end has developed a number of sites obtained through the Land Leakage Program. Some of this development has been carried out in cooperation with Ducks Unlimited, a private organization. Provision of public access to a resource with value for fishing or hunting is a second objective of the Branch. While anyone may use land managed by the Fish and Wildlife Branch, the Branch permits some wood cutting provided that the user adheres to guidelines respecting stream-bank protection and clean-up procedures. Small areas may be clear cut if wildlife habitat will be enhanced. The Department of Tourism is also desirous of carrying out sound forest management practices on leaked land for which there are no immediate development plans.

With few exceptions land leaked to the Forestry Branch possesses minimal value for other purposes including agriculture, recreation, or wildlife. At the same time, the successful management of these lands poses a definite challenge to the Forestry Branch. This challenge to bring the land into a more productive condition is being met boldly through programs designed to improve both the quality of the land and the tree cover. Considerable acreages have been drained and plowed and reforestation using seed from select native species is occurring on a large scale. Recently, cutting of fuel wood has become an economical method of utilizing scrub woodland.

Because of the relative paucity of large accessible tracts with good stands of commercial timber, the pressure from sawmill operators on existing areas is tremendous. Unfortunately, the few remaining stands of high quality are therefore being destroyed more rapidly than they can reproduce. While the problem is all too clearly recognized, the solution is not yet forthcoming. The Land Leakage Program is perceived as being beneficial to Forestry and is one part of the solution.

P.E.I. National Park Land Acquisition

In 1973, an agreement was made between the Province and Parks Canada which would enable the L.D.C. to act as a land purchasing agent of the Province for Parks Canada. Prior to this time, all land required for the National Park had been acquired directly by Parks Canada.

Through the agreement, the time involved in negotiations for land purchase has been substantially reduced, and people are more willing to sell as a result. A second advantage to Parks Canada is that the L.D.C. can respond more quickly when any lands are offered for sale. The Province, on the other hand, benefits as it has greater influence over the long-term use of land within the Park.

While Parks Canada sets priorities for acquisition on an annual basis, the L.D.C. may also purchase any land outlined in the long-term land acquisition plan should it become available. The goal is to purchase all lands outlined in the Master Plan for the P.E.I. National Park. Before a price is offered an appraisal is carried out to determine a fair market value of land for recreational purposes. After an offer is accepted, the land is surveyed. All costs involved are paid by Parks Canada including carrying costs on land while it is held in inventory.

If the land is not required immediately for development, it may be leased back to local farmers for up to a three-year period. Payments made to the L.D.C. on land inventory are credited towards administration costs.

When the land is transferred to Parks Canada, the lease is also transferred, and payments are made directly to Parks Canada. The amount of the payments is based on agricultural value rather than the higher recreational value.

Land sales for the P.E.I. National Park occurred in two years of the program. In 1974, 56.2 acres of Class 1 Recreation land were sold to Parks Canada and in 1976, 804.49 acres were released. Total value of the land and buildings was in the order of \$1.67 million.

Land Inventory Program

One of the primary functions of the L.D.C. is to provide a stable market for land in P.E.I. During periods of low demand for farm land it may happen that more land is purchased than can be released. This was the case in the early years of its development. Thus, it was able to build up an inventory of more than 36 thousand acres. But even during cycles of active land buying and selling, it is inevitable that some land shall be held for short periods until a suitable purchaser is found.

As of April 1977, the accumulated acreage of land in inventory was 9930.70 acres valued at \$1,962,210. Of this total, 4844.75 acres were cleared and 4085.95 acres were classed as forest or other land. The value of the buildings in inventory was \$230,523.

It is the policy of the Corporation to carry out only essential maintenance on inventoried properties. Basically this involves upkeep of fences, removal of weeds, erosion control, fire insurance, and winterizing of buildings. When the land is leased, financial assistance may be provided to the lessee for improvement of lands left idle for three or more years and for building improvements.

Maintenance costs for inventoried properties over the years are as follows:

1970-71	No cost
1971-72	No cost
1972-73	\$ 23,999
1973-74	31,988
1974-75	35,941
1975-76	<u>49,288</u>
Total Maintenance Costs	<u>\$141,216</u>

Cabinet Declines

The L.D.C. acts as an agent for the Province in offering to purchase land from persons who have had sales to non-residents declined by the Lieutenant-Governor-in-Council. By acting as an alternative market such persons are provided with an option. But, because of the L.D.C. policy to offer fair market value, the price per acre is sometimes lower than that offered for the same land by the prospective non-resident buyer.

Figures from a study of non-resident ownership in P.E.I. completed in 1977 indicate that the land concerned in 41 per cent of all petitions denied between 1972 and 1975 was acquired by the L.D.C. This was a total of 5335 acres (Land Use Service Center and M.R.M.S., P.E.I. 1978). Of this, 2703.15 acres were purchased through cabinet declines and 2566.15 acres were subsequently released. Data on an annual basis are shown in Tables 11 and 12.

Table 11Summary of L.D.C. Purchases Through Cabinet Declines to April 1977

Land Type		1973	1974	1975	1976	Total
Agriculture	Class 2	16.0	49.5	36.8	-----	285.9
	Class 3	-----	101.0	55.0	-----	
	Class 4	-----	14.0	13.6	-----	
Forestry	Class 2	-----	536.5	844.25	238.0	1837.75
	Class 3	32.0	187.0	-----	-----	
Recreation	Class 1	103.0	129.5	164.0	10.0	406.5
Waterfowl	Class 1	100.0	13.0	27.0	-----	140.0
Other		3.0	3.0	-----	-----	6.0
Total		254.0	1033.5	1140.65	248.0	

Table 12Summary of L.D.C. Releases of Land Purchased as a Result of Cabinet Declines to April 1977

Intended Use	L.D.C. Releases of Land Purchased (Acres)				
	1974	1975	1976	1977	Total
Agriculture	-----	114.0	176.0	-----	290.0
Forestry	132.0	23.0	1069.5	374.25	1598.75
Wildlife	230.0	-----	-----	-----	230.0
Tourism	-----	380.4	28.0	10.0	418.4
Housing	-----	29.0	-----	-----	29.0
Total	362.0	546.4	1273.5	384.25	2566.15

Changes in Program Organization

Since establishment in 1970 of the L.D.C., a number of major changes have been introduced in response to pressures from other agencies as well as from within. Two of these changes, the Community Pasture Program and land acquisition for P.E.I. National Park, have already been considered. Three other changes have resulted in modifications to the programs discussed. These are 1) land acquisition for provincial departments, 2) social housing, and 3) the land identification program.

During its first year of operation, the L.D.C. did not purchase land at the request of the provincial departments. Specific requests for land purchases were handled through the Department of Public Works. Subsequently to 1971, however, the L.D.C. assumed an active role as a land purchaser in cases where a request for land was made by a provincial department.

The second change grew out of the surplus of rural houses owned by the Corporation. When a piece of land is purchased that contains farm buildings, the home and auxiliary buildings may or may not be occupied by the former land owner or new owner. If the house is vacant, it is considered in inventory. During 1972 to 1973, the Social Housing Association, composed of the Prince County Family Service Bureau, the Catholic Family Service Bureau, and the Protestant Family Service Bureau was formed. An agreement was made between the Association and the L.D.C. whereby the Association leases houses for a nominal sum and is responsible for their regular care and maintenance. The houses are made available to low-income families. The L.D.C. benefits from the arrangement as it no longer must concern itself with taking care of surplus houses and, at the same time, a public service is provided.

In 1973, recognition of rural land-use conflicts in P.E.I. was made by the Royal Commission on Land Ownership and Land Use. A committee was set up to consider the problems resulting from increased pressure on land in rural areas, and to recommend solutions. One of the proposed solutions was the formation of the Land Use Commission.

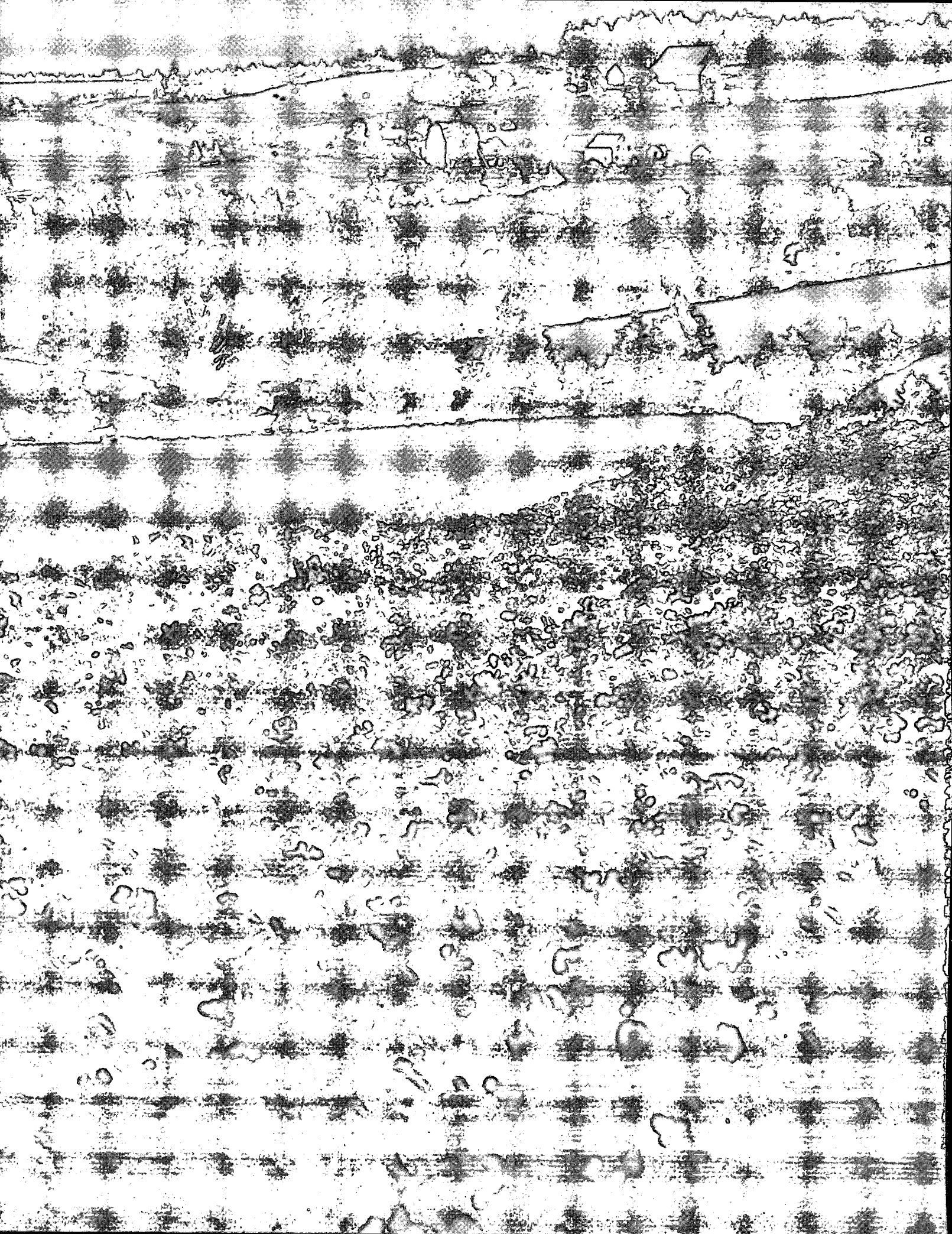
The Commission held a series of public meetings to discuss alternative methods of land-use control with local residents. Land identification programs were given support at these meetings and legislation was subsequently drafted by the Commission.



Three underlying objectives of land identification are 1) to protect the agricultural industry from incompatible rural land uses, 2) to protect open spaces and agricultural land from misuse by non-resident or absentee landowners, and 3) to protect L.D.C. land from misuse after release to the private sector. To meet these objectives, three programs of land identification have been developed. The first is identification of property acquired under the Real Property Act by non-residents and companies. The second involves the voluntary identification of resident-owned lands. It is the third program, identification of L.D.C. lands, that is of greatest interest in terms of this report.

Through the identification of L.D.C. property as either agricultural or open-space land some assurance is provided that L.D.C. land released to the private sector will be used for its intended purpose and maintained in a use compatible with agriculture. To date, the Land Identification Program has had little real impact on land use. This is due to the short time that it has been in effect as well as the voluntary nature of the program. Land released through sale or lease prior to 1975 is not subject to land identification except on a voluntary basis, and few farmers have wished to have such an agreement or easement placed against their title.

Chapter 3



A CASE STUDY OF LOTS 38, 39 AND 40

An analysis of L.D.C. activity in lots 38, 39, and 40 provides a more complete understanding of the functions of the Corporation since its establishment in 1970. The study area selected is characterized by a greater-than-average number of transactions with numerous types of transactions occurring. Of the major program areas discussed in Chapter 2, only purchases for the National Park are not represented.

Situated in the extreme northwestern portion of Kings County, the study area lies midway between Charlottetown and Souris. Other than the villages of Morell (population 346) and St. Peters (population 319), the settlement pattern is rural in nature. Farmsteads lie parallel to roads with the greatest density along Highway 2, which is the main route through the area.

Agriculture is the predominant land use, and a considerable percentage of the land has been cleared and cultivated. Capability for agriculture, as determined by the Canada Land Inventory, is good to moderate generally, but with low capability along the coast and, to a lesser degree, along watercourses such as the Morell, Marie, and Midgell rivers. Conversely, the zones of low agricultural capability possess good to excellent capability for outdoor recreation. The capability ratings assigned by C.L.I. vary from Class 1 which represents the highest capability to Class 7, the lowest capability.

Despite a sizeable acreage being covered by woodland, the area is not attributed with a high capability by C.L.I. for production of commercial timber. Low fertility, excess soil moisture, and exposure limit growth inland while along the coast the sandy soils are prone to drought.

Areas of good capability for wildlife and waterfowl are restricted to small isolated pockets adjacent to lakes or bays. Pisquid Pond and a portion of Hays Brook downstream from Cherry Hill are designated C.L.I. Class 1S; Savage Harbour, St. Peter's Lake, and St. Peter's Bay are C.L.I. Class 3M.

Acquisition of Land

As noted previously, the study area has been characterized by a high degree of activity by the L.D.C. in the past seven years. Between 1970 and April 1977, a total of 81 purchases were made. An area of 7,719.9 acres was acquired at an average value of \$76.73 per acre. The annual figures for each lot show considerable variation between lots as well as over time (Table 13). This relationship is more readily observed from Figure 8.

The location of properties purchased has been plotted on Figure 9 with the type of purchase being indicated by different shading patterns. Most of the land was acquired by regular cash purchase. Lesser, but still significant acreages were acquired by special purchase, by annuity, and as a result of cabinet declines to non-residents.

Of all land purchased in lot 38, 1205 acres or 44.9 per cent were appraised as Class 2, 3, or 4 for agriculture. Comparable figures for lots 39 and 40 were 906.5 acres or 36 per cent and 709 acres or 28 per cent respectively. These same areas were formerly in agricultural use as they had been cleared. Lot 38 had the lowest but most stable values per acre.

Similar calculations indicate that of the forestry land rated Class 1, 2, 3, or 4 on appraisal, 1436.5 acres were purchased in lot 38, 1,505 acres were acquired in lot 39, and only 832 acres were purchased in lot 40. In terms of percentages of forestry land bought in each lot, the figures are 53, 60, and 33 per cent respectively.

Table 13

L.D.C. Purchases, Lots 38, 39, and 40,
1970 to April 1977

Year	No. of Acres Purchased	Cost of Purchase	Average Price per Acre	No. of Transactions
LOT 38				
1970	822	\$ 27,800	\$ 33.82	6
1971	1094	42,045	38.43	9
1972	359	19,970	30.56	4
1973	81.5	2,600	31.90	1
1974	211	11,520	54.59	2
1975	154	9,000	58.44	2
Total	2721.5	\$103,935	\$ 38.19 average	24
LOT 39				
1970	260	\$ 8,110	\$ 31.19	3
1971	421	11,585	27.51	4
1972	432	12,050	27.89	3
1973	205.5	17,850	86.86	4
1974	295	22,300	75.59	3
1975	578.4	118,025	204.05	9
1976	162	11,950	73.77	5
1977	155	9,500	61.29	2
Total	2508.9	\$211,370	\$ 82.24 average	33

Table 13 (Continued)L.D.C. Purchases, Lots 38, 39, and 40,
1970 to April 1977

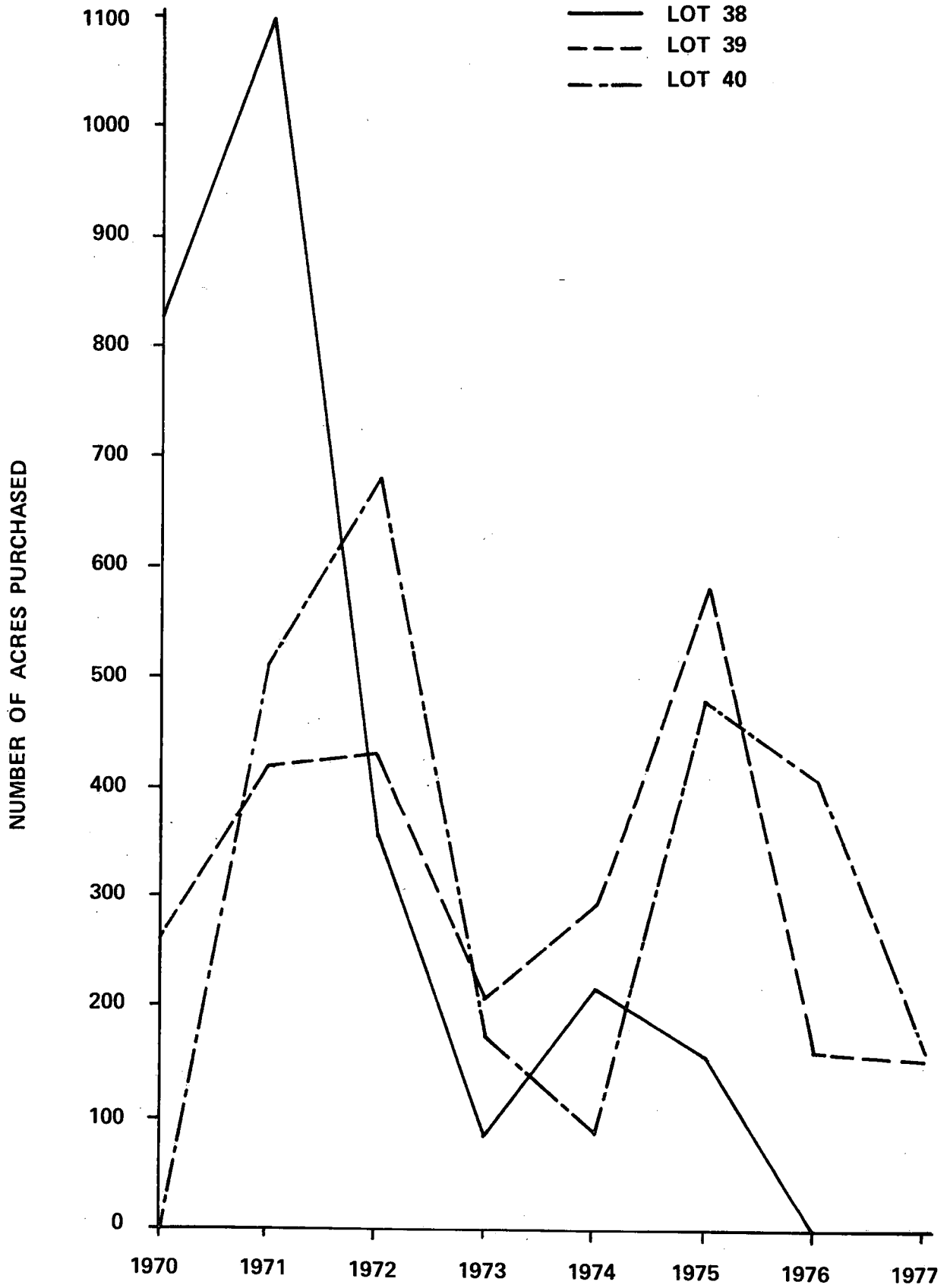
Year	No. of Acres Purchased	Cost of Purchase	Average Price per Acre	No. of Transactions
LOT 40				
1970	---	\$ ---	\$ ---	-
1971	510	20,240	39.69	4
1972	674	67,650	100.37	5
1973	170	35,800	210.59	1
1974	88	27,225	309.38	1
1975	478.5	51,700	108.05	4
1976	405	64,400	159.00	7
1977	164	10,000	60.98	2
Totals	2489.5	\$277,015	\$111.27 average	24

