



STANDING COMMITTEE ON THE ECONOMY

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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 18:59.]

The Chair: — Good evening, everyone. Welcome to the Standing Committee on the Economy for April 9th, 2019. Committee members present tonight: myself, Colleen Young, sitting in as Chair. We have members David Buckingham, Terry Dennis, Delbert Kirsch, Warren Michelson, and Doug Steele, and sitting in for Vicki Mowat is Yens Pedersen.

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — We will now begin our consideration of the estimates and supplementary estimates — no. 2 for the Ministry of Agriculture, vote 1, central management and services, subvote (AG01). Minister Marit is here with his officials. And I would ask that all officials state their name and their title the first time they speak, just for the *Hansard* records. So, Mr. Minister, if you would like to introduce your officials that have joined you here this evening and begin with your opening remarks.

Hon. Mr. Marit: — Thank you very much, Madam Chair. I'm very pleased to be here to discuss the Ministry of Agriculture's 2019-2020 estimates. And before I get started I'd like to introduce the officials that are here with me today. My chief of staff, Ashley Anderson, is here, sitting here. Rick Burton, the deputy minister of Agriculture is here; Shawn Jaques, the president and CEO [chief executive officer] of Saskatchewan Crop Insurance Corporation. Behind me is Paul Johnson, the assistant deputy minister of policy; Penny McCall, assistant deputy minister, regulatory and innovation. Jeff Morrow is here, vice-president, operations, Saskatchewan Crop Insurance Corporation; Janie Kuntz, vice-president, finance, Saskatchewan Crop Insurance; Michele Arscott, executive director of corporate services branch; Waren Ames, executive director of AgStability; Richelle Bourgoin, executive director of programs branch; and Megan Schaefer, acting executive director of lands branch.

The agriculture industry is sometimes called the backbone of the Saskatchewan economy and for good reason. This industry is a significant contributor to the overall strength of our province. The 2019-20 budget is about providing the right balance for our province, including Saskatchewan's farmers, ranchers, and agribusiness. This budget provides appropriate, sustainable investments into programs, services, and infrastructure that Saskatchewan people value.

Support for agriculture remains strong in this year's budget. The Ministry of Agriculture's budget will increase 3 per cent this year to \$391.3 million. The increase will help ensure fully funded business risk management programs while sustaining investments in agriculture research and strategic programming.

Approximately 271.9 million of this year's budget will go toward fully funding business risk management programs offered under the federal-provincial Canadian Agricultural Partnership, or CAP, including crop insurance, AgStability, AgriInvest, and the western livestock price insurance. The budget continues to invest \$71.2 million in strategic programs under the CAP agreement in

six priority areas: science, research and innovation; public trust; markets and trade; risk management and assurance systems; value-added agriculture and agri-food processing; and environmental sustainability and climate change.

Before I outline the budget and the additional detail, I would like to briefly highlight the goals we continue to work toward at the Ministry of Agriculture. Agriculture research continues to be a priority for our government. One very tangible example of this is the new Livestock and Forage Centre of Excellence that opened last year near Clavet. This world-class research and teaching centre is a collaborative effort between governments, academia, and industry. There is also a regional mapping project at the University of Saskatchewan that made international headlines just this last summer for their breakthrough.

Another project aims to develop a weed control system for herbicide-resistant wild oats in wheat. There is a project that is focusing on improving resistance to root rot in lentils. A project is looking into using genetics to improve the quality of protein and seed quality in peas. Another project is determining the best method for extracting aquafaba from chickpeas. This is a new plant-based co-product that in the future could act as a plant-based alternative to egg whites in baked goods. Not only do these projects enhance our industry by creating more opportunities for producers and agri-business, they cement our province as a leader in agriculture research.

On the crop side, Saskatchewan farmers produced more than 35 million metric tonnes in 2018 despite dry conditions last summer and a challenging harvest. This is the sixth year in a row that the province has produced a crop larger than 30 million metric tonnes. Livestock cash receipts exceeded our goal with approximately 2.2 billion in livestock cash receipts in 2018.

We continue to capture more value from the commodities grown in Saskatchewan by increasing value-added production. Value-added revenue will top over \$5 billion for 2018. Saskatchewan has increased value-added agriculture by 37 per cent from 2012 to 2017, the fastest growing value-added sector in Canada. Our agriculture exports also remain strong, with exports valued at \$13.4 billion in 2018.

The past year wasn't without its challenges on the trade front, including the unresolved issue of tariffs on Canadian pulse crop exports to India. Now we are facing a serious situation with canola seed shipments to China, a critical market for Saskatchewan producers. Our government is very concerned that China has halted all imports of Canadian canola seed. We continue to be engaged with the federal government and industry on this issue. The Premier has been in communication with the Prime Minister. Minister Harrison and I met with federal ministers Carr and Bibeau on March 28th in Saskatoon.

We will continue to work in collaboration with producers and the federal government during this uncertain situation. We remain hopeful that the federal government will continue to engage on a technical level with Chinese officials. We have also requested that the federal government elevate their engagement to a diplomatic level to rectify this situation as soon as possible. We have offered any and all assistance to the federal government to resolve this matter. Saskatchewan remains confident in the high

quality of our canola products. We will continue to work through market access obstacles to ensure our province retains access to priority export markets.

While we have serious trade issues to address, the past year also included some big trade milestones. The announcement of a Canada-United States-Mexico agreement is extremely important for Saskatchewan agriculture, and we hope this is ratified quickly. The United States is Saskatchewan's largest agriculture and agri-food product trading partner and Mexico is our fourth-largest. These relationships are vital to our industry.

Another exciting development is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, which came into effect at the end of December. The biggest prospects will be in Japan, with opportunities to increase Canadian beef exports by 378 million and pork exports by 639 million. The CPTPP also eliminates tariffs into Japan for canola oil and canola meal exports worth up to \$780 million. The combination of these trade agreements positions us well for investment and economic growth.

The progress made on all our growth targets demonstrates the strength of our sector. As I mentioned, this year's agriculture budget is an increase of about 3 per cent or \$12.7 million from last year. The majority of the increase is due to the forecasted demand for crop insurance and AgriStability.

Fully funded funding of business risk management is a major component of the agriculture budget. By investing in sound business risk management programming, we are providing a foundation for our agriculture industry to grow. These programs give producers confidence to make investments in their operations that improve the overall profitability and long-term sustainability of their business.

This spring we announced enhancements that keep the crop insurance program working for producers. By listening to the industry, we updated our coverage, resulting in significant increases to insured values. Industry partners also experienced the need to increase weather station density. For 2019 Saskatchewan Crop Insurance will add 55 weather stations across the province. Most land will be within 30 kilometres of a weather station, ensuring the weather information captured is more reflective of the farms it represents. SCIC [Saskatchewan Crop Insurance Corporation] also worked closely with the Winter Cereals Development Commission, which asked Crop Insurance to change the deadline for fall-seeded crops to reflect the challenges of completing harvest and then subsequently seeding a crop. The new deadline for fall-seeded crops is September 30th instead of September 15th.

Saskatchewan Crop Insurance is also continuing to build upon insurance options for producers who grow corn with the corn rainfall insurance program. Along with these enhancements, crop insurance coverage levels are increasing to a record high for Saskatchewan producers. The average insurance coverage is a record high at \$230 per acre, compared to \$216 an acre in 2018. The producer will pay an average of \$8.61 per acre, up from the \$8.41 in 2018. The average coverage remains strong due to the success of Saskatchewan producers and ongoing improvements in crop production as overall yields continue to move higher. As we head towards the 2019 growing season, there are concerns in

some areas about soil moisture levels and the need for precipitation this year. I am confident in the coverage and the protection the crop insurance program provides.

Since our government has been in office, we have focused on improving the crop insurance program, recognizing it is a valuable risk management tool for producers. Crown lease as security is a new program offered to eligible agriculture Crown lessees. This program allows a producer leasing Crown land the opportunity to access a secured loan or line of credit by using their lease as collateral. This is something producers had been asking for, the other major component to CAP or strategic initiatives in the six priority areas that I mentioned earlier.

A major focus of the last year has been the rollout of the first-year programs under the federal-provincial CAP framework. This year we will continue to invest 71.2 million in strategic initiatives, consistent with past years. The biggest percentage is going to agriculture research and tech transfer, the largest program being the ADF, or the Agriculture Development Fund. Environmental and climate change programs include the farm and ranch water infrastructure program, the farm stewardship program, and irrigation programming.

The risk management area includes our programs for crops and livestock disease surveillance, farm management, and our pest control programs, which are administered by SARM [Saskatchewan Association of Rural Municipalities]. Value-added programs include our Saskatchewan lean improvements in manufacturing, or SLIM program, and product development and marketing assistance through our product-to-market program.

Public trust programming includes ag awareness initiatives, youth development and leadership, and farm safety programming. Trade and market development funding is used to support industry in trade- and government-related activities that support market access, market development, and trade advocacy.

CAP programs are designed to help improve the long-term competitiveness of the sector or help the sector address pressures and future risks. We have seen strong uptake in the number of CAP programs in just the first year, and we anticipate another strong year in 2019-20.

The rat control program offered under CAP will be receiving additional funds in this year's budget. This increase, \$350,000 in funding, will be directed to grants paid to RMs [rural municipality] and First Nation bands to cover their costs for rat inspections and bait. The rat control program is part of the 3.2 million the Government of Saskatchewan is providing to SARM in 2019-20 to assist with pest biosecurity programs. This program also includes the beaver control, invasive plant control, and the plant health network, which includes support for monitoring of clubroot. We heard the concerns about the level of funding for rat control, and we have taken action to address that issue in this year's budget. We are pleased to continue working with SARM in all the components of this important program.

We are also pleased that irrigation districts have agreed to accept ownership of the irrigation assets they were already responsible for operating and maintaining. This is a positive step to them being leaders and working towards our shared goal of a

sustainable, profitable irrigation sector. To help irrigation districts be successful in owning their irrigation works, we have provided two programs to fund the rehabilitation of high-priority irrigation infrastructure. We recognize the potential and opportunity for the irrigation sector to contribute to our overall agriculture sector and prosperity of the province. Our government believes producers are the best long-term stewards of irrigation assets. The transfer of irrigation assets is a positive step forward for the future of irrigation farming in Saskatchewan.

