



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Lloydminster

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Regina Northeast

Mr. Buckley Belanger
Athabasca

Mr. David Buckingham
Saskatoon Westview

Mr. Eric Olauson
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Mr. Doug Steele
Cypress Hills

Mr. Lyle Stewart
Lumsden-Morse

[The committee met at 15:32.]

The Chair: — Welcome everyone to the Standing Committee on the Economy. Myself, Colleen Young, will be acting as Chair for today's meetings. And we have with us members Buckley Belanger, Doug Steele, and Eric Olauson.

This is the first time the committee has met since the Assembly adjourned on March 17th, 2020 due to COVID-19. So before we begin, I would like to make a statement in regard to how the committee will operate when we meet here in room 8. Due to the size of the committee room, our committee is meeting with quorum today to ensure that the guidelines for physical distancing are adhered to.

Quorum for the Standing Committee on the Economy is four members. Because some committee members are unable to attend the committee meeting due to COVID-19 or the related measures that are in place, committee members now have the option to vote by proxy during a recorded division if they cannot physically attend a meeting. A proxy form must be registered with the Speaker's office 30 minutes prior to the Assembly's daily proceedings, which have been done for today.

Secondly, you will notice that most of the seats have been removed from the room to ensure that adequate physical distancing can be maintained. We have asked additional witnesses and officials to wait in the hallway until they are required to answer questions. At that point they may speak at the microphone podium that has been provided at the back of the room. Witnesses, please state your name for the record before speaking at the microphone. If the minister needs a private area to confer with officials during proceedings, room 4, the media room next door, is available.

Lastly, I want to advise the committee that we will need to take periodic recesses to allow time for the Legislative Assembly Service to sanitize their workstations when personnel changes occur, so please bear with us. And if you have any questions about logistics or have documents to table, the committee requests that you contact the Clerk at committees@legassembly.sk.ca, and contact information is provided on the tables.

Pursuant to rule 148(1), the following estimates and supplementary estimates were committed to the Standing Committee on the Economy on June 15th, 2020. 2020-21 estimates: vote 1, Agriculture; vote 23, Energy and Resources; vote 26, Environment; vote 16, Highways and Infrastructure; vote 89, Immigration and Career Training; vote 84, Innovation Saskatchewan; vote 35, Saskatchewan Research Council; vote 86 and 197, SaskBuilds Corporation; vote 90, Trade and Export Development; vote 87, Water Security Agency.

The 2019-20 supplementary estimates are vote 1, Agriculture; vote 26, Environment; vote 197, SaskBuilds Corporation.

I would also like to table the following documents: ECO 23-28, SaskBuilds: Responses to questions raised at the April 10th, 2019 meeting; and ECO 24-28, Ministry of Energy and Resources: Responses to questions raised at the April 15th, 2019 meeting.

**General Revenue Fund
Energy and Resources
Vote 23**

Subvote (ER01)

The Chair: — We will now begin our consideration of the estimates for the Ministry of Energy and Resources, vote 23, Energy and Resources, central management and services, subvote (ER01). Minister Eyre is here with officials this afternoon, and if you would begin by introducing the officials you have here and making your opening remarks.

Hon. Ms. Eyre: — Well thank you, Madam Chair. Good afternoon, committee members, Mr. Belanger. I'm pleased to present the Ministry of Energy and Resources estimates for budget 2020-21 and to introduce my officials here today: Doug MacKnight, acting deputy minister of Energy and Resources; Cory Hughes, behind me, assistant deputy minister, resource development division; Blair Wagar, acting assistant deputy minister, regulatory division; Beverly Deglau, I'm not sure she's here. No, sorry. Denise Haas, however, is here, chief financial officer in corporate services, Madam Chair.

And I'm going to touch on a few highlights of our budget and then open it up to questions. This budget provides strong support for the growth and future economic development of Saskatchewan's prime natural resource sectors. Despite recent and obvious challenges, Saskatchewan is well positioned for economic recovery, which is due in large part to our resilient energy and resources sector.

This budget demonstrates our ongoing commitment to the thousands of Saskatchewan people employed in traditional sectors such as oil and gas, uranium, and potash. It also aims to increase development in emerging resource areas such as helium, lithium, diamonds, and nickel.

The budget includes \$150 million for the federal accelerated site closure program, which supports the abandonment and reclamation of inactive oil and gas wells and facilities, and first and foremost gets Saskatchewan people back to work. The program will prioritize Saskatchewan-based service companies and support up to 2,100 full-time equivalent jobs. Up to 8,000 inactive wells and facilities will be abandoned and reclaimed over the life of this program.

I would also like to highlight our recently introduced oil infrastructure investment program which will support new and expanded pipelines as well as new pipeline terminals, with the goal of getting Saskatchewan oil to export markets.

The budget also provides continued support for existing incentive programs, including the oil and gas processing investment incentive, the Saskatchewan petroleum innovation incentive, and the targeted mineral exploration incentive.

We have also reinstated the provincial sales tax exemptions for exploratory and downhole drilling activity. Madam Chair, the reinstated PST [provincial sales tax] exemption has also been expanded to include drilling for helium, which is an exciting development in our province.

And I would also like to take a moment to highlight the continued success of our targeted mineral exploration program, part of our mineral development strategy which was announced in the 2017 Speech from the Throne and seeks to diversify and encourage mineral exploration in a targeted region in northeastern Saskatchewan and promote job growth and investment in the North.

This morning we announced that last fiscal year, the TMEI [targeted mineral exploration incentive] program generated approximately \$2 million in expenditures by exploration companies here in Saskatchewan. This incentive supported five companies exploring for gold, zinc, copper, and silver. And one of the company presidents, J.C. Potvin of Murchison Minerals said, "This incentive program is a perfect case highlighting the economic multiplier effect it has in job creation," which is of course the whole point.

In closing, Madam Chair, this budget continues strong investments in the priorities of Saskatchewan people and will help us to meet the current challenges and recover together. So with that, thank you, Madam Chair, and now we are pleased to take questions from committee members.

The Chair: — Thank you, Minister Eyre. I'll now open the floor to questions from members. I'll recognize Mr. Belanger.

Mr. Belanger: — Thank you very much, Madam Chair. And just at the outset I want to commend the entire legislative staff in the sense of the preparations they undertook to mitigate the threat of COVID-19 as we embark on the journey of oversight from the opposition perspective. Certainly I think the measures that are being undertaken and refined as we speak, they speak volumes of the commitment and the dedication that the staff have to protecting Members of the Assembly, and of course all our staff and our officials that come to work here.

I want to point out that it's so very important that we remain vigilant with the COVID-19 virus. And I'm just absolutely impressed and amazed at the measures being undertaken, not just here but throughout the province and particularly the business community, as you see such innovation and such adaptation to the threat of COVID-19 to our population. And it's really, really inspiring when you walk into a number of businesses and see Plexiglas and masks and social distancing measures. And it's nice to know that the Legislative Assembly has undertaken these same measures to protect as many people as they can. And I just want to recognize that and point that out at the outset.

In terms of the COVID-19 threat, does your department have any particular cost estimate as to what the COVID-19 threat may have cost this particular sector of the economy?

Mr. MacKnight: — Doug MacKnight, acting deputy minister. We don't have that number quantified. We're still seeing information. We've seen, for example, just in the last few months a significant curtailment in oil production down; I think the value is 16 per cent. I'm going to consult with my colleague; we'll get the exact number for you in a moment. But certainly on the oil and gas side you're seeing significant curtailment. We've also seen a pullback from exploration activity in the North for obvious reasons, downturn in the mines. But it will be some time before we can get an accurate quantification of that as it still works for

the economy.

So right now, you know, the indicators like reductions in capital spending, reductions in exploration activity, the mine closures, the mine restrictions, the oil and gas reductions, the lack of basically drilling, they're all adding up. But in terms of do we have an exact number on the economic effect right now, we'd be hard-pressed to do it because we're still in the midst of getting that information into the systems.

Mr. Belanger: — And I would further maybe add to the request for that information just to indicate that when you look at some of the cost factors, you know, I reviewed some of the budget documentation that was presented, and there were some deferral costs on the PST and utility bills like, for example, your power bill. You could not pay it for a number of months, but eventually you have to pay it. So it's not really a cost; it's a deferred payment, if I use a power bill payment as an example.

With energy and mines, we're not going to use that same method of saying, well this is what it's going to cost us because it's difficult to ascertain what investment or what action that any company may have undertaken in Saskatchewan. So how would you evaluate that? Like for example, if I was a company that was coming into Saskatchewan to explore, COVID-19 hit and I'm saying, well I'm not going to come anymore, how would we quantify that cost?

Hon. Ms. Eyre: — Well I will say, Mr. Belanger, that that was one of the reasons why we brought in the mining sector relief measures that we announced — I believe it's about two weeks ago now — to address that precise issue. Because of course the exploration companies, mainly junior exploration companies who had dispositions in the North, couldn't access the sites, couldn't do the exploration, couldn't do the consultation with local community members and so on. And of course no cost to government on that.

It was simply giving them that extra period of time to access the, you know, dispositions and the sites which they had already claimed and paid for. So in that case, we tried to allay that a little bit by addressing it that way and giving it that deferral. But as I say, no cost to government when it came to the junior mining and the exploration companies in that sense.

[15:45]

Obviously in the North, as you know, some of the active mine sites — so not on the exploration side so much as the active mines sites — have shut-in production for a time. And you know, obviously those were difficult decisions when it came to the Cameco operations and so on. But it was first and foremost a question of safety for the workers and so I know they're evaluating dates currently as to when it's safest for them to reopen. But generally, I think it's fair to say that on the uranium side, obviously on the potash side, you know, things have been not terribly affected economically. Obviously the shut-in has an impact for the uranium and other operations up north but potash has basically carried on, as you know.

And so obviously, as Deputy Minister MacKnight mentioned, you know, the main impact for energy and resources has been around, you know, oil and gas first and foremost. And in terms

of the relief measures for the oil and gas, you know, those have been quantified at . . . The main cost impact was the 11 million within in this ministry for the administrative levy in reducing that as we did. And so that was the main cost impact for, as I say, E and R [energy and resources].

But otherwise all of the other relief measures were more in the area of deferral. And so again, tried to make things a little bit more flexible for companies just in terms of immediate cash flow issues, but otherwise it was more around, you know, the deferral, except for the administrative levy.

Mr. MacKnight: — My colleague says that the reduction in . . . If you look at the budget documents, we're looking at a forecast for about an 18 per cent reduction on oil production for the year, which is sizeable. We're still trying to get a picture because of the way the lag of the reporting is, what's happened since the demand destruction really started to kick in in March. But for the year, we're forecasting about 18 per cent.

Hon. Ms. Eyre: — Sorry, I'll also add, Madam Chair, and just in terms of lithium and helium, you'll be aware too, Mr. Belanger, that we have been able to announce to this time, you know, some exciting developments in that regard. And so just in terms of economic impacts very, very positive that in the helium space, the North American Helium facility, you know, looks like a strong possibility, we hope.

Also in the lithium space and in terms of the targeted mineral incentive that we've brought forward and released a news release on that again today with recent numbers, you know, positive in terms of the diversification and the activity that is present, particularly in the mining space. Even throughout this challenging time there's been some positive development there.

Mr. Belanger: — Thank you very much. And we'll be watching, you know, with a lot of interest as to how we ascertain the lost opportunity or lost revenues or lag in activity, whatever measures are being used, because we really want to be able to compare that to how other jurisdictions are doing. So I look forward to that particular document.

The thing that's really important, I think, from our perspective as the resource critic for the opposition is that we obviously want to see the economy thrive and pick up as quick as we can. It's paramount to the success of our province and we obviously want to applaud that success. We want to see it happen. I think it goes without question that the innovation, exciting aspect of the private sector and the investment that we could attract is very important to the future of our province. And we certainly embrace that notion wholeheartedly.

That being said, when we talk about restarting and stimulating and encouraging and fostering the quick start-up of the economy, we obviously want to make sure that Saskatchewan-based companies are also representative and incorporated in all of our thinking.

So when you look at the announcement that we had as it pertains to the \$150 million funding, your department indicated 2,100 full-time equivalent jobs. Could you give me an update on the timelines around this program and, if you can without being too specific, what particular jobs are we talking about with the 2,100?

Hon. Ms. Eyre: — Right. Well I'll just begin and then certainly officials can weigh in beyond that. I mean, you mentioned the Saskatchewan-first aspect and how important it is, and just timelines.

