



STANDING COMMITTEE ON THE ECONOMY

Hansard Verbatim Report

No. 25 – April 24, 2018



Legislative Assembly of Saskatchewan

Twenty-Eighth Legislature

STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Vicki Mowat, Deputy Chair
Saskatoon Fairview

Mr. David Buckingham
Saskatoon Westview

Mr. Terry Dennis
Canora-Pelly

Mr. Delbert Kirsch
Batoche

Mr. Warren Michelson
Moose Jaw North

Mr. Doug Steele
Cypress Hills

[The committee met at 19:00.]

The Chair: — All right, good evening and welcome everybody to the Standing Committee on the Economy. Sitting in tonight for committee is myself, Colleen Young, as Chair. We have also David Buckingham, Terry Dennis, Delbert Kirsch, Warren Michelson, and Doug Steele. And sitting in for Vicki Mowat tonight is Carla Beck.

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — The committee will be considering the estimates for the Ministry of Agriculture this evening, and we will begin with consideration of vote 1, agricultural central management and services, subvote (AG01).

Minister Stewart is here with his officials. And if you would like to begin by introducing who you have with you here this evening and make any opening remarks, Minister Stewart.

Hon. Mr. Stewart: — Thank you, Madam Chair. Welcome, Ms. Beck, committee members, and a number of officials who I have with me to help us to discuss the Ministry of Agriculture's 2018-19 estimates.

And before I go any farther, I'll introduce the officials. With me I have Rick Burton, deputy minister; Cammy Colpitts, assistant deputy minister, policy; Lee Auten, assistant deputy minister, programs; Bill Greuel, assistant deputy minister, regulatory and innovation; Shawn Jaques, president and CEO [chief executive officer] of Saskatchewan Crop Insurance Corporation; Jeff Morrow, vice-president, operations, Saskatchewan Crop Insurance Corporation; Janie Kuntz, vice-president, finance, Saskatchewan Crop Insurance Corporation; Michele Arscott, executive director, corporate services branch; and Wally Hoehn, executive director, lands branch.

This year's budget is about keeping the province on track. We're following our plan to invest in the services, programs, and infrastructure that Saskatchewan people value today and into the future. The agriculture sector is very important to our economy, contributing about 10 per cent to our annual GDP [gross domestic product].

Through the work of the Ministry of Agriculture and Saskatchewan Crop Insurance Corporation, our government is focused on building a productive and sustainable agriculture industry. We have a collaborative relationship with industry, which helps to guide us in making strategic investments that benefit the sector and strengthen our economy.

At the Ministry of Agriculture we continue to make progress towards our growth plan targets. Saskatchewan farmers harvested an estimated 35 million metric tonnes in 2017, despite drier-than-normal conditions across much of the grain belt, particularly in the South. This is the fifth year in a row that the province has produced a crop larger than 30 million metric tonnes. Livestock cash receipts in 2017 were an estimated

\$2 billion, and we continue to capture more value from the commodities grown in Saskatchewan by increasing value-added production. Current estimates put revenue from value-added processing at approximately \$4.3 billion. Trade is vital to Saskatchewan, and we will continue to be proactive in our trade efforts.

In 2017 Saskatchewan agriculture exports continued to be strong with total sales of about \$13.5 billion. As a government we will continue to expand and open international markets, work to remove market access issues, and push for new trade agreements.

Support for agriculture in the 2018-2019 budget is strong. The agriculture budget is \$378.6 million, a small decrease from last year. Most of the decrease is due to lower AgriStability costs, based on initial forecasts from the federal government and decreased Crown land sale incentives.

Business risk management programming is again a priority. Our budget includes \$258.2 million to fully fund and deliver crop insurance, AgriStability, AgriInvest, and Western livestock price insurance. By investing in sound business risk-management programming, we are providing a foundation for our agriculture industry to grow. These programs give producers the confidence to make investments in their operations that improve the overall profitability and long-term sustainability of their businesses. Our government and the Saskatchewan Crop Insurance Corporation work closely with industry to ensure the crop insurance program is relevant and meeting the needs of Saskatchewan farmers and ranchers.

For 2018 we listened and worked with industry to bring forward enhancements that keep the crop insurance program working for producers. And these enhancements include adding fire insurance as a coverage feature for pasture land; including a restoration benefit for drowned-out hay land; adjusting the forage rainfall insurance program to provide additional options for customers' coverage selection; modifying the corn heat unit program to give growers greater choice and simplified claim payments; expanding the contract price option to include more crops such as barley, commercial canola, oats, hard red spring wheat, durum wheat, and CPS [Canada Prairie Spring] wheat; increasing the compensation rate for predation of calves; creating an individual deductible for bee producers in the bee mortality program; and we're also committing \$71.2 million for strategic programming through the Canadian Agriculture Partnership, the new federal-provincial policy framework.

The Saskatchewan cost-share programs suite makes investment in strategic initiatives to drive outcomes in six priority areas, including science, research, and innovation to build on Saskatchewan's competitive advantages by advancing science and research capacity to deliver new knowledge and technology for the sector; environment and climate change, to support the long-term resiliency and sustainability of the sector; risk management to support the sustainability of the sector by anticipating, mitigating, and responding to risks to plant and animal production and the environment; value-added agriculture to support growth in the value-added and agri-food processing sector to create jobs and economic growth for the province; public trust, to help tell the public the facts about

agricultural production and ensure producers have access to the tools and technologies they need; and finally, trade and market development to assist industry in expanding domestic and international trade opportunities.

The \$72.1 million invested this year is the same level of funding provided under the previous agreement known as Growing Forward 2. Under CAP [Canadian Agricultural Partnership] we are focusing on the long-term health and sustainability of the sector. Research will receive 5 million more annually under CAP compared to Growing Forward 2. That's over an 18 per cent increase. This funding will address the increased costs of research, support research institutions, support additional investment into the Agriculture Development Fund, and increase emphasis on demonstration projects and technology transfers so farmers and ranchers can benefit from new technologies and the latest agronomic developments.

To align with the launch of new programming under the CAP agreement, we've also made some changes to extension services. The bulk of our core structure and services remain the same. We will continue to maintain regional offices to deliver information and support the producers need.

The ministry used to retain meeting space in seven communities, and these were referred to as satellite offices. Satellite offices had no staff permanently assigned to them; rather, regional specialists from the 10 full regional offices would travel to satellite office locations for appointments with producers upon request. The ministry is not maintaining the satellite office space after April 1st due to low uptake. Seventeen appointments were made in 2016 across all seven locations.

Instead, regional specialists from the 10 full offices will find places to meet with producers in these communities if needed, such as on the farm or by using Saskatchewan Crop Insurance Corporation office space or other appropriate locations such as perhaps an RM [rural municipality] office.

Specialists will continue to meet with producers as always. The staff complement in each regional office is being tailored to the needs of the region, and this will include agri-environmental specialists in some regions to focus on effective delivery of environmental programming.

Extension activities will focus on three priority areas: transferring new research information and technology to farmers and ranchers, working with producers to help them access programs, and building public trust by working with the agriculture sector to ensure that we are doing the right thing as an industry. We have also updated Agriculture's website to be more user-friendly.

Through this budget we're also increasing funding to Animal Protection Services of Saskatchewan by \$190,000 to support its work in enforcing *The Animal Protection Act*. The three-year funding agreement will increase funding from \$610,000 to \$800,000 annually. The funding will allow Animal Protection Services of Saskatchewan to hire additional staff to address cases that are increasing in numbers and complexity.

Our government has been consistent in our approach to selling

Crown land where there is no ecological, environmental, heritage, or economic benefit to public ownership. Producers are the best stewards of the land and should have the opportunity to realize the benefits of ownership. In December we announced a targeted incentive program to encourage the continued sale of cultivated and formerly cultivated agricultural Crown land. The targeted program offered current leaseholders a 10 per cent purchase incentive on the sale of eligible land until the end of last month.

Producers who continue to lease land that is eligible for sale will see a 45 per cent premium applied to the 2018 standard formula rental rate. We also continue to use an online auction platform to sell vacant Crown agricultural land. This approach is more transparent and convenient for interested bidders compared to the previous method of tender sales. In total we expect about \$40 million in Crown land sales in 2018-2019.

The ministry has been a strong supporter of the provincial irrigation industry through programs and services. Similar to our land resource, our government believes producers are the best long-term stewards of irrigation assets. This is why we're in the process of transferring ministry-owned irrigation assets to five irrigation districts.

The 2018-19 agricultural budget also contains \$3 million to help irrigation districts address the infrastructure deficit. This funding is earmarked for a cost-shared asset rehabilitation program between the ministry and the districts.

We are also providing \$4.4 million in industry grants in this budget. Our government continues to offer strong support to events and organizations that are important to the success of our industry including Canadian Western Agribition, Farm & Food Care Saskatchewan, Canada's Farm Progress Show, and the Agriculture Health and Safety Network.

We also continue the wind-down of the Saskatchewan pastures program which was announced as part of the last budget. Managing private cattle is not a core business function of government, and we determined that we would look at other options for management of the pastures in a way that ensures continued use of this land for grazing.

That led to a period of public engagement and consultation last spring, where we invited input through a public survey and a number of meetings. More than 2,000 citizens participated. The feedback we received helped shape our government's decision to enter into long-term leases with patron groups, similar to how the federal pastures were transitioned. The first 13 patron groups are transitioning to long-term lease agreements with the ministry for the coming grazing season. The remaining pastures will transition over the next two years.

[19:15]

Our government is committed to making investments in areas that support the sustainable growth and profitability of the industry. There continue to be challenges on the horizon, including an uncertain trade landscape, grain transportation concerns, the continued push for a carbon tax from the federal government, and as always, weather-related risks. However, our industry has a tremendous track record of resiliency.

The agriculture sector will continue to be a driver of Saskatchewan's economy. The 2018-19 budget demonstrates our government's strong, consistent support for agriculture. We are investing in the foundation of research, extension, and assurance systems and are committed to developing and funding sound business risk management programs. The future of our industry is positive. Thank you.

The Chair: — Thank you, Minister Stewart. I'll now open the floor to questions from committee members. Ms. Beck.

Ms. Beck: — Thank you, Minister Stewart, for that introduction. And thank you to all of your officials who have come in on a very warm spring evening. So I do appreciate your time and your being here with us. And of course the fellow committee members, Hansard and legislature staff, and our Chair.

I know that some of the questions that I have you've touched on, Minister Stewart, but I'm going to go through and just perhaps drill down with a little more detail on some of them. I've tried to arrange my comments by vote and by subvote category so I'll try to move that if that helps with moving your officials around.

I just wanted to note, I was reading through the annual report and just was keeping in mind some of the mandate of the ministry. I think you noted this: to foster a commercially viable, self-sufficient, and sustainable agriculture and food sector; and encourage farmers, ranchers, and communities to develop higher value-add production and processing; promote sustainable economic development in rural Saskatchewan with better risk management; as well as the mission to enable a prosperous, market-driven agricultural industry through supportive legislative framework, policies, programs and services. So I appreciate that clear statement of mandate and mission.

Just going right into the overall numbers. As you noted, there is a slight decrease and I think you explained where some of the decrease, the \$10 million in overall expropriation expenses, were over last year. This year does include a \$3 million capital investment and I was just wondering what was planned with that capital investment.

Hon. Mr. Stewart: — That \$3 million is to assist irrigation districts and rehabilitation of their assets — you know, things like pumps and pipe and things of that nature.

Ms. Beck: — Thank you. Another question I have . . . I'm going to put it in the high level because I don't know where it fits in in the budget. You had mentioned being proactive around trade markets, and I'm just wondering what the anticipated amount is to be spent on travel this year in the budget.

Hon. Mr. Stewart: — Pardon us, we're looking for the right category that'll just . . .

Ms. Beck: — No, that's okay. I'm not in a rush.

