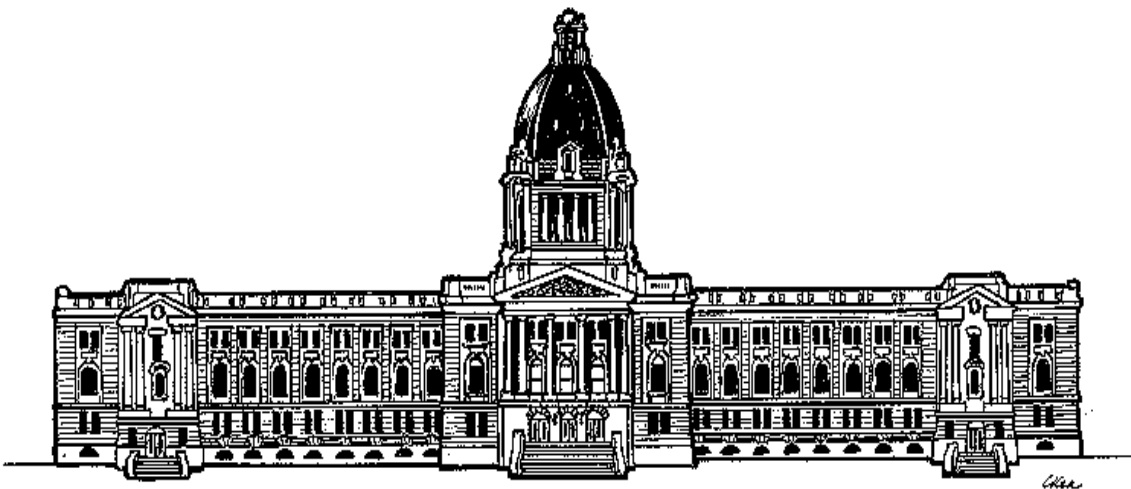




STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Moosomin

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Ms. Nancy Heppner
Martensville

Ms. Victoria Jurgens
Prince Albert Northcote

[The committee met at 19:00.]

The Chair: — It now being 7 p.m., I'm going to call this meeting to order. Welcome everyone. First of all, I'd like to advise the committee that pursuant to rule 146(1) the main estimates for the following ministries were deemed referred to the committee on March 29th, 2012: main estimates vote 1, Agriculture; vote 23, Energy and Resources; vote 43 and 144, Enterprise and Innovation Programs; vote 83, Enterprise Saskatchewan; vote 26, Environment; vote 16, Highways and Infrastructure; vote 17, Highways and Infrastructure Capital; vote 84, Innovation Saskatchewan; vote 35, Saskatchewan Research Council.

The following supplementary estimates were deemed referred to the committee on December 12th, 2011 and March 21st, 2012: supplementary estimates vote 1, Agriculture; vote 23, Energy and Resources; vote 26, Environment; vote 16 and 145, Highways and Infrastructure; vote 17, Highways and Infrastructure Capital.

Tonight we have with us the Minister of Agriculture. Before we begin however, if all the members are in agreement given how warm it is in this committee room tonight, I would ask if members will allow all of the members to remove their jackets and sit a little more comfortably, including officials. Are we in agreement?

Some Hon. Members: — Agreed.

The Chair: — Please feel free to feel a little more comfortable tonight. Hopefully as we move on this evening it gets a little cooler outside, the air will start to cool off in here as well. Depends on the level of debate that takes place.

Well, tonight we're pleased to have the Minister of Agriculture here and we will begin consideration of the vote on Agriculture central management and services, subvote (AG01). The minister is here with his officials, and I would first of all ask the minister to introduce his officials and then invite him to give his opening remarks.

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

Hon. Mr. Bjornerud: — Good. Thank you, Mr. Chair. To my left is Alanna Koch, the deputy minister. To my right is Nithi Govindasamy, associate deputy minister. Behind us we have Rick Burton on the right side here, assistant deputy minister; Shawn Jaques next in line, second there, acting general manager of Sask Crop Insurance. Tom Schwartz, where's Tom? There we are at the back — Tom, give us a little wave — director of financial programs branch. Ray Arscott, right here behind me, executive director of corporate services. Jeff Morrow — where's Jeff? — on the far side there, executive manager of research and development, Sask Crop Insurance; Wally Hoehn, there is Wally at the back, acting director of lands branch; Scott Brown, Scott's on the left side, executive director of policy branch; and Tim Highmoor, my chief of staff. So, Mr. Chair,

that's our officials that are with us tonight, and I want to thank them for coming. And they'll be helping us answer questions and giving a lot of the details that the members ask for.

So I'm just going to give a quick, brief overview of the budget for 2012-13, and then of course we'll try our best to answer questions.

This year's budget is \$430.8 million. That's the second largest budget we have ever had. The last four budgets actually are the four largest budgets in the province's history. \$321.4 million is to fund the programming: AgriStability, AgriInvest, and crop insurance. So as you can see, a large part of our budget goes directly into programming.

A record 177 million for crop insurance, and that again is the highest that's ever been. The record crop insurance coverage of \$174 per acre is a touch up from last year. I think on average it was \$174 per acre. But over the last four, four and a half years, that coverage has almost doubled. In 2007, it was \$88 an acre, and as I said, this year it's \$174 an acre. And that's actually very positive news because a part of that, a good part of that is due to improved crop prices across the province. And of course the other part of that is to do with improvements we've made to the crop insurance program in which premiums have gone accordingly with that too. But the biggest part of that is due to grain prices, and that's very positive.

Also I think a number of the members will know that this year we have the option of buying up to \$85 or \$100 for unseeded acreage benefits. Last year we'd gone from the \$50 level to the \$70 level, and then did the, of course, the \$30 per acre unseeded ad hoc. So this year producers have the option of 85 and \$100, and we've made it very clear out there that there will not be an ad hoc program this year. So they have the option of buying up to the same \$100 that they had before, or they had last year. And I think Shawn can elaborate on this, and I'm sure there will be questions on it later.

A record \$20.4 million for ag research, and that's about a 50 per cent increase since 2007. Part of that is \$2 million for wheat genomic research. One million dollars in new funding for international marketing and trade advocacy. Irrigation funding, a record \$5 million to rehab the M1 canal. It was really, for all intents and purposes, wearing right out. There was many spots in the canal that was wore right through where there's liners in the canals and there was spots in it where water was actually starting to leach. So it needed a tremendous amount of funding, and we're going to have to continue that over the next number of years.

\$500,000 for beaver control, and I think many members know that SARM [Saskatchewan Association of Rural Municipalities] administers that part of the program. We started that last year, and they're doing a very good job of that for us. They're more directly involved with the RMs [rural municipality] and farmers out there, so that program is ran through them.

Same with we've increased funding for the rat control program to \$1 million, and I think no one at this table would disagree that that's a worthwhile program when our neighbours to the west, you know, they're rat free in that province, or at least

that's what they tell us. But I'm sure they're leading the way in that respect. So we have to play catch-up here, and I think that's money well spent.

Increased funding for the SSPCA [Saskatchewan Society for the Prevention of Cruelty to Animals], and this is a group that does very good work for us. The funding this year is \$530,000. We've increased their funding quite dramatically over the last four years, but on occasions when they're needed out there they do excellent work for us. And I don't think there's any producers out there that really don't see the need of this group to deal with situations. It very seldom happens, but when it does, we need someone to investigate and follow up. And this is what this group does, and they do a good job of it.

Continued programming, of course, in other programs: the farm, ranch, and water program, FRWIP [farm and ranch water infrastructure program]. And the last couple of years of course with flooding, the program probably wasn't utilized as much as I'm sure it will be into the future again.

The Southwest was in a drought situation when we started this program and, for those that remember, first year we had budgeted \$15 million and then it went over really, really well, and the demand was about \$29 million cost shared with the federal government. So we agreed to put that additional funding in at that point, and it's been a pretty popular program since that time. It's been for dugouts and pipelines and wells on farms across the province, and up to a 50 per cent rate. And I know there's been a lot of dugouts dug out there that we thought, and I think producers thought, may never fill in their lifetime of farming, and there's an awful lot of those dugouts that actually are full of water this year. So really that's a real positive going forward, especially with the livestock sector doing very, very well right now.

And as I said, continued funding for the farm business development initiative and also environmental farm programming, and really a number of the programs that I haven't mentioned here tonight. And if the members want, we can get into other programs here tonight that we are funding that are tied to the estimates.

So with that, Mr. Chair, we will certainly do our best to answer questions, and if for some reason that we're stumped on something and we can't get the answer tonight, we would certainly try and provide that answer in the near future for you. So thank you, and we'll take questions.

The Chair: — Thank you, Mr. Bjornerud. And just as a reminder as we move forward, for any officials that may be responding at any time to give us your name for the sake of Hansard so we've got properly recorded.

We're now open for questions. I recognize Ms. Sproule, the member from Saskatoon Nutana.

Ms. Sproule: — Thank you, Mr. Chair, and thank you, Minister Bjornerud and all your staff for coming out tonight. I know it's warm in here, but we'll try and get through it and see how we make out.

As you likely know, I'm very new to this position. I'm a newly

elected MLA [Member of the Legislative Assembly] and so I do have lots of questions that are coming from a fairly rookie level in terms of agriculture, so bear with me. And I think I will be somewhat rambly because I will be bouncing around from one document to another and haven't really put them all together in my mind yet. So as we go along, just if you would bear with me, and I'll try and be as organized as I can.

But I do want to go through a lot of the programs. I'd like to familiarize myself as much as I can with those and just get a real sense of what the department's up to. I figure this is a four-year journey, although it's the minister's last time he will be spending at this table. And I certainly am looking forward to your comments tonight and your vast experience in the area, so I appreciate that.

I think just to begin with, I'm looking at a letter from June 29th, 2010. So this was a letter from the Premier to yourself, Mr. Minister. It's a direction to your department. I don't have the one from 2011; I only have the one from 2010. But there's just a few things in there. It's, just off the top, questions that I might have about what's happened in the past. I understand these are letters you normally get from the Premier every session or every year maybe, and you could tell me about that.

But first of all, I have a lot of questions about the innovation agenda, and I'm just trying to get my head around it. What does that mean? And the Premier's directed your department to aggressively pursue an innovation agenda founded on ag biotech, value-added resource opportunities, and sustainable energy development. So I'm just interested in sort of your description of what this agenda is and if it's still the same for this year. I assume it is.

Hon. Mr. Bjornerud: — Well thank you for the question. And I guess really the innovation file . . . And I'm going to let others comment on this too because we have officials here tonight that work directly on an ongoing basis with this. And thank you for the member reminding me that you're new, and I've been there and done that and I appreciate that.

Really what the innovation agenda . . . and really research goes along directly with that. But it's working with businesses in this respect, ag businesses, whether it's farmers or businesses that deal with farmers right across the province to make the province, I think, fit with their business plan directly and to assist them and then in the same respect, also at points getting out of their way and letting them run their businesses. And I think that directly works for producers out there, for farmers.

There's a number of areas such as the programming course that we provide, and all governments have provided in the past to different degrees. But I think that's part of where we feel that what we provide as a government and as a Department of Agriculture is to assist in the areas that we should be assisting in, but at the same time removing regulations. And I think it's been an ongoing program of this government to try and reduce regulations.

As the member will know, I'm sure, from past experiences that regulations can get in the road and be a hindrance to businesses, and even private individuals for that matter, if they're not needed. And that's the respect we go about that in, that if

something is very old, and you'll see from time to time we're removing, appealing a legislation and removing it where it maybe was very worthwhile 20, 30, 40 years ago and it's still sitting on the books. But it can be very cumbersome at this point because as we all know agriculture's changed so dramatically. So really to a degree that's a good part of where we go. And I would ask Nithi or Alanna to please respond to that at the same time, if they will. And bear with us too because there's a lot of information that I don't have that my officials here tonight will have.

Ms. Koch: — Okay, good evening. I'm Alanna Koch, deputy minister. So the minister has spoken quite a bit about the regulatory innovation that we need to see removing barriers for the industry to ensure that we can be competitive and maximize profitability, and certainly that has a whole innovation component to it. You hear a lot of, you know, discussion about innovation as far as innovative ways of ensuring that we remove that number of barriers that producers may face. Very specific to kind of the research side of innovation, our ministry has been very active in this area. And in fact, research and innovation are very high priorities, as you mentioned, for the Premier as indicated in the minister's mandate letter as well as much of the efforts that the ministry has been undertaking for quite some time, but most definitely in the most recent years where we have increased our expenditure substantially. We target our funding to enhance the diversification and profitability of agriculture in the province. The funding is invested in four key areas that underpin the continued success of our producers and ranchers. And I'll maybe just list those kind of four key areas that are in that innovation area.

So the first one would be in infrastructure support for R & D [research and development] and institutions. So this would include things, for example, at the University of Saskatchewan. Our crop development centre, for example, is just one example.

A second area is in intellectual capacity, and very specifically this includes our strategic research program at the U of S [University of Saskatchewan]. So this is where we fund chairs that are in the strategic research area. So that's a second key area for us in innovation.

The third would be in knowledge creation. And this is primarily through our Agriculture Development Fund and it's through project funding. So this is where we would get innovative ideas that come forward, either from organizations that run check-offs, so for example the Saskatchewan Canola Development Commission may come in on their own or in partnership with a researcher. Or a researcher could come in with an innovative idea that they felt required project funding. They may come in with other partners. They come in on their own. So that would be the third key area on our innovation agenda.

[19:15]

And then the fourth would be in technology commercialization and transfer, and this is — I think the minister talked a little bit about this — this is about demonstration of new technologies at a local level. And we actually have a program that helps in that tech transfer, so it's ensuring that, yes, good research is done, innovation is created, new ideas are developed, but that they

don't go in a really nice report sitting on a shelf. That we actually then take that research and some of those innovative ideas and then we take them out and we apply them at the farm and ranch level. And so our ADOPT [agricultural demonstration of practices and technologies] program assists, you know, maybe it's farmers that have a great idea, that want to be able to demonstrate to some of their peers these good ideas or it could be researchers that have gone out and have done some on-farm work, demonstration farm work.

We do have quite a few of our demonstration farms, kind of a network around the province that are involved in this. This program has been highly popular and it's been a really great way to do tech transfer. I think it's fair to say tech transfer had, you know, in the past, decades ago perhaps, seemed to be a really popular thing to do. For example, the University of Saskatchewan used to do a lot of technology transfer in the R & D area. It had kind of fallen away, and it was our view that there was so many great ideas that were kind of sort of sitting on the shelf. We were investing millions of dollars but the ideas kind of weren't really reaching the farm. They weren't reaching the people that can make the most of that R & D. And so that would be the fourth key area of our innovation agenda is in the area of tech transfer, tech commercialization. So that, you know, I guess that would summarize a lot of what we're doing on innovation.

I guess the last thing I would say is we do have a very diverse agriculture industry in Saskatchewan, but we are very strong in the crop production area. And so we really believe that while we want to for sure support all of our industry, we do know that one of the primary focuses of our innovation agenda will be on crop production. And it's to make the most of our strengths and to make the most of what we know we can contribute both to profitability on the farm here in Saskatchewan but also to grow our exports, to be able to expand our competitiveness around the world, and in fact even contribute in some ways to food security. If you want to look at some of the increased, for example, canola varieties or pulse varieties, that for sure contributes to profitability on the farm here in Saskatchewan but it does contribute to our ability to maybe provide more food supplies around the world and that is very much related to kind of that whole innovation piece.

Ms. Sproule: — Thank you. Did you have . . . Okay. That was a lot of information. All right, just to go back a little bit. When you talk about the regulatory barriers, could you give me some examples of the types of barriers that you feel are out there and what you've done to remove them?

Ms. Koch: — Well I think, you know, for example our view would be that we would want to see harmonization of regulations. So in fact if there is a level of provincial regulation that producers have to meet in, you know, maybe a new technology, that we would want to see harmonization that you're not having to jump a hurdle provincially and then also perhaps jump a hurdle nationally. And also that we would be able to see, you know, provinces also harmonized. So that if we wanted to see movement of goods across provincial borders, that we would see some harmonization.

As well I guess another hurdle would be in fact that we would have Canada take a lead in some of the international

harmonization that needs to occur. So if we look at say, for example, on some of the animal health side or on some of the plant health side, some of the trade barriers that we face in the world, for example entry in some of the European markets that, you know, whatever the regulatory barriers are that are set by some of the international, say a health or standards organizations, that Canada do what it can to take a science-based approach, that we promote that science-based approach that is based on evidence and fact as opposed to, you know, maybe some of the other challenges that are coming at us from an agricultural perspective on, you know, public opinion for example. That it is based on fact and that Canada can drive some of that regulatory harmonization so that we can enter the market. That also reduces costs. And I think that's an example.

Also animal health issues that occur, maybe with the amount of animals that are moving across the Canada-US [United States] border, that we would look to harmonize some of those transportation issues.