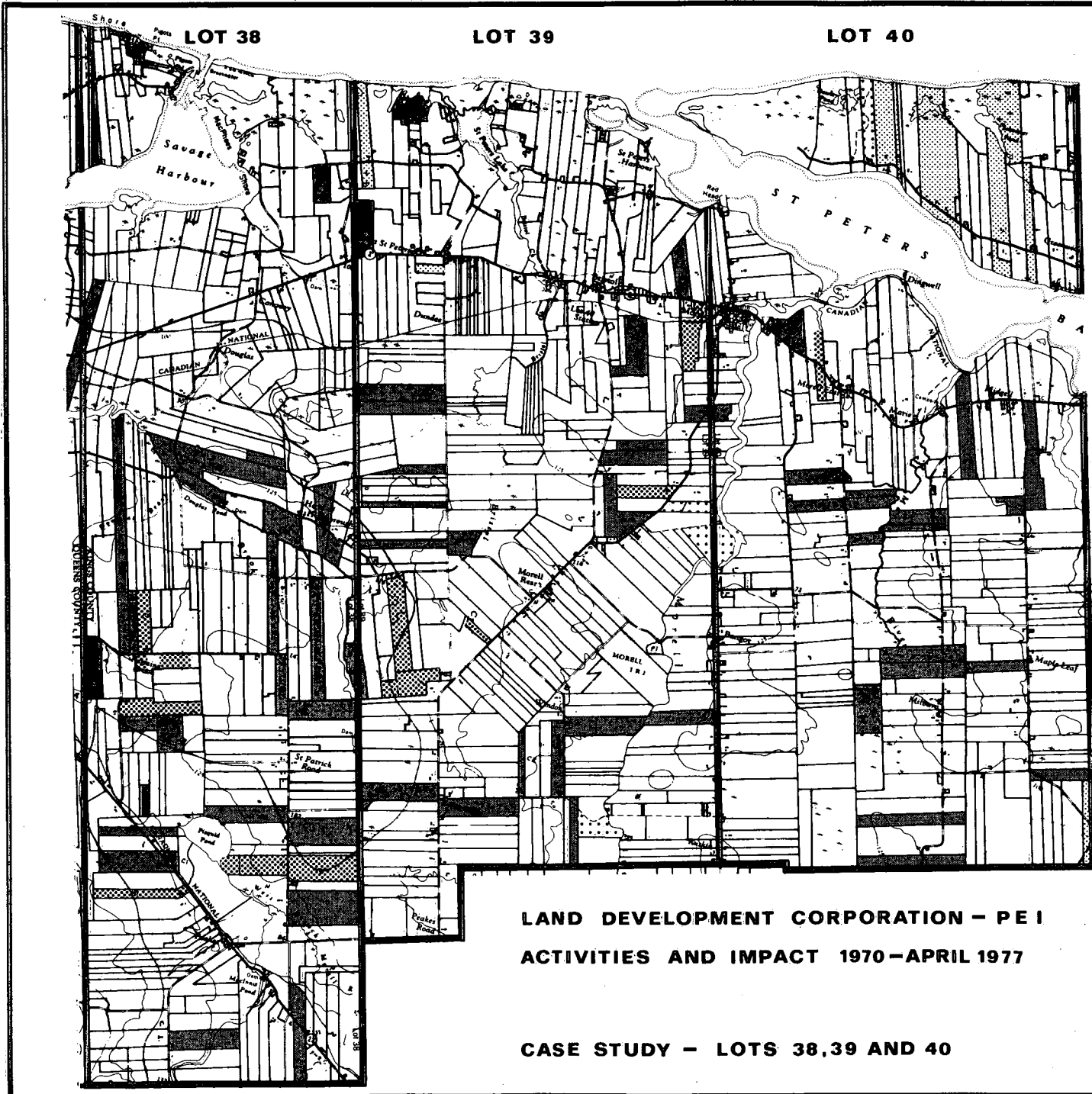
Land which was deemed most suitable for outdoor recreation, or wildlife and waterfowl habitat, occupied a significantly smaller area than did agricultural or forestry land. No recreation land was bought in lot 38, while in lot 39 only 84.4 acres or 3.5 per cent of the total area purchased in that lot was recreational land. In contrast, 251 acres or 10 per cent of the land acquired in lot 40 was suitable for recreation. A relatively high percentage of the acreage purchased in lot 40 was rated as Class 1 for wildlife and waterfowl. No land with high capability for wildlife habitat was bought in lot 39, while only 61 acres or 2 per cent of land purchased in lot 38 had been rated for wildlife and waterfowl. Table 14 summarizes land use and land type by lot.

Often when farm land is purchased, farm buildings are also acquired. The greatest expenditures for buildings occurred in lot 38 where the proportion of cultivated land was also greatest. In lot 38, more complete units were sold to L.D.C. as compared to lots 39 and especially lot 40 where more parcels of non-cleared land were acquired (Table 15).

FIGURE 8

L. D. C. PURCHASES, LOTS 38, 39 AND 40 - 1970 - APRIL 1977





MAP TITLE:
L.D.C. PURCHASES 1970 - APRIL 1977

LEGEND:

	Regular Purchases	5158.5 acres
	Annuity Purchase	925 acres
	Special Purchase	1175.4 acres
	Cabinet Decline	461 acres

NOTES:

SOURCE:
L.D.C. INVENTORY RECORDS

MARITIME RESOURCE MANAGEMENT SERVICE
COUNCIL OF MARITIME PREMIERS - AMHERST, N.S.

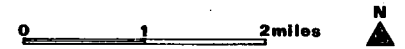


Table 14
L.D.C. Land Purchases by
Land Type and Capability - Lots 38, 39, and 40, 1970 to April 1977

Land Type		Acreage Purchased		
		38	39	40
Agriculture	Class 2	994.0	602.5	602.5
	Class 3	159.0	136.0	87.5
	Class 4	52.0	168.0	16.0
	Class 5	-----	-----	3.0
	Total	1205.0	906.5	709.0
Forestry	Class 1	268.0	203.0	214.0
	Class 2	938.5	796.0	590.0
	Class 3	198.0	506.0	28.0
	Class 4	32.0	-----	-----
	Total	1436.5	1505.0	832.0
Wildlife/ Waterfowl	Class 1	50.0	-----	506.0
	Class 2	11.0	-----	-----
	Total	61.0	-----	506.0
Recreation	Class 1	-----	84.4	251.0
Other		19.0	13.0	191.5

Table 15
L.D.C. Building Purchases, 1970 to April 1977

Year	Total Building Expenditure	Total Expenditure Land & Bldgs.	% of Total Expenditure Allocated for Bldg.
LOT 38			
1970	\$ 36,025	\$ 63,825	56.4
1971	13,980	56,025	25.0
1972	3,410	14,380	23.7
1973	---	2,600	0.0
1974	6,480	18,000	36.0
1975	---	9,000	0.0
	<u>\$ 59,895</u>	<u>\$163,830</u>	average 36.6%
LOT 39			
1970	\$ 3,390	\$ 11,500	29.5
1971	4,290	15,875	27.0
1972	2,800	14,850	18.9
1973	800	18,650	4.3
1974	8,550	30,850	27.7
1975	32,600	150,625	21.6
1976	---	11,950	0.0
1977	---	9,500	0.0
	<u>\$ 52,430</u>	<u>\$263,800</u>	average 19.9%
LOT 40			
1970	\$ ---	\$ ---	--
1971	9,600	29,840	32.2
1972	7,200	74,850	9.6
1973	4,200	40,000	10.5
1974	---	27,225	0.0
1975	---	51,700	0.0
1976	2,500	66,900	3.7
1977	---	10,000	0.0
	<u>\$ 23,500</u>	<u>\$300,515</u>	average 7.8%

Dispersal of Land for Agricultural Use

A primary role of the L.D.C. is to promote sound land management through the release of agricultural land of good capability to farmers. Eligible buyers must be bona fide farmers desiring to expand operations or qualified new farmers who wish to establish economic enterprises.

L.D.C. land and buildings may be either leased or sold. Given the continual upward trend in land prices, it is of direct benefit to farmers to first obtain a lease with an option to purchase within five years time. In recent years this arrangement has become more popular. The rate for leased land is based on the fair market value of the land at the time when it is released. Land is sold at fair market value, this generally being cost price if it is released during the same year as it was purchased.

In lots 38, 39, and 40, a total of 28 leases have been made over the years as compared to 21 cash sales, 5 mortgage sales, and 3 agreements of sale. Total acreage dispersed through lease was 1201; 1074.5 acres were released by cash sale, 224 acres by mortgage sale, and 147 acres by agreement of sale. These figures are separated by year in Tables 16, 17, 18, and 19. The trend followed is illustrated graphically in Figure 10. Total acreage released is compared annually with total acreage purchased in Figure 11.

As most of the cleared land purchased was located in lot 38, the greatest acreage released for agricultural purposes was also be in lot 38. In Figure 12, the areal significance of leased land as compared to land sold is readily evident.

Table 16
Dispersal of Farm Land By Lease
Lots 38, 39, and 40, 1970 to April 1977

Year	No. of Leases	Building Value (\$)	Land Value (\$)	Acreage	Land Type	Average Price Per Acre (\$)
1971	2	3,600	105	2.0	A2	52.50
1972	2	5,000	70	1.0	A2	70.00
			30	2.0	F3	15.00
1973	4	5,280	12,225	170.5	A2	71.70
			1,940	34.0	A3	57.06
			140	50.0	F1	2.80
			120	35.0	F2	3.43
1974	6	1,700	12,325	229.0	A2	53.82
			1,770	43.0	A3	41.16
			98	9.0	F1	10.89
			320	64.0	F2	5.00
			375	25.0	F3	15.00
			---	2.0	Other	---
1975	5	2,625	9,760	107.5	A2	90.79
			1,120	14.0	A3	80.00
			80	2.0	A4	40.00
			760	48.5	F2	15.67
			195	1.5	Other	130.00
1976	9	2,750	15,615	189.0	A2	82.62
			5,055	66.0	A3	76.59
			840	28.0	A4	30.00
			30	6.0	F1	5.00
			1,682	71.5	F2	23.52
			800	0.5	Other	1,600.00
Total	28	\$20,955	\$65,455	1201.0	Average	\$54.50

Table 17
Dispersal of Farm Land by Cash Sale
Lots 38, 39, and 40, 1970 to April 1977

Year	No. of Cash Sales	Building Value (\$)	Land Value (\$)	Acres	Land Type	Average Price Per Acre (\$)
1973	7	16,322	8,815	161.5	A2	54.73
			430	13.0	A4	33.07
			306	49.0	F1	6.24
			74	22.0	F2	3.36
1974	9	15,510	29,960	392.0	A2	76.42
			1,570	46.0	A3	34.13
			500	10.0	A4	50.00
			75	20.0	F1	3.75
			20	4.0	F2	5.00
			694	74.0	F3	9.38
			76	19.0	Other	4.00
1975	2	---	4,740	79.0	A2	60.00
			12	3.0	A5	4.00
			98	58.0	F2	1.69
1976	3	2,000	5,800	90.0	A2	64.44
			150	29.0	F2	5.17
			100	5.0	F3	20.00
Total	21	\$33,832	\$53,420	1074.5	Average	49.72

FIGURE 10

DISPERSAL OF FARM LAND BY TYPE OF DISPERSAL - 1970 - APRIL 1977

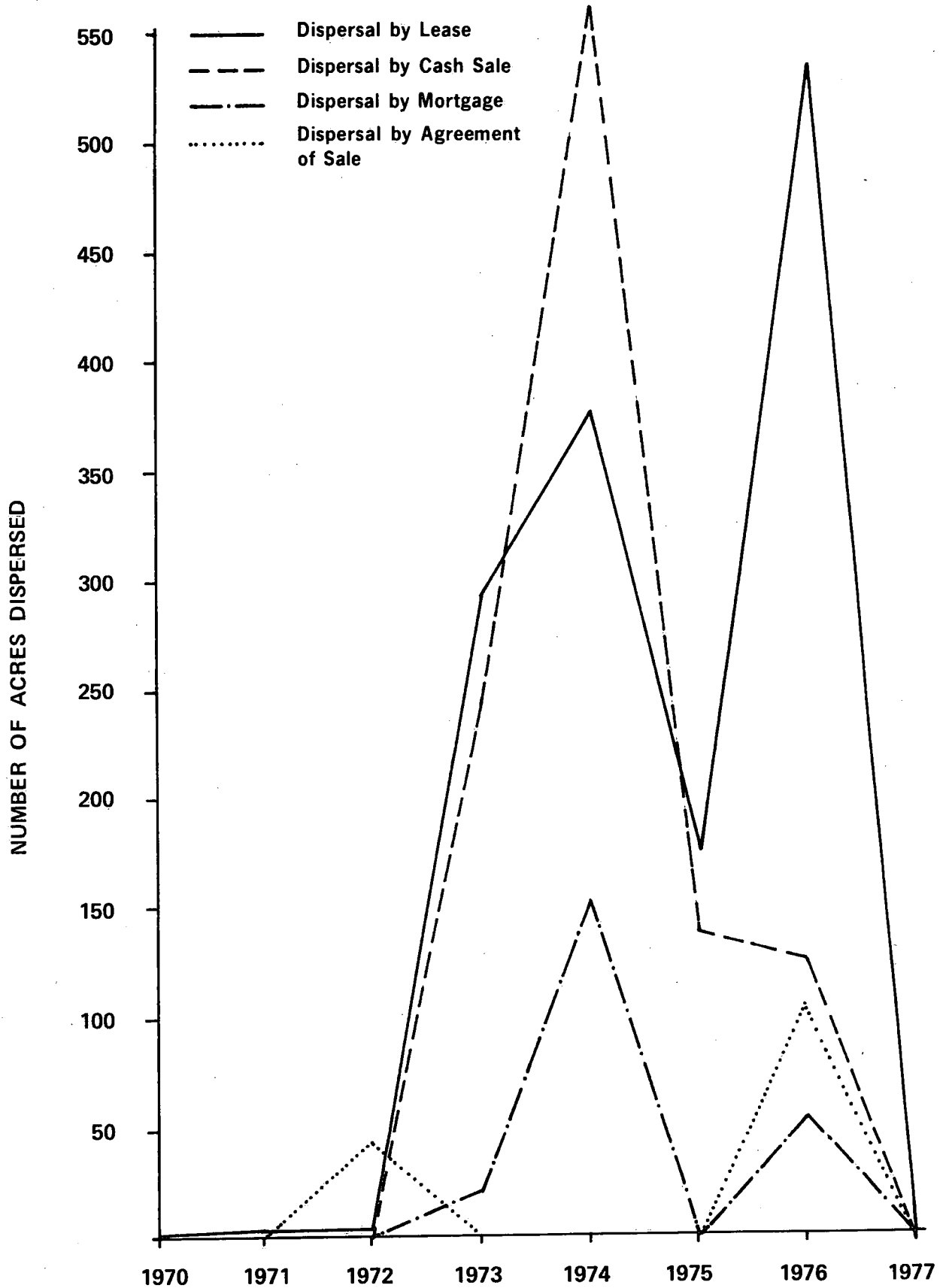
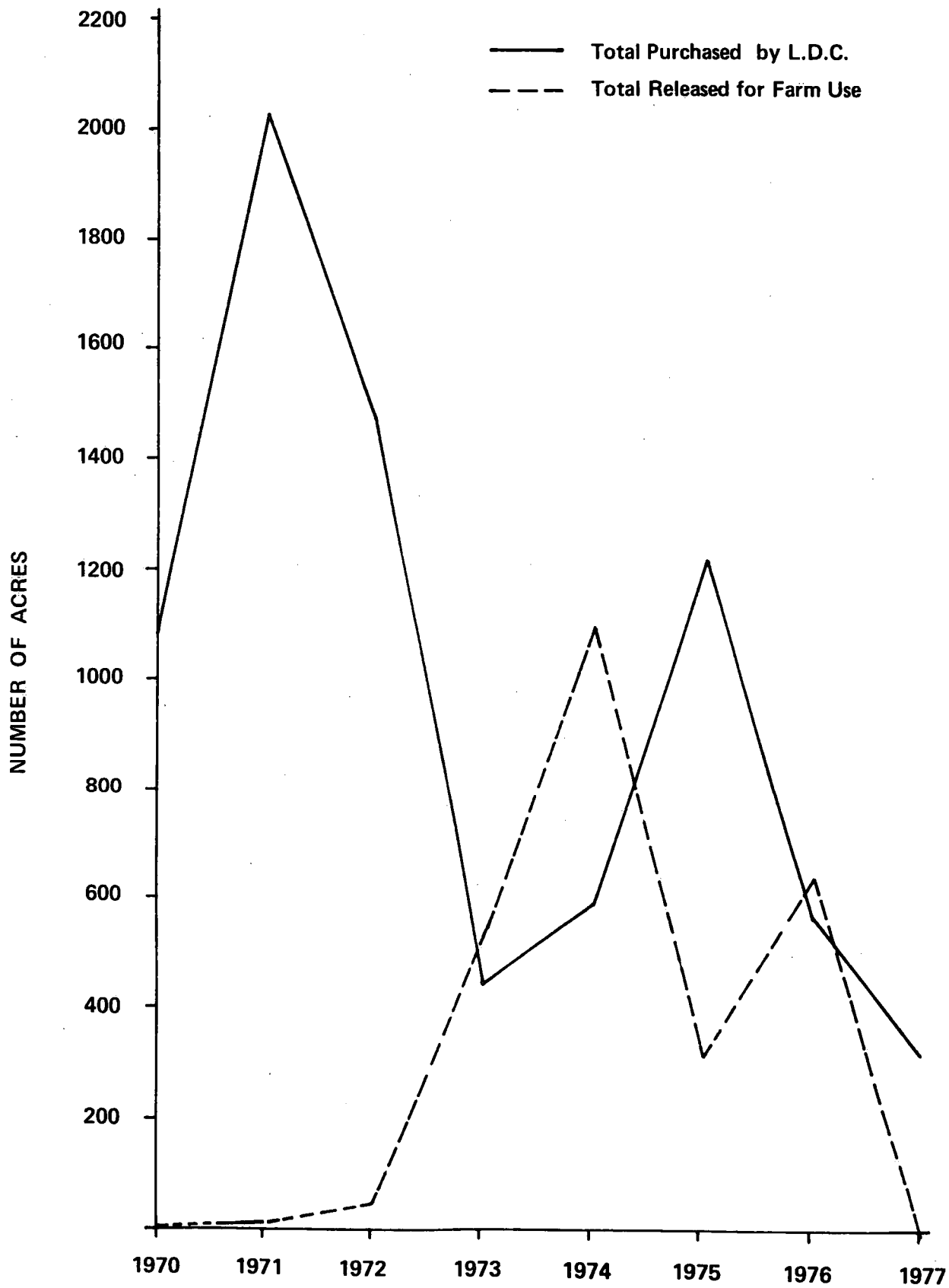
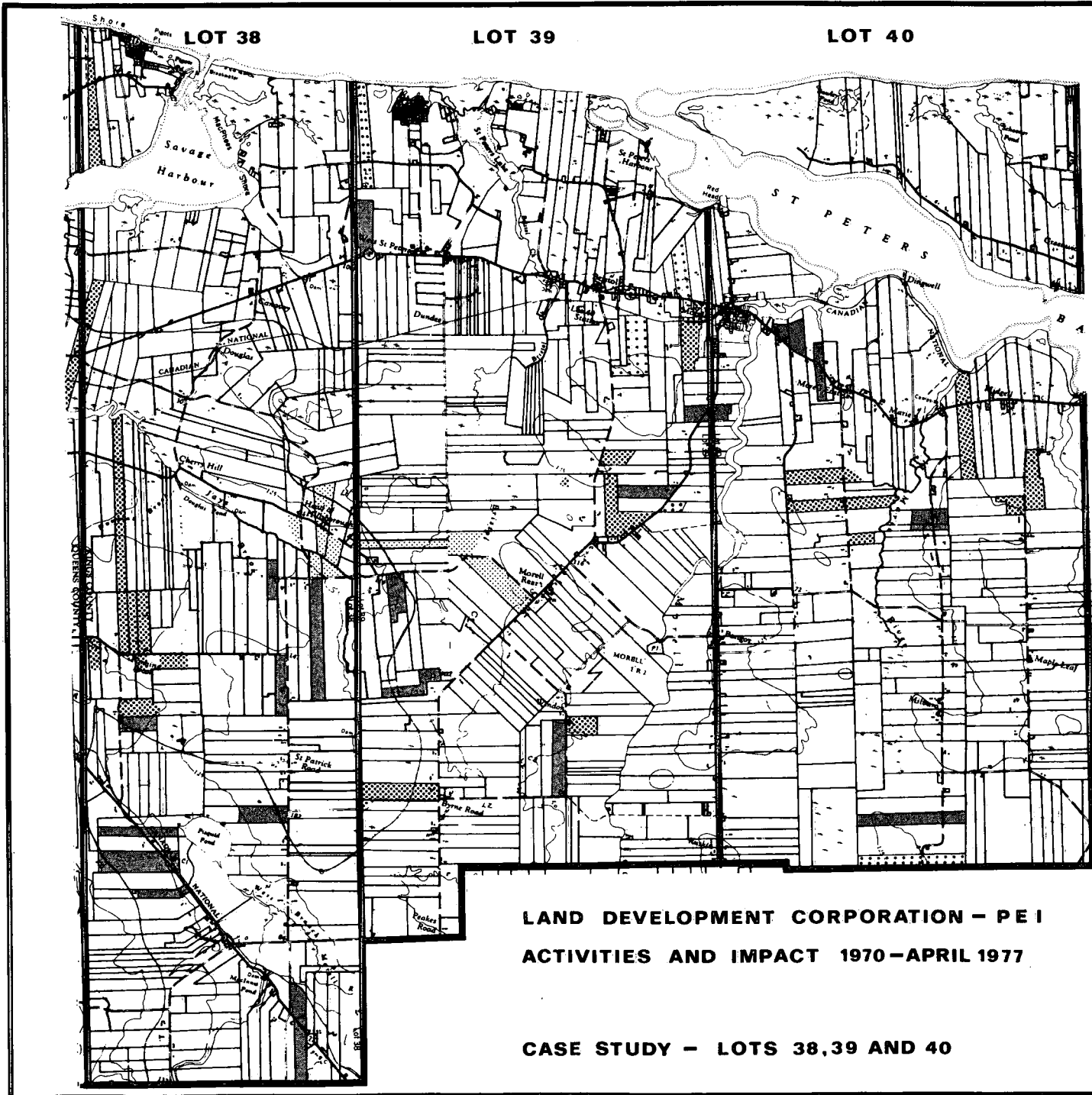


FIGURE 11

TOTAL ACRES PURCHASED COMPARED TO ACRES RELEASED
FOR FARM USE - 1970 - APRIL 1977





MAP TITLE:
L.D.C. RELEASES 1970 - APRIL 1977
LEAKED LAND

LEGEND:

	Leased for Agricultural Use	1204 acres
	Cash sale for Agricultural Use	1429.5 acres
	Community Pasture Program	348 acres
	Land in Inventory	353.5 acres

NOTES:
 Cash sale includes dispersed through cash sale, agreement of sale, and mortgage sale.