Hon. Mr. Stewart: — That will just illustrate out-of-country travel for trade purposes.

Mr. Burton: — Rick Burton, deputy minister. So we're getting you the number. We'll get that. Of course we have government travel, so within the ministry, and then the minister's travel. And of course that's posted; as of April 30th will be the next posting of that. But we'll get you the number later tonight, and we'll report back. Okay?

Ms. Beck: — Okay. There are a few questions in that vein that I'll maybe just put on the record and let folks get back to me. Is it anticipated that travel and conference spending will increase or decrease over last year? And does the minister anticipate any out-of-country travel this year? How many trips were taken last year? So just to get a baseline against if that's an increase or a decrease and any details that could be provided about that travel. I'd appreciate that.

Hon. Mr. Stewart: — Okay.

Ms. Beck: — I'm going to move on to subvote (AG01), central management and services, and if I have misattributed any expenses to the subvote, please forgive me.

One of the noted . . . Looking at the annual report — which is the last annual report I have — for 2016-17, it's noted that the number of FTEs [full-time equivalent] budgeted was 392 within the ministry. The actual was 383 due to FTE management. I'm just wondering what FTE numbers are included in this budget.

Mr. Burton: — So last year it was 392. This year it will be 372. So we're down 20.1 FTEs overall. So where we're down is we're down 18.1 FTEs through the pasture transition that the minister talked about, the 13 pastures that we're no longer operating this year. We're down four FTEs in regards to the extension modernization. And then we're up two FTEs: one for a bee specialist, and then one for a communications FTE that was transferred to us from another ministry when we took over communications responsibility for Intergovernmental, the protocol office.

Ms. Beck: — So 18 of those jobs were within pastures. What job classification . . . What jobs were those folks to be doing within pastures?

Hon. Mr. Stewart: — Generally pasture managers and riders, I think the category is . . .

Mr. Burton: — Labour service.

Hon. Mr. Stewart: — Labour service.

Ms. Beck: — So those who'd ride. Okay. And sorry, the other four that you noted, Mr. Burton, there's 18 within pastures and four within . . .

Mr. Burton: — Right. The other four were within regional services. Some of those would've been in the head office just as we realigned some of our programming staff that were in some branches to realign with CAP. And then some of them would just be . . . In some of the regional offices we don't have the same footprint of a regional specialist. We've modified that; some offices have a few more, some have a few less. And so overall there was a net decrease of four full-time equivalents.

Ms. Beck: — And are there any other plans for FTE management in this budget? I'm thinking specifically of the \$35 million in efficiencies that the minister announced when she was announcing the budget. It's targeted salary reductions.

Mr. Burton: — So overall our contribution towards that 35 million that you're referring to, between Saskatchewan Crop Insurance and the ministry itself, was 2.26 million. 328,000 is coming from the ministry, of which 227,000 was in relation to the four FTEs I talked about. The other 101,000 in the ministry will be managed through vacancy management going forward as people leave. And then when we rehire, there's always a short period of time when there's nobody in those positions. So there'll be some savings there.

The savings in relation to SCIC [Saskatchewan Crop Insurance Corporation], overall it included a 3 per cent reduction in compensation of a million dollars, based on the \$32 million of salaries. And that's being achieved through elimination of some positions that were currently vacant and some vacancy management going forward.

Ms. Beck: — Thank you. Are there any Ministry of Agriculture staff that are seconded to Executive Council?

Mr. Burton: — So we don't have anybody who's seconded. We have at least one staff that we're aware of that took a leave of absence from her job.

Ms. Beck: — Okay. This is maybe a rather broad question, but the impact you've noted down again over 2016-17 — and quite an ambitious agenda within the ministry of course, a lot of challenges going on — what impact have these efficiency measures had on the ministry with regard to delivering on its ambitious mandate and current challenges within the sector?

Hon. Mr. Stewart: — Well Rick Burton might want to add to this, but since I became minister we've made a lot of changes inside the ministry. And from my perspective, things are working particularly well.

We have very dedicated people in the ministry. Most of them, it seems, come from agricultural backgrounds, and they're interested in what they do. And they always seem to be willing to embrace change, and I know that's not normal for us human beings.

But the changes that have been made, from my perspective, have been very effective and have actually in most cases improved service to the public. I don't know if you have anything to add to that, Rick.

Mr. Burton: — No, I would just say that, you know, we seek to drive efficiencies through program reviews and continuous improvement throughout the ministry. I think we try and foster a culture of innovation where staff are bringing forward ways to improve how things are done. And you know, I think it not only results in efficiency, but it's resulted in better client service and, I think, more client satisfaction as a result.

[19:30]

I think that our staff, as the minister has said, has done a really

good job of helping us find efficiencies in program delivery. Of course there's always technology that helps but, you know, we're looking at processes through continuous improvement, and I think they've really embraced that.

Ms. Beck: — If someone though is vacating a position that is currently occupied and someone is doing work in that position, in order to reach these reduction targets, what I'm hearing is that those positions wouldn't be filled again, or certain positions wouldn't be filled again, or for a certain amount of time they wouldn't be filled again.

Mr. Burton: — So the reductions last year — and there will be some further reductions this year — as a result of the pasture transition, those positions obviously aren't being filled again.

Ms. Beck: — Those ones, yes.

Mr. Burton: — The positions that were eliminated as a result of the extension modernization were vacant at the time and there wasn't anybody in them. The vacancy management that I referred to, if people leave, it takes us a few months to backfill those positions or refill those positions, and so they'll be vacant. It doesn't mean that we won't be filling those positions. But you know, it just takes a while to get the right person in there.

Ms. Beck: — So just so I'm clear on that, the target between both the ministry and SCIC is 2.26 million. Is that correct?

Mr. Burton: — Yes.

Ms. Beck: — Just a general question. In what areas is the ministry outsourcing to private contractors?

Hon. Mr. Stewart: — There are four areas. Animal protection services is contracted to APSS [Animal Protection Services of Saskatchewan Inc.]. Meat inspection is contracted through the Food Centre. Animal disease surveillance contracted through Prairie Diagnostics. And the ministry provides a level of support for the Nelson Mullins lobbying contract that we have in Washington, DC [District of Columbia].

Ms. Beck: — How much is being spent on these private contracts, and is this an anticipated increase or decrease over last year?

Hon. Mr. Stewart: — Yes, the APSS, Animal Protection Services contract is \$800,000. That's up over 190,000 from last year. The meat inspection through the Food Centre is a 900,000 contract, and that's flat from last year. Animal disease surveillance through Prairie Diagnostics is 2.85 million, and that's also flat. Nelson Mullins support is 95,000 US [United States], and I think that's flat from last year as well.

Ms. Beck: — Thank you. I'm just going to ask some follow-up questions just out of interest. The Food Centre, I'm not familiar. What is the work that they do for the ministry?

Hon. Mr. Stewart: — The Food Centre is a pretty impressive outfit that has some real capabilities around food packaging, handling, safety. Apart from training and providing inspectors for our meat inspection, they do start-up runs of local companies that want to get into the food processing business.

They help them design packaging and, of course, take care of their food safety issues. And they do production runs — not only start-up runs, but they do production runs for smaller local companies as well and they've done some, I think, for several years.

Ms. Beck: — So they'd run the product through the package?

Hon. Mr. Stewart: — Yes.

Ms. Beck: — Where are they based out of?

Hon. Mr. Stewart: — Saskatoon.

Ms. Beck: — Okay.

Hon. Mr. Stewart: — But this \$900,000 contract — that's what Food Centre does — but this \$900,000 contract is specifically for . . .

Ms. Beck: — Inspection?

Hon. Mr. Stewart: — Yes. Inspecting meat plants.

Ms. Beck: — Okay. And Prairie Diagnostic, can you just tell me a little bit more about what they do and what that contract is for?

Mr. Greuel: — Hi, I'm Bill Greuel. I'm the regulatory assistant deputy minister. So Prairie Diagnostic Services is a full-service disease diagnostic lab co-located with the Western College of Veterinary Medicine in Saskatoon. And they do work for us on disease surveillance and diagnostics to protect animal agriculture from foreign animal diseases. So they'll do everything from monitoring for chronic wasting disease in elk populations, they did a lot of work related to bovine tuberculosis — that was the outbreak in Alberta, and we had some testing done there as well — and they'll do disease testing if there's unknown animal diseases that show up. They'll do testing for that as well.

Ms. Beck: — Thank you. And how long have each of those respective . . . Just again out of curiosity, how long have each of those contracts been in place with each of those providers?

Hon. Mr. Stewart: — People with the long memories here say that PDS [Prairie Diagnostic Services] has been doing this for government for about 20 years. APSS, Animal Protection Services, was a new creation I think four years ago. And so before that it was humane societies and so on.

The Food Centre, I think five years ago roughly the federal government got out of meat inspection and so we were forced to move into that space, and that's when that started.

Ms. Beck: — Thank you. You're not dealing with a critic with a long memory here, so I appreciate your patience. I'm going to move on to something else, and that is, how much is being spent on advertising by the ministry?

Hon. Mr. Stewart: — We're going to have to do some pulling of numbers together for that, but we'll try and get it to you before we're finished here tonight if that's possible. If not, we'll

get it to you tomorrow.

Ms. Beck: — Okay, I appreciate that. And there's just a couple other follow-up questions that I have with that, and that is if this is up or down over last year, and how many FTEs are tasked with communications advertising duties.

I was going to ask how many FTEs were lost, or of the FTEs lost, how many were communications employees? But I believe that you told me there was an increase of one. Okay. Okay. So that's the sum total of those questions.

Moving on to assets of the ministry. Which assets, if any, of the ministry might or will be sold this year?

Hon. Mr. Stewart: — Largely, as far as assets that we'll be dispersing, it would be surplus assets like older vehicles, trailers, things of that nature. We'll be transferring hopefully some irrigation assets to the irrigation districts, five of them, but those will be no-cost transfers. So I think basically what you're asking is really some old surplus equipment that would . . . normally goes on the auction block at a certain stage of its life.

Ms. Beck: — So a transfer of some of those irrigation assets and then a capital investment of \$3 million to update pumps, and that's . . .

Hon. Mr. Stewart: — We do that every year to help with that, and eventually probably we'll be able to do less of it at some point after the irrigation districts get their feet under them. But for the foreseeable future, we will likely be agreeing to help them cover any unusual or particularly onerous costs related to their assets.

Ms. Beck: — And the irrigation equipment, where is it being transferred from?

Hon. Mr. Stewart: — It's from government ownership to ownership by the districts. The assets don't move or anything. The assets are pipes and pumps and things of that nature.

Ms. Beck: — Was there irrigation equipment that was associated with the community pastures?

Hon. Mr. Stewart: — No.

Ms. Beck: — No? Okay. So these are assets that are currently owned and are going to be transferred. So can you tell me a little bit about the irrigation districts? I believe you said five irrigation districts?

Hon. Mr. Stewart: — Bill is our expert on the irrigation districts.

Mr. Greuel: — Sure. There's five irrigation districts in the province where the ministry owns the irrigation assets, and that's everything from the canals that run through the ground. It's the pumps. It's the turnouts. It could be buried pipe, any of that stuff. We own it all.

[19:45]

So there's five irrigation districts, three of which are located

around Outlook. That's the South Sask River Irrigation District, that's our largest; there's the Riverhurst Irrigation District; the Luck Lake Irrigation District; Northminster, which is located near Lloydminster; and the final one is Moon Lake, located south of Saskatoon. And those districts comprise probably 75 to 80 per cent of all the irrigated acres in the province that are within districts.