We were pretty pleased at the speed, I think somewhat dizzying speed from my officials' perspective at times, about how quickly we wanted to act on this and the importance that the service sector has to the economy and to restarting things and of course, to that, the very high importance of Saskatchewan service companies within that context.

So we're very pleased at how the abandonment program is rolling out. And again we can elaborate on timelines a little bit more in terms of phase 1, which has started and the other two phases that are ahead of us. But we wanted to make sure with this program that Saskatchewan service companies would be top of the list.

And so that's why the importance placed on SaskBuilds and collaboration with SaskBuilds on that program. SaskBuilds, again as you know, has procurement and supplier development expertise. It will make sure that Saskatchewan-based companies can take advantage of the program. They also have experience between . . . The SRC [Saskatchewan Research Council], which you know plays a role in this as the procurer, and SaskBuilds, we feel has been a really winning combination also in terms of that supplier development side when it comes to First Nations companies and participation as well.

And again, as you know, the definition of Priority Saskatchewan is being located in Saskatchewan, employing Saskatchewan people, and paying Saskatchewan taxes, and we have taken that very much to heart in terms of the rollout of this program, of the abandonment program, and of the role that Saskatchewan service companies will play within it. And Doug, if anyone else wants to weigh in on specific timelines and so on.

Mr. MacKnight: — Yes, Blair Wagar, who's behind me, who's the assistant deputy minister and has been working pretty well full-time on this program. I think if it's good with you, Madam Chair, we'll have Blair come to the podium and provide an update on where we are at in terms of Mr. Belanger's question.

Mr. Wagar: — Thank you, Doug. Blair Wagar. I'm the assistant deputy of energy regulation. In terms of the accelerated site closure program, just to give you some update, the program was announced May 22nd of this year. Today we have just over 200 licensees or producers that are eligible for funding under the phase 1, the first tranche of the \$100 million — actually more specifically 203, if you want to know the exact number — and that's as of June 17th.

All 100 million of the phase 1 money has been assigned to each one of those producers based on their deemed liability. That's the formula that we use. So they essentially have their budget for what they're eligible for and they're in the process right now of preparing their inactive well packages, which then they'll submit into our administration process. So they're doing that right now.

Our administration process we expect to open up by the end of next week. So that's when everything will come in. While we're doing that with the licensees, we're also working with the oil field sector, the service sector, which is where this money is

going to flow to. That's the target. So we've been working with them to make them eligible. It was on June 15th where our SaskTenders opened up for them to submit to determine . . . to go through the process of making them eligible service companies. And that eligibility, the key criteria, which the minister already referenced, is being Saskatchewan based. So that's that process that we're working through right now. As of 11 o'clock this morning we have 84 applications in that process and we're starting to evaluate that.

So at the end of the day, I guess our next step and our next big focus is taking all of those well packages or work packages that are coming in from the producers, matching those up with eligible Saskatchewan-based companies, oil field service companies, and getting that stuff into the market.

Hon. Ms. Eyre: — And sorry, I'll just add as well that we felt that the SRC, you know, has obviously had, you know, great expertise and experience in terms of the CLEANS [cleanup of abandoned northern sites] project with the Gunnar remediation up north, but also with procurement around the orphan well fund. And when I learned that, you know, there had been that direct experience with the orphan well fund and so on, we felt it was a particularly good fit to that end of just really working around the Saskatchewan focus.

And I've been checking in regularly with officials on just how this is going, doing round tables with my Legislative Secretary, just as recently as yesterday, and local stakeholders on his end in the Southwest, asking about what you're hearing, you know, how is it going? Is this rolling out as well as could be expected? And we really have heard positive things. And I think we can build on phase 1 and make any adjustments that we need to rolling forward to phase 2, 3, and 4. You know, obviously it's a significant amount of money from the federal government, 400 million, and so we want to get this right for Saskatchewan companies.

Mr. Belanger: — Yes, and I think the devil's in the detail as we look to how we're going to maximize the benefit for the Saskatchewan-based service companies. You know, that part is very, very critical for us. Because obviously this is federal money, \$150 million, and obviously it's important to take advantage of money on the table.

But I just wanted to kind of wrap my little mind around how we would do this. So as you have these companies putting their contingency plan in place, as you've indicated, where is the ownership of some of the sites that are going to be benefiting from this program? Where's the vast majority of ownership of those sites? Are they Saskatchewan based or Alberta based or internationally based? Could you give us a breakdown of that?

Hon. Ms. Eyre: — Sorry, I'll get officials to weigh in as well, but I would say in terms of the service companies, absolutely primarily Saskatchewan based. I mean as you know, Mr. Belanger, a lot of the leading, the top three, four companies in this province in terms of oil operators, would be Alberta-based companies. That's just the reality of the situation. Of course they employ a great number of Saskatchewan people and have a very significant Saskatchewan presence.

But if we're talking about our, perhaps, top four operators, they

are based in Calgary but have bricks and mortar here. So in terms of that applicability, obviously if they have workers here or if companies have workers here and bricks and mortar here, then that's taken into consideration. But in terms of a service company focus, that absolutely remains Saskatchewan focused. And that's what we're hearing is happening, and I'll let officials quantify that in any other way.

Mr. MacKnight: — Mr. Belanger, I think the way to understand it is, who's going to be doing the work to abandon these sites? And then the second question is, who owns the sites themselves? So all of the well sites and facility sites tied to oil and gas where this work will be done is of course in Saskatchewan. The companies themselves . . . We've divided it up, the budget if you will, amongst all of the companies based on their share of the inactive wells that are out there. And we concluded that was the fairest way to do it. Our goal is to move quickly to get this work done, and a lot of these large companies have the capacity to put these packages together and hand us them as they're ready to go and we're ready to abandon.

The companies themselves though who do this oil field service work, we have a fairly strong contingency here in all of our communities from Estevan and Lloyd and Kindersley and Swift, and everything in between.

And there's two aspects of the work that goes on. The downhole well work, we have a rig and you're down, you're pouring cement and plugging the hole. So the plugging work is one set of skills and you need special equipment for it and things like that. So that oil field service work, we have capacity to do that. The other thing is once the well's plugged, you've got to reclaim the site, revegetate it, get the crops back, all of that thing, that reclamation. That's more on the environmental management service side. And of course we have a very strong capacity to do that here in Saskatchewan.

One of the great things for us, an opportunity, is the SRC has been building that capacity through the CLEANS project. And there are some capacity . . . especially from who's been doing work in the North that could be transferable to this program, and the SRC is examining that as well as SaskBuilds.

[16:00]

So we are worried that we want to maximize Saskatchewan, so the first tranche — Blair mentions 100 million — is really we want to make sure we don't overwhelm our capacity to move. And so although this year's budget is 150, this is Saskatchewan so winter comes. Our windows get kind of tight on our work. So we see the lion's share of the work will be in the forward year. So the 150 we have, we think the industry, our oil field service sector, can sustain that. We'll see. We're pretty confident though. We know that these services are done here and they're transferable. If you're drilling a well, you can also transfer your skill sets into abandoning wells.

Mr. Belanger: — No, no, I'm just trying to . . . Because that's the primary concern that we have, that you know, we kind of look at Saskatchewan people, workers, and companies first. It's not being selfish. The reality is, I think, every government across the country's doing what we aspire to do here. And I think it's probably wise to deal with the oil and gas companies as opposed

to, you know, trying to manoeuvre around things like the New West Partnership, as an example.

By and large, the companies, have they been really co-operative? There's been no issues, no problem with their engagement to the whole notion of Saskatchewan first? Because they do have bricks and mortars here. But there's no particular company that's problematic on that front?

Hon. Ms. Eyre: — No, we haven't encountered such. And in terms of the New West Partnership, I mean obviously, you know, we're working to implement policy within frameworks of that, but like other provinces, we really want to put priority on Saskatchewan workers.

And what I referenced earlier about working with SaskBuilds in a way, you know, through this COVID period and through this announcement around abandonment and working with SaskBuilds, we've gained perhaps some unique insights into how best to do that and how best to prioritize Saskatchewan companies and Saskatchewan workers, service companies. And certainly on my end I have not encountered any resistance to anything. But you know, that would be our priority and everyone seems good with that.

Mr. Belanger: — Yes. How thorough are we going to be examining the Saskatchewan-first concept or desired achievement, so to speak? Are we going to the extent of actually seeing who's employed and where their home addresses are? Are we going down to that level or is it just basically a lot of trust and faith between our government and industry? Like how concise and precise are the qualifications of what we're trying to do here?

Hon. Ms. Eyre: — And again I'll let officials, you know, add anything they feel is necessary. I think the most important thing through this process, Mr. Belanger, has been to keep our ear close to the ground. And again I've done a lot of round tables with, you know, private members across the province, with Ms. Young, Mr. Steele, throughout this period.

And one of the things that sticks in my mind, I remember from the round table with Ms. Young and with stakeholders and service companies around the Lloydminster area — and this was before we put out the abandonment plan and rolled it out — was how problematic things are right now, what a difficult time it's been for service companies and for people and how much they wanted this program to work.

And so I think the most important thing has been, as I say, to keep my ear to the ground. We all have had to make sure that we keep getting the immediate feedback from companies, stakeholders on the ground about what they're hearing, what they're not hearing, and what we could do better. And so far I think . . . And I'm biased, yes, but I'm also . . . I think it's fair to say that I think it's a very good program, that it's gone over well, that we've had very good response in terms of the Saskatchewan focus, that it's getting better reviews than perhaps programs in some other provinces, which I'm proud of.

And I think it was important to take the time that we did, you know, albeit it felt, as I say, dizzying speed enough at times, but that we took the time to also evaluate what was happening and what had happened in other provinces in terms of what worked

and maybe what could work better. And so I think that we've had, as I say, very good feedback because we've asked and continue to ask so directly about what people are seeing and experiencing on the ground. Doug, I don't know if you have anything.

Mr. MacKnight: — In terms of how we're pre-qualifying, Assistant Deputy Minister Wagar mentioned that we're going right now through a request for service qualifications. And that's the process we'll be determining their eligibility for funding under this program based on Saskatchewan employment, the location of operation, and those things. So that intake process is what we're doing now.

Once the company pre-qualifies they don't have to keep redoing that. We've got lots of wells to abandon so we're trying to keep it as lean as we can, but we do have a pre-qualification process to make sure that the questions that relate to their place of operation.

Inevitably, you know, we're going to have to look carefully at the company just to make sure that . . . They could have hundreds of employees here and those are the folks getting the money, kind of thing, and their headquarters could be out of province. But we're very careful to make sure that all of the tests that SaskBuilds uses in their Priority Saskatchewan program we're following in terms of pre-qualification.

Mr. Belanger: — Yes, and so the whole premise of why we're doing this . . . Because from the income tax perspective, the tax is collected where you live not necessarily where you work, right? And that's the principle of how we maximize benefits of Saskatchewan.

Because we've had, as you probably are aware . . . a lot brighter than I am. But over the years, many times even through the agreement on interprovincial trade, there are some barriers that some provinces that are supposedly free enterprise, they're more problematic to Saskatchewan than others that are not as viewed as free enterprise.

So you know, it's just a lot of times the jurisdictions and provinces will protect their own and they'll go to great lengths. So we just can't be a willing partner and say, do what you want. I think from our perspective, we've got to protect Saskatchewan workers' interests. And that's why we're taking special time to look at this and encourage Madam Minister and your officials to make sure that we protect Saskatchewan people's jobs.

I want to just maybe shift then, because obviously this is a really important program and the federal government is very astute in providing the necessary funding. I think our role is to make sure we maximize benefits to the Saskatchewan people and that in all contexts help all of our efforts to try and get the economy going.

Now under the oil infrastructure investment program support for new and expanded pipelines, could you explain the history of this program and who was consulted? What was the anticipated fiscal impact of this policy, economic impact, and any projects that you want to share in particular? And of course, the last one, how has COVID-19 impacted this particular initiative?

Hon. Ms. Eyre: — Sorry, Mr. Belanger. Just to be totally clear,

you're talking about the oil infrastructure investment program, right? Okay. Just wanted to make sure I was listening and heard the correct program.

So in terms of how it came about, I mean obviously despite the OPEC-plus [Organization of Petroleum Exporting Countries plus] price war and the COVID period and all the challenges that that has put on the sector throughout this time, prior to March, we wanted to make sure that we left no stone unturned when it came to, you know, export options for oil out of Saskatchewan. And again, as you know, that landscape has become more challenging in recent years in terms of federal cancellations of Energy East and Northern Gateway and so on. And so obviously we're hopeful. I mean Enbridge Line 3 replacement is positive. Keystone XL if it, you know, goes ahead and all goes according to plan, is positive, as is TMX [Trans Mountain Expansion].