I think it takes innovative ideas to kind of problem solve and determine what is the science-based approach to some of those regulatory, you know, challenges that we face. And we have seen some improvements there. I think we've seen some successes but we've got much work to do.

Ms. Sproule: — I guess I'm looking for some real specific, concrete examples where you've successfully done this — reduced the barriers. Can you think of any?

Hon. Mr. Bjornerud: — We'll check.

Ms. Koch: — I can just give you one example, something that I was just reminded of even on a more, you know, provincial basis. We do take all of the regulations that we have within the Ministry of Agriculture and we ensure that we review them on a regular basis so that every year we're taking a look at, you know, a number of regulations that are in existence in our ministry and making sure that they're still, you know, required, that they're not more burdensome than they need to be, that we've in fact taken an enterprise approach across government that, you know, whatever barriers that we've got in place, that they're as modern and as reduced in cost as possible.

A specific example that you asked about was brand inspection fees, which I'd kind of forgotten about because we resolved this a couple of years ago. So this was for cattle crossing the Alberta and Saskatchewan border. We've got a lot of movement of cattle that go back and forth for feeding purposes, for grazing and winter feeding. And so this was a way that Alberta and Saskatchewan worked together to harmonize and make sure that we weren't double charging on inspection fees so that it was harmonized.

That's just one small example. Nithi actually maybe could share an example of more the Canada-US regulatory issue that he might have an example of.

Mr. Govindasamy: — My name is Nithi Govindasamy. I'm the associate deputy minister.

Some specific examples that arise as a result of working with the United States, between both federal governments and

provincial governments, is in the area of veterinary drug harmonization. There's been a number of veterinary drugs for example that have gone through the testing procedure on both sides of the border, and yet farmers don't have access to these, you know, these veterinary tools. And so that's one area where there's been some progress in being able to agree in a common standard for certain veterinary drugs.

The same is also true in the crop side where we didn't, a number of years ago, have the capacity to be able to bring in crop-related pesticides, for example, because our regulations were, essentially at the federal level, were not in harmony with the United States. And so minor use pesticide regulations have been brought in, own-use pesticides, etc., have been brought in.

This is something that's an example of co-operation in terms of making sure that the safety of the sector is enhanced and yet harmonizing regulations to enable business to occur on both sides of the border. So those are some examples on the Canada-US side, and there's many, many more to go in terms of unfinished work in the regulation side.

Hon. Mr. Bjornerud: — Another area that we might have had too, and I don't know if Alanna maybe touched on it, was transportation and common weights that . . . Every province had a different restriction on what the weights were allowed, and farmers especially — not just farmers, but every part of business was affected by it, but farmers too — where there was different weights in Alberta, different weights in Saskatchewan. So harmonizing some of those things, I think, is a great help to businesses across the province.

Ms. Sproule: — Okay. Thank you very much. I'm thinking about food inspection, and I know you're aware that there were cuts federally on the number of food inspectors. And so what sort of, I guess, is there harmonization in that area as well? What do the other provinces, what are they doing? Obviously food safety is very important. And so are there any sort of plans to sort of cover that off now that the federal government isn't filling that space as much as they did?

Hon. Mr. Bjornerud: — I'll just start on that and let someone else if they want to elaborate a little bit on it. But that was, part of this year's budget was \$800,000 to start to backfill some of the, or cover the CFIA [Canadian Food Inspection Agency] inspections in the province. I guess the one thing then we've been saying this to producers — and of course they've been telling us too how important inspections are out there — but food safety of course is at the top of the list for every provincial government and federal government out there. But with CFIA pulling back in 2014, of course we're starting to backfill from that respect. And we'll make sure that's a smooth transition. We may even see at some point the same people that are inspecting now may end up still doing that same job but probably there will be some of those costs will be coming from the province. Rick, do you want to . . .

Mr. Burton: — Rick Burton, assistant deputy minister. You know, last June the CFIA indicated to us that they were withdrawing services within the provincial registered plants in the province. There's 12 of those. The federal government continues to, and they gave us . . . They're going to continue to provide that service until December 31st, 2013, so we've got

some significant time to figure out a replacement system for that. We are continuing to work with plants on that replacement system and we think there'll be ample time to put in place a replacement system for those 12 plants.

CFIA continues to be responsible for overall food safety in federally registered plants and that's where the majority of the food in the country comes out of, federally registered plants.

Ms. Sproule: — A question on that. Can you tell me more, like how many provincial registered plants are there, how many federally registered plants? And then would there be animals being slaughtered anywhere else or are they all done in the federal and provincial plants? This is just my pure ignorance of this.

Mr. Burton: — We have 12 provincially registered plants in the province. We don't have the number of federally registered plants across the country or within the province. There's a number, and they're in the meat sector, right?

Ms. Sproule: — But here in Saskatchewan are there federally registered plants?

Mr. Burton: — There is some.

Ms. Sproule: — A number of them?

Mr. Burton: — Yes. I mean there's some examples. There's a couple of poultry plants, Saskatoon Maple Leaf Foods, Centennial, Harvest, and Centennial Food, and . . .

Ms. Sproule: — Just to understand . . .

Mr. Burton: — Pork, sorry.

Ms. Sproule: — And Thunder Creek?

Mr. Burton: — Thunder Creek Pork in Moose Jaw.

Ms. Sproule: — Okay. And just to understand why would there be two levels of government running plants?

Mr. Burton: — The federal government is responsible for any products that move interprovincially, and so if a plant wants to move product interprovincially, they have to be federally registered.

Ms. Sproule: — Thank you. How many inspectors . . . Do you know how many there are in total right now and how many will be lost as a result of the federal . . . or that you will need to replace or whatever? You know what I mean.

Mr. Burton: — So in the 12 plants right now that are provincially registered, they use 10 FTEs or full-time equivalents. There's a number of people who work within CFIA who that's part of their job. Sometimes they work on both sides of the border. Sometimes they inspect plants. Sometimes they do other functions for CFIA. So it's 10 full-time equivalent positions. They draw from a pool of around 20 to 25 people who fill those but they wouldn't all be impacted to the full degree.

Ms. Sproule: — You wouldn't know sort of how many inspectors, or is it the same group of people?

Mr. Burton: — Some of them may be the same people but some may be just dedicated to provincial. We'd have to get those numbers from CFIA.

Ms. Sproule: — That's fine, thank you. And are there . . . If a farmer is butchering a cow on his farm, what governs that for food safety, or is he on his own?

Hon. Mr. Bjornerud: — That would be our health inspectors really, the health inspected plants. One example I can think of is my home plant in Yorkton where you could take an animal in and have it butchered or slaughtered at that plant and the health inspector checks those plants out. And I wouldn't know the number of how many plants there is like that, but that's the smaller ones that are more directly dealing with producers on a day-to-day basis.

Ms. Sproule: — So when you say health inspected, it's the Ministry of Health who would look after that then, right?

Hon. Mr. Bjornerud: — That's right.

Ms. Sproule: — Okay. I'm going to wander into something else now. Just back to the innovation for a second and there was . . . You gave me a lot of information but it just raised a lot more questions. What types of innovation and research are you conducting right now in the areas of ethanol or biodiesel, and is that your area even?

Ms. Koch: — Excuse me. I have to get my chair up here. Yes, the issue of research in biofuels or biodiesel, I'd have to check. We could have some projects that we're funding through our Agriculture Development Fund. There's a number of projects that are funded there, but for sure we do make funds available if there were project ideas that came forward. That is the type of thing that we would fund through the Agriculture Development Fund. So that it is sort of in that whole, you know, bio industry area that would be eligible for funding through the Agriculture Development Fund.

[19:30]

Ms. Sproule: — I'm wondering about the Agriculture Development Fund. Is there a financial statement that comes out for that?

Ms. Koch: — Actually on our website we do have a quite a large area on our Saskatchewan Agriculture website that is focused on the Agriculture Development Fund. And it does list several of the areas of focus, as well as quite a bit of the project information. In fact you can get copies of the studies that are done and some of the research results. So you know, it's quite lengthy, but I would think the website would be able to provide you quite a bit of that information. That's just a suggestion.

Ms. Sproule: — That's a good suggestion. Where does this fund fit in in your budget? What lines does it come under? Research and technology, I assume. Would it be in there?

Ms. Koch: — So that would be subvote (AG06). It's in

research.

Ms. Sproule: — Six, okay. I have to find my version of that budget. So in terms of the allocations then, we have \$914,000 in coordination and then 19 million in research programming, so that's the Agriculture Development Fund basically.

Mr. Burton: — If I could just clarify on that. Earlier Alanna talked about it's more than just ADF [Agriculture Development Fund], that research. When Alanna talked earlier about our support for intellectual capacity at the university through our strategic research program, that's there. The support for some of the infrastructure pieces in terms of the crop development centre support, that's in that number along with our ADF funding.

Ms. Sproule: — Which funding?

Mr. Burton: — ADF.

Ms. Sproule: — Oh the ADF, okay.

Mr. Burton: — To development. That's the specific project funding.

Ms. Sproule: — I thought you said ADM [assistant deputy minister] and that was you. I thought.

So just to focus a little more on that fund, how do you make decisions or what's sort of the policy directives in terms of what gets funded and what doesn't? And I'll tell you, one of my areas of interest is certainly organic farming and small farm type of operations or environmental issues and things like that. So how do you sort of rank the decisions in terms of who gets funding and who doesn't? Is it project-based or are there policies?

Hon. Mr. Bjornerud: — We have an ADF advisory committee that make recommendations to us, and very seldom do we change what they're recommending to us. They use, they . . . It's a working group. There's farmers and good representation I think across the board that are making these recommendations. So they do some very good work for us. But normally we just accept their recommendations unless there's something specific that doesn't fit with where we feel it should go.

Ms. Sproule: — So could you tell me a little bit more about who sits on the committee at this point? Do you know who . . .

Mr. Burton: — I'll give you the names. So actually I chair the committee. Tim Oleksyn is a producer from Shellbrook; he's the Vice-Chair on the committee. Jack Hextall from Grenfell is a producer, Tom Hewson from Langbank. Doug Billett is the director of our crops branch within our ministry. Joe Kleinsasser is a producer from Rosetown, Cheryl Jolly-Nagel from Mossbank, Bill Copeland from Elrose, and Paul Johnson is the director of livestock.

So what the committee, what we tried to do in designing this committee is ensure that both the crops and the livestock side of the equation was covered on the producers side and within the ministry expertise.

Ms. Sproule: — So is it application-based, strictly

application-based? Or just tell me more about how it works.

Mr. Burton: — Sure. I'll just give you some background. So basically it's a two-phased application process. We have a letter of intent where they put in a short description of the project they're trying to have funded, the problem they're trying to address, and the potential science solution that they're looking at. That application deadline is April 15th.

The committee reviews all of the letter of intents that come in and they streamline them and determine which ones have the highest chance of success. They do that during the summer. And then we give feedback to the researchers or the organizations who put in the applications and they . . . what we call a full-blown application that they then provide us in August, and we would review that full-blown application.

There's a process within the ministry we do to help analyze these applications in that each application will go out to specialists within the ministry and industry specialists, you know. So for instance, if it's related to flax, it would go maybe to the flax, Sask Flax if it's, you know, whatever commodity organization might be interested in that. And we ask for their comments, along with our ministry specialists in those area give us feedback on the importance of that. Does the priorities line up with the industry's needs? That gets fed back into the ADF advisory committee who reviews these applications, the full applications. And then they make a recommendation to the minister.

Ms. Koch: — So your question specifically to the biofuels question, I can just give you one example of that from, that was announced as part of the crops side of our agriculture development funding. And this is just one example. It's commercialization of industrial oilseeds for feedstock. So the objective of this study is to use technology to stack six new traits into carinata, which is a type of crop, in order to produce a new industrial oilseed that has the following features: optimized oil composition with optimized oil chemistry for biofuel, enhanced overall yield of optimized oils through improvements in seed yield and overall oil content within the seeds, and an ability to grow with high performance on semi and marginal land with reduced input requirements. So that's just an example of one of the projects that is for Agrisoma Biosciences which is out of Saskatoon. So that's just one example.

And then I thought, because as Rick was talking, I had another paper provided to me and I think it would just give you the sense of a little more about the Agriculture Development Fund. Though we would emphasize that isn't the only area, you know, in our research area. But it is probably one of our most popular ones, best known.

Thirty-four crop-related projects were announced in January which was for 8.3 million. So that was just . . . These are the current year. And 26 livestock- and forage-related projects were announced for \$3.5 million. So that's in total was 11.8 million in 2012 for ADF funding. And it's being provided for 60 agriculture-related projects. And you know, I'll just . . . We mentioned the crop development centre at the University of Saskatchewan, but there's also some of the money goes to the Western College of Vet Med. Some of it goes to VIDO [Vaccine and Infectious Disease Organization]. Some of it goes

to western beef development centre, Prairie Swine Centre. The National Research Council also gets some. And so PAMI out of Humboldt, Prairie Agriculture Machinery Institute also gets some of the funding.

So these are some of the institutional pieces. So there's ADF and I do, you know, I have a list here of other, some of the areas of focus in ADF which I can provide to you, but if you're not interested in that detail, that's fine. But that's a little bit more information, a little bit more about the organizations that we fund through that research area of our budget.

Ms. Sproule: — I do recall the announcements in January for the crop-related and livestock-related projects.

Does the ministry have an independent research function as well that's not related to proposals from producers, but just strictly things that the ministry is interested in and is following in terms of agricultural research? Or is it all driven by industry?

Mr. Burton: — We don't have researchers as part of the ministry staff. What we do is we fund research projects. But we work closely with industry. Like it's not just driven by the researcher. The researchers in their areas will work with the organizations who fund those, and in large part it is producer organizations who provide some of that funding and some of the direction on their priorities for their crops or their livestock. And so they work very closely with the researcher in designing the proposals that come forward to the ministry.

Ms. Sproule: — And I would presume the university's involved as well in some of their research. There'd be joint projects and things like that put together.

Mr. Burton: — Absolutely.

Ms. Sproule: — Yes. Okay. Let's see where we want to go now. It's still on the first bullet in the minister's letter.

I guess just maybe a little bit more on the research side in terms of sustainability and environmental work. Are there any projects you can describe to me that you can think of off the top of your head, or is there any focus on sustainability? I know you mentioned food security, but just generally, quality of land, like sustainability of soils and, you know, how we'll avoid the '30s. I know they're not coming back, but that kind of research, and especially when extreme weather conditions that we're experiencing in this day and age.

Hon. Mr. Bjornerud: — If you get the chance, the crop development centre in the University of Saskatchewan has some tremendous research going on right now, and you get the opportunity to check out some of the drought-tolerant varieties and even some of the frost tolerance that they're testing right now. But the one I noticed that would directly impact farmers right across the province, but especially in the southwest part of the province where it gets dry from time to time, the drought-tolerant varieties in some cases I would believe would actually probably outyield some of the ones where you would have normal moisture. It's amazing to see what they are doing, and I think that's down the road where that's going to pay tremendous dividends for producers.

Of course it's a slow process. They can develop a seed out there for a different variety; it has to go through the process before it hits the farm gate. So some of those things are in the works right now and will be in the next number of years coming out, that research that has been done possibly even two years ago. But they're refining it and I think producers are going to see a tremendous benefit from that.

Ms. Sproule: — Thank you. We've been at it since Seager Wheeler started many years ago, haven't we? So it's just a long, ongoing process.

Mr. Burton: — If I could just add another comment. We have two of our strategic research chairs in the soil and environment area. One of them is . . . It's held by two people actually, Diane Knight and Richard Farrell. And the other is held by Jeff Schoenau, the University of Saskatchewan. And their focus is really on soils management, nutrition, how to make sure that we are operating in a sustainable manner and looking at the long-term issues around soil and nutrient management.

Ms. Sproule: — Who are the two chairs again?

Mr. Burton: — The first chair is a soil biological processes chair, and that's held by . . . We get two for the price of one here. It's held by Diane Knight and Richard Farrell. They co-chair, share that chair. And then the second one is soil nutrient management chair, and that's Dr. Jeff Schoenau.

Ms. Sproule: — Okay . . . talked about eliminating regulatory requirements. Okay, in 2010 the letter from the Premier to the minister also indicated he wanted, working with Enterprise Saskatchewan and industry:

a plan to increase competitiveness, production, product development and value-added processing in Saskatchewan's crop sector with a goal of increasing overall profitability throughout the value chain and reducing the sector's reliance on direct financial support.

I guess I have quite a few questions about the direct financial support from the ministry, but can you tell me, has that plan been completed with Enterprise Saskatchewan? Is it available somewhere on the Internet to look at? This is from the letter from 2010.

Ms. Koch: — I think we've done a lot of work with Enterprise Saskatchewan and in fact have come up and have worked quite a bit with industry. Our crops branch, I'll just pick up on that because you've mentioned in the area of crops was that area of emphasis that was in the minister's 2010 mandate letter.