This budget continues to support a number of industry organizations with funding for groups that include Ag in the Classroom Saskatchewan, Saskatchewan 4-H Council, and the Farm & Food Care Saskatchewan among others. These organizations help build trust in agriculture, develop future leaders, and support a sustainable industry. We are pleased to partner with these groups and look forward to continuing our relationship with them.

In summary, I believe the agriculture budget strikes the right balance for the province's farmers, ranchers, and the agri-business. Our government will continue to make investments in areas that support sustainable growth and profitability of the industry. We will continue to stand up for the industry and work together with stakeholders to overcome challenges, be they weather-related risks or trade concerns like what we are facing today with canola exports to China. The Saskatchewan industry will continue to be a leader in the supply of high quality, safe, nutritious agri-food products. Thank you, Madam Chair.

[19:15]

The Chair: — Thank you, Minister Marit. I will now open the floor to questions from committee members, and I will recognize Yens.

Mr. Pedersen: — Thank you, Madam Chair. In your opening comment there, you mentioned that there was two things you are doing in irrigation, but I missed what those two things were. I was wondering if you could just repeat that?

Hon. Mr. Marit: — On the funding?

Mr. Pedersen: — I missed . . .

Hon. Mr. Marit: — There's two funding mechanisms. One for critical infrastructure and then one is a three-year or five-year \$15 million fund to help them into their infrastructure as well, and the transition. So that's what . . . There's two funds.

Mr. Pedersen: — I guess while we're on irrigation, so how much is budgeted to pay to irrigation districts this year?

Hon. Mr. Marit: — In this year's budget, 3 million for the irrigation rehabilitation program. So it's 3 million in there.

Mr. Pedersen: — So that's to help them with rehabilitating existing works. And which line item does that show up under?

Hon. Mr. Marit: — It's under the (AG07) and it's on the transfer for public services, capital. Three million, on page 29.

Mr. Pedersen: — Is any of that 3 million federal funding?

Hon. Mr. Marit: — It's all provincial money.

Mr. Pedersen: — Was the government provided with any sort of assessment of what the value of the irrigation assets were that were being transferred to the irrigation districts?

Hon. Mr. Marit: — It was done by a private consultant to get the asset value, and the assets are valued at over \$350 million.

Mr. Pedersen: — That's for all of the irrigation districts? Did that assessment include any calculation of what the deferred maintenance liabilities might be on those assets?

Hon. Mr. Marit: — Yes, that value is based . . . If you had to replace all the assets today, that's what they'd be worth, is \$350 million.

Mr. Pedersen: — So was there a calculation done of what the amount that was required for repairs would be?

Mr. Burton: — It's Rick Burton. I'm the deputy minister of Agriculture. So we had the rating done on all of the assets and the engineering firm rated them as high, medium, or low risk, and need for repair. And so, yes, there was an assessment of the current state as well.

Mr. Pedersen: — Is that a report that's available?

Hon. Mr. Marit: — It was done in conjunction obviously with the irrigation districts. We'd have to obviously see if it would be all right with them if we can release it or not. So we'd have to . . . We can check on that.

Mr. Pedersen: — Will you do that at a certain time and let us know?

Hon. Mr. Marit: — Yes, we can.

Mr. Pedersen: — This is in the last annual report. It indicated that the ministry had conducted irrigation suitability assessments on 9,500 acres of land and provided \$11.8 million in funding, which contributed to 12,188 acres of new irrigation capacity developed across the province. So I'm gathering that there's no plan to do any of that type of work this year?

Mr. Burton: — So there's a couple of things there. One, the suitability of the soils and the certification. We continue to do that on an as-needed basis when a producer is interested in irrigating a piece of land. The second part was really around the programming to help with expansion of irrigation in the infill and outside of districts. And so we continue to have that program.

Mr. Pedersen: — So I take it then that the ministry would view that the expansion of irrigation acres is something that's considered worthwhile or there's a public good there?

Hon. Mr. Marit: — Oh, definitely. And now I think with this process now, the irrigation districts have control on the expansion and how that'll work into their districts.

Mr. Pedersen: — Will the only expansion be done through the

districts or will there be other expansion potentially?

Hon. Mr. Marit: — Yes. So a private individual, a farmer, can apply for, if he wants to irrigate off of a water source outside of the irrigation district, there is still that ability to do that. So there is that opportunity for the private landowner to make application and that funding is still available.

Mr. Pedersen: — Like for instance there's been some talk publicly about expanding irrigation capacity on the Qu'Appelle, I guess, between Lake Diefenbaker and Buffalo Pound. You know, that would be more than just, you know, one producer doing that. That would be, I'm assuming, a public project. I'm wondering is the ministry of the view that that type of expansion would be a public good that would be worth investing in?

Hon. Mr. Marit: — Well I think any opportunity for, you know, for irrigation expansion, yes. Obviously we'd take that as something good. I think there has to be opportunities. There has to be mechanisms of funding. I think that's obviously going to be the issue, is how the new irrigation district would be funded.

Mr. Pedersen: — I guess where I'm going with this is I'm wondering, I mean at some point somebody decided it was worthwhile to invest public dollars in irrigation districts. There's lots of infrastructure that we invest public dollars into, like for instance highways, and I'm wondering, if it makes sense to expand irrigation assets and use public dollars for that, why has the ministry made a decision it doesn't make sense to maintain existing assets? You know, if it's good to build them, why isn't it good to maintain them with public dollars?

Mr. Burton: — So we do continue to invest in rehabilitation, and that's really what the irrigation infrastructure rehabilitation program, that 3 million that we talked about earlier, is about. Under that program, producers would provide \$21 an acre. The province is matching that on a 2 to 1 basis, so \$42 an acre for the province, and that goes into their rehabilitation fund or the replacement fund, so that they can rehabilitate those. And so we have a five-year agreement for that.

[19:30]

And then we continue to provide opportunities for infill expansion, if you will, within the districts because that's some of the cheapest acres to add the irrigation. And then we also allow individual irrigators to apply for that program who are outside of irrigation districts. And so we have a program under the Canadian Agriculture Partnership program to assist in that irrigation expansion. Major projects, such as Qu'Appelle South that you talked about, is in the billions of dollars. And so that's a very significant difference from our current programming.

Mr. Pedersen: — Now I know the province owns other water control structures, some of which are, you know, maybe contributing to irrigation and other reasons. Does the ministry maintain like a list of all the different water control structures that would be owned by the province?

Hon. Mr. Marit: — Yes. In answer to your question, the critical infrastructure would be under Water Security Agency, like the M1 canal, where you have multi-users, or any other structure where you have multi-users. That'd be controlled by Water

Security Agency.

Mr. Pedersen: — Moving on to a different topic here, I know I think it was about a year or so ago the federal government introduced some new regulations on the use of neonicotinoid chemicals. And I don't know where that's at currently, but I know that that's an important tool for, you know, a lot of our crop production in Saskatchewan. And I'm wondering whether the ministry has any plans or programs in place to make sure that that tool isn't lost because, you know, farmers are either using it too much or in improper places.

Hon. Mr. Marit: — On this one, obviously we've been working with Health Canada and pest management, or PMRA [Pest Management Regulatory Agency] on various issues like this one. So we've always supported the science-based and risk-based regulatory system, and we've always promoted the responsible use of pesticides, as you well know, and promote practices such as integrated pest management that will help control pests and reduce pesticide use.

Currently there are a number of pesticides re-evaluation under way at this time. So we do not agree with PMRA's proposed decision to eliminate the use of certain pesticides, and this being one of them. And I know Minister Duncan and I have both written letters to the Health minister and Ag ministers with our concerns on this one, so we'll continue working. Obviously we'll continue working with them to address these concerns. So that's where that's at now. We're still working through that.

Mr. Pedersen: — So you're basically talking about, you know, communication with the federal agency there. So I know one of Health Canada's concerns, I think, was neonics showing up in surface water and its impact on, I think it was some sort of water-borne insect. You know, is the ministry working with farmers to ask them to not use those products close to wetlands or within, you know, a designated distance from wetlands or anything like that?

Hon. Mr. Marit: — I'll let Penny answer this one.

Ms. McCall: — Penny McCall, assistant deputy minister, regulatory and innovation. And to answer your question, yes there is water monitoring under way. We work closely with Water Security Agency to collect the samples, and we have them tested at Agriculture Canada Lethbridge lab. That began in 2018 and we did not find any levels that were concerning. So we have provided those results to the PMRA, and they are aware of those results. We are going to continue that monitoring in 2019 as well. And sorry, did you have a second part of that question?

Mr. Pedersen: — No, I think that's good. Maybe also related to neonics, not specifically but a little bit different, is the ministry funding any sort of research into impacts on pollinators by neonics?

Ms. McCall: — Specific research on the neonics on pollinators, we do provide research on bee health. And I'll have to double-check if we have a specific project on that, but again in Saskatchewan there has not been reported cases of that kind of damage within our honeybee population. Our producers, in terms of spraying, we have a pest applicator watch that ensures that where they're spraying is protected if it's into honeybee areas.

It's called DriftWatch.

Mr. Pedersen: — I noticed in one of the previous years' estimates, there was a reference to, I believe, a contract with the Food Centre for meat inspection. And I think the number was 900,000 in previous years. I'm wondering if that's still in place for this year.

Hon. Mr. Marit: — Yes it is, and it's the same amount.

Mr. Pedersen: — Now I guess I have a question there because it looked like that was for meat inspection. And isn't that something that CFIA [Canadian Food Inspection Agency] does, or what would these be doing that CFIA doesn't do?

Mr. Johnson: — Hi. Paul Johnson, assistant deputy minister for policy with the ministry. Yes, the CFIA does meat inspection in federally inspected facilities, so that's facilities that export to nationally and internationally. In Saskatchewan we have the contract with the Food Centre to inspect domestic facilities that process and market meat within the province and to the hospitals in Saskatchewan.

Mr. Pedersen: — How many provincially regulated facilities would there be that they're inspecting?

Mr. Johnson: — There are 11 facilities that are abattoirs, and there are two processing facilities in Saskatchewan that are inspected under the provincial program.

Mr. Pedersen: — Are you expecting any change to that with the new federal, I think it's called *Safe Food for Canadians Act* and the regulations under that?

Mr. Johnson: — It's still a little bit too early to say whether there'll be change to our meat-processing industry in Saskatchewan as a result of the *Safe Food for Canadians Act* at this time.

Mr. Pedersen: — Do you have a number in terms of how many farmers we actually have in Saskatchewan at this point?