SOURCE:
 L.D.C. INVENTORY RECORDS

MARITIME RESOURCE MANAGEMENT SERVICE
 COUNCIL OF MARITIME PREMIERS - AMHERST, N.S.



Table 18

Dispersal of Farm Land by Mortgage
Lots 38, 39, and 40, 1970 to April 1977

Year	No. of Mortgage Sales	Building Value (\$)	Land Value (\$)	Acreage	Land Type	Average Price Per Acre (\$)
1973	1	---	2,200	20	A2	110.00
1974	3	20,600	6,430	81	A2	79.38
			2,200	35	A3	62.86
			680	34	F2	20.0
			250	1	Other	250.00
1976	1	8,300	6,625	53	A2	125.00
Total	5	\$28,900	\$18,385	224	Average	82.08

Table 19

Dispersal of Farm Land by Agreement of Sale
Lots 38, 39, and 40, 1970 to April 1977

Year	No. of Agreements of Sale	Building Value (\$)	Land Value (\$)	Acreage	Land Type	Average Price Per Acre (\$)
1972	1	---	2,800	35	A2	80.00
			250	5	A3	50.00
			12	3	F3	4.00
1976	2	1,145	11,070	72	A2	153.75
			200	32	F1	6.25
Total	3	\$1,145	\$14,332	147	Average	97.50

While agricultural land values in the study area have followed the general upward trend, the average price per acre, still remains relatively low, with the best agricultural land rarely exceeding \$100 per acre. The average price per acre of all A2 land released was approximately \$76. Less productive land was proportionately lower in value with land rated F1, F2, or F3 selling for less than an average of \$10 per acre. In Figure 13 and Table 20 the relationships between land type and dollar value are shown in greater detail.

Table 20
Average Price per Acre of Farm Land Dispersed for Agricultural Use,
Lots 38, 39, and 40, 1970 to April 1977

Land Type	Average Price/Acre
Agricultural Class 2	\$ 76.40
Class 3	57.22
Class 4	34.90
Class 5	4.00
Forestry Class 1	5.11
Class 2	10.68
Class 3	11.11

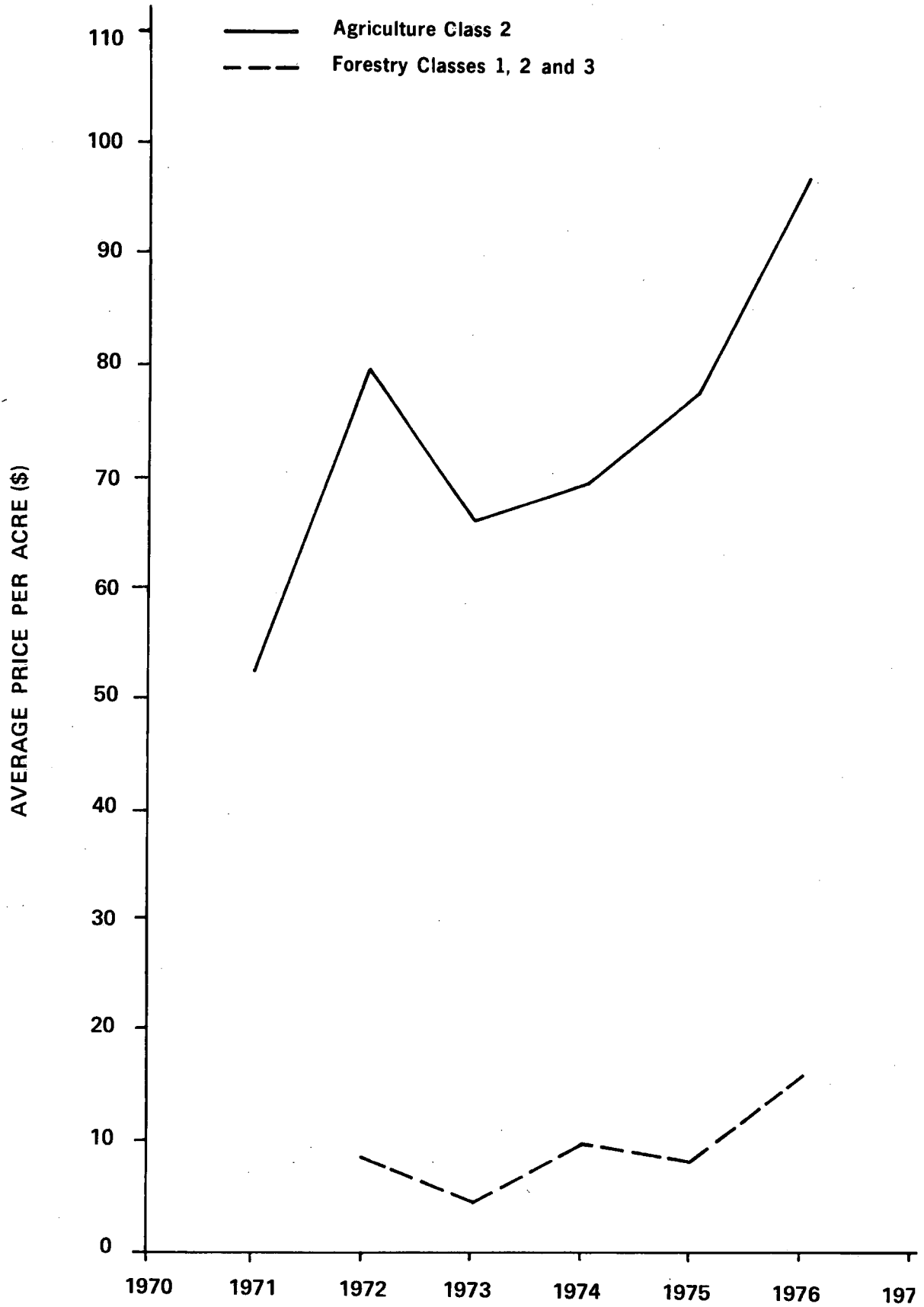
Community Pasture Program

The Head of Hillsborough Community Pasture, established during 1975, meets the initial Provincial commitment to develop a community pasture in each county. The decision to create a pasture at Head of Hillsborough was the result of high local demand for additional grazing land as well as the consolidation of a large block of land suitable for forage production.

As of April 1977, 348 acres had been leaked to the Community Pasture Program (Table 21 and see Figure 12). An additional 309 acres, of which 95 were cleared, were in leakage transfer from the divisions of Forestry and Fish and Wildlife.

FIGURE 13

AVERAGE PRICE PER ACRE OF LAND DISPERSED
FOR AGRICULTURAL USE 1970 - APRIL 1977



Land acquisition costs to the end of the 1976 to 1977 fiscal year totalled \$22,127 plus \$1,250 for buildings. Development costs incurred for the same period were \$69,597.05. Limited use of the pasture commenced during the summer of 1977.

Continued development and expansion of the pasture occurred during 1977 to 1978. The land which was in leakage transfer from the divisions of Forestry and Fish and Wildlife was leaked to the Community Pasture Program. Considerable development including cultivation, fertilizing, liming, seeding, and fencing were carried out at a cost of approximately \$52,215.

Table 21

Land Dispersed for the Community Pasture Program in Lots 38 and 39, to
April 1977

Year	No. of Dispersals	Building Value (\$)	Land Value (\$)	Acreage	Land Type	Average Price Per Acre (\$)
1976	4	1,250	6,200	92	A2	67.39
			6,200	82	A3	75.85
			650	19	A4	34.21
			4,057	100	F2	40.57
1977	1	---	4,000	20	A2	200.00
			250	5	A4	50.00
			750	30	F2	25.00
Total	5	\$1,250	\$22,107	348	Average	63.53

Land Leakage Program

Between 1970 and April 1977, 4334.6 acres were leaked to provincial departments. Approximately 59 per cent was transferred to the Forestry Division of the Department of Agriculture and Forestry, while the Department of Tourism, Parks, and Conservation received 26 per cent and the Fish and Wildlife Division of the Department of the Environment received 15 per cent. In comparison with the acreage released to farmers, the total amount of land leaked was 64 per cent greater.

In terms of value, however, the cost of leaked land was more than double that of farm land. Total cost of all land leaked was \$303,859 for an average of \$70.10 per acre. An additional \$7,610 was spent for buildings. High quality recreation land, including Class R1 and beach property, commanded the highest price. While a relatively small amount of such land was transferred, its high cost resulted in the average per-acre value of land leaked to the Department of Tourism, Parks, and Conservation being set at \$181.22. Land leaked to the divisions of Forestry and to Fish and Wildlife averaged \$24.73 and \$55.52 per acre respectively. Tables 22, 23, and 24 provide more detailed data pertaining to the acreage, value, and capability of leaked land.

Of the total acreage leaked, 25 per cent or 1093.4 acres were acquired by special purchase. Most of the requests emanated from the Department of Tourism, Parks, and Conservation and were for land north of St. Peters Bay in lot 40. By comparing Figure 14, which shows the location of leaked land by use, with Figure 9, which shows land purchases, it can be determined which Department requested land purchases.

Table 22

Land Leaked to the Department of Agriculture & Forestry for Forestry Use,
Lots 38, 39, and 40, 1970 to April 1977

Year	No. of Dispersals	Building Value (\$)	Land Value (\$)	Acreage	Land Type	Average Price Per Acre (\$)
1970	1	---	840	30.0	A2	28.00
			1,060	106.0	F2	10.00
1971	5	---	120	4.0	A3	30.00
			1,951	37.0	A4	52.73
			1,064	214.0	F1	4.97
			656	121.0	F2	5.42
1972	5	200	510	21.0	A2	24.29
			3,660	87.0	A4	40.07
			830	113.0	F1	7.35
			2,890	117.0	F2	24.70
1973	5	200	2,100	35.0	A2	60.00
			330	11.0	A4	30.00
			1,170	90.0	F1	13.00
			2,355	205.0	F2	11.49
			1,700	105.0	F3	16.19
1974	7	1,210	3,700	74.0	A2	50.00
			1,000	2.5	A4	400.00
			5,205	312.0	F2	17.00
			4,190	200.0	F3	20.95
1975	4	---	9,179	247.0	F2	37.16
			820	41.0	F3	20.00
1976	6	---	5,625	75.0	F1	75.00
			8,700	201.0	F2	43.28
			1,000	28.0	F3	35.71
1977	3	---	5,296	122.0	F2	43.41
Total	36	\$1,610	\$65,951	2598.5	Average	25.38

Table 23

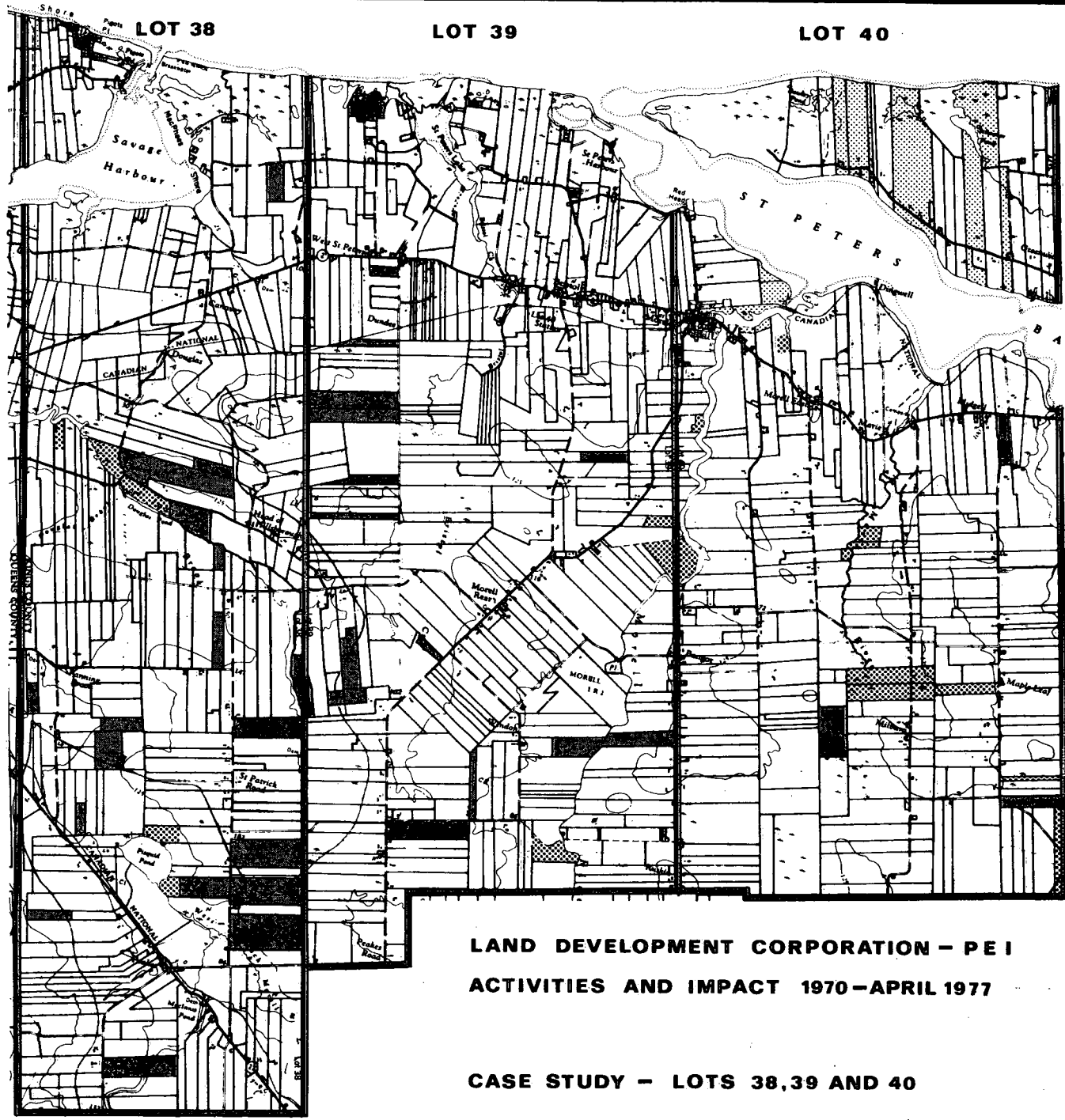
Land Leaked to the Department of Tourism, Parks & Conservation for
Tourism and Recreation Use,
Lots 38, 39, and 40, 1970 to April 1977

Year	No. of Dispersals	Building Value (\$)	Land Value (\$)	Acreage	Land Type	Average Price Per Acre (\$)
1972	2	---	8,840	104	A2	85.00
			1,400	10	A4	140.00
			4,000	26	F2	153.85
			10,660	180	W1	59.22
			35,500	50	Beach	710.00
1973	1	4,200	35,800	170	R1	210.59
1974	-	---	---	---	--	---
1975	4	---	240	2	A2	120.00
			75	1	A3	75.00
			1,990	88	F2	22.61
			21,375	87	R1	245.69
			18,110	93	Beach	194.73
			11,250	7	Foot Frontage (Water)	1607.14
			1,900	---	Foot Frontage (Water)	---
			8,700	30	Other	290.00
1976	1	---	750	15	F3	50.00
			1,600	40	W1	40.00
			10,050	---	Foot Frontage (Water)	---
			2,000	48	A2	130.00
1977	2	2,000	6,240	27	F2	30.00
			810	148	W1	50.00
			7,400	---	Foot Frontage (Water)	---
			17,050	1	Other	500.00
Total	10	\$6,200	\$203,740	1126	Average	180.94

Table 24




Land Leaked to the Department of the Environment for Wildlife Use,
Lots 38, 39, and 40, 1970 to April 1977

Year	No. of Dispersals	Building Value (\$)	Land Value (\$)	Acreage	Land Type	Average Price Per Acre (\$)
1970	1	---	540	27.0	Other	20.00
1971	1	---	600	20.0	A3	30.00
			19	3.0	F2	6.00
1972	3	---	120	12.0	F1	10.00
			1,570	73.0	W1	21.51
1973	1	---	1,800	30.0	A2	60.00
			70	32.0	F4	2.19
1974	3	---	360	8.0	A3	45.00
			60	12.0	F2	5.00
			3,270	160.0	F3	20.44
			10,409	47.0	R1	221.47
			3,300	3.0	Foot Frontage (Water)	1100.00
1975	--	---	---	---	--	---
1976	6	---	120	1.5	A3	80.00
			2,120	11.5	A5	184.35
			1,198	37.5	F2	31.95
			1,844	59.0	W1	31.25
			5,070	5.4	R1	938.89
			---	4.5	Other	---
			175	---	Other	---
1977	2	---	950	23.0	F2	41.30
			3,000	69.0	W1	43.48
Total	17	---	\$36,595	638.4	Average	57.32



MAP TITLE:
L.D.C. RELEASES 1970 - APRIL 1977
AGRICULTURAL USE

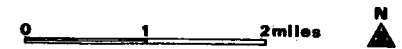
LEGEND:

	For Forestry Use	2598.5 acres
	For Wildlife Use	638.4 acres
	For Tourism Use	1127 acres

NOTES:

SOURCE:
 L.D.C. INVENTORY RECORDS

MARITIME RESOURCE MANAGEMENT SERVICE
 COUNCIL OF MARITIME PREMIERS - AMHERST, N.S.



LAND DEVELOPMENT CORPORATION - PEI
ACTIVITIES AND IMPACT 1970-APRIL 1977

CASE STUDY - LOTS 38,39 AND 40

Land Inventory Program

The rate of turn-over of L.D.C. land is, on the average for lots 38, 39, and 40, just under 16 months. This time period varies according to the general agricultural economy but is also influenced by the type of transaction. For instance, land acquired for government departments by special purchase is normally transferred shortly after completion of the purchase. In lot 40, where most special purchases were made, the average time land was held in inventory was considerably less than in lots 38 or 39. The average number of months which land remained in inventory for lots 38, 39, and 40 was 26.6, 14.2 and 6.8 months respectively. The maximum period for a parcel to remain unreleased was 73 months.

As of April 1977, there were 353.5 acres remaining in inventory for the study area, with a total value of \$41,530. Of this area, 100.5 acres were agricultural land, 218 acres were classed as forestry land, and 32 acres were first class recreation land. There were no buildings remaining in inventory. Table 25 shows the break-down of acres by land type and price/acre.

Table 25
Land in Inventory April 1977

Acreage	Land Type	Average Price per Acre
79.5	Agriculture - Class 2	\$126.63
21.0	Class 3	100.00
164.0	Forestry - Class 2	34.93
54.0	Class 3	54.53
32.0	Recreation - Class 1	345.03
	- Sites	366.66
	- Water Frontage	8,550.00



L.D.C. ACTIVITY 1976 TO 1977

The following discussion provides greater detail for activities carried on during the 1976 to 1977 fiscal year, and complements the information contained within the preceding chapters.

Acquisition of Land

In terms of acreage purchased, 1976 to 1977 was the least active year since the Corporation was established. A total of 12,023 acres was acquired through 153 transactions. By far the greatest number of purchases and acres purchased resulted from regular cash purchases. There were 32 special purchases made, however, through which 2,354.96 acres (19.6 per cent) were acquired. Only one land purchase was made as a result of a cabinet decline to a non-resident. No annuity purchases were completed.

The total value of property acquired in 1976 to 1977 was exceeded only during 1974 to 1975 and 1975 to 1976 even though the acreage purchased was less. The value of all purchases made was \$2,219,080 or an average of \$14,503 per purchase. More specifically, \$1,957,238 was spent on land and \$261,842 on buildings.

Figures 15, 16, and 17 illustrate three facets of purchasing activity on a monthly basis. There is a general decrease in activity between the beginning and end of the fiscal year with the greatest activity occurring during the month of May, and the lowest degree of activity occurring in March. The prominent peak occurring during May can be largely attributed to the purchase of 206 acres of recreation land in lot 24 at a cost of \$275 thousand. December and March experienced low activity. The relative lack of activity during December can be partially explained by the occurrence of Christmas holidays during that month. Also, the number of applications declines during the winter months when land appraisals and travel both become more difficult. Figure 18 shows the acreage purchased by lot. Greatest activity occurred in Kings and Prince counties. If the denominators of the fractional codes are compared, it

can be seen that a greater percentage of land bought in Queens County was cleared than in Kings or Prince counties. This is not surprising as it reflects the land-use pattern.