And so we have developed a crop strategy. It is very much focused on, and I might get Rick to elaborate a little bit more about this in a moment, but it's very much focused, as I mentioned, on those strengths that we've got in crop production, is very much focused on making the most of the opportunities considering the productivity of our land, you know, the vast farmland that we do have in Saskatchewan, recognizing some of our climate challenges, and so making the most of some of those.

For example, the minister mentioned drought-tolerant varieties.

In fact, you know, fertilizer-efficient varieties are some of the areas of development. Some of the unique characteristics can be developed in some of the crops' end-use characteristics, for example, quality of oil for example, or camelina or some of those new innovative crops. And then to of course talk about the full-value chain, and so in fact in Saskatchewan we've seen quite a bit of change just in the last few years. I'll use canola again as an example where we actually now have some crush plants in the Yorkton area where that's a very . . . We've always had a small capacity in crushing in Saskatchewan, but we've seen phenomenal growth in the area of crush capacity.

[19:45]

We've been working hand in hand with Enterprise Saskatchewan on that, making sure that we move again the barriers out of the way to help those value-added businesses develop in Saskatchewan, whether that be, you know, right down to making sure we've got the right roads going to the facility to make sure we can get the canola truck there, right through to making sure that we've harmonized any kind of transportation regulations through to working with Canada, US and making sure that there's good flow of the product across the border, that kind of thing. So we've been quite active in the area of our crop strategy.

I don't know if there is anything else. Rick? Oh yes, I guess I could mention also another key area in our crops. The focus has been a wheat summit that we held in early February in Saskatoon where we brought together very significant industry players — farmers, the researchers from the U of S, in fact researchers from around the world — were present in Saskatoon where we talked about the need for further investment in wheat. What are some of the challenges are in wheat? We've not seen the same kind of investment in wheat as we've seen, for example, in pulses and canola. It's fallen behind. Wheat will be one of the staple crops that we need to feed the world.

And so what can Saskatchewan do to make sure that we invest properly, but also what can we do to attract additional investment from outside of the province because we know we can't do it alone. And in fact we've seen the Premier announce an additional \$2 million per year for the next five years in that area of wheat genomics, wheat research. Now that's just one way for us to demonstrate our commitment, but what we need to see is full industry participation in that area because we've got a lot of work to do in a short time. And that's just an example of, you know, again we're working with Enterprise Saskatchewan on that in trying to attract that investment into Saskatchewan.

Ms. Sproule: — So what kind of investment — what's the word? — incentives are you offering that level of investment? How are you attracting it?

Ms. Koch: — Well it wouldn't be, you know, it wouldn't be direct, say, business incentives per se. Instead what it would be is setting the right kind of first policy climate and regulatory climate to be able to welcome in that kind of investment to demonstrate that we are, you know, open for science and that we are very focused on innovation, very focused on making sure we have the right infrastructure capacity in Saskatoon.

So a little bit about some of the infrastructure capacity that Rick spoke about and making sure we fund the right kind of research chairs at the University of Saskatchewan, that we do work with the organizations that are already present in Saskatoon like the University of Saskatchewan, like the National Research Council, the plant biotech institute there, the crop development centre, demonstrating that in fact we have a cluster of bioscience capacity in Saskatoon. And it's to market that and say that's an incentive to see the attraction of the investment that would come from other industry players and in fact from around the world to say Saskatoon's the place.

I mean we do know we already have 700 scientists involved in that whole bioscience area in Saskatoon. So we are viewed as a global leader in that area, but we feel more in fact needs to be done in order to really achieve some of the advances that we need to see to truly see the improvements, for example, in wheat production and wheat innovation, and also to ensure that we have good, strong competitive producers here in Saskatchewan, have access to the right kind of wheat varieties, as an example.

Ms. Sproule: — If you build it, they will come?

Ms. Koch: — That's essentially it. That's the type of incentive, you know. Set the right kind of regulatory policy climate, demonstrate that you're willing to invest, you put \$1 in, hopefully 10 more come in. And it doesn't have to come from the public purse, and I think we've seen that demonstrated on the pulse side and on the canola side. We've just seen less of it, for example, in wheat and we believe that there's some real opportunity there. And really wheat has become a topic of discussion internationally as a view of meeting some of those food security demands that we know are coming at us very quickly when you consider where world population is going.

Ms. Sproule: — All right, just looking at some notes here. Where do we want to go next? The last bullet in the letter of direction of 2010 was to “enable the sale of Crown agriculture land to Saskatchewan producers while respecting environmentally sensitive habitat.” Can you tell me how you have approached that in the last couple of years?

Hon. Mr. Bjornerud: — Farm land or Crown land sales you're talking?

Ms. Sproule: — It looks like that's what the Premier . . . sale of Crown agriculture land.

Hon. Mr. Bjornerud: — You maybe know this, but what we've had in place is an incentive program. I believe this year we are down to the 6 per cent discount on Crown land sales out there. We started at 10 and then 8 and then 6, 4, and 2, of course. Just an incentive to help producers acquire the land, of course, that's not under WHPA [*The Wildlife Habitat Protection Act*] or has some restriction on it out there. And I think the member is familiar with, you know, some of the debate we've had in the legislature on this.

And that process is going on right now with Environment, actually categorizing the different areas where WHPA and that would be on there. But that's what that was about, where we tried to help producers acquire some of the land that they may

have been leasing for many, many years out there. In fact had they have purchased them many years ago, they've probably paid for them since, time over and time again. And you know, I think we can probably all agree on this one — they're the best stewards of the land there possibly could be out there, whether it's ranchers or farmers.

So that's really what that was about. It was an incentive to help producers acquire some of this land if they wished. Of course they didn't have to; their lease would continue if they didn't take that option. But it was just an incentive to help them in many cases acquire some of that land.

Ms. Sproule: — And by and large then it was leased lands?

Hon. Mr. Bjornerud: — It's Crown land, yes, that producers were leasing at the time. Yes. But there's only so many, you know, parts of that that's actually saleable. One of the first things that officials do is they check to see whether WHPA's on it or possibly if there's gravel pits or a number of other things that someone else, whether it's the RM or Highways or somebody, might have an interest in. There's other things, you know, that some of the others might be able to add to it.

But there's restrictions on some of it that can't be sold or we won't sell because of the third party interest that may be in that land. If there's not there, of course, then that's the land that we would make saleable and producers to some degree have been purchasing.

Ms. Sproule: — I guess I'm just curious. Is there a lot of Crown land out there that would be considered agricultural still? Or other than the ranch lands, I'm just talking about crop.

Hon. Mr. Bjornerud: — Yes. We have, all together we have about 90 million acres. But under ag we have about 7 million acres, yes, under our portfolio. Yes.

Ms. Sproule: — Is it considered agricultural?

Hon. Mr. Bjornerud: — Yes.

Ms. Sproule: — And would that all be leased right now?

Mr. Govindasamy: — No, there's quite a bit of vacant land too.

Ms. Sproule: — And is there any program for those, or is it just status quo?

Mr. Govindasamy: — Most of that vacant land is under water or lakes, sloughs, and so on and so forth.

Ms. Sproule: — You won't be growing too many crops there. Wild rice maybe.

Mr. Govindasamy: — It wouldn't have any agricultural potential.

Ms. Sproule: — Okay, so there's no potential. Okay. All right.

Just a question here about ecological stewards. And I know I sure heard that in spades when I talked to some of the ranchers

the other night at the cattlemen meeting we had here. Is there any sort of incentives, I know — like the permanent cover program from PFRA [Prairie Farm Rehabilitation Administration] was to encourage, you know, farmers to put marginal land back into a permanent cover type of crop — are there any incentives now for producers to do that here for marginal lands?

Hon. Mr. Bjornerud: — Not that I know. I know that the ALUS [alternative land use services], the alternative land use policy, is something that Manitoba started I guess as a pilot and a couple of the RMs. And I know it from time to time it comes up. The idea is probably very, very good, the problem being it's very, very expensive too. And what it comes down to is paying producers to, you know, leave some of that land that possibly two out of 10 years they can't farm or maybe five out of 10 years — it all varies out there — but be able to permanently put them aside but be compensated for that.

The idea is tremendous. The problem is, you know, the levels of government to find the dollars to do that. I think producers and everyone would agree, if we could afford to do that, that would be a good way to go, and it would help protect the environment and species and all sorts of things. Ducks would be right on board with that. Again the problem is, is how do we afford that. It's very, you know, could be very costly, would be very costly.

Ms. Sproule: — Yes, I guess you just wonder about the long-term costs if we don't, but I know it's tough for a producer to leave land out of production if they can help it.

And this will likely come up again too. There's another bullet here. I'm just moving into AgriStability, and the Premier's direction was to conclude the transition of the AgriStability program from the federal government to Saskatchewan. So my question is, did that happen?

Hon. Mr. Bjornerud: — That process has happened right now. In fact I think we've seen some very good results out of that. The member may remember and may not. I don't think you were here at the time when we made that transition from Winnipeg to Melville to join in with Crop Insurance and by doing that, bringing some of the efficiencies. The best number that we have is in Winnipeg there was about 300 employees that were employed to process Saskatchewan's portion of that. We used to pay them about, I think it was 13, \$15 million a year. Right now in Saskatchewan, I believe we have 144 employees, 30 around the province and the rest pretty well in Melville as part of the new addition that we put on the building at Crop Insurance.

But I think where the efficiencies come is that you've got Crop Insurance and AgStability together there. A lot of the numbers that both sides utilize from producers, I think, you know, that's where some of the efficiencies come. One of the things we've tried to do, as many as we can of the employees have had some degree of an ag background so that when someone calls in . . . And this was a complaint we always had when it was in Winnipeg is that you would call in as a producer and your file isn't being processed. We had some four or five years behind. Well a producer could be bankrupt, gone out of business before they ever saw any chance of a cheque coming out. We haven't solved all those problems, but the AgStability people have

made a tremendous change to that. Our reaction time is far greater than it was before.

And I think we get that comment from producers. When we call now, we get someone who seems to care but, on the other hand, seems to understand what we're talking about and gets back to them very quickly. So you know, we don't solve all the problems instantly. There's sometimes it's a very complicated process, but we make sure that we follow up there as fast as we possibly can and get that process to go through as fast as we possibly can.

Ms. Sproule: — Just on AgriStability and crop insurance, I think I need you to take that to even a more basic level of explanation for me and sort of just tell me the story of how crop insurance and AgStability fits together, what exactly the goals of AgStability are. Because I really, you know, I've looked at the web page and it's just, it's hard to comprehend.

Hon. Mr. Bjornerud: — I'm going to get someone to talk about the AgStability. I'll just make a few comments and then I'll get Shawn. Shawn is the acting general manager of Crop Insurance right now, so he's far more familiar with the individual programs.

But the crop insurance side is more of a guarantee for acreage and, you know, the guaranteed acre or coverage that you would have per acre on the yields and of course at a set price that we set before the contracts go out. You know what your coverage will be, and it's one of the things I think I like about crop insurance and I think producers do. We've made a number of changes to try and improve it, but it's more bankable than any of the other programs, well, probably not than AgriInvest, but it's more bankable than AgriStability. That's my problem with AgriStability.

Crop insurance, you'll know your bottom line when you sign your contract. You have a guarantee for, you know, X number of bushels at whatever the price is set at that time. And that was that bit I talked about before was that prices have improved, so of course the premiums for all of us have gone up provincially, federally, and the producers themselves. When prices go up like that, you get very few complaints from the producers because that's the trend and the process that they like to see.

But I think the good part of crop insurance . . . And especially with the changes we've made and the improvements we've made, taking the advice from producers when we did our study around the province with producers, the recommendations that came from that study, and we've incorporated pretty well all of them I think at this point. There's maybe a couple that we haven't, but I think it's been a vast improvement of crop insurance.

But I'm going to get Shawn to talk about AgStability. It's a very complicated program. One of the complaints I think that we get from producers and we're trying to . . . And I know Shawn and his people have worked as hard as they can to simplify the program, but it's just a type of program that it's hard to get to right down to where the average person can understand it very easily. And I know from my own perspective, it's very hard to understand. That's why I think you've heard producers say in the past that you have to have an

accountant do it, and I think to a great degree some of them still do, but they've put it online now. There's so many improvements been made to it where . . . And the 30 people we have around the province are, you know, they're familiar with the program. They can come into your kitchen or, you know, have coffee with you and explain how that program works, but also help you fill out your application and things like that. And I think that's been a real positive across the province. Shawn, I'm going to ask you to just take it from there

Mr. Jaques: — Shawn Jaques, Saskatchewan Crop Insurance Corporation. As the minister said, we have staff around the province. There's 30 individuals. They're located in our local offices, and we have 21 offices around the province. So producers, if they have questions, can either call our call centre or they can go into a local office. AgStability is an income support program, and it's designed to cover when producers have a financial loss. It compares their program year margin to a reference margin, and the program year margin is calculated as allowable income minus the allowable expenses. And then we take into account adjustments in inventory, accounts payable, accounts receivable, or deferred income.

[20:00]

Ms. Sproule: — Crop insurance covers when the crop fails, basically, right? So what is the purpose of AgStability? Is it just price of wheat or is it other things that affect the bottom line?

Mr. Jaques: — So what AgStability is designed to cover is when your income drops on your farm, whether you're a livestock producer or a grains and oilseed producer, so if you have a drop in your program, your margin, compared to a historical reference year margin, and it's below — it has to be greater than a 15 per cent decline — then it would trigger a payment depending on the amount of the loss.

Ms. Sproule: — I think the film industry could use that, don't you? Drop it in your margins. Okay, so . . .

An Hon. Member: — Agreed.

Ms. Sproule: — Do you agree? My colleague agrees with me.

What's the difference between AgStability and AgriInvest? That's a different . . . and sorry if I'm jumping around.

Mr. Jaques: — Well AgStability is a program designed to cover off losses and compared, like I said, the program year compared to the reference margin. AgriInvest is . . . I may need a little bit of help, because SCIC [Saskatchewan Crop Insurance Corporation] doesn't deliver that.

Mr. Govindasamy: — So AgriInvest is basically a program that allows farmers to . . . It's a savings program, in simple language. It provides for the producer to set aside a certain amount of dollars which is matched by government dollars, and producers can withdraw that money and use it to reinvest in the operations.

Ms. Sproule: — Do what?

Mr. Govindasamy: — Reinvest in the operations.

Hon. Mr. Bjornerud: — I think the positive side of AgriInvest, too, it's dollars that they put in and we put in, but they can see . . . They know what they have there and it's kind of like a rainy day fund. They get in a position where maybe their income's dropped, too. That's another avenue that they can access. But it's very simple, straightforward, and you put dollars in, we put dollars in, and that account sits there for you. And the old NISA [Net Income Stabilization Account] program was very similar to that and producers really liked that. That was just a positive program.

Ms. Sproule: — So if I were a farmer and I wanted to partake in AgriInvest, I would apply. I would have some money and it would just be matched dollar for dollar . . . [inaudible interjection] . . . so as long as you have some money to put in, the government will match it. And the dollars that come out of the government, is that just provincial or is there federal money as well?

Mr. Govindasamy: — The dollars on these business risk management programs are cost shared 60/40 between the federal and provincial governments.

Ms. Sproule: — Sixty being federal and 40 for the provincial government. And is there any indication that that's, there's no indication from the federal government that they're shutting that down at this point? That's continuing as far as we know?

Mr. Govindasamy: — Those programs are continuing. Yes.

Ms. Sproule: — And is that the same for stability, AgStability? Is that, the formulas are staying the same there too?

Hon. Mr. Bjornerud: — All of those are probably, or are part of the new Growing Forward that we've been working on for the last number of years and will come into being next March 31st. So it'll be the next round of Growing Forward they'll all be part of, business risk management programs.

Ms. Sproule: — I've heard these words, but they haven't really sunk in yet, so I'm just trying to absorb it all. Thank you for your patience. Okay.

Here's a question, just a quick one-off. Tell me about the Global Institute for Food Security. There's a \$250,000 allocation for that.

Ms. Koch: — So similar to some of the discussion we've already had about our focus on crops and what we think Saskatchewan can do to contribute to global food security, we have determined that Saskatchewan should be the location of a Global Institute for Food Security. We're proposing that this would be in place at the University of Saskatchewan, that it would be an organization of several partners, that certainly the provincial government would have a role to play. The University of Saskatchewan have a role to play, but so would other funders. A little bit about this conversation of trying to attract support and investment from other players outside of Saskatchewan.

We do believe that the preliminary framework for the Global Institute for Food Security should look at three key components. Intellectual capacity, so that's try to recruit new

talent from across the globe to address scientific and policy issues. For certain, wheat would be one area of focus in this area.

Second would be development of scientific, knowledge-based innovation, again through project funding. So similar, I guess, to the Agriculture Development Fund, but very focused on food security needs.