Hon. Mr. Marit: — The latest data we have is the 2016 census, and the number of farms is 34,523.

Mr. Pedersen: — So that's from census data as opposed to, it's not necessarily the people who are reporting farm income or losses on their tax returns?

Hon. Mr. Marit: — I'm just going by the census data we have.

Mr. Pedersen: — So does the province have any sort of data in terms of how many of those farmers would still be using cash basis accounting versus how many would be using accrual accounting?

Hon. Mr. Marit: — We're kind of just guessing on this: about 75 per cent on cash and about 25 per cent would be accrual, using AgStability kind of numbers there.

Mr. Pedersen: — So if you look in the plan for this year, on page 7 under "Economic Resiliency," it says, "The Ministry is targeting no greater than 50 per cent decrease in realized net farm

income from the previous five-year average." I'm curious if you could explain to me what that means.

Mr. Burton: — So resiliency measures really help what is their ability to withstand a shock to the system, right? And so the realized net farm income drop of 50 per cent, anything more than that would be significant.

Mr. Pedersen: — Okay. So really what this is saying then is that if farm income happened to drop it would be outside of your objective if it was more than 50 per cent. It's not that you're projecting farm income to go down that much. No. That's a relief.

I noticed in previous years that there had been a change to the farm fuel tax exemption. Is that something that's continuing for this year, that there's no change this year?

Hon. Mr. Marit: — No. There's no change to that.

Mr. Pedersen: — Do you have any estimation as to what the dollar amount of that impact would be if you went back to what it had been?

Hon. Mr. Marit: — Yes. The exemption for farm activity and farm fuels is, estimate 2019, is 72.4.

Mr. Pedersen: — Which line is that?

Hon. Mr. Marit: — It's under finance. Yes.

Mr. Pedersen: — Oh yes. In your opening statement you mentioned of course the concerning news about China blocking canola shipments. Has the government done any sort of estimate as to what impact that's going to have on farm income for the province this year?

Hon. Mr. Marit: — No, we haven't. We've been in very close consultations with industry and our concerns about that. Obviously that's why we put the proposal to the federal government that we have with the challenges around that. And until we can, you know, until the federal government and province, I guess, can quantify what is in the system, it's difficult. But I can tell you we have been heavily engaged with the industry and the federal government just to find out where that number could be.

Mr. Pedersen: — The proposal that you made to the federal government, did you do an assessment as to what the cost of that proposal would be?

[19:45]

Hon. Mr. Marit: — No. We just asked. I guess it's pretty easy to do it, I guess. If you looked at if there was a billion dollars, the cost would be about 34.5 million if the interest rate is 3.45. Just to clarify, that would be a federal government cost.

Mr. Pedersen: — Okay, so not for the provincial government. So would there be any cost to the provincial government with these?

Hon. Mr. Marit: — No, because right now under the current program the federal government . . . On the interest-free portion,

the federal government picks that up.

Mr. Pedersen: — So I guess that means that in terms of addressing this problem for producers, the province hasn't done any proposal of putting provincial money on the table then.

Hon. Mr. Marit: — Yes. I guess the province's share would be . . . We fully fund the business risk management portion which is AgriStability, the Crop Insurance, and AgriInvest, so that's where our investment comes, on the cash advance. It always has been a federal program. So that's all we did, is offered the program up to help the producers right across Canada because of this trade issue. We just felt it was important for us to try and get them some relief with an interest-free cash advance to allow them to at least put their crop in, or not move canola at a depressed market price and be able to hang on to it for a while and then sell it, hopefully, if this issue is rectified, which we all hope it is.

Mr. Pedersen: — In terms of other big things, I guess, that are affecting or could affect farmers this year, we just got the federal carbon tax. Have you done any sort of assessment as to what impact you expect that to have on farm income for the province?

Hon. Mr. Marit: — Well we know the farm fuel side is exempt. We know that portion. And they did obviously also allow it at the cardlock, which was good to see that they did that side. On the other impacts of the carbon tax from the farming community, we just don't know what that number is going to be with downward costs, right. Whether it's fertilizer coming in or grain going out on rail or by commercial truck or whatever, you know, we just have no idea yet where that's going to be.

And I'm sure everybody's heard different numbers on different aspects of it. I haven't heard anything yet on, you know, what trucking costs may or may not do and what rail freight will do. And maybe to some degree, freight might even have been in there already on some portions of it. I don't know. But we just have no handle yet on what the downward cost is going to be on this.

Mr. Pedersen: — So the ministry hasn't done any sort of calculation then.

Hon. Mr. Marit: — Well I think it's very difficult to do because you've got to look at fertilizer costs; you've got to look at chemical costs; you've got to look at machinery cost coming in and out. So I mean there's so many factors to bring into this. It will be significant at the end of the day.

Mr. Pedersen: — I know that one of the . . . I guess I was a little surprised, given that this is a federal program, that the carbon tax exemption for farmers only applies, according to their certificate, to on-farm fuel or like fuel that's used on farm. So it doesn't apply to fuel that, you know, a farmer might drive to town for parts. It doesn't apply to, you know, if they have their own semis hauling that grain to market, according to the federal certificate. So I guess I'm curious if you've done any . . . I'm gathering you haven't done any sort of assessment of that cost.

Hon. Mr. Marit: — It's our understanding that any fuel delivered to the farm or purchased by a farmer through cardlock is exempt from the carbon tax. So that would be any fuel that they use. So if they haul their grain or if they get their gas delivered to the farm and then go to town for parts, that's part of the farm

business. So that's where that's . . . On any of the other, you know, carbon tax stuff, the Ministry of Environment is the lead on all of this and is going to come up with, you know, the impact to the economy.

Mr. Pedersen: — So if we can move to clubroot now, whereabouts is the clubroot program, whatever your clubroot program is? Whereabouts does that fit in, in estimates here?

Mr. Burton: — So our support for clubroot monitoring is really, comes in a couple of different ways. And so we have a contract under (AG03) under the Canadian agricultural program with SARM, and so we fund some plant health officers. And so they help us with the survey. And then there is, under (AG07), that would be some of our operational budget that's basically in our crops and irrigation branch, as well as we use some of our regional services staff as well.

Mr. Pedersen: — So I know in livestock in the past when there's been any sort of disease issue, we've seen, you know, things like quarantines and destruction of herds and stuff like that. Is there any sort of plan in the ministry to quarantine any land where clubroot is found?

Ms. McCall: — When it comes to clubroot, it is a regulated pest within the province which means the management . . . It's up to the rural municipalities to lead that management under *The Pest Control Act*. As we know it's already in the province and it's moved by soil, it's very difficult to quarantine because we can't necessarily know exactly where it is. With our surveys last year we realized we do have it, but in very small amounts at this point.

Mr. Pedersen: — I guess I'm wondering, you know, it seems when we have it but it's in small amounts, something like a quarantine, like fencing off or, you know, posting notices that access is restricted to those lands would make sense, you know. Is there any plan in place to do that?

Ms. McCall: — In terms of managing the disease, we do have a management plan that we communicate to the farmers, and it is a farmer-driven approach to how we manage this disease. The plan is very specific in terms of biosecurity in and out of the field. And any other activity that we have, whether it be, you know, crop insurance or other staff, also follow those biosecurity measures, and we communicate those biosecurity measures to anybody within those regions.

Mr. Pedersen: — So if a farmer, you know . . . If you become aware that a farmer has clubroot, then that farmer knows themselves. And are you saying that the neighbours, like the adjacent landowners in the area, are also notified?

Ms. McCall: — The way it works is the farmer, if we have identified it in his field or in some cases farmers self-identify, then it is kept confidential among that. And at this point we are mapping it but only to, you know, a larger level of township, so that it is remaining confidential.

Mr. Pedersen: — So the neighbours don't know?

Ms. McCall: — The neighbours . . . I don't know. I guess it's up to the farmer in terms of who they actually speak to.

Mr. Pedersen: — I guess, you know, I mean it perhaps comes down to dollars. But what I understand of the contamination is that it's concentrated generally at the entrance to a field. And so I'm thinking, you know, one way to manage this might be to actually fund new approaches into fields and . . . you know, so that those areas could be blocked off. Because we obviously have an interest provincially in preventing the spread of this. Has that been considered at all?

Ms. McCall: — Yes it has. And in our clubroot management plan, that is one of the activities that's been identified, is identifying a different access into the field. Other options are grassing the areas to prevent soil erosion, and also just taking it out of canola production for a series of years as well. So all of that, there's a very integrated best management practice that goes into clubroot control.

Mr. Pedersen: — But that's at this point just being left to the individual farmer? There's no support that . . .

[20:00]

Ms. McCall: — It depends. *The Pest Control Act* does give the RMs the ability to put in place bylaws. And if that is the case, if an RM has a bylaw, then that RM can be very specific about what is required for those producers to do. At this point if they have been identified to have clubroot, it is required that they maintain a management plan, and they are held to account by that management plan either by our provincial staff or the SARM's pest control officers.

Mr. Pedersen: — What was the, I guess, rationale for keeping the locations confidential? I know that when . . . You know, I'm sure everybody would prefer not to have their dirty laundry aired but, you know, if a cattle farmer's herd gets destroyed or a poultry farmer's flock gets destroyed, I mean, everybody in the area knows.

Ms. McCall: — It is a balance of course between protecting that farmer's confidentiality, because what we've learned from the Alberta experience is that, if they're fearful of regulation, they tend not to test and they don't communicate and they don't implement practices. And so to date, we've actually had a good experience with the communication with the farmers in helping them manage the disease, as well as different agrologists have been willing to come forward and share where they found the disease as well. But we're really trying to keep the disease in check. That's our main goal, and also protecting the confidentiality as much as we can of the farmer.

Mr. Pedersen: — I noticed, I don't recall where I noticed, that there was some sort of program to increase Indigenous participation in agriculture. Just wondering if you could talk about that and tell me where that line item is.

Ms. Bourgoin: — Hi, my name is Richelle Bourgoin and I'm the executive director of programs. The Indigenous funding envelope for agriculture is primarily fully federally funded. So Saskatchewan has the ability to apply directly to Agriculture and Agri-Food Canada for that funding, but it is a strategic priority for the ministry. So Indigenous communities and Indigenous farmers can apply directly to any of our programs that we have under CAP.

Mr. Pedersen: — Have any of them done that?

Ms. Bourgoin: — We do have, yes. So we work directly with First Nations who are looking to develop agriculture as a primary producer and those who are currently doing it as well.