And so we're going through a process of helping the districts rehabilitate those assets. They were built largely in two phases: in the 1960s for the South Sask River Irrigation District, which is a canal system; and in the late 1980s and early '90s, which is a pressurized system in Luck Lake and Riverhurst. So we're going through the process of working with the districts to rehabilitate those assets, transfer them to the ownership of the irrigation districts, which are not-for-profit corporations that have been established. And that will mean that they're in charge long-term of the asset maintenance, replacement, and repair, because we don't view the ownership and maintenance of irrigation assets as a core governmental business. It's probably better served in the hands of irrigators long-term.

Ms. Beck: — Okay, so the transfer of the asset is from the ministry to these non-profit entities, the . . .

Mr. Greuel: — Yes.

Ms. Beck: — Okay. Okay. Thank you. I guess one other question, not with regard with the irrigation districts or the sale of assets, but that's around legal costs. I noted in Public Accounts from '16-17 that there were legal services included. Are there any budget allocations this year for legal services?

Hon. Mr. Stewart: — Justice provides any legal services that we use in the ministry, but Crop Insurance may have some, and I think they're trying to get some numbers together.

Ms. Beck: — Okay. Follow-up question that's just around any lawsuits or litigation that's ongoing for the ministry and the nature of those proceedings and anticipated costs there.

Hon. Mr. Stewart: — Okay. We have 10 outstanding lawsuits. Some of them . . . I think one of them dates back 40 years or more and a couple of them are quite old, but no response on any of them or on the older ones for a number of years. Others are still before the courts. Justice provides legal services and if by chance we should lose a claim, I think the General Revenue Fund is where that would come from. Or if we are to be successful in a claim, the money would likewise go to the General Revenue Fund.

Ms. Beck: — I'm going to move on to subvote (AG05). And I guess just a general question about, first of all, the number of FTEs that work in this area.

Hon. Mr. Stewart: — There are 46 FTEs under that subvote.

Ms. Beck: — Okay, thank you. And that's constant over last year, or is that an increase?

Mr. Burton: — Yes, it's pretty much the same number. It covers two branches: our policy branch, and our trade and value-added branch.

Ms. Beck: — So I'm just curious about the work that's done by the 42 FTEs. It's noted here that it's quite broad:

Provides leadership in the analysis, development, and communication of agricultural policies and programs, including market development, trade, value-added agriculture, business risk management, governance, transportation, and environmental and resource policy . . . supports strategic planning and implementation through agricultural statistics and information management.

So what are some of the major areas of work that folks in this unit are working on right now?

Mr. Burton: — So I think you've covered . . .

Ms. Beck: — Seems pretty busy.

Mr. Burton: — I think you've covered it. It was quite descriptive. I mean basically it's policy analysts who work in those areas of generally transportation, also federal-provincial relations, and that's where the business risk management discussions come in.

We also have a board governance unit which oversees Farm Land Security Board, our Agri-Food Council, all of the things under *The Agri-Food Act*, the commissions that are set up under there. So that unit looks after that.

We have an environment policy unit that looks after environmental issues around . . . policy questions around environment. Then in the trade and value-added side, we have some agriculture trade folks who work with trade and export development group but also with the federal government on trade files, agriculture trade files. And then we have the value-added group which also works with trade and export development on trying to promote our value-added sector and support value-added businesses in the province. So I think that covers most of the branch.

Ms. Beck: — I can guess that they've had a very busy year. So these are the folks that are working on the issues around rail, trade, those who had put the work in ahead of the CAP program, the responses to tariffs and trade. Okay, so we can guess that they've been very busy. It's relatively stable year-over-year funding there for that unit?

Ms. Colpitts: — Sure. Cammy Colpitts, I'm the policy ADM [assistant deputy minister]. Yes, there's been no changes in the FTEs in those. Maybe some changes in titles and things like that but the total number has been the same.

Ms. Beck: — That's a lot of work in that unit so I appreciate that. I'm going to move on then to just see if I have any more questions there.

I think I will move on to subvote (AG06). That is research and technology. Includes funding for the agriculture programs under the federal-provincial agreement. How much of that 31 million includes funding from under the CAP agreement?

Mr. Greuel: — Hi. So what is under CAP funding in that subvote is all but about \$3 million. So it would only be our

annual grant to the Global Institute for Food Security and administration in that branch that are not counted.

Ms. Beck: — Okay. I'm looking at supporting . . . I think it's the press release from budget day, and this notes that:

The \$31.8 million agriculture research budget includes support for programs that foster the adoption of new technologies and [includes] increased funding for Ag-West Bio, the Food Centre, and livestock and forage research through . . . Livestock and Forage Centre of Excellence.

I'm just wondering if you could describe some of that increased funding and what it's meant to support within those different programs?

Mr. Greuel: — Sure. So I could take you to those in turn. So funding for Ag-West Bio is \$1.7 million this year; we've got a five-year contract with them. Ag-West Bio was established back in 1989 and they really are there to support the development of the agriculture biotechnology sector in Saskatchewan, which is a significant area of research and development for us, of course. So we've just worked with them on a new five-year strategic plan, and the areas that they'll be working in is around identifying and promoting the development and adoption of emerging technologies. So in the agriculture sector, for us that's areas around digital agriculture, precision agriculture, new techniques around biotechnology. So they help facilitate and bring new areas of that science to the forefront.

We also ask them to do work in this area of creating connections and partnerships to build communities. So we've got about one-third of the agriculture life science capacity in the city of Saskatoon and Ag-West Bio does a lot of work both nationally and internationally to promote that cluster to private sector companies that we would like to come here and invest, and internationally to create new research collaborations. The agriculture research space in life sciences is very much a global approach and so we do want to bring in international investors into our science cluster.

Another area that we asked them to focus on is an area that we call enabling and accelerating commercialization. So they've got some funds that they manage, much like . . . not really a venture capital fund but akin to that, in terms of investing in new companies that want to bring new science and technologies to commercialization in the province of Saskatchewan. So they've helped a number of companies with repayable loans and they help mentor them and provide services to help those companies realize this new technology into business opportunities.

We ask them to do work that we would term advocating for science. So it's to ensure that the public understands the new technologies that we're developing and to make sure that people are okay with modern agricultural and farming practices so that they have security and safety in their food supply.

[20:00]

And the last area is around building awareness of our Saskatchewan cluster, again in the national and international scope. So that's really the role of Ag-West Bio, and they've

been doing that for us since, like I say, 1989. And, I'm sorry, what were the other organizations you were interested in?

Ms. Beck: — The Food Centre. Now I know that we spoke about some of the work that the Food Centre was doing, but is this a separate item?

Mr. Greuel: — This is actually a separate contract. So we provide core operating grants to the Saskatchewan Food Industry Development Centre. So Minister Stewart described that in very good detail. But just, you know, just for your background knowledge, here are a couple of more background comments on the Food Centre.

They were established in 1989 and we've been working with them ever since. And over the past 20 years they've worked with over 350 companies in the food space, and they've supported the development of over 800 new products — and that can be anything and everything from new meat products developed from Saskatchewan livestock; do a lot of work in processing and utilizing Saskatchewan-grown grains and fruits into snacks.

And one of the really interesting things that they've done in the past while is, in collaboration with a commodity organization called the Saskatchewan Pulse Growers, they've actually developed food for the Saskatchewan Food Bank that's been donated there to help in that case as well.

So they will do everything from developing new functional ingredients, helping companies develop food labels so that they can meet Health Canada regulations. They'll do toll processing for companies, and they're a Canadian Food Inspection Agency-accredited meat processing facility so that companies can do toll processing there and sell at both nationally and internationally.

Ms. Beck: — That's fascinating. Toll processing — I'm sorry, I'm not familiar with that term.

Mr. Greuel: — So toll processing is if it's a small start-up company and they've got a product that they want to sell in market, but they don't have enough capital to build an entire facility themselves. They will pay a toll or a rental fee to a facility like the Saskatchewan Food Industry Development Centre that can do the formulation, processing, and packaging for them on a cost-per-unit basis.

Ms. Beck: — And they work with producers right across the province?

Mr. Greuel: — Well generally they'll work with companies that are developing food products.

Ms. Beck: — Okay.

Mr. Greuel: — Sometimes that can be producers. We've got a great success story from a group of producers south of Regina here called Three Farmers that are selling their own products, and they're all developed, yes, at the Food Centre. So in some cases it is producers, yes.

Ms. Beck: — Thank you. Tell me about the work at the

Livestock and Forage Centre of Excellence, and there's a noted increase in here.

Mr. Greuel: — Okay. So this is quite an exciting new development for us. And we used to have three different organizations that did beef research in the province of Saskatchewan. So if you are aware of a feedlot just north of Preston Avenue in Saskatoon, just north of Preston Crossing in Saskatoon, there's a beef feedlot research centre there. It's been located there since the 1960s. That's research work that is conducted by the department of animal and poultry science.

So that site needed to be relocated because of environmental concerns of being on the river, and so we had struck a committee of people that the minister appointed to look at, could we consolidate all of the beef research facilities that we have in the province because we've got this facility in Saskatoon.

We also had a facility called the Western Beef Development Centre which was located at Termuende research farm near Lanigan, Saskatchewan which was a cow-calf facility.

And then there is another research farm that the Western College of Veterinary Medicine has south of Saskatoon near Floral. And so what we've done is we've worked with the federal government, both Agriculture and Agri-Food Canada through Growing Forward 2 and Western Economic Diversification; along with the University of Saskatchewan, both the College of Agriculture and Biosciences along with the Western College of Veterinary Medicine; and industry, the Saskatchewan Cattlemen's Association, and we came together and built what we're terming the Livestock and Forage Centre of Excellence.

So the university has purchased a significant amount of land near Clavet, Saskatchewan and we're relocating the beef feedlot. We're calling that the beef cattle research teaching unit. And we've relocated the Western Beef Development Centre from Termuende and we're calling that the forage and cow-calf research teaching unit. And we're refurbishing the farm at Goodale which is basically for minor livestock species.

And we're creating what's called the Livestock and Forage Centre of Excellence where we're consolidating all of this research into one facility that will be the largest of its kind in Canada and really won't be rivalled by much in terms of R & D [research & development] infrastructure anywhere in Canada. And we'll be on par with some of the largest beef research facilities in North America. So that will do work on everything from the environmental impacts of animal agriculture; they'll look at animal welfare; we'll do a lot of feed work, nutrition, production efficiency work. And it will be multi-disciplinary which means scientists from all of those different disciplines will work together at that facility to make our beef producers more profitable and more competitive.

Ms. Beck: — And the University of Saskatchewan is a part of that, is a partner in that?

Mr. Greuel: — Yes. The Livestock and Forage Centre of Excellence will be . . . It's a class A facility at the University of Saskatchewan much like other research facilities are there. So it

will be managed jointly by the College of Agriculture and by resources in the Western College of Veterinary Medicine. And that's where the budget, the operating budget for that will be held.

So in addition to the capital investment that we made in the Livestock and Forage Centre of Excellence, we've provided them with a two-year operating grant of approximately \$1 million a year. The overall facility will cost probably four and a half to five million dollars in operating costs on an annual basis. That covers everything from power to the salary for people to take care of cattle, to feed costs, to research costs. And so all in, it's going to be quite a facility.

Ms. Beck: — So what stage is that facility at now? I notice that you're using future tense.

Mr. Greuel: — Yes, yes. So the beef cattle research teaching unit will have a bit of an opening in June. It's actually being populated with cattle right now. The forage and cow-calf research teaching unit, the cattle will be transitioning from Western Beef site at Lanigan this year. They're all in the midst of calving right now so we couldn't move the animals due to animal welfare concerns and just the cycle of where they're at in their research projects. So they'll be transitioning over this year and we will be planning for a grand opening sometime in October when both of those two main facilities are fully operational.

Ms. Beck: — Very good. Thank you very much. I'm not sure . . . I wanted to ask about the value-added agriculture incentive that was introduced in Bill 125. I'm just wondering if there's budget allocation for that program and where we find that.

Ms. Colpitts: — So I think the question was where is the . . . which ministry would have the . . .