And then thirdly, transformative infrastructure. So are there any key pieces of infrastructure that are currently not available in Saskatoon that we think should be an area where we need to consider investing? So that would be ensuring that we invest in modern tools and equipment to strengthen crop development and advances in agriculture biotechnology. So again this would primary build on our advantages in crop production area where we would ensure, you know, that Saskatchewan farmers for certain would benefit, but also that we have an obligation to contribute from a Saskatchewan perspective to food security needs around the world.

A lot of this became evident when we had our trade mission to India and Bangladesh last March where it became very obvious to us that, for example, how dependent India and Bangladesh are on our pulses that we export into that market. How do we make sure that we can continue to grow the crops that we need, we can continue to expand the kind of production that we need to provide, that we can get the crop there? That in fact for example we see, you know, building capacity here but also building capacity in other parts of the world to make the most of the crop.

So for example right now we know there's work going on in Bangladesh, where there's a lot of arsenic in soils in Bangladesh. And so by using Saskatchewan pulse crops, they can actually blend some of the pulses that they produce themselves in Bangladesh. But they have high arsenic levels so if they blend their pulses with our pulse crops, it in fact reduces the impact of the arsenic levels, adds more nutritional value for their food in Bangladesh, in fact, you know, expands what they can do with their own production there. You know, it makes the most of what they're producing because they're already fairly large pulse producers but they just can't feed themselves. So that's just a small example of the kind of work that we think we need to do much more of at a Global Institute for Food Security.

So we've really only just begun discussions with the University of Saskatchewan, with industry players. That's why there's only \$250,000 in the budget this year because it's really for some of the foundational work that we think needs to be considered and put together. And I think it's, you know, just a first step. I think there's many more steps that we need to take and, you know, eventually we may see a more substantial investment that would need to occur from the Government of Saskatchewan but at this point it's some of that foundational work that we need to do.

Ms. Sproule: — You answered my next question. Because I was going to say that it won't go very far. So obviously it's just the beginning and you do have some long-term, I guess, goals if not plans for the development of that institute.

Okay, subvotes. I'm now into public accounts from 2010-11. So I again apologize for jumping around, but there's some good

descriptions in there of some of your programs that helped me understand your current budget.

Policy and planning, which is subvote (AG05), I don't know if this ties into anything you've already talked about, and it might. But it talks about policy analysis and policy development and land and environmental issues, statistical data, and agricultural income support stabilization program analysis. So that would be worked on within the ministry, I assume. And so can you just tell me a little bit about that part of your department or your ministry, how many FTEs [full-time equivalent] there are, what sort of the themes that you're working on? Just give me just a little snapshot of that particular part of the ministry.

Mr. Govindasamy: — So you asked for, if I understood the question correctly, you asked for a description of the kind of work that goes on in the policy branch.

Ms. Sproule: — Yes.

Mr. Govindasamy: — Yes. So this is a policy unit that is focused on assisting us in the ministry, and basically the minister, with respect to policy analysis in a number of areas, for example, policy analysis with respect to international trade and trade programs. We have a contingent of people who deal with trade issues, along with the federal government, with respect to market access for Saskatchewan products. These are the folks who work with the nuts and bolts of any trade issues that impact our industry. So there's a strong trade component to the policy group.

There's another group within the policy branch that basically is responsible for operating under *The Agri-Food Act*. *The Agri-Food Act* is the enabling Act for all boards, commissions, and agencies. So they have an oversight role. So there's a group within the policy branch that does that.

We have a small statistical group. I shouldn't really call it a group; there's a one-person unit that keeps all the statistics that enables us to respond to questions like you've raised, for example. So they work very closely with Statistics Canada. So that's part of the policy branch.

We also have a small group within the policy branch that assists me and the deputy and the minister with respect to any negotiations. For example, in Growing Forward 2, that's a set of fairly intensive negotiations with the federal government. So that gives you, I hope, a flavour of what the policy branch people do in the Ministry of Agriculture.

Ms. Koch: — You had asked about FTEs, and there's 36 FTEs in that subvote.

Ms. Sproule: — Thank you. As far as the statistical policy work that's being done, and this is a question, a real question I've been meaning to ask someone so this is a good time to do it, how would a . . . Do you track land sales in Saskatchewan at all, like private land sales and sort of trends in terms of size of farms?

Ms. Koch: — Some statistical analysis is certainly done in our policy branch but really that's already quite a large service that's provided by Farm Credit Canada. And so in fact just in

the last week or so, Farm Credit Canada made some statements about land sales and land values. And so it's not really a gap. There already is that service that's provided by FCC [Farm Credit Canada] and so that's not something we track. But we certainly do depend quite a bit on the FCC data that's gathered. The other thing is, I mean Agriculture Canada, Statistics Canada does gather some of that data and, you know, it's released on a regular basis. And so again we wouldn't gather that data ourselves but we would access the StatsCan data that becomes available on a regular basis and would, you know, then depend on that.

Ms. Sproule: — Do you have any idea how many farmers there are in the province?

Mr. Govindasamy: — So every five years the Government of Canada does a census and the last census was done in 2011. Unfortunately the results from that census for agriculture have not yet been made available. They're still analyzing it. But every five years there's a fairly comprehensive census that allows us to respond to questions like you've asked where the number of farm operations is actually determined through a census. And the 2006 census determined that there were, going by memory here, 44,000 farms.

Ms. Sproule: — 44,000 farms in 2006. And what would the average size of the farm be?

Mr. Govindasamy: — So the average size of the farm in Saskatchewan in 2006 was 1,449 acres, average size.

Hon. Mr. Bjornerud: — But that was 2006. I would imagine those numbers have changed quite dramatically since that point because there's been a lot of the smaller producers have retired or sold out and quite, well more often than not it's a larger producer that purchase them and buys them out. So that number is actually just an ongoing number that's moving constantly.

Ms. Sproule: — Okay. Then I guess, how many farmers were there in 2006 according to StatsCan?

Mr. Govindasamy: — They don't actually ask that question in terms of how many farmers. They ask the question with respect to how many farm operations there are.

[20:15]

Ms. Sproule: — And that's the 44,000, yes.

Ms. Koch: — Yes. The number is actually 44,329, so it's pretty good for Nithi's memory. So that's to be exact.

Ms. Sproule: — Okay. I've looked at research and technology. I guess there is one question I did have. I'm moving now on to research and technology, and that's the other subvote, (AG06). My question here is when you are, through the Agriculture Development Fund, funding these projects, how do you evaluate them at the end of the day? How do you ensure that the money's been well spent or how do you measure success, I guess?

Mr. Burton: — So I talked a little earlier about the process we use but, you know, really in terms of evaluation, you've got to

look back at what are the goals you're trying to achieve. And so, you know, we look at how many new crops or cultivars they're bringing on that are meeting market demand or customer preferences, those type of things, increased livestock competitiveness, new and innovative food bioproducts and processing technologies, things that work towards improved food quality. Innovative and sustainable farming systems is another area that we talked about already. We talked a little bit about some of the activity around provincial soils and ecosystems that we work on and utilization of biotechnology to enhance agriculture and value-added production.

So you know, those are some of the key areas that we look at our outcomes and what we're trying to achieve. I think we have a pretty rigorous process that we go through in terms of evaluating the projects ahead of time. We are also currently undertaking a study to look at the return on the investment that we have, but that study is currently in the works and won't be available until later this fall.

Ms. Sproule: — Yes. I think that's what I'm interested in, is return on investment. So you're just, I guess, in the process of gathering that information?

Mr. Burton: — There's been lots of work done in the past about return on investment of research in general. What we have done is we've undertaken a study to look at the actual return on investment of some of the projects that we've funded through ADF over recent years and, as I said, that will come out in . . . But you know, there's been a number of studies on return on investment, and you'll see anything from 8 to 33 to 1, depending on who's doing the study and what area of the value chain you're looking at and how early the research is versus later, more commercial-ready research.

Ms. Sproule: — Some of these could be 20, 30 years in the running in terms of evaluation. I know that this is just something I've heard recently and I have no idea how to verify it or if it's true, but there is some thought in the medical world that celiac disease, for example, is perhaps the result of overhybridization of wheat. So is there any research being done in that area?

Mr. Burton: — Not that I'm aware of within the ministry. Whether there's any things on the health side, I don't know.

Ms. Sproule: — Just another question, I guess, on farm size and demographics. Is what . . . Oh, I'm sorry, you're going to have to change chairs again. Sorry about that.

What would the average age of farmers be in 2006? Would they track that?

Ms. Koch: — In 2006 the average age was 53.

Ms. Sproule: — I'm not there yet. Is that of concern to the ministry that . . . Have you any concerns about that and perhaps attracting younger farmers?

Hon. Mr. Bjornerud: — Well I think that's been an ongoing problem for many, many years. The average age, of course, has you know, been in the 50s, I don't know, probably the past 30 years or so.

I think one of the trends we are starting to see now — and it's mainly, I believe, due to better grain prices, and especially on the livestock side where we're seeing calf prices and beef prices vastly improved — we're starting to see a few more young people with their, you know, it might two sons or a son and a daughter, or even in some cases, two daughters farming with their parents. And you know, it's not near as often as we'd like to see it happening out there, but I noticed last fall already at Agribition and then in the spring at Farm Progress. You know, you see a lot of the families moving around and looking at machinery or livestock, whatever the situation may be. And then at the Crop Production Show in Saskatoon in January, there was far more young people. I think maybe they were there, a number of them already, but they're starting to take a bigger interest in what's happening.

And the new generation, they're out there farming right now. Technology is so quick for them that their whole farming operations that they plan out — and they're very optimistic about it, probably more so than, by far, than my age group — but they turn on the computer in the morning and their whole business plan is worked out ahead. And, of course, it always doesn't go according to plan because mother nature plays such a big part in it.

But I think the impressive part is the optimism that they bring to the table and probably better business sense for the fact that they are computerized. And you know, not that farmers were poor before, but the thing is, I think it brings efficiencies. Where we used to grab a scribbler, for all intents and purposes, you know, and we planned out what we would do in a year, you know, everything is planned out according. As I said, it doesn't always work out that way. But you know, one of the areas that also, that we've worked on, we set up a youth advisory committee, and we have seven young people on right now. Eight? Seven. Yes. They're doing some really good work for us. And of course by being on there . . . You know, we tried to choose them as they were very progressive young farmers. So they bring a lot to the table. And part of the crop insurance changes actually fell back on some of the recommendations that they've made. But they bring a lot to the table, I think, and how a younger farmer visualizes what agriculture's going to look into the future. Because many of the farmers my age, of course we aren't looking down the road that far.

In fact when you talk about the size of farms out there right now, I think we're seeing that progression where farmers couldn't sell for many, many years because . . . well I shouldn't say many, many years, but a number of years when land prices weren't very positive. We're starting to see of course those prices go up, so it gives that opportunity to those producers, but at the same time it creates opportunities for our young people. So I think there's an optimism out there that, you know, that we haven't seen for many years, and it's good to see.

The federal government, through FCC, just announced here last week a young farmer loan program that I'm hoping and we're hoping — I think all of us — that that'll assist young farmers up to \$500,000 to, you know, purchase land or make improvements and things like that. I think these are some of the positives that we're getting out, you know, out into the future with our young farmers.

It's one of the areas I think that governments from all entities, federal or provincial, are very concerned where we were going with that because agriculture seemed to be not at the top of the list for young people, whether they went to university and took some ag course. And now we're hoping that we see more of that happening because there's tremendous jobs out there in some areas, whether you're with, say, a chemical company or a fertilizer company or things like that, you know, on the research that they do with the expertise that they provide for farmers.

Some very good jobs out there and I think that's one of the jobs that we have to do as a Department of Agriculture is promote that, and we've been doing that. But I think, along with the ag sector, when we talk to the banking industry or a lot of the large companies out there, it's a job I think we all share that concern that we need more young farmers out there, and it is the future.

Ms. Sproule: — I would certainly agree with your comments. Other than the youth advisory committee, is there any other specific program that the ministry has in terms of attracting young farmers?

Hon. Mr. Bjornerud: — I apologize. Could I get you to ask that question again?

Ms. Sproule: — I was thinking, other than the youth advisory committee, that's the one thing you indicated you've done; can you describe any other actual programs you have? I mean we all want more young farmers.

Hon. Mr. Bjornerud: — Well there's the Saskatchewan young entrepreneurs that we put \$50,000 to support their social media for youth in agriculture. So I think that's one of the things. Ag in the classroom is one of the things that we've paid a lot of attention to in the last number of years that I think is going to pay dividends down the road, not just for the rural people, but I think for the urban public too.

We see some of these, you know, some of these projects that are in . . . I know I went to one downtown Regina here and I was amazed at it, what the young people were getting involved in, growing plants and how it tweaked their curiosity. And then of course Agribition and Farm Progress and things like that. Saskatchewan 4-H Council is another great avenue out there that we put about \$300,000 into every year to help them promote what they do out there. And that's also another avenue I think that's going to help more young farmers, especially on the livestock side. And I think that's where there's a big need and so we go from there.

SAASE [Saskatchewan Association of Agricultural Societies and Exhibitions] is another area that's starting to . . . There was a period there I think, over the last number of years, where a lot of the societies were kind of shutting down and a lot of the people that were involved for many, many years were going on to retirement and there wasn't people coming back in. So you know, we assist with SAASE — 90,000 over three years for farm safety day camps, things that they can provide for us. But I think the other win in that, it helps them stay viable and maybe even starting to build on some of those things. They're going to provide, promote safety on the farm through demonstrations and displays and things like that.

We're also providing \$15,000 to SAASE Ag on the Moove to purchase a trailer, and they'll be going around to fairs and things like that and promoting safety. And I think, of course we all know that that's one of the very important areas.

So young farmers business development initiative, farm management development — a number of areas that we're putting, you know, time and in some cases dollars behind to try and help promote young farmers out there.

And I think with the SAASE, as I said before, that was almost to a point where we're losing far too many of the ag societies out there who do yeoman's work out in rural Saskatchewan in promoting all sorts of things. I know at home we had a fair every year where the ag society played such a big part in the community, and the ladies would cater to functions, and we've lost that. And you can't believe the hole that it leaves in small communities out there where they just relied on these people for the last 30, 40, 50 years, and we were losing that. And I think that's why we've tried to start making more, paying more attention to the ag societies out there.

So crop insurance. I'm just going to just read you some of the things that we've got here through Crop Insurance. In 2011 Crop Insurance implemented a method to assist intergenerational transfers. Young farmers taking over the family farms can use their experience obtained from the family farm for their contract, and that wasn't available before. They were classed as a brand new farmer and didn't have a discount built up or nothing like that. Now we're making that a much softer start for them where they can already, you know, tie in with their parents' discounts and things like that to not start as a green, you know, a brand new green farmer out there and pay the price for it because they don't have a record. If they farm with their dad for five or 10 years, they're probably every bit as capable as their dads, but we weren't giving them that benefit. So we've made those changes to try and help assist them in this and, you know, it's not solving all their problems by any means, but it hopefully will help them.

Ms. Sproule: — Just a question for the Chair. Is there any point you wanted to take a five-minute break? Or should I . . .

The Chair: — Well I'd just ask the committee, given the fact normally when committees sit in the evening, we usually change about halfway through. It gives a bit of a break. We're sitting quite a while. If the committee members would be interested, we could take about a 10-minute break around say 10 to 9 . . . [inaudible interjection] . . . Break at 10 to 9 and then be back here at 9, if the committee members are in agreement. Okay. Or unless you want to do it right now.

Ms. Sproule: — I'm good either way. I was just looking at the clock.

The Chair: — Okay.

Ms. Sproule: — Okay. I'm just reminded, one question I did have, and it's about crop insurance. And the first question I guess I have about crop insurance is just some questions about the level of support. And I guess I'm thinking about insurance schemes generally and how they're self-funded. So right now I think you said it's \$371 million that's being put in by the

government into crop insurance or . . .

Hon. Mr. Bjornerud: — 177 million.

Ms. Sproule: — I thought 371, but I could be . . .

Hon. Mr. Bjornerud: — That's for all for the business risk management, so that would include AgStability. And now if that number's exactly right, I'm not sure if that . . . It's very close anyway for AgStability, crop insurance, and AgriInvest when you add them all together. Yes, here we are: 321 million. I think maybe that number was a bit different. But this year, 321 million for all of the total of business risk management programs. So that number is set out. We don't have, you know, their projections that we get from federal government in many cases here.

177 million, I talked about in my opening statement, crop insurance which, you know, I had stated at that time was a record high and of course the coverage, \$174 an acre average, and that's the highest we've ever had before. So that's a real plus for the farming community out there because it's mainly driven by improved prices.

Ms. Sproule: — I guess my question is from a taxpayers' perspective. And that is, that's a lot of money to be underwriting an insurance scheme, and I know there are public policy reasons for doing that, but given that prices are good and farming seems to be going well, is there any plan to sort of get out of the business of crop insurance and let it be self-funded?