Land type or capability is an important factor in determining the dispersal of a parcel of land. In 1976 to 1977, 58.4 per cent of land purchased was rated as forestry land. Approximately 30 per cent was considered valuable for agricultural use. The optimum use of 7.1 per cent of land purchased was for recreation while 4.1 per cent was more suitable for wildlife habitat.

The fact that the greatest percentage of land acquired was forestry land indicates that L.D.C. activity is greater in the less productive and less intensively farmed portions of the Island. In regions of higher agricultural productivity where cultivated land forms the major land use type, it seems that normal rural real-estate channels operate more effectively. Table 26 and Figure 19 provide more-detailed information about land type.



FIGURE 15
NUMBER OF PURCHASES - APRIL 1976 - MARCH 1977

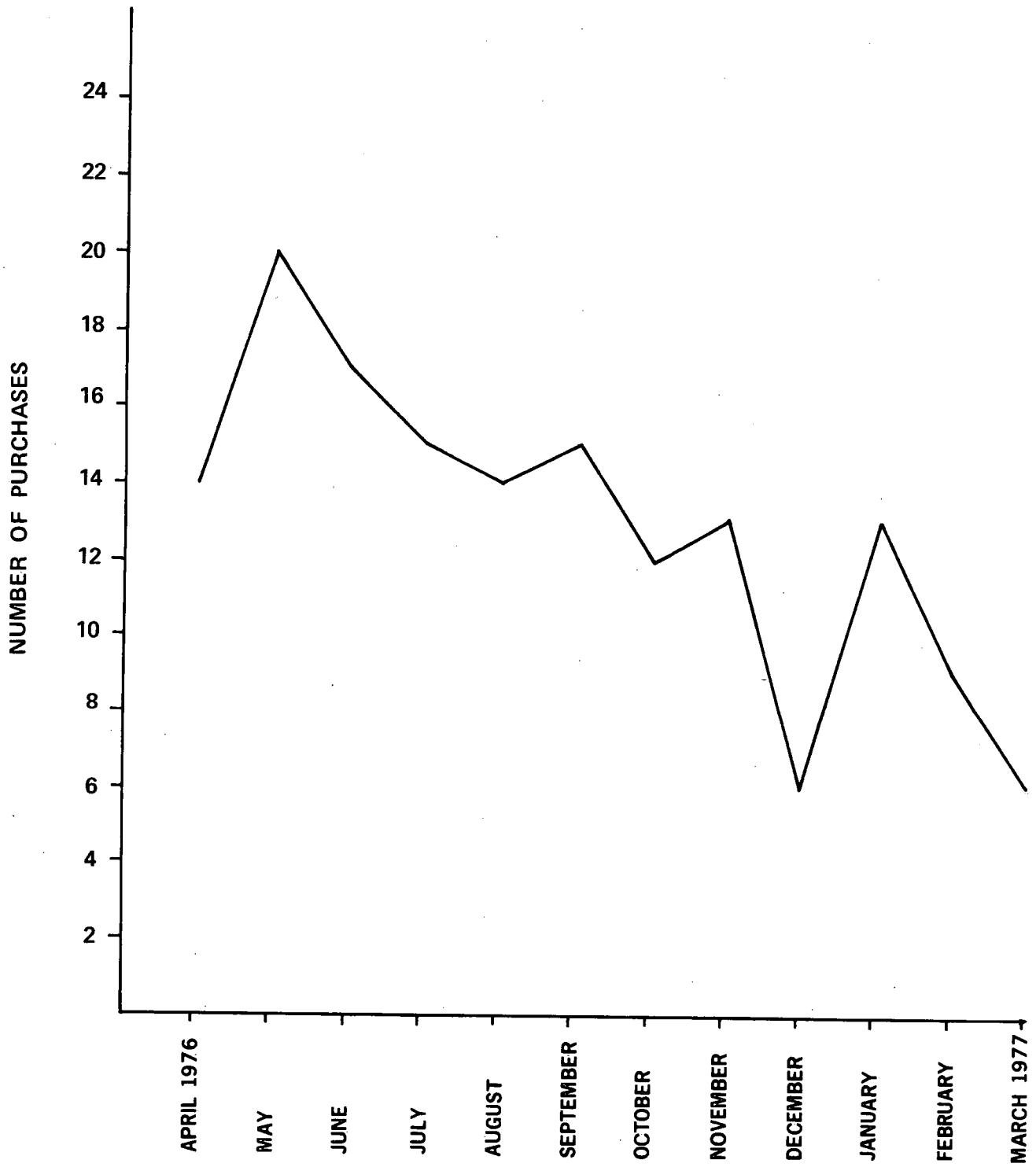


FIGURE 16

TOTAL ACRES PURCHASED - APRIL 1976 - MARCH 1977

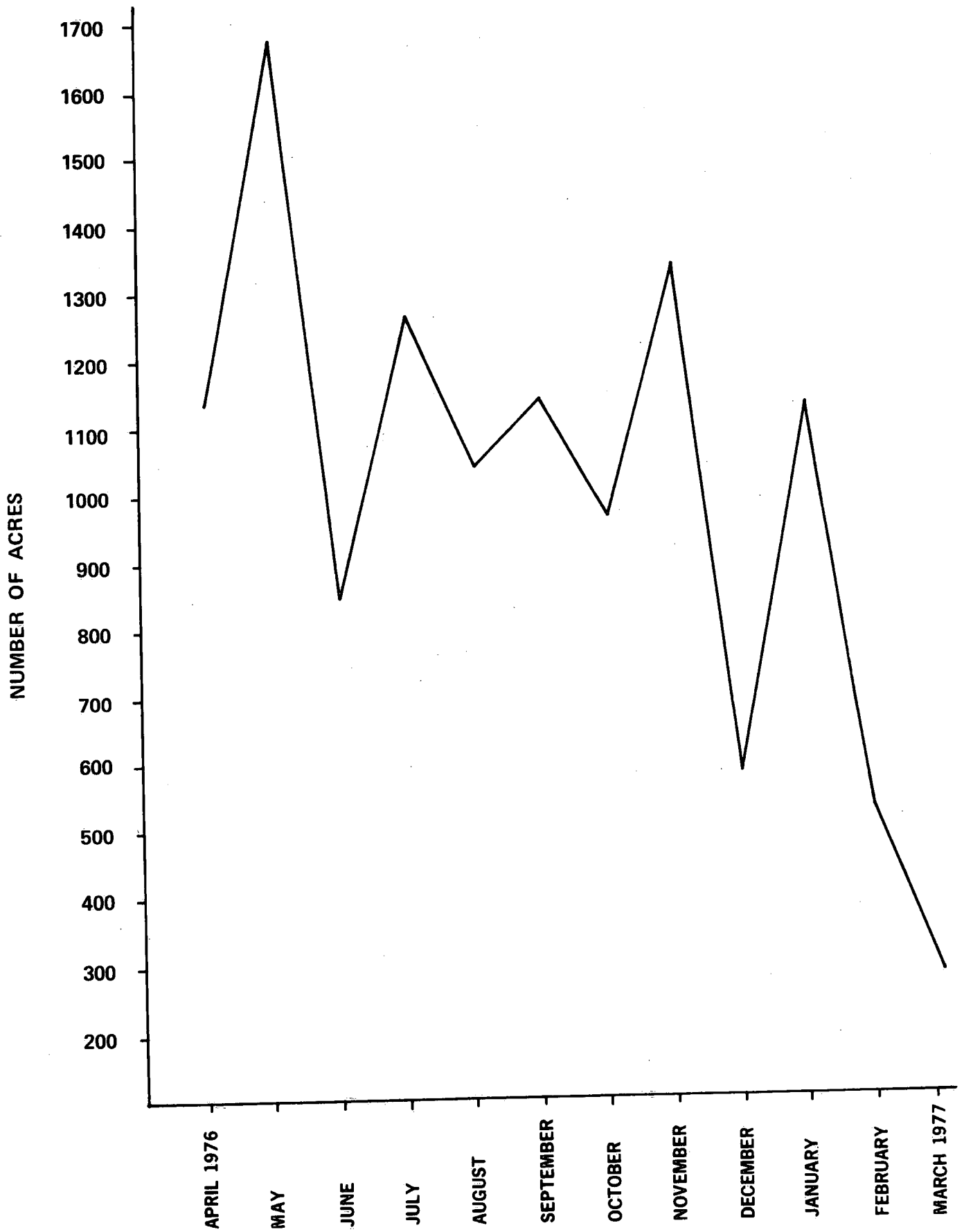


FIGURE 17

VALUE OF ACRES PURCHASED, APRIL 1976 - MARCH 1977

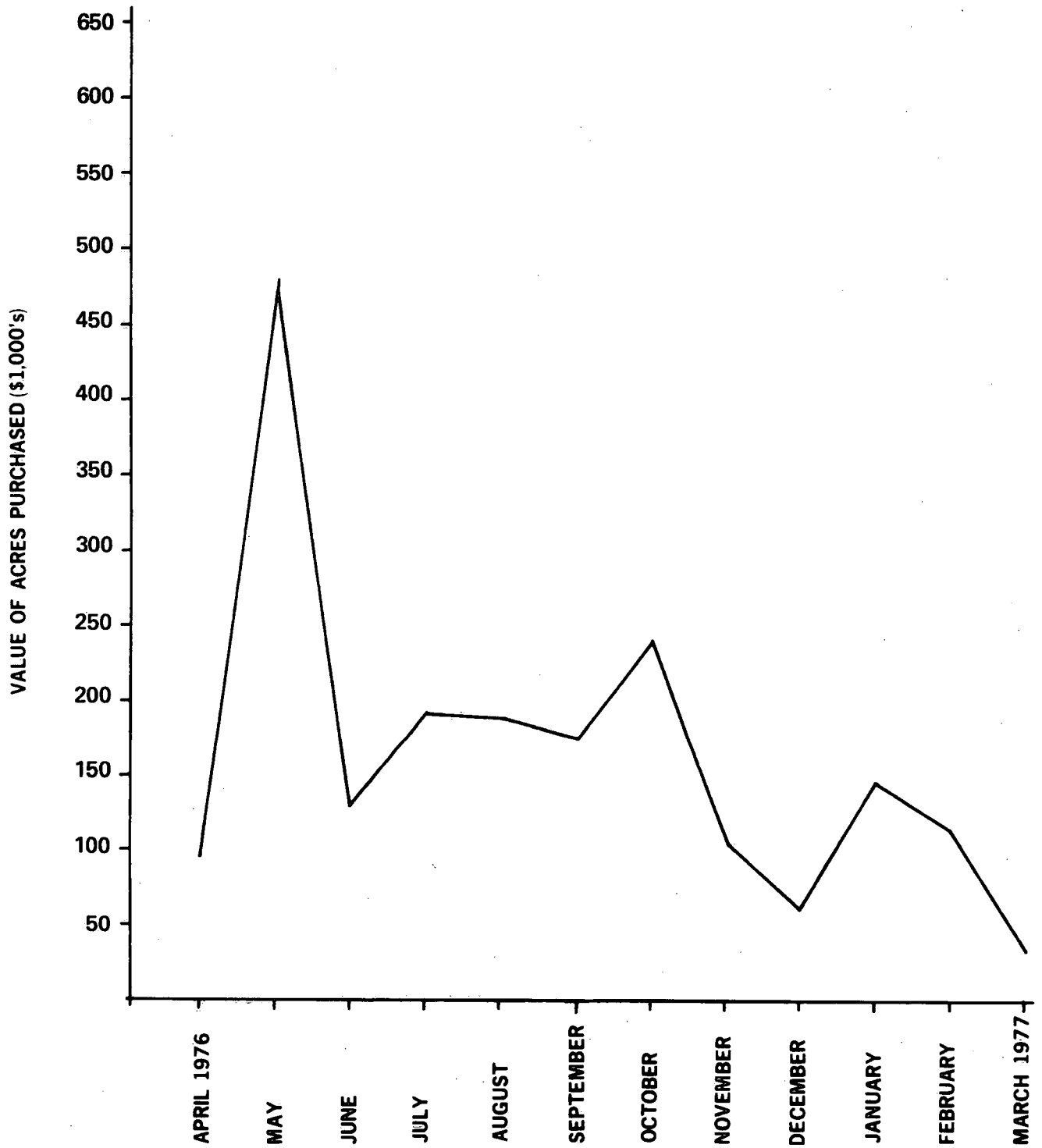




FIGURE 19

NUMBER OF ACRES PURCHASED BY LAND TYPE - APRIL 1976 - MARCH 1977

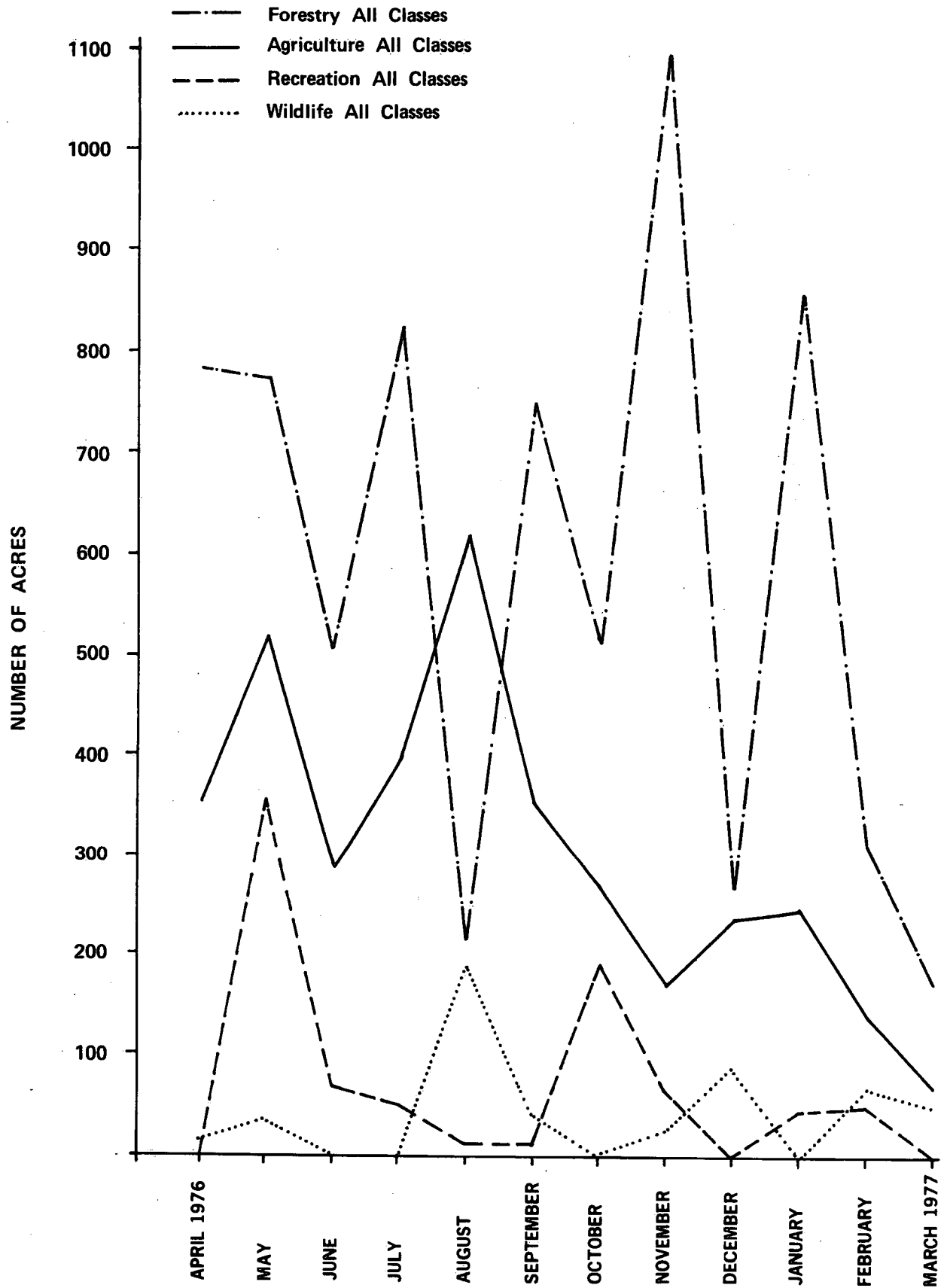


Table 26Land Purchases, April 1976 to March 1977

Type of Purchase	No. of Purchases	Acreage Purchased	% of Total
		(acres)	
Regular	120	9,567.58	79.6
Special	32	2,354.96	19.6
Cabinet Decline	1	100.00	0.8
Total	153	12,022.54	100.0

Type of Land Purchased






Capability	No. of Acres	% of Total
Agriculture	3597	29.9
Forestry	7015	58.4
Wildlife	492	4.1
Recreation	860	7.1
Sites	13	0.1
Other	45	0.4
Total	12,023	100.0

Figures rounded to the nearest acre.

LAND DEVELOPMENT CORPORATION - PEI ACTIVITIES AND IMPACT 1970 - APRIL 1977

MAP TITLE:
ACREAGE PURCHASED BY LOT
1976 - 1977

LEGEND:

-  0
-  1 TO 89
-  90 TO 179
-  180 TO 269
-  270 & OVER

0-0-0 REGULAR - SPECIAL - CABINET DECLINE % OF ACRES
0-0 CLEARED - OTHER % OF ACRES

SOURCE:

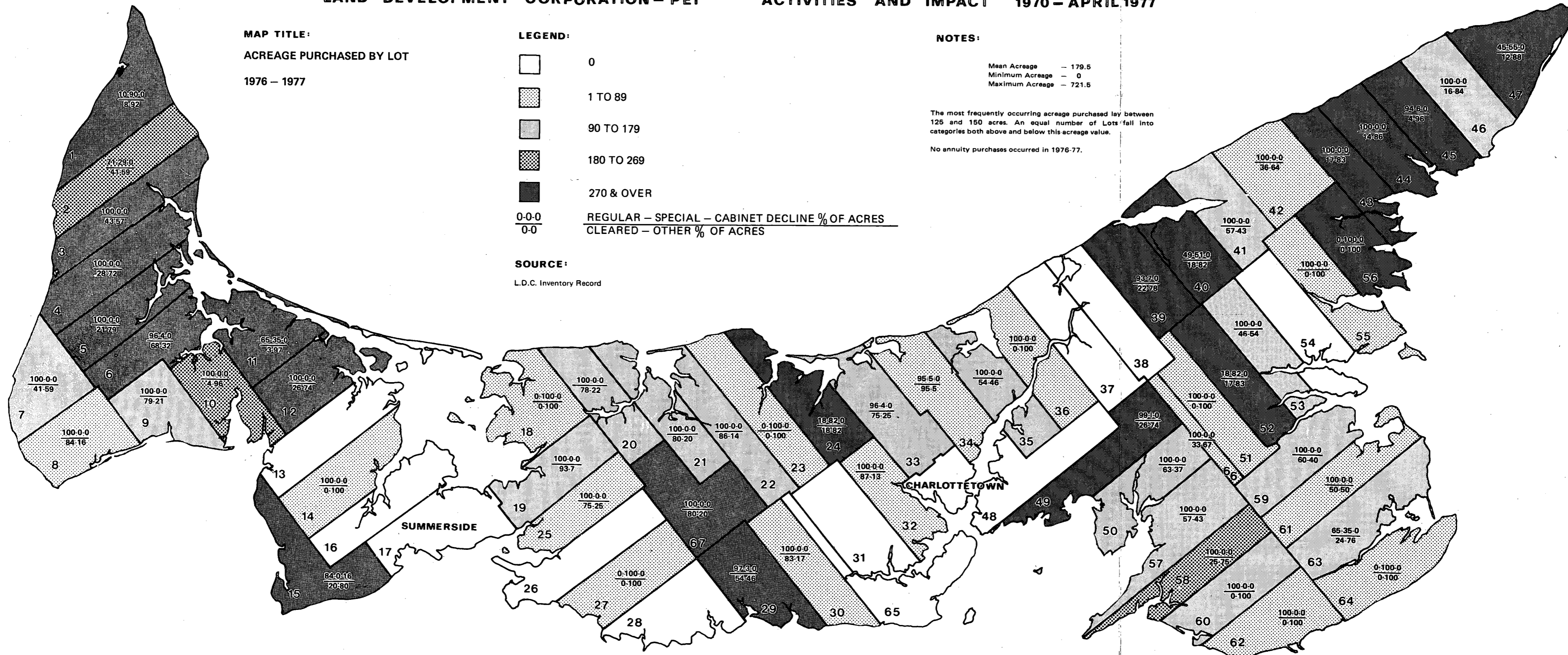
L.D.C. Inventory Record

NOTES:

Mean Acreage - 179.5
Minimum Acreage - 0
Maximum Acreage - 721.5

The most frequently occurring acreage purchased lay between 125 and 150 acres. An equal number of Lots fall into categories both above and below this acreage value.

No annuity purchases occurred in 1976-77.



0 5 10 miles



The types of sellers have been categorized for L.D.C. purposes as 1) set up, 2) retiring, 3) eligible for annuity, 4) marginal phase out, 5) changing operation, 6) continuing financial, 7) non-farmer resident, and 8) non-resident. Of the properties acquired in 1976 to 1977, almost one-half were bought from non-farmer residents. The second most frequently occurring type was set-up. This refers to those sales made in which the release is pre-arranged and is a verbally agreed upon condition of sale. An example of this would be when landowner A agrees to sell to the L.D.C. if the land will be released to farmer B. The former use of land owned by non-farmer residents was largely classified as uncultivated and idle. In contrast, land sold under set-up conditions was cultivated and active. Two other types of seller are worthy of mention. These are retiring farmers and marginal phase-out operators. The latter differs from the former in that the owner need not be of retirement age and his operation is generally not economically viable. Most often a portion of a farm or a block of land was sold to the L.D.C. Relatively few complete farm units were purchased.