Ms. Beck: — Yes, I just was wondering if there is anything allocated within this budget, within this vote, for that program.

Ms. Colpitts: — Not within the Ministry of Agriculture. There's two pieces of legislation that enabled the tax incentive. There is the Saskatchewan value-added incentive legislation that the Ministry of Trade and economic development holds, and then the taxation Act, which the Ministry of Finance would hold.

Ms. Beck: — Okay. So no allocation. Okay.

Ms. Colpitts: — Nothing in Agriculture.

Ms. Beck: — Thank you. That's helpful. That's why I couldn't find it. I'm going to, if I might . . . I was spending some time on the website, on the ministry's website, which is well populated, and I was just looking at some of the pieces under CAP. And I just had some questions, so that's where I'm going to base some of my questions now.

So looking first, there are . . . I think you've already said how many categories under CAP that are noted on the ministry's website. I think there are five but I could be wrong. Anyway, starting with an overall, just a note about the five-year partnership, the \$388 million investment by federal and

provincial governments in strategic initiatives. So I just wanted to . . . Of course this is a very important document — I think that's an understatement — and I just wanted to make sure that I had some of the details correct here and had an opportunity to ask you about them.

The first category being science, research, and innovation. I notice that on the website there are a number of activities that are listed under there with varying degrees of details, I guess. And I was wondering if we could just walk through — and so that's how I plan to work for the next little bit here — through those initiatives and then find where the allocation is for those initiatives within the budget, or if this is an activity that will be in a subsequent budget. I guess I'll ask about that as well.

Starting first under science, research, and innovation, the Agriculture Development Fund or the ADP. I'm just wondering if you could provide some details with regard to that program.

Mr. Greuel: — Sure. The Agriculture Development Fund is one of the main allocations that we have under the \$31 million of budget in research. Up until last year we allocated about fourteen and a half million dollars to projects.

So the Agriculture Development Fund — I should maybe back up — funds research projects. It's a competitive process that researchers across the public sector and the private sector can apply to. And we'll accept applications from anywhere in Canada. Now realistically about 90 per cent of those applications are public sector research institutes, Agriculture and Agri-Food Canada, and the University of Saskatchewan. We accept applications once a year around April. This year we had 305 what we call letters of intent that come into that.

Ms. Beck: — How many?

Mr. Greuel: — Three hundred and five. Yes, and we take those letters of intent and we evaluate them against our objectives that we're trying to achieve as a ministry and whether or not we think they will help achieve our growth plan goals and then we make recommendations to a minister-appointed advisory committee that gives a recommendation to the minister, who has final say on which of those letters of intent should be moved to a full application stage.

So then when the full applications are back . . . We take a subset of those letters of intent, maybe 60 per cent of those or 50 per cent of those, and we bring them back for full applications. And we do that same technical review. We look at whether or not the science is sound. Are we really going to achieve research objectives? Are they going to help meet our goals? And again we'll do the same evaluations and again the ADF [Agriculture Development Fund] advisory committee appointed by the minister will make a recommendation.

So on any given year, we'll fund probably about 60 to 80 new projects on an annual basis. I can find the exact numbers while we're here, but 60 or 80 new projects in four main areas: one around crop science — it could be plant breeding or different agronomic approaches; around animal science, anything from genomic research to nutritional work in livestock. We have a portfolio called soils, environment, horticulture, and alternative crops, which is assessing the impact of agriculture on the

environment; we're looking at the development of new horticultural crops in the province. And finally the fourth area is value-added processing, so that's how do we add value to our crops. A lot of that work would be done by the Food Centre that we had a discussion about previously.

Ms. Beck: — Thank you.

Mr. Greuel: — Yes, so this next year we're putting another about \$2.1 million into the Agriculture Development Fund, so part of the increase to the funding to the R & D suite that we're making will go directly to this project. We have about 400 active contracts. The program's been in operation since 1986.

[20:15]

Ms. Beck: — Thank you for that. So and the next of course program or activity that's listed here is the ag demonstration of practices and technologies, or the ADOPT [agricultural demonstration of practices and technologies] program. And with all of these, looking at just a little bit of the activity and then where the allocation is in the budget and how much is in the budget.

Mr. Greuel: — Okay. So I'll have to . . . Yes, the ADOPT program is kind of the next stage after the Agriculture Development Fund. So in the Agriculture Development Fund we've looked at developing some new practices that could make producers more effective. So we may have done some work in fertilizer placement to make it more efficient for producers, a higher yield and lower emissions, or something like that. And so the ADOPT program is then the next stage of that.

We've got a series of four research and development sites called Agri-ARM [agriculture-applied research management] sites around Saskatchewan, and they're co-funded by the ministry and not-for-profit corporations.

And so we'll take the results of work that we've done at the Agriculture Development Fund and we'll work with these demonstration sites to put in plots and trials so that farmers can see the results of research actually in the field. They can come out and see new varieties, new technologies, new ways of increasing the productivity on their farm.

Ms. Beck: — Okay.

Mr. Greuel: — And so we've got overall in kind of this adoption budget about \$4.9 million dedicated to that adoption. Not all of that is the ADOPT program. I'll have to get the exact numbers. I don't want to misspeak, but I'll find them.

Ms. Beck: — And that would be a global number for getting producers to adopt new technologies and new practices?

Mr. Greuel: — Yes.

Ms. Beck: — Okay, great. The ag-applied research management, Agri-ARM, and is that part of the . . . [inaudible] . . . very similar.

Mr. Greuel: — Yes. The Agri-ARM is the program that we use

to fund the actual eight sites.

Ms. Beck: — Okay.

Mr. Greuel: — We provide them grants of about \$75,000 a year to run the sites. And the scientists and people who work at an Agri-ARM site will apply to the ADOPT program for project funding.

Ms. Beck: — Oh, okay. So there are four sites or eight sites?

Mr. Greuel: — There's eight.

Ms. Beck: — Eight sites, okay. And they are run by non-profits?

Mr. Greuel: — Yes, they're not-for-profits and they're producer volunteer boards that run most of these sites.

Ms. Beck: — Okay.

Mr. Greuel: — They do have salaried employees working at them but kind of the direction and the management and kind of the oversight of it is a producer-appointed board for a not-for-profit, yes.

Ms. Beck: — Okay. And then the strategic research programs, where does that fit in here?

Mr. Greuel: — Yes, that's also part of our research budget as well. The strategic research program is a program that we have with the University of Saskatchewan where we fund 13 research scientists at the University of Saskatchewan. And we fund both a research scientist and a technician at the University of Saskatchewan, kind of in four broad areas. One would be in plant breeding.

Ms. Beck: — Okay.

Mr. Greuel: — Another area would be in animal research work. It could be anything from feed research and nutrition work. We've got a few scientists working in soil science around fertility and assessing agriculture's impact on the environment. And the fourth area would be around value-added processing.

And so the strategic research program provides funding exclusively for the salary of the research scientists and their technician. And those research scientists, much like I described in the Agri-ARM program, those research scientists can apply to the Agriculture Development Fund for funding. But what's nice about the model is, as a research scientist at the University of Saskatchewan, they can also apply to the federal government for national science, engineering, and research grants through other federal funding programs. And so those scientists bring in a lot of federal dollars into the University of Saskatchewan as well.

Ms. Beck: — Right.

Mr. Greuel: — So that total budget this next year is about \$4.2 million per year for the next five years.

Ms. Beck: — And as you draw in those grants and those

research projects, you draw other researchers and people looking in the field as well?

Mr. Greuel: — Yes, and we really encourage the scientists at the strategic research program to collaborate with other scientists, both in Saskatchewan, in other parts of Canada, and internationally as well. And we've got a few of these scientists that have been able to secure very large research grants from both national and international granting agencies in the area of . . . Wheat genomics has been one of the successful areas for us.

Ms. Beck: — Well what better place than here?

Mr. Greuel: — Yes, yes.

Ms. Beck: — Okay, moving on now. Thank you for that. I appreciate that. The next section — it doesn't print out very well, so excuse me as I'm pushing this around — the environmental sustainability and climate change initiative was announced under CAP. I'm noticing the first couple have details to be announced, but I'm just wondering if there's any updates. The first is around the agri-environmental technical services, support for geographically-based extension services to address environmental issues. Is there anything in this . . . are there any updates to that program and any allocation in this budget for that program?

Ms. Colpitts: — So this would be a continuation of support for a group, like agri-environmental groups, watershed groups, and about 950,000 for this upcoming fiscal year. And this would be on a contract basis.

Ms. Beck: — And how long would those contracts be for?

Ms. Colpitts: — We're reviewing those programs, those relationships, right now. So the contract is a one-year contract, and we'll be negotiating for the upcoming year after that, yes.

Ms. Beck: — What would be an example of a group that would be contracted under this program?

Ms. Colpitts: — There's a group called SODCAP [South of the Divide Conservation Action Program] that would be near the Swift Current area, would be an example.

Ms. Beck: — So it's under review?

Ms. Colpitts: — Yes. So as part of the program development for the CAP suite, we reviewed about, you know, 75 per cent of all of our programs and consulted with industry about a number of them.

There's a few we didn't get to. So this would be, you know, one of those ones that we're taking a look at now to make sure it's meeting our needs and the needs of producers. So conversations are ongoing with these groups.

Ms. Beck: — Okay. Thank you. The environmental farms plan, is that something that's new with the new agreement? Are there changes coming to that program? And what's the allocation for that program?

Ms. Colpitts: — That's another one that it's kind of status quo

in terms of the approach that we're taking, which is a voluntary environmental farm plan. Under Growing Forward 2 we required it for some of our beneficial management practices programs or farm and ranch water infrastructure programs. We've eliminated that requirement in many cases because we didn't want the environmental farm plan to be a deterrent to good environmental behaviours. It's a pretty onerous process. So what we're looking at as a ministry is how do we simplify that and make it more in the producer interests.

So there's a lot of market demands for sustainable practices. How do we make sure our environmental farm plan aligns with those market demand practices so there's a clear benefit for producers? And that work, again, will be in the next year.

Ms. Beck: — Okay. So status quo allocation from last year with that program?

Ms. Colpitts: — Yes.

Ms. Beck: — Okay. Thank you. There are some details here around the farm and ranch water infrastructure program. What is the budget allocation there for this program?

Ms. Colpitts: — So I'll give you the budget allocation, and then Lee Auten will speak to most of the other questions. So the budget allocation for the farm and ranch water infrastructure program is projected to be \$4 million for each year of the five-year agreement.

Ms. Auten: — Lee Auten, ADM of programs. So FRWIP [farm and ranch water infrastructure program] supports the development of water infrastructure for agriculture purposes to meet the needs of ranchers, farmers, and value-added agriculture businesses. FRWIP also provides support to both district and non-district irrigators to increase irrigation capacity in the program under Growing Forward 2 programming.

Under the new CAP programming we're continuing to support rural water infrastructure through the program, things like our dugouts, wells, pipelines to develop secure and sustainable water sources, and these are used to mitigate the risk of drought. Preapproval requirements for the producer components of the FRWIP, like the dugouts, wells, and pipelines, has been removed under the new program. Instead producers will be able to do self-assessments regarding their eligibility and they'll be able to apply for direct rebates under the program if they meet the eligibility criteria. And what we are trying to do is reduce the processing time for producers under some of these areas of the program that really can be done under the self-assessment.

The FRWIP rebate will remain at the 50/50 cost share, but the producer cap's been reduced from the 60,000 under the GF2 [Growing Forward 2] program to 50,000 over the life of the program. Well decommissioning continues to be funded at the 90 per cent cost-share level due to the high public benefit that's associated with the well decommissioning. And then irrigation programming supports sustainable agriculture water management and adaptation to climate change, and this will be expanding the producer irrigation development and it's going to be improving irrigation efficiencies under this part of the program.