[20:30]

Hon. Mr. Bjornerud: — No, I think probably that'd be the worst time you could do that. Crop insurance is one of those things that we have for a rainy day, but at the same time, you know, we pay premiums in the good years when we don't utilize it, but we also pay premiums in the bad years when we need it, as we did last year with the flooding. So no, I think if anything, if we're going in the right direction, we actually continue to try and strengthen the crop insurance program. I think it's one of those programs that's going to keep us going through tough times that we saw where there was, you know, a drought in the southwest where crop insurance was all some of the producers had out there.

We've tried to make changes that, you know, make it more reliable for producers out there, and I guess get more producers back involved with it. I think when I started as Ag minister it was roughly 60-some per cent of producers took crop insurance. That left some 30-some per cent that weren't in the program. And I know from experience, you get a couple of bad years in a row and I think all you'd have to do was go to, well anywhere where it was flooding in the last couple years, or the drought in the southwest where they went two, three, or four years of that, they're very lucky if they can survive if they don't have some type of support. So from our perspective, I think rather than maybe looking at cutting back on some of the programs, I certainly hope that we continue to try and build on what we have now, and I think the uptake will be far improved from where we were before.

I think maybe Shawn can comment on this, but I think we saw

more acres in some cases come into the program. I guess it doesn't always translate into more producers because to an extent there is less producers out there with the same number of acres. So some of that can be a little, you know, doesn't give you the exact way that things are moving out there, but I think when you talk acres, that's probably acres that are under contract probably gives you a better picture. Shawn, do you want to comment on any of that?

Mr. Jacques: — That's correct. As the minister stated, the measure that we use in crop insurance is the percentage of acres. We've historically, the last couple of years, as the minister mentioned, we've seen an increase in the acres. We won't know this year's acreage until producers submit their reports in late June, and so it will take us until early July before we know them.

Ms. Sproule: — I think I need some more basic understandings here just to make sure I understand. So when a farmer comes into the crop insurance program, say I have you know, say a section of land, 640 acres, and he wants to insure those, he would pay a premium that you've set. And then if, what did we say, it's \$177 per acre, right? No, no.

Hon. Mr. Bjornerud: — It's \$174 per acre, average.

Ms. Sproule: — It's \$174 average per acre.

Hon. Mr. Bjornerud: — Now depending on what area you're in . . .

Ms. Sproule: — Fair enough.

Hon. Mr. Bjornerud: — What quality of land you're farming, and the classes that you're in, and of course your record too comes into it. If you have a history, if you're brand new like you say, of course, you wouldn't have that history, so there'd be an area average or something like that would take place.

Ms. Sproule: — Okay, so I'm coming in, and I want to buy some crop insurance. I'm going to pay \$174 per acre, and then my crop fails. And so the payment . . . No?

Hon. Mr. Bjornerud: — Okay, Shawn, go ahead.

Mr. Jacques: — Maybe I'll just explain. As you said, when a producer chooses to buy crop insurance, they would sign up for the program. They will pick a crop that they want to insure and a coverage level they want. And then there's, as the minister had mentioned earlier, there is a coverage level. On average, it's \$174 an acre is what they're covered for, but that's an average. It depends on the crop that you choose, where you are in the province, and the level of protection. And so we guarantee production — in the minister's opening comments he mentioned about production — so we would guarantee a producer, just for example, 20 bushels an acre on a crop. In the fall if you have a loss, we would pay the difference at a price. So if you harvested 15 bushels an acre, we would pay you for the shortfall.

Ms. Sproule: — The shortfall. So overall though, there would . . . I'm just wondering what the cost to the taxpayers is of, if it's an average year and there's average crops, is it pretty much

net then, like for what the farmers pay for their crop insurance?

Mr. Jaques: — So an average premium would just . . . Further to my example before, the average premium producers would pay is eight ninety-one an acre. That's the producer's share.

Ms. Sproule: — So if they don't need crop insurance, the province doesn't pay, right? It's only when they need it obviously, and you will pay up to \$174 as the insurer basically.

Hon. Mr. Bjornerud: — Just to repeat what Shawn said, if you were taking canola, say for an example — and the price of canola is far higher than wheat, of course — your coverage, your value of what you're covered for would vary quite dramatically. And then again depending on what area of the province you're in, you know, if you're in a lower quality land, a sandy land or something, your yield guarantee would be far lower than it would be in the heavy soils in different parts of the province. So you know, you might have one farmer who says, oh I'm covered for 220 bucks an acre — I'm only using these, throwing these out — but you might have another area where that 174 is not realistic either. The average coverage would be lower than that, but that's across the province. When you put it all together, that's what the average coverage would be. So it's a little misleading, but on the other respect, you know, it depends where you're farming and what you're insuring.

Ms. Sproule: — Okay. Then of course it depends on the crop at the end of the season, yes.

Hon. Mr. Bjornerud: — Or pulses or whatever the situation may be.

Ms. Sproule: — Oh, I guess another question then is in the event of unseeded acres. How is that dealt with? Like if a farmer chooses not to seed if it looks like it's going to be a drought, are they covered at all for that? No?

Hon. Mr. Bjornerud: — For drought or flooding?

Ms. Sproule: — Drought.

Hon. Mr. Bjornerud: — For drought.

Ms. Sproule: — And I want to ask about flooding as well, so for both.

Mr. Jaques: — So if they choose not to seed because of drought, they're not covered for that.

Ms. Sproule: — But if there's flooding. I guess you know in advance that there's flooding, right?

Mr. Jaques: — What's covered in their program is the unseeded acreage benefit. And if they are unable to seed their land they get, there's a benefit for that.

Ms. Sproule: — But if it's unseeded because of drought, they wouldn't be covered.

Mr. Jaques: — No. No. That's correct.

Ms. Sproule: — Because they have to make a physical decision

not to seed, right? If it's covered with water, they can't. Would that be the distinction?

Mr. Jaques: — That's correct.

Hon. Mr. Bjornerud: — It's very plain when it's flooded. It's a whole different situation.

Ms. Sproule: — It's pretty obvious.

Hon. Mr. Bjornerud: — We had the situation here two or three years ago in the Rosetown-Kindersley area where it was almost July 1st, and they had seeded, and there was nothing growing — absolutely nothing. We toured the area. And on July 1st it started to rain, and some tremendous crops come off that area. But that won't happen every year. So you know, it's almost a decision that, I guess, producers make. Usually producers will take the chance and put the crop in, and the first rain that comes along, away it goes. If that doesn't happen, of course then, you know, it's a different scenario.

Ms. Sproule: — Yes, okay. All right. There's a number of programs that I found annual reports for, and so I could start in on those now maybe quickly before we break. And I'm not even sure if your ministry's involved in all of these. But the Grain Car Corporation, is that something your ministry is involved with, the Saskatchewan Grain Car Corporation?

Hon. Mr. Bjornerud: — No that's actually under . . . well I'm part of it, but Minister Reiter from Highways and Transportation.

Ms. Sproule: — I won't ask any questions on that then.

Hon. Mr. Bjornerud: — I would ask him. He loves questions.

Ms. Sproule: — I just have a question here about AgInvest. I know you're saying it's continuing, but apparently one of the . . . Kevin Hursh has reported that it might not be continuing. Have you heard that story from Kevin Hursh? AgInvest.

Hon. Mr. Bjornerud: — Yes, I read that, and I have no idea where that come from because at this point we haven't heard anything like that. So from our perspective, you know, it's in place. I think Nithi talked about that before and, as far as we know, that will stay there.

Ms. Sproule: — Okay. Ag Credit Corporation then. I just have their annual report here. I highlighted a couple of things I wanted to ask about the report I have is from '10-11. I don't suppose '11-12 is even available yet, so I might have missed that, but I'm sure it's not available yet.

Hon. Mr. Bjornerud: — I'll try and answer some of the questions you have for that.

Ms. Sproule: — I'm just kind of getting a sense of the liabilities that you're dealing with for your portfolio. The record here from '10-11 says that your portfolio decreased from 2,960 loans to 2,739 loans. That was in that fiscal year. And you were also selling land. And I guess my first question is, any land you acquire, is that through foreclosure basically?

Mr. Schwartz: — Tom Schwartz, I'm the director of financial programs branch. Normally the land was taken back through a negotiated settlement with the former owner and usually involved a leaseback for at least part of the period. And in most of the cases I would say the land was actually sold back to the previous owner. But very few foreclosures actually took place. They're usually negotiated settlements, sometimes through mediation and sometimes just through negotiation with the farmer.

Ms. Sproule: — Is that through the Farm Debt Mediation Board or does that still exist?

Mr. Schwartz: — It does. That's a federal program. But it was more through the Farm Land Security Board.

Ms. Sproule: — Okay. And you said that most often it is sold back to the producer himself. Is that what you try and sort out?

Mr. Schwartz: — In most cases, if they're especially . . . They normally do. That's usually part of the agreement, is that they get the opportunity to lease the land back. And normally over the course of their leaseback period they try and find a way to buy back the land.

Ms. Sproule: — Okay. So is that a pretty good turnaround for you? Like in most cases farmers are successful in buying it back?

Mr. Schwartz: — I would say over half of the cases. I don't have those statistics with me just offhand.

Ms. Sproule: — That's a good statistic.

Mr. Schwartz: — In most cases they've got first right of refusal anyway on any land that is . . . when any offers that are accepted to purchase the land. That's a right that's given to them through the farm land security Act.

Ms. Sproule: — Okay. And is that a term of the loans that you give as well, that they have right of first refusal? I guess it's legislated.

Mr. Schwartz: — Yes, it's legislated through the farm land security Act. It isn't in the mortgage documents.

Ms. Sproule: — So in the statistics here it said that you sold in that fiscal year 6,100 acres of land for 2 million, and that you continue to hold 9,000 acres approximately. Is the goal then to divest all those lands? Or on an ongoing basis do you try and divest?

Mr. Schwartz: — That is our goal, to divest of the land. Yes.

Ms. Sproule: — Okay. And then I wasn't aware that you had this short-term cattle loan program for cattle producers facing economic hardship. Now that's 2008. Is that program still available?

Mr. Schwartz: — That was a limited time program due to a situation that was happening in both the hog and the cattle sector. If you recall, that's a time when the Canadian dollar spiked up and at the same time high input costs. And so a lot of

the livestock producers, both hog and cattle, were stressed financially, and so loans were provided to both hog and cattle producers.

The cattle loans were done through the ACS [Agricultural Credit Corporation of Saskatchewan], through the Agricultural Credit Corporation because there was so many more of them and it was already a lending agency that was set up to do it. So loans were available, I believe, until the spring of 2009. It was announced late in 2008 and then there . . . I'm sorry, I've got my dates wrong. It was announced in 2007, and then loans were available till early in 2008. And there was a three-year payback on those loans at a very low interest rate. It was at, like, the corporation's cost of borrowing which I think is, over the life of the loan has averaged just over 1 per cent, one and a quarter per cent or something like that.

Now things didn't improve the first year, and so the borrowers were given the opportunity to just pay interest and extend the loan for another year. And in the second year, the same thing happened, so the repayment actually has just started on those loans in 2011. And it's actually worked out quite well with the increase in prices that have coincided with it. The payback's quite good and the comments from producers as well saying it was a loan that assisted them in tough times and now they're in a good position to start paying it back.

Ms. Sproule: — I know that all loans come under repayment in 2011 was the last comment. So far you're anticipating full payback basically on those loans?

Mr. Schwartz: — That's what we always anticipate.

Ms. Sproule: — Okay. And so how many loans, I guess I should ask, how many have been repaid to this point?

Mr. Schwartz: — I think there was 2,400 that were granted, and we currently have just over 2,000 loans remaining.

Ms. Sproule: — Sorry, 2,000 loans . . .

Mr. Schwartz: — Remaining.

Ms. Sproule: — Remaining.

Mr. Schwartz: — Yes.

Ms. Sproule: — And do you anticipate they'll be paid back in 2012? Or is there a . . .

Mr. Schwartz: — Well they're paid back over three years. Like the three years payback started in 2011, so they should be repaid by the end of 2013.

Ms. Sproule: — Okay. Good. How are we doing here for time? Another five minutes. Okay. Irrigation Crop Diversification Corporation, who is that? What is that? That's my first question.

Mr. Burton: — The question was, what is the irrigation crop . . .

Ms. Sproule: — First question, what is this corporation?

Mr. Burton: — It's a federal-provincial and producer group that oversees some of the irrigation research that's done out in the Outlook region.

Ms. Sproule: — It's limited to Outlook area?

[20:45]

Hon. Mr. Bjornerud: — We have John Babcock with us tonight who is our irrigation specialist. So we'll try and answer as many of the questions as we can and any of them that we can't, we'll certainly get you that information.

Mr. Babcock: — So I'm sorry, is that the Saskatchewan irrigation development corporation annual report that you're looking at, or what is that one?

Ms. Sproule: — I have here the Irrigation Crop Diversification Corporation 2011 report.

Mr. Babcock: — Okay.

Hon. Mr. Bjornerud: — We'll have to get you that information later and give you a breakdown of what that program all entails.

Ms. Sproule: — No worries. I do have . . . It reminded me about the M1 canal. You talked about that. Could you explain that a little bit more?

Hon. Mr. Bjornerud: — Sure. That's a canal that supplies water to a number of communities, irrigation, and also potash mines. And as I talked about before, there's like a liner down that canal where the water runways are and where they feed water out of. What has happened is those liners have wore right through in some areas, and what we're doing right now is we've increased funding quite dramatically for that — \$5 million for the M1 canal rehab this year. It's to put those liners in place and in fact do some, also some constructive work along the banks there to reinforce . . . not reinforce them but to put them back into place so that these liners can fit in there and provide that water. And as I said, there's a lot of communities, a number of communities that rely on that canal for their water, along with potash mines and then of course irrigation itself.

Ms. Sproule: — Where's the general geographic location of the canal?

Hon. Mr. Bjornerud: — Well it runs from Lanigan, if you come backward, all the way to Broderick or . . .

Mr. Burton: — It's a 22-kilometre canal that starts at Broderick and runs, runs . . .

Ms. Sproule: — I'll just ask one more question about canals. I did some work when I worked for the federal government with PFRA. And they have a number of canals throughout particularly the southwest part of the province, and I know they were interested in divesting them at some point to the province. Has that started or what stage is that at?

Mr. Burton: — So they had indicated that they are hoping to divest by 2017, and so they are working with the current

irrigation districts in those areas to talk about what the terms of those divestiture might look like. That would also, the discussions with the province would happen at the Saskatchewan watershed association.

Ms. Sproule: — So there are local irrigation . . . What did you call them?

Mr. Burton: — Irrigation districts.

Ms. Sproule: — Districts.

Mr. Burton: — There's a number of irrigation districts where a local group of producers have joined together and started those irrigation works down in the Southwest. And so the infrastructure works that provide that support and the water, that's owned by the federal government, and they're talking about how they'd divest that by 2017. So those haven't started yet, but they're working with the groups in those areas.

Ms. Sproule: — I know there were a lot of issues about the actual landownership and titling of some of those just from the work I did a few years ago and that. So I think that was part of the work that had to be done before the divestiture could actually take place.

I understand there was an announcement on April 11th concerning irrigation. Was that the M1 canal or . . .

Hon. Mr. Bjornerud: — Money for the M1 canal that was announced. There was also dollars provided. And I'm going to just read some of this for you, but on federal-provincial dollars that were out there, I'm trying to think of which one just had come out just lately. Yes, the 9 million for adding irrigation acres out there.

Ms. Sproule: — Nine million for what?

Hon. Mr. Bjornerud: — Nine million dollars. And what we were doing is adding 4,500 acres of land that could be irrigated.

Ms. Sproule: — So that'd be funding the actual pipes themselves and the machinery, or what's the 9 million for?

Mr. Burton: — What it is, it's the irrigation districts. They own the . . . I'll call them the off-farm works are owned by the district, so this is the stuff up to the land base or up to the edge of the field. And then farmer owns the stuff on his field, so this is the stuff to the edge of the field, whether it's the power or the water pipe to get it to the edge of the field. This is to make those, up to another 4,500 acres, being eligible for irrigation.

Ms. Sproule: — So the districts themselves would identify the water source, where the pipe is, and then the farmers would take it from the edge of that to their land or from when their land starts. So the \$9 million is basically infrastructure for pipes and things like that. All right, Mr. Chair, I'll turn it over to you for a moment.

The Chair: — Well with the committee's agreement, we'll take a 10-minute break and we'll come back at 9 p.m.

[The committee recessed for a period of time.]

The Chair: — If I could have the attention of the members, we'll resume committee. And I'll turn the floor again back to the member from Saskatoon Nutana, Ms. Sproule.

Ms. Sproule: — Thank you, Mr. Chair. I'm going to start off this round with some questions that have been provided by a farmer in the Qu'Appelle area and it relates to coyotes and predation. So actually just doing this on behalf of this farmer who has a couple of questions and . . . Well he has a number of questions, but I'm going to limit it to three, I think. Many of them could be done through written questions.