But I think certainly the impetus behind it was to look at viable, also privately solid in terms of, you know, companies and so on, and proposals, proposals that were positive, that we could look at to, you know, do everything we can to help get the product to tidewater, you know, which has remained certainly a challenge over recent years.

So this program is a transferable freehold royalty credit program and it's aimed to do just that, just to get product to market and to tidewater. It helps, we felt, to fulfill the commitment set out in our growth plan to increase oil production and increase exports by 50 per cent by 2030, and to support companies, as I say, that have valid, solid proposals to help ensure that we have that market access and grow the natural resource economy and narrow the oil differential, which is so important to oil producers here in the province.

So again it's an incentive that specifically looks at export possibilities out of the province and helps to foster those where they may be possible.

Mr. Belanger: — With the whole notion around the oil infrastructure investment program, as we've said in the past . . . We've had numerous discussions in the Assembly. We've had numerous positions that we've shared and agreed that are important to share with the public.

The oil and gas development and the huge task that they now face, this particular industry and the crash of the world oil prices, like it's just almost a perfect storm. Like we have COVID-19, then you have the economic realities of many countries that . . . Canada notwithstanding, their challenges. And of course you turn around and you deal with COVID and the oil price drop. And it's an amazing challenge for this particular industry.

And we try as best we can to see, despite our limited knowledge of the industry, just by reaching out to the industry leaders and attending functions and showing support. Those are, I think, what are really important that the opposition members do along with the government. And of course the government is able to do things that, I think, you know, in hindsight the opposition party would do as well because it's important to get our economy going. And oil and gas is a big part and will continue being a big part of our economy. I've maintained that position from day one.

So as you look at ways and means of getting our product to

tidewater, and I've been a strong critic in the Assembly of the failures of governments in general in getting pipelines and getting things moving in the right direction. Despite having the proper political alliance, the job wasn't done.

But that being said, I'll point out that some of the things that are problematic I see for oil and gas is, you know, we've had a couple of derailments, and you know, those derailments really hurt the industry as well because there's overreliance on hauling by train. And we've got to be very careful here because there was no critique of the safety measures necessary to avoid the derailment. And I don't think the Premier of Saskatchewan was critical of the company to make sure that certain measures were undertaken to get the people of Saskatchewan to have confidence in the rail transportation option.

And we have to address that particular gap as well because if we're committed to getting our product, as we say, to tidewater, then we have take principled positions. And when we have train derailments, and the public are very fickle when they see train derailments and train cars exploding and fires — and I think it happened near, was it Guernsey a couple times? — that we simply can't sit and say well, we hope the company has a better plan. There's got to be some strong leadership on that front.

So from the perspective of oil infrastructure and the investment program and the general agreement between both parties that the oil and gas sector are really important to our economy . . . And I'm not going down our historical role that we played in our waning years of government from 2004 to 2007 because I've gone to those numerous times. But do you see the whole notion of the train derailment as an issue that has to be addressed sooner than later?

[16:15]

Hon. Ms. Eyre: — Well on the train derailment, I mean, I think everyone can agree that that was of course extremely regrettable, and that it happened twice in the space of a matter of, if not weeks, months, I mean that was . . . I think the important thing though in that case was to make sure that as a federally regulated line that the company, you know, do its due diligence and look at what happened there.

And I think that's still occurring to a certain extent. I know I read, just in the last 10 days or so, they've made some new determinations on what they could perhaps have done differently — what they did in terms of investigating that line and making sure that things were in order prior to those very regrettable occurrences. So I think we had to certainly wait to see how that played out as the federal regulator and the company in question did their work.

Certainly we've been consistent as a province to point out that we . . . Part of the importance of course of pipelines is to mitigate that high, high traffic on the rails, and that when you're competing with agricultural products, minerals, mining products, and everything else, it would be very helpful to get some of that oil off the rails and into pipelines. So again, I mean, as that gets resolved, I'm sure we'll be commenting and so on further.

I think I will say too, in terms of the incentives which you asked about, and the one in particular, I will just say that I think it's

important also to keep in mind that these incentives, you know, are really about government dollars following, not leading. And I think that that's one thing that's very important to emphasize about all the incentives that you'll have read about and that include the one you mentioned: that the money isn't disseminated until the projects are operational. And that's very important.

And so you know, as I say, several of them are structured around transferable royalty credits, but the province recoups that money through royalties and taxes over the life of these projects. And I think that's important to reference as well.

And our oil and gas investment incentive, which I referenced also in my opening remarks as one that is continuing, has already been applied to the Gibson refinery in Moose Jaw, which will see production throughput increase, but GHGs [greenhouse gas] decrease. It will support the local economy and local employment.

So again, already quite a lot of success in regard to, you know, the incentives that we have announced. And you know, we hope that this one will also encourage viable projects.

Mr. Belanger: — I think I've got a few minutes left, so I'll just take the time first of all to thank the officials. And I've got one more question left for the minister, and it's a very specific question.

But I want to point out that as we look at how we can support the oil and gas sector, there is a myriad of options that we can look at. And my message to the government, and in particular the Premier, that you've got to take the steps in a principled, consistent manner to address the threats to the oil and gas sector. You can't simply say, well we're not going to push for better inspections on the rail companies because it affects and impacts public opinion on oil and gas when we have a derailment. He's got to be consistent, he's got to be thoughtful, and he's got to be thorough.

And we see gaps of that sort because, I think, quite frankly, that a lot of times his politics interferes with the practicality of supporting this business. And that's why it's important for me to express that concern, and obviously we're going to be putting a lot more time in that particular aspect of how we can support the oil and gas better as it comes to the option of transport by rail.

I just want to finish off because we only have a few more minutes left. But under the COVID-19 challenges, as many companies have backed off and they've really not gone forward with some of their investment or their schedule for drilling and exploration and so on and so forth, how are you going to deal with the companies or individuals that have a lapsed mineral claim? Are you going to be a bit more patient with them, a bit more understanding? Because COVID-19 did put a lot of these companies that have had mineral claims, they've basically shut down operations.

And if I had a — and I don't, but in theory — if I had a mineral claim and it expired, and I wanted to re-engage in that particular mineral claim, the last six months would probably prevent me from doing so, especially in light of COVID. Is there special considerations to reinstate some of the lapsed mineral claims for companies that have held them or individuals?

Hon. Ms. Eyre: — Well that's what I was referencing earlier. And Cory or Doug, if you want to just confirm all of that and add anything I've missed, but I know we referenced that earlier about that's been part of the relief measures for exploration companies in particular.

Mr. MacKnight: — Yes, just in terms of the specific regulations gone through that's extended all of the mineral claims for a period of time, I'll say 12 months — but it depends on how your term is — minimum. And also we've waived the requirement if you haven't been able to do work. Sometimes you had to give a deposit to hold the claim and we've waived that requirement for a deposit. So we worked with the Saskatchewan Mining Association carefully to make sure we had a right size for the challenges. I think, as you're well aware, we can't go out on the ground doing exploration work. So that's one challenge.

But the other challenge of course is the investment markets as well. They need to raise money to do this work and it'll be some time for that to stabilize here. So we're pretty confident we have the right mix of regulatory solutions, but we're not through this. And so we continue to engage with the mining association, the minister, regularly and we're going to have to keep an eye on the circumstance out there.

Mr. Belanger: — Thank you very much. And I just would ask the officials to provide me with the name and contact number of the individual that would be leading the mineral extension, so to speak, permit. If you can give that to me after the committee, that would be great.

That's all I have, Madam Minister, from our perspective because we have a bill to pass as well, I understand.

The Chair: — Okay. Is there any more questions from any other members? Doug, if you have one.

Mr. Steele: — I'm just wondering how much gold production was there over the last year. Do we have any idea on what was produced over the last year?

Mr. Hughes: — Cory Hughes, for the record. So I don't have the number in front of me. It was over 100,000 ounces of gold, which was record production for, I believe, the second or third consecutive year. And we were forecasting another record year as SSR continues to expand their plans and their production at that facility and they run it very efficiently. But as all northern operations experienced, they are currently shut down. They're working hard to re-establish. So we're not sure what the production level will be this year.

The Chair: — Did you have another one?

Mr. Steele: — Well basically . . . [inaudible] . . . at the start of this, as the year we've discussed. But just I guess the only other one that possibly wasn't touched on is how is the government growing lithium production in Saskatchewan?

Hon. Ms. Eyre: — I will just say, Madam Chair, on the gold, I have the exact number as well, which is that it was 17 per cent increase in 2019 and 112,327 ounces.

Mr. MacKnight: — In terms of the question on lithium,

lithium's still in a very early stage. And a lot of the work the ministry has done on the lithium side has centred on the work of our Saskatchewan geologic survey. It's been doing extensive work over the years quantifying the opportunities in the produced water space for the oil and gas industry. There is obviously some emerging opportunities down the Southwest, and right now I am at a loss to tell you the status of those particular ones. And I'm going to turn to my colleague, Cory, to see if he's got that right handy.

Oh, we'll have to get back to you, Mr. Steele, on that point. And we'll just give you an update on the status of those projects.

The Chair: — Thank you. If there are no further questions, Madam Minister, if you have any comments you would like to wrap up on this portion before we move on.

Hon. Ms. Eyre: — Sure. Well thank you, Madam Chair. And I guess I would just say that to Mr. Belanger's points about the importance of remaining consistent when it comes to energy policy and positions on pipelines and the sector and so on, I would submit that we have been very consistent in regard to certainly on the importance, as I referenced earlier, of pipelines overstretching the rail system. And I think in terms of looking back over this period of COVID and the challenges we've faced in the last few months, it does make for an interesting time capsule — I mean what we were doing before all this hit, because they're the things that we will be continuing to do.

And I mean, a few months ago, only a few months ago, the Canadian Association of Petroleum Producers for example recently said that increases in capital investment in the upstream sector is down to Saskatchewan fostering fairness and competitiveness. Alberta as well, but Saskatchewan absolutely. And we're doing that with waterflood. We're doing that with our R & D [research and development] and targeted infrastructure incentives, some of which we've referenced today. And we will continue to do that. We're doing that with the pipeline action committee, which is looking at those potential viable pipeline projects that I referenced, and our export incentive.

Often forgotten in some of this too is we didn't curtail production — that seems like an eternity ago. But when Alberta did, I know Grant Fagerheim of Whitecap Resources said at the time "As soon as we heard this curtailment was taking place, we shifted our capital to Saskatchewan from Alberta."

And you know, we have to remember in this province we have extremely stable regulation, stable royalties, incentives around horizontal drilling and enhanced oil recovery, and all of that has helped attract \$4 billion in private investment into our oil industry last year alone.

And remember the *Scotiabank Playbook*. We have the number one oil play in North America. We fought Bill C-69. We fought Bill C-48. This has been an unprecedented time, and it was unprecedented before we went into this three months ago. But I think it's important too that we remember the consistency we have shown as a government and as a ministry when it comes to fighting for our sectors across Energy and Resources.

So with that, I'll certainly thank you, Madam Chair, committee members, Mr. Belanger for his engaged questions, and certainly

would echo Mr. Belanger's comments about the dedication and efforts across government but also across the sectors through this time. They have been incredibly resilient. Our all-important Saskatchewan workers have also been, and we're so, so proud of them. So with that, I'll thank the committee and my ministry officials.

The Chair: — Thank you, Minister, and your officials. Mr. Belanger, do you have any further questions on this? If not, then we can move on to the next bill.

Mr. Belanger: — Yes, thank you. I forgot to thank the officials as well. And I still do want that name for the lapsed mineral claim because I've got about two or three folks that ask me about what happens there. Thanks.

The Chair: — All right. Thank you everyone. We'll now move on, unless you have any new officials that you have to change out, Minister?

Hon. Ms. Eyre: — No.

The Chair: — No. You're good?

Hon. Ms. Eyre: — Yes.

Bill No. 181 — *The Mineral Taxation (Modernization) Amendment Act, 2019*

Clause 1

The Chair: — Okay. We'll move on to the consideration of Bill No. 181, *The Mineral Taxation (Modernization) Amendment Act, 2019*, clause 1, short title.

So, Minister Eyre, on that bill if you would like to begin with some opening remarks.

Hon. Ms. Eyre: — Absolutely. Thank you again, Madam Chair, and good afternoon again to members of the committee. I would like to introduce the two Energy and Resource officials with me here today. Well, more than two; that was just the scripted two. Same officials who were here before, Madam Chair.