Ms. Beck: — Thank you, Lee. A couple of questions just to follow up. So if I heard you correctly, there is a decrease to the cap, lifetime cap for producer from 60,000 to 50? Okay. And the self-assessment process: that replaces what process that's there now?

Ms. Auten: — We had a pretty thorough review process under the Growing Forward 2. I think it was a five-to-eight-page application process where people were diagramming the work and pinpointing locations on a map where the development was going to take place.

And so really this is about doing a screening upfront by producers just to simplify the process so when they're doing dugout work, it's really about making sure that it's in a location that can support the development, making sure that it meets the criteria, that it's, say, not in an area of species at risk. And then it's going to be rebated where producers provide invoices in, and then they're rebated a maximum amount under the eligibility criteria for that component.

Ms. Beck: — So are they mapping this like on a GPS [global positioning system] map?

Ms. Auten: — Honestly it was . . . On the application form it was kind of like draw your dugout on the map, and they would put the little dot in the middle of the square on the piece of paper. So it really was no benefit to the program other than an exercise in paperwork, so we're reducing that.

Ms. Beck: — So the self-assessment, does that take place on like a GPS mapping or how does that work?

Ms. Auten: — It'll be by land location that'll be provided.

Ms. Beck: — Okay.

Ms. Auten: — And then, yes, it'll be done through our . . . We're moving to a grant management system where people will be able to go through and input this on a fillable PDF [portable document format]. It'll be a shorter application form with a lot of drop-down boxes where they can fill in and choose some set criteria for the things like the dugouts or the pipelines. And then it'll be based on a land location versus, say, a GPS pinpoint or a pencil dot on a paper application form.

Ms. Beck: — Okay. And one of the things that you mentioned, Lee, was around part of this being necessitated as adaptation to climate change. So what are some of the changes that producers are seeing that are necessitating this movement or this increase in some of these irrigation projects?

Ms. Auten: — Well more so . . . Not so much on the irrigation side other than the efficiencies that I talked about. That would be spray nozzles, reducing the flow of water, or controlling the flow of water.

On the FRWIP side, this program's been in place for a number of years to really look at reducing the risk to producers in dry conditions to mitigate risk. So putting in proper water supplies that will allow producers to plan ahead for times where it is drier conditions and making sure that they have a sustainable water source moving forward through the wells or through

dugouts.

Ms. Beck: — Okay. Thank you very much.

Ms. Auten: — You're welcome.

The Chair: — If the committee wishes at this point in time, we could take a five-minute recess, unless you have questions that you would like to continue in this direction at this point in time.

[20:30]

Ms. Beck: — No, I think that's a reasonable point to take a break. Thank you.

The Chair: — Okay, we'll take a five-minute recess then.

[The committee recessed for a period of time.]

The Chair: — Welcome back, everyone. We will continue our questions and answers on vote 1, Agriculture, central management and services, subvote (AG01).

Ms. Beck: — So continuing along on some of the programs as listed on the ministry's website under the new Canadian Agricultural Partnership, I'm going to move on to the risk management programs or the suite of programs. Starting with the ASK program, the agricultural skills and knowledge program, just if there's any updates on details there and then budget allocation for that program.

Hon. Mr. Stewart: — I'm guessing that you want the more factual and detailed answers.

Ms. Auten: — Cammy's going to look for the budget allocation while I talk about the program. So as with many of the programs you've heard previously, we've done a thorough review about what the program needs are moving forward, especially with the view of our client in mind. And we looked at what efficiencies could be made and how we could streamline programs moving forward.

So as a result of the declining participation and feedback that we received from producers on the farm business management program, we did look to streamline it to a program called the agriculture skills and knowledge rebate program. And this is to support the development of farm management skills through training initiatives.

Ms. Beck: — So just so I understand correctly then, this is a new program that replaces a program that was under the GF2? Is that right?

Ms. Auten: — We had the farm business development initiative under GF2, and it was a program that had some skills training but also did some work about cost of production or looking at HR [human resources] and a number of different components. And so this really is taking the one component, the skills training, and modifying the program so that we have the skills training under CAP.

Ms. Beck: — What type of training would be accessed under this program? Where would that programming be delivered?

Ms. Auten: — The program will be delivered through our programs branch in collaboration with our regional services branch. And we'll have program specialists that are working with our agriculture producers to determine what type of training needs that they're looking for. So an example would be if they're interested in doing some human resource training or succession training, there's training programs provided that we have links to, that they can access a course. Or maybe there's somebody in the field that they can go to and take a workshop and get the knowledge that they're looking for in one of those areas.

[20:45]

Ms. Beck: — So it would be a situation where the producer in some cases would pay for training and then there would be a rebate?

Ms. Auten: — That's correct.

Ms. Beck: — Okay, thank you. I'll move on to the assurance systems programs.

Mr. Greuel: — Yes, okay, so under the assurance systems programs, this is really related to two areas. One would be around surveillance around livestock diseases and the other one is protection of our crop plants.

And so under the livestock disease surveillance program, part of this . . . We talked a little bit earlier about Prairie Diagnostic Services was one of the organizations that we contract work for disease surveillance, but in addition to the work, that core funding that we provide them, we provide them some funding to do additional work for us around disease surveillance. So this could be our screening programming for BSE [bovine spongiform encephalopathy] in cattle. It's around disease surveillance in the hog and the swine industry, a disease called PED, which is porcine epidemic diarrhea virus which was a massive outbreak in Manitoba this last year that we do a lot of monitoring for in Saskatchewan.

And we also do work in this area around screening for what we call antimicrobial resistance to make sure that we've got long-term use and availability of antibiotics for the livestock sector. So we'll do some testing for developing of resistance to that so we can track that. So that's kind of the assurance systems on the livestock side.

On the crops side, we've got a program with the Saskatchewan Association of Rural Municipalities, SARM. That's an annual contract of \$2.85 million, and we've got really four areas that we're looking at here. One is related to beaver control and that's to humanely remove beavers from areas where they're causing production issues for agricultural land. We've got a program where we cost share for rat control with rural municipalities and help with the bait control of rats to prevent the spread of disease of course. Another one is around invasive plant control. So we've got a number of Acts and regulations in the province that designate noxious and prohibitive weeds which can become really quite serious agricultural pests. So we've got a cost-share program with First Nations communities, rural municipalities, and producers that can help cost share the control of those prohibited and noxious weeds.

And in the third, the final area under the SARM contract is the development of kind of a plant biosecurity network where we've got the SARM agricultural regions, they'll be hiring an agrologist in each one of those areas that can help us do crop disease surveys and pest surveys for herbicide resistant weeds. For plant diseases, one of the main ones that we'll be surveying for and looking for is clubroot this upcoming year in Saskatchewan to minimize the spread of that disease across the canola-growing regions of the province.

Ms. Beck: — So is there some increased support for clubroot in particular then?

Mr. Greuel: — Yes. So clubroot we've got . . . so the work that we want to do with these pest biosecurity officers at SARM. But in addition to that, we'll be conducting a very extensive survey in Saskatchewan for clubroot. So last year we found the disease in . . . we found symptoms, physical symptoms of the disease in two different crop districts in the province. So this year what we're planning on doing is an extensive grid survey across 1,800 townships across the northern agricultural region and in the eastern region of the province as well, and we'll be randomly surveying 1,800 townships. We'll be taking canola root samples after harvest and looking for physical symptoms. We'll then be taking soil samples as well and testing those at a lab that we'll contract in Saskatoon to do the work. We're cost sharing this work with the producer organization called the Saskatchewan Canola Development Commission. But we really need to get an understanding of the extent of this pest, so we will be putting more resources into that this year, yes.

Ms. Beck: — Thank you. In addition to the grid and the mapping activities that are going on, are there any increased prevention measures that are being undertaken with regard to clubroot specifically?

Mr. Greuel: — Yes. Yes, we work very closely . . . About a couple of years ago, when this disease was found in Alberta, we proactively worked with industry to create the Saskatchewan clubroot initiative. So that's an organization that meets on a very regular basis, and it's a collaboration with the Canola Council of Canada which is a national organization, Saskatchewan Canola which is our provincial grower organization, us as the Ministry of Agriculture, and researchers from Agriculture and Agri-Food Canada and the University of Saskatchewan. We meet on a regular basis to develop controlled methodologies and biosecurity protocols.

And so we've actually developed . . . Because the disease can spread by the movement of soil — agricultural equipment can move it, as can Crown utilities when they're doing work, SaskPower for instance, or oil companies that are doing exploration work or servicing their equipment — and so we've worked with them to develop protocols to minimize the spread of that disease.

And when we do any of our surveys as the Ministry of Agriculture, we practise a high level of biosecurity. We won't drive onto a farmer's field with our own vehicles. We'll wear disposable boot covers when we do this work. If we do go out to a farmer's field, we'll generally like to take their own vehicle because that minimizes the spread of the soil getting onto our own vehicles and spreading it around.

Ms. Beck: — Thank you. And if I remember correctly this was, I think there were four different resolutions that came forward at SARM this year with regards specifically . . . I think you've covered a couple of them. Publishing an updated annual clubroot map, there was some call for a mandate “. . . that used agriculture equipment sold in Saskatchewan have their origin stated.”

And I'll just maybe list them all and just see if you have a response: “. . . provide a list of certified sanitation facilities” and mandate that all areas found to be affected by the disease be reported to the ministry.

So just wondering if there's any update or progress or response to those calls for increased measures.

Mr. Greuel: — Yes. So we're going to actually locate the letter that Minister Stewart signed in response to all four of those resolutions to SARM.

Ms. Beck: — Okay, thank you. The Canada and Saskatchewan community pasture program, of course the transition program offers funding to help groups organize and obtain the professional and technical skills needed to operate community pastures.

I'm just wondering where we're at, at this point, with the transition. I know there were some questions asked in committee last year with regard to the number of pastures that had been transitioned and the status of those pastures, so just a general question on an update with regard to that program.

Hon. Mr. Stewart: — Sure. On the federal pastures, we're in the final tranche. This year, the last of the federal pastures will be transferred to patron management. And as far as the provincial, there were 60 of those, and how many transitioning in this last year, Wally?

Mr. Hoehn: — I think there's 29 in this last year.

Hon. Mr. Stewart: — Yes, it's a big tranche. And so that will be the last 29 of the 60 or 61, depending how you . . . 62, depending how you number them, federal pastures to transition. I think it's been a very successful transition. So much so in fact that we modelled the transition of the provincial pastures — and there's 50 of those — after the federal experience.

And we did a consultation last spring, summer I think it was. We did face-to-face consultations with stakeholder groups and we did an online consultation with those affected and the general public. And what we heard from those consultations was that both the stakeholders and the general public were satisfied with the federal experience, that is of the transition of the 62 PFRA [Prairie Farm Rehabilitation Administration] pastures. And they preferred the provincial ones to be handled in a similar manner, and so that's what we've gone ahead and set up.

And they will transition in three tranches. The first one, the deal is made and this will be the first grazing season for the first tranche. Do you remember how many are in that?

Mr. Hoehn: — 13.

Hon. Mr. Stewart: — Thirteen in that one, and then there will be two more years of transitions of those pastures and that will be complete as well.

Ms. Beck: — So at the end of the next two years, that all 50 . . .

A Member: — Yes.

Ms. Beck: — Okay, because I believe there were still 19, was it, last year that hadn't transitioned within the community pastures or . . .

Hon. Mr. Stewart: — The federal ones.

Ms. Beck: — Or the federal pastures. Okay, I've got that wrong. Okay.

Hon. Mr. Stewart: — And they're transitioning. The deals are all signed. They transition this year.

Ms. Beck: — So of the 110 pastures, they'll all remain grazing land or . . .

Hon. Mr. Stewart: — Yes.

Ms. Beck: — Okay. And once they've all transitioned, will there still be support for those entities, the producer? They're run as co-operative pastures or as community . . . not as community pastures, but as some co-operatives, some as individual.