So anyways, this rancher in the Qu'Appelle area has had 28 lost cattle, 28 animals lost, and he's been through the crop insurance process to get coverage for that. He's been paid for 14, but the other 14 claims have been denied. And you may be familiar with this farmer already, Mr. Spooner. I don't know if it means anything to you or not. Anyways he has some questions about the adjustment process and the adjusters who are investigating the claims. And I'm just going to read these questions. His first question that I'll put to you is, who adjusts or inspects or investigates the claims submitted to Crop Insurance for livestock killed by predators, specifically those or injured by coyotes?

Mr. Jaques: — SCIC adjusters complete those inspections.

Ms. Sproule: — Okay. And then that leads into the next question. Did these adjusters have specific training regarding the methods of investigating predation of livestock, and what was the training?

Mr. Jaques: — Yes, they do have training, and we had people that were experts in predator kills provide the training.

Ms. Sproule: — How would you find an expert in predation?

Mr. Jaques: — There are a number of experts, you know, whether it be with the Ministry of Environment and some of our neighbouring provinces that have similar programs. We consulted with them.

Ms. Sproule: — About how long was the training? Was it a course? Was it a three-week course or a weekend course?

Mr. Jaques: — We provide different levels of training, depending on the need in the area. So it just depends how much was needed.

Ms. Sproule: — I guess he also has concerns about the consistency of the criteria used to determine if an animal was killed or injured by a coyote, and I understand you do have some criteria outlined, but I think he's questioning how that criteria was determined. So how is it decided? What criteria would be used to determine if an animal was killed or injured by a coyote?

Mr. Jaques: — When our adjusters go out to the farm, their job is to determine if there was a loss, and they have to determine if the loss was due to the predator. So they look for evidence of the kill site. Most times there is a carcass left behind and that's some of the criteria we look at.

Hon. Mr. Bjornerud: — One thing I might just add to that, Shawn, too, there is two different components here that we're talking about: there is the wildlife damage compensation program that when we, when I was first become Ag minister, that we had 80 per cent coverage. We have upped that to 100 per cent coverage, and we had asked the federal government to cost share on that portion, but they didn't agree with that because they don't do it in the other provinces. So we did that ourselves. We found that last 20 per cent ourselves as well as cost sharing on the 80 per cent.

The other part of the program, and I think it's the one you're talking about, is the predation program where calves or lambs or something like that are killed out there by coyotes. That program is new. That's been in what, two years? Yes, 2010. So before 2010, should you have had a calf killed or something, you had no coverage. So I know this in all cases doesn't satisfy producers out there. It's a tough one because quite often there is not a carcass there and it's really hard for adjusters to verify that there was, you know, a loss. And yet in many cases I think we know that probably there was a loss there, but how do you verify it? And I think that's possibly where the producer is maybe coming from. I'm not sure.

Ms. Sproule: — I'm not sure. In this case, I understand he does have fairly significant photographic evidence, quite graphic actually.

Hon. Mr. Bjornerud: — It's a real tough one because, you know, if you've got part of the carcass left, that's fine, or you can take pictures, I believe. Shawn, can you not? But part of it is too that we know that coyotes or wolves take carcasses when they come and they go and it's gone. And it's a real tough one for producers.

But it's also a tough one for Crop Insurance and our adjusters too. Number one, they want to try and be fair to the producers and treat them all equally and compensate where, you know, we need to be. But it's a tough one.

Mr. Jaques: — If I may suggest, we could look into the specific case.

Ms. Sproule: — Maybe I'll make arrangements to contact you at a later date for that.

Hon. Mr. Bjornerud: — I believe he has called our office now. So I think we will look into that and then of course we can get back to you when we get more information. I'm not right up to speed on what the situation is, but we will check it out for you and for him.

Ms. Sproule: — Some of his concerns is that there's a . . . He's been compensated for one based on a photo, and then not on another based on a very similar photo. So he's not sure why the inconsistency.

Hon. Mr. Bjornerud: — I can't know off the top. I can't tell you, and I don't think Shawn can.

Ms. Sproule: — Fair enough.

Hon. Mr. Bjornerud: — We'll certainly check that out though

and find out what the situation is.

Ms. Sproule: — Okay.

Hon. Mr. Bjornerud: — I think one of the things that we've tried to do — and of course, being a new program, it's a little tougher until we get it rolling and, you know, we've had a few years experience, but — be consistent. And that's one of the things between, you know, sometimes with different adjusters. And we're new. All of us are new at this program because we didn't have it before so it's part of the learning curve. But at the same time, it's something that we want to provide for producers out there that they didn't have before.

Ms. Sproule: — All right, thanks. Now I'll go back. I guess we have found the Irrigation Crop Diversification Corporation materials, so we can go back to that.

Mr. Burton: — Yes, sorry about that. So the Irrigation Crop Diversification Corporation, it is a group that manages some check-offs that are provided by irrigation producers across the province. They do projects in coordination with, in co-operation with the Canada-Saskatchewan Irrigation Centre at Outlook, but also other irrigation projects in the Southwest. It's a private organization directed by a board of directors that consists primarily of Saskatchewan irrigators, but there's also two people from the ministry on that as well. So they're primarily producers that drive that research that goes on by the corporation.

I can go into some of the objectives of the research if you want. They provide research and demonstration both.

Ms. Sproule: — I guess before you do that, if it's private, why would there be an annual report filed by the ministry? Is it because there's two ministry staff?

Ms. Koch: — It's because it's actually authorized through *The Irrigation Act*, and so that's why there's an obligation for us to file an annual report.

Ms. Sproule: — So yes, if you can just tell me a little bit more about their goals.

Mr. Burton: — So basically the objectives and the purpose of ICD [Irrigation Crop Diversification Corporation] is to do research and demonstration for producers and irrigation districts on profitable agronomic practices for irrigation crops; develop and assist in developing varieties of crops suitable for irrigation conditions; to provide land facilities and technical support to researchers to conduct research into irrigation technology, cropping systems, soil and water conservation measures under irrigation; and to provide information respecting that research to district consumers, irrigation districts, and the public in general.

So they do reports on their research that again are published and can be made available to them. And of course they co-operate with our ministry staff that work in the irrigation district or irrigation area throughout the province.

Ms. Sproule: — And do you fund this organization?

Mr. Burton: — The ministry provides a grant of 35,000

towards that. We also support them through what we call our Agri-ARM [agriculture-applied research management] sites. They receive 50,000 a year under Agri-ARM which is the, Agri-ARM is . . . Alanna referred to it earlier in part of our tech transfer component. We have a number of Agri-ARM sites around the province, and this is one of them. And then they are eligible for project funding under our ADOPT program, and they have applied for certain ADOPT applications for demonstrations. And then as I said earlier, they also are funded through producer check-offs. So 35 cents an acre by irrigators.

Ms. Sproule: — I was going to ask you, what is a check-off? So it's like a levy?

Mr. Burton: — Yes, a levy of 35 cents per acre.

Ms. Sproule: — And is that for farmers who are in irrigation areas basically?

Mr. Burton: — Yes. It's farmers who have irrigation.

Ms. Sproule: — Oh, who have irrigation.

Mr. Burton: — Yes. Certified irrigation.

Ms. Sproule: — And that just leads me to a completely maybe unrelated question: is this ministry responsible for conservation and development authorities for watershed management or would that be Environment?

Hon. Mr. Bjornerud: — It's under Environment.

Ms. Sproule: — Yes, okay.

Hon. Mr. Bjornerud: — Yes, Sask Watershed Authority.

Ms. Sproule: — And SWA [Saskatchewan Watershed Authority], of course. All right. Agricultural Implements Board is another report that I found, and maybe if you could just tell me a little bit about it and how the ministry works with that board.

Hon. Mr. Bjornerud: — I'm just going to ask Tom to comment on that.

Ms. Sproule: — Can you just tell me a little bit about the board and what the work of the ministry is in relation to it.

Mr. Schwartz: — The board is a seven-member board, and it undertakes the requirements of the ag implements Act. And that Act provides protection to farmers who buy or lease agricultural implements, and it requires the dealers to provide levels of service, have parts available for certain periods of time, those kinds of things.

And so there's money set aside; there's an annual fee that's paid by the implement dealers. They need to be members under this Act and to pay into it. And then from that money if there's . . . The board has the authority to levy fines if dealerships aren't providing the proper level of service. And that money comes out of the, some of the money comes out of this fund and some of it comes from the dealer itself depending on how the board rules.

Ms. Sproule: — Have you any knowledge of any recent sort of fines that have been levied or is this generally a self . . .

Mr. Schwartz: — There was one fine that I'm aware of in this — and I'm not sure if it was in this past fiscal year or the one previous — but not very many. Most of the . . . Our secretary to these boards does a lot of negotiations between the dealers and the farmer and can normally mediate these things and stop them from getting to the board level. But there are situations where an implement just doesn't work, period, or the dealer — the situations not necessarily in this last year, but in other years where — just isn't supplying the parts within the time frame that they need to.

Ms. Sproule: — That's good. Thank you. This one sounds interesting. The Horned Cattle Fund, what is that?

Ms. Koch: — The Horned Cattle Fund is a check-off that is in existence for cattle that move through livestock markets that still have horns on them because the majority of our cattle herd in the province is no longer horned cattle, and so there's a penalty. It's basically a penalty that's charged to producers that move cattle through livestock markets that still have horns. And so it goes into the Horned Cattle Fund and then there's a producer board that determines how those funds that are in the Horned Cattle Fund can be distributed, and they're usually distributed to industry projects or organizations.

So for example, often the producer board that administers the Horned Cattle Fund will provide funding to, say, the western beef development centre for innovation or research that's focused on the cattle issues or it may decide to support the Canadian Western Agribition or something like that that's very beef-focused. So it's basically a penalty that's charged but they use it to promote or benefit the livestock industry. It's been diminishing. There's fewer and fewer cattle going through the system that are horned and so it's a fairly small account of money.

[21:15]

Hon. Mr. Bjornerud: — At one time it was a fairly large part of our industry because, you know, we didn't have the technology at one point of dehorning or, you know, it wasn't a convenience that we did at that point. But I think that's changed dramatically in the last number of years as producers got bigger than that. So I think it's far smaller check-off than it used to be.

Ms. Sproule: — Right. I see in the end of 2011, it was \$118,000 so it's not a huge amount. All right. That's good. The Milk Control Board, again another board I assume that this ministry oversees — a much larger bottom line.

Ms. Koch: — The Milk Control Board actually no longer exists. So it was, we transitioned to a producer board so there is now the dairy producers commission. And so it was a transition that basically took a consistent approach that occurs across the rest of the country. Saskatchewan was one of the last places where there still was a government-run Milk Control Board. And so we transitioned to a producer-run board that ran their own check-off. It is administered . . . Nithi mentioned earlier about one of the components under the policy branch which is our Agri-Food Council. And so the Saskatchewan dairy producers

board is authorized under *The Agri-Food Act*. And so they're authorized to have a, you know, a check-off. And they're a supply-managed board and so they, you know, we have the chicken boards and the turkey boards and the egg boards that are other supply-managed commodities in the province. And so dairy now self-administers but they're empowered through *The Agri-Food Act* and they, you know, they charge a levy and they operate supply-managed, you know, sort of components of the dairy sector.

Ms. Sproule: — So when you say eggs and chicken are also managed by similar types of boards, are they under *The Agri-Food Act* as well? All of them are?

Ms. Koch: — That's correct, yes. So we have the Saskatchewan Chicken Marketing Board. We have the Saskatchewan Egg Board, Turkey Producers' Marketing Board. All of those are all authorized through *The Agri-Food Act*.

So there's a couple of components to *The Agri-Food Act*. One component is our supply-managed commodities that are authorized through marketing boards. And then there is a second component, which is the check-offs. So when we've mentioned check-offs earlier this evening — you described them as levies — but that's, for example, the check-off for the canola producers or the pulse growers, that kind of thing. Cattle has a check-off; pork has a check-off. So almost every commodity in the province runs a check-off commission. So there's kind of two components of *The Agri-Food Act*. There's the supply-managed side and then there's the check-off commissions that are administered through producer boards.

Ms. Sproule: — I haven't looked at this Act at all and I'm assuming there's probably some form of regulatory scheme for each one of those commodities as well.

Ms. Koch: — Yes. So *The Agri-Food Act* has a number of regulations that occur, you know, as authorized through *The Agri-Food Act*. So each in fact, you know, when we talked earlier about how we do a, you know, an annual regulatory review, a lot of these regulations that occur as a result of all of the check-offs that are in existence are part of that fairly rigorous recurring regulatory review that we need to do because if they need to adjust their levy amounts or they want to change the date when they want to administer their levy or they want to, you know, whatever the details might be within that check-off, each one of those is administered by their own regulation. So there's quite a myriad of regulations under *The Agri-Food Act*.

Ms. Sproule: — Okay, I will take a look at that. Another fund, the Livestock Services Revolving Fund. Just a quick sort of summary of that, if you could.

Ms. Koch: — So the Livestock Services Revolving Fund is the revolving fund that is in existence for our brand inspection fees. So we operate brand inspection in the province. It's administered through the ministry, and so these are the check . . . again, the brand inspection fees that cattle producers pay when they're moving their livestock through, again, livestock markets that have brands. And so it's a way of ownership identification, ensuring that there's, you know, proper movement of branded cattle. It allows sort of confirmation of

ownership, ensures that there's protection against theft, things like that. So that's what the Livestock Services Revolving Fund is.

Ms. Sproule: — And now why wouldn't this be a check-off with livestock producers? Just a question occurred to me.

Ms. Koch: — Well I mean it's been . . . Historically it's been a program that's been administered through the Minister of Agriculture, so rather than a check-off, it's a fee, and so it's administered through the Minister of Agriculture. It's just a different way of administering it. In fact, you know, there's other . . . Manitoba doesn't have brand inspection. Alberta does have brand inspection but it's privately operated, and so in that case, you know, producers pay fees directly to the private entity that runs brand inspection. So it's just a different way of administering brand inspection.

Ms. Sproule: — Can't resist a pun: it's a checkerboard of check-offs. Sorry, it's getting really late. Crop insurance . . . Now do I have specific questions about that? I think I'll leave crop insurance for the moment. I've got a couple of other little funds — Pastures Revolving Fund.

Mr. Govindasamy: — So the Pastures Revolving Fund is a fund that is administered by our ministry for the Saskatchewan pastures program. It is a fund that allows the ministry to have the capacity to manage 52 pastures across the province. So those producers who have cattle in those pastures pay a fee to be able to access the pastures, which is put into a revolving fund, which is then utilized for development purposes on those pastures, including fencing, provision of the water supplies, etc.

Ms. Sproule: — Now I guess I'm going to ask some questions about the PFRA community pastures. And just some general questions. I know, Mr. Minister, you indicated that quite likely what you're looking at right now is outright sale of those particular pastures. Is there any thought to maybe devolving or divesting of some of the Saskatchewan pastures and keeping some of the federal ones? They might be better pastures or better lands or, you know, so is there an analysis being done of . . . because you're obviously in the business of pastures. So would it be . . . And some of the farmers I spoke to or producers, the other night, are looking for ways for the Crown to actually retain some of the holdings and maybe lease them out or so I'm just . . . Is there a range of options that you're looking at? And maybe you could describe that a little bit.

Hon. Mr. Bjornerud: — Well I think the . . . I actually met with the federal minister on Friday morning when we were down at Ottawa, so I had . . . And I think I told you I was going to do that. We just wanted to make sure where he was going with this and of course when they turn the pastures back to the province. And now we've talked to a number of the associations out there. But they will be for sale. But I think what, even like the stock growers, we've had the opportunity to meet with them the other day, and then of course you were there when we talked to some of the Saskatchewan cattle association guys the other night.

I think they're looking forward to an opportunity whether, say, you take the . . . If there's 20 patrons right now in a pasture, a federal pasture, what I think — and that was the point we

conveyed to Minister Ritz — was that we would like to see the opportunity be there for those same 20 patrons, however they would work it, whether it's setting up an association or whatever one would want to call it, and I think what we're . . . Feedback we're getting so far from a number of producers is they'd like that opportunity, of course, and then the pastures would be evaluated of course, and we would go from there. But I think we're trying to be open-minded.

We mentioned to the federal minister too, if there's some way through Farm Credit — and I think we talked about this the other day — if there's some way through Farm Credit or some other avenue to help producers out there to purchase these pastures, you know. I guess the other side of it is these patrons pay rent on their cattle being in their . . . [inaudible] . . . dollars, or whatever you want to call it, in their per cow-calf day costs that they have in there.

If those dollars had have gone years ago towards purchasing the land, of course they would own it now. But it's never too late to start. And I think right now might be the opportune time for producers to take advantage of some type of program that can be put in place to assist them and have them outright purchase this. And they'll never have this situation come up again. If you have a producer out there that may want to retire somewhere down the road, then I would believe we could set it up. They could set it up. I think it would be their own doings that they would do this, but he could sell his to some young farmer or something like that. But the association would carry on. But they would run it for all intents and purposes and own that pasture.

