



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Jennifer Bowes, Deputy Chair
Saskatoon University

Mr. Ryan Domotor
Cut Knife-Turtleford

Mr. Ken Francis
Kindersley

Mr. Delbert Kirsch
Batoche

Ms. Alana Ross
Prince Albert Northcote

Mr. Doug Steele
Cypress Hills

[The committee met at 15:29.]

The Chair: — All right. Welcome everyone this afternoon to the Standing Committee on the Economy. I'm Colleen Young and I'll be chairing these meetings this afternoon and into the evening.

We have joining us here this afternoon committee members Ryan Domotor, Ken Francis, Delbert Kirsch, Alana Ross, and sitting in for Doug Steele we have . . . Oh, right. Okay. And sitting in for Jennifer Bowes is Mr. Trent Wotherspoon.

I would like to table the following document: ECO 15-29, Ministry of Energy and Resources: Responses to questions raised at the March 13th, 2023 meeting.

[15:30]

Today the committee will be considering the estimates for the Ministry of Highways and the Ministry of Agriculture, followed by consideration of Bill No. 116.

**General Revenue Fund
Highways
Vote 16**

Subvote (HI01)

The Chair: — We will first consider the estimates for the Ministry of Highways, and we will begin with vote 16, Highways, central management and services, subvote (HI01).

Minister Cockrill is here with his officials. And I would ask that officials when speaking at the mike for the first time to mention their names and their titles. And Hansard will run the mikes for you.

Minister, you can begin by introducing your officials and making your opening remarks.

Hon. Mr. Cockrill: — Thank you, Madam Chair. You'll have to excuse my voice today. I'm a little bit under the weather, but I will do my best here.

So I'm pleased to be here to share highlights from this year's budget for the Ministry of Highways, and I'll start by introducing my officials. We have Lee Guse, chief of staff; Blair Wagar, deputy minister; Tom Lees, assistant deputy minister, operations and maintenance division; Wayne Gienow, assistant deputy minister, design and construction division; Ryan Cossitt, assistant deputy minister, planning, policy and regulation division; and David Munro, director, strategic planning and budgeting in our corporate services division.

Madam Chair, our transportation network includes more than 26 000 kilometres of highways. It's an incredible asset built by and built for the people of Saskatchewan. The men and women who work for the Ministry of Highways are proud of our network, and I'm proud of them. They work hard every day to keep us safe and make our system better, more efficient, reliable, and sustainable.

They sometimes miss their children's hockey games and piano recitals to plow our roads and to keep us safe during the winter. We owe them a debt of gratitude for that. If you encounter a highway worker in your travels, I just suggest give them a wave to thank them for a job well done.

Now this year's budget will maintain and improve our network and enhance our safety. We are making strategic investments that support industry, shippers, producers, and citizens. When we invest in our transportation system, we support economic growth in our province, and the benefits of growth flow to all citizens of our province.

This year's highways budget is \$776 million, and that includes \$422 million in capital investments. We will improve more than 1000 kilometres of roads. And since 2008 this government has invested \$12 billion into our transportation network, improving more than 19 000 kilometres along the way.

Now the overall capital budget number is smaller than last year as it is no longer boosted by the stimulus program. But after accounting for stimulus, our year-over-year funding is higher. Stimulus was always intended to be temporary. It supported our economy during a difficult time; it kept people working. And during that time we made some important investments in passing lanes, in improvements to thin membrane surface roads, and in rural municipality roads and community airports.

Now, Madam Chair, we're entering year four of the growth plan. In that growth plan, we made some commitments to the people of Saskatchewan, including a pledge to improve 10 000 kilometres in that decade. And by the end of this budget year, we'll have improved 4600 kilometres of roads in four years which means we're on track.

Now the growth plan guides the decisions that we make. It ensures that our investments are strategic, designed to keep our economy growing. And it's growth that maintains our communities, growth that supports businesses and industry, and growth that ensures Saskatchewan people can live, work, and raise a family. It's growth that works for everyone.

Now this year, we will invest nearly \$49 million in major projects. We'll begin twinning portions of Highways 6 and 39 corridor that connects us to our largest trading partner, the United States. One of those twin segments is south of Regina, and the other is near Corinne.

We will complete passing lanes on Highway 5 east of Saskatoon and will continue planning to increase twinning along that busy corridor in our province. We'll also be improving Highway 15 east of Kenaston, and we will also be working on phase 3 of the Saskatoon freeway planning study.

Now we all know it's been just over five years since the bus carrying the Humboldt Broncos was hit by a semi-trailer. We lost 16 people on that terrible day. Thirteen others were injured and their lives were changed forever. An independent traffic engineer made 13 safety recommendations for the intersection where the crash occurred, and now I can say, Madam Chair, that we've implemented every single one of them.

But we also made a promise in the aftermath of that tragedy. We said that we would invest \$100 million over five years to improve safety at intersections all over the province. And, Madam Chair, we're fulfilling that promise in this year's budget. We have reviewed every major intersection in the province. We've cleared sightlines — hundreds of them — and added many other enhancements to improve safety all over Saskatchewan. And this year, we'll be investing \$19.7 million in turning lanes, street lights, warning lights, rumble strips, crosswalks, and sightline improvements. And that's all to ensure that Saskatchewan people can be safe.

We will also be making other safety investments as well. We've added \$1 million to our pavement marking program, increasing it to \$10 million. One of the most cost-effective safety improvements that we can make is in good pavement marking. Well-marked highways and intersections protect drivers, passengers, and pedestrians.

We're also adding half a million dollars to our sign program. Now our inventory of highway signs in this province is about 120,000 signs. We'll be investing \$3.4 million total this year to make sure that all those signs are in good repair.

Our ditch mowing budget is increasing to \$3.5 million this year. And this program ensures safety by clearing sightlines, but it's also an important element of weed control to support our agricultural producers. We will continue to work with producers to ensure that they have access to free hay in our rights-of-way if they want it.

We'll also be further supporting our forestry industry this year with a \$6 million investment for gravel work and brush clearing. The money will preserve and maintain forestry-dependent roads in the North. And this is a sector of our economy that's poised for growth and we want to support it as a government.

In this budget we're delivering 230 kilometres of repaving. And the projects, Madam Chair, they're spread out all over the province: 16 kilometres on Highway 2 south of Moose Jaw; 19 kilometres on Highway 9 south of the Qu'Appelle Valley; 15 kilometres on Highway 16 east of Saskatoon; 38 kilometres on Highway 33 from Stoughton to Fillmore; 17 kilometres on Highway 55 from Meath Park to Prince Albert; and 15 kilometres of improvements to the sylvite mine access road, northeast of Rocanville. Our provincial network is Canada's largest per capita, and we must maximize the life of our assets with this preservation work.

We'll be improving 115 kilometres of rural roads, preserving 35 kilometres of gravel roads, and sealing and preserving more than 600 kilometres of pavement to extend its life. In this budget we're investing nearly \$63 million in our bridge and culvert program this year. Some of the more higher profile investments include replacing the bridge on Highway 2 over the Montreal River near Weyakwin and repairing the Highway 6 overpass over Regina's Ring Road that brings traffic to the southern edge of our capital city. We'll also be replacing more than a hundred culverts.

Now this budget continues to support our municipal partners. This year we'll be providing \$6.6 million to the urban highway connector program that supports key routes through our urban municipalities all over the province. The rural integrated roads

for growth program, or RIRG, that grant is \$15 million this year. Now this program benefited from a stimulus boost over the last three years, and now that stimulus has wrapped up, the RIRG program has returned to budget.

Now we're also contributing \$1.3 million to the improvements at the Moosomin airport. Now the Moosomin project will ensure that the province's air ambulance service can take off and land at that airport. And we'll also be investing \$850,000 in the community airport partnership program to ensure that airports around the province can continue to improve their assets. Now this year the CAP [community airport partnership] program will start accepting applications in the fall, and this change we feel will give communities additional time to tender their projects.

We're also maintaining our support for shortline railways in the province. \$530,000 will again be invested in improvements, and the program will provide grants for up to 50 per cent of eligible track material and construction costs. Every railway that does work receives a proportionate share of that investment, and no shortline receives less than \$25,000 through this program.

And we've increased our commitment to northern Saskatchewan in this year's budget. This year we'll be investing \$89.4 million in our northern transportation system. Some of the highlights include gravel road improvements on Highway 924 northeast of Green Lake, and we'll continue working towards completion of the Garson Lake Road. We'll be sealing the runway, taxiway, and apron at the Pelican Narrows airport, and Sandy Bay airport will see an extension and sealing of their runway. And just to reiterate a couple of the projects I mentioned earlier in my remarks on northern investments, a new bridge over the Montreal River in the Weyakwin area and investing in the maintenance of forestry roads all over the North.

Madam Chair, I'm very proud of this year's budget. I'm proud of the dedicated Highways employees, consulting engineers, and heavy construction contractors who are going to deliver this budget. We're investing in priority infrastructure to ensure Saskatchewan can share its food, fuel, and fertilizer with the world. We're investing in twinning projects, investing in highway safety, rehabilitating roads and bridges, and we're preserving highways to maximize their life. We're investing in northern roads to see a growing forestry industry. We're supporting our municipal partners through various programs, and we'll also be supporting railways and airports in our province.

We're increasing our investment in northern Saskatchewan even over what we did in last year's budget, and we're doing all these things while our government continues to pay down debt to ensure that what we leave for our children is sustainable. Our commitment is growth that works for everyone, and that's what we're delivering in this year's budget. Thank you, Madam Chair.

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

Mr. Wotherspoon: — Thank you very much, Madam Chair. Thank you, Minister. Thank you to all the officials that have joined us here tonight and all the other officials and those that work in Highways across the province day in, day out. It's an invaluable service that you provide to the people of

Saskatchewan.

Maybe we'll touch on, Minister, you highlighted the commitment of the 10 000 kilometres over 10 years, and you detailed that you anticipate being at 4600 kilometres at the conclusion of this year's budget. Can you just provide me a bit of an update as to what was forecast last year and what was actualized? Where are we at right now?

Hon. Mr. Cockrill: — Thank you, Mr. Wotherspoon. So you know, originally in our 2022-2023 plan, we had about 1100 kilometres forecast that we would be completing. Now, you know, the actual numbers won't be released until the annual report comes out, but right now we're expecting about 1214 kilometres to be completed. And so that's 64 kilometres in major projects, 213 kilometres of TMS [thin membrane surface] and rural highways, 149 kilometres of repaving, 125 kilometres of medium treatments, 635 kilometres of light and engineered seals; and 28 kilometres of gravel rehabilitation.

And really the major increase from what was planned and what was actual was on the light and engineered seals. We had forecasted 550 kilometres; we were actually able to complete 635 kilometres last year.

Mr. Wotherspoon: — Thanks for that. Thanks for that breakdown. Could you break down for each of those components — just going back in and maybe walking slow enough that my pen can scratch numbers associated with them — but the rough cost, if you will, per kilometre for each of those components?

[15:45]

Hon. Mr. Cockrill: — You know, so typically, Mr. Wotherspoon, we don't break it down per kilometre. You know, what we have been working recently in the ministry on kind of understanding our typical construction costs. So I'm happy to provide those, read those off for you if you like.

Mr. Wotherspoon: — That'd be great.

Hon. Mr. Cockrill: — So you know, for repaving typically we expect 300 to \$400,000 per kilometre. For looking at a TMS, if we're going to be upgrading a TMS highway to primary-weight pavement, we're looking at anywhere between a million and a million and a half per kilometre there. And if we're taking a secondary-weight highway, upgrading it to primary, that can range between 450,000 and 600,000 a kilometre. And again typically a set of passing lanes is about three and a half million dollars per set of passing lanes.

So now again, and you know, I think it's important to note, as you know and have spoken about before, we have a fairly diverse and wide-ranging province in terms of environment and building conditions. So obviously, you know, these are typical costs but that can range quite a bit in terms of specific projects as well.

Mr. Wotherspoon: — Thanks so much. And then in some of those components it was some resealing or . . . Can you go through those components as well and what those cost?

Hon. Mr. Cockrill: — You know, again there's quite a range in terms of the different types of preservation treatments that we'll

use. So I mean, you know, in terms of a light seal, that can range from 10,000 to \$64,000 a kilometre. And again you can imagine that the life of those treatments, it ranges, right. I mean, the \$10,000-a-kilometre fog seal, you know, that we expect a three- to five-year lifespan out of that, whereas a fibre chip seal, you know, we would hope for a 10-year life out of that treatment.

And again, there's also, you know, there's some of the . . . Most light treatments, we can do that internally within the ministry. But as we move up, I guess, the value chain, you could say, that's work that needs to be completed by a contractor just because we don't have, you know, the right equipment or expertise within the ministry.

When we talk about medium treatments, again there's a range there from about \$80,000 a kilometre to \$112,000 a kilometre. So again that goes from, you know, a micro surfacing rut fill all the way to a thin lift overlay of less than 30 mil at the \$112,000-a-kilometre mark. And again the lifespan there can range but we would hope, for the medium treatments, that we would see a 10-year life out of that.

Again that totally depends on the conditions and obviously the traffic volumes that we see on specific roadways as well, and the types of traffic as well, right. We know that some of our roads see, you know, a higher proportion of heavier traffic, right.

Mr. Wotherspoon: — Thanks for the information. Could you just run back through . . . Now that we have the different categories along with some of the associated costs, could you just again break down the amount of kilometres that were achieved last year?

Hon. Mr. Cockrill: — So the 2023 actuals: 64 kilometres for major projects, twinning or passing lanes; 213 kilometres of rural highways and TMS roads; 149 kilometres of repaving; 125 kilometres of medium treatments; 635 kilometres of light or engineered seals; and then 28 kilometres of gravel rehabilitation. So those are actuals. Again they did increase from what our plan was at the beginning of the year.

Mr. Wotherspoon: — And the 635, that's one of these . . . That's preservation work. That's a light seal that we're looking at there?

Hon. Mr. Cockrill: — Yes. Those are light treatments. Sorry, I should say . . . Yeah, 635 kilometres, those are all light seals.

Mr. Wotherspoon: — Okay. So as far as what was forecast and then what was accomplished, what area were we able to increase? What sort of adjustments happened throughout the year?

Hon. Mr. Cockrill: — In terms of?

Mr. Wotherspoon: — The different components. I think we accomplished a bit more by way of kilometres last year than was targeted. In what components did the ministry over-perform?

Hon. Mr. Cockrill: — Yeah, so just on a kilometre basis, we over-performed on the light and engineered seals, on the medium treatments, on the rural highways and TMS roads.

Mr. Wotherspoon: — On the rural highways, give me that

number again.

Hon. Mr. Cockrill: — So 200 was the plan, and 213 kilometres was the actual.

Mr. Wotherspoon: — That's all thin membrane.

Hon. Mr. Cockrill: — Yeah.

Mr. Wotherspoon: — Thanks for that information. What are the targets for this year in each of those areas?

Hon. Mr. Cockrill: — So the 2023-2024 plan is 115 kilometres of the rural highways TMS category, 230 kilometres of repaving, 300 kilometres of medium treatments, 340 kilometres of light and engineered seals, and 35 kilometres of gravel rehabilitation.

Mr. Wotherspoon: — How much of . . . Sorry. Just again on the rural, the TMS, 115?

Hon. Mr. Cockrill: — 115, yeah.

Mr. Wotherspoon: — And the repaving, 230?

Hon. Mr. Cockrill: — Correct.

Mr. Wotherspoon: — Do you feel it's accurate to report out to the public sort of with the total number of kilometres when we're talking about such significantly different treatments from, you know, repaving through to the rural road rebuilding or the TMS paving? Do you feel that that's an accurate way to talk about the number of kilometres that are being tended to in a year? Or does this get reported out publicly as part of the annual report as well? It very well could be.

Hon. Mr. Cockrill: — Yeah, the actual numbers are included in the annual report. I mean, in terms of including, you know, we talk about improving 1000 kilometres a year. We know that not every road in the province is the same, right. I mean, we have Highway 1 and Highway 11 and Highway 16 as our three major highways throughout the province. But then we have a number of other highways that, you know, they're equally as important to the residents that live in those communities or along those highways, but they don't serve the same purpose as 11, 1, or 16.

But doing improvements on those roads is still important to folks, right? So I think when we talk about, you know, the whole global number of kilometres improved every year, yeah, I think it's appropriate to talk about all improvements that we're doing everywhere in the province.

Mr. Wotherspoon: — As far as the 635 kilometres of light preservation kilometres last year, you've got the range of, you know, depending on what process you deploy, from 10 to \$64,000 a kilometre. Do you know what your average rate was on that 635 kilometres?

Hon. Mr. Cockrill: — So you know, we don't have that number for you here today. We can endeavour to provide that to the committee at a later time.

I do think though, it's a little bit . . . Perhaps I'll just maybe explain a couple of things though. Because again when I talked

about the light programs and how some of these programs can be delivered within the ministry, so those would appear as expense dollars if we're delivering them through ministry staff and equipment. It's, you know, the higher end of the light treatments that would appear in our capital, again still counted in those 635 kilometres.

