available to farmers through cultivation and grazing leases. Leases for grazing dispositions ranged from 1- to 50-year terms. Leaseholders were required to pay an amount in lieu of municipal taxes, as well as to construct and maintain fences and watering facilities. The public had access to crown lands at all times without prior permission of the lessee for the period of such activities as wildlife hunting, forestry, winter sports, hiking and berry picking. During the period of investigation, MACL administered 1.6 million acres of grazing leases. Although Commerce agreed with the Government of Manitoba that most of the crown land was located in fringe areas, it was determined that the lease rate for public grazing land should be compared solely to the rate for private fringe area leases. Commerce determined that it was necessary to adjust the lease rate for private land downward to account for differences between the leases on private and public land. This adjustment was undertaken to reflect costs associated with the paying of taxes, and the construction of fences and water dugouts.

Because livestock (including cattle) industries were predominant users of the Manitoba Crown Lands Program, Commerce determined that the program was specific and thus that the provision of public grazing rights was a countervailable subsidy. On this basis, the countervailable subsidy was set at 0.01%.

8.3.2.8 Alberta Crown Lands Basic Grazing Program

Grazing rights were first issued on public lands in the early 1930s. Over 10.5 million acres of land were managed by the Alberta government, including a grazing component of approximately 2 million acres. Leases ranged from 1- to 20-year terms. Annual rent was equal to a percentage of the forage value of the leased land. When determining the forage value, consideration was given to the grazing capacity of the land, the average gain in weight of cattle on grass, and the average price per pound of cattle sold in the principal livestock markets in Alberta during the preceding year. Beyond paying the lease fee, lessees were also required to construct and maintain capital improvements necessary for livestock in order to comply with all multiple-use and conservation restrictions imposed by the government on the land. Lastly, lessees had to pay school and municipal taxes charged on the land being leased.

Commerce found that public lessees appeared to receive more compensation from oil and gas companies for use and access to the land than they would if leasing the same land from a private provider. Accordingly, public land was more valuable to a lessee than private land. The government was not found to be adequately remunerated for the provision of the land.

To measure the benefits received under the Alberta Crown Lands Basic Grazing Program, Commerce combined the difference calculated by comparing the grazing fees paid for public and private land with the difference in compensation received. The resulting amount became a recurring benefit, which was then divided by the province's total sales during the period of investigation. On this basis, Commerce determined the countervailable subsidy to be 0.65%.