Mr. Pedersen: — But that doesn't show up in the estimates because it's all federal money? Is that . . .

Ms. Bourgoin: — No, they would be counted in the funding that . . . by program. So for example, the farm and ranch water infrastructure program, as a participant in that program.

Mr. Pedersen: — Let's talk about crop insurance and business risk management, because that's the big bucks in the budget here. Now I guess I've got a bit of understanding of how crop insurance works, but I might need you to kind of lay out the land for me. From what I understand, the feds put in money, the province puts in money, and producers pay their premiums and that's how the program is funded. Is that correct?

Mr. Jaques: — Yes. It's Shawn Jaques, president and CEO of Saskatchewan Crop Insurance Corporation. You're right. On the crop insurance program, there are three partners. The premiums are cost shared with the federal government, the provincial government, and the producers. The producers pay 40 per cent, the federal government pays 36 per cent, and the province pays 24 per cent of the premium.

Mr. Pedersen: — So when I look at . . . Let me find it here. This is page 30 in the Estimates there. Crop insurance program premiums there, the 154,971 number, that would be the provincial contribution to crop insurance?

Mr. Jaques: — Yes, that's correct.

Mr. Pedersen: — And then the combination of the federal, provincial, and producer money is what then funds any payouts or indemnities that go to producers. Is that right?

Mr. Jaques: — So the way the program works, on crop insurance we offer . . . we charge the producer's premium based on, you know, the coverage level they select and the amount of acres they insure and what crops they choose to insure. So we collect all the premiums from all three parties and then that money is used to pay out any claims throughout the growing season.

Mr. Pedersen: — So crop insurance then is different than, I guess, what you might call regular insurance, because regular insurance, you expect the customer to pay the . . . You know, any insurance company would expect all of the potential cost and then some to be paid by the customers, the insured people.

Mr. Jaques: — Yes. So like I said, any claims that producers may have, like for a yield loss, which is what crop insurance covers, that is shared or paid out of the premiums that we collect from all three parties.

Mr. Pedersen: — So producers are really only paying 40 per cent of what is anticipated as the payout.

Mr. Jaques: — They're only paying 40 per cent of the premium.

And so then, you know, the claims or the payouts from crop insurance depend on what happens in the growing season, right? And so then all that premium is pooled and then that money is used to pay out any potential claims.

Mr. Pedersen: — Does crop insurance, well Sask Crop Insurance Corporation, does it reinsure or, like what happens if claims are significantly higher than premiums?

Mr. Jaques: — So what happens if we collect premium, and for example, maybe we don't pay out the current year premium, then that money goes into our Crop Insurance Fund. We have a surplus in our fund right now. And then we also purchase private reinsurance as well to help offset some of that risk.

Mr. Pedersen: — Now the Crop Insurance Fund is an asset, so it wouldn't show up in the budget per se, right?

Mr. Jaques: — It doesn't show up in the budget, but it shows up in the summary financials.

Mr. Pedersen: — I don't recall if it was in last year's estimates or two years ago, there was . . . the minister then made an observation that was the amount of coverage wasn't really satisfactory, but that there was a federal or it was a federally and provincially negotiated agreement, so we were stuck with it. I saw somebody nodding there so somebody must know what I'm talking about. I'm not sure if it was the revenue percentage coverage or . . .

Mr. Burton: — I think what you're referencing is probably not about crop insurance but around business risk management programs in general. So when you move from Growing Forward 2 to the new Canadian Agricultural Partnership or CAP agreement, the level of funding for business risk management programs stayed the same. And so the support provided by crop insurance, we've always got very favourable feedback in terms of our program parameters from this industry. I think it's safe to say that the industry's not as complimentary about AgriStability and the coverage provided under AgriStability. And AgriInvest is the third component and that's been the same under both, but we don't hear as many complaints about that as compared to AgriStability.

Mr. Pedersen: — So under AgriInvest I notice that basically the trend for the last five years has been, it's a smaller and smaller spend for the province. I'm wondering if you could comment on why that is happening.

Mr. Jaques: — So AgriInvest, the contributions are tied to the eligible net sales of the farm. And so it's been, you know, it's gone down a little bit but that's also because under CAP, or the new framework, the contributions went from 1.5 per cent to 1 per cent.

Mr. Pedersen: — So under AgriStability, it looked like we hit a high, I guess it was two years ago, at thirty-eight, seven, thirty-eight, and now we're up a bit this year from last year at thirty-five, eight hundred. What drives that, those differences from year to year?

Mr. Jaques: — So AgriStability payouts or AgriStability benefits really depend on what's happening in a sector. It's a

whole-farm margin insurance, so it depends what's happening to the income and which sector's impacted. So if we see commodity prices decline, you know, they may trigger payments under AgriStability because the program margin's fairly high and then they might trigger a payment because of what's going on, on their farm.

Mr. Pedersen: — That sounds fairly complicated.

Mr. Jaques: — AgriStability is, you know, it really depends what happens on that farm. It looks at their whole farm, you know, the revenue on their farm. And again it just depends what's, you know, what's triggered. If their commodity prices have dropped or if they have a shortage of feed or if there's a production decline, that's what AgStability is designed to cover.

[20:15]

Mr. Pedersen: — That must be difficult for the province to forecast then. Or is this provincial forecasting or is this federal forecasting?

Mr. Jaques: — So in the province, you know, we have representatives. We work with Agriculture and Agri-Food Canada on a model and they forecast, you know, what the payouts could be, potentially could be.

Mr. Pedersen: — I noticed that the program delivery, both on crop insurance and AgriStability, has been trending down for the last five years. Is that loss of staff or what's going on there?

Mr. Jaques: — So maybe the one thing I would mention about program delivery, that is funded entirely by the two levels of government. The delivery doesn't come out of any premiums that producers pay.

And you're right, there's been a bit of a decrease, but it's really because of efficiencies. We found, you know, maybe we can process claims differently, you know, looking at efficiencies internally, which has resulted in some of those savings.

Mr. Pedersen: — Are any of those efficiencies job losses?

Mr. Jaques: — No, we haven't had any job losses at SCIC. We do have some vacancies, but I mean there haven't been any job losses.

Mr. Pedersen: — So the crop insurance premiums line there, that's been pretty much consistently going up here the last five years. So what's driving that increase from year to year?

Mr. Jaques: — So you know, the premium . . . You're right that over the last couple of years, crop insurance premiums have been going up. And there's a few factors that determine what that premium will be. First it'll be, you know, what crop is seeded; what coverage level does the producer select; you know, what is the yield on their farm — every farm's individualized — and then ultimately how many acres are insured in the province.

So we've seen, you know, improved farming practices, improved genetics, the seed the producers are using, improved farming practices. You know, producers' yields are increasing. This year for example, we saw producer yields go up by 3 per cent. And so

because coverage is higher, you know, the premium is going to be higher as well. And so that's what impacts the premiums.

Mr. Pedersen: — So that's basically because you're doing your budgeting long before anybody is filing their own information in terms of acreage and what they're growing. So that's just based on a year-to-year past history or . . .

Mr. Jaques: — So what we look at is, you know, we do look at, you know, the past year, what we saw for insured acres. We take a look at the crop mix, what producers, you know, what percentage of each crop's insured, and then we try to forecast what we think, you know, the crop mix will be, along with the acres insured for the upcoming year.

The premiums are calculated based on . . . Like, we run calculations for every individual farm that buys crop insurance, so when producers insure we know what . . . When they choose their insurance, we know what the premium will be for every crop for each farm in the province based on their own experience. And so that's, you know, that's all factored in as well.

Mr. Pedersen: — So how long into the season would it be before you knew what the actual premiums would be?

Mr. Jaques: — June 25th is the deadline to file what we call their seeded acreage report, and so that's when we will know what producers in the province have planted. And then we run the bills in early July, and so then we will know the exact premium and the coverage or the liability that we're going to carry as a corporation.

Mr. Pedersen: — On page 45 of the budget there's a reference to “. . . a \$70.6 million . . . increase in Agriculture, primarily due to higher budgeted crop insurance indemnities . . .” And I'm wondering how is that 70.6 calculated and, you know, is it possible to find that in the estimates somewhere.

Mr. Jaques: — So as part of the forecasting exercise, you know as I said earlier, we look at, you know, we think about what are the acres going to be planted, which translates into our liability. Because coverage is increasing, we think acres going to stay approximately the same as they were in 2018, which is about 30 million acres insured. That means our liability has gone up.

Because our liability that we're carrying as a corporation, to calculate claims we use a simple 10 year, or a simple average and because our liability's higher, our indemnities are forecast to be higher as well for the upcoming year.

Mr. Pedersen: — So that doesn't actually show up in the Estimates then as a line item?

Mr. Jaques: — It won't be in the Estimates as a line item, but it'll show up in our summary financials.

Mr. Pedersen: — And so is that the same on page 65 where it talks about . . . This is actually the expense update from last year. It says that, “Agriculture is forecast to decrease \$66.3 million . . . primarily due to lower crop insurance indemnities.” So that means there were fewer than expected payouts to farmers and so therefore . . .

So on crop insurance, I gather if the province's expected premiums are going up in this . . . Like I note that they're 26 per cent higher in 2019-20 compared to 2015-16. That allocation between the federal, provincial, and producer is still the same. So producers' premiums are going up as well by that same percentage. Is that right?

Mr. Jaques: — So because the total premiums went up for the provincial government, they also go up for the federal government as well as our producers. As Minister Marit had indicated in his opening remarks, the average premium for '19-20 — remember it's an average; it depends on the crop — for producers is 861 per acre, up from 841 per acre in 2018. But coverage has also gone from \$216 an acre to \$230 an acre, on average. And it's dependent on the crop that they seed and what coverage level they choose, but that's a provincial average.

Mr. Pedersen: — Yes. Thank you. I just want to go into the area of land sales. Does the province still own some land that it's projecting to sell in this year, or is it now completed with all the sales of that land in previous years?

Hon. Mr. Marit: — Yes, we still have lands that are for sale, as long as they don't have a WHPA [*The Wildlife Habitat Protection Act*] attachment to them — a wildlife habitat protection.

Mr. Pedersen: — Do you have a calculation of how many acres are still owned by the ministry? Or I guess it's being done by the ministry . . . by the government.

Hon. Mr. Marit: — As of March 31st of this year, the total acres owned by the province is 8.4 million. Yes, they're managed by Agriculture.