And again, you know, the important thing to know is in some areas, like the light projects, it's easier to over-perform in a given year because we can turn these projects on a little bit quicker. They have a lower impact to traffic. They have a lower impact to the community around. So you know, if we see an opportunity to turn some of these projects on, it's a lot easier to do that than just saying we're going to go out and build another set of passing lanes, right, because there's design work and consulting work that needs to go into that. Whereas with light treatments, it's kind of like, hey, we've got room here, let's go out and execute on another chunk of work.

Mr. Wotherspoon: — Thanks for that. Can you break down the actual cost then, both for each of these components last year and then what you're forecasting to accomplish, the components that you've described here to us this year? The cost, I guess, the actuals for last year for each of those components and then what you're forecasting for each of those components this year.

[16:00]

Hon. Mr. Cockrill: — So again, we don't necessarily have that breakdown. And again, the challenge again in this ministry is a lot of the projects don't . . . You know, there's not a clean cut at the end of the fiscal year, right. There's multi-year projects; there's projects that carry over to a following year, whether that was because of delays or whether it's a large project. So you know, when we look at our capital budget we really have two buckets, preservation and enhancement, when it comes to roads.

So enhancements are, you know, those things like the major projects, the twinning, the passing lanes, the rural highways and TMS improvements. And then we have the preservation which is everything else, so the repaving, the medium light treatments, the light seals, and the gravel rehab.

So you know, I mean and again, these numbers will come out, you know, in the annual report. I mean preservation last year — so on those, you know, four categories there — we're just shy of \$105 million across those four categories. And then on the enhancement side, so that's again for the 64 kilometres of twinning and passing lanes and the 213 kilometres of rural highways, we're about 255 million there.

Mr. Wotherspoon: — Thanks for that. And what's the rough forecast? What's the working budget for this year?

Hon. Mr. Cockrill: — Well we have \$422 million in capital and then \$776 million total, including expense.

Mr. Wotherspoon: — As far as the breakdown for preservation and enhancement and such.

Hon. Mr. Cockrill: — So on page 75 of the Estimates book under vote 16, you know, in the preservation we have \$178 million, and on the enhancement we have \$196 million

planned there.

So and again, you know, on page 75 there . . . Maybe I said 76, but page 75, pardon me, you can see the estimated numbers for '22-23. So the expected actual numbers that I just gave you — so 104 for preservation or rehab — we were not able to complete as much on the preservation and rehab. But then on the enhancement we were a little bit less as well at 255. Looking at 2022-2023 numbers.

Mr. Wotherspoon: — So on page seventy . . . Sorry. Just to make sure I'm looking at the same numbers here. So when we're looking at vote 16 on (HI08), page 75, and on the infrastructure enhancement, we're looking specifically at the estimated from last year. It's recorded in here as 278.

Hon. Mr. Cockrill: — Yeah, so that's what we budgeted last year. The actuals would be closer to 255.

Mr. Wotherspoon: — Gotcha.

Hon. Mr. Cockrill: — And then on the rehab or preservation for highways was budgeted 131 but will be closer to 104, 105 when we do the annual report.

Mr. Wotherspoon: — Where do you see the preservation and rehab number?

Hon. Mr. Cockrill: — So it's just the top number there on that chart, 131.

Mr. Wotherspoon: — Gotcha. Yeah, including the highways, airports . . .

Hon. Mr. Cockrill: — Yeah, sorry. I'm probably being confusing. I'm saying preservation but it's preservation and rehab.

Mr. Wotherspoon: — Now of course we're dealing, and actually the road builders are really dealing in this challenging environment around inflation. I mean, this is something that all of our constituents understand, we all understand at a household level. But for businesses out there and certainly the road building efforts, the road builders of the province, this is a serious pressure at this time, as it is for the ministry and any of the undertakings as well.

Could you speak a little bit, you know, to the pressures of inflation and how you can quantify those as the Ministry of Highways, and what those are looking like for the road builders? I know we hear directly from them around, you know, the very significant hit around fuel and asphalt and just the cost of earth moving and all the other components.

You would be, you know, in the best position to sort of quantify some of those realities that those road builders are facing, and then also for the work that you're directly undertaking as a ministry.

Hon. Mr. Cockrill: — So certainly as you specify, Mr. Wotherspoon, you know, this is a sector that inflation does impact significantly. You know, we're working with . . . It's labour intensive. We're dealing with petroleum-based products

to build the roads of this province.

So you know, just to give you a state of play, we're about over half tendered on our projects for this year. We're averaging about 15 to 20 per cent above ministry estimates, about 10 per cent on roads, on road projects specifically, and then 40 per cent over estimates on our bridge projects. And I mean if you want to talk more about the bridge projects, then I would ask Wayne to perhaps come and expand on that a little bit more.

You know, you mentioned the road builders and Saskatchewan Heavy Construction Association, I mean, and that's obviously a key stakeholder of government. And so I mean obviously, you know, their contractors were seeing some inflationary pressures in the last fiscal year. So we did make an adjustment to just change how we compensated for the fluctuations on diesel fuel. And so again, that was about an extra \$8 million expended by the ministry to support contractors through contracts that had already been awarded, just to make sure that they were fairly compensated for the costs that they were seeing.

Now we talk about costs going forward though — you know, whether that's higher wages or higher prices that we're seeing currently — that's really baked into the 15 to 20 per cent above estimate that we're seeing on work tendered this year.

Mr. Wotherspoon: — Thanks for the information. Certainly I mean it's alarming numbers, isn't it, when you talk 40 per cent on the bridges and even the 15 to 20 per cent. And it means that our dollar, of course, isn't going as far either as far as the value-for-money piece for the rehabilitation or the projects that are being taken on.

Can you break out more specifically the components of inflation that are baked in within there? You have the fuel of course, the labour side of it; you have the asphalt itself, the different . . . And they'll be a little bit different for each of the earth-moving components.

[16:15]

Hon. Mr. Cockrill: — You know, that specific question, I think, is a little bit challenging to answer in the sense of, you know, at the end of the day in a competitive bid process we're asking all these contractors to submit their price for the total project to be done. Obviously I mean all of us here sitting in this room today, we understand that, you know, finding good, reliable labour right now is a challenge, I think, for all businesses whether you're a road builder or whether you're manufacturing widgets or whether you run a gas station. Anywhere you look, labour is probably one of the most significant challenges. I've heard that myself from the road builders, from many contractors in the province.

So again in terms of, you know, how we're seeing the breakdown in each specific category, if you will, whether it's labour or fuel or equipment, again there's lots of anecdotal examples. I'm sure you've heard some as well. But in terms of breaking it . . . you know, having visibility as a ministry into that, that's really not necessarily for us to have visibility into. That's for these contractors around the province to manage their businesses as they see fit. And then, I mean, they put in a bid on a project and we pick the best bid to go forward with.

But certainly anecdotally, I mean we all know equipment's more expensive, labour's more challenging to find. You know, fuel can fluctuate as well. But again that's all baked into that 15 to 20 per cent average that we're seeing across the projects.

Mr. Wotherspoon: — And what are you experiencing directly as a ministry for the work that you're carrying out yourself by way of the inflationary pressures and the kinds of increases?

Hon. Mr. Cockrill: — I mean the inflationary costs that we're going to see within the ministry are really more on the operational side, less on the capital side, right, because we're not performing capital work nearly to the extent that contractors are.

But to give you a few examples. I mean, salt. You know, in terms of our winter maintenance program, we're seeing increases of 25 to 30 per cent of prices that we've typically paid for salt. Line painting, right. I mean the line paint has gone up anywhere between 30 and 60 per cent, so that's significant. Again that's part of why we're having to invest another million dollars in our line-marking program this year, just to make sure that we can continue to do the number of lane kilometres that we think is appropriate for keeping our network as safe as possible.

In terms of the labour, you know, inflation on labour costs, I mean those costs are really set by collective bargaining agreements. So I mean I guess there's some more predictability there. And then obviously fuel, I mean that can fluctuate quite a bit. But just to use the salt and paint example, I mean there's some significant operational increases there for us as well.

Mr. Wotherspoon: — Thanks for that. Last year you weren't the minister at the table here, but we were pushing the minister hard at that time to recognize the challenges that the road builders were facing who had, you know, committed to projects and contracts and were stuck in that high inflationary environment with fuel and labour and bonding and financing — all these significant pressures. So we were pushing for adjustments on that front and we continue to push. And I know there was some action eventually around the diesel fuel piece. You've shared that the fiscal impact was \$8 million.

Were there projects that didn't get completed because the contractors weren't able to fulfill those contracts based on the terms that they had entered into?

Hon. Mr. Cockrill: — Yeah, I mean you asked specifically about inflation. You know, you mentioned that the road builders were pushing for support. I think we answered the call on that, as I mentioned, you know, in a previous answer.

In terms of contracts not getting completed because of inflationary challenges, we're not aware of that being the case, or we're not aware of any contracts that weren't completed because a contractor defaulted and wasn't able to fulfill the obligations.

I mean, there were projects in the last fiscal that weren't completed. I mean, you know, there's a variety of reasons there, but I mean, those projects will carry over and be completed in this next fiscal. So you know, any work that wasn't completed last year, we hope to see done this year.

Mr. Wotherspoon: — Thanks for the information. As far as the

deferrals — just to make sure I understand how that works — once the contract is let and the contract has been secured, if the project's deferred, the same terms of the contract carry forward to the next fiscal year. Is that correct?

Hon. Mr. Cockrill: — So often when we tender a project, it's a multi-year project. So whatever the unit price is with the contractor in year one, it stays the same in year two. You know, if there's a situation where it's a one-year contract and it has to be deferred, again that unit price holds. There could be penalties to the contractor for not completing it in that year, in that time that they've agreed to, you know, but at the end of the day the unit price stays the same.

The two exceptions to that would be, number one, the diesel fuel adjustment that we made, working with Saskatchewan Heavy Construction Association. So that was one area where we deviated from that. The second area would be, say, if we changed the scope of a tender. You know, that would be a situation where the ministry would be looking at potentially changing a unit price if we were changing the larger scope of the project.

Mr. Wotherspoon: — Thanks for that information. And what was the value of deferrals last year?

Hon. Mr. Cockrill: — I think, Mr. Wotherspoon, we have to be careful with . . . You know, we use the word "deferral." We're not saying we're not doing these projects. So I would characterize it as carry-over, right. Work that didn't get done, whether it's a . . . Let's use weather, for example. I'm thinking about a specific project where we had both some weather challenges to getting started earlier in the year and then there were also challenges on the same project last year in terms of acquiring a certain material that was required to prepare the site.

And I mean at the end of the year last year, we were trying to work collaboratively with the contractor to get that piece of material so that they could continue and kind of seal things up before the end of the year. So in terms of the carry-over amount that we were not able to complete last year or contractors were not able to complete, it was about \$45 million. And again that's work that's going to get done this year. And that \$45 million was about evenly split between the rehab, preservation, and enhancement.

Mr. Wotherspoon: — Yeah, thanks. Yeah. No, I think like "deferrals" is the common term for it. It's the same in the Crown sector on projects that can't be completed for a wide array of concerns or factors, as you've described. So \$45 million. Then of course, when projects aren't completed, those projects move to the next fiscal year and they do take fiscal space then out of the budget. So they have implications for the amount of work that can get completed in the current fiscal year.

Hon. Mr. Cockrill: — Yeah, but that's not the case for 2023. I mean, no projects intended for 2023 were delayed or cancelled because of our underspent dollars in 2022. And I know that's a concern that I've heard from contractors that, you know, work will not get done, or work that we had forecasted for this year will not get done. But again no projects that we had planned for this year are going to be delayed or cancelled because of the underspent \$45 million last year.

Mr. Wotherspoon: — Yeah, fair enough. But it has the budgetary, you know, implications of taking space out of a budget that's actually significantly leaner, significantly smaller this year. That was identified as well at the same time as the inflationary pressures that the sector is facing. So it just creates a set of challenges around the amount of work that is able to be completed in a current year.

I guess one of my questions would be . . . And you touched on this before. There was the stimulus program of course, and that was important, and we've advocated and spoken about this in the past. And two budgets ago, you then had infrastructure enhancement to the tune of \$361 million as the budget. Last year, you know, the 280, and I think the minister describes that some of that was deferred and not spent. It was about 255. Now this year, the budget is down to 196 million, so you're, you know, over \$80 million less than last year. You're nearly \$170 million less than the budget two years ago, at the same time as the costs of doing all that work have really gone through the roof — financing, labour, bonding, fuel, all the aspects of that important work.

[16:30]

So you know, and I know the minister will be hearing this from communities as well as the road building community, questions of adequacy or inadequacy of the current budget on this front. But it just doesn't allow the work to be conducted, you know, that I think Saskatchewan people are hoping for, when you have a significant cut to a budget like that. You have deferrals that have occurred, and then you have all those inflationary pieces. So I guess, is the minister concerned about the significant reduction of budget on this front at the same time as so many costs have gone up, which really impact the actual ability of getting the work done that people are looking for?

Hon. Mr. Cockrill: — You know, perhaps I'll just address something first. I mean every single year in the highways budget, we overcommit in terms of the work that we put out. We know that projects are not going to happen, that things won't get done. So you know, in order to try and execute and allocate our full . . . as much of our capital budget as we can, we're always putting out more work than what is budgeted.

So we've actually increased that number to close to \$90 million for this year over what's budgeted in terms of work that's going to be out there for contractors. So there's lots of work available for contractors this year of all types, whether that's bridges or repaving or light or medium preservation.

Now you know, in terms of . . . And you used the words earlier "value for money." And you know, again we have to be . . . I think our province is in a very unique position where . . . You know, I won't get into the use of the words "scorching hot" — we can debate that in another room in this building — but the private sector is booming. They're building things. And so you know, we obviously have a responsibility to preserve the highway network and build the highway network and make sure that we're adding infrastructure that's going to help our economy grow.

And again what I mentioned earlier with the growth plan commitment of improving 10 000 kilometres over 10 years, we

also have that commitment that we have to make good on for the people of Saskatchewan. But again we have to be mindful as a ministry that we're spending taxpayer dollars wisely.

And certainly I think you can see from a government-wide approach, you know, both in last year's budget and this year's budget, that debt repayment was a significant priority for government. And again we're still going to be improving, when it comes back to building roads, preserving roads, we're still going to be doing over 1000 kilometres this year. And you know, I'm comfortable with the amount of work that we're doing this year. You know, looking forward, we know we have more work to do, but certainly this year we feel as a ministry and I feel as the minister responsible that, you know, there is a significant amount of work out there for contractors to bid on and hopefully execute this summer.

Mr. Wotherspoon: — Thanks for the information. It still doesn't address the significant reduction in budget comparative to the last few fiscal years, as well as the fact that just the costs are real high. So it really has an impact on getting that work done that communities value, about safety and about making sure that we're expanding our highway network in the way that it needs to be, our road network the way it needs to be.

You mentioned the overcommitting on tenders, and we've spoken about this in the past when we talk about the spring and fall tender schedules and approach on these fronts. I guess I'm looking for some detail on both the spring and fall tenders this year and some of the numbers attached there, as well as the approach.

I recall an exchange last year in this committee around a changed approach, at least in the last year's fiscal, where it was described to me that the proportion of over-committal that the ministry had been taking on was putting them maybe in a situation of having a backlog of work — maybe I'm describing this in the wrong way — or projects not being able to be fulfilled to the extent that they needed to keep pace. So they scaled back the overcommitting in those tenders or in those budgets. Can you speak to what the approach is this year? I have some of the record from the last year around what the adjustments were last year.

Hon. Mr. Cockrill: — You know, I guess I'll answer one of your comments at the beginning of that last question. And really in terms of . . . You know, you have to remember, looking at the highways budget this year, that stimulus is falling off in this budget. So we talked about it. I mean stimulus was a short-term program. It supported the economy through, you know, some challenging years where there was not the same level of private sector work out there. It kept our contractors going, I would say.

But the key thing in this budget is that \$25 million to the base highways budget on the capital side. And again for members, you know, on the committee who have sat in treasury board before, you know, having that lift on the base is going to be . . . It really speaks to a longer term sustainability in the budget going forward in terms of making sure that we have adequate dollars in that capital budget for years to come to support communities, to support the economy.

In terms of, you know, you asked about the ministry's approach to overcommitting, or you know, to committing to work to make

sure that we could execute on our full capital budget. I would say that we are taking a more aggressive approach this year, again because we know that, you know, with our province growing and more needs placed on our network, we want to take a more aggressive approach. But I'll maybe ask Wayne to just provide a little bit more colour to that approach.

Mr. Gienow: — Hi. I'm Wayne Gienow, the ADM [assistant deputy minister] of design and construction. As the minister said, going back a couple years, we had a slightly different approach. We've always overcommitted because we know that not everything gets done every year, right, whether it's weather concern, whether something comes up with a project. We know that. So one of our mechanisms to try and ensure that we do spend as much as we can is that we do overcommit.