And last fall the Ministry of Energy and Resources introduced *The Mineral Taxation (Modernization) Amendment Act, 2019* . . . [inaudible interjection] . . . Oh, I'm sorry.

The Chair: — Minister, could I just pause for a moment.

Hon. Ms. Eyre: — Yes. Of course.

The Chair: — Mr. Belanger, are you not staying to finish off this bill, or are we switching out members?

Mr. Belanger: — No, I'm sorry.

The Chair: — That's all right. If we needed to take a recess to switch out members, I sort of need to know that.

Mr. Belanger: — No, no. I'm . . . [inaudible].

The Chair: — You're okay? All right. Sorry, Madam Minister.

Hon. Ms. Eyre: — No problem.

[16:30]

The Chair: — You may begin again if you'd like, on this bill.

Hon. Ms. Eyre: — No, that's fine. I'll just carry on to say that this Act levies the mineral rights tax on roughly 40,000 freehold mineral titles in Saskatchewan and generated \$9.4 million in revenue last year. The current Act has been in effect in its present form for almost 40 years.

The proposed amendments to the Act will modernize the administration of the tax by moving the mineral rights tax rate, exemptions, and other administrative matters from the current Act to the regulations. The tax rate, together with the existing exemption requirements, will not change as a result of these amendments. The proposed changes will bring Saskatchewan's administration of the mineral tax in line with other jurisdictions such as Ontario and Alberta. It also aligns with our administration of production taxes levied under the Act for potash, coal, and sodium chloride.

The amendments will modernize the Act in several important ways. It will update the legal language and drafting to modern standards, enable non-taxed individuals to voluntarily transfer their mineral titles to the Crown, authorize the use of new electronic mineral rights tax administration which will streamline assessment and enhance service delivery.

Last summer, Madam Chair, the Ministry of Energy and Resources consulted stakeholders regarding the proposed legislation. A discussion paper was posted to Saskatchewan.ca along with an online system for submitting comments.

The ministry also contacted 321 mineral owners directly to notify them of the review. Contacts included farming and ranching businesses, resource extraction companies and associations, non-resource extraction businesses, holding and royalty companies, and non-profits, churches, universities, and municipalities. Respondents were supportive of measures that streamline the procedures for administering the tax.

Overall these amendments will promote a more balanced mineral rights tax regime with a more effective, more reliable, and less costly administrative system. And with that, thank you, Madam Chair, and we can go to questions from committee.

The Chair: — Thank you, Minister. And now I'll open the floor to members for any questions on Bill 181. If there are no questions from any members, seeing none, we will proceed to vote off the clauses. All right.

Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 16 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Mineral Taxation (Modernization) Amendment Act, 2019*.

I would now ask a member to move that we report Bill No. 181, *The Mineral Taxation (Modernization) Amendment Act, 2019* without amendment. Mr. Steele so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, any further closing remarks that you may have this evening?

Hon. Ms. Eyre: — No. Simply to thank our committee members; Mr. Belanger; and you, Madam Chair; and Hansard of course for being here today. Thank you.

The Chair: — Thank you, Minister, and thank you, Mr. Belanger. This committee will now stand recessed until 6 p.m. this evening.

[The committee recessed from 16:35 until 18:01.]

General Revenue Fund Agriculture Vote 1

Subvote (AG01)

The Chair: — All right, good evening folks and welcome back to the Standing Committee on the Economy. I'll be chairing — Colleen Young — tonight's meeting, and we have with us members Yens Pedersen, the deputy Chair, and we have members David Buckingham and, sitting in for Lyle Stewart, we have Randy Weekes. So thank you all for being here this evening.

We will now move to consideration of estimates and supplementary estimates for the Ministry of Agriculture, vote 1, Agriculture, central management and services, subvote (AG01).

We have Minister Marit here with us this evening and his officials, and I would ask that all officials please state their names for the record before speaking at the microphone. And as you know, Minister, if you do have to confer with any officials outside of the room, room 4 next door is available for you to do that otherwise. But just please state your names and your positions when you go to the mike.

All right, Minister Marit, if you would like to begin with any opening remarks you have this evening.

Hon. Mr. Marit: — Thank you very much, Madam Chair. I'm pleased to discuss the Ministry of Agriculture's 2020 and 2021 estimates.

And before I get started I obviously have some officials that I'd like to introduce here today. Amanda Plummer, my chief of staff, is in the room. Sitting alongside me is Rick Burton, the deputy minister. Shawn Jaques, the president and CEO [chief executive officer] of Saskatchewan Crop Insurance is in the room. Michele Arscott, executive director of corporate services branch is here. Wally Hoehn, executive director of lands branch is here as well. Brad Schultz, vice-president finance, Saskatchewan Crop

Insurance Corporation is here. Jeff Morrow, the vice-president of operations, Saskatchewan Crop Insurance is also here. Waren Ames, executive director AgriStability, Saskatchewan Crop Insurance Corporation. And Penny McCall, assistant deputy minister, regulatory is here. Paul Johnson, ADM [assistant deputy minister] of policy; Lee Auten, assistant deputy minister of programs; and Geoff Wilson is the provincial apiarist. I think that I've tried to pronounce that as well as I could, I think. I don't know if I got it right but I'm close.

So obviously agriculture is vital to the Saskatchewan economy and the Saskatchewan way of life. These past few months have been a challenging time for many of us. Saskatchewan producers and the entire agriculture supply chain have demonstrated tremendous resilience through this time period. Agriculture and food production is a key industry and producers in agribusiness continue to produce safe, high-quality food. Throughout COVID-19 our government has continued to engage with industry groups and government partners to ensure supply chains continue to operate.

The temporary closure of meat processing plants in Alberta and shifts in consumer demand created significant challenges for the Saskatchewan livestock producers. We worked closely with the industry to determine the appropriate measures needed in response to this challenge. Myself, along with my ministry team, held regular conference calls with crop and livestock sector groups and we connect individually with a number of our value-added processors in the province on a very frequent basis. The federal-provincial-territorial Agriculture ministers, deputy, and assistant deputy ministers have also been holding regular calls throughout this period.

To address the challenges facing livestock producers, this budget includes \$10 million announced in May to help livestock producers manage the impacts of COVID-19 related to market disruptions. This support includes \$5 million for Saskatchewan's 40 per cent share of the costs associated with participation in the national AgriRecovery set-aside program. It also includes \$5 million to partially offset higher premium costs under the western livestock price insurance program.

Agriculture is a major employer in our province and a significant contributor to our GDP [gross domestic product] with enormous potential moving forward. This is why agriculture features prominently in the Saskatchewan growth plan. There are bold targets for agriculture in the plan that give us a clear direction for the future of the industry here in the province of Saskatchewan.

One of the goals is to increase crop production to 45 million metric tons by 2030. While 2019 was a difficult growing season, Stats Canada's latest survey puts crop production at an estimated 37.4 million metric tons. The 2019 crop was the second largest on record and represents an increase of over 4 per cent from 2018. Further growth in crop production will come through increased research, the development of new crop technologies, and increased adoption of the latest technologies.

The growth plan also focuses on developing new technologies, farm management practices, and innovations to increase primary production in livestock. We know that growth can be achieved by increasing the size of our cattle herd, but also through improving backgrounding and feeding opportunities here in the

province of Saskatchewan.

Growth in the hog industry will also be an important part of reaching our growth plan goals. In order to achieve this, there will be a continued focus on livestock research and development, and technology transfer, including through the Livestock and Forage Centre of Excellence. The growth plan highlights the continued work on disease surveillance and traceability to ensure a quick response in the event of animal disease outbreak.

The value-added sector is also very important to achieving the province's growth plan. The planned goal to double value-added revenue to \$10 billion is ambitious, but it is achievable. The growth plan includes multiple strategies and targets that provide direction on how to reach this goal, including continue support for research and development, double the meat processing and animal feed value-added revenue to more than \$1 billion, crush 75 per cent of Saskatchewan's canola here in the province of Saskatchewan, and process 50 per cent of Saskatchewan's pulse crops here in the province.

As we produce more we will look to export more as well. Saskatchewan's agriculture exports are a significant contributor to the province's economy, with \$12.9 billion in agri-food exports in 2019. To meet our goal of 20 billion in annual agri-food exports by 2030, we will continue to focus on increasing market access for Saskatchewan products.

To support this work our government has undertaken trade missions to important export destinations. In the past year I visited Mexico, India, the United Arab Emirates, and Bangladesh to advocate for Saskatchewan agri-food products. These destinations are priority markets for Saskatchewan and they represent some of our largest trading partners. Exports are built on strong personal relationships and we need to foster our trade relationships in order to achieve our international export goals. Trade missions give our province the opportunity to advocate for a transparent, predictable, and rules-based international trading system. Each of our recent missions helped position Saskatchewan as a reliable, trusted, and quality supplier of food, feed, and ingredients.

To help continue to position agriculture for success, there is a strong support for producers and agribusiness in the 2020-21 budget. The overall 363.9 million agriculture budget is a slight decrease from 2019-20. The decrease is due in part to lower business risk management expenses projected for the 2020-21 year. This is largely due to a decrease in crop insurance premiums and projected AgriStability costs. It is important to note that the business risk management spending is governed by the federal-provincial agreements and the amount that we spend in any one year is impacted by commodity prices and program participation.

The initial budget numbers for AgriStability are based on forecasts from the federal government. As a government we are committed to helping producers manage risks through a suite of effective business risk management programs. Business risk management is a major component of the agriculture budget.

We remain committed to fully fund business risk management programs. Approximately 244 million will go towards the business risk management programs offered through the

Canadian Agricultural Partnership, or CAP, agreement including crop insurance, AgriStability, AgriInvest, and the western livestock crop insurance program.

The budget will also continue 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; environment sustainability and climate change.

CAP is a five-year \$388 million investment in strategic initiatives by the federal and provincial governments. Agriculture research funded through CAP will see an increased investment of \$1 million to 32.9 million to support research that benefits Saskatchewan producers and agriculture industry.

We are also committed to ensuring future federal-provincial agriculture policy frameworks continue to reflect the needs of Saskatchewan producers. In order to better prepare producers for challenging conditions, we recognize there is interest in further changes to AgriStability. Beyond the changes made for the 2020 growing season to remove the disincentive against private insurance, we will continue to work with our federal-provincial-territorial colleagues to examine what can be done to respond to these requests.

In response to the circumstances around COVID-19, the government introduced a number of measures to support producers including the extension of the AgriStability enrolment deadline from April 30th to July 3rd.

As I mentioned earlier, we announced additional funding to support the livestock producers dealing with the impacts of COVID-19. This funding includes the 5 million for the national AgriRecovery set-aside program and 5 million for the Western livestock price insurance program premium rebate.

The 2020 AgriStability interim benefit payment percentage has also been increased from 50 per cent to 75 per cent for Saskatchewan producers. Additionally the western provinces agreed to extend the sign-up date for the western livestock price insurance program, the calf insurance policies, to June 18th, 2020.

The deadline to enrol in crop insurance was also extended without penalty to April 13, 2020. This year the average crop insurance coverage is the second highest in the history of the program at \$224 per acre, only slightly decreasing from the \$230 per acre in 2019. The average per-acre coverage is determined based on prices set by the federal government. Crop insurance customers will pay an average premium of \$7.40 per acre, down from the \$8.61 in 2019. This represents a 14 per cent decrease in the average premium producers will pay compared to 2019.

Changes to crop insurance introduced for the 2020 year will help ensure the program is meeting the risk management needs of our evolving agriculture industry. With this year's program, the insurable region for soybeans is expanding to the entire province. Soybeans have become a successful crop here in the province of Saskatchewan. Since first insuring soybeans in 2010, Saskatchewan Crop Insurance Corporation now has several years of customer production information with this crop. Crop

insurance coverage for soybean producers will now be based on the producer's personal yield history instead of the regional averages. Their experience discount or surcharge will apply to the premiums for soybean crops. Irrigation coverage is also now available for soybean producers.

We are also making changes to benefit the vegetable farmers. The vegetable acreage loss insurance program provides coverage for vegetable growers and market gardens here in the province of Saskatchewan. Saskatchewan Crop Insurance Corporation is changing the insured value of vegetable crops to better reflect production costs. Additionally, to allow for a longer growing season before harvest begins, fall cut-off dates will be extended. Asparagus has also been added as an eligible crop.