Mr. Pedersen: — So I guess my very general understanding was that the land that the government owned that is being sold off was typically of fairly marginal agricultural value. It wasn't the best. It wasn't the best farm land out there. Am I just out to lunch on that or . . .

Mr. Burton: — So generally that wouldn't be the case. I mean it's . . . Some of the old land, bank land if you will, there was a thought that some of that was maybe some of the lower quality cultivated land. And so some of that would have been sold over the last number of years. So that might be a little bit lower than average. But a lot of the grazing land that we manage, it's good quality grazing land and just be considered average.

Mr. Pedersen: — It was either last year or two years ago, the minister was saying that the land that's being sold doesn't have any ecological or environmental value, but that's . . . I think it was in the report. I think it said that . . . Sorry, I'm just trying to find it here. It was using a, I guess, a qualifier. It was saying no higher.

Oh, sorry. It's in the plan. In the plan it says that the plan is to “Sell Crown land where there is no higher ecological, environmental, heritage or economic benefit to the public . . .” What I'm wondering is, is there some sort of ranking formula for the ministry to determine, you know, at what point is the land considered that the ecological, environment, heritage or economic benefit outweighs the benefit of selling it?

[20:30]

Hon. Mr. Marit: — There's a lot of factors that come into whether we decide . . . obviously it goes through a CLEAT [Crown land ecological assessment tool] process or WHPA. If it's WHPA high, then obviously it's not for sale. Obviously if they're lands that have the potential for sale, then we also look at other factors. Obviously we ask other ministries. Gravel and sand would be another one. Oil and gas could be another or if there's any other environmental reasons why it shouldn't be sold. So we look at all aspects. We really cover the bases before we ever offer it for sale. Or if the lessee or if the person leasing it wishes to purchase it, it still goes through that whole process too.

Mr. Pedersen: — So does that mean that basically each of these other ministries in essence has a veto if they basically . . . If they say it has value then you don't sell it, but if they don't identify something then you do sell it? Is that . . .

Hon. Mr. Marit: — I wouldn't necessarily call it veto. I think it's just a process we go through to make sure that the ecological, environmental — all the processes — are gone through. And if they have a reason why that shouldn't be sold, then we'll look at that and consider that.

Mr. Pedersen: — Are there any situations where they would identify something that might have value, where you would say you were . . . where the ministry would still decide that it should be sold?

Hon. Mr. Marit: — Probably the best example that I can give would be sand and gravel. If the Ministry of Highways said that they had interest in a quarter section of land then we would go through . . . And they say, well we might not need it for years now. So we'd go through a process with them. Is there gravel sources in the area, other gravel sources that could be used rather than if it becomes that . . . That might be the situation where you might have ministries interacting as far as the process. And we may have, you know, you'd have that discussion on is there other opportunities before you could sell it.

Mr. Pedersen: — Were there any lands sold that did have sand or gravel deposits on them?

Hon. Mr. Marit: — Yes, there probably has been cases like that, but usually what we do is go through the process, if Highways had found other sources. And then also even the local RMs, we'll engage them too. If they don't have an interest in it, then we would proceed with the sale. And that has happened.

Mr. Pedersen: — So it says that, you know, the plan is to sell the land where there's no higher ecological or environmental benefit. What's the distinction between ecological and environmental where those terms are used?

Ms. Schaefer: — Megan Schaefer, acting executive director of lands branch. And so . . . Sorry, can you repeat the question? Sorry about that.

Mr. Pedersen: — I guess I'm just wondering if there's a difference between ecological and environmental, you know, where it's talking about the different benefits that might prevent land from being sold.

Ms. Schaefer: — No, there wouldn't be a difference really. When we're talking about the ecological and environmental benefit, that would be using either the CLEAT model or the WHPA high rating. So when it's identified as WHPA high through the CLEAT-plus process, we would not sell it and that's been identified to retain.

Mr. Pedersen: — Could you just spell out what those acronyms are?

Ms. Schaefer: — Yes, sorry. CLEAT is the Crown land ecological assessment tool and WHPA land is land under *The Wildlife Habitat Protection Act*.

Mr. Pedersen: — Under the first one you said, CLEAT, is that assessment tool publicly available?

Ms. Schaefer: — I believe there is information available, but that tool is actually Ministry of Environment's tool that they use, so they're the ones who run it through that process.

Mr. Pedersen: — So with this land that has been sold and the remaining land that is proposed to be sold, has there been an actual boots-on-the-ground assessment of, say the archeological value to the province — I assume that's what they mean by heritage — of the ecological benefit? Or is it more of a comparing it against the map and known assets, I guess you might say?

Ms. Schaefer: — So for the heritage value, as part of one of our sales checks, we send it to heritage branch over at Parks, Culture and Sport, I believe it is, and they would let us know if there's anything heritage value-wise that would impact the saleability of the land. And in certain cases that they don't have enough information, they may go it on the land to do that type of assessment. And in certain cases we also will go out onto the land, for example, if we're going to be doing the CLEAT review and sending it to Ministry of Environment. We usually include rationale, and so in certain cases if the desktop assessment doesn't answer the questions, we'll go out to the land location and take a look.

Mr. Pedersen: — So you start with the desktop assessment, but in some cases there may be further review that's required. That's basically what you're saying?

Ms. Schaefer: — That's correct. So for the review with WHPA, we additionally do the desktop assessment with the information we have on file.

Mr. Pedersen: — So most of this land is being sold, as I understand, it's not like an actual fee simple sale to a purchaser. Is that correct? Or is some of it being transferred to . . . Like there's . . . Sorry. I'll back up. I understand that there's some land that's being transferred to kind of like co-operatives or producer groups where the province does maintain some sort of ongoing monitoring and control?

Hon. Mr. Marit: — No, for the most part the land still stays under the ownership of the pasture patrons and those groups are taking over the management of it and the lease operation of those pastures.

Mr. Pedersen: — Pasture patrons, that's what I was looking for.

So the pasture patrons would own it, but the province still has some sort of ongoing . . .

Hon. Mr. Marit: — No, the pasture patrons would lease the land from the province.

Mr. Pedersen: — Oh, I see.

Hon. Mr. Marit: — And they would manage that pasture because they're the best stewards of the land there, right. So that's why we've entered those agreements.

Mr. Pedersen: — And what's the breakdown in terms of how much land was transferred or is being managed by pasture patrons and how much was just sold fee simple to somebody else?

Hon. Mr. Marit: — Yes. If you look at all the pastures in the province now under the management — and I'll say that — of the patrons, it's well over 2 million acres, if you look at the PFRA [Prairie Farm Rehabilitation Administration] pasture transition and the provincial pasture transition to the patrons. It's over 2 million acres that are now under their management, if you look at the total acres.

Mr. Pedersen: — And how much, like how much was actually sold to non-patrons in the past year?

Hon. Mr. Marit: — In that, there was only, I think, three quarters because they had residents on them. And so the three quarters were sold in different . . . and they were sold to the patrons.

Mr. Pedersen: — And is there plan to sell any acres this year to, I guess what I would call non-patron groups, to like individuals?

Hon. Mr. Marit: — So on any Crown land, the leaseholder has the opportunity to purchase that land, right. So we'll look at that as long there's no other, if there's no reasons why we can't, whether it's ecological or whatever the case may be. And we look at that and if the land becomes vacant then we would look at selling that land once it becomes vacant as well.

Mr. Pedersen: — You're saying that there was none of that land that was actually sold to leaseholders or that had become vacant and just offered on the open market last year. It was just those three quarters?

Mr. Burton: — So I think there's different types of land and I think we're mixing maybe some of the pasture groups. And either the former PFRA and the provincial pastures, that's different, right, than individual leaseholders. So individual leaseholders can apply to buy the land that they're leasing. We'll put it through the sale process to see whether or not it's saleable. If it is, then they can apply to buy it. If land becomes vacant, we'll put it up for sale as well. And so yes, we sold Crown land last year to individual farmers.

[20:45]

Mr. Pedersen: — And do you have total acres for what that was?

Mr. Burton: — So for 2018-19, 64,530 acres were sold for a

total of \$43.9 million.

Mr. Pedersen: — And what's the projection for this year?

Mr. Burton: — So the revenue in this year's budget is a total of \$28.74 million, projected to sell 47,900 acres.

Mr. Pedersen: — Sorry, which . . . And whereabouts is that? Would it be in a revenue item?

Mr. Burton: — It wouldn't be in the expenditure part of the budget. It would show up under the revenue portion and it's under the own-source revenue.

Mr. Pedersen: — So with that Crown land, where it's sold off, was any of that sold with conservation easements?

Hon. Mr. Marit: — We just don't have that number. Obviously there has been some with easements. But we can get you that number at a later date here.

Mr. Pedersen: — So once that land is sold, then the province, unless there's a conservation easement, the province has no real ability to direct what happens with that land. Is that right?

Hon. Mr. Marit: — Yes, that's correct. Because that's what we really look at the process with the easements and with the conservation easements.

Mr. Pedersen: — Is the province monitoring what's happening with that land?

Hon. Mr. Marit: — Yes. If there is any easements, they'd obviously be environmental easements and the Ministry of Environment would be monitoring those.

Mr. Pedersen: — If it doesn't have easements, there's no monitoring that's happening with that.

Hon. Mr. Marit: — No.

Mr. Pedersen: — So I know one of the biomes that's considered important from a global point of view, and that's threatened, is grasslands. Does the ministry have any idea how much of this grassland is actually being lost to cultivation?

Hon. Mr. Marit: — Yes. So on native prairie land we have, obviously, we have a no-till, no-drain policy on that. So they'd all have an easement placed on them at that time.

Mr. Pedersen: — But that would only apply to native prairie.

Hon. Mr. Marit: — With native prairie.

Mr. Pedersen: — So the land that's being sold this year, is there still going to be a discount available to purchasers on that?

Hon. Mr. Marit: — There's still some applications that are still going through the process. We still have some back from 2017 that we're still working through, so those would still have a budget impact because they'd have a discount. But any from this time forward, no. There'd be no incentive on that.

Mr. Pedersen: — Why was there a discount necessary? I guess I'm curious what the big rush was to get the land sold because like there's no real carrying cost to the province in hanging on to it for an extra year or two if it takes a little while to sell, right?