So you know, looking back at the beginning of 2020, we had somewhere around 90 million that we did overcommit. But 2020 was a fabulous year where really all the stars aligned, everything went great, and we were actually quite a bit over our appropriation that year. We spent more than we actually had overall, so we had to adjust going forward the next couple of years, right.

So we talked about this a bit last year, how, you know, the following year we actually adjusted our overcommitment to around 35-ish million, right. And then the following year, we were still at around 35 but we realized early in the year that hey, we should be a bit higher, so we were closer to around 50 million.

And then what we've done this year is, as the minister said, we've taken a bit more risk. We're up near the 85, \$90 million range of being overcommitted. And part of that is because we've had a couple tenders that have been a bit slower, and you know, we want to make sure that we are trying to put ourselves in the best situation where we can succeed and get all the projects done from both ministry consultants' and contractors' perspective, right.

So what we did — even during our spring tender plan which we just released a couple weeks ago — was we actually added an extra \$70 million worth of projects that we hadn't planned for beforehand.

Mr. Wotherspoon: — Thanks for that information. Do you have the spring tender schedule with you here by chance? And typically I think that information shares the previous number of years as well. If you're able to table it, that's appreciated.

Mr. Gienow: — Yeah, I . . .

Mr. Wotherspoon: — That's great. Are you able to, possibly through the Clerk, if you're comfortable, have it tabled just for committee members? They'll make copies here . . . [inaudible interjection] . . . Thank you very much. Thanks as well for giving the perspective on this year's budget around the committal level.

Hon. Mr. Cockrill: — Yeah, so we'll provide the fall 2022 and the winter 2023 and the spring 2023 tender plan for the committee.

Mr. Wotherspoon: — That's great. Thanks so much. And now as far as some of the other pieces last year that were being discussed around the escalation, fuel escalation rate and some of

the other compensation factors and what's included in . . . As far as the components within the fuel escalation rate, or the clause that was there, that was of particular concern because of the fact that the environment had changed, the inflationary environment had changed so much from when folks had entered into those contracts. But could you speak to any changes in those structures that you've built into the program this year?

Mr. Gienow: — All the changes we made last year to the diesel fuel escalation clause have been brought forward, so they are continuing on into our contracts. So the way it works is we look at adjustments if the price has changed plus or minus, I think it's 7 per cent. And what we looked at last year is we looked at both changes to the type of work that was included, that we considered it for, as well as adjusting some of the rates based on — we call them consumption rates — based on the actual usage by the different types of vehicles for the different types of work.

Mr. Wotherspoon: — Right. So that had been one of the big concerns that had been flagged last year is that the consumption rates — especially for the type of work, I think some of the work that's taken on, things like, if I recall, passing lanes and stuff — that consumption rates for the level of activity that were taken on were not fairly reflected in the contracts.

Did all of the earthwork get moved into . . . Does the fuel escalation clause now, or compensation rate, include all dirt work?

Mr. Gienow: — Yes. For all contracts that were after, I think it was work that was done after January of 2022. So all new contracts will have those clauses incorporated into them.

Mr. Wotherspoon: — And that will have amended the consumption rate for all major . . . like the aggregates, the paving, the water, the sewer items? Reflect, I guess, the burn — as they describe — the burn rates per unit? Is that correct?

Mr. Gienow: — We worked with SHCA [Saskatchewan Heavy Construction Association], the heavy construction association there, to try and come up with which categories we did apply, first, the new consumption rates for, and then which ones we had to modify. So it's not every activity, but it's all the major activities where it's warranted.

Mr. Wotherspoon: — Well the heavy construction association has been just so strong, you know, and responsive on these fronts as well. And you know, I'd urge, obviously, just continuing to make sure the lines of communication are clear.

With respect to some of the other aspects of the budget, could we get an update as to the Wollaston Lake Road? I think there had been the first two phases. I think the second phase was almost complete last year, if I recall. And then there's very important phases, phases 3 and 4. And I think the province was awaiting some or was hopeful for some federal contributions on those fronts as well. Maybe a full update as to where we're at on the phase 2 being completed, and then phases 3 and 4, the estimated amounts for those projects, and where we're at on having those advanced.

Mr. Wagar: — Blair Wagar, deputy minister. So the Wollaston Lake project continues on. We've got to the end of basically

phase 2. We were positioned to be able to take the community off the ice and move them onto the road. However all the work didn't get completed to be able to do that, in addition to the fact that they actually didn't get the snowfall that they needed to be able to get the snowpack to be able to actually move them off the ice. So we pivoted very quickly and opened up the ice road for them this year again to make sure that they could get the propane in to home heating and restock all of that.

[16:45]

So because of that work and more work needed to be done at the end of phase 2, we were able to . . . Working with the communities, and the communities working with the federal government and Indigenous Services Canada, we were able to get an incremental, I think it was about \$4.8 million, to finish up phase 2 and position it for this coming winter to be able to move them off the ice, provided that we're able to get the snowpack that we can to get them off the ice and get the winter road built. And so that's kind of been the goal for us, is to get them off of the ice road.

The future phases that are going to be needed to actually make that an all-season road, those are yet to be determined and, I would say, still a long-range planning. At the end of the day, ISC [Indigenous Services Canada] has been coming to the table, which has been a great partnership with them, to provide the capital dollars. And the province will continue to own the road after it's built and to operate it and invest all the ongoing annual maintenance into that road.

Mr. Wotherspoon: — Okay, thanks. Yeah, thanks for the update. I think last year when we had the exchange on this front, the goal was to not, you know, have an ice road. And so thanks for the update there.

As far as the other two phases then, if I recall last year, the estimate for the other two phases was about \$55 million for those two phases. Is that accurate? Can you just, you know, profile the two phases and the amounts, and then what you're looking for from the feds on that front and what proportion the province is going to contribute?

Mr. Wagar: — Okay. So the phase 3, after the completion of, I'll call it phase 2b, which we talked about the incremental 4.8, is about . . . We estimate about 28 million for phase 3 and then phase 4 is about 22 million.

Mr. Wotherspoon: — For those phases to move forward, what proportion would the province be contributing to those?

Hon. Mr. Cockrill: — I would just say that those are ongoing discussions that we're having with the federal government. I mean, I've had conversations about this project with the local MP [Member of Parliament] as well as representatives from PAGC [Prince Albert Grand Council] in terms of Wollaston Lake Road. I've also brought it up with Minister Alghabra federally. And I know he's not ISC but he does have Transport Canada and some infrastructure responsibilities. So I brought up with him, you know, the challenge we have in Saskatchewan around single communities with single access roads, and you know, wanting to participate more with the federal government on those.

You know, in terms of the proportion, again the discussions are ongoing there. As Blair said in a previous answer, once the road is built, you know, the province takes on all maintenance responsibilities and there is a significant cost that comes with that. So certainly we view that maintenance piece as really a significant contribution by the province to make sure that these roads are operable and sustainable for the long term for these communities.

So again I think that's a discussion that will continue on with multiple federal departments, whether that's infrastructure or ISC or Transport Canada, trying to make sure that they understand that, you know, for a lot of these communities that we have in the northern part of our province, the road isn't an option; it's the only way in. So this is one of those issues that I regularly register with my federal counterparts.

Mr. Wotherspoon: — What was the total cost of phase 1 and 2? And what was the provincial contribution and what was the federal contribution?

Hon. Mr. Cockrill: — So on the seasonal road that we're talking about specifically, you know, the federal contribution thus far has been about 21.05 million. The provincial portion has been 0.25 million.

But what's important to remember is that the province built the first 14 kilometres of the road at about a cost of \$10.1 million. So off Highway 905, the first 14 kilometres were built solely by the province, so we put \$10 million in for those first 14 kilometres.

Also as we know, we talked about the operational costs versus the capital costs earlier. I mean, we expect that our maintenance costs when this road is completed will run, you know, at the very least 300 to \$400,000 a year each and every single year on this road. So you know, hopefully that provides a little bit more context for the investment.

Mr. Wotherspoon: — We know how vital the project is to the North. We know the commitments that have been made on these fronts. And I know that the community members and the community, you know, really are counting on it being actualized. So we'll continue to push on this front and to track progress as well.

With respect on the other side, on the west side of the province there, the Garson Lake Road, can you detail the progress on this front? And I think very importantly, can you give us an update as to where the Alberta government is at? Because ultimately if we get a road to the border that doesn't connect to a road on the other side of the border, we aren't going to be delivering the kind of connectivity or value that anyone's expecting.

Hon. Mr. Cockrill: — So on the Garson Lake Road, Highway 956, I mean, in the spring tender plan documents that were provided to all committee members, you'll see the Highway 956 project on the spring tender, you know, just given the fact that we just had some challenges with the survey work and design work there. So we do expect that that work, the completion of that road, may spill into next year. But we do expect significant work to be completed there in this construction season.

Now you know, you ask a very valid question about Alberta's

role with the road on their side of the provincial border. And I would just highlight, you know, that I've had numerous conversations now with Minister Dreeshen as well as Minister Jean. Minister Jean's the local MLA [Member of the Legislative Assembly] for that area.

You know, you may have seen last week I was in Edmonton with Minister Dreeshen from Alberta and Minister Pwiniuk from Manitoba signing an MOU [memorandum of understanding] where our three governments are committing to work together on economic corridors. You know, this is one of those corridors that I've identified to my colleagues, you know, in particular Minister Dreeshen, that this is an opportunity to develop a corridor.

I know that Alberta is working aggressively on developing economic corridors across other areas of the northern half of their province. You know, they've talked quite a bit publicly about a road between Grande Prairie and Fort McMurray. And so certainly this connection between our Garson Lake Road and Fort McMurray would tie really well into that corridor that they have been talking about and working on.

So I would say that, you know, discussions are ongoing and frequent with the Alberta government in terms of how we can work together to see their part of the road done. Again this is one more of those roads that I brought up with the federal government, Minister Alghabra, to say this road would mean a lot for the community of La Loche and really all of northwestern Saskatchewan. And certainly encourage Minister Alghabra to take a closer look at this kind of corridor as well, see if there's a way that he can assist Alberta or even us in terms of improving our corridor there.

So I'm encouraged by the progress. Alberta hasn't made a formal announcement, but I am encouraged by the fact that we're talking about it on a regular basis.

Mr. Wotherspoon: — I find it frustrating, you know, in a way. I think most taxpayers would. And this is an important artery; we've called for it. But to not have the commitment of Alberta locked in on the other side just is really concerning because obviously we need to have this road continue on the other side. We also need timelines to match up here as well. I guess can you just . . . I was hoping that we'd have a commitment from Alberta at this point in time. What's your expectation from Alberta at this point in time? When would you expect to see that commitment, that budgetary commitment?

Hon. Mr. Cockrill: — Well I mean expectation and hope are two different things. They're entering an election shortly here, so I would expect that, you know, their province will be kind of consumed by electoral issues out there. So I would certainly hope that whenever the election is settled out there, that whoever the government is, that I can pick up those conversations and have a commitment.

I mean the challenge is with a road like this, somebody has to go first, right? Somebody has to make the commitment. Somebody has to show that they're committed to that part of their province. I think, you know, that's what we're doing here with our part of this corridor. We've made that commitment. I mean there's people that also live at the Garson Lake community as well, right. You know, this road does also serve a purpose besides linking us

with Alberta.

But as another example, I would think of Highway 55, right. You know, we just did a massive repaving project on Highway 55 last year that took primary weight all the way to Shoal Lake First Nation. I mean we're slowly making our way to the Manitoba border along Highway 55, but we have to keep going. And again, I have discussions with Minister Pwiniuk on that corridor as well. I know that Highway 283 on the Manitoba side is in their five-year capital plan.

But again, coordinating provincial governments can be a challenge because we all have different priorities at times in our respective provinces. But I think that's the encouraging part of this MOU, is trying to have more serious and intentional discussions around the corridors that we're building.

Mr. Wotherspoon: — Thanks. We'll just urge the continued engagement and ultimately to lock down that commitment, because it's an important artery and it's critical for value for money of the investment that we're all making, all the people of Saskatchewan are making on this front as well.

Hon. Mr. Cockrill: — And I would just say, I mean, if we . . . As I said, I have regular conversations with my counterparts there. If you also want to register that with your counterparts in Alberta, your friends that you may have in government there, that's certainly appreciated as well so that Alberta knows that all of Saskatchewan is behind this corridor.

[17:00]

Mr. Wotherspoon: — I didn't know your counterparts were the UCP [United Conservative Party] but . . . Just the way it was described, this is a public record, hey? And it's important for us to be clear with any government currently in Alberta, any future government, on a file like this, regardless of any parties. And that's always the approach of how we would approach things, regardless of political stripes in different provinces, you work to get projects advanced in the interests of the province. So that's our position with all respective parties in current governments and potential future governments as well.

With respect to Dundurn and the very serious safety concerns on Highway 11 in Dundurn, and the accidents that have occurred, can you give us an update as to the number of accidents and the types of impacts this last year, and what sort of engagement you've had with Dundurn to address this? I know they've been active in calling for measures from the province. One of the measures they called for is a reduced speed limit through that space, that part of the highway, to 80 kilometres, similar to what occurs at Davidson.

Hon. Mr. Cockrill: — So when it comes to Dundurn specifically, I know that Dundurn . . . I can't remember which rural municipality it was, but they did raise some questions at SARM [Saskatchewan Association of Rural Municipalities] last year about intersection concerns along Highway 11 there.

You know, obviously as I mentioned in my opening comments, we're in our last year of a \$100 million, five-year program. We've assessed every major intersection in the province. I don't have the accident rates at that intersection. You know, SGI

[Saskatchewan Government Insurance] would maybe have that more easily at their fingertips than we do. But you know, we don't have any work planned at that intersection in Dundurn planned for this year.

I'd also say I'm not aware of a formal request from the municipality, whether it's an RM [rural municipality] or the urban municipality of Dundurn, to lower the speed limit. But if that's a request they'd like to make, we'd certainly work through the process with them, as we do other municipalities that make similar requests.

That's not an uncommon request, and certainly over my last year here — almost a year — as the minister, I've, you know, engaged, gone out to many communities to meet with them about concerns they have around safety or access issues, and I'd be happy to do that. I drive through Dundurn twice a week anyway, so you know, if they do want to make a request, we'll certainly work with them to evaluate the intersection again and that stretch right through Dundurn and see if something's necessary to do.

Mr. Wotherspoon: — Thanks for that undertaking, and I would request that either yourself or an official touch in with the municipal leadership of Dundurn. I think there's been significant safety concerns that they've been experiencing, and I don't want to characterize incorrectly what their exact call is or where they're at as a whole council on these pieces, but to reach out with respect to the concerns. I know that there are some members of the leadership that have been making the call for a reduced speed limit, so I'd urge the engagement with the community.

Moving along a little bit here. With respect to shortline opportunities, I know the outlay or the capital cost is possibly a bit higher than road-building infrastructure or road infrastructure. But when we look at areas of the province where there's significant and heavy transportation, say in around Meadow Lake, in the forestry sector or possibly even as well in around some of the canola crush and renewable diesel aspects or the refinery, I'm just wondering where the ministry's at in working with regions and with industry to look at the option of establishing shortline capacity that could serve us very well by way of value for the long term.

Hon. Mr. Cockrill: — There was a lot in that question, so I'll try and check off as many as I can, and then you let me know if I missed any. All right?

You know, certainly with shortline railways in the province, we're pretty fortunate in this province to have the shortlines that we do. A lot of other provinces have seen shortlines disappear and not come back. I mean rail is a very capital-intensive piece of infrastructure to build.

You know, in terms of working with the shortlines, I mean our focus as a ministry has been to support the sustainability of the 13 shortlines that we do have, just in terms of the \$530,000 program that we have to support track improvements every single year.

And then I mean in last year's budget we also provided some funding for the shortline association to look at a self-insurance scheme or strategy I guess, knowing that insurance is one of the biggest challenges and biggest costs that shortlines face in our

province. It's expensive. The large insurers of the world view rail as a very risky business, but obviously in Saskatchewan it's just part of moving the food, fuel, and fertilizer.

So in terms of working with, you know, folks that want to build a new shortline, we would absolutely work with anybody who came to us and expressed interest in building a new shortline or expanding their shortline. Certainly as the regulator we would try and work with them to make that as streamlined as possible.

You know, you mentioned the Meadow Lake example. And I mean, I call The Battlefords home. We've got a lot of forestry products come down Highway 4 to The Battlefords and get on the CN transload there, right in the heart of North Battleford. You know, I can't remember the year that that shortline was shut down; maybe you have that at your fingertips. But again, certainly as a ministry, and I think as government-wide, we would actively work with anybody who wanted to build shortline railways.

You also talked about canola crush plants and some of the, you know, additional projects that are being built around the province. I mean, there are rail components being built for those projects. They're just being built by the proponent of the project, right.