So this is a work in progress. I think producers are becoming more interested all the time. And I think, you know, most of them are aware now that the federal government is stepping out of this business. And so we'll be working with all of the cattle producers out there, all the patrons that are involved, and especially like the stock growers and the Saskatchewan cattle association to have their input. But actually fairly positive I think right now from a number of the organizations that are saying this might be an opportune time to have this transition happen if that's where the federal government's going.

Ms. Sproule: — I guess my question is in relation to the Saskatchewan pastures. So the 52 that Saskatchewan holds, are you looking at that kind of devolvement as well for those in the future?

Hon. Mr. Bjornerud: — Well not right now. You know, we may see how this evolves with the federal pastures, and I think it may have some of the patrons out there saying, you know, maybe this is an opportune time that we do the same thing. I think they want to make sure that at some point they wouldn't lose these pastures, and that certainly would be my intention too. So I think it's going to be learning curve here as we go through the federal pastures. But as we go forward, I think it's something we can see how smooth this transition was. And we would certainly entertain ideas of that but that's not in the works as of today.

You know, I think we talked about it too the other night that 2012, there's no change. So we do have a bit of a window here. You know, it's only a year, but it does give us the opportunity

to work with producers out there. And then there's only five in 2013 and five in 2014, I think — correct me if I'm wrong — but it does give us a bit a window here. And the federal minister said that he would like to see the first five be pastures that weren't being fully utilized, and we do have pastures like that provincially too. So you know, with that in mind, I think we can work with producers to try and help them find a solution out there and something that works.

With cattle prices improving dramatically, I think producers . . . you know, there may be an expansion of our industry out there. I certainly hope that happens. With BSE [bovine spongiform encephalopathy] of course our numbers have dropped steadily because prices have been down. But I think we're going to see that change now. And you know, I'm certainly no expert, but I just have that feeling. We always see that when prices improve, the numbers start to recover. I think Alberta's going to see the same thing happen. So opportune time for something like this if they were going to divest with those pastures, probably a far better time than it would have been three or four years ago.

Ms. Sproule: — All right.

Hon. Mr. Bjornerud: — One of the things that we talked about a little bit earlier and I'm not sure we gave you a clear picture on is AgriInvest and how it works. And, Nithi, were you the one talking . . . Yes, there's a cap in place, but I think we could do a little better job of explaining this because I don't want to leave that open ended because I think there's more information that we could provide to you.

Ms. Koch: — Okay. So I just wanted to just indicate, AgriInvest, we've kind of briefly described it. So it helps manage small income to clients, and it provides support for investments to mitigate risks. The AgriInvest accounts build as you make annual deposits as a producer. And it's based on a percentage of allowable net sales, and it then receives matching contributions from the federal, provincial government.

I think what we wanted to clarify that perhaps we didn't do a very good job of initially was to indicate that there are limits on how much can be contributed by both government and the producer into AgriInvest. So it's 1.5 per cent of allowable net sales to a maximum allowable net sales of one and a half million dollars. So the maximum contribution by a producer in one year is 22,500 that then government matches. And so we just didn't want to leave the impression that this was some open-ended amount of money that, you know, could be deposited and then matched, that we could have done a better job of maybe describing that to you when we initially answered. And so I just, I wanted to clarify that for you.

Ms. Sproule: — Thank you very much for the clarification. And is that, I guess one more question out of that is how many years are they limited, or is it every year as long as the program is in place?

Ms. Koch: — That's correct. I mean at this point there's no limit on the number of years. It's just as long as the program is in existence.

Ms. Sproule: — And I guess the goal is that farmers have that nest egg or that rainy day fund. You're helping them build that

up so that when things get tough, they have something to rely on, like a contingency almost.

Ms. Koch: — That's right. The minister kind of mentioned, you know, we've got several areas of business risk management programming that we provide. You know, crop insurance is kind of the, sort of the initial kind of line of defence that producers have to, kind of, mitigate risk and deal with production risk. And then AgriStability is available for margin risk where, you know, you may have a great crop but prices may tank, or you know, maybe we have a trade situation where you can't actually sell your product into a market. Well that has an impact on your profitability, so then AgriStability manages your margin risk.

And AgriInvest is sort of just that extra, you know, buffer that's available that is for the small amount of declines that you may have. It's an extra account that you can dip into like a rainy day fund, as the minister described, where it's just, it's another line of defence that's available to producers. And then AgriRecovery of course is the fourth line of defence. And that's where we saw for the last two years our excess moisture program payments that were made available.

So we call it the business risk management suite of programs. It's AgriInvest, AgriInsurance — which we don't call it that in Saskatchewan; we call it crop insurance — but AgriInvest, AgriInsurance, AgriStability, and AgriRecovery.

[21:30]

Ms. Sproule: — I just can't help but thinking that the film industry could use a business risk management plan like this, that somehow we could figure it out. Because man, that's a great safety net, and I know producers appreciate it and farmers appreciate it. So when times are tough like the film industry is experiencing, it would be so nice to have this kind of buffer or support zone. Because that's, you know, there are good times and bad times in all industries. I had to say it.

Farm Land Security Board, I don't know if I'm going to have time for all these because there are some other actual questions on . . . I think I'll leave these for the moment. Prairie Agricultural Machinery Institute, Agri-Food Council — you are busy; I can tell you that much.

The stabilization fund. Maybe just a couple . . . I'm familiar with the Farm Land Security Board, but the Ag Stabilization Fund, is that part of the business risk management? That's one of the four you described, right? It has its own annual report? Can I get the 60-second version of the stabilization fund?

Mr. Schwartz: — I don't have any amounts or anything like that, but I can explain what the fund is. Basically it is a fund that the ministry puts money into to run programs out of, and it's money that can be accrued forward from year to year if it's a multi-year program. Or in addition, if it's, say, a program that's cost shared with the federal government, the federal government puts its money into there because a separate fund is required so that those funds can be recorded separately. So that's basically all it is, is just a fund that the ministry has to store money and for the purpose of running programs.

Ms. Sproule: — It's kind of like a holding tank?

Mr. Schwartz: — It's kind of like that.

Ms. Sproule: — Okay. That's plenty. Okay, I just want to look at some of these now. I have some orders in council that have been passed over the last few years and just had a couple of questions about some of them. And then I did have some questions . . . [inaudible] . . . what to do first.

We'll start with maybe some of these orders in council. And they're very specific, and just a basic explanation of them would be appreciated. And I'm sure it won't be too difficult for that. Anyways OC 77A/2009, and I'll read you the name of this — it's a long name — Canada-Saskatchewan AgriStability Employee Transfer Agreement. And then there is more to it, but that seems to be . . .

An Hon. Member: — 2009?

Ms. Sproule: — 2009. So is it . . .

Hon. Mr. Bjornerud: — [Inaudible] . . . it doesn't fall under the estimates.

Ms. Sproule: — Does it happen every year, but . . .

Hon. Mr. Bjornerud: — No, this was part of . . .

The Chair: — Excuse me, Mr. Minister, just for clarification, and maybe Ms. Sproule is not aware we're dealing with the 2012-13 budget. Now the ministers may, if they choose, answer, but generally we try to refer our questions or ask questions based on the year of estimates.

Hon. Mr. Bjornerud: — I'll just touch on it because it's not quite fittingly where we are tonight, but it was the transfer of AgStability when we brought the administration back to the province, back to Melville actually, and that what's those dollars were utilized for.

Ms. Sproule: — Thank you for that. Thank you for the explanation. Some of these are all dated probably back to that time, so I won't ask those. Thank you for the clarification. I wasn't aware of that.

Then we can go into, these are some general questions that I can ask at this point, very general questions. So number one, is the ministry still funding all programs from last year?

Hon. Mr. Bjornerud: — Yes. I think that was one of the commitments we made in the fall of 2007 or 2008 when we started with our first budget process that we made the commitment. It was part of our, actually our platform in 2007, that we would fully fund the programs, and we've made that commitment and honoured that commitment every year and have again this year.

Ms. Sproule: — Okay. Have any FTEs been eliminated? Are you part of that 16 per cent cut in public service?

Hon. Mr. Bjornerud: — We have less employees this year; I believe 12.3 less FTEs. Over the period of our first four or five

years, we've gone from — I don't have the numbers right in front of me here — 500 and . . . Does anybody have those numbers?

Mr. Burton: — Yes. This year's budget has 12.3 less FTEs than the previous budget.

Ms. Sproule: — And where have those positions been eliminated or will be eliminated?

Mr. Burton: — Yes. They're in various subvotes throughout the ministry. There's three in the land subvote, three in our policy subvote, four and a half in regional services, one in financial programs, and point eight in our corporate services subvote. So those should add up to 12.3.

Hon. Mr. Bjornerud: — And a large part of the employees there, the FTEs that we have that we're down from where we were before, have gone through retirements or things like that to the greatest extent. There's been actually very little any other way that we have done this, but just not rehiring in some positions and moving people from one spot to another.

And I guess the one thing I would mention that, you know, we watch very closely and we listen to producers. If there's concerns that they're not getting the service that we've tried to do, we've opened some more service centres out there and extension offices and things like that. But I don't think we've had one concern from a producer that they're not getting the service that, you know, that we wanted to make sure we were guaranteeing, at the same time going to the lean process. And so far, I think it's working very well.

Ms. Sproule: — That leads to my next question is the lean process. So how has that been applied in use with your ministry?

Ms. Koch: — So we've been fairly active on the lean initiatives. And of course, you know, lean is a way for us to ensure that we reduce waste, make the best use of our time, ensure that work is rewarding for our employees and not frustrating, and that they're not burdened with wasteful work and work that, you know, could be done much more efficiently. And so we've actually taken on quite a few lean projects. I may just mention a few. The one that we've probably seen the most success from actually was our AgriStability benefits process.

And so what we wanted to do was ensure that we provided quality customer services to farmers and ranchers in Saskatchewan by creating efficiencies in processing AgriStability benefits. The minister had mentioned when we brought AgriStability home to Saskatchewan that that was one of the major concerns by producers; that they felt that the service was quite poor, that turnaround time was inadequate, that it's a very challenging program, and complex. But in order to, you know, further frustrate producers, it was a lack of timeliness. And so we wanted to ensure that we were doing the best we could to ensure that we did timely deliveries.

So as a result of the lean project, we reduced application process times by three to four weeks. We improved customer service, so 100 per cent of the calls are answered within 25 seconds. We have system improvement where in fact we've got

a new service that's online called AgConnect where you can actually apply online. So accountants and producers have been able to do this since about the end of February, if I recall.

So that's just one example of one of our lean projects. We also had lean projects in the area of our Crown land sales. That was to reduce time that it takes to process a Crown land sale, improved customer service, reduced the number of producer-related concerns and inquiries. And so we improved customer service times, so that was the time to process customer inquiries for . . . in case they were interested in purchasing land.

A third one that I would mention is our permitting system for our brand inspection system. So this was to improve our livestock inspection process, where we've brought in some electronic tools to allow a more efficient way of providing our brand inspection service. So our field staff, our brand inspectors are actually using what we call the Archer system. It's a technology called the Archer. So basically it's an electronic system that we use to basically expedite brand inspection process.

Another one is just to mention that the Farm Land Security Board did a lean project, and that was really just administrative process review, where it was to find efficiencies in functions and administrative processes, again to improve customer service. And so that was about electronics and better website service and online services.

And then the last one I'll mention is our customer financial transaction cycle on the crop insurance side of SCIC. So we did a major lean project on AgriStability at SCIC. But then we did a fairly major lean project on the crop insurance side, and that's to reduce errors, improve payment processing time, and improve customer service for crop insurance. So we set targets for reduced processing time. We've allowed customer service offices — we've got 21 of them around the province — allowed them to do more, you know, face-to-face contact, allow them to actually do bank deposits locally, that kind of thing which expedited service to producers and allows us to just, you know, ensure that we do the best service possible to producers for crop insurance.

So I apologize for the long list, but we've done quite a bit of lean work. And we're doing a further assessment, you know, this year and I expect we'll, you know, have probably about the same number of projects this year in the ministry.

Ms. Sproule: — I guess just in follow-up to that, are there any instances in lean where you've decided that it's gone too lean and you needed to pull back in terms of evaluation of the program, or are you pretty happy with it generally?

Ms. Koch: — Yes, I think we've been pretty pleased with where we've landed on our lean projects. I think the challenge always is that you get into a lean project and you find out that process is much more complex than you realized. And you map it out and you actually decide that you can't do it all. I think that's been our bigger challenge, is some of them, for example, you know, on the AgriStability side, it took us quite some time to be — it was a new process for us — be able to sort out what all the steps were in the process. And then it took us quite some

time to kind of slice and dice that process and decide what we could tackle upfront.

And I think that's going to be the case as we continue down this lean journey, is to say, you can't bite off more than you can chew. You can only really manage so many lean projects in the ministry at a time, and you also have to be reasonable as to how much you can take on. You do need front-line staff to be able to tell you what the process is. It can't be top down. It's got to be bottom up. And in many cases, it has really empowered our staff to say, I've been frustrated with this process for 10 years; I'm so glad we're taking a look at it. This just makes so much sense.

So I can't say that we've gone too lean because really it's really been in the hands of the employees that are actually, you know, in the middle of that process, providing that service, you know. And if anything, it's alleviated frustration that, gee whiz, I was kind of wasting my time doing that, and now I can better focus on this which hopefully is about better customer service and more valuable work.

Ms. Sproule: — Okay.

Hon. Mr. Bjornerud: — I think just one thing I want to add to that, and Alanna made the point too, but it's from the feedback we get from the staff, is that they have some input how to bring efficiencies. I think a number of them felt that they had ideas before but no one was listening to how those efficiencies could be made and say, we weren't administering a part of the program in a timely fashion.

So I think the answer in some cases was we would hire more staff, and this is going back a number of years. I think what we're seeing now by the staff having input into this is an awful lot of good information that's really said, as Alanna said, panning out and really bringing efficiencies to all of the programs that we've had that process going through.

Ms. Sproule: — I've done some process mapping in my time, and I know how painful that can be, and then change management too. I mean just sort of moving into those new phases.

Okay. Sorry. Some of these I've already asked in other contexts, so I'm just going to go through these. Where are we here? Okay, I'm going to skip down to . . . In the budget summary on page 51, there's a couple of items I'd like to just ask about. And these are tax expenditure accounts for the Government of Saskatchewan. And one of the tax expenditures that I see in here — I think it's related to Agriculture — and it's an exemption on farm machinery and repair parts. And it looks like that's a tax exemption for \$80 million. Is that right? Am I reading that right? It's no. 4.

[21:45]

Mr. Burton: — Just want to make sure we're talking about the same number. It's on page 51?

Ms. Sproule: — I think it's page 51 in the budget summary. And it's 2012 Government of Saskatchewan tax expenditure accounts, under sales tax, no. 4, farm machinery repair parts,

and no. 5 is the fertilizer, pesticide, and seed. And looks like it's \$80 million is the exemption for no. 4 and 122 million for no. 5. What is . . .

Mr. Burton: — That's provincial. Farmers are exempt from paying PST [provincial sales tax] on those items, and so that's what that is.

Ms. Sproule: — I'm just trying to get a sense of the total safety net for farmers and where, you know, they have specific advantages in all parts of government support. So that's like \$200 million right there in exemptions that farmers are able to access.

Hon. Mr. Bjornerud: — Of course that's through Finance.

Ms. Sproule: — Yes.

Hon. Mr. Bjornerud: — PST is there, yes. It's been there for many, many years too, by the way I think that exemption's been there. I don't know when that actually came in, but it's been a number of years.

Ms. Sproule: — I guess musing out loud, I mean you know, if farm prices continue to be as strong as they are, is this something that the government would look at? I guess is that a Finance question? I guess you would be involved in that.

Hon. Mr. Bjornerud: — I guess it would be both Ag and Finance. It's not something that we are looking at right now.

Ms. Sproule: — And then I have a further question on that page down on the fuel tax. Of course I remember the purple gas when I was a kid. That's another, I think, long-standing exemption for farm activity. And the same question: is that being looked at?

Hon. Mr. Bjornerud: — It would fall under Finance, but we're not looking at any changes there.

Ms. Sproule: — Because effectively that's like \$321 million of benefit to farmers right there, which is a huge support.

Hon. Mr. Bjornerud: — Yes. Of course if you add in how input prices have gone up and costs have gone up and fuel has gone up, if you fill your fuel tanks right now even with that exemption, it's very, very expensive.

Ms. Sproule: — We're getting squeezed. Okay. Another question might be posed here on declining numbers of farmers and the workforce for supporting agriculture. Are there any policies . . . Is there a shortage of farm workers now, and how is the ministry looking at that?

Hon. Mr. Bjornerud: — Well I think that's one of the concerns we're hearing from a large part of the ag sector out there. I know the honey bee industry, and there's a number of parts of the industry that rely on seasonal workers to some degree. I know one of the honey producers, bee guys, in my area that relies on, I think he has 35 to 40 seasonal immigrants come in every year. Tremendously good workers, but there's a shortage right across the province.