Dispersal of Land for Agricultural Use

As one of the primary aims of the L.D.C. is to make available to farmers land of good agricultural capability at a fair market value, it is not surprising that of all land released during 1976 to 1977 almost 50 per cent was either leased or sold to farmers.

Of the 9491.4 acres so released, 4110.9 acres were leased and 5380.5 acres were sold. Table 27 shows the type of release by number, acreage, and value. The total value of all land released was \$1,088,839. Buildings released were valued at \$532,385.

The temporal distribution of activity is similar to that for purchases in that the greatest activity occurs during the early part of the fiscal year. A secondary peak also occurs, however, in March, the last month of the year. Figures 20 and 21 clearly show these trends throughout the year. Figure 22 illustrates the distribution of acreage released by lot and by type of release.

Table 27
Dispersal of Land for Agricultural Use, April 1976 to March 1977

Type of Release	# of Releases	Acreage		Value of Land		\$/Acre	
		Cleared (acres)	Other (acres)	Cleared \$	Other \$	Cleared \$	Other \$
Lease	65	1983.1	1127.8	485,288	57,546	162.68	51.03
Cash Sale	41	2090.5	727.5	220,095	21,452	105.28	29.49
Agreement of Sale	27	1531.5	775.0	260,230	17,038	169.92	21.98
Mortgage Sale	4	233.5	22.5	26,125	1,065	111.88	47.33
Total	137	6838.5	2652.8	991,738	97,101	145.02	36.60

FIGURE 20

NUMBER OF DISPERSALS FOR AGRICULTURAL USE - 1967 - 77

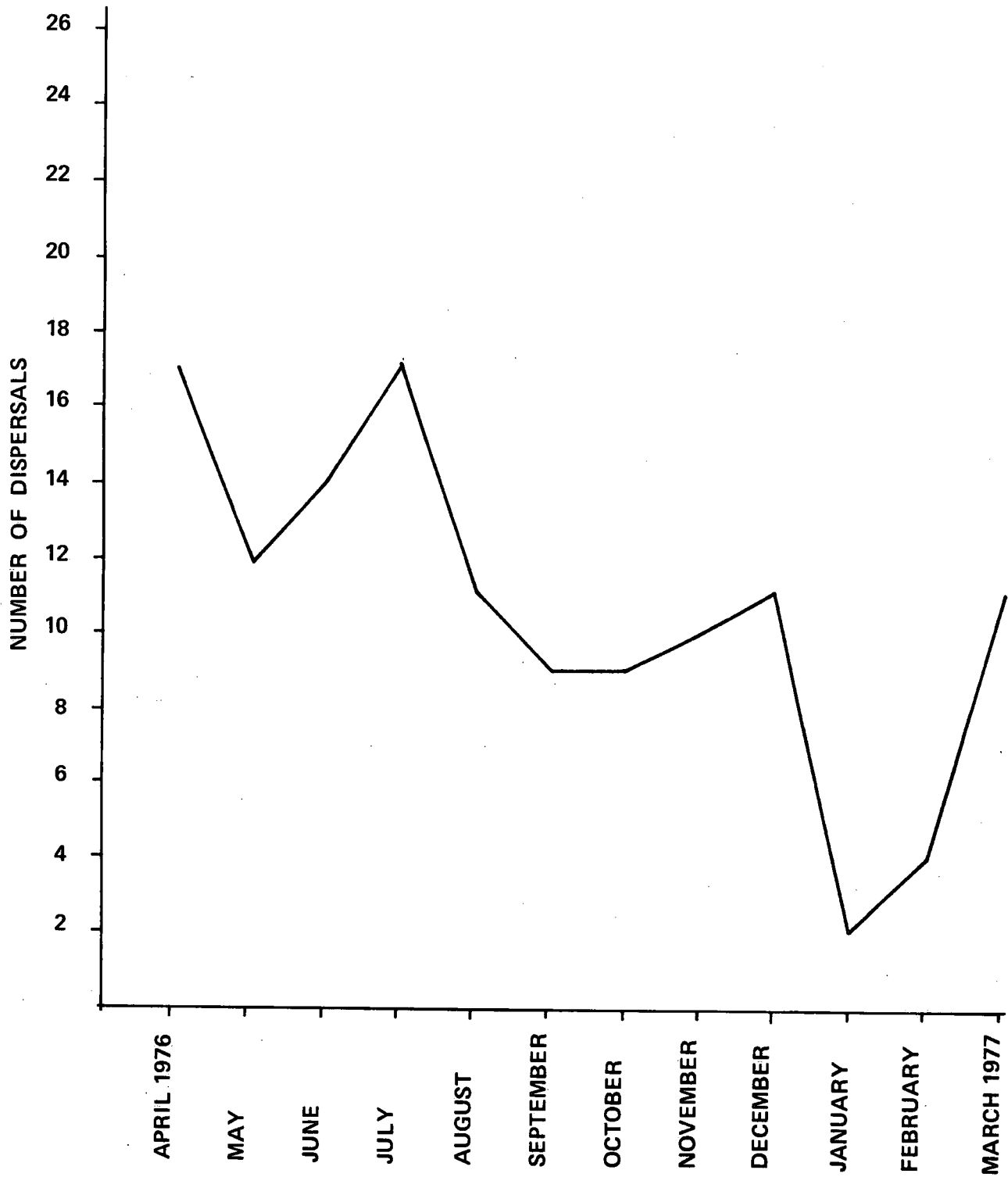
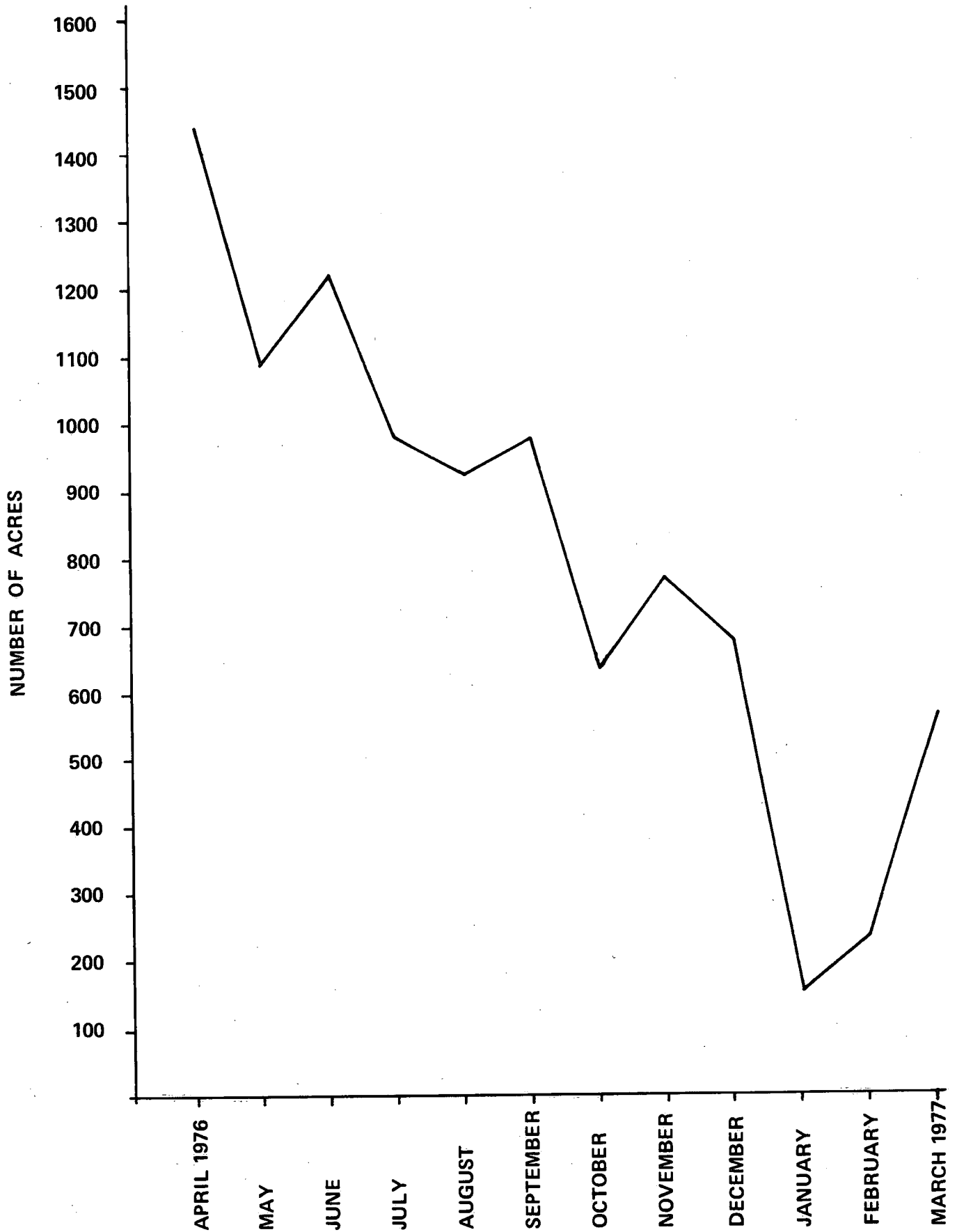







FIGURE 21

ACREAGE DISPERSED FOR AGRICULTURE USE - 1976-77



LAND DEVELOPMENT CORPORATION - PEI ACTIVITIES AND IMPACT 1970 - APRIL 1977

MAP TITLE:
ACREAGE DISPERSED FOR
AGRICULTURAL USE
1976-1977

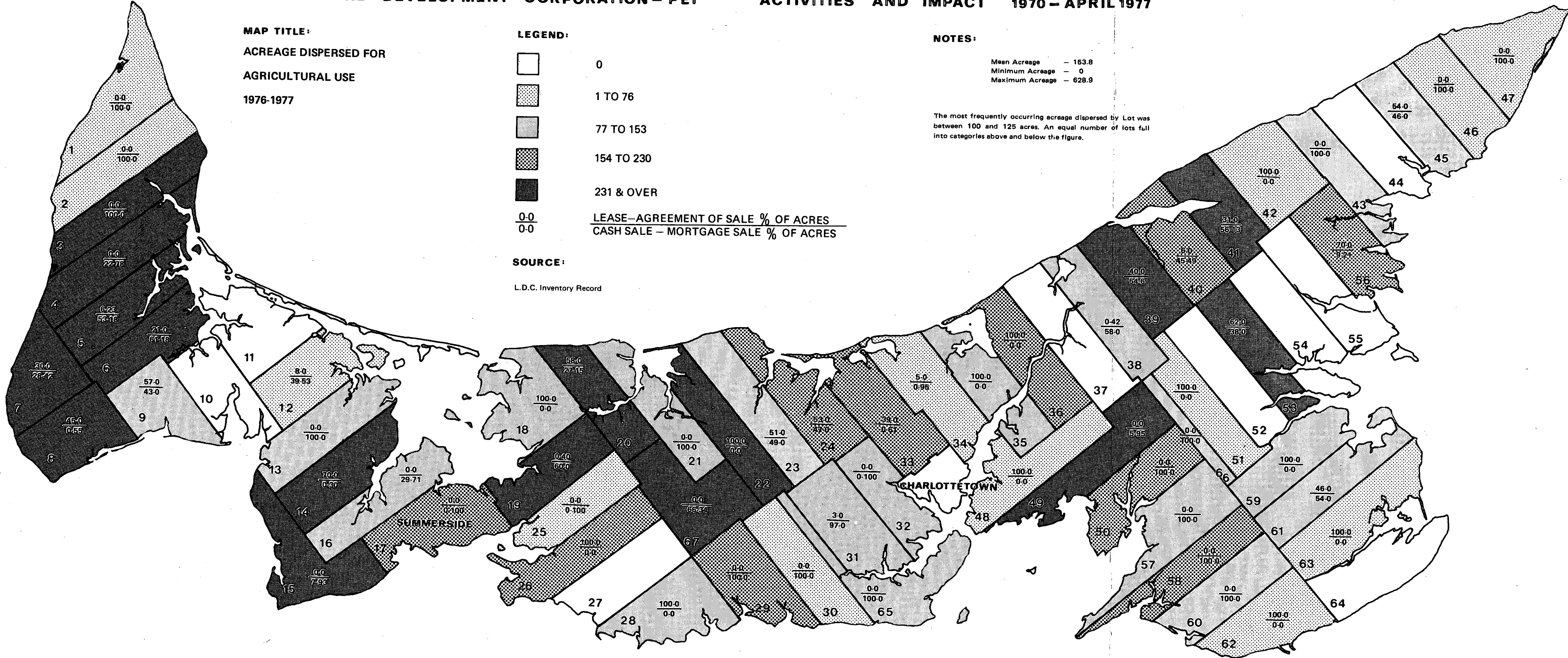
- LEGEND:**
-  0
 -  1 TO 76
 -  77 TO 153
 -  154 TO 230
 -  231 & OVER

$\frac{0.0}{0.0}$ LEASE-AGREEMENT OF SALE % OF ACRES
 $\frac{0.0}{0.0}$ CASH SALE - MORTGAGE SALE % OF ACRES

SOURCE:
 L.D.C. Inventory Record

NOTES:
 Mean Acreage - 153.8
 Minimum Acreage - 0
 Maximum Acreage - 628.9

The most frequently occurring acreage dispersed by Lot was between 100 and 125 acres. An equal number of lots fall into categories above and below the figure.



0 5 10 miles



From the regular release statistics maintained by the Corporation in recent years, several general statements may be made regarding the type of farmer who leased or bought land from the L.D.C. during 1976 to 1977. Of the farmers acquiring land approximately 74 per cent were considered established in their operations, 20 per cent were establishing, and 6 per cent were new farmers. Significant types of enterprises operated by these farmers were dairy, beef, potatoes, and hogs.

Community Pasture Program

During 1976 to 1977, 1473 acres were leased to the Community Pasture Program of which 861 acres were in lot 29, 42 acres were in lot 38, and 25 acres were in lot 39. There were 928 cleared acres included in the area leased, of which 615 acres were classified as A2, 299 acres as A3, and 14 acres as A4 lands. Of forested land, 533 acres were classified as F2 and 12 acres as F3. By month, 929 acres were released in June, 250 acres in January and 294 acres in March. The total value of land and buildings released was \$208 thousand.

Development costs for the year were \$161,287.28, with most work being conducted in Kelly's Cross, Head of Hillsborough, and Wellington Community pastures. The income earned from fees was \$32,864.

As of April 1977, nine pastures contained 6357 acres of which 4007 acres were cleared and 3263 acres were developed. Table 28 provides a breakdown of these figures by pasture. During the 1976 grazing season, 68 farmers grazed 1711 cattle. The average daily rate of weight gain for the year was 1.9 pounds.

Table 28
Community Pasture Acreage, April 1977

Pasture	Total Acreage (acres)	Clear Acreage (acres)	Developed Acreage (acres)
Northam	621.5	327	200
Poplar Grove	1020.0	542	450
Ellerslie	1590.0	963	800
Richmond	133.0	125	101
Urbainville	303.5	245	245
Wellington	485.0	335	83
Tyne Valley	185.0	180	175
Head of Hillsborough	657.0	429	429
Kelly's Cross	<u>1362.0</u>	<u>861</u>	<u>780</u>
Total	6357.0	4007	3263

Source: Community Pasture File - L.D.C.

Land Leakage Program

Through the release of land poorly suited to agriculture to appropriate provincial departments, sound land-use management has been enhanced within P.E.I. While an increase in publicly owned land was not one of the initial primary objectives of the Corporation, over the years a substantial acreage has come under public ownership and management to the benefit of residents and visitors to the Island.

In 1976 to 1977, slightly less than one-half of the land released was leaked to the divisions of Forestry, Fish and Wildlife, and Tourism and to community pastures. Of the total 8887.9 acres, 1132 acres were cleared and 7755.9 acres were forested or otherwise used. As land leaked to the Community Pasture Program is dealt with separately, the 1473 acres transferred to that program will not be considered in subsequent

calculations pertaining to the leakage program.

By far the greatest percentage of leaked land was released to the Forestry Division. The value of land was greatest, however, for land transferred to the Department of Tourism, Parks, and Conservation. Table 29 shows the acreages and value of land transferred to the Province by department. The area of land acquired as special purchases which was released in 1976 to 1977 totalled 2084.3 acres. Of this 48 acres were cleared and 2036.3 acres were classed as other or wooded land. The three departments received almost equal proportions of land so acquired even though most requests were made by the Department of Tourism.

Table 29

Land Leakage to Provincial Departments, 1976 to 1977

Department	Acres Leaked		Land	Bldg.	No. of Transactions
	Cleared	Other	Value	Value	
			\$	\$	
Forestry Div.	119	5433.7	194,728	330	68
Fish & Wildlife	0	1044.8	104,073	---	11
Tourism, Parks & Conservation	85	732.4	310,036	20,500	19
Total	204	7210.9	\$608,837	\$20,830	98

The Land Leakage Committee, referred to in Chapter 2, which meets several times a year gives formal approval to the release of land to different departments. Activity is greatest after such meetings. Table 30 indicates the number and acreage of leakages by month.

Table 30Number and Acreage of Leakages by Month, 1976 to 1977

Month	No. of Dispersals	Acreage Leaked (acres)	Department
July	20	1335.0	Forestry
	1	34.0	Wildlife
	1	6.0	Tourism
September	1	15.0	Tourism
October	12	754.5	Forestry
	2	20.0	Wildlife
January	17	2668.8	Forestry
	1	69.8	Wildlife
	2	71.0	Tourism
March	19	1674.5	Forestry
	7	921.0	Wildlife
	15	724.9	Tourism

P.E.I. National Park Land Acquisition

In 1976 to 1977, the Corporation, as an agent for the Province, continued to purchase land for Parks Canada. A total of 390.4 acres were acquired in lots 23, 24, 33, and 34 for a sum of \$586 thousand. An additional \$58 thousand were spent for buildings.

Of the land purchased, 312.4 acres were rated as R1 land, 25 acres as S1 (site), and 53 acres were BB (beach back-up). No land was cultivated.

Table 31 shows purchases by lot, land type, acreage, and value.

Table 31

National Park Purchases, 1976 to 1977

Lot	Land Type	Acreage	Land Value	Average \$/Acre	Bldg. Value
		(acres)	\$	\$	\$
23	R1	1.6	11,500	\$7,188	
	S1	1.0	4,500	4,500	
24	R1	304.4	446,000	1,465	5,000
	S1	24.0	30,000	1,250	
	BB	53.0	70,000	1,320	
33	R1	4.0	10,500	2,625	39,500
34	R1	2.5	13,500	5,400	13,500

While land leased to surrounding farmers is not considered as being released and hence appears as being held in inventory, it should be mentioned that 333.8 acres of the land purchased in 1976 to 1977 were leased for a three-year period. None of the acreage purchased in 1976 to 1977 was sold to Parks Canada during the same fiscal year.

Land purchased before 1976 to 1977 but released during that year totalled 804.5 acres and was valued at \$1,247,250. The average price per acre is calculated to be \$1,550.35. Building purchases totalled \$218,050.

As in the cost of land purchased during 1976 to 1977, none of the released acreage was cultivated. All but 3.8 acres were designated as R1 land. Released land is shown in Table 32 by lot, land type, acreage, and value.

Table 32Cash Sales to Parks Canada, 1976 to 1977

Lot	Land Type	Acreage	Land Value	Building Value	Average Months in Inventory
		(acres)	\$	\$	
22	R1	628.9	\$729,260	\$15,050	32
23	R1	51.7	313,500	130,000	25
	S1	0.5			
24	R1	95.0	80,000	---	32
33	R1	10.6	84,500	---	21
	S1	3.3			
34	R1	14.5	40,000	73,000	23
Total		800.7	\$1,247,260	\$218,050	26

Most of the acreage was released during July with lesser amounts being released in September and November. The amounts for these three months were 765.9, 11.6, and 27.0 acres respectively.