So certainly we regulate, or you know, we permit those pieces of railway — whether it's owned by Cargill or Viterro, you know — and we'll work with them as much as possible to make sure that they're able to do that and be successful in their operations.

Mr. Wotherspoon: — Thank you. A section of highway that there's lots of areas that are of concern to people in the province, but between Preeceville and Hudson Bay, Highway 9 really has fallen into horrible disrepair. Those that are using it regularly describe unsafe conditions on that artery.

And we've pushed, we've petitioned; the community has as well. To date there just hasn't been an adequate response from government. I know the people of Hudson Bay and all those that frequent that vital artery are certainly looking for action on this front. Could you detail what actions you are committing to, to address the unsafe conditions on that artery? And then also speak to the broader concerns, all the way . . . Highway 9 is a vital artery, right, straight south to the United States and connects with rail down there as well. So maybe speak to Highway 9 in a broader sense as well.

[17:15]

Hon. Mr. Cockrill: — So I mean, you know, obviously I drove that stretch of Highway 9 from Preeceville to Hudson Bay this summer. And certainly, you know, that is a stretch of road that some work is required on that stretch. So we do have 24 kilometres of a medium seal coat happening north of Usherville in this year.

But also, I mean — and this really I think speaks to government trying to listen and address the concerns of folks who live in Hudson Bay, Preeceville, or people who just use that road for recreational or work purposes — we do have a commission out to do design on two sections of road for the rehabilitation on Highway 9, so that's control sections 13 and 14. And again,

building the designs, that's combined about 32 kilometres of work. Again, the design will happen this year. The construction will happen in a future year.

And that's one of the biggest challenges of highways construction, is just because folks aren't seeing a grader or a paver out on the road doesn't mean that work isn't happening towards, you know, future rehabilitation of the highway. So you know, this year, again, a medium preservation project north of Usherville, but then getting that design work done on those two control sections will be important for us to have that work ready to go in a future year here.

Mr. Wotherspoon: — Well we'll keep pushing on this front. It's been a couple years. It's been hundreds and hundreds and hundreds of residents from that area that have signed petitions, those on farms, those in the communities. We presented them in the Assembly. We've been pushing this activity. So they're looking for more than design work, they're looking for a safe road. But you know, to the minister's point, you're designing this year. We've been petitioning, as has the community, for a long period of time. Glad to see the design work is advancing. Looking forward to the work being completed.

Shifting gears just a bit to the old Nipawin bridge, which is really vital to that area. And it is just such a serious concern to the whole region and the community that the government has walked away from a rehabilitation project or a rebuilding project to ensure that it will continue to serve the region. There's been so much testimony as to the value of this bridge and the impacts, everything from around safety to significant increases in travel time with the bridge that does serve the area when it's down, which is often, I understand, a reality as well.

So just, I guess pushing for a better response than to walk away from that region and to walk away from Nipawin on this project. I've read in the news, and surprised actually that the province has, you know, washed their hands — your government has, not the good civil servants at the table. This is, you know, an important project, and I think they deserve more than just to have a government wash their hands of the importance of that project.

Hon. Mr. Cockrill: — Yeah, so I mean, you know, first of all, in terms of government washing its hands of Nipawin, I kind of reject the premise of that question completely. I mean we recognize that there's some economic growth happening in Nipawin. You know, it's forestry industry, ag. Obviously Nipawin is kind of the base for two major SaskPower facilities, you know, further along the Saskatchewan River. So there's a lot of good things happening in Nipawin.

You know, we talked about safety. And when it comes to this bridge, the old Nipawin bridge, this is a 100-year-old bridge. And you know, it is absolutely important that Ministry of Highways, the assets that we have, that we provide to the good people of Saskatchewan to drive on and use every day have a reasonable level of safety for people. And so, you know, it's obviously going on the recommendation of engineers to shut down the road portion of that bridge. That's something that we took seriously.

But I would also remind Mr. Wotherspoon, that, you know, when the updated Nipawin bridge was built in 1974, it was communicated to the community at that time that the old Nipawin

bridge would eventually be shut down at end of life. And you know, it's certainly our perspective that that old Nipawin bridge has reached end of life. There are options that we've undertaken with engineers to see how we might . . . What would it cost to get it to a reasonably safe position. And I mean, we're talking upwards of \$20 million to extend the life of a bridge by 5 or 10 years.

And you know, when we talk about again using taxpayer dollars in an effective way when we already have a bridge on Highway 55 that's usable, I'm not sure . . . Even though it does cause inconvenience for residents in the area, to spend \$20 million to get an extra 5 or 10 years out of a bridge, not to mention to get a permanent fix would be well over 70 or \$80 million, I would imagine, I think, we have better investments to make in the northeast part of our province.

I will say that, you know, at SARM I did have a good meeting with the RM of Torch River who did raise concerns with me. And we're actively working with the RM now on how we can improve safety at a number of intersections with roads that intersect from their RM to Highway 55.

I am meeting with Mayor Harper from the town of Nipawin in the next number of weeks. And certainly, you know, I'm happy to hear the concerns. But I guess this is one of those situations where we're having to balance, you know, fiscal responsibility with providing a network that works for people.

So we're not looking at reopening the old Nipawin bridge on the driving portion. On the rail piece, we'll continue to work with Torch River Rail, again one of those shortlines that you mentioned earlier. But again there's concerns around the rail bridge as well, and so we have to make sure that, again as the regulator of shortline rails in the province, that we have some degree of comfort that they're going to be operating on that bridge in a safe manner.

Mr. Wotherspoon: — I would just urge the government to retract this hard no to the community and to work in a, you know, consultive fashion, collaborative fashion with the community and to look at the possibilities there, recognizing how vital it is to the community, and as well as the safety concerns that are being identified.

I'm glad the minister is meeting with Mayor Harper and council at Nipawin, hopefully as well some of the neighbouring communities as well and some of the folks involved in industry. It's a vital and strong and important part of the province, and that infrastructure is important. And I think the hard no really hit many in the community hard who were looking for a collaborative relationship with government and to look at solutions.

Shifting gears just a little bit, I'd be interested to hear . . . Obviously rail performance is critical to this province. We've talked about shortlines and their vital role and possible improved supports and expansion on those fronts.

But more specifically to rail performance and how important it is to our economy as well as port capacity and influence and clout in a role there, I guess I'm just interested in an update from the minister as to the positions or submissions that he's made with

the federal government as it relates to the CTA [*Canada Transportation Act*] and then also as it relates to things like the Port of Vancouver and the needed representation for the province of Saskatchewan, the Western provinces who have been shut out for a long time on representation on those fronts and other measures and improvements as well to improve capacity.

I know the *Canada Grain Act* review was under way, and it brought about recommendations as well around producer cars and various things. I know the federal budget improved some aspects around interswitching. But this is an area that's very important to Saskatchewan and to our economy and to producers, to all shippers, all exporters. I'm looking for what submissions and what actions you've taken as a minister on these fronts.

Hon. Mr. Cockrill: — Again another question with lots of angles on it, so I'll try and cover as many of them as I can. You know, I'd just say since becoming minister, you know, first of all I went out and did a tour at Port of Vancouver, Port of Prince Rupert. And again, even though I'm familiar with the Port of Vancouver, it was still good to see it from a port perspective and understand how things move and quite frankly how a lot of Saskatchewan product moves in and out there. Touring the Port of Prince Rupert, quite interesting there. They're making some significant advancements there to really improve throughput at that port.

You know, certainly also at our council of ministers table federally, through a group called WESTAC [Western Transportation Advisory Council] that is all the Western Canadian ministers, you know, we have lots of discussions at both those tables about pushing the ports to make sure that they are responding to the needs of shippers and making sure that we can move product quickly and efficiently and get those cars back inland, back to where things happen here.

You know, I also mentioned the memorandum of understanding that we signed with Alberta and Manitoba last week. I think this is really a key part of how we approach the port business over the next number of years in terms of having a united approach from the Prairies.

[17:30]

You know, you talked about the number of board seats. And it's very disappointing that the federal government has introduced Bill C-33 into the House. They made changes to the composition of the Port of Vancouver board and did not account for more prairie seats. We've expressed . . . I think I've probably sent two or three letters in my time as minister asking for, in as nice and polite as a way as I can, that we need to see more prairie representation. And then also registering our displeasure at C-33 and the continued lack of prairie representation on that board.

You know, also you'd be aware that we did apply to have intervenor status when it comes to the gateway improvement fee in the Port of Vancouver. Because we certainly feel like what the Port of Vancouver is doing with the gateway improvement fee, potentially it penalizes bulk shippers going through the Port of Vancouver. And obviously most of the product coming from Saskatchewan going through Vancouver is bulk.

And that's certainly one thing that I noticed on my travels out to

Vancouver is that there's a real . . . With an increased amount of traffic being moved in containers, you know, there's a pressure on our bulk shippers portside. You know, whether it's just from having space at the port, or you know, being prioritized, there's a pressure there on our shippers.

And so we continue to be vocal advocates with railways, with the ports of Vancouver, Prince Rupert. And again trying to ensure that the interests of Saskatchewan shippers, whether that's potash, whether that's energy products, whether that's agricultural products, we want to make sure that . . . And again we talk about advancing this province economically. To do that and to really enhance our economic attraction, it's very vital for our province that we have good access to ports.

And so I would say that's a large part of the work that I do in terms of trying to, you know, have a united voice on the Prairies about the needs of our shippers, and then ensuring that we have good access to ports, to tidewater so that our products can get all over the world.

Mr. Wotherspoon: — It's such an important area for the province. Could you detail the actions that you've taken to make advancements, to improve rail performance with respect to the CTA and the federal government? And could you speak specifically to where you stand on advocating for producer cars, and around demurrage, which currently is, you know, paid by producers?

You know, we've advocated that that shift should be taken off the backs of producers. When they get their grain to port, they shouldn't be paying a penalty for those that aren't getting the job done on the other side of it. And it would also really create some motivation on the rail side, as well as things like joint running rights and interswitching, which could, you know, bring some significant improvements around performance of rail.

Hon. Mr. Cockrill: — Yeah, you mention a number of different issues when it comes to rail performance and port performance. I think, you know, at the end of the day, the work that I've undertaken over the last year has been to really again represent Saskatchewan's interests, represent Saskatchewan producer interests at some of these tables that we sit at, WESTAC, council of ministers, you know, to ensure that . . . You know, the federal government is the regulator of ports and international railways, and we're asking them to act like the regulator.

And so obviously, you know, they're looking at a number of different pieces. You know, you mentioned interswitching, and I think we . . . You know, anecdotally there's obviously different perspectives on interswitching depending on who you ask, but at the end of the day, if it makes things more competitive for Saskatchewan producers, I think that's something that is good for our province quite frankly at the end of the day.

So I think it's just important to note that, you know, while we stand up for producer interests when it comes to ports and rail, we're also . . . As a provincial government we're not negotiating commercial contracts either. That's the responsibility of producers and different shippers here in the province. But certainly what we are advocating for is a more competitive rail and port network that favours Saskatchewan producers at the end of the day.

The Chair: — Thank you, Minister. Having reached our agreed-upon time for consideration of these estimates, we'll now adjourn consideration of the estimates for the Ministry of Highways. Minister, if you have any closing remarks, brief remarks, you'd like to make?

Hon. Mr. Cockrill: — Yeah, I'd just like to thank Mr. Wotherspoon and all the committee members for being here tonight and paying attention during our riveting estimates performance here. Certainly thank my officials that are here present but also thank the Highways folks who work in all corners of our province. And they might have a busy week in the next couple days here, so wishing them all the best. And certainly I would encourage all of us as we're passing snowplows to please pull over and slow down and make sure that they can get their job done safely. So thank you.

The Chair: — Thank you, Minister. Mr. Wotherspoon, any comments?

Mr. Wotherspoon: — Thank you, Madam Chair. Thank you very much, Minister. Thank you to all the officials that are here tonight for all your leadership, your time at the table. And thank you just to all those that are connected to this work, all those involved in the work of highways and ensuring safety and integrity of that important network, making sure folks can get from point A to point B in a safe way and making sure our goods, you know, and our products can get to market. It's a real important undertaking that you're all involved in, and I just want to say thank you.

The Chair: — We will now take a 10-minute recess just to change out minister and officials for our next committee.

[The committee recessed for a period of time.]

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — All right. Welcome back, committee members. We also now have committee member Doug Steele joining us for this evening's committee. We will now consider the estimates for the Ministry of Agriculture, and we will begin with vote 1, Agriculture, central management and services, subvote (AG01).

Minister Marit is here with his officials. And I would ask officials to mention their name and their position the first time they speak at the mike and Hansard will turn your mikes on for you. So, Minister, you can begin by introducing your officials and open with your opening remarks.

Hon. Mr. Marit: — Thank you very much, Madam Chair. I'm pleased to be here this evening to discuss the 2023-2024 Ministry of Agriculture estimates.

The officials joining me here today include James Cherewyk, my chief of staff; Rick Burton, deputy minister; Lee Auten, assistant deputy minister of programs; Paul Johnson, assistant deputy minister of policy; Penny McCall, assistant deputy minister of regulatory and innovation; Rob Pentland, acting executive

director, corporate services branch; Jeff Morrow, president and CEO [chief executive officer] of Saskatchewan Crop Insurance; Christine Virostek, executive director of accounting; Waren Ames, executive director of insurance, and Mac Cruickshank is executive director of research and development. Those are the folks with us here tonight.

This past year, Saskatchewan's agriculture industry again demonstrated its strength and resilience. We set another agri-food export record with more than \$18 billion in sales in 2022. Crop production bounced back significantly last year, with a crop of about 35 million metric tonnes.

Livestock producers also benefited from better moisture conditions in much of the province this summer, however dry conditions are still a significant concern. It's a situation we will continue to monitor closely, and we've seen recent snowstorms and runoff that . . . some of that pressure has been alleviated.

Staying competitive, staying sustainable, and staying profitable is fundamental to our agriculture industry here in the province of Saskatchewan, and our agriculture industry is fundamental to the strength of our province overall.

This year's budget helps position the sector for continued success. This 2023-2024 agriculture budget is a record \$548.2 million, an increase of nearly 20 per cent. The ministry's core budget, including salaries and FTEs [full-time equivalent], remains largely unchanged. Funding for strategic programs for farmers, ranchers, and agribusiness under the federal-provincial Sustainable Canadian Agriculture Partnership is 25 per cent to more than \$89 million.

The 25 per cent increase in the funding envelope for strategic initiatives will help ensure we are helping pace with rising costs while addressing all priority areas. The budget includes 408 million for a fully funded suite of business risk management programming offered in partnership with the federal government. This is up from last year's budget largely due to increased funding for the crop insurance program. Crop insurance continues to be an actuarially sound program, with funding supplemented by provincial and federal dollars.

This year crop insurance coverage will reach a record level, largely due to higher commodity prices. The average coverage for 2023 is \$446 per acre, an increase from \$405 an acre in 2022. Due to this increased coverage and higher insurance prices, the average total premium for 2023 is \$14.79 per acre. There are enhancements for 2023 which build on previous program enhancements. The most significant change is a new way of individualizing premiums for each producer. Starting in 2023, crop insurance now calculates an individual premium based on each customer's personal claim history compared to their area risk zone. SCIC [Saskatchewan Crop Insurance Corporation] calculates a base premium annually for each crop in each risk zone.

With individual premium, a premium adjustment is calculated individually for each crop a customer insures. This individual premium is unique to each farm and is calculated independently for each crop. This means a producer's claim on one crop does not, and I repeat, does not impact their premium for a different crop. Producers will see these individual premiums be more

reflective of what they are experiencing on their farms.

Another change for 2023 crop insurance program is increasing the maximum coverage for the unseeded acreage feature, but the minimum coverage level remains the same at \$50 per acre. Additional unseeded acreage coverage levels are increasing to \$75 per acre, \$100 per acre, and \$125 per acre.

[18:00]

Unseeded acreage coverage is in place to compensate producers for costs associated with acres too wet to seed in the current year and getting those acres back into condition to seed for the following year. With higher coverage now available, this unseeded acreage feature is more reflective of the costs to prepare these acres to seed next year and align Saskatchewan with similar coverage in neighbouring provinces.

While crop insurance provides coverage from seeding through to harvest, AgStability provides further coverage against uncontrollable events like rising input costs or falling commodity prices. Effective for 2023, the program year, the AgStability compensation rate is increasing from 70 per cent to 80 per cent. In other words, when AgStability payment is triggered, which means a producer's program year margin declines by more than 30 per cent of the reference margin, the AgStability benefit payment is now 80 cents for every dollar of decline up from 70 cents.

This allows the AgStability program to be more responsive when a farm experiences a large margin decline. Increasing the compensation rate to 80 per cent will create a large payment when a producer triggers a benefit, to better support farmers in times of need.