Hon. Mr. Marit: — Well this was a program we started years ago and quite frankly, you know, it's a position of this government that we shouldn't be in the business of owning land. And so we've offered this opportunity obviously to the leaseholders to purchase the land, and we wanted the leaseholders to be the first, to have that first right to purchase that land, and that's why we come out with that incentive program to do that. And we still believe in that factor.

Mr. Pedersen: — That was mainly an incentive though to I guess encourage uptake, right?

Hon. Mr. Marit: — Yes. It was an encouragement to offer the leaseholders an opportunity to purchase the land, and that's why we came out with that program, to do that.

Mr. Pedersen: — So wouldn't that result in them getting the land at less than fair market value?

Hon. Mr. Marit: — This was an incentive brought really to move cultivated land and we did, and it was just an opportunity for the leaseholder to, you know, build some equity into their operation by giving them the opportunity to buy this land.

Mr. Pedersen: — And the discount was off of the fair market value price?

Hon. Mr. Marit: — Yes, it would be.

Mr. Pedersen: — The information we received from the ministry indicated that there was a reduction in full-time equivalents of 16.7. Can you give us some information about what that related to?

Hon. Mr. Marit: — So it's 16.7 reduction in FTEs [full-time equivalent]. It's all related to the decision to change how we manage the provincial pastures. And so we did that over three years, and so this was the second year of getting out of managing pastures with provincial employees in the pastures. And so the 16.7 is all in relation to the moving of 19 pastures from where we're managing the cattle in the pastures to where the patron groups are leasing the land and managing the cattle in the pastures.

Mr. Pedersen: — I noticed that under regional services for this year the estimate is 32,181. That's a significant drop from what it was two years ago and before that. I was wondering if you could tell me what the reason is for the big drop in regional services this year and last year.

Mr. Burton: — So the reduction that you're talking about from two years ago to now, I think, right? You're not looking at last year's. It was primarily a result of where some of our programming is placed. So previously that would have been Growing Forward programming, and now I've referred to it as the Canadian agriculture program, or CAP programming. Some of that programming used to be delivered out of that subvote and now it is delivered out of our program subvote. It's just how

we're delivering the program dollars.

Mr. Pedersen: — So that's under the programs line. So that's why the programs line took a jump up two years ago?

Mr. Burton: — Yes. I don't have that number in front of me but that would be it.

Mr. Pedersen: — And then industry assistance is also a bit lower than last year. This year it's 3,864 but it also took quite a drop two years ago. Or I guess it was last year I should say, from two years ago.

Mr. Burton: — So it's the same explanation as the last one, is that when we moved our CAP programming, some of those industry assistance grants would have been through CAP and they may be showing up in a different spot in our budget this year.

Mr. Pedersen: — And would that be the same answer for policy, trade, and value-added? I guess it was two years ago it took a fairly significant jump up, and it's kind of maintained at that level from the last two years. This year we're at 5,348.

Mr. Burton: — So it may not be complete, the whole answer. I don't have the numbers from two years ago handy. But we did do some reorganization within the ministry and the Farm Land Security Board staff. So it may have been the operational change that made our policy branch subvote higher. And I don't have the numbers in front of me.

Mr. Pedersen: — When I look at programs, which is vote (AG09), and if I compare that in the Public Accounts is the program design and delivery in the Public Accounts (AG09), is that basically the same thing that is in this category in the budget, in the Estimates?

[21:00]

Mr. Burton: — Yes it is.

Mr. Pedersen: — So can you give me an idea under that program design and delivery in that . . . Like what, you know, there's some fairly big payments to, you know, profitable corporations like, or business corporations, I should say, because I don't know if they're profitable — but to business corporations. What type of programs would those payments relate to or what's that about?

Mr. Burton: — So I'm going to have Richelle talk a little more about this. But generally some of that would have been our Canadian agriculture programming. And so some might have been under our SLIM, our Saskatchewan lean improvement manufacturing program. Some might have been under others. You'd have to ask us, provide us specifically with which ones you're referring to.

Mr. Pedersen: — And so when I look at . . . So there's a, you know, for instance the bulk of that would be the farm and ranch water infrastructure program at 16 million. That's an aggregate, I guess, of many, you know, presumably hundreds if not thousands of producers. Is that right? But then for instance . . . Oh, let's pick on Rebellion Brewing here for \$358,000 there. Like what would something like that be for?

Ms. Bourgoin: — So Rebellion made an application to two programs in Growing Forward 2. The first one was the Saskatchewan lean improvements in manufacturing. And that program's really an opportunity for value-added agribusiness, that's using Saskatchewan primary product, to develop improvements within their operation that drive to efficiency or productivity, so ultimately allow them to increase their production and thereby use more primary product.

They also made an application to the product development program. So in Growing Forward 2, that was called the Saskatchewan agri-value initiative. In the Canadian Agricultural Partnership, it's called Product 2 Market. And they made an application to support testing on products that included the lentil beer that's now a product that uses, of course, I think it's red king lentils from just outside of town. So that's the kind of work that they would be doing in the program.

Mr. Pedersen: — And the programs that them and other companies would apply for, are those all on the ministry website or how would a company find out about these programs?

Ms. Bourgoin: — Yes, they are. And we also have a dedicated unit of specialists in the value-added unit — if Rick wants to speak to that — that provide support to value-added agribusiness to navigate through the programs and others that may be available to them.

Mr. Pedersen: — In subvote (AG01), there was a \$19,000 increase projected for executive management salaries. Can you provide some information about that?

Ms. Arscott: — Hi. I'm Michele Arscott, executive director of corporate services. So the \$19,000 increase to executive management reflects an allocation by treasury board this year, reflecting a projected salary increase for all of executive government.

Mr. Pedersen: — And there's a \$245,000 increase in funding for central services. What's that about?

Ms. Arscott: — That increase relates to increased information technology division costs as allocated by Central Services, projected based on overall increased IT [information technology] costs for IT infrastructure.

Mr. Pedersen: — Under subvote (AG05), there's a 57,000 increase for salaries. Is that the same as what you said before, the treasury board allocation?

Ms. Arscott: — Yes, it is.

Mr. Pedersen: — Can you provide a breakdown of the departments included in that line item?

Mr. Burton: — So that subvote is both our policy branch and our trade and value-added branch

Mr. Pedersen: — Subvote (AG06), we've got \$113,000 increase on project coordination. What's that about?

Mr. Burton: — That subvote is our ag research branch and so that would be our salary adjustment there. Also we reallocated

some there because we moved one position into that unit.

Mr. Pedersen: — The 30,800 under (AG06), transfers for public services, is that funding of like, grants and research projects and stuff like that, or what is that?

Mr. Burton: — Yes, that's our research funding. It would go to the researchers at the university or other researchers around the province.

Mr. Pedersen: — Under subvote (AG07), regional services, there was \$101,000 increase on regional services. What's that about?

Ms. Arscott: — So that increase is a net of five separate things that were taken into consideration. There was an increase of 250,000 to pay for land transfer fees for irrigation assets. There was a general salary increase, referring back to the general increase from treasury board for salaries, of 198,000. This was reduced by \$172,000 for reduction of salaries from the effects of last year's regional modernization, where funded positions were eliminated but nobody was laid off. There was a \$150,000 reallocation of salary for internal reorganization and a \$25,000 reduction reflecting the last year of the Livestock Services of Saskatchewan rental subsidy of that amount. So there's none of that subsidy in our budget in '19-20.

Mr. Pedersen: — So I think we had . . . The loss of the full-time equivalents was under that category as well. So in those five things you listed off, which one of those related to those FTEs?

Mr. Burton: — Maybe if I could just seek some clarification on the question. So the 16.7 that we talked about earlier was around the pastures, and those are part of the revolving fund so there's no salary reduction associated with that. Because under the revolving fund, revenue that comes from the pasture — patrons who pay a fee — goes into the revolving fund and then that money goes to pay the salaries and the operating costs. So there's no adjustment to our estimates as a result of the 16.7.

Mr. Pedersen: — Okay, thank you. That makes more sense. Subvote (AG04), there's a reduction of 98,000 under land management services. What's that about?

Ms. Arscott: — Okay, again that's a net of about four different items. So there was a \$140,000 decrease in title transfer costs, a \$50,000 reallocation of salary which was partially offset by a \$45,000 increase in Crown land auction fees, and again, same as the treasury board allocation, an allocation of 47,000 for salary increases under land management services.

Mr. Pedersen: — And also under (AG04), there's a reduction of 476,000 on the Crown land sale incentive program. So that's because the incentive doesn't apply going forward so what's there is just the carry-over from previous years.

Ms. Arscott: — Correct.

Mr. Pedersen: — Under (AG03), industry assistance, there was a reduction of 585,000, contributions for general agriculture interests. What's that about?

Ms. Arscott: — So the 585 in total were a reallocation of grant

funding to CAP funding, so they would have moved to (AG09). And the organizations affected, so the funding for those organizations now coming out of (AG09) is \$300,000 for 4-H, \$150,000 for Ag in the Classroom, \$100,000 from Canadian Centre for Health and Safety in Agriculture, and \$35,000 for Farm & Food Care Saskatchewan.

Mr. Pedersen: — Sorry. Were those the expenditures or were those . . . Those weren't cuts. Those were expenditures.

Ms. Arscott: — No. That is the grant amount that they will be receiving this year.

Mr. Pedersen: — Is any of that money under (AG03) federal money?

Mr. Burton: — Yes, that subvote, there is a mixture of some CAP programming that's still under that subvote and some that isn't. CAP overall, there's a 60/40 federal-provincial cost share.

Mr. Pedersen: — Also under the (AG03) there, we've got the comprehensive pest control program. Now is that 100 per cent the contract with SARM or is some of that provided separate from SARM?

Mr. Burton: — So in total there's 3.163. And so comprehensive pest control program with SARM is part of it, but there's a black fly program for 138,000 and the wild boar program of 50,000 which don't flow through SARM. Those are separate.

[21:15]

Mr. Pedersen: — So it looks to me like there's been kind of a general five-year downward trend on that pest control program. What's the reason for that? I mean it's the same as last year but it looked like it was 3,400 five years ago, then it dropped down to 3,225 for a couple of years, then it has dropped down to 3,163. Was there a program cut?

Mr. Burton: — We haven't been able to reconcile completely the whole numbers, but part of the . . . And we can get that to you. But part of the answer is certainly the wild boar control program was under SARM for a while and now it's managed by SCIC, Saskatchewan Crop Insurance Corporation. So that was 50,000.