Another change is for customers who are looking to return to the crop insurance program. For returning customers, producers now have up to seven years to rejoin the program to continue with their previous premium discount or surcharge and yields. From crop insurance, AgriStability, western livestock price insurance, to the wildlife damage compensation programs, all of our programs work together to provide producers with protection against the unexpected.

As I noted a few minutes ago, the Government of Saskatchewan will also continue to invest 71.2 million in strategic programming through Canadian Agricultural Partnership in the six priority areas that I mentioned earlier. The biggest percentage is going to agriculture research and technology transfer, an area that will see a \$1 million increase as we continue to invest in research that will benefit the producers.

[18:15]

The largest research program is the Agriculture Development Fund, or the ADF. Environmental and climate change programs include the farm and ranch water infrastructure program, the farm stewardship program, and irrigation programming. The risk management areas includes our programs for crops and livestock disease surveillance, and our pest control programs, which are administered by the Saskatchewan Association of Rural Municipalities. Value-added programs include our Saskatchewan lean improvement in manufacturing program and product development, and marketing assistance offered through our product to market program.

Public trust programming includes farm safety programming, ag awareness initiatives, and youth development and leadership programs. This includes the next gen ag mentorship program administered by Canadian Western Agribition. The next gen ag mentorship program pairs young Saskatchewan agriculture professionals and producers with mentors who provide guidance, motivation, and resources to their mentees. In 2020 it was the second year for the ag mentorship program. The program is supported through a \$100,000 commitment made in 2018 by the governments of Canada and Saskatchewan.

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. While COVID-19 has impacted the uptake of some of our CAP programming in the short term, we continue to see strong participation in many of the CAP programs. We are also already

starting to look ahead to the development of the next federal-provincial framework CAP after CAP expires in 2023. We will continue to work closely with industry to ensure the next suite of programs meets the needs of Saskatchewan producers and agribusiness.

This budget also maintains support for industry organizations, with funding for groups that include Ag in the Classroom Saskatchewan, Saskatchewan 4-H Council, and the Regina mobile crisis among others. We value the work of our partner organizations and look forward to continuing our relationship with all of them.

Agriculture will be an integral part of Saskatchewan's future economic success. Supporting our producers remains a priority for this government, and the investments announced in this budget will help ensure that the agriculture sector remains strong. I want to thank you, Madam Chair, and I look forward to the questions.

The Chair: — Thank you, Minister. I'll now open the floor to questions from members, and I'll recognize Mr. Pedersen.

Mr. Pedersen: — Thank you, Madam Chair. Thank you for your remarks, Mr. Minister. In your opening remarks you mentioned several trips internationally there. Were those all of the out-of-province trips that you took as minister in the past year, or were there others?

Hon. Mr. Marit: — Those were the out-of-country trips. There would have been FPT [federal-provincial-territorial], two FPT meetings that I would have went to. One was in Quebec and another one was in Ottawa. That would have been the only other trips.

Mr. Pedersen: — And what's expected in this year for travel in terms of out-of-province?

Hon. Mr. Marit: — We haven't determined those at this time. I can just say that the trips have showed some good discussions with companies from around the world. Yes, sorry. There will be an FPT meeting coming up in October.

Mr. Pedersen: — What's that acronym stand for?

Hon. Mr. Marit: — Federal-provincial-territory ministers. First ministers.

Mr. Pedersen: — For any of the out-of-province trips that you took in the past fiscal year, did you fly first-class or business class on any of those?

Hon. Mr. Marit: — Yes, I did forget one trip, too. The Tri-National was in Winnipeg and we went to that as well.

So on the overseas flights it's government policy that you fly business class when it's over. I think it's — I could stand to be corrected — I think it's nine hours or something like that. And the flights were like 11 to 13 hours. So that's how you fly.

Mr. Pedersen: — How many staff accompanied you on the international trips?

Hon. Mr. Marit: — Two. My deputy minister and my chief of staff.

Mr. Pedersen: — Does the cost of the annual Agribition reception that's held up in the rotunda, does that come out of the Ministry of Agriculture's budget?

Hon. Mr. Marit: — Yes. It comes out of our communication budget.

Mr. Pedersen: — And I'm assuming while you're looking things up you can provide me with the cost of what that was last year?

Mr. Burton: — Rick Burton, deputy minister of Agriculture. We will get that number before we're done. We just don't have it with us right now, but we'll find it.

Mr. Pedersen: — While you're looking up that, or maybe you know, I guess I'm wondering what's the criteria when the ministry selects invitees to that reception?

Mr. Burton: — So the cost for the '19-20 event was \$13,812. And the invitation list is derived from the sponsors list that is supplied to the ministry from Western Canadian Agribition, along with the Canadian Western Agribition's current board of directors, current and past presidents, long-time sponsors, members of the Canadian Western Agribition's next generation agriculture mentorship program, and some industry stakeholders.

Mr. Pedersen: — Correct me if I'm wrong, but are there not also a number of members of the Legislative Assembly who are invited to that reception?

Mr. Burton: — Yes, members are invited.

Mr. Pedersen: — So perhaps you could explain to me by what rationale members of the opposition are not invited to that reception and are in fact told to leave that reception.

Hon. Mr. Marit: — I'm totally unaware of this. I didn't know that. If you can refer to me who asked you to leave. I know it sure wasn't me, and I don't know who told you that.

Mr. Pedersen: — That would have been Dan D'Autremont.

Hon. Mr. Marit: — Well I mean that's . . . That was him, I guess. It sure wasn't me.

Mr. Pedersen: — Does the ministry pay for any additional receptions of a similar nature for other groups during the year out of its communications budget?

Mr. Burton: — No. The Agribition sponsors the only one we pay for the reception on. Of course, we do sponsor other events and, you know, how those funds are used are held by the events coordinating group.

[18:30]

Mr. Pedersen: — Does the ministry accept that climate change is impacting Saskatchewan farmers right now?

Hon. Mr. Marit: — Yes, we do.

Mr. Pedersen: — Can you tell me what the ministry is doing to help farmers deal with the effects of climate change?

Hon. Mr. Marit: — Thank you. There's a number of things, so I will read the points that we have here for it. Obviously we've invested in programs, extension efforts, and research and development to help our agriculture sector in addressing climate change. The ministry's Agriculture Development Fund has invested over \$15 million in climate change mitigation research between the year 2000 and 2019.

In co-operation with Fertilizer Canada, the ministry in 2019 invested roughly \$116,000 to demonstrate the 4R [right source at right rate, right time, right place] practices at seven Agri-ARM [agriculture-applied research management] sites across Saskatchewan.

The Canadian Agricultural Partnership or CAP farm stewardship program provides funding for two beneficial management practices — precision agriculture and seeding marginal land to grass — that introduce greenhouse gas emissions. From April 1st of 2018, the start of CAP, to March 31st of 2020, about \$1.86 million has been paid out to producers.

Since the beginning of CAP, April 1st, 2018 to March 31st of 2020, 1.19 million has been paid to producers to develop 3,146 acres of irrigation. Irrigation helps to increase producers' resilience to drought. Under CAP, the ministry is proposing to spend \$4 million per year on wells, dugouts, and pipelines through the farm and ranch water infrastructure program. From April 1st, 2018 to the start of CAP, to March 31st of 2020, 8.4 million has been paid out under this program. The province, led by the Ministry of Environment, is currently developing an offset program with potential implementation in 2021. The proposed offset system will provide an opportunity for Saskatchewan producers to earn credits for the agriculture practices they are using to reduce greenhouse gas emissions.

In contrast, the carbon tax will reduce the profitability of Saskatchewan farmers and make our producers less competitive. The carbon tax on propane and natural gas has meant additional costs to producers who are already enduring significant financial stress during the wet fall of 2019. The province always raised the issue of the carbon tax on grain drying with my federal counterpart and stressed the need to relieve on the escalating grain drying costs to our producers. Those are the initiatives that we have taken.

Mr. Pedersen: — So thank you for that list. As I was listening to it, the only one that really seems to result in an impact for individual producers, on an individual impact that they're experiencing, is the irrigation one.

Now the one he didn't mention — but I think you'd agree with me that it does factor in there — is crop insurance. And obviously crop insurance covers a number of weather-related events, and weather factors into climate change. Is there anything other than crop insurance to help compensate producers for climate change-related costs, from a weather-related cost from a changing climate? Or is it just crop insurance?

Hon. Mr. Marit: — Well really, I think all the business risk management programs look after that. Whether it's AgStability,

AgriInvest, they all have components and drivers in on that, on the climate change side.

Mr. Pedersen: — AgriRecovery, if I'm not mistaken, is kind of meant for natural disasters and so on. Does that include weather-related events?

Mr. Burton: — It's probably clearest if I just give you some of the wording that's on the federal website. The focus of AgriRecovery is to cover the extraordinary costs producers must take on the recovery from a disaster, so:

Extraordinary costs are costs which the producer would not incur under normal circumstances, but which are necessary to mitigate the impacts of a disaster and/or resume farming operations as quickly as possible following a disaster. Further, AgriRecovery is intended to respond to situations where producers do not have the capacity to cover the extraordinary costs, even with the assistance available from other programs.

Mr. Pedersen: — So does weather constitute a disaster?

Mr. Burton: — Yes it does, but the last part was pretty important in that if there is other programs that cover the loss, then AgriRecovery is not available under the agreement. And AgriRecovery, there has to be extraordinary costs involved. So it's not just an income loss because there's other programs that cover that. So it is extraordinary costs.

Mr. Pedersen: — So you take, for instance, the extreme rainfall that areas like Lipton had last fall during harvest, I think in some cases exceeding 20 inches of rain. It strikes me that's a pretty extreme weather event, a disaster for those producers. And my understanding is that that loss was not covered by crop insurance because crop insurance doesn't deal with individual fields. So why wouldn't AgriRecovery be triggered for an event like that?

Mr. Jaques: — Hello. Shawn Jaques, president and CEO of Sask Crop Insurance. So the reason what had happened around Lipton area last fall wouldn't be covered is we have existing business risk management programs like crop insurance. We cover for, you know, a loss in yield and loss in quality. So those are losses that are insurable. If producers have a reduced income because of the tough harvest or additional expenses, AgStability is designed to cover that off.

Mr. Pedersen: — So while we're on the topic of AgStability, I notice in the estimates that there's quite a significant reduction expected in the cost of AgriStability. And as I understand the deputy minister of Finance's explanation, that's primarily driven by lower projected participation rates. Is that right?

Mr. Burton: — So the forecast is based on the federal forecast and we will get an updated forecast partway through this year. But it takes into account participation rates and projected prices, and there's a model of projected prices and production, and that determines the forecast for each province.

Mr. Pedersen: — So what's the biggest factor driving the 44 per cent decrease in AgriStability costs this year?

The Chair: — Minister Marit, you are welcome to bring any

official in to the mike and they can leave again afterwards. So feel free to use the mike with your officials.

Mr. Jaques: — Shawn Jaques, Sask Crop Insurance. So when the federal government works on these estimates, they would factor for 2020. They would base it on an average year, average prices, and kind of average production. '19 was higher because they were factoring in what they thought would maybe be a larger impact from trade issues. So that's why we get an updated one later in the year once we know what's going on.

Mr. Pedersen: — So my understanding is that at this point fewer than 50 per cent of farmers are actually enrolled in AgriStability. A number of farm groups have called for some changes to AgriStability, particularly asking that the reference margins be increased or eliminated completely. Has the ministry looked at doing that?

[18:45]

Hon. Mr. Marit: — Yes, on the participation rate, the number is actually over 51 per cent of eligible cash receipts of participation in the program. On any changes to a federal program, these discussions are ongoing — they have been since I've been given the privilege to be the Ag minister at the FPT table, to have these discussions about changes — but there's quite a process that has to happen before any changes can happen. First of all, you have to have 7 out of 10 provinces to agree to any changes whatsoever. You can't initiate change on your own. You have to have 7 out of 10 to make changes to the program.

Mr. Pedersen: — My understanding is that some provinces have actually decided to unilaterally make changes. So why can they do that and Saskatchewan not?

Hon. Mr. Marit: — They can do it but only on their participation level, not on the federal participation at all. So only on theirs.

Mr. Pedersen: — Okay. So has the ministry looked at doing that for Saskatchewan?

Hon. Mr. Marit: — Well first and foremost we really do respect the process of working with our counterparts across the country for changes that we, you know, do want or make or that are being looked at. The other part of it is, quite frankly, the provinces that have made changes, the agriculture industry is a very small portion of their, you know, population or tax base or whatever you want to call it. Here in the province of Saskatchewan, it's a huge portion for us. So when over 40 per cent of the arable land in all of Canada is in this province, changes like that are significant.

