



RM OF LUMSDEN No. 189

POLICY

Title: **Compensation – Crop Damage and Profit Loss**

Effective: May 6, 2021

Policy Statement:

This policy is intended to standardize payments for crop damages and/or profits lost, on land situated outside the municipality's right-of-way, as a result of road construction projects undertaken by the municipality.

1. Definitions:

“Crop Damage” shall mean seeded land that will experience reduced yield.

“Land” shall mean arable land and non-arable land situated outside of the right-of-way.

“Profit Loss” shall mean a loss of income on a specific area of land that was not seeded as it was known to be an area that will be affected by upcoming road construction.

“Seeded Acres” shall mean land that has been seeded but not yet harvested.

“Subsequent Compensation” shall mean monies paid in recognition of lower-than-expected yields in the second and third years.

2. Crop Damage Compensation:

First Year: \$500 per seeded acre

Second Year: \$ 75 subsequent compensation per acre

Third Year: \$ 50 subsequent compensation per acre

If crop damage occurs after the crop has been harvested, only subsequent compensation will be made.

3. Profit Loss Compensation:

First Year: \$100 per acre

Second Year: \$ 75 subsequent compensation per acre

Third Year: \$ 50 subsequent compensation per acre

4. Agreement

The agreement will be made with the landowner. It is the landowner's responsibility to inform his/her tenant of the agreement.

5. Payment Terms:

All 3 years of compensation will be paid upon the landowner, or his/her proxy, accepting the final condition of the land. Payments will be made to the landowner if the landowner is either farming the land or is in a crop-share agreement with a lessee. Payment will be made to the lessee if cash-renting from the landowner. The lessee will be required to provide proof of the cash-rent agreement.

6. Negotiation with Divisional Councillor

The number of acres for payment will be mutually agreed upon between the landowner and the councillor for that division, with input from the Public Works Manager.

7. Agreements for Sale:

On roads where an Agreement for Sale is signed for the purpose of widening the right-of-way, compensation will only be paid on the area outside of the extended right-of-way if the Agreement is signed before the land is seeded.