The new federal-provincial Sustainable Canadian Agricultural Partnership includes a new suite of strategic programs for Saskatchewan producers and agribusiness. The Sustainable CAP [Canadian Agricultural Partnership] agreement replaces the previous CAP agreement and will be in place until April of 2028. I was pleased to host Canada's agriculture ministers in Saskatoon last July where we agreed in principle on the new framework.

Over the following eight months, a significant amount of work took place to finalize bilateral agreements with the federal government and develop programming that will work for our province's agriculture industry. It was a priority of our government throughout the negotiations with Ottawa that provinces were able to retain some regional flexibility to ensure our sector's needs were met. Many organizations provided input and participated in engagement sessions to help us get it right.

I believe Saskatchewan's agriculture sector can feel confident that priority areas, such as agriculture research and ensuring producers remain competitive and profitable, are addressed in the new program suite.

I will touch on a few of the highlights and major changes under the Sustainable CAP. The farm and ranch water infrastructure program, or FRWIP, supports the development of secure and sustainable water sources for agriculture use. There is a rebate stream for well, dugout, and pipeline projects. The maximum funding per applicant for a dugout, a pipeline, and new well

development projects over the course of SCAP [Sustainable Canadian Agricultural Partnership] is increasing to \$75,000.

Under the pre-approval side for FRWIP, small dams are being added as eligible projects. We saw very high uptake in FRWIP throughout CAP, particularly during the last couple of dry years. The improvements being made to FRWIP are in response to feedback from industry as we continue to strengthen the program.

Irrigation development also remains a high priority for this province. The irrigation development program supports irrigation development through installation of infrastructure. In April 2021, the maximum program payment for irrigation development was increased from 300,000 to 500,000 or \$1,320 per acre of irrigation development, whichever was less. Under Sustainable CAP we are increasing the maximum per-acre amount in response to the inflationary pressures in the market. The program will continue to be funded to a maximum program payment of \$500,000 or the lesser of \$1,675 per acre.

In 2022, Saskatchewan saw the largest number of irrigation acres developed since the early 1980s. Over the last three years more than 35,000 acres have been developed, putting us well on track to meet the growth plan goal of 85,000 new acres of irrigation by 2030.

The ministry is once again working with Saskatchewan Association of Rural Municipalities to deliver the pest biosecurity program. The purpose of the program is to enhance plant biosecurity, to identify and control invasive pests and emerging threats to plant biosecurity, and develop a network of plant health officers for early detection and response to plant pests. The plant health network is a network of agronomists who help to quickly identify and respond to plant pests across Saskatchewan. These plant health officers collaborate with our ministry on surveys and extensions to RMs, as well as helping to train RM weed inspectors.

The invasive plant control program supports an integrated approach to invasive and noxious weed management through collaboration with RMs and First Nation reserves. The rat control program is a popular program with almost all RMs taking advantage of the program, and we are pleased to see this program will continue. The beaver control program supports the control of nuisance beaver populations that are negatively impacting agriculture lands across Saskatchewan.

And this year we are working toward a new gopher control program that will help control the spread and population of gophers through a rebate for registered products. We know gophers are a persistent and significant problem and this program will help to address that challenge.

This budget includes 9.7 million for a new program to help producers achieve outcomes related to water quality, soil health, and biodiversity through the adoption of beneficial management practices or BMPs. Under the resilient agriculture landscapes program there are three main areas: land-use BMPs, grazing management BMPs, and livestock stewardship BMPs. The ministry is also offering a new additional incentive under the tame forage stream of our seeding forage BMP.

In addition to the cost-shared funding we offer for seed and

establishment costs, producers will now have the option to opt into a land-use agreement that would commit them to maintaining their land in forage for five years. Seeding and maintaining perennial grasses and legumes can improve soil fertility and sequester carbon, reduce erosion, improve resilience to climate change, and provide biodiversity benefits.

If producers choose to participate in this option they will receive an additional \$100 an acre to compensate them for the environmental benefits they are providing by seeding forage on those lands and to help offset any opportunity costs associated with not seeding annual crops.

Saskatchewan is a leader when it comes to value-added agriculture and is home to one of Canada's fastest-growing food manufacturing sectors over the past 10 years. The Saskatchewan lean improvements in manufacturing or SLIM program is one of our flagship programs for the value-added sector.

As before, clients can use SLIM if they are a business involved in the value-added processing of crops and livestock into food, feed, or by-product. The business must be located and incorporated in Saskatchewan, and the facility must be in operation for a minimum of two years. New for SCAP is a tiered funding approach. We feel that by focusing on project size to determine the size of the maximum program cap, we'll allow for the greatest flexibility for clients.

Research is again a significant component of this year's budget with a record investment of more than \$38 million. More and more we must enable the kind of innovation necessary to continue producing the high-quality products our markets want in the face of challenges like drought.

We place a high priority on innovation as part of our efforts to meet the growth plan objectives for 2030. Our funding for agriculture research will support our research partners and the world-class research institutions in this province. We will also continue with project funding through programs such as the Agriculture Development Fund and the Agri-ARM [agriculture-applied research management] applied research and demonstration sites.

We are allocating \$1 million to a program in lands branch to control invasive weeds on patron-managed pastures. We recognize it is important to promote continued productivity and stewardship of this research.

Dry conditions continue to be a concern in parts of the province, and we recognize the significant challenges many livestock producers are facing. I want to highlight some of the changes we announced earlier this year in response to the ongoing concerns.

We have frozen the 2023 grazing rate at the 2022 rate for producers who lease Crown grazing land. The foregone revenue from this change is estimated to be around four and a half million dollars. We also implemented reductions for Crown grazing lands hardest hit by drought. The 2023 rate reduction will match the reduction in carrying capacity, ranging from a 20 per cent rate reduction up to a maximum of 50 per cent.

Additionally, Saskatchewan Crop Insurance Corporation continues to offer robust crop insurance coverage. We've seen

good uptake in Saskatchewan Crop Insurance forage program and the forage rainfall insurance program. These are programs that will continue to be there for producers as we enter another potentially dry year in parts of the province.

Our government also recognizes the importance of the livestock price insurance program for producers and the value it provides to Saskatchewan's livestock sector to mitigate market risk. We are dedicated to continuing the conversation on how best to support producers through current challenges and into the future.

With this budget we are once again providing support through industry grants. We are pleased to be able to assist organizations and events that help drive the current and future success of our industry. This includes a variety of activities throughout the year, from conferences and shows such as Agribition, Canada's Farm Show, and Crop Production Show. These events are important to producers to help our industry continue to grow and advance.

As Agriculture minister, I have a first-hand view of the great work taking place in this industry. A priority of our government is telling the story both domestically and internationally. We need to ensure the federal government and the Canadians across the country understand the sustainable way in which we produce food here.

Saskatchewan's producers have been on the sustainability journey for decades, with a strong focus on soil health, diversified crop rotations, innovative technology, and investments in research. Recent work by the Global Institute for Food Security has already led to some impressive data. For example, they have shown that Canada's net carbon footprint for canola production is almost 50 per cent lower than that of our main global competitors, and Saskatchewan is over 60 per cent lower.

For dryland peas the numbers are even more impressive, with Canada being approximately 85 per cent lower than our competitors, with Saskatchewan's numbers being over 90 per cent lower. I'm proud to tell this story on trade missions. I recently travelled to Asia and visited United Emirates and India, two very important markets for Saskatchewan's agriculture. In the fall I was in Mexico, another priority for us. In 2022, the first time in provincial history, Saskatchewan's trade to Mexico exceeded \$1 billion, with agri-food exports accounting for over 97 per cent of total exports.

Our government will continue to showcase the world-leading agriculture practices used here in Saskatchewan. Thank you for your time, Madam Chair. And I'll turn the questions over.

The Chair: — Thank you, Minister. One of the busiest portfolios and there's a lot to tell about agriculture in our province, so thank you for informing us. So I'll now open the floor to questions from committee members, and I'll recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you, Madam Chair. Thank you, Minister. And thank you to all your officials that have joined us here tonight and all those that are involved through the ministry and in agriculture.

It's such a proud and vital and exciting sector in this province, and it is an enjoyable sector and an incredibly important sector

for us to focus in on. And we've got, as the minister touched on, world-class producers, world-class research, world-class products that we get to sell the world, the best beef in the world, and then all these innovators and agribusiness and value-add agriculture and ag tech that all contribute to make this sector something that the rest of the world looks to. So I'm proud to enter in here tonight with some questions.

Mr. Minister, you identified the changes to AgriStability around payment rates. Of course we had pushed for the reference margin to be eliminated years ago and then for payment rates to be improved as they now have been, and that's a good thing. We pushed for this, along with the ag sector, in a united way for a few years on this front. And the federal government had been there to commit on this front.

Do you have any regrets in not acting sooner? Of course we went through the horrible situation in 2020 where producers were left high and dry without those improvements being brought about. Certainly the federal government, but importantly the agriculture groups, were united on this front for these changes. So do you have some regrets there? And then number two, what's the fiscal impact this year to the change?

[18:15]

Hon. Mr. Marit: — Well first of all, I'm going to say we have no regrets on the changes that we made. I mean, we listen to the industry probably more than anybody does, and we always have. And the biggest thing that that told us is, the 70 per cent reference margin limit was the one they wanted gone. And that's the one we did. That is retro to 2020. That's what we went back on. The last two years alone, that program has paid out just under \$24 million to producers, just with the removal of the reference margin limit.

Now going to 70 to 80 per cent, that was all part of the negotiations of the new agreement going forward with the provinces. And that will start obviously in 2023. We have no idea what that impact is going to be, because there'll be a number of factors. Obviously the number one factor is what's going to happen to participation. So that number we don't know yet, or we won't know. We have an estimated cost, you know, in excess of \$7 million, but participation rate or any other situation could change that drastically. But the removal of the reference margin limit had a big impact, and it did go retro to 2020.

Mr. Wotherspoon: — And I'm surprised that the minister doesn't have any regrets as far as not moving sooner on the payment rates. The reference margin was certainly important. The ag sector was united. We called for this, and we were glad to see that removed when it was. But it's left producers without some of the backstop they could've used these last couple years to not have improved payment rates these last couple years.

Hon. Mr. Marit: — They got it.

Mr. Wotherspoon: — Moving along, with respect to some of the other business risk management programs, you know, certainly our livestock sector, our beef sector is in a tough spot right now. They need and deserve to have an equitable and fair backstop that they can count on. There's been some good improvements the last number of years with some of the business

risk management programs. That being said, they certainly don't get equity with respect to a level of fairness with the grain sector, for example, around premium contributions from the provincial and the federal government.

We look at the livestock price insurance program as an example, such an important program, but one that producers are paying the full price for. And of course I've been pushing on this front, as have been producers on this front, to push for contributions from the provincial and federal government in an equitable way, and in a way just like are contributed on the grain side and for other programs. I know the minister's given some attention to this of late. I'm interested in what undertakings you've taken on to address this, and how committed you are to addressing this inequity for livestock producers.

Ultimately it's very important that they have a backstop they can count on. The federal and provincial contributions will really ensure that backstop is improved. And you know, I think the hope, and what I hear from livestock producers and from the sector, is that you then see subscription at the kind of levels that are needed as well.

So I guess just a question to the minister: where is he at on federal and provincial contributions into livestock price insurance? Which undertaking, what undertakings has he taken with the federal government? And what can we expect on this front?

Hon. Mr. Marit: — Well you raise some interesting points, and I've asked Paul to come up too because you opened your comments about government support of the livestock sector. And I'm only going to name a couple because the list is going to be long, and this answer's going to be long because it will . . .

Mr. Wotherspoon: — The question is livestock price insurance.

Hon. Mr. Marit: — No, your question . . .

Mr. Wotherspoon: — Because we don't have that much time here. We've got a lot of areas to work through.

Hon. Mr. Marit: — No, but your question before was, where is the government support for the livestock sector? That's how you started.

Mr. Wotherspoon: — No, I said they're in a tough situation right now. I have many questions where we could make some improvements on these fronts, but one of them is the livestock price insurance, where we need to see some equity on these fronts. And then there's some other areas we can get into as well.

Hon. Mr. Marit: — Well okay, and I'll keep this answer short at this time but what we have done for the livestock sector has been absolutely . . . We've done a lot of things. On the livestock price insurance, the livestock sector was pretty clear to us when this started that they didn't want government involvement because they were very concerned about a trade challenge. We heard that from the Saskatchewan Cattlemen's Association. We heard it from the Canadian Cattlemen's Association as well.

The province of Saskatchewan and the province of Alberta and Manitoba have raised it with the federal government. We've raised it for years with the federal government to make this a

national program. Their concern also was, it could be a trade-distorting issue, and it still could be. We have raised it that it should be national. They say, no, it's a regional program because that's where the industry is. So we have still raised it. We still have letters to the federal government. We still have those discussions about a livestock price insurance program.

The challenge we have with it is that the industry is concerned that this could be a trade challenge issue from the US [United States]. So that's why it is where it is right now, where the producer's paying the premium on it. And we're having very good uptake in that livestock price insurance program, very good uptake.

Mr. Wotherspoon: — Yeah, thanks for that. I'm aware of some of the concerns and the conversation around the concerns around the countervail risks. I'm also aware that that seems to have shifted, that conversation. There seems to be interpretations that give us a level of confidence that we could build this backstop that livestock producers deserve, that equity in the insurance program and the contributions from the federal government, the provincial government, and not put ourselves at risk on these fronts. Obviously it's very important.

So is it fair to say then that you're advocating for this to be a national program with federal and provincial contributions and active as well with the federal government in assessing any such countervail risks?

Hon. Mr. Marit: — I can tell you we'll continue to pursue it. I mean, you know, we have heard from the industry as well that there might be some changes to this part of it, but we've been on the forefront of this one for years. The province of Saskatchewan was probably the first jurisdiction to take it to the federal table on the price insurance, on the cost-sharing mechanism of it. We have other provinces as well, but you have to have . . . To make it a national program you've got to have 7 out of 10 outside to make it a national program. There's a process that has to go through on that, and we'll continue to do that. And we've done that with letters, and obviously that letter is signed by other ministers as well.

Mr. Wotherspoon: — Yeah, it's an important undertaking and one that we need to be consistent in our engagement with other provinces. Certainly there's support across the nation as well, and I think real recognition as well, as to how important the livestock sector is, not just to Saskatchewan but to this country. And it is facing . . . That sector is facing challenges. Producers are facing challenges.

I want to focus in . . . Would you have a breakout? Are you able to break out what proportion of the crop insurance budget is allocated for grain, and what proportion for livestock?

[18:30]

Hon. Mr. Marit: — It's pretty difficult to break out what you are asking here between crops and livestock for a number of reasons. Obviously you know full well we have a lot of producers that have both livestock and crops, right. The other big factor we have is we have a lot of grain farmers that grow feed grains. So they're growing those for the livestock sector. So they're insured under crop insurance, but they're not for grain sales or for

livestock sales.

And also if you look at all the other programs we have under crop insurance, obviously livestock price insurance, we administer that program too on behalf of the producers. But there's also the wildlife predation program we have there. There's tame hay yield; we have that program there. We have rainfall insurance that we have that we've enhanced and established with benefits as well.

But probably the biggest one we'd have that's outside the business risk management program that is pretty well dedicated to the livestock sector is the farm and ranch water infrastructure program, which I said in my opening comments that we have raised that cap too to 75,000. But through the drought we saw obviously when we came out with a new plan to raise that to 150,000 per . . . And that was only for livestock producers. That was for nobody else. Only livestock producers could apply for that money.

So those are some of the programs that we've had. But to say what the ratio is is pretty difficult because, like I say, I grew feed grain on my farm too. It was insured under crop insurance, but it went to the livestock sector. So there's that side.

Mr. Wotherspoon: — Well thanks. We'll continue to place attention I think on this area. There is some disparity certainly as far as the inequity that we've addressed around livestock price insurance, and we'll appreciate that this is an area that you have interest in as well. It's certainly an important piece for the sector.

Right now one of the big challenges — and I think you'd know this quite well from the part of the world that you come from and represent — is the issue around wildlife damage. And certainly many producers, many ranchers are dealing with large herds of wildlife that are damaging bales and eating stockpiled forage and winter grazing, including grazing, you know, corn and swaths as well that were there for grazing.

I hear some concerns around how crop insurance values damaged feed. And what I hear is that the compensation just simply isn't enough in the drought-affected areas because of the provincial average being used, the provincial value being used as opposed to the local price. And it results in producers in those extreme feed-deficit areas losing extra 50 to 100 bucks a tonne on the feed. And of course in that area where the drought has been, you know, protracted and such a hardship, feed is just so hard to come by. And the costs of freight are so significant that folks are subjected to.

So I guess I'm looking for some responsiveness or a response around how crop insurance values damaged feed, and looking for some sort of responsiveness and shift to respond to the local price or local challenge in those drought-affected areas.