Mr. Pedersen: — As I recall I think it was at the APAS [Agricultural Producers Association of Saskatchewan] convention in December, you made comments similar to that effect and I think you had some numbers, you know, talking about how much it would cost the provincial treasury if the province was to do that. Am I correct in characterizing it that way?

Hon. Mr. Marit: — You're right, I did. I know to remove the reference margin limit, which a lot of the industry is asking for, would cost the province of Saskatchewan in the neighbourhood

of \$20 million, which is significant compared to other jurisdictions by far.

Mr. Pedersen: — When did that calculation of the number 20 million, when was that done?

Hon. Mr. Marit: — It was late last fall, and some of the preliminary numbers were given to us by the federal government.

Mr. Pedersen: — And that would just be the province's share?

Hon. Mr. Marit: — Yes.

Mr. Pedersen: — So would that be to remove the reference margin completely or just to bump it up to, I think it was the pre-2013 amount which was I think 70 or 75 per cent?

Mr. Burton: — So it's commonly referred to as the reference margin limiting factor. Under the program, the coverage is limited by your historical expenses or the Olympic average of your previous five years. And so the reference margin limiting piece, it limits to the lower of the two. That came into place originally in 2013. And then there was some adjustment to limit that a little bit to 70 per cent of your historical margin. And so that would eliminate the reference margin limiting piece or the factor where you're looking at historical expenses. You would just go back to your traditional Olympic average from the last five years.

Mr. Pedersen: — I kind of got off my train of thought there once we hit AgriStability, so I want to go back to climate change. Does the ministry have calculations for how much CO₂ equivalent tonnes are emitted by agriculture, or would that be Ministry of Environment that has that?

Mr. Johnson: — Good evening. Paul Johnson, assistant deputy minister. Thank you for the question. Yes, we do have carbon sequestration numbers and emissions for the agriculture sector in Saskatchewan. In the latest report, which I believe was 2018, agriculture sequesters 9.8 million metric tons of carbon in our agricultural practices. And on the emissions side, for crops it's about 11.3 million metric tons and for livestock it's about 6.1 million metric tons.

Mr. Pedersen: — So in other words we are a net emitter not sequesterer.

Mr. Johnson: — So what is missing from those numbers is the native or prairie grass sequestration numbers. It's not included in those calculations and we don't have the number for the sequestration for native or prairie grass. We know that it's much larger than the net difference. So if you add that into the calculation, agriculture generally sequesters more carbon than it emits.

Mr. Pedersen: — Does the ministry do those calculations on an annual basis?

Mr. Johnson: — So the Ministry of Agriculture doesn't do those calculations. Those are done by Environment and Climate Change Canada. We take the numbers from Environment and Climate Change Canada national inventory report, which I believe is done every two years.

Mr. Pedersen: — And those are public numbers?

Mr. Johnson: — Yes, I believe they are publicly available.

Mr. Pedersen: — Does the ministry have targets and projections for what CO₂ equivalent emissions from agriculture would be for 2030?

Mr. Johnson: — No, the ministry does not have a target on sequestration or emissions out to 2030.

Mr. Pedersen: — I'm assuming you'd agree with me that what matters most to a farmer is the amount of money going out and/or the return he or she is getting for that money, or what value they get back and not necessarily what political agenda might be attached to that expense. In other words it's the amount, not the reason. It doesn't matter whether the farmer is, say, buying diesel fuel from the Co-op or the Petro-Can. What matters is how much it costs and what quality the diesel fuel is. I'm assuming you'd agree with me on that.

Hon. Mr. Marit: — I'm not sure I understand the question.

Mr. Pedersen: — Well let's talk about carbon tax. If a farmer is paying an extra thousand dollars in carbon tax, does it matter whether it's carbon tax or an extra thousand dollars on something else that doesn't bring a return back to the farm? Is it the amount that matters or is it the political agenda or connotation attached to that?

Hon. Mr. Marit: — There's one thing I want to be clear on on the carbon tax for the farming community. For one thing, they've got no place to pass that on to at all. And they don't see it as an expense that they can utilize. You're right. A litre of diesel fuel, regardless of where it comes from, that's the price they have to pay. They have to pay. But when you stack a carbon tax on it, where they see no benefit of any kind, and as I said in my opening comment, it's a cost that is borne by the farmer that is not borne by anybody else.

Mr. Pedersen: — So I believe you mentioned in your remarks that you have asked the federal government to exempt the farmers from the carbon tax on grain drying. Is that right?

Hon. Mr. Marit: — That's correct, yes.

Mr. Pedersen: — When did you ask that?

Hon. Mr. Marit: — We have stated that numerous times to the minister. There's letters. But every time we have a face-to-face or a telephone call, we always refer to the carbon tax and the unfairness of it and that grain drying should be brought in as an eligible expense for the farming community. As an eligible expense for farming, it should be exempt.

Mr. Pedersen: — Has the ministry . . . or I guess that would fall to you. I'm assuming you'd be the person making that request, or would that be one of your officials?

Hon. Mr. Marit: — That would be a letter signed by me or a discussion that I would have face to face with the minister.

Mr. Pedersen: — So have you asked the federal government to exempt farmers from the carbon price on electricity, on natural gas, and propane before last fall?

Hon. Mr. Marit: — Well I think we've always stated the position that the carbon tax . . . There shouldn't be any carbon tax on anything, so it would . . . I think that it falls on us as all the ministry levels that we've raised it. Regardless if it's agriculture, whatever, we've said the carbon tax is unfair and it shouldn't be there. And it doesn't solve the problems of what we're trying to achieve here, and that's why we have our Prairie Resilience plan.

Mr. Pedersen: — I appreciate your position is that there shouldn't be a carbon tax, but have you specifically asked the federal government for an exemption of carbon tax on the electricity, natural gas, propane, and other fuels that farmers might use?

Hon. Mr. Marit: — Forgive me, I'm going to have to put my glasses on for this one because I think it's important to be said and to be put on record.

This was dated October 23rd, 2018. This is a response to the federal announcement of the carbon tax by then Environment Minister Duncan, which I just lost here now, so where did it go . . . Here it is:

That doesn't include if I have to hire somebody . . . [talking about the carbon tax on farm fuel] . . . it doesn't talk about if I have to hire somebody to haul my grain. My grain hauler is going to pay the carbon tax on his fuel which he's going to pass on to the farmer. That doesn't include the railroads that are going to pay a carbon tax and pass it on to the farmer. It doesn't include a fertilizer production and transportation which the fertilizer companies are going to pass it on to the farmer. And it doesn't include the cost of natural gas to dry my grain, especially in a year like this year when we have a lot of farmers that are still with crops out and need to dry their grain.

So I think that sums it all up when that statement was made.

Mr. Pedersen: — So that was a statement by Minister Duncan, a public statement?

Hon. Mr. Marit: — Yes.

Mr. Pedersen: — Okay. So again, the question is, did you make a request to the federal government to exempt those types of expenses — the carbon tax on electricity, the carbon tax on natural gas?

Hon. Mr. Marit: — Well I think Minister Duncan has said it all. When they exempted farm fuel, they just exempted it at bulk fuel. In fact if you remember right, when they first exempted it, they didn't exempt cardlock fuel which was obviously a huge challenge for the farmers as well. That's all they were exempting. The challenge we had with it is that they weren't exempting anything else. And I think if the Environment minister makes a strong statement like that, that's the right person it should be coming from.

Mr. Pedersen: — Was that a statement that he made to the

federal government or was that just a press release?

Hon. Mr. Marit: — He made that statement in a press conference. And I'm trying to find the first communication that we made to the federal Ag minister as well.

Mr. Pedersen: — The federal government said the price on carbon would be revenue neutral to the provinces, and that all monies collected from a province would be returned to that province. That's your understanding as well, I'm assuming?

Hon. Mr. Marit: — Well I think you know our position on the carbon tax, and obviously we're still in that court challenge at the Supreme Court and confident that we're going to win that. Obviously the carbon tax, as we've always said, is very unfair on certain sectors in this province, and obviously it has a negative impact that way. So we have never supported the carbon tax, won't support the carbon tax, and to say that we would ever agree that it's revenue neutral is really not a fair statement.

Mr. Pedersen: — So you disagree that it was revenue neutral to the federal government?

Hon. Mr. Marit: — I think that regardless of whether it's revenue neutral or not isn't the question. What I am saying is the impact it has on the ag sector and the community here. I think if you want to talk about the carbon tax and revenue neutral or whatever thoughts you have, I think those are best directed to the Minister of Environment.

Mr. Pedersen: — Yes, and I think we can agree that the carbon tax is a particular hardship for the agriculture sector because they can't pass it on. So the provincial government worked with a number of heavy emitters in the province: fertilizer sector, mines, among others, refineries. Why didn't the provincial government come up with a carbon pricing plan to make sure that any carbon price paid by farmers got returned to farmers?

Hon. Mr. Marit: — I think that's a question that's better asked by the Minister of Environment. And I'll leave it at that.

Mr. Pedersen: — Isn't it your job to advocate for the farmers of this province?

Hon. Mr. Marit: — Well first I want to . . . I guess I'm a little concerned on your comment about advocating for the farmers. I pride myself on being a farmer all my life and advocating for the agriculture sector for many, many years and still have the privilege of holding this position.

With that in mind, I've been a very strong advocate for the agriculture industry in this province. I think this government has been a very strong advocate for agriculture in this province, as reflected in our programs and where we feel agriculture is and the importance of it in this province. To say that I'm not an advocate, I guess I take exception to that in the highest regard.

We will continue to work with our sectors. We are always engaged and I can tell you that virtually every sector in this province in the ag industry is very supportive of our position on the carbon tax and are very proud of what we've done in taking a stand against it, against the federal government on this issue. So any other concerns on the climate change piece and carbon

credits I think are best answered by the Ministry of Environment in estimates there.

Mr. Pedersen: — So basically you're saying that you're betting the farm on the carbon tax case at the Supreme Court. I guess my question is, if you lose that case, at that time will you come up with a carbon pricing plan that returns to farmers all the carbon pricing dollars that they pay?

Hon. Mr. Marit: — Well I had a very short answer for your question, and I'm just going to say this: we're not going to lose . . . [inaudible interjection] . . . I'm glad you think it's funny.

Mr. Pedersen: — I just want to say, I do recognize that you are a strong advocate for the farmers of this province, and that wasn't at all what I was suggesting.

In the June estimates under regional services, there was a \$5 million amount taken out from what was originally put out in March. What was that \$5 million for?

[19:15]

Mr. Burton: — The 5 million that you're referring to, that in the original estimates was related to irrigation expansion work that we're going to undertake. The province is still allocating that money for irrigation development, some of the engineering work and pre-construction work that needs to be done for irrigation expansion in this province. The money is now profiled under the Water Security Agency's budget.

Mr. Pedersen: — In the Estimates, page 28, the minister's salary I notice is going up by 1,000. I gather that's a statutory increase.

Mr. Burton: — Yes.

Mr. Pedersen: — I know it's small potatoes in the grand scheme of things, but I guess it strikes me as odd, that in a year when we're facing a \$2.4 billion deficit, that ministers would get a 2 per cent raise. Do you care to comment on that?

Hon. Mr. Marit: — I'm going to read a comment. Through the Board of Internal Economy, which the opposition sit on that board as well, MLAs [Member of the Legislative Assembly] received a 1.7 per cent increase as of April 1st, 2020. So everybody got it.

Mr. Pedersen: — Page 29 of the Estimates under policy, trade and value-added, there's a \$438,000 increase in the salary expense for this fiscal. Does that represent pay raises to existing positions or are there additional positions being added?

Mr. Burton: — So the majority of those funds have to do with the reallocation of moving some positions from a different subvote in the ministry over to that one. And so we moved our GIS [geographic information system] staff over to the policy branch that weren't originally there. Some of the increase that you mentioned is in relation to the standard salary increases negotiated as part of the SGEU [Saskatchewan Government and General Employees' Union] settlements.

Mr. Pedersen: — What subvote were those positions in before?

Mr. Burton: — So those positions that I referred to that moved were actually in (01). When you look that, the salaries in that subvote didn't go down because some other positions moved in there from other . . . There was a number of reallocation of full-time equivalent positions and so salaries were moved around from a number of different subvotes. So if you look at the subvote salary sections, you'll see that the salaries in regional services subvote and the program subvote has gone down. But there was a number of moves throughout the ministry, and that's where it all netted out.