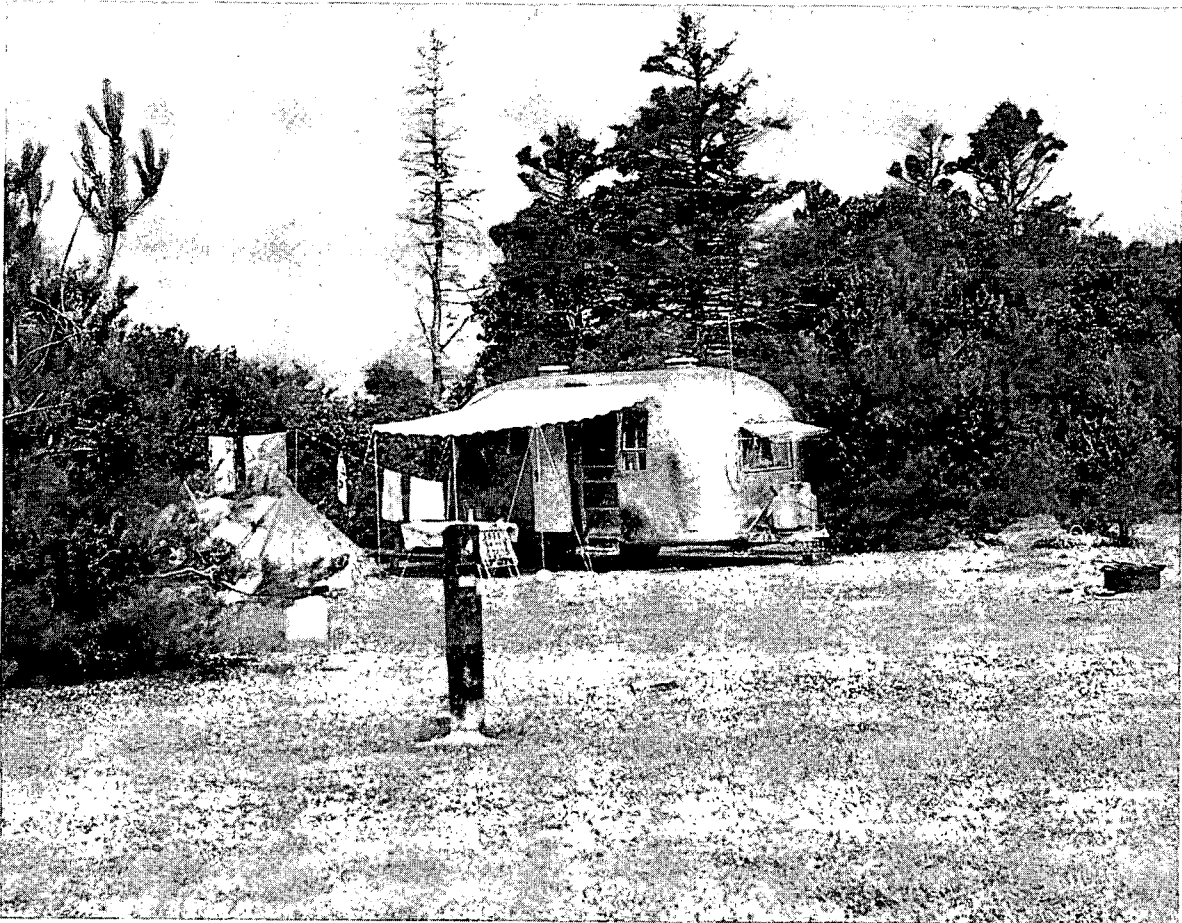
Land in Inventory

As of April 30, 1977, the total acreage held in inventory was 9930.70 acres of which 4844.75 were cleared land and 5085.95 acres were wooded or classified otherwise. The value of this land was \$1,962,210. In addition, \$230,523 was invested in buildings which had not been released.

Of the 12,023 acres purchased during 1976 to 1977, 2877.1 acres had not been released by the end of the fiscal year. This figure includes the acreage purchased for Parks Canada and subsequently leased to farmers. Most of the land remaining in inventory was acquired by regular cash purchase. Only 479 acres or 16.6 per cent were special request purchases for Parks Canada or the provincial departments.

Cleared land suitable for agriculture comprised 1309.5 acres. Of the remaining land, 1106.2 acres were classed as forestry land; 401.5 acres were appraised as recreation land, 49 acres was for wildlife habitat, and the classification of 10.9 acres was not specified.

In addition to the land remaining in inventory, buildings purchased during 1976 to 1977 but not released were valued at \$112,100.





SUMMARY AND CONCLUSIONS

It is to fulfill the objectives of the Land Development Corporation, that a number of major program areas have been developed. Briefly, they are the Land Acquisition Program, the Land Disposal Program for agricultural land, the Community Pasture Program, the Land Leakage Program, the P.E.I. National Park Land Acquisition Program, and the Land Inventory Program.

The agricultural industry has benefitted directly and indirectly from at least four of the programs. The Land Acquisition Program enables retiring farmers and those with economically marginal units to sell their land when they wish and assured of a fair market value. Small portions of land of little value to the farmer are also purchased. The capital obtained from such sales may then be used to improve productivity on the remaining land. Because the land purchasing role of the L.D.C. is less dependent upon fluctuating prices of agricultural products than that of the normal market for agricultural land, it exerts a measure of stability to land sales. To the end of the 1976 to 1977 fiscal year, the L.D.C. had made 1258 purchases equalling 116,196 acres for a total value of \$12,701,908.

Land is made available to farmers through the Land Dispersal Program. The L.D.C. leases or sells only land of good agricultural capability to farmers. Approximately 300 land sales were made by the end of March 1977 involving just over 20 thousand acres. Leases, in comparison, totalled 500 and included 35 thousand acres. Land which is better suited to non-agricultural uses, or which will require higher inputs for development than can be expended by an individual, is leaked to the Community Pasture Program or to provincial departments to be managed as forestry land, wildlife habitat, or for outdoor recreation.

Financial assistance for improvements is given to farmers who lease land which has been out of production for three or more years. In this way farmers are encouraged to bring idle land with capability for agricultural production back into production and to utilize all available land resources to their optimum.

One of the factors considered in the sale of agricultural land is the proximity of the property under consideration to other land owned by the farmer. By giving preference to farmers who will not have to travel long distances between fields, the general economic efficiency within the agricultural sector will be improved. Admittedly, this is a slow process but, over a sufficient number of years, continued adherence to the policy will yield perceptible benefits.

A second and perhaps more easily recognized change fostered by the dispersal program relates to farm size and scale of operation. An increasing number of farmers are taking advantage of five-year leases with the option to purchase. By leasing property the operator can effectively increase farm size and production for a minimal capital outlay. Meanwhile he can utilize his operating capital to improve production techniques. When the decision is made to purchase land, the Corporation's policy of selling land at fair market value assures the farmer of reasonable costs during periods marked by high inflation rates.

The Community Pasture Program has not only enabled marginal agricultural land and land requiring large initial development costs to be effectively utilized, but also has permitted many of the patrons to diversify production and to make more complete use of their own land resources.

Between 1973 to 1974 and 1976 to 1977, the acreage included within pastures increased from 2242 to 5630 acres. The increased area allowed the number of cattle grazed to increase from 400 to 1771 head owned by 68 patrons. The high demand for use of such pastures provides evidence of their success and of the benefits offered to the agricultural sector.

The Corporation provides credit to farmers who require such assistance when purchasing land from the L.D.C. Since its establishment, 61 mortgage sales and 58 agreements of sale have been completed.

The fourth program which directly benefits the farm population is the Land Inventory Program. By acting as a stable alternative market during periods of depressed sales, land owners wishing to sell land need not wait for the market to improve to be assured of a reasonable price. This land may then be held in inventory until such time as the market improves and farmers are better able to expand operations.

Prior to the establishment of the L.D.C. the province lacked an effective public land-acquisition program. By including the acquisition of land for leakage to provincial departments as an objective of the Corporation, this situation was largely remedied. In addition to special purchases resulting from requests made by provincial departments, the area of public land has increased significantly by the leakage of land unsuitable for agricultural use. The Forestry Division of the Department of Agriculture and Forestry manages the largest acreage; the Fish and Wildlife Division, Department of the Environment and the Department of Tourism, Parks and Conservation have also received the management rights to a significant amount of land. In total 39,931.5 acres have been leaked to Forestry, 6800.2 acres to Wildlife, and 5551.6 acres to Tourism. The management of the Island's land resources now more closely

reflects the inherent natural capabilities, with the added benefit that sufficient public land is available to meet increasing demands for open space and outdoor recreation.

Since 1974, the Corporation has acted as a land purchaser for the P.E.I. National Park. This program has facilitated the acquisition of land for the National Park and at the same time has enabled the Province to remain in close contact with local residents. By the end of 1976 to 1977, 861 acres had been transferred to Parks Canada.

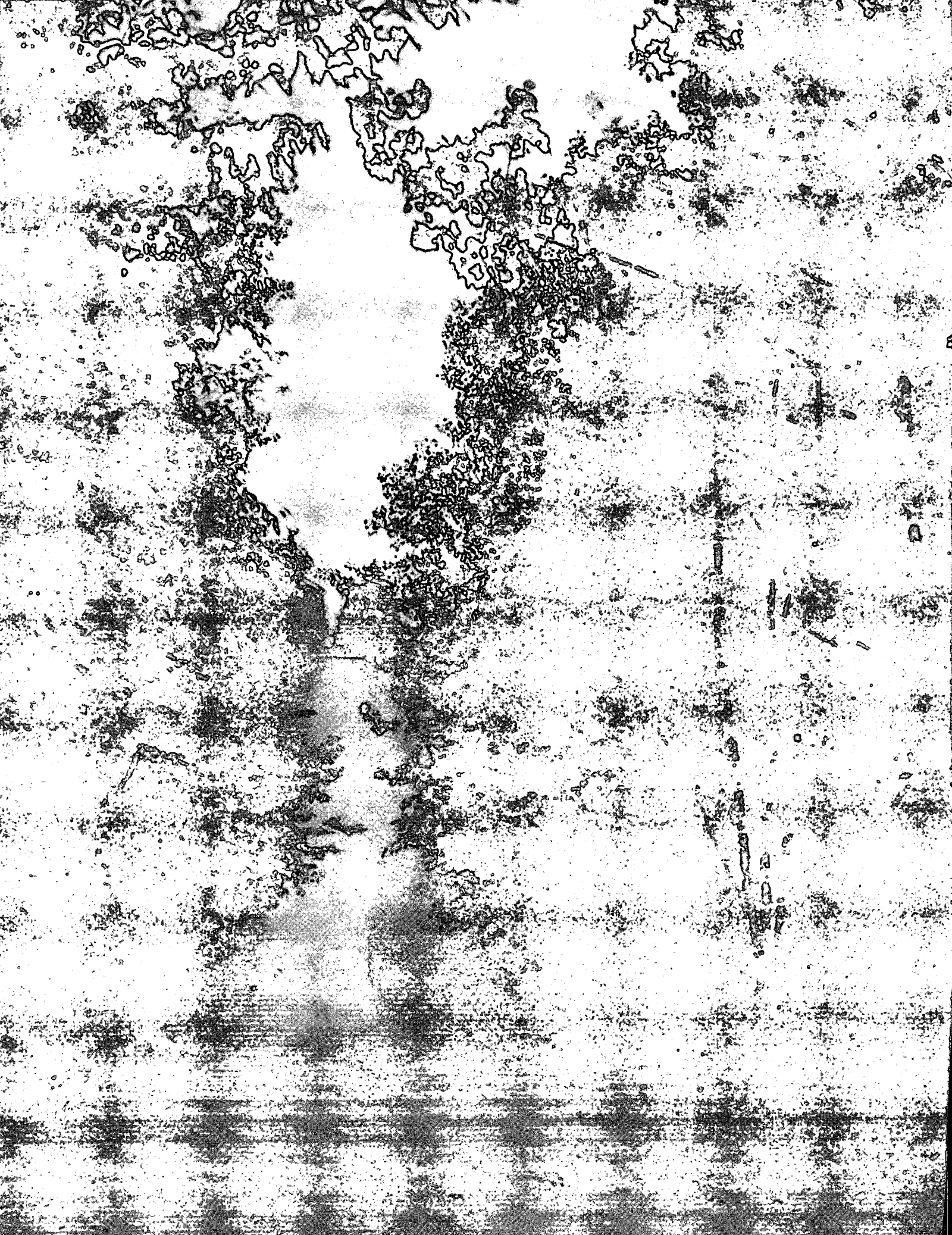
In conclusion, the activities and programs of the Land Development Corporation have assisted the agricultural sector of the population and the agricultural economy by:

- (1) enabling young farmers with a low equity position to acquire a land base necessary to commence farming or to branch out from the family farm;
- (2) enabling those wishing to retire or leave the business to sell land at a convenient time and at fair market value;
- (3) acquiring land to be held in inventory during periods when supply exceeds demand and subsequently offered to farmers when markets improve;
- (4) offering expanding and successful farmers land under lease; and
- (5) assuring the farmers through the five-year lease that they will not have to pay excessive land prices during periods of inflation.

The Land Leakage Program has provided the means by which provincial departments can acquire management rights over lands for use by the public, and by which land use and management can more closely reflect the capability of the land resource base of the Island.

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APPENDIX A

**THE LAND DEVELOPMENT CORPORATION ACT
AND REGULATIONS WITH AMENDMENTS**

LAWS OF PRINCE EDWARD ISLAND

The Land Development Corporation Act

REGULATIONS



Charlottetown :
G. William K. Auld, Queen's Printer
1972

**THE LAND DEVELOPMENT CORPORATION ACT
REGULATIONS**

(Approved by His Honour the Lieutenant-Governor-in-Council on the 23rd day of August, 1972.)

The Regulations made by His Honour the Lieutenant-Governor-in-Council on the 18th day of February, 1970 under authority of Section 15 of The Land Development Corporation Act (18 Eliz. II, Cap. 40), and as amended on the 25th day of February, 1970 and the 8th day of April, 1970, are hereby rescinded and the following substituted therefor:

1. In these Regulations, unless the context otherwise requires,
 - (1) "Act" means An Act to Establish the Prince Edward Island Land Development Corporation;
 - (2) "Applicant" means a person who is making a request of the Corporation under the relevant parts of these Regulations;
 - (3) "Corporation" means the Land Development Corporation;
 - (4) "Economic Income" is defined as that income, including non-farm income, that shall,
 - (a) pay the cost of operation and maintenance of the farm unit, including non-cash items as depreciation and changes in inventory;
 - (b) pay the Corporation its dues;
 - (c) provide a livelihood for the applicant and family; and
 - (d) meet any other liabilities of the applicant as they become due;
 - (5) "Economic Unit" is defined as an economic income derived solely from farming farm land;
 - (6) "Farmer" means a person who is engaged or is shortly to be engaged in the operation and management of a farm and whose principal occupation is or will be considered farming by the Corporation. It includes a partnership or incorporated company or producer-cooperative when its chief objective is agricultural production;
 - (7) "Farming" or "Farm Business" is defined as all tillage of the soil as well as livestock raising, bee keeping, poultry raising, dairying, fruit growing, woodlot management and fur farming;
 - (8) "Farm Land" is defined as that land which has been farmed, is

being farmed, or may be farmed, and may or may not include buildings whether attached thereto or not, and other improvements thereon;

(9) "Incorporated Company" means a company incorporated under the Companies Act, R.S.P.E.I. 1951, Chapter 26, or by the Legislative Assembly of the Province of Prince Edward Island;

(10) "Annuitant" means a person who has conveyed his land to the Corporation in consideration of an Annuity;

(11) "Producer-Co-operative" means a Co-operative under The Co-operative Associations Act, R.S.P.E.I. 1951, Chapter 32;

(12) "Vendor" means a person who has signed an agreement to sell lands to the Corporation and may also be a person who has sold land to the Corporation.

PART I

SALE OF LAND TO THE CORPORATION

2. (1) The Corporation may purchase farm land when an applicant wishing to sell completes a form prescribed by the Corporation which shall be signed by the applicant and, if married, by the spouse, unless the Corporation otherwise directs.

(2) Every application by a partnership shall be signed by the partners, and their spouses where applicable, or authorized agent, and, similarly, any application from an incorporated company shall be signed by the Directors or authorized agent.

(3) The Corporation may initiate the purchase of land and buildings without an application, but shall have an appraisal completed on the property so as to determine its true and fair market value.

(4) Upon receipt of a completed application with the required documents and fee, the Corporation shall request an appraisal to be conducted, in a manner approved by the Corporation, to determine the market value of the farm land.

(5) The Corporation shall consider the appraisal report, decide on a value, and then may offer to purchase the farm land on a specified form, which shall state that the written offer shall be accepted in writing and returned to the Corporation within thirty (30) days of the date of the mailing of the offer, otherwise the offer shall lapse and be null and void.

(6) Farm lands offered to the Corporation which are, in the opinion of the Corporation, capable of being an economic unit shall not be purchased by the Corporation until the farm land has been advertised on the open market for at least one hundred and eighty (180) days at a price which the

Corporation considers a fair market value. However, in cases of special circumstance, the Corporation may waive this requirement and proceed with an application.

(7) The farm land shall be purchased as a unit. However, in cases of special circumstances, the Corporation may waive this requirement and proceed with an application.

(8) A survey of farm lands offered for purchase to the Corporation may be conducted to determine the exact boundaries, acreage and geographical location of said land and the cost thereof may be borne by the Corporation.

PART II

ANNUITY PROGRAM

3. (1) As an alternative to a cash purchase, the Corporation may purchase farm land that is offered in consideration of an Annuity agreement, if the applicant qualifies under Section 9 of the Act and releases all his farm lands to the Corporation and signs an Annuity agreement with the Corporation.

(2) An applicant for an Annuity shall complete a prescribed form of the Corporation and, if married, his spouse shall sign the application, unless the Corporation otherwise specifies.

(3) The Corporation shall request an appraisal of the farm land of the applicant, and shall consider the appraisal report and decide on a value of the farm land offered to the Corporation.

(4) The purchase price under the Annuity settlement shall be paid to the applicant in the form of an annuity by way of regular monthly payments from the Corporation.

(5) Partnerships and incorporated companies shall not be eligible for the Annuity.

(6) An applicant, to be eligible, shall be domiciled in the Province of Prince Edward Island and shall have farm land valued at Two thousand five hundred Dollars (\$2,500.00) or more, as determined by the Corporation, and also shall have good title to fifty (50) acres of farm land or more in his own name, the acreage to be determined by the Corporation.

(7) Where an Annuitant has been granted a life lease in the dwelling house situate on farm lands offered to the Corporation as provided in subsection (6) of Section 9 of the Act, the Corporation may execute a lease for the life estate of the Annuitant and the Annuitant and his spouse shall be required to countersign said lease for the life interest, the said lease shall be on a form prescribed by the Corporation.

(8) The lease for the life lease shall contain covenants, inter alia, that the lessee shall,

- (a) pay yearly on demand a rent of One Dollar (\$1.00)
- (b) pay all rates, taxes and assessments charged upon the demised premises;
- (c) repair and maintain the demised premises at his own expense;
- (d) not hold the Corporation liable for any damage that may occur on the demised premises;
- (e) allow the Corporation by its servants or agents at all reasonable times to enter the demised premises to examine the condition and state of repair thereof;
- (f) not make major permanent improvements to the demised premises without first obtaining written consent of the Corporation;
- (g) give notice in writing to the Corporation before vacating the demised premises;
- (h) allow the Corporation by its servants or agents to enter upon the demised premises and take possession thereof and terminate the lease if there be default, breach or non-observance by the lessee of any covenant of the lease or of any applicable term of the Act.

(9) When a married Annuitant becomes a widower or widow, he shall have the choice of:

- (a) receiving an Annuity at the rate established for a single person, as set out in paragraphs (ii) and (iii) of subsection (2) of Section 9 of the Act, to the termination of the agreement; or
- (b) receive the balance of the equity of the farm land in a cash settlement; and
- (c) "Equity", for the purposes of this subsection and subsection (10), shall mean the net value of the farm land conveyed to the Corporation when the Annuity commenced, plus simple annual interest at the rate of the cost of money to the Corporation applied to that net value at each subsequent anniversary date of the agreement until death of the Annuitant, less any payments made under the Annuity agreement.

(10) When a single Annuitant dies, or when the Annuitant is married and both husband and wife die, the Executor or Administrator of the estate shall receive the balance of the equity of the farm land in a cash settlement.

(11) A survey of farm lands offered to the Corporation in consideration of an Annuity may be conducted to determine the exact boundaries, acreage and geographical location of said land and the cost thereof may be borne by the Corporation.

PART III

IMPROVEMENTS TO LAND

4. (1) The Corporation may make improvements to farm land for which it has title, if the improvements add sound value, increase productivity and improve the attractiveness of the property for lease or resale.

(2) The Corporation may make improvements to farm land held under Agreement of Sale or Lease, or on which it holds a Mortgage, if the improvements add sound value, increase productivity and shall be in accordance with a management plan submitted by the purchaser, lessee or mortgagee.

(3) The funds that are expended by the Corporation for the construction of or improvements to buildings, land clearing, drainage or other permanent improvements may be added to the cost of the land to the Corporation.

(4) The Corporation may expend funds for seed, lime or fertilizer and other similar improvements to establish farm lands for grazing, controlling erosion, providing weed control and other similar purposes.

(5) The Corporation may take security as deemed necessary to protect or secure its investment in the agreed upon improvements to land and buildings; this means in the form of Chattel Mortgages, Mortgages, Deeds of Further Charge, or as is deemed necessary by the Corporation when such lands are owned by farmers whether or not such farmers qualify as farmers pursuant to Section 11 of the Act.

(6) The Corporation may make policies regarding the formulation, adoption, establishment and administration of plans or programs which will advance agriculture in the Province and make policies regarding:

- (i) improvements made or to be made to any farm lands or farm buildings of farmers;
- (ii) agreement made with farmers relating to such improvements;
- (iii) security that may be taken for funds, materials or labour supplied by the Corporation to a farmer;
- (iv) the payment of grants by way of cash or kind or regarding other incentives to farmers;
- (v) farmers for the purposes of this section may or may not qualify as farmers pursuant to Section 11 of the Act.

PART IV

SALE OF CORPORATION LANDS

5. (1) An application for the purchase of farm land owned by the Corporation shall be on a form prescribed by the Corporation.

(2) The Corporation shall be satisfied that the sale helps to establish a farm land base to provide an opportunity for an economic income and an efficient farm business for the purchaser, and preference may be given to the applicant with the least travelling distance.