Hon. Mr. Stewart: — Yes, corporations, co-operatives, depending on the choice of the patron groups. But we provide support in transitioning. We provide some cash support and, following that, we provide our rangeland experts. We can help with advice on weed control issues and things of that nature on an ongoing basis like we do for any of our producers in the province. But there is some cash upfront for the original transition year, and maybe Wally can give you more details on that. I think it's a little different between the PFRA experience and the provincial pastures.

Mr. Hoehn: — Wally Hoehn, executive director, lands branch. Yes, we started under the federal program. We started under Growing Forward 2. There was \$40,000 available for professional skills, so that's accounting and legal help to set up. Most of the groups went for corporations as opposed to not-for-profit co-ops. So that \$40,000 was available, and then there's an additional \$80,000 available for technical skills. So that would be, they could send their staff away for training. They could get people in to help them do range plans. So that existed for the federal pastures, and we carried that through in CAP funding as well now so the SPP [Saskatchewan pastures program] pastures and the last group of transitioning federal pastures will have access to those funds for five years.

Ms. Beck: — So the transition process that you had mentioned earlier, that there were 18 FTEs, largely those who rode the pastures, is there . . . I mean, when those riders are out there, they're obviously looking at things. They're able to see if there's anything untoward on the pastures. Is there any mechanism, any backstop to sort of fill in for the work that those riders were doing on those pastures? Invasive species

would be one of those areas that they would be able to identify while they were out there.

Hon. Mr. Stewart: — The patron groups will hire people of their own, and oftentimes I think it'll be managers or pasture riders that have done this job before. But like I say, expertise is available from the ministry but the patrons will hire their own personnel.

[21:00]

Ms. Beck: — So when we're looking at the budget for this year, that shows up . . . Which vote or subvote does that show up in those, the transition support that shows up under land management (04)?

Hon. Mr. Stewart: — Okay, it's under CAP programming under the pastures transition program. I think it says, pastures and irrigation transition program. The budget is 500,000 I think, \$500,000.

Ms. Beck: — Which subvote is that? I'm sorry.

Mr. Burton: — So the CAP money is under a number of different subvotes under programs. And so this particular one would be under our programs subvote (AG09) and would be part of that piece that says transfers to individuals. That would be the CAP programming that's delivered by the programs branch. And so that would be one of a number of programs that would fall in there.

Ms. Beck: — Thank you. I'm going to move on to the farm management agriculture partnership program. Again just a quick overview of any changes that are going on there and budget allocation.

Ms. Auten: — So the agriculture partnership program is a new program that invites proposals from industry leaders to partner with the Ministry of Agriculture to deliver programming on issues facing farmers. So it's on areas like costs of production, succession planning, workforce development. Basically looking at . . . It could be developing programs; it could be developing web applications, or it could be a series of workshops. It depends on what industry would like to target and focus on.

Ms. Beck: — Thank you. Is there an allocation . . .

Ms. Auten: — There is 450,000.

Ms. Beck: — 450,000, okay. And then I just wanted to move on. The comprehensive plant biosecurity program — just reading, it sounds a little similar to the assurance systems program, and I'm just wondering what the difference is between the two.

Mr. Greuel: — Yes, I'm sorry. I was actually describing that program when I was talking about assurance systems. Yes, they are the same in my mind.

Ms. Beck: — Okay. They're similar enough then, okay. So specifically the amount assigned for the biosecurity program, there was some line allocation for . . .

Mr. Greuel: — So under that we have the SARM contract which I had talked about a 2.85. And then I think . . . I'd have to get the exact number, but it's around another \$300,000 that we've allocated to do additional pest survey work over and above clubroot that I've described, just in case we have some emerging pests that we want to do surveys for. We plan to do some environmental monitoring for pesticides and some other things in there around developing new testing methodologies for plant pathogens at our crop protection lab, that kind of work under there as well to strengthen our crop protection lab.

Ms. Beck: — Thank you. Maybe I'll start moving just to more of a broad description of the suite of programs, just owing to the time. With regard to the suite of programs around value-added agriculture and ag-food processing, can you just describe some of, any changes to those programs, and what the overall allocation is for those. I believe there's three listed here — food safety for producers, Product 2 Market value-add, and Saskatchewan lean improvements in manufacturing.

Ms. Colpitts: — Sure, so these three programs, I guess to start off with, we had a lot of conversations with the value-added sector about what was working and what wasn't working, and we heard pretty clearly that the programs that we had under Growing Forward 2 were very effective. And I think the change that the Ministry of Trade and Economic Development made helps complement what we were doing from a program perspective.

And then the other thing we heard in our consultations was about how we could be more administratively efficient. So we took two programs, one that was called SAVI [Saskatchewan agri-value initiative] and one that was called market development program, and combined them into the new Product 2 Market program. So the intention is that a value-added agri-business kind of has, from idea all the way to market, that there's pieces of support in there.

The SLIM [Saskatchewan lean improvements in manufacturing] program, there's no changes to the SLIM program from Growing Forward 2. And then the other one that's in there, the food safety, is really to help value-added companies meet market expectations.

Ms. Beck: — Sorry to go back to this, but how do they fit with the value-added agriculture incentive through Economy?

Ms. Colpitts: — I guess the distinction there is that these programs offer good support for people making efficiencies. SLIM, as an example, would offer good support for efficiencies. But for major capital investments, that's just not something we could do within the Ministry of Agriculture's allocation. So a foregone revenue, yes.

Ms. Beck: — So they support similar objectives but just a different function, the Economy piece being the major capital. Okay, thank you.

Hon. Mr. Stewart: — Yes, if only for investments of \$10 million or more, so bigger.

Ms. Beck: — Right, right. You're not handing out that kind of . . . Okay. The public trust piece, maybe the first three programs

for sure, just if we could get a bit of high level explanation of those and the allocation for those.

Ms. Colpitts: — While Lee's getting her notes on public trust, I think I didn't give you the allocation for value-added, which was \$6 million. So I'm sorry about that.

Hon. Mr. Stewart: — Maybe while we're getting that, the SARM resolutions, we've got some information on that. The clubroot map, we will publish a map based on the survey of those 1,800 townships. Sanitation facilities, none exist. Producers are responsible for pressure washing their own equipment. And there's some overlap with the oil and gas industry too because they travel some of the same back roads to drill sites and so on, and fields. So they're also responsible for that. Equipment dealerships are aware of the concerns of clubroot and we are educating them about sanitation of equipment that's in and out of their facilities.

Reporting, we have declared clubroot a pest under *The Pest Control Act*, so producers are required to inform RMs if they have the disease or have discovered the disease in RMs with the clubroot bylaw. But we are working with RMs to enact clubroot bylaws where it makes sense if there's any, you know, clubroot in the RM or in adjacent RMs or likelihood of clubroot becoming an issue in a particular RM.

Ms. Beck: — Is there any education piece or requirement around . . . I think you mentioned earlier, oil-field equipment or utility trucks going particularly in areas where there has been identified or concern of clubroot. Are any of those efforts going on?

Hon. Mr. Stewart: — Yes. We'll be doing some education with oil and gas companies that are operating in the areas where clubroot is either an issue or a potential issue.

Ms. Beck: — Thank you.

Ms. Auten: — So under the public trust, your question was just about the programs under that area. The new farm safety program promotes awareness of farm safety issues and encourages the adoption of safe farm practices in Saskatchewan to reduce farm injuries and fatalities. This is a new program under CAP, and it'll be really a focus on the farm safety issues and mental health issues that we believe require some focus.

And then continuing from the Growing Forward 2 programming, we have the ag awareness initiative, the industry organization development program, and the agriculture mentorship program that will continue from GF2.

Ms. Beck: — One question about the ag awareness initiative: what would be an example of some of those awareness organizations that would be doing that work of building trust in agriculture? What would be some of the projects that would be undertaken under that program?

Ms. Auten: — Different producer organizations have applied to the program to look at building agriculture awareness and public trust not only with industry producers and even branching into consumers. An example of an ag awareness initiative would be funding for an initiative like . . . We fund

initiatives like Farm & Food Care Saskatchewan and some of the work that they do in this space. We've done specific initiatives like focused on videos that really focus on promoting ag awareness and looking at some of the prevalent issues like GMOs [genetically modified organism] or getting the facts into the farm community about what safe farming practices mean. Yes.

Ms. Beck: — Thank you. And the allocation under the farm safety program, is there some increased support for mental health awareness and supports within that program?

[21:15]

Ms. Auten: — Under the public trust area there's 1.7 million budgeted per year under that bucket.

Ms. Beck: — And I heard you say, I believe, that the youth development and leadership program, the mentorship program . . . Is that the mentorship program that's run out of APAS [Agricultural Producers Association of Saskatchewan] or is that a different program?

Ms. Auten: — No, it'll be under our CAP program, and we're still developing that program. Can I just add one thing? We did support APAS under the Growing Forward 2 program, under our mentorship program previously, but this will be . . . We're redeveloping the program under CAP to not have the mentorship program in-house, but see who we can partner with to work with on that program.

Ms. Beck: — So is that a withdrawal of support for that program within APAS . . .

Ms. Auten: — We're just revamping it.

Ms. Beck: — Revamping it.

Ms. Auten: — Yes, to be more effective in the delivery.

Ms. Beck: — Okay. Thank you. I'm looking at markets to trade, and I'm just noting here that it's a Product 2 Market program, but I believe we saw that earlier as well, right? Okay.

Ms. Colpitts: — So maybe I'll just clarify. There's two streams to that Product 2 Market. And the one would be for value-added and industry, and then the market development stream would be more for primary or industry associations.

Ms. Beck: — So just moving on, and I think I'm going to reference both the vote and the risk management piece here. I don't want to miss it. So the business risk management piece, subvote (AG10). Some fairly significant changes in funding year over year here, and I just wanted to make sure that I ask some questions about it and understood the reasons for the changes in allocations this year over last.

So of course we're talking about programs like the SCIC, AgStability, AgriInvest programs, and the western livestock price insurance program. So overall there is a decrease here, and I'm just wondering, given all that's going on, what accounts for the decrease in year-over-year funding for these programs?

Mr. Jaques: — Shawn Jaques, president and CEO of Sask Crop Insurance Corporation. So the decrease in the subvote on business risk management is due primarily to the decrease in AgriStability. As the minister indicated in his remarks, we rely on a forecast by Agriculture and Agri-Food Canada as to what the payments would be in the upcoming year. And so it's just a decrease in what they're expecting the payments would be for the 2018 year versus '17.

Ms. Beck: — So there's a decrease in the forecast. What would be some of the factors that would contribute to that decrease in forecasting?

Mr. Jaques: — What would we take into account is, you know, crop production, how well crop production . . . what were the prices of the crop, prices of livestock, how those markets are doing — you know, things like that.

Ms. Beck: — Is there any impact on that number with regard to the uptake of the program? I'm not sure the number of producers who were undertaking or entering into the program. I believe the number was decreasing over years. Is that part of the decrease in funding for that program? There was a decrease at the federal level as well.

Hon. Mr. Stewart: — Yes, it's true that since the changes that were made just over five years now, that lowered the reference margin from 85 per cent to 70. There has been a fall-off in uptake in the program. That was, of course, a fed-prov [federal-provincial] negotiation that involved all the provinces, territories, and the federal government. And at the time I remember not being very happy about that, but it was part of the deal and we had to accept that.

There's been a move made to improve that somewhat under CAP. Reference margins previously could fall below 70 per cent for low-cost producers like those who maybe used some family labour or produced their own feed, for instance.

And now under CAP, reference margins can never fall below 70 per cent. So I think that's a bit more attractive, although it doesn't take it back to 80 or 85 per cent where everybody would like to see it. But it's more attractive for people. And it's too early to tell about sign-up, but we expect that it may bring a few more people back into the program.