Mr. Pedersen: — So was it just shuffling around existing positions, or were there positions added or positions lost on a net basis?

Mr. Burton: — So overall this year we have 331 FTEs [full-time equivalent], which is down 24.3 positions from the previous year. And that is directly related to last year was the last year of the transition of the Saskatchewan pastures program.

Mr. Pedersen: — So all those positions that were lost were related to that program?

Mr. Burton: — Correct.

Mr. Pedersen: — Is Minister of Agriculture the responsible ministry for *The Saskatchewan Farm Security Act*?

Mr. Burton: — Yes, we are.

Mr. Pedersen: — So what programs does the ministry have to police and enforce people owning land who are not in compliance with the farm security Act requirements?

Mr. Johnson: — Paul Johnson again. Yes, the farm land ownership provisions are within the Ministry of Agriculture and are governed by the Farm Land Security Board for land transactions. There is a statutory declaration that's part of the process that helps the staff determine that they're eligible for purchasing land in Saskatchewan, they meet the eligibility for ownership requirements. So that's the process that we use.

Mr. Pedersen: — So you basically take buyers at their word?

Mr. Johnson: — So yes, the statutory declaration is part of the transaction process when a land transaction takes place. When we have cause to believe that something's been falsified on the statutory declaration in terms of ownership eligibility, the Farm Land Security Board does have power and resources to do further investigation to confirm ownership.

Mr. Pedersen: — What powers does the Farm Land Security Board have to do that? And perhaps I could just clarify the question. Does the board have the power to subpoena records? Does the board have the power to call witnesses? Does the board have the power to obtain records from third parties? Does the board have any budget allocated to investigation and enforcement?

Mr. Johnson: — Okay, we don't have the Act in front of us. But the short answer is yes, that the Farm Land Security Board does have the powers, as you mentioned, for subpoena, for calling witnesses, for obtaining records, for doing what they need to do

to complete their investigation.

The second part of your question was on resources. And yes, there are resources allocated to the Farm Land Security Board. I believe it's about zero five that provide the necessary resources for Farm Land Security Board to do the proper investigations. I think it's safe to conclude that there hasn't, we have not ever run out of resources that we could allocate to that purpose for investigations.

Mr. Pedersen: — Why did the ministry, through the Farm Land Security Board, take the details of the identity of buyers and sellers out of the farm land sales database? I guess I know the short answer, which is privacy reasons. But that's all a matter of public record already, so there's not really much expectation of privacy when it's a public record already. So I guess I'm looking for a more nuanced answer than just privacy.

[19:30]

Mr. Johnson: — Okay. Yes, the Ministry of Agriculture did remove the names of the vendor and the seller of the farm land, as you're aware, from the comparable land sales database, in large part because of privacy concerns. It's not the Ministry of Agriculture's data. It's data that's owned by Information Services of Saskatchewan, so we took it off. We reinstated it, I'm sure you're aware, as we do a further review in coordination and conjunction with the Ministry of Justice to ensure that we can continue to provide the information that's valued and needed by the users.

Mr. Pedersen: — I'm sure you've heard that there's some unrest relating to matters of racial discrimination lately, lots of allegations surrounding police in particular. I'm sure you've heard of that, right? I'll skip right to the question. What is the ministry's plan to address systemic discrimination within the ministry?

The Chair: — Mr. Pedersen, I'm wondering if there's something in our estimates that you are tying that to.

Mr. Pedersen: — Well first of all I have to find out if there is a plan so that I can find out where it is in the estimates.

The Chair: — Well, we are on agriculture estimates this evening, and I'm not sure the topic you have just chosen to interject into these ags has anything to do with the estimates that are before us.

Mr. Pedersen: — Sorry, is it the Chair's position that the government shouldn't have a plan to address this kind of discrimination and racism in every ministry?

The Chair: — No, I'm just asking if it's tied into some specific area of estimates this evening that you are asking this question.

Mr. Pedersen: — That's what I'm trying to find out.

The Chair: — But that's not within the estimates, the topic that you're asking.

Mr. Pedersen: — How do I know?

The Chair: — Well, you know because the estimates were there before you for you to ask questions on.

Mr. Pedersen: — The estimates don't say anything about a plan for systemic . . .

The Chair: — And that's why I'm asking you if your question is tied into something within the estimates.

Mr. Pedersen: — Well that's what I'm trying to find out.

The Chair: — Minister.

Mr. Burton: — In relation to the ministry's operations, I'll try and address it that way. We do take this very seriously, this issue. We have a diversity and inclusion committee in the ministry that has a work plan related to diversity and inclusion. It's much similar to many other ministries that would have that. We also have this last year hired a senior Indigenous adviser to help ensure that our programs and services are fair and marketed in a way that First Nations and Indigenous people can access them. So as I say, I think we do take it very seriously. We have some processes in place to ensure that we're all getting better.

Mr. Pedersen: — Thank you. Does the ministry track how many of its employees identify as a visible minority or some other disadvantaged group?

Mr. Burton: — So yes, we do track them. They're put together by the Public Service Commission, but they are broken down by ministry. We don't have them with us tonight.

Mr. Pedersen: — Is there actually an ascertainable cost that the ministry allocates to its plan there, or is it just part of existing employees' job duties to make sure that that's, you know . . .

Mr. Burton: — So the work of the diversity and inclusion committee is done by employees from a number of branches across the ministry. So that would be part of their job, putting the plan together. If there's costs for events or activities within the ministry, we would find those centrally. We don't have a budgeted number that would come out of our corporate services branch. Of course, there is a cost directly related to the salary and operation cost of a senior Indigenous advisor.

Mr. Pedersen: — I know that we don't have any of the big meat packers in the province so it's a little bit outside of the ministry's purview to do anything in terms of regulating a packer outside of the province. But to use beef for instance, where we've got two packers nationally that control something like 80 per cent of the market, there's long been a concern identified that those packers can basically manipulate prices and basically squeeze every last dollar that they can out of the beef sector. I guess I'm wondering, of the funds that you announced here recently, support for the livestock sector, what measures did you look at to make sure that that support was actually going to stay with beef producers and not just end up in the pockets of packers?

Hon. Mr. Marit: — On the set-aside program that we've allocated the \$5 million, I am very proud to say that we structured a committee made up of the industry players, along with some crop insurance, livestock people as well, including . . . and Paul is on there as well. And I think what we really . . . They set the

criteria out on who would qualify and how it would work out, and it's been received very well. And obviously the one component of it that I think really nullifies your concern is that cattle owned by the packers will not qualify for the set-aside program.

Mr. Pedersen: — So is there any mechanism to prevent packers from changing, manipulating the price that they would pay to producers of livestock that are not packer owned?

Hon. Mr. Marit: — There's a few comments I want to make here. First, and I said it on the outset with the steering committee that we structured now, we're very close to unveiling the . . . roll out that program and things like that. But the other thing that has to be stated is the packers won't know where the cattle are coming from. So they'll bid on them. Obviously beef prices are high and the demand for it is high, so the packers will be bidding for the cattle, but they won't know where they're coming from. So it's really out of their . . . You know, to say that they can manipulate under this program and the way it's designed, by the experts within the industry that we have put on this committee, I think they've mitigated all chances of this program being manipulated at all.

Mr. Pedersen: — I'm kind of getting the sense that you don't actually think that price manipulation by the packers is a problem, is that fair to say?

Hon. Mr. Marit: — No, what I'm saying is, is that the packers won't know where the cattle are coming from. They'll bid on the price and the feedlots will fill the bids, but the packers will not know where the cattle are coming from.

Mr. Pedersen: — So if the packers are . . . I mean obviously if they don't know where they're coming from and they just lower the price they're paying by \$20 a head across the board, they've done exactly what they need to do. They don't need to know where the cattle are coming from to manipulate the price. They just need to agree that they're going to pay less per head and increase their margin.

Hon. Mr. Marit: — You know, I think really the demand is going to set the price. And I think the other thing is with the set-aside program, what this really helps with the cattle operations is they can now make that business decision if they're going to sell them at the 20 loss or if they're going to hold them and still qualify on the set-aside until the price . . . until they get what they feel is comfortable where they should be. So I think that obviously it's a good program that's been designed and obviously to protect the livestock industry.

Mr. Pedersen: — I don't think there's any doubt that the program itself is very important. You talked about the importance of our native grass a while back, at least when it came to carbon emissions and sequestration. Is there any plan to protect the small amount of native grass that we have left in the province from cultivation?

[19:45]

Mr. Hoehn: — Hi. Wally Hoehn, executive director, Ministry of Agriculture lands branch. We have a couple things to protect the prairie land that we look after. First and foremost, if it is

becoming saleable, we will only sell it with a Crown conservation easement that precludes any breaking or development on that property. Secondly, in our current policy, it specifically prohibits any native prairie to be broken.

Mr. Pedersen: — I gather from your answer you're talking about provincially owned native grass?

Mr. Hoehn: — Correct, yes.

Mr. Pedersen: — What about privately owned native grass?

Mr. Johnson: — Paul Johnson again. Of course the Ministry of Agriculture is the caretaker of the provincial agricultural Crown lands, and we have programs in place as Wally's mentioned. For the non-Crown land, it would be managed by the Ministry of Environment, and we work in close collaboration and we're working in close collaboration on protection of the native prairie with the Ministry of Environment.

Mr. Pedersen: — When you say you're working in close collaboration, are you saying there are discussions that are taking place to protect privately owned native grass from cultivation?

Hon. Mr. Marit: — I just want to say at the start — and I've said it publicly before and I'll say it here on record as well — that one thing this government truly believes is that the best stewards of the land are the farmers and ranchers. They are by far the best stewards, and we haven't seen any signs of native prairie being broke up.

Obviously we've seen land that was broke one time and seeded back to grass, and then farmers have made the decision whether to break it again. But that's not native prairie. That has been seeded back for forage and then rebroke again for whatever reasons. But as I said, we haven't seen anything and, you know, we just believe that the farmers and ranchers are the best stewards of the land. And it's proving itself leaps and bounds.

Mr. Pedersen: — There's a — I'm not sure what you'd call him — a naturalist who's written a fair bit about native prairie in the province here and has documented quite a bit of loss of native prairie to cultivation. So when you say you're not seeing it as a problem, are you actually tracking? Do you actually measure on an annual basis how many acres of native grass there are?

Mr. Johnson: — Yes, some of the work that Wally my colleague has referenced is quite dated. And you know, we recognize that there has been some native prairie or permanent cover that has been broken. And right now the target of permanent cover is 19.93 million acres in Saskatchewan, and that's in the *Prairie Resilience* report.

What we do in the Ministry of Agriculture is we have funding for beneficial management practices, BMPs, under the farm stewardship program for permanent forage BMPs. And these are fairly high: 90 per cent cost-share funding for permanent native forage, and 50 per cent cost-share funding for permanent tame forage, and a 50 per cent cost-share funding for native rangeland grazing. So we try and incent producers that are not necessarily on Crown land to maintain that permanent cover.

Mr. Pedersen: — There was a number of land transfers or

exchanges that happened between the Ministry of Environment and the Ministry of Agriculture. Could you tell me what that was about?

Mr. Hoehn: — Part of our initiative in terms of rangeland management is to really make sure that the right portfolio of lands are with the right ministry. So over the last one and a half to two years, we've looked at our portfolio. And we are just in the process or have transferred approximately 80,000 acres that really had no significant agricultural value. Most of it would have been in the northern part of the province, would have been solid bush. And in turn Ministry of Environment, I think, transferred . . . I don't know the exact acreage, but they had a number of acres that were being cultivated or were being actively used for agricultural purposes. So it was the same thing. And I believe that 80,000 acres is going to be moved over into the Fish and Wildlife Development Fund.

Mr. Pedersen: — Sorry, did you say 80 acres?

Mr. Hoehn: — 80,000 from agriculture and about a thousand or less from . . . [inaudible].

Mr. Pedersen: — So this year we're looking at a pretty massive deficit globally — 2.4 billion. And the estimates for the ministry between March and June haven't changed much. But at some point, you know, we as a province are going to have to make up that deficit. So what do you expect the ministry budget will look like next year? What is most likely to get cut?

Hon. Mr. Marit: — Quite frankly, I'm worried about this year's budget and making sure . . . I'm not going to even speculate on what's coming next year.

Mr. Pedersen: — [Inaudible] . . . cuts?

Hon. Mr. Marit: — No comment.

Mr. Pedersen: — With the challenges in the livestock industry during COVID, one of the problems noted by many people was the past amount of consolidation in the packing industry. Does the government have any plans to support or get the packing plant in Moose Jaw going again?