(3) The Corporation shall be satisfied that the purchaser has the necessary management ability, skill and knowledge to operate his farm business in accordance with a mutually agreed upon management plan and no sale shall be made unless the plan receives the mutual approval of the Corporation and of the purchaser when the farm is secured by a Mortgage or held under an Agreement of Sale.

(4) Applicants shall be the legal age of the Province.

(5) (a) In these Regulations the term "cost to the Corporation" shall mean the purchase price of the farm land and may include the cost of improvements, if any.

(b) The price to the purchaser may be the cost to the Corporation less the value of any assets removed from it, or an appraisal may be required prior to the sale of the farm land and a value shall be determined by the Corporation. Farm land leased under Part V of these Regulations shall be excluded from re-appraisal until the expiry or termination of the said lease agreement.

(6) Every application from a partnership shall be accompanied by a certified copy of the partnership agreement.

(7) Every application from an incorporated company or producer-co-operative shall be accompanied by,

(a) a list of the officers;

(b) a sworn declaration of the status of the company or co-operative on a form prescribed by the Corporation, which shall contain information on the distribution and ownership of all shares, bonds, debentures and warrants;

(c) a copy of the Letters Patent or Articles of Association and By-Laws.

(8) The interest rate to be charged on Mortgages, Deeds of Further Charge, or Agreements of Sale shall be the cost of money to the Corporation, and the rate shall not be less than the current rate charged by the Farm Credit Corporation.

(9) A purchaser may at any time repay the outstanding principal, or any portion thereof, and accrued interest on the Mortgage or Agreement of Sale, without penalty.

(10) A personal guarantee of the members of a partnership, any or all of the shareholders of an incorporated company, or any or all of the members of a producer-co-operative may be required by the Corporation as collateral or as additional security in a Mortgage or Agreement of Sale.

(11) The Mortgage or Agreement of Sale shall contain, inter alia, covenants that the purchaser shall,

- (a) repay monthly, quarterly, semi-annually or yearly a portion of the principal and interest in equal amortized installments for the term approved, and such payments shall be made at the date and time and place set out in the said Mortgage or Agreement of Sale;
- (b) pay interest on all arrears due the Corporation including principal, interest, taxes, or insurance premiums at the rate of one per cent (1%) above the rate set out in the Mortgage or Agreement of Sale. The Corporation in special circumstances may waive this requirement;
- (c) pay all rates, taxes and other assessments charged upon the farm land;
- (d) maintain adequate insurance, at his own expense, as specified by the Corporation and shall assign and deliver to the Corporation the policy or policies of insurance;
- (e) not sell or remove from the farm land any buildings, gravel, fill, or forest products without first obtaining the written consent of the Corporation;
- (f) file, if required, and on a form prescribed by the Corporation, at the end of each of his fiscal years,
 - (i) a copy of his annual report, if the purchaser is under the supervision of the Farm Management and Statistics Division of the Prince Edward Island Department of Agriculture and Forestry; or
 - (ii) a copy of his profit and loss statement for the previous fiscal year, which shall include a net worth statement;
- (g) allow a member, employee, or agent of the Corporation, at any reasonable time, to enter upon any farm land of the purchaser to observe and evaluate the manner in which the farm land is being used and managed;
- (h) not make major permanent improvements to the farm land without first obtaining written consent of the Corporation; and
- (i) allow the Corporation by its employees or agents to enter upon the farm land and take possession thereof and shall terminate the Agreement of Sale or call the Mortgage, if there be default, breach or non-observance of any covenant of the Mortgage or Agreement of Sale.

(12) Farm Management supervision by the Corporation may be compulsory when an amount owing under a Mortgage is in excess of seventy-five per cent (75%) of the value of farm lands secured to the Corporation,

or when an amount owing under an Agreement of Sale is in excess of seventy-five per cent (75%) of the value of farm lands held under Agreement of Sale, and said farm management supervision may also be compulsory when more than fifty per cent (50%) of the farm land operated by the purchaser is secured to the Corporation by Mortgage or held by the purchaser under Agreement of Sale. Such farm management supervision may be optional for other purchasers and the cost to purchasers of said farm management supervision shall be determined by the Corporation, and shall not be less than Twenty-five Dollars (\$25.00) per annum.

PART V

LEASES OF CORPORATION LANDS

6. (1) An applicant for the lease of farm land owned by the Corporation shall complete a form prescribed by the Corporation.

(2) The Corporation shall be satisfied that the lease helps to establish a farm land base to provide an opportunity for an economic income and an efficient farm operation, and in itself may constitute an economic unit. Preference may be given to an applicant with the least travelling distance.

(3) The Corporation shall be satisfied that the applicant for a lease has the necessary management ability, skill and knowledge to operate his farm business in accordance with a mutually agreed upon management plan and no lease shall be made unless such a plan receives the mutual approval of the Corporation and of the lessee. The plan may be amended with the mutual approval of the Corporation and the lessee.

(4) An application received from a partnership shall be accompanied by a certified copy of the partnership agreement.

(5) An application from an incorporated company or a producer-co-operative shall be accompanied by,

- (a) a list of the officers;
- (b) a sworn declaration of the status of the company or co-operative on a form prescribed by the Corporation, which shall contain information on the distribution and ownership of all shares, bonds, debentures and warrants;
- (c) a copy of the Letters Patent or Articles of Association and By-laws.

(6) The lease shall contain, inter alia, covenants that the lessee shall,

- (a) pay monthly, quarterly, semi-annually or yearly the rent, being the interest on the value of the farm land in equal installments for the approved term, and such payments shall be made at the date and time and place set out in the lease. The value of the farm land may be determined by the cost to the Corporation, being the cost to Corporation which may include the annual

depreciation on the major depreciable items contained in the Lease Agreement, or may be determined by appraisal. The interest shall be the cost of money to the Corporation. The Corporation may from time to time establish the rental rate on short term maintenance rental agreements;

- (b) pay interest on all arrears due the Corporation including rent, interest, taxes, or insurance premiums at the rate of one per cent (1%) above the rate in the lease. The Corporation in special circumstances may waive this requirement;
- (c) pay all rates, taxes and other assessments charged upon the farm land;
- (d) maintain adequate insurance at his own expense as specified by the Corporation, and shall assign and deliver to the Corporation the policy or policies of insurance;
- (e) not sell or remove from the farm land any buildings, gravel, fill, or forest products without first obtaining the written consent of the Corporation;
- (f) file, if required, and on a form prescribed by the Corporation, at the end of each of his fiscal years,
 - (i) a copy of his annual report, if the lessee is under the supervision of the Farm Management and Statistics Division of the Prince Edward Island Department of Agriculture and Forestry; or
 - (ii) a copy of his profit and loss statement for the previous fiscal year, which shall include a net worth statement;
- (g) allow a member, employee, or agent of the Corporation, at any reasonable time, to enter upon any farm land of the lessee to observe and evaluate the manner in which the farm land is being used and managed;
- (h) not sublease farm lands belonging to the Corporation;
- (i) not make major permanent improvements to the farm land without first obtaining written consent of the Corporation; and
- (j) allow the Corporation by its employees or agents to enter upon the farm land and take possession thereof and terminate the lease if there be default, breach or non-observance of any covenant of the lease.

(7) An application for renewal of a lease shall be made on a form prescribed by the Corporation. Subject to a satisfactory compliance with the conditions and covenants of the lease during the current term, the lessee, upon expiry of the lease, shall be entitled to the right of renewal.

(8) On termination of the lease by mutual agreement, the net capital

value added to the farm by the lessee, other than fertility and normal maintenance the value of which shall be determined by an appraisal, shall be due the lessee when the said improvements have been made with the written consent of the Corporation. In the event of disagreement between the Corporation and the lessee respecting said added value, the dispute shall be resolved by arbitration by majority decision of an Arbitration Board of three persons, one selected by the Corporation, one by the lessee and a third person by the first two. The provisions of The Arbitration Act, R.S.-P.E.I. 1951, Chapter 12, shall apply in all cases where arbitration is required.

(9) Farm management supervision by the Corporation may be required when more than fifty per cent (50%) of the farm land operated by the lessee is farm land owned by the Corporation. Such farm management supervision may be made available to other lessees. The cost to the lessee shall be determined by the Corporation, but shall not be less than Twenty-five Dollars (\$25.00) per annum.

(10) When the farm land has been conveyed to the Corporation under Part I of these Regulations, the Corporation may rent the dwelling house and an area of land, to be determined by the Corporation, together with any necessary right-of-way to a public road. Such a rental agreement shall be at such a rate and shall contain such covenants as shall be determined from time to time by the Corporation.

PART VI

GENERAL

7. Farm land whose best use is not agriculture, as determined by the Corporation, may not be included in a lease or may not be sold, but may be conveyed to Her Majesty the Queen in the right of the Province of Prince Edward Island at the appraised rate for its intended use.

8. The Corporation shall coordinate its policies with other relevant policies of the Provincial and Federal Governments and their respective Crown Agencies.

9. The Corporation may institute or assist in instituting a plan of disability and life insurance for purchasers and lessees, and life insurance may be compulsory when required by the Corporation. The payment of insurance premiums shall be made by the purchasers or lessees.

10. An applicant shall, if required by the Corporation, provide proof of age to the Corporation.

11. Every payment made by or on behalf of a purchaser or lessee in respect to a Mortgage, Agreement of Sale or lease shall be credited towards the payment of the following items, in the following order,

- (1) advances made by the Corporation;
- (2) interest due on a Mortgage or Agreement of Sale or rent due on a Lease; and

(3) principal payments due on a Mortgage or Agreement of Sale.

12. All applications to the Corporation shall be made at the regional office of the Corporation serving the area.

13. An incorporated company which has obtained a Mortgage, Agreement of Sale or lease from the Corporation and,

(1) fails to supply to the Corporation in a form satisfactory to the Corporation, such information relating to the distribution and ownership of its shares, bonds, warrants and debentures, as the Corporation may from time to time require; or

(2) without the written consent of the Corporation.

(a) alters its Letters Patent or Articles of Association;

(b) alters any rights that are attached to its shares; or

(c) issues or redeems any of its shares or registers a transfer of any of its shares.

the Mortgage or Agreement of Sale obtained by that incorporated company shall, at the option of the Corporation, immediately become due and payable, and the Lease obtained by that incorporated company shall, at the option of the Corporation, be terminated.

14. The Corporation may apply to the Department of Municipal Affairs for Authority under The unsightly Premises Act (15 Eliz. II, Cap. 44) to remove from the farm land any unsightly building or other matter which a purchaser or lessee fails to maintain and which does not constitute an essential asset of his farm business.

15. The fiscal year of the Corporation shall be from April 1st of one year to March 31st of the following year and the accounts of the Corporation shall be submitted to the Provincial Auditor for audit no later than ninety (90) days after the end of the said fiscal year.

16. The Corporation may deem the Executor or the Administrator of the estate of a deceased farmer to be a farmer.

17. An applicant and his spouse shall be treated as one individual. The Corporation may designate which one shall be considered as the applicant.

18. The Corporation may decline an application or limit the amount of farm land available to an applicant where, in the opinion of the Corporation,

(1) the applicant has the necessary financial resources to establish an economic unit;

(2) a major portion of the assets of the applicant and his spouse are not invested in the farm business;

- (3) the applicant is a subsidiary of an incorporated company and the parent company is not eligible in its own right;
- (4) the applicant is an incorporated company and the applicant is not dealing at arm's length with any other company, under the provisions of The Canada Income Tax Act, and the other company is not eligible in its own right;
- (5) the applicant is an incorporated company and more than forty-nine per cent (49%) of the company shares, bonds, warrants and debentures are held by persons not engaged in operating the farm business, or if there are more than twelve shareholders in the Company; and
- (6) the applicant is a producer-co-operative and more than forty-nine per cent (49%) of the members are not engaged in operating the farm business.

19. The Corporation may adopt such policy as it deems necessary for the administration of the Corporation, the Act and these Regulations.

LAWS OF PRINCE EDWARD ISLAND

**The Land Development
Corporation Act**

Amendment to Regulations



Charlottetown :
G. William K. Auld, Queen's Printer
1973

**THE LAND DEVELOPMENT CORPORATION ACT
AMENDMENT TO REGULATIONS**

(Approved by His Honour the Lieutenant-Governor-in-Council on the 24th day of January, 1973.)

The Regulations made by His Honour the Lieutenant-Governor-in-Council on the 23rd day of August, 1972, under authority of Section 15 of The Land Development Corporation Act (18 Eliz. II, Cap. 40) are hereby amended as follows:

1. Section 7 of Part VI "General" of the Regulations is deleted in its entirety and the following substituted therefor:
7. Farm land whose best use is not agriculture may, upon the direction of the Province, be used for such purposes and be dealt in with such manner as the Province directs.

LAWS OF PRINCE EDWARD ISLAND

An Act to Establish the Prince Edward Island Land Development Corporation

(R.S.P.E.I. 1974, Cap. L-2)



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CHAPTER L-2

AN ACT TO ESTABLISH THE PRINCE EDWARD ISLAND LAND DEVELOPMENT CORPORATION

1. This Act may be cited as the *Land Development Corporation Act*. Short title
1969,c.40,s.1.
2. In this Act Definitions
 (a) "chairman" means the chairman of the corporation; chairman
 (b) "corporation" means the Prince Edward Island Land corporation
 Development Corporation as established under section 3; and
 (c) "regulations" means regulations made pursuant to sec- regulations
 tion 17. 1969,c.40,s.2.
3. There is a corporation, to be called the Prince Edward Island Land Body corporate
 Development Corporation, which is a body corporate. 1969,c.40,s.3.
4. The corporation has the same general powers as conferred upon Companies Act
 companies incorporated under the *Companies Act*, R.S.P.E.I. 1974, powers apply
 Cap. C-15 except where such powers are inconsistent with this Act.
 1970,c.40,s.1.
5. (1) The corporation consists of a chairman and five other Composition of
 members. corporation
- (2) The members of the corporation are Representation
 of corporation
 (a) a representative of the Department of Agriculture and
 Forestry to be appointed by the Minister of Agriculture and
 Forestry;
 (b) a representative of the Prince Edward Island Lending
 Authority to be appointed by the board of the Prince Edward
 Island Lending Authority;
 (c) a representative of the Department of Development to be
 appointed by the Minister of Development;
 (d) three representatives from the agricultural industry on
 Prince Edward Island to be appointed by the members of the
 corporation with the approval of the Lieutenant Governor in
 Council.

2	Cap. L-2	<i>Land Development Corporation Act</i>	R.S.P.E.I. 1974
Farm Credit Corporation representative	(3) In addition to the representatives referred to in subsection (2), an appointee of the Farm Credit Corporation may serve in an advisory capacity to the corporation.		
Chairman	(4) The chairman shall be selected by the members of the corporation from among themselves and where no selection is made at the first meeting of the corporation, the chairman shall be appointed by the Lieutenant Governor in Council from among the members of the corporation.		
Vice-chairman	(5) The corporation may select a vice-chairman. 1969,c.40,s.4; 1970,c.40,s.2; 1974(2nd),c.21,s.1.		
Meetings	6. (1) The chairman may call meetings of the corporation at such times and places and upon such notice as he deems desirable.		
Quorum	(2) Three members of the corporation constitute a quorum.		
Bylaws	(3) The corporation may adopt such rules and bylaws as are necessary for its internal organization and the conduct of its operations. 1969,c.40,s.5.		
General manager	7. (1) The corporation, with the approval of the Lieutenant Governor in Council, shall appoint a general manager of the corporation.		
Salary of	(2) The general manager shall be paid out of the funds of the corporation such salary or other compensation as is determined by the corporation and approved by the Lieutenant Governor in Council. 1969,c.40,s.6.		
Objects and purposes of corporation	<p>8. The objects and purposes of the corporation are</p> <ul style="list-style-type: none"> (a) to assist the agricultural industry; (b) to acquire, develop and improve land; (c) to make land available to farmers; (d) to enable consolidation of farm lands; (e) to provide credit to farmers for land acquisition; (f) to acquire, develop or improve land for such purposes including agriculture, forestry, wildlife, fishing, industry, and tourism and generally to advance the interests of the people of the province in the economic and efficient use of the land comprising the province, and without limiting the generality thereof <ul style="list-style-type: none"> (i) to preserve, develop and hold agricultural land for agricultural and farm uses, (ii) to preserve, develop and hold green belt land in and around urban areas, streams, ponds and fragile habitats, and (iii) to preserve, develop and hold lands having desirable qualities for urban, industrial, recreational, forestry and wildlife capabilities; and (g) generally to advance the interests of farmers in an economic and efficient manner in the province. 1969,c.40,s.7; 1972,c.24,s.1; 1974(2nd),c.21,s.2. 		

9. The corporation may

Powers of
corporation

- (a) purchase land and buildings in accordance with this Act and may accept gifts of land and buildings;
- (b) improve any land or buildings held by the corporation in the manner it deems advisable;
- (c) convey any of its real property to any department of the government of the province in accordance with the provisions of section 11;
- (d) subject to the regulations, dispose of its real property by sale, lease or otherwise to any person in accordance with such terms and conditions as may be specified by the corporation, and for such purposes as are set forth in this Act;
- (e) take any security it deems necessary, including mortgages of real and personal property, for the purposes set forth in this Act;
- (f) enter into annuity contracts in accordance with the provisions of section 10;
- (g) enter into agreements and contracts with any person or agency of Canada or the province relative to the corporation's objects and purposes;
- (h) with the approval of the Lieutenant Governor in Council establish such staff as is necessary for the work of the corporation;
- (i) generally administer through its own rules and bylaws the objects and purposes as are set out in this Act or the regulations;
- (j) acquire in any manner whatsoever personal property and to dispose of it by sale, lease or otherwise;
- (k) formulate, adopt, establish and administer plans or programs which will advance agriculture in the province;
- (l) make improvements to any farm lands or farm buildings in such manner as it may deem advisable, and may enter agreements with farmers relating to such improvements and may take such security as it deems advisable for funds, materials or labour supplied as improvements by the corporation to a farmer;
- (m) preserve, develop and hold lands for the purposes set forth in this Act;
- (n) borrow, and receive by way of grant or loan, money from the province and to give as security therefor bills of exchange, promissory notes and other negotiable instruments and securities, and give as security therefor its real or personal property by way of mortgage, lien or otherwise;
- (o) borrow, and receive by way of grant or loan, money from the Government of Canada and to give as security therefor bills of exchange, promissory notes and other negotiable instruments and securities, and give as security therefor its real or personal property by way of mortgage, lien or otherwise;

(p) borrow money by way of loan, bank overdraft or otherwise, for the purposes of the corporation or any of them, from any bank chartered pursuant to the *Bank Act* (Canada), R.S.C. 1970, Chap. B-1 and to give as security therefor, bills of exchange, promissory notes and other negotiable instruments and securities, and give as security therefor its real or personal property by way of mortgage, lien or otherwise; and

(q) borrow money by way of loan or otherwise, for the purposes of the corporation or any of them, from any person, and to give as security therefor, bills of exchange, promissory notes and other negotiable instruments and securities, and give as security therefor its real or personal property by way of mortgage, lien or otherwise. 1969,c.40,s.8; 1970,c.40,s.3; 1971,c.34,s.1; 1972,c.24,s.2; 1974(2nd),c.21,s.3.

Additional
powers of
corporation

10. (1) Subject to this Act and regulations, the corporation may

- (a) purchase land and buildings from any person;
- (b) discharge any encumbrance on any such land and building; and
- (c) pay a total price per acre, including any encumbrance to be discharged or assumed, up to such maximum per acre as may be fixed by the corporation.

Payment by
annuity

(2) Subject to this Act and regulations, the corporation may when purchasing any land and buildings, enter into a contract with the vendor whereby the corporation agrees to pay for the land and buildings by way of annuity to the vendor in the following manner:

- (a) where the vendor has passed his or her sixtieth birthday, is married and living with his or her spouse, a flat amount per month of one hundred and fifty dollars; or
- (b) where the vendor has passed his or her sixtieth birthday, is single, divorced, separated, or a widower or widow, a flat amount per month of one hundred dollars; and
- (c) in addition to the flat payment under clauses (a) or (b) an additional amount calculated by applying the current rate of the cost of money to the corporation plus one per cent of the real and true value of the land and buildings to provide a minimum of two thousand four hundred dollars per year to those in clause (a) and one thousand eight hundred dollars per year to those in clause (b);
- (d) any person who seeks to sell lands to the corporation under this section shall receive monthly payments for a maximum period of five years.

Adjustment of
minimum
amounts

(3) The minimum amounts established under clause (2)(c) are to be adjusted so that the adjusted amounts bear the same ratio to the payments made under the *Old Age Security Act* (Canada), R.S.C. 1970, Chap. O-6 on the fourteenth day of January, 1970 as the minimum amounts set out in subsection (2) bear to the maximum

payments under the *Old Age Security Act* (Canada), R.S.C. 1970, Chap. O-6.

(4) Any person coming within the terms of clauses (2)(a) or (b) seeking to sell land to the corporation under subsection (2) after the thirty-first day of March, 1972, may apply for an annuity as compensation with payment to commence in the month following his attaining age sixty or in the month in which the offer for an annuity was accepted, whichever is later.

Application for annuity

(5) Where a contract is signed under subsection (2) the corporation may in addition grant to the vendor a life lease in the dwelling house of the vendor together with up to one acre of land attached thereto with a right of way if necessary.

Life estate

(6) The life lease granted under subsection (5) may be calculated, where the corporation deems advisable, on the lives of the vendor and his or her spouse.