Hon. Mr. Marit: — You're right. I mean we've heard a lot of wildlife damage on the feed side. We heard a lot at SARM when we were there too. And it's not . . . I mean there are some areas of the province where they're having no issues at all, but there's some where they are. The South is having some, but there's also some up north too where they're having it, obviously because the wildlife can't get to feed because of the snow pack and everything else like that. So yeah, you know, we've all heard that

and we've seen it.

And one thing we have been really engaged with is with the livestock sector on this but also with the Ministry of Environment and some of the challenges around that as well, you know, working with them and trying to make it . . . trying to come to some resolve on the wildlife situation and how it's impacting the feed side.

I'm going to turn it to Jeff on, you know, how it pays out on the compensation side and that side of it. Jeff.

Mr. Morrow: — Jeff Morrow, acting president and CEO. So for the stacked forage compensation, what we do is we have a six-month average price. So we calculate that average based on September to February values, and it is a provincial number for the various types of hay that producers may be suffering damage on.

Mr. Wotherspoon: — Thanks. So I guess that's the concern right now is that, you know, you have this incredible hardship that folks are enduring with respect to feed, and then the insurance just isn't adequate and doesn't have, you know, a valuation that reflects that region which is really impacted in a big way. So I guess, you know, could we push for or could we expect you as the minister to work to fix this program in a responsive way? I mean folks are, you know, paying the high cost right now on transportation to try to access feed, and they're left short. Is this something that you could take on to try to shift this valuation or to address these costs in other ways?

Hon. Mr. Marit: — Yeah, I guess I'll make a couple of comments, and I guess this goes right to one of your questions you asked in the Assembly about when you started talking about the cost of food and everything else like that. And it comes right back to when you look at transportation costs. And the carbon tax is a big player. It's one of the biggest players we had. Now we see another increase of 30 per cent on April 1.

We're seeing fuel costs go up as a result of it. Obviously that comes right back to the primary producer which is the cattle rancher or the grain farmer. So I guess if you want to do something, get rid of the carbon tax and we'd see a big reduction in transportation costs right across this country, but at the end of the day the primary producer's the one that's left as a price taker, so it obviously has that impact on it.

We're always, you know, talking to the industry, and I think Jeff has kind of alluded to the fact that we use a six-month average on the pricing, and . . . But right now if you want to look at one of the biggest costs that's really impacting the transportation costs right now, it's the carbon tax. Plain and simple.

Mr. Wotherspoon: — So you . . . I mean, the minister and I share a concern on this and he knows that, but the point is that, you know, our concern doesn't pay bills for those that are trying to source feed right now. And they're left short with an insurance program that doesn't reflect the value or the costs that they should expect in a fair way in that drought-affected area where feed is so short.

And so yeah, we'll express our concerns on the carbon tax and its impacts, and certainly it adds to the cost of freight, there's no

doubt. But we also, you know, we'll address later on as well, there's no rebate or no offset for these producers as well on this front who frankly should be getting compensation. If we're going have a carbon tax in place, they should be recognized for their role as stewards in sequestering carbon and stewards of the land. We'll get back to that later.

But there is something this province could do and this minister could do. He could ensure that instead of the provincial average, that it was a local average and that it reflected the actual cost for the region that's impacted. And I would urge him to do so.

I'm interested as well . . . Now I hear that, you know, of course the province encourages and a lot of producers for good reason are utilizing winter feeding systems like corn grazing and bale grazing and swath grazing, but it's my understanding that there's not compensation for damaged feed that's not stored in the yard. Is this correct?

Mr. Morrow: — So for producers that are employing those alternative winter feeding systems like swath grazing, bale grazing, or corn grazing, if it's a well-managed alternative feeding system, there is compensation available under the wildlife program for that.

Mr. Wotherspoon: — Okay. And is that commonly understood and is that communicated in a clear way? Because I've been hearing concerns through the sector and through some of the organizations around concern that it's not covered.

[18:45]

Mr. Morrow: — So the coverage for the alternative feeding system has been around from the wildlife compensation program for about 10 years, so we do talk to our industry about that and if any producers have any questions on the eligibility, certainly encourage them to talk to any of our offices on how that works for them.

Mr. Wotherspoon: — So those then that are insured and part of a program that are corn grazing or swath grazing or bale grazing, they have access to coverage? They have access to compensation for wildlife loss and damage?

Mr. Morrow: — So for the wildlife program, because it is a compensation program it's available to all producers. So they don't have to be crop insurance customers to have that compensation.

Mr. Wotherspoon: — Thanks. I guess looking to the minister on the — and we've touched on this a bit — but like the rainfall forage program, the coverage has dropped I understand significantly, 32 per cent decline, I believe 110 an acre to 74, if I'm correct. And then at the same time, the cost of feed, I mean it's just not the reality for many producers, many parts of the province. We've touched on this again for the drought-affected areas that are dealing with the cost of freight that we've already touched on, and you know, competing as well with American producers on this front and the American dollar to access that feed.

So I guess my question is, you know, does the minister think it's appropriate to see this kind of a cut to the per-acre coverage for

the rainfall forage insurance program at the same time that the, you know, that costs are going up?

Mr. Morrow: — So the coverage under the forage rainfall program is driven by the price of hay. And I think even though there are producers certainly facing challenges with feed, I think we were fortunate in 2022 that hay did become more available than what we saw in 2021, where it was widespread and went across borders. There was more feed available, so that did bring the price of hay down for 2023.

And maybe just one thing I'd add on the forage rainfall program: we do make efforts to make that program relevant. And one thing we did respond to last year, based on the 2021 experience when we saw those extreme . . . the heat dome come into play, a change that we made in response to that year was in 2022, for every day that the weather station recorded a temperature above 31 degrees, we took away one millimetre of rain, because we know at those temperatures that rain isn't available for the forage to produce yield. And I think that change did trigger another \$5 million in payments in 2022 through that program. So it was good to see that enhancement did what it was intended to.

Mr. Wotherspoon: — Thanks for that update as well, and thanks for all the efforts to manage these important programs. Certainly I would urge the minister to just assess the fairness of this program, you know, being delivered this year with a significant decline at a time where certainly those that are in the, you know, feed-deficit areas, drought-impacted areas . . . You know again, feed is not easy to come by and comes with a significant cost, added cost, to get at it by way of transportation.

Moving along just a bit, but still focusing on the same piece and it gets into a part that the minister touched on, and that was around the wildlife damage. And I guess my question is what's the province doing to reduce the damage considerations with environment or deprivation tags or other aspects to reduce the damage of wildlife?

Hon. Mr. Marit: — You know, a brief answer on this I guess is obviously we've raised the concerns with the Minister of Environment and obviously they're looking at both some short-term and some long-term solutions on the wildlife piece on this one. You know, under the Saskatchewan Crop Insurance, we do have a program that ranchers can reach out for fencing costs around their stacks. So we do have some funds available for that, where some have reached out and obviously utilized that too. So that's one of the mechanisms we do have on that one.

Mr. Wotherspoon: — Thanks for the info. What's the coverage through that program?

Mr. Morrow: — So the prevention, kind of a baseline is \$5,000 and if the area that you're fencing off is over 5,000, there's another level of approval. And maybe one other thing on kind of that prevention, just to try and keep that damage out of hay, is we pay also for what we call intercept feeding. So that's if a producer can move bales out of their main stackyard to other areas to try and keep the big game away from their stacks. If they do that we pay for that as well.

Mr. Wotherspoon: — Thanks for that information as well. Where is the conversation at around cover crop insurance or

cover crops being insured?

Hon. Mr. Marit: — I guess we need clarification on your question. Are you talking a cover crop that will be plowed down in the spring, or are you talking a cover crop that's seeded in the fall and then harvested that year or whatever? So I guess I just need some clarification on what you're meaning by a cover crop.

Mr. Wotherspoon: — Yeah, I might not be in the position to give you the best clarity on this. Certainly there's some producers I know that have been advocating — I think some through your neck of the woods and some through the stock growers — with respect to some coverage for cover crops. I don't know where that conversation's at. I know I've brought it up here to the table in the past.

Mr. Morrow: — So I'll talk about intercropping maybe first. Intercropping, because we do work with that sector of producers that grow two crops together. I'd say the most common that has reported to us is canola and peas in together; chickpeas and flax is another common one. We have about 20,000 acres get reported to us; 20 to 30,000 acres get reported to us. We do have coverage available. It is not specific coverage that is yield loss for that mix of crops. It's what we call diversification. So it's based on kind of the average of your other crops, and we transfer that or proxy that coverage across to the acres that are intercropped.

As far as cover crops, one of the sectors that uses that probably more than others would be the organic program, where maybe it's used as weed control. And so we do have separate organic coverage available for producers.

Mr. Wotherspoon: — Thanks for the information on that front as well. One of the common concerns — and I know you've done a fair amount of work around these fronts with weather stations — is rain monitoring. And obviously this matters. Yet there's, you know, a high level of concern at times that the reality for a farm isn't what's being measured at the weather station. Can you speak to what you're doing on this front, both through enhancing weather stations and other methods, to more accurately instill confidence in the measurement of rain?

Hon. Mr. Marit: — You know, I'll just start with this: I think it wouldn't matter how many you had, it wouldn't be enough. You'd probably . . . Two or five, I mean what would the number be? 10 kilometres? 15 kilometres? I think you would still have somebody that would be outside of a range here or there, whatever the case may be. We did increase it significantly. We had 131; we went up to 186. So you know, we saw over 40 per cent increase, and I think the radius is around 30 kilometres apart.

But I know where, you know . . . And Jeff will comment on some of the things that we're looking at. Obviously one is satellite imagery, but I don't know if Jeff wants to add to that. You sure can, Jeff.

[19:00]

Mr. Morrow: — Yeah, I think the minister raises a good point on kind of that basis risk. If it's not kind of farm specific, there may always be those concerns, so we are looking at ways get more specific coverage. And I think the technology that seems to show the most promise is satellite imagery that can be used to

interpolate kind of what's happening at the farm level, whether that be through measuring soil moisture — there is some research that shows you can look at soil moisture — or just rainfall in general. So it's the satellite imagery that we'll be looking for as maybe enhancing this down the road.

Mr. Wotherspoon: — Did you have plans on this front, around the satellite imagery, around some pilots and some research on this front? What can producers anticipate as far as the exploration and the testing of this method?

Mr. Morrow — So on this front what we're doing is looking at kind of what products are available in other jurisdictions that use satellite imagery to do something similar. We do know there are products in Europe, for example. So the research that we are doing is determining whether the algorithm or the methodology that they have built and the imagery that they use, how transferrable, how correlated would it be to what we see in our forage systems here and then evaluate whether that can be a fit to enhance our programs going forward.

Mr. Wotherspoon: — Thank you for the information. And so what can producers anticipate this year? What sort of work will be happening in this area in the current budget year?

Hon. Mr. Marit: — I think this year the program is going to be probably status quo as what we have out there. I think this obviously, as Jeff has said, is going to take some due diligence. And then I would anticipate that probably we would see a pilot project. Hopefully we could see it in 2024, but I wouldn't make a promise because it just depends on the data we collect and how we can correlate that back into the province of Saskatchewan.

And obviously then where do you do it, right? Obviously you would think that the perfect place would probably be somewhere in the Southwest or somewhere there, but maybe it's not there. Maybe it's someplace in the Northeast, where they've had lots of rain and then all of a sudden they haven't. Who knows where that might be? But that's the correlation we'll have to work with.

But I think first and foremost, we've got to collect the data to see what's available out there and what will really work for the province of Saskatchewan. And as the folks have said to me, it's just how we correlate that and bring it back to work here in the province.

Mr. Wotherspoon: — Thanks for that. Just moving on to another area that's important to the beef sector, to the livestock sector, and that's the specific risk material rules and management. And my understanding is that the international body on this front, the World Organisation for Animal Health, has changed the risk status, if you will, of Canadian beef, which is a real good thing because they've recognized its high quality. And I understand we're now on an equal footing as the Americans with respect to this assessment.

But I understand the practical impact that should flow from this hasn't happened yet, and that's where we would move, if you will, for processing: from the long list, which we're currently on, down to the short list around requirements there. And this all comes down to significant costs obviously for processing and for the sector, and it's all based on the change around the BSE [bovine spongiform encephalopathy] status.

So I'm just looking for the work that the ministry's engaged on this front and making sure that we aren't subjecting the sector to undue costs at this time where this important change has occurred.

Hon. Mr. Marit: — Thanks for that question. Actually we've raised this with the federal minister last January. I raised it there as well. And actually last week I was in Alberta meeting with my Alberta counterpart and the beef industry, and this was obviously a topic of discussion. A lot of discussion about it and some of the concerns around it and all the other things. But Paul has been working on this for quite some time and the technical side, so I'll have Paul make some comments to address it as well. So, Paul.

Mr. Johnson: — Thanks. Paul Johnson, assistant deputy minister. Yeah, thank you for the question. You're correct. The World Organisation for Animal Health changed our risk status after many years of reporting surveillance and doing testing in Canada to prove our systems are keeping the SRM [specified risk material] materials out of our feed systems. We are now at the same classification as the United States. And correct that it does add significant cost to processing beef in Canada with disposal of those specified risk materials in keeping them out of the animal feed industry.

The challenge for Canada right now is market access. We are so dependent on export markets for our beef products that it is a very significant risk for us to jeopardize moving too quickly so that our trading partners don't accept our processes in place to keep the SRM materials out of our feed.

So we are very aware that Canadian Food Inspection Agency, who is the lead on this file, is working with the industry groups, including the Canadian Cattle Association, on a detailed risk assessment. We are aware that CFIA [Canadian Food Inspection Agency] will be bringing a detailed risk assessment back to ministers this summer or this fall for further discussion on next steps, but we continue to raise it as an important competitiveness issue for our sector.

Hon. Mr. Marit: — And if I could add too, obviously in talking to my counterpart last week in Alberta, we're both very concerned as a result of Japan just opening its market up to Canadian beef again, that we just don't want to risk losing that market in any way.

Mr. Wotherspoon: — Thanks for the information. Certainly it's an important file for the industry. With respect to trade itself, what's your government doing to improve trade, say with the United Kingdom, for example, around addressing some of their non-tariff trade barriers like carcass washes that, you know, create a real barrier, a real challenge for the livestock sector?

Mr. Johnson: — Yeah, thank you again for the question. Very, very important. As I mentioned earlier, trade and market access are critical to most of our agriculture sectors in the province and having access to large markets is critically important, and Minister and his colleagues are working very hard on enhancing market access.

Trade agreements are negotiated by the federal government. I think you'd be aware of that. And in Saskatchewan the Ministry of Trade and Export Development leads the Government of

Saskatchewan on working with Canada on trade agreements. That said, the Ministry of Agriculture, we work very closely with our colleagues at TED [Trade and Export Development], and we also discuss this actively with our colleagues at Canada as well. But trade and market access are critical for us.

And we are also working very closely with our industry in Saskatchewan to make sure that when trade agreements are negotiated, our interests are well represented internationally so that we can continue to have access to those important markets.

Mr. Wotherspoon: — Thanks. Certainly it's an action or a behaviour that doesn't sort of live up to the spirit of the trade agreements, and so I appreciate all of the efforts to address non-tariff barriers like this one and to expand trade obviously for our livestock products around the world.

Now we've spent some time, Minister, these last number of months debating the matter of fair pricing for meat for livestock producers in the province, for beef producers in the province. I know you have heard my disappointment that we didn't engage at this as a legislature and investigate and act on and be a part of ensuring fairness for livestock producers in the province by way of meat pricing and looking at the whole supply chain on this piece of course — all the transportation, all of the warehousing, all the meat-packing industry, of course the costs as we've talked about, the concern around the carbon price of course, its impact through the supply chain.

I feel there was a real lost opportunity for us not to roll up our sleeves and do some of that work out of here as well and to draw on the expertise that we have in this province, and recognizing just how important that beef sector is to this province and making sure that it's clearly understood in Ottawa. I guess my question would be . . . Of course there's been a federal committee doing some work on this front. I really think we could've strengthened some of that work and made sure that the livestock side was better understood. As well the Competition Bureau's doing some work on this.

I guess my question is, what interaction or submissions have you made on behalf of beef producers to the Competition Bureau or to the federal ag committee or to the Ag minister?

[19:15]

Hon. Mr. Marit: — I'm going to start, and then I'm going to turn it over to Paul. Because we have done some work on this. But you know, you made a comment about why we didn't, and I answered your questions in the Assembly — because of the carbon tax. And you know, I said that with the greatest of feelings and the impact it has on the primary producer as we are price takers.

I don't know if you totally got it or not, the impact it does have. But you know, when you have Dr. Charlebois from Dalhousie University making exactly the same comment as what I made, obviously it has some merit to it. And I want to quote him:

The position was very clear. I think it's important to recognize each and every node within the supply chain and how the carbon tax is impacting each and every one of them.

There's your answer if you really want to start talking about, you know, when you start talking about the price of food and everything around it. We were just out in Alberta, and Paul's got some comments to also add to this on the beef pricing.