Ms. Beck: — When would you have a better indication of the numbers of people? The deadline is . . .

Mr. Jaques: — Yes, the deadline to enrol in AgriStability is April 30th.

Ms. Beck: — So fairly quickly.

Mr. Jaques: — So that's the deadline to enrol or pay your enrolment fee. And then producers actually have till the end of September to submit their application, and then there's actually the final deadline is December 30th. So we really won't know until later this fall.

Ms. Beck: — And that reference margin, how is that established? How many years does that go back?

Mr. Jaques: — It's a five-year Olympic average. So we drop off the high and the low year.

Ms. Beck: — That's what makes it Olympic?

Mr. Jaques: — Yes.

Ms. Beck: — Okay. Okay. So there is a slight decrease in crop insurance delivery costs. What accounts for that decrease? I think it's about 2 million.

Mr. Jaques: — Most of that decrease is due to some vacancies and, you know, just efficiency in the delivering of the program.

Ms. Beck: — So what would account for some of those efficiencies? Technology or . . .

Mr. Jaques: — So some of the things that, you know, we're always . . . Rick mentioned, made some comments earlier, we're always looking for continuous improvement, better ways of doing our business.

So you know, technology is the way of the future. More and more producers are wanting to do their business online, so we have implemented a number of online tools so producers can do their business with SCIC, you know, on their own schedule, after hours, or when they have time.

We've also undertaken an initiative that, you know, as our office managers retire across the province, that we will then not maybe fill that vacancy and have a manager from a neighbouring office manage that location. So those are some of the efficiencies that we've undertaken at SCIC.

Ms. Beck: — Thank you. AgStability program delivery is relatively stable year over year, but of course it's been mentioned it's a significant drop, \$6 million year over year with regard to AgStability. With so many producers opting out of the program, does that increase any risk or volatility within the sector?

Mr. Jaques: — I mean, you know, SCIC delivers, you know, a number of business risk management programs — crop insurance, AgStability — so I don't see if producers choose to drop out that that's, you know, increasing the volatility in the sector.

Ms. Beck: — And there was previous mention, but I wanted to make sure that we had some time to look into some of the changes, of course, with the wildfires that we saw in the southwest of the province last year, wildfires fuelled by . . . I can't remember what the winds were. I think they were 100 K, was it? It was incredibly strong, and the damage that was done. There have been some changes made to coverage, and I'm just wondering if you could talk about some of the exposure that producers had, and the concerns that were brought forward, and then some of the changes that were made.

Hon. Mr. Stewart: — Yes, there's been a number of changes made. I have them in front of me here, so I'll attempt to answer this. One of the key improvements for 2018 is the addition of fire insurance on pasture land. Producers who enrol now in the forage rainfall insurance program will have year-round

coverage for fires on pasture when they purchase that insurance.

An additional weighting option was added to the forage rainfall insurance program. This change adds more options for growers to customize their coverage to fit conditions in their area and their individual management practices. A forage restoration benefit is now included with insurance for tame hay and alfalfa seed, and this enhancement will compensate producers who lose insured acres of established hay or alfalfa due to prolonged flooding.

The number of weather stations used for the corn heat unit program is expanding from 16 to 131. This will allow for the corn heat unit program to be expanded across Saskatchewan. This responds to producers growing the crop in new areas of the province and gives growers the opportunity to select a weather station that better reflects the conditions on their own farm.

Bee mortality insurance is improving this year through the introduction of an individual deductible. Bee mortality insurance will be more responsive to individual risk profiles of beekeepers.

Establishment benefit values are increasing for 2018 for canola, sunflowers, chickpeas, and grain corn. There is a decline in the establishment benefit compensation for one crop, and that's large green lentils, where establishment values are going from \$60 per acre to \$45 per acre, reflecting a drop in seed costs. And the crops which are increasing reflect an increase in seeding costs.

Payments to producers for calves lost due to predation are increasing. Through the wildlife damage compensation program, new compensation rates recognize the lost opportunity of not being able to complete the normal marketing cycle for calves that are taken by predators, as they're normally taken at a very young age. This also aligns our coverage with our neighbours in other western provinces.

I think that covers the changes.

Ms. Beck: — Thank you. Maybe I'll work back. So the changes to the predation payment for calves that are lost, so is that net of what feed costs would be for that?

Hon. Mr. Stewart: — No, it predicts the weight the calf would be at the normal time of marketing. If it's a spring calf, be late fall likely. And so it predicts the weight of a normal calf in the fall and pays on that weight rather than the relatively small amount. Yes, now it's about \$1,150; before it would have been 600.

Ms. Beck: — Okay. Large green lentils, of course reduction because of the price drop. Yes, okay. Bee mortality, now the insurance I am sure is appreciated. I'm just wondering what is the situation in the province now with bee mortality? I know it's something that you see as a concern elsewhere. What's the status within Saskatchewan right now? What are the major threats?

[21:30]

Hon. Mr. Stewart: — I know that we've heard a lot about

neonics causing bee mortality, but the beekeepers' association in Saskatchewan says that they're not aware of any bee mortalities in this province because of neonic seed treatments. And perhaps that's because of the different kind of equipment we use to seed with. There's better shielding on our openers that go into the ground than there is on, say, corn planters, and I think that's a large part of the difference.

But bee mortality, they can generally ascribe that to a mite, I think, that bees become afflicted with that causes mortality over the winter or other issues. But the neonic issue is not an issue in Saskatchewan or in Alberta, and I'm not so sure about Manitoba even. It seems to be in corn country where that's more of an issue.

Mr. Jaques: — So for example, in 2016 on a liability of \$3 million, we only had paid out \$70,000, and that could have been for other losses just overwintering. So as the minister said, it's low.

Ms. Beck: — So with regard to potential mites, is that something that would be localized in the province? It would be higher mortality in certain areas?

Hon. Mr. Stewart: — I'm not a beekeeper, so I don't know how they move around. I presume severe outbreaks of mites might be localized. I'm just not a beekeeper, but we're going to call in an expert here.

Mr. Greuel: — That's pushing it. So as Minister Stewart has indicated, there are a number of reasons for bee mortality in any given year in the province of Saskatchewan. What's clear, as he's demonstrated, is that we have never seen any evidence of neonics causing bee mortality in the province. And so there is a number of factors that can contribute to it: one can be mites, one can be tracheal diseases. And the other one is temperature and environmental conditions as we head into spring.

And so we've actually had reports this year of some higher-than-normal bee mortality rates because of the cool spring. And so as bees are starting to emerge from the hive, what they're doing is generally protecting the brood and the eggs before spring. And as they come out, they hit cold air and they start to clump up around, and then try to keep the brood warm. And then some of the bees on the outside can die. And because we've had such a cold spring, we've heard localized reports of this happening.

So you know, the historical rates for bee mortality, we don't know what it's going to be this year. We've got bee specialists and people from Saskatchewan Crop Insurance Corporation that will go out and do hive counts, but unfortunately what we're hearing is that some areas of the province there is increased bee mortality just due to the cold weather this spring, not necessarily related to any of the conditions in that.

Ms. Beck: — And the weather station corn heat unit . . . I think this is an opportunity to learn. Explain that a little bit and why those changes were made.

Mr. Morrow: — Jeff Morrow, vice-president of operations for Sask Crop Insurance. So the corn heat unit program, it's a weather derivative program. So what we do is we calculate the

normal heat units at each of those 131 weather stations and then we'll guarantee that many heat units for producers that select that weather station. I'm not sure what the exact range is, but it's probably between 1,800 and 2,400 corn heat units, and it varies at all those weather stations across the province. So producers can select the weather station, and then if the growing season doesn't provide that number of heat units, there's a payment that's triggered.

Ms. Beck: — Okay. Thank you. That's interesting. And with regard to fire . . . Well one of the other concerns that we heard with regard to the fire and producers was around fencing and fencing labour. Is there any resolution to that, or anything here that addresses that?

Hon. Mr. Stewart: — The rainfall insurance program that insures pastures just insures the grass. Fences are an insurable asset that producers can obtain insurance for. They haven't in the past, but I'm sure after the 88,000 acres of grass and quite a few fences that got burnt last fall, I think there'll be probably more interest in looking for that. SGI [Saskatchewan Government Insurance] handles the product.

Ms. Beck: — So on the topic of that terrible fire last year, and just some of the increasing volatility that we're seeing with climate change, how does that impact . . . like, I'm thinking of some of the business, like an increase in three-day rain events, up 30 per cent; the top five driest November to September periods on record occurring last year in 2017. And we saw that in Regina. In Swift Current is the highest; Yorkton, second highest on record; Moose Jaw, Saskatoon, third highest on record. So that increasing volatility of flood events, increased temperatures, changing growing patterns, changing pest threats, flooding — it provides for very dynamic and challenging conditions for producers. I mean, that's one of the risk pieces.

How is that information taken? I know when we look at SGI, for example, and their 10-year average of catastrophic weather events, it's on quite a steep incline. When you're looking at, you know, budgeting for business risk management, how does that all get factored in when you're coming up with both the budget and the tools for producers to access to mitigate some of those risks? It's a pretty big question, I suppose.

Hon. Mr. Stewart: — Well I'm going to go to one of these two experts . . .

Ms. Beck: — Okay.

Hon. Mr. Stewart: — After I tell you everything I know, which won't take long. You know, we've come off 10 very wet years and, I don't know, they weren't all record wet but it was probably the wettest 10-year period in anybody's memory. And along with that come some hailstorm events and lots of flooding events and so . . . Climate always goes in . . . I shouldn't say climate. Climate is on its own path. But weather seems to go in cycles, and we've come through a very wet cycle and now it looks like we're going into a drier cycle. Last year certainly was.

And so there are always, and always have been, these risks in agriculture, and that's really why we develop the programs and have developed the programs that we do. And particularly crop

insurance, I think, is the one that is the most direct program that directly helps producers with weather-related issues that cause crop problems. But as to how we calculate those things, I'm going to have to pass on that one.

Mr. Jaques: — So I'll maybe just make a couple comments to it. You know, despite the challenges that we saw in 2017 — you mentioned the record dry in many parts of the province — we actually had one of the largest crops on record and one of the lowest crop insurance claim years in many years. And that's due to, you know, the producers, you know, using new technology on the farm, the advancements in genetics. You know, just the farming practices have changed, have helped producers become resilient to some of the weather challenges that are thrown their way.

And then as the minister said, you know, we always look at our program. We're always looking at ways to make sure that we stay relevant for Saskatchewan farmers and ranchers. And you know, it's making tweaks; it's adding new programs. You know, we have coverage if it's too wet. You know, we have programs that cover if it's too dry. And you know, we take into account the agronomics that producers are employing on their farms. So I think we have a broad range of options and programs available through SCIC that can help producers, you know, weather the events that are thrown their way.

Ms. Beck: — So with regard and with last year's growing season, because I think that there was a bit of a surprise and certainly relief given the dry conditions what was produced, what would be some of the innovations that perhaps that are supported in this budget or that producers are undertaking that helped mitigate that risk? I'll just leave it at that.

Hon. Mr. Stewart: — Principally the research money that we spend, and we've increased that because it's become increasingly apparent that we're at a point in our research that it's really making a noticeable difference. It seemed for decades, some money was going into research — we thought it was a lot at the time, I'm sure — but the results weren't that noticeable. Now they really are, and it's research into better fertilizer placement. Of course that takes some equipment innovations and better varieties particularly, and a lot of the research money we spend goes into that. The Crop Development Centre at the University of Saskatchewan has developed 450 successful varieties over the last 35 years or so, I think it is. And the yield increases, you know, year over year, say five-year period over five-year period, are getting wider.