Calculation of life lease

(7) It is a condition of every life-tenancy created under this section that assignment or sub-lease of the land or any part thereof will work a reversion to the corporation.

Reversion where assignment or sub-lease

(8) It is a condition of every life-tenancy created under this section that cessation of use as a dwelling house by the life tenant or his or her spouse will work a reversion to the corporation.

Reversion where cessation of use

(9) Subsection (2) does not apply except where the vendor establishes to the satisfaction of the corporation that he acquired the land to be conveyed prior to the first day of January 1967. 1969,c.40,s.9; 1970,c.40,s.4; 1971,c.34,s.2; 1972,c.24,s.3;

Land acquired before Jan. 1, 1967

11. Where, in the opinion of the corporation, land it owns should be withdrawn from agriculture, fishing, forestry, wildlife, industry or tourism, it may convey the land to any department of the government of the province. 1969,c.40,s.10; 1970,c.40,s.5; 1972,c.24,s.4.

Withdrawal of land from

12. (1) The corporation may sell any of its land, either before or after expending money on improvements, to any person who qualifies as a farmer under the terms prescribed by regulation.

Selling to farmer

(2) Where a sale is held under subsection (1), the corporation may convey to the purchaser the fee simple to the land.

Conveyance

(3) Where the grantee in this section is unable to raise the full purchase price of the land to be conveyed, the corporation may then take back a first mortgage on the land.

Mortgage

(4) Where a sale is held under subsection (1), the corporation may grant an agreement of sale for the land and buildings.

Agreement of sale

(5) Where a person qualifies as a purchaser under this section, if he can provide sufficient cash or other equity so as to qualify for a loan for purchase of the land from the Farm Credit Corporation or

Qualifying for loan from Farm Credit Corporation

any other source, then the financing of the purchase is to be done on that basis and not by the corporation.

- Further advances** (6) Where a first mortgage is placed on the property, written under the provisions of subsection (3) or (5), the corporation may advance further sums to the grantee to enable clearing or other improvement to take place and take as security thereof a deed of further charge on the land and if necessary on other assets of the mortgagor.
- Reduction of principal application to Farm Credit Corporation for loan** (7) Where a first mortgage loan by the corporation is reduced on principal to the point where the mortgagor has established sufficient equity, the corporation may require that the mortgagor apply for loan assumption to the Farm Credit Corporation or other agency.
- Security, corporation may take and receive** (8) The corporation may require and receive such security as it deems advisable in the event of a transfer of real property from the corporation, and in the event the corporation effects improvements on farm property.
- Grants, corporation may take** (9) The corporation may make grants by way of cash or kind or provide such other incentives to farmers as the Lieutenant Governor in Council may approve for the purpose of improving farm land and buildings, and generally for the purpose of advancing and improving the agriculture industry. 1969,c.40,s.11; 1970,c.40,s.6; 1972,c.24,s.5.
- Leasing land by corporation** 13. (1) The corporation may lease any of its land, either before or after expending money on improvements, to any person who qualifies as a farmer under the terms prescribed by regulation.
- Terms of lease** (2) A lease granted under this section is to be for a maximum term of five years with a right in the lessee to renew for a further period if terms as fixed by regulation are met.
- Option to purchase** (3) The lessee under a lease granted under this section may have a right during the term of the lease to purchase the fee simple to the land leased by applying to the corporation.
- Determination of price** (4) The price to be paid for the fee simple if purchased under subsection (3) is to be determined at the beginning of each lease period and is to be included as a term of that lease.
- Rent** (5) The rent to be paid on a lease is to be set out as a term of the lease and is to be fixed in the manner determined by regulation. 1969,c.40,s.12; 1970,c.40,s.7; 1971,c.34,s.3.
- Deposit of funds** 14. The corporation shall deposit all funds received by it from any source, including payments from the province, in a bank account as selected by the corporation in a special account in the Consolidated Fund. 1969,c.40,s.13.
- National programs** 15. Notwithstanding anything enacted herein, in the event that national programs are enacted by the Federal Government, such

national programs may be utilized to the full extent of such national programs, and the funds of the Land Development Corporation shall be utilized only to the extent required to augment national programs up to the levels enacted herein. 1970,c.40,s.8.

16. (1) The corporation shall make an annual report of the activities of the corporation to the Minister of the Crown designated by the Lieutenant Governor in Council and annually submit its accounts to the Provincial Auditor on or before a date to be fixed by regulation. Annual repo

(2) A copy of the annual report so made shall be transmitted to the legislature then in session or within fifteen days of the next session of the legislature. 1969,c.40,s.14. Laying before legislature

17. The Lieutenant Governor in Council may make regulations Regulations

- (a) fixing maximum prices to be paid for land purchased by the corporation;
- (b) prescribing forms of deeds, mortgages, leases and lease renewal applications;
- (c) prescribing the terms for qualifications as a farmer entitled to purchase or lease lands of the corporation;
- (d) fixing the terms for renewal of leases;
- (e) determining the manner of fixing rents;
- (f) setting the dates for annual reports by the corporation;
- (g) with respect to the purchase, development or disposal of lands by way of sale, mortgage, lease or otherwise for any of the purposes contained in this Act;
- (h) fixing the method of computing rents and other payables to the corporation including the varying, waiving, postponing or rescheduling of same;
- (i) with respect to the method of computing the annuity program, the eligibility for the annuity program and the administration of such together with power to delegate to the corporation any powers necessary in order to carry out the annuity program;
- (j) respecting the management of lands held by the corporation; and
- (k) generally for the better administration of this Act. 1969,c.40,s.15; 1974(2nd),c.21,s.5.

18. Gifts of land to the corporation shall be deemed to be gifts to Her Majesty the Queen in right of the Province of Prince Edward Island, and where a gift of land is made to the corporation the corporation shall give the donor a receipt therefor evidencing acceptance of the land and that title to the land has been transferred to the corporation. 1974,(2nd),c.21,s.6. Gifts to corporation are gifts to Crown

19. (1) Sections 1 to 3 came into force on the ninth day of July, 1969. Dates Act came into force
 (2) Section 4 came into force on the twenty-fifth day of June, 1970.

- (3) Sections 5 to 7 came into force on the ninth day of July, 1970.
- (4) Section 8 came into force on the twenty-fourth day of September, 1969.
- (5) Sections 9 to 14 came into force on the fourteenth day of January, 1970.
- (6) Section 15 came into force on the tenth day of September, 1970.
- (7) Section 16 came into force on the tenth day of September, 1969.
- (8) Section 17 came into force on the fourteenth day of January, 1970.
- (9) Section 18 came into force on the twelfth day of June, 1974.
1969,c.40,s.16.

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LAWS OF PRINCE EDWARD ISLAND

An Act to Amend the Land Development Corporation Act



Charlottetown

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1976

CHAPTER 16**An Act to Amend the Land Development Corporation Act**

(Assented to April 22nd, 1976)

BE IT ENACTED by the Lieutenant Governor and Legislative Assembly of the Province of Prince Edward Island as follows:

1. Section 12 of the *Land Development Corporation Act, R.S.P.E.I. 1974, Cap. L-2* is amended by adding thereto after subsection (2) the following as subsection (2.1):

(2.1) Where the corporation conveys or sells land under section 11 or subsection (1) it shall include in the deeds effecting such transfer or sale, such covenants prescribed by regulation that ensure that the use of the land will be reserved to its highest and best use in terms of agriculture, fishing, forestry, wild-life, industry or tourism; the corporation may with the consent of the Lieutenant Governor in Council omit such a covenant from a deed where the Lieutenant Governor in Council deems it appropriate to do so.

Covenants
in deeds
required

2. Section 17 of the said Act is amended by adding thereto the following as clause (j.1):

(j.1) respecting covenants that are to be included by the corporation on deeds of transfer or sale;

3. This Act come into force on a date to be fixed by proclamation of the Lieutenant Governor in Council.

APPENDIX B

FINANCIAL STATEMENTS
1970 TO 1971 AND 1976 TO 1977

PRINCE EDWARD ISLAND LAND DEVELOPMENT CORPORATION
STATEMENT OF INCOME AND EXPENDITURES
Year Ended March 31, 1971

Income

Grants - Province of P.E.I.	\$231,448	
Recoverables toward interest charges	4,824	
Deposits on applications forfeited	2,835	
Other	<u>270</u>	\$239,377

Expenditures

Administration - Salaries	78,462	
- Other	38,291	
- Equipment	22,549	
Legal, appraisal, and survey costs	25,762	
Pension costs	22,805	
Land transfer costs	25,381	
Interest - Province of P.E.I.	<u>25,857</u>	<u>239,107</u>

Excess of Income over Expenditures \$ 270

Source: L.D.C. Annual Report 1971; Pg. 15.

PRINCE EDWARD ISLAND LAND DEVELOPMENT CORPORATION
STATEMENT OF INCOME
Year Ended March 31, 1977
(with comparative totals for the year ended March 31, 1976)

	General Land Acquisition and Dispersal Program	Community Pasture Program	A.R.D.A. Program	Totals March 31 1977	Totals March 31 1976
INCOME					
Lease income.....	\$ 211,357	\$ ----	\$ ----	\$ 211,357	\$ 157,698
Interest earned.....	207,057	----	----	207,057	63,502
Community Pasture fees.....	----	32,864	----	32,864	18,855
A.R.D.A. lease income.....	----	----	684	684	4,030
Miscellaneous income.....	2,167	----	----	2,167	18,494
Profit (loss) on sale of property	----	----	----	----	----
- Note 8.....	13,912	----	----	13,912	6,510
	<u>434,493</u>	<u>32,864</u>	<u>684</u>	<u>468,041</u>	<u>269,089</u>
Expenses					
Salaries.....	228,860	----	----	228,860	235,242
Office supplies and expenses.....	23,131	----	----	23,131	20,357
Travel.....	19,458	----	----	19,458	26,721
General.....	11,880	----	----	11,880	12,926
Property maintenance.....	27,622	----	----	27,622	49,288
Miscellaneous.....	1,822	----	----	1,822	2,405
Office rental.....	16,120	----	----	16,120	16,120
Other rental.....	923	----	----	923	784
Board Members fees and expenses.....	5,600	----	----	5,600	11,823
Interest charges.....	241	----	----	241	655
Bad debts.....	16,870	----	----	16,870	5,381
Property purchases expenses.....	46,783	----	----	46,783	50,446
Annuities.....	125,938	----	----	125,938	187,579
Interest expense - Minister of Finance.....	507,576	----	----	507,576	293,702
Land transfer costs - Note 7.....	833,663	----	----	833,663	579,293
Development costs.....	----	161,287	----	161,287	197,558
Operating expenses.....	----	30,623	----	30,623	18,953
	<u>1,866,487</u>	<u>191,910</u>	<u>----</u>	<u>2,058,397</u>	<u>1,709,233</u>
Excess of Expenses Over Income.....	<u>1,431,994</u>	<u>159,046</u>	<u>(684)</u>	<u>1,590,356</u>	<u>1,440,144</u>
Provincial Appropriations.....	<u>1,431,994</u>	<u>159,046</u>	<u>(684)</u>	<u>1,590,356</u>	<u>1,445,303</u>
NET INCOME.....	\$ ----	\$ ----	\$ ----	\$ ----	\$ 5,159

(See accompanying notes to these financial statements)

Source: L.D.C. Annual Report 1977; Page 16.

APPENDIX C

APPLICATION TO SELL LAND



PRINCE EDWARD ISLAND
Land Development Corporation
156 RICHMOND ST., P. O. BOX 1390., CHARLOTTETOWN, P. E. I. C1A 7N1 · TEL. 902-892-4137

APPLICATION TO SELL LAND FOR CASH OR ANNUITY

For Annuity Check One
For Cash

FILE NO.

Name of Applicant (in full) Date of Birth

Social Insurance Number (annuity applications only)

Address Telephone No.

Occupation Education Marital Status

Name of Spouse (in full) Date of Birth

Social Insurance Number (annuity applications only)

1. Total acres owned for sale of which
acres are cultivated or able to be cultivated. Total acres in crop this year?

2. Parcel or Property Number	Mkt.	Assessment	Farm
A
B
C

3. Is the farm rented Rate/AC Expires
To whom Address

4. Are you or the rentor to keep the crop
Y/N

5. Farm is located on the road in the school district of

6. The land was acquired in 19..... from

7. List encumbrances (mortgages, judgements, taxes).
To whom: Approx. Amounts \$

8. List the installed equipment to be sold with the farm, including installed equipment in the house:
.....
.....

9. What is a fair value for the lands and buildings that you wish to sell?

10. The Legal Description, or copy of the deed of the lands to be sold, is attached.

I/we hereby make application to sell our farm lands to the Land Development Corporation and certify that the information contained herein is true and correct to the best of our knowledge, and we hereby grant the right of an employee or agent of the Corporation to enter upon and inspect the said lands and buildings at any reasonable time.

Signed at this day of 19.....

Witness:

.....
Applicant

.....
Spouse

APPENDIX D

**APPLICATION FOR PURCHASE OR LEASE
OF FARM LANDS**



CONFIDENTIAL

PRINCE EDWARD ISLAND

Land Development Corporation

156 RICHMOND ST., P. O. BOX 1390., CHARLOTTETOWN, P. E. I. C1A 7N1 · TEL. 902-892-4137

APPLICATION FOR PURCHASE OR LEASE OF FARM LANDS

Name of Applicant(s): Age

Home Mailing Address: Telephone No.

Home Location: Marital Status

Wife's Name: No. of Dependents:
(AGE AND SEX)

How many years have you been a farm operator? Type of Operation

Acres Owned: TOTAL CROPPED Acres Rented: TOTAL CROPPED

Rented From Whom?: Rate/Acre

Joint Ownership Wished? Yes No Partnership: Yes No

If yes, with whom
(NAME AND AGE)

Is there a partnership agreement? If so, attach a copy to this application.
(YES/NO)

PROPERTY APPLIED FOR: (Name of Owner or Ex-Owner)

Number of Acres in farm A. Total Clear B. Total Clear

How Far From Home: Miles. Do you keep farm records Type
(YES/NO)

Income from farming last year: Gross \$ Net \$ The Year Previous: Gross \$ Net \$

Other Sources of income: Husband: Amount \$

Wife: Amount \$

Other: Amount \$

Additional equipment required if application approved: 1. Cost

2. Cost 3. Cost 4. Cost

Additional Buildings: Name & Cost

Additional operating Credit (Amt & Source)

I/We make application to purchase or lease the property described above and authorize the Prince Edward Island Land Development Corporation or its agent to examine my property.

I/We further certify that all statements herein are true to the best of my/our knowledge, information and belief.

I/We give consent for you to provide information on myself/ourselves from a consumer reporting agency.

SIGNED by the applicant(s) at this day of 19

WITNESS:

.....
APPLICANT

.....
SPOUSE

CONFIDENTIAL

FARM PLAN

FOR

NAME _____ FILE NO. _____

ADDRESS _____

HOME FARM DISTRICT _____

PRINCE EDWARD ISLAND
LAND DEVELOPMENT CORPORATION
P. O. BOX 1390
156 RICHMOND STREET
CHARLOTTETOWN

INVENTORY OF CROPS, FEED AND SUPPLIES

CROPS, FEED AND SUPPLIES (LIST ITEMS)	PRESENT		PROPOSED		LDC Use
	AMOUNT	TOTAL VALUE	AMOUNT	TOTAL VALUE	
TOTAL					

MACHINERY AND EQUIPMENT (INVENTORY)

ITEM	PRESENT			PROPOSED			LDC Use
	SIZE	AGE	VALUE	SIZE	AGE	VALUE	
CAR							
TRUCK							
TRACTOR							
TRACTOR							
COMBINE							
WAGON							
PLOW							
DISKS							
HARROW							
CULTIVATOR							
GRAIN DRILL							
SPRAYER							
FRONT END LOADER							
MANURE SPREADER							
MOWER							
BALER							
RAKE							
ESCALATOR							
POTATO PLANTER							
POTATO HARVESTER							
POTATO GRADER							
SMALL TOOLS							
FORAGE HARVESTER							
MILK HOUSE EQUIPMENT							
TOTAL							

NET WORTH STATEMENT

	PRESENT	PROPOSED	LDC USE
<u>ASSETS</u>			
<u>CURRENT</u>			
CASH			
NOTES & ACCOUNTS REC. (PAGE 5)			
LIVESTOCK (PAGE 4)			
FEED CROPS & SUPPLIES (PAGE 3)			
TOTAL	a	a ₁	
<u>INTERMEDIATE</u>			
MACHINERY & EQUIPMENT (PAGE 3)	b	b ₁	
<u>FIXED</u>			
LAND (PAGE 2)			
BUILDINGS (PAGE 2)			
TOTAL	c	c ₁	
<u>TOTAL FARM ASSETS</u>	A(a+b+c)	A ₁ (a ₁ +b ₁ +c ₁)	
<u>NON FARM ASSETS</u> (STOCKS, BONDS, ETC.)	B	B ₁	
<u>TOTAL ASSETS</u>	C(A+B)	C ₁ (A ₁ +B ₁)	
<u>LIABILITIES</u>			
CURRENT (PAGE 5)	d	d ₁	
INTERMEDIATE (PAGE 5)	e	e ₁	
LONG TERM (PAGE 5)	f	f ₁	
<u>TOTAL FARM LIABILITIES</u>	D(d+e+f)	D ₁ (d ₁ +e ₁ +f ₁)	
<u>PERSONAL LIABILITIES</u>	E	E ₁	
<u>TOTAL LIABILITIES</u>	F(D+E)	F ₁ (D ₁ +E ₁)	
<u>EQUITY AND NET WORTH</u>			
FARM EQUITY	(A-D)	(A ₁ -D ₁)	
NET WORTH	(C-F)	(C ₁ -F ₁)	

INCOME

ITEM	PRESENT			PROPOSED			LDC USE
	AMOUNT	VALUE		AMOUNT	VALUE		
		PER UNIT	TOTAL		PER UNIT	TOTAL	
<u>CROPS</u>							
POTATOES							
GRAIN							
TOBACCO							
OTHER							
<u>LIVESTOCK</u>							
BEEF							
DAIRY							
HOGS							
POULTRY							
OTHER							
<u>LIVESTOCK & POULTRY PRODUCTS</u>							
FLUID MILK							
MANUFACTURED MILK							
CREAM							
EGGS							
OTHER							
<u>VEGETABLES</u>							
<u>FOREST PRODUCTS</u>							
<u>OTHER FARM INCOME</u>							
<u>TOTAL FARM CASH INCOME</u>	G			G ₁			
<u>INCREASE IN INVENTORY</u> (CROPS & LIVESTOCK)	H			H ₁			
<u>GROSS FARM INCOME</u>	I(G+H)			I ₁ (G ₁ +H ₁)			
<u>NET OFF FARM INCOME</u>	J			J ₁			
<u>TOTAL INCOME</u>	(I+J)			(I ₁ +J ₁)			

OFF FARM INCOME

(Comment on source, amount of gross and net income.)

PRESENT

PROPOSED

FARM EXPENSES

	PRESENT	PROPOSED	LDC USE
SALARY AND WAGE COSTS			
RENT (LAND, BLDGS., PASTURE)			
INTEREST	T	T ₁	
TAXES			
INSURANCE (BLDGS, CROPS, LIVESTOCK)			
BUILDING AND FENCE REPAIRS			
MACHINERY AND TRUCK EXPENSES GAS AND OIL			
REPAIRS, LICENSES, INS.			
CAR EXPENSES (FARM SHARE) GAS AND OIL			
REPAIRS, LICENSES, INS.			
LIVESTOCK FEEDER PURCHASES			
BREEDING FEES			
VET FEES AND MEDICINE			
FEED, CONCENTRATE & STRAW			
FERTILIZER AND LIME			
SPRAYS AND OTHER CHEMICALS			
SEEDS, SUPPLIES & PLANTS			
CUSTOM WORK			
TELEPHONE & HYDRO (FARM SHARE)			
OTHER (SPECIFY)			
TOTAL CASH EXPENSE	K	K ₁	
BUILDING DEPRECIATION			
MACHINERY DEPRECIATION			
DECREASE IN INVENTORY (CROPS AND LIVESTOCK)			
TOTAL FARM EXPENSES	L	L ₁	
FINANCIAL SUMMARY			
NET FARM CASH INCOME	M(G-K)	M ₁ (G ₁ -K ₁)	
NET FARM INCOME	(I-L)	(I ₁ -L ₁)	
TOTAL DISPOSABLE INCOME	N(M+J+I)	N ₁ (M ₁ +J ₁ +I ₁)	
FAMILY LIVING COSTS	O	O ₁	
PRINCIPAL AND INTEREST PAYMENTS	P	P ₁	
RESERVE FOR REPLACEMENT AND EXPANSION	(N-O-P)	(N ₁ -O ₁ -P ₁)	

The Land Use in Canada Series

(incorporating Land Use Programs in Canada)

No.

1. Land Use Programs in Canada: Nova Scotia. Valerie Cranmer, 1974.
EN 73-1/1. \$1.25.
2. Land Use Programs in Canada: New Brunswick. Valerie Cranmer, 1974.
EN 73-1/2. \$1.25.
3. Land Use Programs in Canada: Prince Edward Island. Valerie Cranmer,
1974. EN 73-1/3. \$1.25.
4. Land Use Programs in Canada: Quebec. Odette L'Anglais, 1976.
EN 73-1/4. \$1.25.
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