There was also a reduction . . . I don't have the exact number on the reduction in the beaver control program that we've run through SARM. It was underutilized or under-expenditured for a couple years and so there was a reduction.

Mr. Pedersen: — I know there's some other funding for I guess wildlife and pests, but that, would that fall under Crop Insurance then?

Mr. Jaques: — SCIC also delivers the wildlife damage compensation program. So we pay for losses to field crops or forage crops from waterfowl, wildlife. We also have the wildlife predation program. So if, you know, a producer loses his newborn calves or sheep from predators, we also compensate for that.

Mr. Pedersen: — Under (AG09), the programs, the description

there used to refer to ACS [Agricultural Credit Corporation of Saskatchewan] loans and investments, but that's no longer there. Does that just no longer exist? Or why was that taken out?

Mr. Burton: — So we used to manage ACS, the wind-down of the portfolio through the programs branch at one time. It was down to about 13 accounts and so those have been moved and they're managed under our corporate services area.

Mr. Pedersen: — Under the non-appropriated expense adjustment, there's been quite a trend down over the last five years. I'm wondering if you can talk about what's driving that.

Ms. Arscott: — Yes. So the non-appropriated area refers to amortization over time. And two things have driven the downward trend in particular this year. We took a reduction of 560,000 in appropriation as a result of the transfer of the irrigation assets from the ministry and government's books to the irrigation districts. And amortization will decrease over time as assets get older and get written off and more of them are fully amortized.

Mr. Pedersen: — So the 560 . . . Well one of the other things I noticed I guess is in previous years, there was a breakdown in terms of the categories of amortization that's no longer there. Was there a reason why that breakdown was removed?

Ms. Arscott: — So it's a breakdown that we still record on a detailed basis and work with the Ministry of Finance on. I can't speak to . . . The Ministry of Finance would have to speak to the decision to change why that breakdown is not shown anymore.

Mr. Pedersen: — Are you able to provide the breakdown for this year in the same breakdowns that were provided in other years?

Ms. Arscott: — So in amortization for infrastructure, the 560,000 was a complete removal from budget. So there's no longer any amortization projected for infrastructure. On land and building we saw a \$94,000 increase. And that's mostly due to assets there being transferred as part of the federal pasture transfer to the province. On machinery and equipment, as they got older we saw a decrease to amortization of 16,000. Amortization of transportation equipment remained relatively flat. On office and IT, we've seen an increase there as we're bringing new IT systems online, an increase of 205,000.

Mr. Pedersen: — So when you say an increase of 205,000, that's over and above the 550 from the previous year?

Ms. Arscott: — Yes.

Mr. Pedersen: — And so that would be . . . That's primarily on IT, and I guess you'd have a pretty short amortization period on IT. Probably what, three years?

Ms. Arscott: — I'd have to double-check to get you the accurate information. I think IT equipment and IT systems themselves would be somewhere between three to seven years at most.

Mr. Pedersen: — So I want to talk about the environment and climate change here. Is the ministry doing any research or funding any research to understand how agriculture management practices impact climate change?

Mr. Burton: — So through our Agriculture Development Fund research program, that's been ongoing for a number of years. And so we've categorized about 12.25 million over 70 projects over the last 10 years in this area.

Mr. Pedersen: — As I understand the government's position on climate change in agriculture, it's basically that agriculture isn't being given the credit for the carbon sequestration that's happening. Is that correct? Is that basically the provincial position on that?

Hon. Mr. Marit: — That is correct.

Mr. Pedersen: — So is the ministry actually doing research to bolster the government's position there so that, you know, so that we have science and evidence to back that statement up, or that position up?

Mr. Ames: — Yes. Through the Agriculture Development Fund in our research branch, and the large sum of money that we pay for climate change research, we do provide funding to the prairie soil carbon balance project. And the intent of this project is to better quantify levels of carbon sequestration for changes in tillage practices in agriculture. So that's a main one that we do.

We also work with the Global Institute of Food Security on the project, or we had worked with GIFS on estimates of net carbon footprint in agricultural soils as well.

Mr. Pedersen: — When I look at the plan for this year, under . . . This is on page 7 there. It talks about . . . Under "Natural Land," it talks about "Maintaining the total area of natural land (native prairie, pastures and hay) sequesters carbon, retains soil moisture, and increases resiliency to offset flood and drought events." I guess I'm wondering why wetlands aren't mentioned there because there's quite a role that wetlands play in both sequestration and also in releasing greenhouse gases if they are drained and tilled. So I'm wondering why wetlands isn't mentioned there.

Mr. Burton: — So what you're seeing in our annual plan is really Agriculture's contribution as part of the Prairie Resilience action plan, and so kind of wetlands would show up in a different spot in that plan. It wouldn't necessarily show up in the Agriculture-specific ones. So I think that was probably a question that may be better targeted to Environment.

Mr. Pedersen: — Okay. So is the ministry doing anything to, I guess, to promote or encourage farmers not to be draining wetlands? Or is that all under Water Security Agency or in Environment?

Hon. Mr. Marit: — I guess just to say on the drainage piece, that really falls under Water Security Agency. But I will say that we do have, you know, extension services that we really work with area farmers on best management practices. We help out.

Mr. Pedersen: — There used to be a program — I think it's been several years since it existed — but under that program farmers could have an assessment done of their operation to see how, I guess, environmentally friendly they were, how carbon intensive they were, and that suggested changes that they could make. Is there any plan to bring that back?

[21:30]

Mr. Ames: — Okay. I think what you're referring to is the environmental farm plans that we manage through the ministry. So several years ago it was a very thick workbook that producers had to spend several days working through this workbook to develop an environmental farm plan that identifies the environmental risks on their farms. In about 2013 or '14 we went to an online system that streamlined the environmental farm plan more significantly. And again the objective was the same: to identify the environmental risks on your farm.

We're currently looking at updating the online environmental farm plan so that it's more streamlined and identifies market-access issues that are starting to come from some of the purchases of our agricultural products around the world.

Mr. Pedersen: — So there is still a form of that being offered, kind of?

Mr. Ames: — Yes, it's currently online and it's going to be updated later this year with a newer, more streamlined version.

Mr. Pedersen: — Last year the minister said that off-gassing of synthetic fertilizers was one of the main sources of greenhouse gases for agriculture. Is the ministry doing anything other than the 4R approach that's talked about in the plan to reduce agriculture's greenhouse gas footprint when it comes to fertilizer . . . [inaudible].

Mr. Ames: — So this is, it's really a multi-pronged approach that we take to look at this on a number of different fronts. You know, one is investments in machinery that's more efficient in terms of placement of fertilizer and utilization of fertilizer. Another one is our investment in plants and plant genetics and their utilization of fertilizer and how the root systems access the fertilizer.

The partnership that we have with Fertilizer Canada on the 4R is something that is also part of our strategy. It's growing in importance and we've certainly set some measures that we want to achieve. We're working with Fertilizer Canada at our AgriARM demonstration sites to demonstrate the 4R approach to fertilizer placement in this province.

Mr. Pedersen: — You mentioned about the plant research, but other than that, is there anything that's . . . other than just that and the 4R approach is basically . . . those are the two things that the ministry's doing on fertilizer.

Mr. Ames: — Yes, those are really the main focuses right now. The one that I don't think you captured in your summary was the demonstration that we also do at our AgriARM sites that shows producers how the technology in the plants . . . and their use of fertilizers. So it's the extension effort as well that gets it out to producers.

Mr. Pedersen: — I know that there's some companies promoting techniques and maybe doing some research involving cover crops and nitrogen fixing plants as a source of fertilizer or nutrients. Is the ministry supporting any of that research or funding any of that research?

Ms. McCall: — Yes, we are funding projects along that stream

as well, both through our Agriculture Development Fund, or ADF, as well as through our extension, our DOT programs, so that we can show to farmers what the research is doing in the field. I don't have a full list of those programs or projects, but we could get that for you.

Mr. Pedersen: — You know, that'd be great actually, if you could provide a list of the projects that are being funded, the research projects. It'd be great.

Ms. McCall: — We do have some of those listed on our website as well, but if you're interested in the one specific to that type of project we can get that for you.

Mr. Pedersen: — Also on the research side of things, did the ministry do any research to determine . . . I know that . . . I'll back up. I know that strychnine came up, I think it was this year, or is it this coming year, for reregistration. Did the ministry do any research to see if strychnine was affecting non-target species other than the Richardson's ground squirrels?

Hon. Mr. Marit: — Yes, if I could, I guess I'll just talk a little historically about it because I was heavily involved in it years ago when we . . . SARM did the research with Dr. Proulx on strychnine and the use of it and his evaluation of it. And I mean that was a huge project. It, you know, I think it took a few years to do. But then he also looked at secondary as well and came up that 2 per cent strychnine was the better of the uses if it was used in the proper manner with putting it in holes and filling the holes in. We are now just about to launch another review process, and I'll have Penny talk on the details of that. So that will be starting here shortly.

Ms. McCall: — At this point I don't think we'll have a lot to go into the details, but that secondary project is really focused to look at secondary poisonings. If producers are using the bait appropriately and in the holes, there should not be risk. But we want to forward that with science so that we can provide that information to PMRA as well.

Mr. Pedersen: — I know there was . . . I'm not sure . . . There was a fellow that was working somewhere in the government, I'm not sure which ministry, on some alternate control methods, maybe large-scale traps. Is that project just dead, or that research just dead? Or is there any ongoing work being done there?

Hon. Mr. Marit: — If I remember right, I think that was even part of Dr. Proulx's, and it didn't really solve the problem with them. They did really find that the strychnine was the best if it's used in the right manner, and I think that's what we're going to probably end up here again doing. But we'll do the processes. PMRA always picks some, you know, some of the products that they want to re-evaluate and this happened to be one of them. So I think the municipality has been picked where they're going to go and do it. So now we're just ready to launch that.

Mr. Pedersen: — On farm land security, does any part of the money that's spent on farm land security involve auditing transactions after the fact to see whether there was any ineligible people that ended up owning Saskatchewan farm land?

Mr. Burton: — So there's really two parts of it. One is, we require a declaration before and we monitor . . . the sales

transaction is reviewed weekly by ISC [Information Services Corporation of Saskatchewan]. And so I mean, I think that's what we're using to ensure that the people purchasing the land are Canadian citizens and meeting the requirements under the legislation. If you're aware of any transactions that aren't, I guess we certainly would be interested in following up on those.