And so these are the things that are mitigating against some of the weather issues that we come up against. And you know, a lot of it is farming methods, and of course research in that area pays off as well. But the research wouldn't be as big a benefit for us if we didn't have producers that are early adopters of new technology and always hungry, always hungry for the latest development that might get them another half-bushel an acre. All of those things add up to making quite a difference, and I think that's probably, in a nutshell, maybe the answer. Unless you can think of something you'd like to add.

Mr. Burton: — Sure. I mean, research is a huge part of it and it's the adoption of that research. So I think our extension, investments in extension and tech transfer is extremely

important in helping getting that research out to the farm.

As well, you know, our agrologists, whether they're — and provincial crop specialists — they play a big role in monitoring and surveillance around diseases and pests. I think earlier detection, an early detection of those, and producers taking mitigation actions to reduce the impact of those also has a huge response. So you know, research is an important part; it's a huge part. Our extension piece is an important part, and you know, what producers are doing with their own private agrologists is playing a big part in terms of reducing the impact of these things on their production.

Ms. Beck: — Thank you. Let's hope it rains more during the summer this year.

One of the questions that I wanted to ask, something that has come up, was a concern, a desire to see some of the federal green infrastructure dollars, not just see that money fall to the cities, but there'd be some infrastructure projects in rural Saskatchewan and some of that money allocated to projects, green infrastructure projects, natural water retention, and things like that. Is there any plan within this budget or any ongoing work towards perhaps securing some of that federal infrastructure money?

Hon. Mr. Stewart: — Certainly if we can, we'll find a way to match it, but I don't know if there's any hope of any major pieces coming through in that regard.

Mr. Greuel: — Yes, so there's a lot of different pieces around the federal climate change funding and some of it is, a lot of it is related directly to a reduction in greenhouse gas emissions. So a lot of the infrastructure funding that the federal government has put on the table is related directly to that.

Now in agriculture we've got two main sources of greenhouse gas emissions. One is methane from livestock production and another is on the crop production side. It's the gassing off of synthetic fertilizers. But we've done a lot of work in both of those areas to reduce greenhouse gas emissions, both through production efficiency on the livestock side and better areas of fertilizer placement on the crop production side.

And then if you think about where the biggest gains for us will be, it's in carbon sequestration in our soils. And so we're really almost net zero in terms of greenhouse gas emissions because of the amount of carbon that we're sequestering in our soils, offsetting almost all of the CO₂ equivalent that we produce in the agriculture sector.

So it's a challenge for us to access a lot of the funds under the green infrastructure program in the agriculture sector, because there's not a lot of opportunity to reduce our greenhouse gas emissions in agriculture for a number of reasons, mostly related to the amount of land and the crop production that we have in the province today.

Ms. Beck: — I guess one of the projects that was suggested was around water retention, sort of not natural water retention projects maybe, but smaller water retention projects as opposed to larger. I mean, that was just one example.

Is that funding contingent on any other action on the part of the government, signing on to that federal infrastructure, the green infrastructure money?

Mr. Greuel: — So most of the funding that you're referring to is the Low Carbon Economy Fund, and there's the \$62 million that's available there. I think that's mostly being coordinated by SaskBuilds and Highways for infrastructure projects. On the agriculture side we wouldn't have a lot of infrastructure pieces that would result in reductions of greenhouse gases.

Hon. Mr. Stewart: — And most of the transportation money is related to urban transit and so it's not a fit for Saskatchewan at all. Even if we did get it, I don't think we've got a city that would apply. And further to Bill's mention of the carbon sequestration that we do, we don't get credit for it anyway because we started doing that 30 years ago or more, and they're looking at 2005 as a baseline. So we don't fit any of their criteria, but we're doing the best job of any province I think in the country of mitigating our emissions through sequestration. So we're a square peg in a round hole. We deserve a lot of credit but we're never going to get it from them.

Ms. Beck: — So there's no willingness to show any recognition for some of those practices like zero till and the sequestration within soil?

Hon. Mr. Stewart: — We haven't seen it yet. This is all part of our green strategy that was submitted to the federal Minister of Environment and her response to that was to call us climate deniers. So obviously she didn't read it.

Ms. Beck: — You mentioned some other practices, the spot-specific application of fertilizer for example. What other things would you like to see recognition for?

Hon. Mr. Stewart: — Well I think the huge sequestration advances that we've made through direct seeding. We don't summerfallow to any extent anymore. That is a . . . Summerfallow, working land is a double whammy because of course there's the carbon that gets burnt to pull heavy tillage equipment, which takes a lot of power and creates substantial emissions. But even more so, working soil, turning it over, releases CO₂ in substantial quantities. And these are things we don't do.

Ms. Beck: — So the federal government is refusing to recognize that because of the 2005 baseline. Is that the issue?

Hon. Mr. Stewart: — That's part of it for sure. I don't think they're willing to look at mitigation at all. They just look at emissions and we can't really show that our emissions have changed all that much if you just look at straight emissions. I think we've made advances but it doesn't tell our story. Our story is in sequestration. And that's farm land, grassland, forest land, and that's pretty much the whole province. We're sequestering . . .

Ms. Beck: — Is there no recognition for pasture land sequestration or wetland sequestration?

Hon. Mr. Stewart: — No, not unless you can prove that you're doing something new to sequester more. And you know, the

2005 baseline comes into play again and, you know, there's not that much new under the sun, with grazing land particularly.

But our scientists now believe, contrary to the information that the federal government is using, which is old . . . They think that grassland reaches a limit of sequestration and it doesn't sequester any more. Our scientists believe that — and we hope to have some numbers this spring to prove it — that grassland continues to build soil through sequestering carbon and of course through decaying plant material year over year over year, and that continues to sequester more carbon. But that's not recognized. And the same with forestry, I don't think is properly recognized either.

Ms. Beck: — There's some recognition for forestry?

Hon. Mr. Stewart: — I think there's some but once again the baseline comes into play.

Ms. Beck: — And what about for wetlands? Is there some recognition for wetlands?

Hon. Mr. Stewart: — Not 100 per cent sure how they deal with wetlands. You probably know, Bill.

Mr. Greuel: — Yes, there's a lot of unknowns in terms of wetlands in the province about how much carbon that they do sequester. And of all the things that we're talking about today, there's a little bit more science that we probably need to do, as Minister Stewart has stated.

You know, our models that we have in Saskatchewan, based on work of the University of Saskatchewan and Agriculture and Agri-Food Canada around a 20-year project called the prairie carbon soil balance, is suggesting that we're sequestering far more carbon in our agricultural soils than what the federal government will say in what's called their *National inventory report*.

And so we have some science and more work to do in our cultivated lands. We have more science and research work to do in our native and tame forage land that we manage because grazing practices have changed and we don't totally know what we're sequestering there. And I think an unknown question is around the carbon that we're sequestering in wetlands as well. It's still a lot of work to do in terms of understanding the full level of sequestration. But what we do know is that we're sequestering likely more than what the current federal government models will tell us.

Ms. Beck: — And are those negotiations for recognition of that sequestration, is that ongoing or is that stalled or where is that at?

Mr. Greuel: — Yes, I guess these, you know . . . We're always talking to the federal government about recognition for the carbon that we're sequestering in our agricultural soils, but it's part of I think our bigger strategy in terms of prairie resilience, our climate change strategy. And those questions, you know, we don't want to take them out of context for agriculture because they're part of the bigger discussion that I think is happening with the federal government related to the climate change strategy that might be better served at Ministry of

Environment.

But certainly from an agriculture perspective, yes, we continue to bring this forward at our federal-provincial-territorial tables on the climate change file related to gaining a better understanding of and recognition for the carbon that we're sequestering in agricultural soils in the province.

Ms. Beck: — So, so far they haven't recognized it and they . . . I guess I'm trying to get a sense of the risk. If the backstop measures are implemented, what's the risk to producers in this province?

Hon. Mr. Stewart: — It's the Ministry of Environment that really deals with the federal government on this. I mean they plead our case as well as agriculture, but I think if I go any farther down this road, it's going to be more speculation than relaying facts to you so I'd better stop now. And the Minister of the Environment might have some more concrete things to say, but I don't think we can really go much farther from our perspective in Agriculture. We're hopeful but not very optimistic, I would say.

Ms. Beck: — Okay. I just want to make sure that I've gone through all my notes. One thing that was mentioned I think early on, if I remember correctly, and that was around a levy on leases on Crown land. And there's an increase associated with that this year. Is that correct?

Hon. Mr. Stewart: — That's on tilled or previously tilled land that falls into the recent sales package. Yes, there's a 45 per cent levy that's added to the formula.

Ms. Beck: — And that levy is increased from 15 to 30 to 45. Okay.

Hon. Mr. Stewart: — Over the last three years, yes.

Ms. Beck: — Okay. Is that even with when there's a signed lease are those numbers increasing, or is that on new leases?

Mr. Hoehn: — It's on all, any existing lease or new lease.

Ms. Beck: — So there's a determined amount in the lease and then it . . . But there's been an increase added to that?

Mr. Hoehn: — There's a formula rental that changes year to year based on crop insurance guaranteed prices and the crop insurance guaranteed yields, and so that formula rate changes every year. And then on top . . . Beg your pardon?

Ms. Beck: — That's the reason for the increase, is that formula?

Mr. Hoehn: — Well it just depends on crop prices and yields. So there are ups and downs based on the formula, but on top of that, for the last three years we've put a 15 per cent increase each additional year on top of the formula rent.

Ms. Beck: — I can slide one more question in. Just quickly I guess: the reason for that levy.

Hon. Mr. Stewart: — Well this is land that has no

environmental, habitat, heritage, oil and gas, or sand or gravel value so it has no value, no particular value for the government to be the owner of it, which it might have if some of those other boxes were ticked off. But this is land that would be better off, should be owned by the people that farm it, and we're trying to encourage them to buy it. We've also coupled that with a 15 per cent discount on the price assessed, or 10 per cent at the most recent program on the price, the assessed value. So it's a carrot-and-stick to try and get this land in private hands because there's just no good reason why government should own land that's either farmed or previously farmed.

Ms. Beck: — I think I'm going to be respectful of the time and thank everyone for their time this evening.

The Chair: — Ms. Beck, at the beginning of your questioning, you had a couple of questions which you had asked the ministry for some information on and they said they would look it up. I'm not sure if that's something you still want.

Ms. Beck: — Yes, it is.

The Chair: — And I presume your ministry recorded those things that she required some information, some as follow-up and you thought you might have it by the end of this evening, but if not . . .

Hon. Mr. Stewart: — Typically with travel expenses, it may be April 30th before everything gets posted, but we'll get it to you or at least advise you where to pick it off at that time or before that time. Was there anything else that . . .

[22:00]

The Chair: — And the other was I believe the advertising budget she had asked about.

Hon. Mr. Stewart: — Oh, yes. Yes, we'll get that to you as soon as we can. Yes.

The Chair: — All right. Thank you. Thank you, Minister, and your officials, and committee members and Hansard for this evening. Minister, if you would like to . . . We'll have adjournment of our estimates of vote 1, Agriculture. And, Minister, if you would like to wrap up any comments and things you'd like to say this evening.

Hon. Mr. Stewart: — I'd like to thank you, Madam Chair, and committee members. Ms. Beck, as always it's been I think a high-level exchange of information. And for a number of reasons, I've asked my experts that I'm surrounded with daily in Agriculture to answer a number of the questions because I thought you would get much more detailed and correct answers from them than you might from me, and my voice wouldn't have lasted anyway. So two good reasons for that. But I appreciate the questions. And I want to thank the officials that helped us out here today. As you can see, they're very capable and competent, and I consider myself lucky to work with them.

Ms. Beck: — I have no doubt.

The Chair: — All right. Thank you, everyone. I would now ask a member to move a motion of adjournment. Mr. Buckingham

has moved. All agreed? Carried.

This committee now stands adjourned until Monday, April the 30th, 2018 at 7 p.m. Thank you, everyone.

[The committee adjourned at 22:01.]