The problem agriculture has is a lot of these jobs are seasonal, and it makes it that much harder to get employees when you need them. And then of course compete in the, you know, in the province where wages are going up quite dramatically in the potash sector and things like that, which makes it that much tougher even for the ag sector to compete. So it is a problem out there, and I know our Minister of Advanced Education and Immigration is certainly aware of some of the problems that the ag sector has out there.

Ms. Sproule: — Yes. I mean we know those are often very vulnerable workers as well. So I guess we'll watch for programs in that area. Now you just mentioned input costs. Is there any effort on the part of the ministry to actually monitor that squeeze and how it's impacting farmers?

Hon. Mr. Bjornerud: — You know, we follow what fertilizer prices in fact are going up again right now as we speak. But you know, I guess high grain prices to a degree drive what the input costs are out there right now, you know. And I don't know how government, no matter what stripe government would be, would get into this, you know, trying to control what fertilizer prices do and things like that.

The market dictates it and, you know, from experience I think we've all saw in the past when government tries to get involved in some of these things, really for all intents and purposes, the producers are the ones that pay in the end. So you know, it's demand driven and market driven and, you know, I think as prices go up, of course then they reflect and when there's a larger supply of whatever product it is out there, of course prices drop.

Ms. Sproule: — Yes, I know we've talked more in the legislature about the impact of the Canadian Wheat Board and Viterra and all the significant changes in, particularly in the grain. And you see in the news about how investors now are looking at the soft commodities like grain and so I think that's causing a lot of shift and change in the industry as well. I don't know if I have a specific question about that. But I guess in terms of your policy sector, you know, and maybe sort of how the ministry sees their role, is there any discussion, you know, about the concerns when we have less and less people dealing in the retail side? Are you looking at anything there, or any plans to?

Hon. Mr. Bjornerud: — Again I guess it's one of those things. Do we get involved as government? Do we get into business in providing it? You know, we only have to look back at some of the other ventures as SPUDCO [Saskatchewan Potato Utility Development Company] and, you know, Guyana and some of the ventures that government has got into in the past. And you know, SPUDCO is a prime example. Big Sky in the hog industry was another example where really it did completely the opposite of what I think government intended at the time. I know the minister at the time, I believe it was Mr. Serby, felt that we were going to grow the whole ag sector by building big hog barns and everything. And what did we see happened?

I believe Tom mentioned tonight how we had a hog and cattle loan out there just to try and help these same producers survive, and they didn't all survive. And you know, again it's one of those issues where, when government gets involved in private

business, somebody pays the price. And in the case of SPUDCO, it was a number of the potato producers in this province. So you know, I think if we've learned anything from that — and I would hope that we have and I think we have; from our point of view, we certainly have — that that is probably one of the areas that we won't be getting into. And I think most producers in the province know that that's probably the last place they would like to see government involved.

Ms. Sproule: — I guess what I do see is this government is heavily invested in research and development and certainly the tax, you know, incentives I just referred to. So there is definitely involvement with considerable cost to the taxpayer. So I guess it's how you characterize that involvement. Because research and development ultimately benefits the producers, right? And so it isn't entirely a free market. There's a very heavy level of involvement on the part of the government in terms of the development, you know, for the reasons you said, to have increased productivity. But certainly the farmers benefit from that as well and they get great benefits from all the work that you do. So you're not entirely removed from the process of agriculture or the business of agriculture. But I suppose it's choices.

Hon. Mr. Bjornerud: — You would though, when you make the comparison of research, I'm not sure that that's a fair comparison. I mean, research helps the producers and the farmers across the province. But it certainly helps the consumer in the long run because the volume of product that they provide through research that's been done under different governments, and good on every government for taking part in that and providing that research dollars. And then you join in with the private sector who, when we put \$1 million into research, quite often those dollars are magnified by three, four, five times from the private sector. So it kind of opens that up to investment from all sides.

But I think we all win by it. It's not just the farmers of the province, you know. I can kind of hear where you're coming from tonight. And I'm almost amazed some points tonight that I wasn't sitting on that side and you were on this side, because I'm starting to sound more like a, well, like a socialist; you're sounding more like the Sask Party, and we won't go that far. I'm quitting quickly here, a lot quicker than I planned if that happens.

But anyway I think research, we can argue whether it's dollars well spent. But I don't think there'd be one producer, no matter what political persuasion they have, that wouldn't feel that research is a very good investment in this province.

Ms. Sproule: — And I agree. I mean that's a fairly non-partisan type of activity, I mean. But it's, you know, not every research dollar I'm sure is ultimately successful and there would be costs, you know, as that's the nature of the beast.

Okay, I can leave that for the moment. We're getting close to our time here. I did want to look, if I can find it . . . my last stack of paper. I'm looking for the public accounts and I can't find my public accounts papers. Oh, I guess before I leave, I had a couple of livestock questions as well and one is, in the new . . . and I will be asking more questions under *The Crop Insurance Act* amendments, because I know that producers are

now included as a defined term in that new Bill. But I think I'll save those questions for when we get to that Bill in committee.

But in terms of insurance for livestock producers, is there an insurance scheme for them to access in the same way that there is for crop insurance?

Hon. Mr. Bjornerud: — No there isn't at present, and of course that's one of the, you know, one of the asks that the livestock industry has asked. And you may know this, but Alberta has a program right now that they've gone alone on. The federal government doesn't cost share. But what they do is they provide the administration for the insurance fund and Alberta did part of their sector and are expanding that.

But it's talks at the federal table. We are talking about some type of an insurance program, remembering though that whatever kind of program we do, that we don't have trade problems because of it. And then you know, of course the crop insurance program, it was like that when it was first formed and, you know, they designed it so that it wasn't upsetting the Americans. We'd have to do that with the livestock side. But it is one of the things that we are talking about at the federal table, whether it, you know, whether it happens in the next Growing Forward program. I can't commit at this time because, you know, it's not finalized at this point.

Ms. Sproule: — Okay. We'll look forward to it in Growing Forward too. Another question I guess about the cattle industry is the number of . . . Are there any initiatives under way for value-added in the cattle industry where they're actually being processed here, the meat?

Hon. Mr. Bjornerud: — Not if you're talking about slaughter plants or things like that, not from our perspective. I think, you know, it's again . . . I guess it goes back to what I had talked about before of, you know, is it the place for the provincial government to provide plants like that? And I think, you know, from our perspective it certainly isn't somewhere that we would want to go. Not that there isn't a need for it. You know I think it would be great if we had a large packing plant right here in the middle of Saskatchewan. It would be perfect, but I don't think, you know, it's up to government to provide that.

Ms. Sproule: — Would it be conceivable that if producers came forward with a proposal, you know, there would be some sort of matching dollars like there is for some other . . .

Hon. Mr. Bjornerud: — You know, it's hypothetical. I can't say right now.

Ms. Sproule: — Yes, okay. Fair enough. Just thinking out loud.

Hon. Mr. Bjornerud: — I would like to lock the next minister — whoever it is, man or woman — into something, but I don't think I better go that way.

Ms. Sproule: — They wouldn't appreciate it. They might be sitting here right now.

Okay. In the public accounts — and the most recent one I have is 2010-11 — there were some contracts under vote 6 that I just had a couple questions about. And I don't know if you have that

readily available. It was from Public Accounts. And it is 10 o'clock . . . [inaudible interjection] . . . Well it just gives the amount of the contract and the name of the company that got the contract, and I just wanted to ask a couple of questions about some of these contracts. Like Genome Prairie got \$1.2 million for research programming. What was that?

Ms. Koch: — I can just briefly touch on that and I've got I think just some basic information. Genome Prairie . . . Genome Canada exists nationally, and then nationally then, Genome Canada is sort of split into either provincial organization or regional organizations. In the case of Saskatchewan, it's Genome Prairie. So it is, you know, not just Saskatchewan.

And if I recall right, Genome Prairie was doing some work actually in the area of wheat. It was a global wheat project as I recall, and I believe they also did some work on the flax side. Again it was more of a collaborative global project on the flax. It was called, if I'm remembering right, it was in the area of biofibre. Now I mean I could get you more specifics, but that probably generally answers your question. That's the kind of contract we would have signed with Genome Prairie, to fund some research. And again it wouldn't have been only our dollars in. There would have been some federal dollars in there as well as perhaps some industry dollars that also would have been included in that. I mean, again I could provide clarifying information but that's a broad description.

[22:00]

Ms. Sproule: — Okay. Thank you. Another one I wanted to ask about was the Prairie Agricultural Machinery Institute. It got \$1.7 million.

Ms. Koch: — Okay. So we do provide annual funding to PAMI, Prairie Agricultural Machinery Institute. It's out of Humboldt. And I can indicate that PAMI is focused on providing research support that's related to machinery and engineering for ag production and processing as well as beef research. PAMI is formed under the PAMI Act. That's why we do have a PAMI annual report is because it's governed through a piece of legislation. And it's managed and provides services through a bilateral agreement between Manitoba and Saskatchewan.

And PAMI has two locations, one in Humboldt, which of course is quite well-known in Saskatchewan and very well-respected, and also one in Portage la Prairie. Both Saskatchewan and Manitoba provides core funding to PAMI to run its programs, and Saskatchewan provides a grant and Manitoba also provides a grant. And PAMI is managed by a seven-member board. Four are from Saskatchewan and three are from Manitoba, and it includes producers from Saskatchewan and then some individuals from Manitoba. And it also does attract more than 80 per cent of its funding from fee-for-service sources. So again, you know, those provincial dollars that go in are really minor compared to what it's able to attract in fee-for-service.

So for example, PAMI was really fundamentally important when a lot of the zero till advancements were made quite some time ago for a lot of the dry land farming technology that's occurred. So companies like Bourgault and Flexi-Coil and some

of those did a lot of the excellent foundational work was at PAMI. So that's just an example of the work that has gone on for years at PAMI.

Hon. Mr. Bjornerud: — And to just . . . I might add to that too. It wasn't just agriculture that won from those dollars; it was the environment, because the zero till has done probably more from the ag, you know, sector than many of the initiatives that have happened out there. So it was probably a win-win right across.

Ms. Sproule: — I sure remember when my brother started zero till and then the neighbours, my dad was crowing about, you know, how there was no washouts any more. Look at the neighbours across the road. So that was quite a few years ago too, wasn't it, when it started.

How many more questions . . . Some of this is all coming together now because I know you spoke about PAMI earlier, and I didn't realize it was one and the same until you started speaking about it again. So I appreciate your patience in that regard. In the regional services vote (AG07), there was an expenditure of \$9 million for the provincial council of ADD [agriculture development and diversification] boards for Saskatchewan. What is ADD boards and \$9 million?

Mr. Burton: — So if I can use PCAB [Provincial Council of Agriculture Development and Diversification (ADD) Boards for Saskatchewan Inc.] as the acronym, provincial council of agriculture diversification boards, PCAB is a delivery agent for us under Growing Forward. And so they are delivering our environmental program under the Growing Forward. So that money would be money that would be provided to them for administration of that program. But primarily the money flows through them to producers who have undertaken some incentives or some actions under the beneficial management practices portion of Growing Forward.

Ms. Sproule: — Thank you. I will take time to educate myself about some of these things as well because I'm sure there's information available out there. It's fascinating the extent and range of the programs that you deliver.

In industry assistance, we have \$2.3 million going to Prairie Diagnostic Services. What is that money used for?

Mr. Burton: — Again I'll use my acronym, PDS, Prairie Diagnostic Services. It's a joint venture with us and the university to provide livestock and veterinary diagnostic services for the province out of Saskatoon. So we fund that. They do some work on animal health surveillance. So if vets or farmers out there have an animal disease they need identified or a problem with livestock, they can use PDS to run some tests for them. And PDS also delivers service directly for veterinarians or producers. And they also do some monitoring for the province on just disease prevalence and monitoring.

Ms. Sproule: — And for animal health. Okay. We may have talked about these already. This is under irrigation. But there was \$5 million that went to the farm and ranch water infrastructure program. Was that what you were referring to earlier, that kind of program?

Mr. Burton: — Yes, there was 5 million that was provided to farm and . . . well 4.5 million provided.

Ms. Sproule: — I don't know if these are dated, because this is from Public Accounts '10-11. And so there's additional money being provided this year under the same . . . [inaudible interjection] . . . In the same . . . okay.

Mr. Burton: — Yes.

Ms. Sproule: — I wish I would have public accounts for this year, for the most recent year, Crop Insurance, AgriStability, AgriInvest. I guess just a couple more questions. I won't do all of these because I'm sure I could find it or phone somebody and find it. Just a general question. I'm going to close off now on some transportation questions. And basically about rail costing review and shortlines. I did see somewhere that the Grain Car Corporation is — I guess that's not your realm — but it was to provide cars for shortlines and with the changes in the way grain transportation is going to be handled now, I know APAS [Agricultural Producers Association of Saskatchewan] has been calling for a rail costing review. And is there any interest in the ministry doing that?

Hon. Mr. Bjornerud: — A good part of the industry out there after the service review is looking at the costing review. I think all of us as farmers had problems with the amount of freight, the dollars that it costs us to get it from probably the worst spot in the country right now to port, and it has been always that way. So I think we constantly have to be vigilant that, make sure that the dollars that we are paying for freight are justified and I think the federal ministry have made a comment the other day at the federal table, that he also . . . I believe they're bringing legislation in to a degree to help make sure that we're getting the best bang for our buck. So I was glad to hear that.

Ms. Sproule: — Maybe he should use the railway a little bit more.

Hon. Mr. Bjornerud: — Or some of his ministers.

Ms. Sproule: — The travel costs came out. Producer cars then, just one more question on producer cars. Is there a decline in the number of producer cars that you know of?

Hon. Mr. Bjornerud: — Not that I know of offhand. I don't know if we have those numbers. I guess after the fact we would have those numbers after, you know, after they've gone through the system. It'd be probably be six months or a year later, we would have those.

Ms. Sproule: — What about loading sites?

Hon. Mr. Bjornerud: — No, I don't think we keep track of that.

Ms. Sproule: — You don't track those? I just guess with the more the, you know, concentration of delivery sites.

Ms. Koch: — My sense of it would be though that the same number of loading sites that we've had over the past several years are still in place. I mean I don't get a sense that that's adjusted in the industry.

Ms. Sproule: — Okay. Well I think I am going to wrap it up at this point. I want to really express my appreciation for all your answers and for all of you for coming out tonight, and thank you very much for your patience with my learning curve. And so I think at this point, Mr. Chair, I don't have any more questions.

The Chair: — Thank you, Ms. Sproule. Given the fact that we have basically come to that agreed-upon time with the House leaders, we'll move to adjournment. I am taking that committee is not prepared to vote it tonight? Okay.

Ms. Sproule: — Not at this point. Thank you very much.

Hon. Mr. Bjornerud: — I'd like to mention, Mr. Chair, we have officials from Swift Current and we have them from Melville. But can I conclude that we won't be asking them to come back again? So that's fine, we don't vote it off; I have no problem with that. But we have the officials from, you know, out of town and it's time consuming for them to come in. So I guess I just wondered if that was a possibility.

Ms. Sproule: — I think that's fair. It certainly, you know, the agreement was three hours.

Hon. Mr. Bjornerud: — Okay. I'd like to make a few comments when we wrap up, Mr. Chair. At what point would you want to do that? Now or . . .

The Chair: — Well, Mr. Minister, I think you've got the floor.

Hon. Mr. Bjornerud: — Okay. Thank you, Mr. Chair. I just want to take this opportunity to thank the member for Nutana for the questions in estimates tonight. But I also want to take this opportunity to thank the officials that are with me here tonight. You'll see that the fine, delicate information that you received tonight is from these people.

I've been very fortunate to have these people over the last four and a half years and so much appreciated that it's made me look good at times when I probably didn't come anywhere near deserving it. So it's my last opportunity to thank all of them here tonight. And I'm going to miss all of you. It's just, it's been good working with them. And I think all members in the ag sector have the benefit of what these people do, and much appreciated from my point of view. So thank them and thank you for tonight.

The Chair: — And on behalf of the committee, Mr. Minister, certainly we thank you and all the staff that have joined you tonight for coming and appearing before the committee and responding to the questions. And I as Chair also, Mr. Minister, as you've indicated, this may be the last opportunity to sit before this committee and just, we want to thank you for the commitment you've made and the openness in responding to questions. I certainly haven't been in the committee all the time, but tonight just a sound indication of your willingness to be upfront and respond to the questions that have been presented. So thank you for your time and efforts in the ministry, and I appreciate it. Thank you to the committee members as well for being here with us tonight and allowing the committee to function.

At this time we'll entertain a motion for adjournment. I recognize the member from Carrot River Valley.

Mr. Bradshaw: — I'll do that.

The Chair: — Are we all in agreement that the committee adjourn?

Some Hon. Members: — Agreed.

The Chair: — It's agreed this committee stand adjourned to the call of the Chair.

[The committee adjourned at 22:11.]