Hon. Mr. Marit: — Well I just had to check with my colleagues to see if I could say it or not, and I can. So we're very proud to announce that it won't be a beef plant; it's going to be a pork plant. And it has been bought up and the company that has bought it is looking at how they're going to remodel that and restructure it, but it will be a pork plant.

Mr. Pedersen: — So I guess that means it won't be a beef plant then. Okay. Any plans to support any initiatives for a beef plant in Saskatchewan?

Hon. Mr. Marit: — I think that's a question that has quite a few moving pieces to it. And obviously before there's, you know, that type of interest in a facility you've got to build your beef herd up. And that's obviously a primary focus for us is building the cattle industry up.

I really believe in, and I'm very proud of the fact that what this government has done is put the incentives in place for

value-added processing and opportunities for the private sector to come in and look at it. I think the business model has to show that it makes sense to invest in a beef packing plant in the province. And I'm sure we welcome all those opportunities and, as I said, I think we've got the right incentives in place on the processing. But the primary focus right now is building that livestock industry here in the province as the cow capital.

Mr. Pedersen: — What programs does the ministry have to help farmers increase their margin so that, in a marketplace that's dominated by international oligopolies, the farmers can actually keep more from what they produce?

Hon. Mr. Marit: — Thank you. And the reason I wanted to consult with my team is, really, there's a lot of things I think that we're doing right that really can add to your question about how we, you know, get a higher value back to the farm gate and to the primary producer, whether it's crops or whether it's livestock. And I think it's all important and it's relevant.

[20:00]

Obviously one of the things we have done is increase the research, which has obviously had some significant improvements on crops and that side of it. But one thing we're very proud of that we've brought here, and I've had the privilege of being there, was the Livestock and Forage Centre of Excellence that is outside of Saskatoon. And talking to the doctors there that came to this province from other jurisdictions around the world, because there isn't another one like it around the world that looks at, from the cow-calf-to-finishing and all aspects of it, forage and everything. So I think it's important to know what we have done to attract this type of intelligence to come to this province and do that type of research.

It's the same thing on the crop side. We're attracting scientists and plant specialists from around the world because of the opportunity for research that we're doing at the U of S [University of Saskatchewan] and the Crop Development Centre.

So I think we've done a great job on the value-added programs that gives opportunity for individuals to start their own business and do things. We have a family friend that started her own mustard industry, and I mean it's amazing what she has done in processing Saskatchewan-grown mustard and selling it not only in this province but across Canada. So I think, you know, I think we've done everything right. I think, you know, we've got a very efficient regulatory environment. I think it's important for us to say that.

And I look at the livestock side and with premises ID [identification] and things like that, that gives opportunities for the livestock producer to access some funds that we can do if they're in the program, and obviously with buying equipment for ease of handling of animals and things like that. I think it's important for the public to know that. And obviously we've heard it through this COVID-19, the whole issue about food and where it comes from and how and where it's grown and how it's grown. And that's one thing we've taken a leadership role in, is public trust.

And I think it's important to recognize that too. And I think we recognize that through our business risk management programs

and what we have done. I had the privilege of going to schools here in Regina for Ag in the Classroom. I've had the pleasure of speaking at 4-H and seeing what the youth are doing there.

The opportunity for this side of it on what you're asking on how we can return a higher dollar to the farm gate or to the individuals, I think the programs we're doing in place and listening to the stakeholders and listening to the industry, we have accomplished an awful lot. Thank you.

Mr. Pedersen: — So nothing to address the lack of competition between the big international corporations that dominate agriculture?

Hon. Mr. Marit: — I think from a livestock perspective, your comments I think deserve a response. In my mind, I mean, obviously there's more than just the two beef-packing plants in Alberta. There's more than that. There's others. Yes, they are the bulk of it, but we've also shipped cattle to Ontario. There's a significant amount of cattle that have gone to Ontario through the last few months and also a big market into the United States, which obviously shows the importance of trade agreements.

And I think the opportunities that way are good and I think the Western Canadian Agribition is a good example of that. When you see over 80 countries coming here to do business, to look at the genetics we're doing here, our ranchers and farmers are doing everything right that the rest of the world wants.

The Chair: — Your time is up, sorry. If we're done the time, then we'll be moving on to the next part, so okay. So seeing that there's no further questions, at this point in time the committee adjourns consideration of the estimates and supplementary estimates for the Ministry of Agriculture. And, Minister, I believe you have officials to switch out. Okay, so we'll just take about a three- to five-minute break here just for cleaning purposes, and then we can move on into consideration of Bill 179.

[The committee recessed for a period of time.]

Bill No. 179 — *The Apiaries Amendment Act, 2019*

Clause 1

The Chair: — All right. After a short recess here, we will now move into consideration of Bill 179, *The Apiaries Amendment Act, 2019*. And Minister Marit, if you wouldn't mind beginning with your officials. And reminding anyone that comes in from out of the room or has to speak at the mike to state their name and their position before speaking. And begin with opening remarks as well.

Hon. Mr. Marit: — Thanks, Madam Chair. I really don't have any opening comments. I think I just want to introduce the officials in the room. Once again, I have Amanda Plummer, my chief of staff. Rick Burton is with me, also the deputy minister. Penny McCall is the assistant deputy minister for regulatory and innovation. And Geoff Wilson is here as the provincial apiculture specialist, crops and irrigation branch. So Geoff is the bee whiz. And I'll turn it back to you, Madam Chair.

The Chair: — Great, and I will open the floor for questions from members and recognize Mr. Pedersen.

Mr. Pedersen: — Thank you, Madam Chair. So perhaps you could start with just describing what consultations the ministry did with stakeholders in coming up with the amendments?

Mr. Wilson: — Okay, so we consulted with the Saskatchewan Beekeepers Development Commission through board meetings on basically a monthly basis from 2018 through to early 2019 to discuss the actual changes. We also discussed with the general members at the AGM [annual general meeting] in 2018 at their December conference. That was done at a bear pit, and all members were encouraged to discuss and encouraged to give comments, and after that meeting they were encouraged to write any further concerns.

We also did a repeat in the June 2019 field day, and that was in Shellbrook. And the local bee clubs, Regina & District Bee Club and Saskatoon Bee Club, were not directly consulted, however they sent official people to these meetings as representatives, so their voices were heard through there.

[20:15]

We also discussed the small portion on the making American foulbrood a reportable disease with the SVMA [Saskatchewan Veterinary Medical Association] president. And I forget off the top of my head the time frame of that discussion.

Mr. Pedersen: — Sorry, could you say what that acronym . . .

Mr. Wilson: — Saskatchewan Veterinary Medical Association.

Mr. Pedersen: — Thank you. I see that the Act, and the bill doesn't change this, deals primarily with the Western honeybee, that are an introduced species kept for agriculture. Did the ministry consider expanding the scope of the legislation to manage or protect native bee species in the province?

Mr. Wilson: — No, we did not at this time.

Mr. Pedersen: — This might be beyond the purview of the ministry, I'm not exactly sure, but there have been a lot of concerns raised over, I would say particularly the past decade, with how agricultural chemicals are impacting bee populations. Did the ministry consider introducing any management or regulation of how agricultural chemicals are used to protect apiaries and bee populations?

Mr. Wilson: — The best management regulatory agency is the one that regulates registration of the chemicals for use in agriculture. We don't currently have any real role in that registry.

Mr. Pedersen: — Does the ministry consult with the PMRA [Pest Management Regulatory Agency] on the impact of agricultural chemicals on bee populations?

Ms. McCall: — Hello, I'm Penny McCall, and I'm assistant deputy minister for regulatory and innovation for the Ministry of Agriculture. And to answer that question, yes, we are involved with studies in Saskatchewan on different products that the PMRA does register, and we have communicated any of those results to the PMRA, as do the other provinces. And they do take those results into consideration when they're making their decisions regarding what to register.

Mr. Pedersen: — So just so I understand it, those are provincially funded studies that are being done. Is that what I heard you say?

Ms. McCall: — Yes, correct. Our partners include the Water Security Agency as well as some of the main crop associations, including canola, wheat, and pulses.

Mr. Pedersen: — And are all of those studies concluded? Or they're ongoing research projects?

Ms. McCall: — They are ongoing. We do plan to continue studies in 2020 as well.

Mr. Pedersen: — And are those studies specifically looking at impacts on bees?

Ms. McCall: — It includes water studies primarily, indirectly on bees.

Mr. Pedersen: — Sorry, directly or indirectly?

Ms. McCall: — Indirectly on bees.

Mr. Pedersen: — Indirectly, okay. So when you say water, that makes me think of neonicotinoids, and I can spell that out later for the . . . Are there any research projects looking at, say, fungicides or . . . now I forget the term . . . the adjuvants in chemicals? The non-active ingredients, that is.

Ms. McCall: — When it comes to a registrant preparing a product, they are responsible for preparing the materials to get that product registered. And so, for example, a Bayer would do that and do the research on the adjuvant. They'd be responsible for doing that work. And what we're aware of is there's none of that research on adjuvants in Saskatchewan. However, there has been some research with pesticides being conducted at the University of Regina.

Mr. Pedersen: — Does the ministry consider looking at habitat loss in terms of protecting bee populations at all?

Hon. Mr. Marit: — I just want to make it clear that, you know, what we're talking about here tonight in the Act, that there's no provision on habitat in the current Act.

Mr. Pedersen: — One of the things that the Act empowers is the destruction of colonies. Do you track how many destructions occur on an annual basis if there's an infected colony?

Mr. Wilson: — Yes, we do.

Mr. Pedersen: — And how many other than . . . Do you have the numbers in terms of how many there's been in the last few years?

Mr. Wilson: — Not on the top of my head, but there were five yesterday.

Mr. Pedersen: — And do you track . . . Or have there been any offences or charges laid under the Act? I know there's a provision for charging someone with offences. Has that ever taken place?

Mr. Wilson: — No, we have never charged anybody under the Act.

Mr. Pedersen: — So just out of curiosity, were the five colonies all one producer or multiple locations or multiple producers at risk?

Mr. Wilson: — So the Act does allow me to disclose where the diseases are; however, it's only for bee health purposes, so I'm not sure I can disclose at this time.

Mr. Pedersen: — Well, Minister, I think your officials have done a sweet job, and I don't want to drone on. So it appears that the work that the ministry has done here lays a solid foundation for the beekeeping industry in the province. And I think with that, I don't have any more questions.

The Chair: — Thank you, Mr. Pedersen. Seeing that there are no more questions from members this evening, we'll move on to the bill. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 9 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:
The Apiaries Amendment Act, 2019.

I would now ask a member to move that we report Bill No. 179, *The Apiaries Amendment Act, 2019* without amendment.

Mr. Weekes: — I so move.

The Chair: — Mr. Weekes so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, if you would like to conclude this evening with any closing remarks you might have.

Hon. Mr. Marit: — Thank you, Madam Chair. I just want to thank the committee for our indulgence tonight through estimates, but I also want to take the opportunity to thank my officials. And the work that Rick and his team do for the ministry on behalf of agriculture in the province of Saskatchewan must be noted on record. They are a dedicated team to the agriculture industry here in the province.

In regards to *The Apiaries Act*, I want to thank the member opposite for the questions, but I also want to thank Geoff and the team, really on the consultation process. I did meet with the beekeepers prior to this, and they were very happy that we made these changes and were very supportive of changes to the Act.

[20:30]

So with that, Madam Chair, I will close. But once again I just want to be on record for thanking my team at the ministry for the

work they do and their dedication to agriculture here in the province of Saskatchewan. Thank you, Madam Chair.

The Chair: — You're welcome. Mr. Pedersen, if you have any remarks you'd like to make at this point in time?

Mr. Pedersen: — Thank you, Madam Chair. I'd like to just thank the minister for the work that he does on behalf of the industry in the province. I know that one of the things I've heard over and over again from stakeholders in the province is just how good they think the lines of communication are between the ministry and the industry. And I think it's important to recognize the work that you do and that your officials do. I don't think there's any . . . There's no doubt that there is a very dedicated team in the ministry and it's a close-knit sector within the province that really works together for the betterment of the province. So just want to thank everybody for their work here tonight and appreciate the time.

The Chair: — Thank you. That concludes our business here this evening and I'd ask a member to move a motion of adjournment. Mr. Buckingham has moved that we adjourn. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee now stands adjourned until Thursday, June 18th at 6 o'clock p.m.

[The committee adjourned at 20:31.]