Mr. Johnson: — Yeah, thank you for the question. The direct answer is we have not raised this directly with the federal Competition Bureau, in part because we were waiting for a large study that was conducted out of Alberta. It was called the Alberta beef competitiveness study. This was just released on March 14th, and a lot of the things that you've raised today are coming out in that study.

The top five barriers identified in that study on competitiveness were labour; SRM material and the cost associated with that; access to capital; pathway and regulatory compliance; and market access. And some other components of the study talk about price transparency in the industry and how that's a concern in competitiveness and how that impacts producers across the province.

So Minister and I and his chief, James, were in Alberta last week meeting with the industry and certainly are going to pay attention on the beef competitiveness study, the outcomes, and next steps going forward with our industry.

Mr. Wotherspoon: — Yeah, thanks, I've noted the good work that they've taken on out of there as well, and glad we're working there. I guess just to the minister though, you know, the piece around the carbon price, without a doubt, I mean this is a concern and it cascades throughout the supply chain. And you bet producers are price takers, and this is certainly something that we should be examining and putting a cost to as well.

And in the motion that I brought forward, the investigation would have included that very piece there and it would . . . You know, I guess we have a . . . You know, Minister, it seems, you know, you get chippy on these things. But we'd be way better off to really stand up for Saskatchewan producers and make the case because under your government, producers have been losing that battle on the carbon price. And you know, I think we need to be able to make sure there's a clear understanding of implications there.

But what you shortchange, Minister, is some of the anticompetitive behaviours within the meat-packing industry and through the supply chain here as well that really shortchanges Saskatchewan producers and also is a real impediment for that bolstering and building out the kind of processing that we should have happening in Saskatchewan, addressing those anticompetitive behaviours by way of regulatory actions to make sure that we can put processing in a better position moving forward, and ultimately making sure we get better value for livestock producers and consumers.

So I would urge . . . Since it seems you misunderstood the investigation that was called for, it was clear it was inclusive of all of these factors. And you know, I think it's an area that we could . . . It's not too late for us to lead on this front and to interact with the federal ag committee, interact with all stakeholders through livestock, and to interact with the federal Competition Bureau, if I will. And I would urge attention on that front. But addressing the anticompetitive behaviours of the meat-packing

industry, and addressing those through the federal government as a partner would be an important component.

Now a couple reports that have been done that are important are, you know, of course, the one through the Alberta government, as well the one through the stock growers — funded through the province — around some of the barriers to meat processing expansion in Saskatchewan. Going back to my first point, I think we really have to make sure we don't have an anticompetitive environment, and you know, a duopoly, if you will, that can act in a way that prevents market entry from new processors in Saskatchewan that can impact their viability and that shortchange producers.

But I guess I'm interested in hearing more specifically what you're planning on doing to address the barriers and to help attract investment in meat processing.

Hon. Mr. Marit: — I'm going to touch on a few things that are, you know, obviously what we have done. Obviously our government's main concern is to really support the beef industry here in the province of Saskatchewan. I think this budget reflects that in a lot of ways but also in previous things that we have done, you know. And I'll get Paul to touch on the value-added side and what we have there.

But when you look at what's in this budget alone, on the Crown land lease rates being frozen, that's \$4.5 million directly back to the cow-calf producer in this province. That is cash in their hand. That's not anything else, saving them \$4.5 million dollars.

You look at what we did in 2021 to save the cattle industry here in the province of Saskatchewan. Just under \$300 million went to the livestock producers in this province in 2021 — just under \$300 million — to save the cattle industry here in the province of Saskatchewan. You look in this budget what we did under the farm and ranch water infrastructure program, predominantly utilized by the livestock industry here in the province of Saskatchewan — raised that to 75,000 from 50,000 per applicant. And through the drought we raised it to \$150,000 per applicant for only livestock producers only.

So that's some of the things that we have done in this budget to protect, and in previous, but I want to turn it to Paul to probably give you a more detailed description of where we are with supporting the value-added side on the livestock side. So I'll turn it to Paul.

Mr. Johnson — Yeah, thank you. There's a number of things at play in the Government of Saskatchewan that do and can help support value-added processing for our livestock sectors in the province. The Saskatchewan value-added initiative that's managed by Ministry of Trade and Export Development is one of the tools for the larger programs. We in the Ministry of Agriculture have a program called the Saskatchewan lean . . . SLIM program — I can't remember the acronym — SLIM program for our abattoirs to support more processing at our abattoirs, and things like increased cooler space for storage in those abattoirs to help them become more competitive.

The abattoirs, they're smaller than the large international companies that operate out of province, but they're very important to our local industry. So we do a lot to support the

abattoirs across the province, including a program to do the meat inspection in all those abattoirs, which is overseen by the Ministry of Agriculture.

In the new SCAP agreement that we've just signed, there's other programs to help with the competitiveness of the sector, like a livestock facility efficiency program to help our processors and operators become more efficient in their operation. We've also been working very hard with CFIA in Alberta on an interprovincial meat pilot project to help enhance trade across our provincial boundary, something that takes a lot of work with the Canadian Food Inspection Agency.

We also are supporting regional projects for beef processing that are looking at more of a regional model for smaller domestic processors, so we're supporting those. And on the investment attraction front, we work very closely with the Ministry of Trade and Export Development on the international offices on the investment attraction front to bring new investment dollars into Saskatchewan. Some of that could be in the provincial meat inspection program.

And lastly I'll say we continue discussions with our stakeholders on the study that they did, phase 1, and to look at what might be next coming out of that study.

[19:30]

Mr. Wotherspoon: — Thanks for all the information and the work on these fronts. With respect to the Saskatchewan value-add ag incentive — I know I've raised this in the past with the minister — of course a plant or a project under \$10 million wouldn't qualify for this program. Is this something that you're willing to look at as minister?

Hon. Mr. Marit: — I think if you're looking at a facility that's going to be able to work in the trade environment and be able to find a market access, I don't think you'd ever be able to build a facility for under \$10 million, I think, when you look at what some of the costs are now.

But I think if facilities are looking at any type of expansion at all, we have the SLIM program where that's, as I said in my opening remarks, where we layered that. So we layered it as a result of that, where if a facility was going to invest more money than what we had at threshold, that's why we brought in the layers, to help impact some of that cost there as well.

Mr. Wotherspoon: — I think there's many through the sector that have identified as well, and through the province, that there's opportunities to advance smaller scale processing as well, especially if we can address the anticompetitive behaviours of the meat packers, if you will, and some of the industry. And of course that would bring value to regional economies and to producers across the province.

With respect to the SLIM program, can you just detail a bit more what changes have been made there to enhance it and make it responsive to the opportunities that exist?

Ms. Auten: — Lee Auten, assistant deputy minister. So the new enhancements to the Saskatchewan lean improvements in manufacturing program. The program itself provides funding

assistance to agribusinesses for the adoption of best practices, new state-of-the-art technologies and processes that stimulate significant improvements in productivity and efficiency.

What we've done for some of the enhancements is we've provided opportunities for agribusinesses to invest in greenhouse gas emission-reduction activities, to invest in their facilities or processes to improve efficiency or expand their output potential. So it will include things like improved productivity through automation, efficient manufacturing processes and technology, investments in sustainable manufacturing with GHG [greenhouse gas] emission-reducing equipment and infrastructure, and allowing companies to increase productivity and capacity by purchasing or upgrading equipment to expand processing to a new product line complementary to an existing primary input.

So the three streams that we've broken SLIM into for the SCAP program are the efficiency stream. This provides a 50/50 cost-share for businesses, and this is basically status quo from what we saw under the former Canadian Agricultural Partnership agreement, with the exception of the addition of adding labour productivity and efficiency technologies under the efficiency stream. The second stream is the emissions reduction stream. This is a 60/40 cost-share, and this sees the investment in the greenhouse gas emissions-reducing equipment and infrastructure. And then the third is the expansion stream. This is a 50/50 cost-share, with the investment in capital equipment and upgrades to expand the processing line.

So as the minister alluded to as well, we've upgraded SLIM to be a tiered funding program where the tiers are based on project size. So the first tier, the project size is from 50,000 to a million dollars of investment with maximum funding of 300,000. The second tier, the project size is 1 million to \$5 million of investment, and the maximum funding a company can receive is 500,000. And then the third tier, the project size is greater than 5 million, and the maximum funding under the program is \$750,000. So this is an increase from the last program where the maximum funding was \$500,000.

Mr. Wotherspoon: — Thanks very much for the explanations there. What sort of uptake has there been with the meat processing sector on this front with the various streams? And how's it interacting, I guess, with established processors and abattoirs in allowing them to expand and position themselves for greater success, as well as what sort of uptake have we seen for potential new entrants?

Ms. Auten: — We just launched our Sustainable CAP programs April 1st of this year, so we don't have any statistics on how many meat processors have applied as of yet. It's still new, in its infancy.

Just to reiterate, the SLIM program is not for greenfield businesses. Any greenfields would have to apply under the TED program under the SVAI [Saskatchewan value-added agriculture incentive]. This would be for any businesses that have been in business for over two years, so existing infrastructure, and would be for expansion or for some of the efficiencies that I spoke about.

Mr. Wotherspoon: — Thanks for that information. I guess back

to the question then of the SVAI, and of course a significant plant is going to well exceed \$10 million. But it's certainly conceivable, I understand from producers and from industry, that smaller scale processing is certainly a strong economic potential for the province, particularly if we address some of the anticompetitive behaviours of the out-of-province industry.

So I guess back to my question, why would we not work to make sure that greenfield investments, new entrance under 10 million, would be eligible for the SVAI?

Hon. Mr. Marit: — Quite honestly, that question I think you have to take to TED. I mean they're the one that put the guidelines in place. So I think that's a question for them, that you might want to raise with them.

Mr. Wotherspoon: — I'll take it to them, Minister. I've taken it to them before. But it, yeah, I think it's a very reasonable measure. And again, if we could address some of the anticompetitive behaviours by the industry more broadly, out of province to Saskatchewan, you know, there's a real opportunity to build processing and get your value for regional economies and certainly for producers and for consumers.

Shifting the focus just a bit, the farm and ranch water infrastructure program. The income threshold is still in place. I know there's been advocacy on this front from producer groups. I guess, to the minister: why haven't you reduced the income threshold as has been advocated?

Hon. Mr. Marit: — You know, obviously the threshold was established to . . . As we see the significant dollars going to, you know, producers here in the province of Saskatchewan, as I said earlier, predominantly to the livestock sector.

[19:45]

We do work with new and expanding operations, and if we can see that they're going to meet that threshold within the next five years through this agreement, then their project will qualify.

Mr. Wotherspoon: — We'll continue to advocate on these fronts, as we will with respect to the inclusion of pumping infrastructure, which in parts included . . . but electrification isn't included. And I'm sure the minister has heard the concerns.

Hon. Mr. Marit: — No, power is included.

Mr. Wotherspoon: — Power is included now.

Hon. Mr. Marit: — There's a cap, but power is included.

Mr. Wotherspoon: — Okay. So the cost of electrifying a site . . . This hadn't been the case in the past.

Hon. Mr. Marit: — That's new to the program. We listen to the industry.

Mr. Wotherspoon: — Well that's good. I've been bringing this to your committee and pushing this for a couple of years. And certainly industry has been a really good voice on this front. So credit to the ag sector for being that voice.

What's the cap on the electrification?

Hon. Mr. Marit: — It's 20,000.

Mr. Wotherspoon: — Okay.

Ms. Auten: — It's for power hookup and installation.

Mr. Wotherspoon: — Right. No, thank you for that. Back into the conversation that we've had a bit is that, you know, we've got producers of course stuck as price takers and subjected to the carbon price. We've both shared our concerns on this front. What we haven't seen much action on is advancing a rebate or offset or some sort of compensation structure to recognize the role of producers as stewards of the land and in the role in sequestering carbon: you know, the role of managing grass, the role of managing wetlands, in sequestering carbon through agricultural practice that we've been leaders in here in Saskatchewan.

So I guess my push again on this front is, you know, producers are paying the price. They deserve to get some compensation. Where is the province at and what proposals have you advanced with respect to an offset or rebate or compensation for producers?

Hon. Mr. Marit: — I'll start. Just a little bit about this, Madam Chair, just on kind of the federal government and the offsets. Obviously our concern with it is, especially from the grains and oilseeds sides, that farmers have been doing this for 40 years and not being recognized for it. And that's a role the federal government, a position the federal government has taken, and obviously that's very concerning for us.

On the grasslands stuff, there has been quite a bit of work done. And it's quite technical, so I'm going to ask Paul to get into the details on where that's at. Thanks, Paul.

Mr. Johnson: — Thanks. Yeah, important question. And specific to grasslands, you know, I think I would say, on the voluntary market system right now, which is what exists in Saskatchewan for . . . On grasslands, there are no protocols in place to recognize land that's been in grass for centuries. Because of the principle of additionality, which is something that has been defined and set by the carbon markets globally, it essentially means that things that have been done a long time ago won't count. It's only what have you done now that changes your practice to sequester more carbon is what counts going forward.

We've pushed Canada to challenge that principle of additionality and to look at the start dates of that principle. And I think the question, part of it, was what have you done to advance it? Well, we've actually got quite a bit of research under way right now, some of it specific to grasslands, to measure the annual incremental carbon sequestration on grasslands to see if they're saturated or if there's room for more carbon to be sequestered in grasslands. So that's an important research project.

Also with the university and the Global Institute for Food Security, we have research that's under way on cropland to look at annual incremental carbon sequestration as a result of changing farm practices, things such as zero-till over the decades, that Saskatchewan has really led on.

And then lastly I would say in the new Sustainable Canadian Ag

Partnership program under the resilient agricultural landscape component we have just brought in a new program that will offer \$100 an acre for producers to seed tame forage if they agree to keep that land in tame forage for five years. And that does provide some recognition for the environmental good of putting lands back into forage.

Mr. Wotherspoon: — Thanks. Well it's a really important, you know, file for producers in this province. And producers have long, you know, adopted practice that's been in the interest of sequestering carbon and of the land.

You know, even when you look at the native prairie, the case that you've expressed, that you've made to the federal government on these fronts as well, to challenge some of the additionality pieces here are important because, you know, the reality is as well that native grass is threatened as well. And there's economic realities to all of this. It's an important carbon sink. It's critical. Obviously the livestock sector plays such a critical role in the maintenance of that grass as well. So it's really in our interest from so many, from so many perspectives to get this right. And in the meantime producers are certainly taking on the costs, right, of the carbon price.

I guess, a question to the minister. Since his government's taking control of the carbon price in certain ways, or the carbon tax, and collecting it and administering it, does this not give you certain control and autonomy? How does this relate to agriculture?

Hon. Mr. Marit: — I think that's really a question for the Ministry of Environment. Obviously they're leading on this, and how that all carbon pricing is going to come back and impact relevant to every sector and industry, I think is something . . . They're the lead on it, so I think that's probably the right place for that question to go.

Mr. Wotherspoon: — What case have you made to our Environment minister as you build out, kind of, your government's carbon tax program here?

Hon. Mr. Marit: — You know, we're just still working through the details on all that. The Ministry of Environment's going to be the lead on that, and we'll see what outcomes come of that.

Mr. Wotherspoon: — And so you haven't made an expression to the Environment minister as to how it relates to producers and ensuring some fairness or some provisions to offset the hit that they're taking right now?

Hon. Mr. Marit: — Well the hit they're taking is because we have a carbon tax. I mean first and foremost, I guess you get rid of the carbon tax, the farmers aren't getting the hit. And your counterparts in Ottawa are supporting the federal government in the carbon tax, so maybe you should talk to your counterparts there and say, if they get rid of the carbon tax, it alleviates all the pressure for the agriculture sector. I've been saying that for months and years now, and will continue to say that. The carbon tax has got the biggest impact on everything here, and that's . . . Your focus for the last few questions has been on the carbon tax. Well eliminate the carbon tax and we don't have to worry about pricing.

Mr. Wotherspoon: — So we again agree and share the concern

— and the minister knows this — around the carbon tax . . .

Hon. Mr. Marit: — No, you don't.

Mr. Wotherspoon: — And you know, we'll share that with any of the federal leaders of course and . . .

Hon. Mr. Marit: — Well no. No, I mean obviously . . .

Mr. Wotherspoon: — And there's no trouble there in this, you know, and we'll . . .

Hon. Mr. Marit: — Obviously your federal leader has been totally backing the carbon tax, and so where are you with it? It seems like the NDP [New Democratic Party] policy is support the carbon tax. So obviously that's your policy, unless you're saying it out in the media that you're not supporting it, but I haven't seen that yet.

Mr. Wotherspoon: — Well the minister needs to open his ears. I mean we've said it directly to him in the Assembly. We've said it publicly. We've said it out in the rotunda.

Hon. Mr. Marit: — Oh, I haven't heard it publicly.

Mr. Wotherspoon: — You bet.

Hon. Mr. Marit: — You should take out an ad.