Mr. Pedersen: — Yes, I guess I was wondering if there was any auditing done after the fact, you know, to see whether those declarations were accurate and, you know, any checking post-transaction on that. I know the rumour mill is certainly active on foreign money going into land sales but I'm not sure how much accuracy there is on that. And I'm curious if there's any ongoing monitoring or audit after the transaction.

Mr. Burton: — So the board can look at any file after the fact, if something I guess unusual comes to their attention, and they can ask questions at that time and investigate. And so it's really, you know . . . The declaration has to be signed in front of a lawyer. We're pretty comfortable with that process that we have in place, but again, if we become aware of something that's unusual, we'll certainly investigate.

[21:45]

Mr. Pedersen: — So when I take a look at our agricultural sector, I guess my observation is that pretty much everywhere you turn, other than primary producers, we've got, you know, three to six fairly large corporations dominating, you know, any given piece of that, whether it's supplying products or buying the products. And I guess I'm wondering are there any programs of the ministry that are aimed at giving farmers more bargaining power so it's not just some guy with 6,000 acres competing against, you know, say four transnational corporations that have hundreds of millions or billions on the balance sheet?

Hon. Mr. Marit: — There's really nothing in that side of it for the farmer. I truly believe — I still farm — and I believe there's a very competitive access market system in the agriculture industry as we are today, and probably even better competition now regardless of your size. I think as farmers we've got some good opportunities as far as accessing products or material.

Mr. Pedersen: — So that's a no?

Hon. Mr. Marit: — Yes. No, we don't have anything to assist on that.

Mr. Pedersen: — Does the ministry have any programs to assist farmers with cutting out, I guess, middlemen, or to encourage or help them with marketing direct to consumers?

Ms. Bourgoin: — We have a program called the agricultural skills and knowledge program. And that allows individual producers to apply for rebates on training and education opportunities, many of which include things like developing marketing skills or any kind of training that really helps manage risk in a primary operation.

Mr. Pedersen: — Is it the Ministry of Agriculture that tracks farm injuries from year to year, or who tracks on farm injuries?

Hon. Mr. Marit: — You know, I guess if you're looking at the

safety side of it, we obviously take it very seriously. And we do help fund. I think we invest about 300,000 in different programs.

And just to give you an example, the farm safety program is one. Ag Health and Safety Network with the Canadian centre of health at the university of agriculture; Saskatchewan Association of Agricultural Societies and Exhibitions for Farm Safety Days; and, of course, the Regina Mobile Crisis Services for Farm Stress Line, which we do that too.

So yes, we do take it very seriously on the safety side and help fund those things.

Mr. Pedersen: — Do you actually track the number of injuries?

Hon. Mr. Marit: — Yes. If you want it . . . Sorry. It's on average about 13 people are killed on farms every year. That's the average. Obviously and many more are seriously injured. So yes, we do track it and we know we have to do a better job. We continue to work with the industry to eliminate. And agriculture always has been a high risk, as everybody knows.

Mr. Pedersen: — I'm going to assume that the government has no plans to expand occupational health and safety to agricultural operations.

Hon. Mr. Marit: — I guess your question really has to be directed to the Labour Relations and Workplace Safety. That's for them to answer that.

Mr. Pedersen: — Fair enough. Does the ministry have any concern about how large farms are getting and, you know, like we're now . . . At one point in time 10,000 acres used to be a pretty massive farm and now I understand we've got some that are in the tens of thousands of acres farm size. Has the ministry got any problem with that?

Hon. Mr. Marit: — No. We have no concern.

Mr. Pedersen: — Does the ministry have any plans to improve rail service for farm produce or any . . . [inaudible].

Hon. Mr. Marit: — Well we're going to run out of time by the time I finish answering this one, but I'm going to take a good shot at it. Obviously it is a challenge for us, always has been, and we're always in . . . Along with my colleague, the Minister of Highways, I'm always in discussion with the railways on rail transportation and the movement of agriculture products.

When you look at this province and how the exports are growing in all of it, you look at potash growth, you look at grain, agriculture growth, not just here in Saskatchewan but also in Alberta and Manitoba, it's obviously causing challenges. I guess a concern we do have is now we've got oil not going in pipe and going on rail is really having a huge impact. I guess if we could get support for the pipelines it would sure alleviate a lot of that pressure.

When you see the Government of Alberta buying 4,000 oil tankers to put on the rail, when we look at the capacity to the West Coast, myself and my colleague, the Minister of Highways, have had numerous meetings with the railways and also with the Vancouver port, and challenges around that. In fact we were the

first province to send a letter of support for the Vancouver port authority to the federal government to improving the bottlenecks in Vancouver as a result of rail transportation, which means you could really double-track from Regina to Vancouver but you wouldn't improve anything if you didn't improve the bottlenecks in Vancouver and at the port.

So yes, it is very concerning for us when we see that. And of course the railways always, I mean, use the cold weather as a means of saying . . . And we understand that. Unfortunately we do get cold weather here and I would hope that the railways could find ways to still be moving product in that time frame.

When you look at the canola market and the bulk of it is moved between December and March — about 40 per cent of the canola crop is moved within that time frame — it obviously means that . . . And I as a farmer have always said that to the railways too. In all my positions I've been in say, that's when the agriculture community moves their product, is usually from October to March. Because March comes, the road bans are on, and there's no product moving at that time either.

So we have been in constant discussion with the railways as of just a few weeks ago, again talking about their numbers, which obviously didn't satisfy us to some degree too. Their cars per week were down and have been. They keep I guess telling us of their improvements and how they're increasing their horsepower capacity, their new grain cars coming online, which they have done. And they've made those commitments.

We just still have to obviously overcome some hurdles, I must say, at the Vancouver port when we still see ships waiting and we have bottlenecks there. And unfortunately we're not just dealing with the railways in the Vancouver port. We're dealing with a multiple of municipalities that we have to get through, that we have to work with to alleviate their concerns, which I understand as everybody does.

So yes. If you want to say, have we been in discussions with the railways? Constantly. We are and will continue to be. And it's a working relationship and one of the things we have really stressed to them is when you see the economic growth that's happening here in all aspects of our export industry, whether it's . . . Obviously it's agriculture and potash and oil. You see those industries growing. We don't see the railways' capacity growing at the same rate that we are. And it's obviously causing us some concerns that way. So yes, to answer your question, try and do it shortly, we are in constant contact. We are challenged by it but hopefully we can come to some resolves around Vancouver and start using the ports more efficiently.

Mr. Pedersen: — Are there any out-of-country trips that are planned for this year, for the minister I guess?

Hon. Mr. Marit: — Yes, I just wanted to say in light . . . And that's probably some of the discussion we've had ongoing with the federal government as a result of what's happened in China. We have offered that to China, for the technical committee to, you know, any support there that we could give, and we've offered resources there. And diplomatically we've also said that if there's an opportunity for a delegation . . . Obviously you have to be invited before you go anywhere and that's obviously where we're trying to get to now. But we have offered that, that if there

is a diplomatic delegation, we have the opportunity to go, we will be, we'll be entertaining that.

It's not just all related to agriculture though, as you know. We look at the whole economy. Like a good example would be Minister Harrison just got back from a trade mission that went very well and really did talk about our opportunities to grow the agriculture sector in — correct me if I'm wrong — was it Indonesia? Singapore. Singapore where he went to and had great discussions on trade issues there, and agriculture products. So that would be probably another question you might want to ask him, also what other trade missions he has planned. And I know there is some. So right now we're just kind of at the whim of the federal government, hoping there's an opportunity for us to try and alleviate this issue in China.

Mr. Pedersen: — So I don't know if I'm just misreading this because I'm new and not familiar with this, but when I was looking at Public Accounts and summary financial statements — it's page 42, the line item for Agriculture — like there was a massive difference from 2017 to 2018. It went from 1.1, I guess, billion to 485 million in the actual category, which seems like a massive, massive difference. I'm just curious if that's normal and whether that would . . . Is that something we can expect this year, or how does that . . .

[22:00]

Ms. Arscott: — So on the summary financial statements under expense, that's the agricultural theme, which includes all the organizations that fall under that theme: Crop Insurance, our ministry, Prairie Agricultural Machinery Institute, Pastures Revolving Fund, etc. And the difference between the 2017 actual and the 2018 actual had to do with the experience that we had with crop insurance claim payments in 2017. So it's really an amalgamation of Crop Insurance with the Ministry of Agriculture vote as well.

Mr. Pedersen: — So we had an additional 600 million in crop insurance claims in 2017? Is that what I'm understanding then?

Mr. Jaques: — So in 2016-17, there were some weather challenges with the harvest in that year, and so we did pay out that year \$640 million. So that's the difference that Michele is talking about. 2018 . . . Oh no, we're not done. Well, yes, I guess last year was about . . . Well that's '17-18 was 176 million.

Mr. Pedersen: — And so when I'm looking at the column that says 2017 actual, is that the year ending March 31, 2017?

Ms. Arscott: — Yes.

Mr. Pedersen: — Which would be '16-17. Okay. Well I think we had three hours allocated, so although I could keep going for a long time here, I'll conclude for tonight.

The Chair: — Thank you. We will now adjourn consideration of the estimates and supplementary estimates for the Ministry of Agriculture. I'll offer an opportunity for closing remarks, Mr. Minister.

Hon. Mr. Marit: — Thank you, Madam Chair. I just wanted to take this opportunity to thank my entire team over at the Ministry

of Agriculture — and that's what we are — and the work they do. And also to the member of the opposition, my critic, for the questions and the very cordial and respectful manner of the questions. I thank you very much for that, and to the committee members for indulging and sitting through the questioning for three hours. So with that, Madam Chair, that's my closing remarks and I hope we have a good spring and a good year. So thank you.

The Chair: — Mr. Pedersen, if you'd like to close with any comments.

Mr. Pedersen: — Sure. I just want to thank the ministry officials, all of you, for your professionalism and your assistance in answering all these questions and for humouring me in my ignorance of the way the ministry works. I felt like I should ask one further question to you which was, you know, what things did your ministry officials not want me to ask about that I didn't get to, but . . .

Hon. Mr. Marit: — We've got a very long list. We've got a very long list.

The Chair: — I would now ask a member to move a motion of adjournment. Mr. Michelson so moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee now stands adjourned until Wednesday, April the 10th, 2019 at 6 o'clock p.m. Good evening everyone.

[The committee adjourned at 22:03.]