Mr. Wotherspoon: — Yeah, you bet. I always get a kick out of the minister getting chippy on this . . .

Hon. Mr. Marit: — You too. You too.

Mr. Wotherspoon: — Because . . . [inaudible] . . . control of the carbon tax and not . . .

The Chair: — Mr. Wotherspoon, do you have any more questions related to the budget?

Mr. Wotherspoon: — Sure do. Oh, 100 per cent.

Hon. Mr. Marit: — Okay, let's go there then.

The Chair: — Let's move on to them, please.

Mr. Wotherspoon: — Okay. So he can toss it. But failing to recognize, I guess, the value that producers bring to the table and relieving producers paying the price but not building out that offset structure. And so just to be clear, you haven't made a proposal or presentation to the Environment minister, your provincial one, on this front?

Hon. Mr. Marit: — Until we know how this is all going to roll out, there's no proposals. We obviously know that the agriculture industry has been the best at the carbon footprint. We've just proven that scientifically that we are the best in the world, so we know we're the best in the world. How that all is going to be projected back, we've got a federal government that won't recognize it.

So as I said, go talk to your federal counterparts that are supporting Justin Trudeau's government and tell them to stop

with the carbon tax, and then we don't have to worry about it.

Mr. Wotherspoon: — Well we'll continue to be clear with all federal parties, and then we should look at the things that we — you know, not just griping around these tables — we should look at the things we can do to provide relief and make the case for this sector.

Looking at a couple of other areas just around grassland, and we're touching . . . Well maybe before I shift there, just the grain-drying exemption. I mean of course this has always been one that just defies sense, that grain drying of course is subjected to the carbon price.

Where are things at? I know there's some federal legislation on this front and some progress. Is there an end in sight? Is there, you know, will grain drying be exempt? We've advocated this of course for many years.

[20:00]

Hon. Mr. Marit: — Yeah, I guess we just received this. Obviously it was a private member's bill brought forward by Conservative Ben Lobb, I believe, from Saskatchewan.

Our understanding is now is it has passed in the House and I think it goes back to the Senate, and I hope it would pass. And I guess this is, as a result, is the result of many things that farmers and ranchers pay for carbon tax on. And I guess this is one that they won't be paying on anymore.

Mr. Wotherspoon: — Yeah, we look forward to seeing it come to fruition and the exemption in place.

With respect to grasslands and their invaluable role that we've described certainly to the livestock sector and also ecologically, environmentally, what's the province doing to prevent further loss?

Hon. Mr. Marit: — We have a very, I guess, robust approach on pasture land or, you know, on Crown land that way. So obviously anything that's even being considered goes through what we call a CLEAT [Crown land ecological assessment tool] process which is really an environmental assessment tool that we have. And if it's rated high, it won't be sold, and even if it's moderate, it's sold with easements on it that say, you know, you got to leave it in its natural state. So we have that.

And plus we also have, through our regional services we have a lot of land management tools where we work with the ranchers, or you know, the landowners that way on preserving native grasslands and working with them on that. So we have a very extensive process. And probably Lee will give more technical stuff in the next question if there's another one.

Mr. Wotherspoon: — Yeah, I was thinking more broadly too, of course, is the concern of native prairie that the province, you know, may be selling off, but more broadly what, you know, what's the province doing to prevent further grassland loss.

But since we shifted to the Crown land and some of the sell-offs of that land, you know, why has your government continued to proceed with sales at a time where there's very serious questions

around the duty-to-consult and obligations on this front, and the first right of refusal for Indigenous people's Nations on this front? You know, why at a time where there's also a duty-to-consult process I understand that your government's involved in, why would you continue to sell lands off at this time when so many First Nations have spoken out with serious concerns of treaty rights not being honoured and first right of refusal not being honoured in an adequate way?

Hon. Mr. Marit: — I'm just going to open with this. First of all, any lands that are sold are vacant Crown lands. They're vacant. So let's make it very clear that any that are put up for sale are vacant.

We probably have one of the most intensive processes on TLE [treaty land entitlement] processes in Canada, in all of Canada. We are probably, I would say, probably the best at it. And I think you just have to look at our record and the number of acres that have gone to TLE and the dollar value on that as well.

And my understanding is even right now as we speak there's two or three TLE processes in the works as we speak. So I will speak highly of the process that we go through at the ministry. I know Lee's going to get into the details on that with you to answer that and the process that we go through for treaty land entitlement processes. As I say, we're probably the best in Canada.

Ms. Auten: — Can I speak a bit about the duty-to-consult? So first — and thank you, Minister, for talking about DTC [duty-to-consult] and TLE. You know, in terms of why are we continuing to do sales when we have DTC obligations? Whenever we do go to sell land or lease land, we go through a rigorous duty-to-consult process with First Nations and we follow the consultation policy framework agreement and follow the requirements as set out under the consultation policy framework agreement.

So we have a team of people who work with First Nations to send out letters, answer questions, meet with First Nations, and do our engagement or consultation as required, and ensure that we're doing a robust process.

If there are any traditional uses on the lands, we do provide accommodations as part of the duty-to-consult process, and we will also provide extensions to the duty-to-consult consultations if further consultations are required. We don't rush the process. We ensure that we're answering questions and meeting our obligations.

In terms of first right of refusal, no one has first right of refusal to sell lands. And so we follow the duty-to-consult process and ensure that our obligations are met. And as the minister said, we have a very robust duty-to-consult process in working with First Nations.

Mr. Wotherspoon: — Certainly Saskatchewan has been a leader around treaty land entitlement and, you know, credit to First Nations on this front and credit to governments as well. I know the Romanow government with Bob Mitchell, attorney general, this was a very important establishment of a program, so credit to those previous.

That being said, with respect to the Crown lands that are being sold off right now, I think that there's serious concerns being

raised by First Nations across Saskatchewan with respect to the current process of the government, and we know your government's engaged in a duty-to-consult discussion. And I think if that's in earnest, it's only right to hear those voices and those concerns and to get it, get it right. So I would reiterate the, you know, the voice or the call to halt those sales at this juncture and to get that duty-to-consult process right, and to make sure that First Nations are engaged in earnest in any of those changes that should be brought.

I guess, an additional point to this is that lands that are, you know, native prairie that's being sold, I know it states that they can't be broken for example, when native prairie is sold. But my question, I guess, would be why is there not a conservation easement attached to any of those lands?

Ms. Auten: — So when we're running lands through the CLEAT process, as the minister indicated, anything that comes out as native prairie isn't sold. So native prairie is assessed and, as we said, like we don't put that up for sale.

If it's deemed moderate — so that would be moderate ecological value — that would have a conservation easement attached to it and it would be added to our WHPA [*The Wildlife Habitat Protection Act*] list. And then if it had low ecological value, that's the lands that would be sold without a conservation easement.

So typically the low ecological value would be something that's been cultivated or formerly cultivated. And so that's the majority of the lands that you'll see going to sales is lands that we acquired in 1983 through the land bank, the old land bank system, and that reverted back to the province. A lot of that lands were the cultivated or formerly cultivated lands that we're now seeing up for sale. I hope that answers that.

Mr. Wotherspoon: — Thanks for the information on that front. With respect to invasive and noxious weeds on Crown lands, of course the lessee is impacted in a very serious way on this front when those aren't managed in a good way. I understand this is the responsibility of the Crown with respect to Crown land. Certainly the costs are being incurred by lessees when that's not being managed properly. And you hear cases of, you know, concerns around absinth and wormwood and other noxious weeds that are impacting Crown lands and lessees.

You know, does the minister recognize this problem? And what approach is he bringing to better respond to these challenges that are impacting producers in this province?

[20:15]

Hon. Mr. Marit: — Okay, there's a lot of information on this one. So we've kind of got a three-prong approach to this, and I'll try and get some. And then if there's any follow-up on the technical side, I'll have Lee . . .

I guess one thing we did do — you probably heard it in my opening comments — where we now have a million dollars in this year's budget for our pastures, for the pasture patron group for invasive and noxious weeds. So that's in there. Another thing we have is obviously the approach we have with SARM, as well with the plant health officers and working with farmers on the invasive plant program as well. That's not just for farmers; it's

also for individual leaseholders, and also First Nations as well. They can also apply for that as well.

A third prong that we have is through our extension plants, which is also a range health assessment, and weed plants. So that's also done through our regional offices through the ministry and even through private agrologists as well. So we're taking a very aggressive approach to this and with the support staff we have in the ministry, working obviously with the landowners to bring this issue under control. So that's kind of the three-prong approach we've got on this.

Mr. Wotherspoon: — Thanks for the recognition of the problem and some of the actions detailed to better respond to it. And ultimately it's the responsibility of government, correct, on these Crown lands?

Hon. Mr. Marit: — It's in the lease agreements that the lessee is responsible for invasive and noxious weeds. It's in the lease agreements.

Mr. Wotherspoon: — Where should I go next? I've got a few different areas. We have till . . . We have three hours, right? So we have till 9?

The Chair: — 8:45.

Mr. Wotherspoon: — Like we didn't start till . . . We didn't start till 6.

The Chair: — Well 5 to.

Mr. Wotherspoon: — Okay. The gophers, they're everywhere, right. And then serious damage, a real problem. I was out on land, out on a farm last week and they were running all over the snow-covered fields. And so can you speak to what initiatives and approaches you're taking as a government to respond to a significant challenge for many producers?

Hon. Mr. Marit: — I'll start with just some opening comments and then we're going to get into . . . we'll get into the details of what we're doing on this one. Obviously this is a big concern; always was a big concern. And the challenge came when the Pest Management Regulatory Agency of the federal government decided to remove strychnine as one of our major uses of controlling Richardson's ground squirrels, after years of research that we had done here in the province of Saskatchewan that found that that was the best course of this one.

Obviously it comes with a challenge, and last year it did as well with the drought and the dryness of it. We felt very important that we had to address it to some degree. There is some products out there now, actually designed I believe in Alberta, that are obviously being used. But I will leave it with that, and we're going to do some follow-up and we'll get some technical questions.

Ms. Auten: — So we've included a new gopher control program in our agreement with SARM. It's going to allow for some control measures and using an integrated press management tool, which includes chemical control options.

So the pest controls will include the pest control products and

raptor platforms to encourage predation of the gophers, and this includes a number of the different types of gophers — Richardson's, Franklin's. There's a whole bunch of little critters and all their names. And this will include also extension with our producers about how they can continue to control. So producers will be applying to SARM for the rebate, and the rebate will be at a 50/50 cost-share.

Mr. Wotherspoon: — Thanks for that information as well. Certainly it's important. Looks like it's going to be a really challenging year out there. With respect to the tax changes that your government imposed without any consultation with municipalities, with RMs, it impacted over 30 RMs in the province and it forced a change to the mill rate ratio and increased costs significantly for many producers in those areas. I know we heard this loud and clear at SARM most recently. And the impacts are for producers, it seems, in a fairly large way.

I guess what advocacy have you taken on on behalf of producers on this front? And you know, have you made the case to the Finance minister that that was a bad move and that it's costing producers?

Hon. Mr. Marit: — I don't see anything in my budget that reflects the mill rate factors at all, Madam Chair.

Mr. Wotherspoon: — I'll move along. It's just the impact is of course there for producers, and it's a change that was brought unilaterally by your government.

I'd like to get a sense of the irrigation actions in the province right now. I know there's certain projects being advanced in this budget. So yeah, I guess let's get an update on the irrigation expansion and projects that are within this budget here. That would be helpful, and then we'll go from there.

Hon. Mr. Marit: — Yeah, Madam Chair, I guess, you know, if you are talking about the irrigation expansion project, that really falls under Water Security Agency and not under the Ministry of Agriculture.

If you want details on what we've done on irrigation, the projects that we have supported here through the Ministry of Agriculture, we've got a long list. Penny can go through the whole thing in technical if you want, but if you're specifically asking about the expansion project, that's a question for Water Security Agency. And their budget is not in our budget.

Mr. Wotherspoon: — Yeah, no more specific . . . the stuff that's pertinent to your budget and that's . . . I guess before we get there then, what is the status of the Lake Diefenbaker expansion project?

Hon. Mr. Marit: — You'll have to ask the Minister of Water Security Agency where that's at.

Mr. Wotherspoon: — Yeah, so then we can detail maybe out of the budget here what, you know, what's being advanced here and the dollars involved and what those projects look like.

Hon. Mr. Marit: — Yeah, and I gave kind of examples in my opening comments on how we expanded and increased that. But Penny will get into the details exactly what, where we're at with

all of that.

Ms. McCall: — Good evening. My name is Penny McCall and I'm assistant deputy minister.

So to talk about irrigation, the areas that we're focused on within our Ministry of Agriculture are about developing new acres of irrigation, primarily within those areas that already have irrigation infrastructure. So that includes both irrigation districts as well as individual irrigators that have access to a water supply. And I'm happy to say that within the last three years we've developed at least 35,000 new acres. And so overall we're just over 10,000 acres per year, and we anticipate even more this coming year.

And as well as supporting some of that development, I should explain how we're doing that. Under the old Canadian Agricultural Partnership, we provided significant funding, as well as this programming is continuing under the Sustainable CAP as well.

We have two programs that we will fit under the Sustainable CAP program. One of them is the irrigation development program, and that funds up to \$1,675 per acre or a maximum of 500,000 per applicant. And what this provides is bringing a water source to the edge of the field to be irrigated. New to the program this year, it is also including . . . So that's an increase I should say, up to the 1,675, that's an increase for this year. And that includes us paying two-thirds of that price again up to a maximum of 500 K. New to this year is we are also covering the pipe and electrical to the centre of the pivot which we have heard before is something that irrigators require.

We also continue to have our irrigation efficiency program, and this is where we pay up to 30 per cent. And this covers mostly anything that's going to increase efficiency within the irrigation system, and that's up to 500 K per applicant. New to the program this year, we have added in subsurface irrigation which is often a benefit for vegetable producers. And so that details some of the programming that we do to support the irrigators.

One other important way that we have supported the irrigators, and we continue to through the irrigation districts, is what we call our IRP or irrigation rehabilitation program. And that is where we help provide funding to maintain the infrastructure that they currently have to make sure that it's functioning properly, and that it is there for both the current irrigators and the future irrigators that wish to join those irrigation districts.

[20:30]

So that's some of the programming. But in addition to that, we also do provide support for our irrigators in other ways, and that includes things like our agronomic and engineering expertise. We have a team of amazing individuals located in Outlook, Saskatchewan, that provide very direct support to our irrigators.

And of course we also do help them with those irrigation projects that they're putting forward under the SCAP program. We also provide research and demonstration, including we're very active at the Canadian-Saskatchewan irrigation development centre located in Outlook. And we provide regulatory oversight through *The Irrigation Act* and the regulations.

Mr. Wotherspoon: — Thanks for the update on this. The average number of new irrigable acres each year has been about that 10,000 acres that have been added the last number of years. Did that hold true last year? Is that what we're forecasting this year?

Hon. Mr. Marit: — Yeah, it was higher. It was higher. I think it was over 15,000 last year. It was over 15,000 last year, and then with the new announcement of the SSEWS [Saskatchewan south east water supply] of 15,000, that's pretty well all being utilized as well. So we can see that number probably being pretty close to the same if not even higher next year.

Mr. Wotherspoon: — And as far as the proportion of new irrigable acres that are infill as opposed to other projects, what's that look like?

Ms. McCall: — We're very similar to . . . We're continuing with around 65 per cent of those new acres are coming from individual irrigators, and the remaining amount is within irrigation districts. So that seems to be a trend that we've also noted over the past few years.

Mr. Wotherspoon: — And the individual irrigators that aren't part of the district, that aren't part of those infill acres, they also have the coverage? Like the districts, of getting the water two-thirds coverage to get the water to their property. Is that correct? Cost coverage?

Ms. McCall: — They have the same programming parameters as do the irrigation districts of that 67 per cent.

Mr. Wotherspoon: — And then the change for this year is the inclusion of pipe and electricity on farms. So it's sort of a new on-farm program, if you will?

Ms. McCall: — I just want to confirm some of the details of the program because I did indicate what has changed from the previous CAP to SCAP. But the main changes are that, number one, we increased from the cost of 1,325, so \$1,325 per acre to \$1,675 per acre. And we did that to recognize the increasing overall costs of inflation, etc., for purchasing of equipment.

And I also want to clarify that the buried . . . I should say that, in addition, we're paying for the pipe and the electricity. But I want to make sure that you understand it's the buried pipe that goes to the centre pivot, and so it's actually considered part of that overall infrastructure. The farmers are still responsible for 100 per cent of what they pay for to put onto that field, including their own pivots for their land.

Mr. Wotherspoon: — Thanks for . . . Just to seek a bit more clarity. Thank you very much. So there's an increase to the per-acre from 1,325 to 1,675. And is that cost there to . . . Is that part of what's covering the buried pipe and the electricity? Or is that covered in a more direct way?

Ms. McCall: — Yes, sorry. I stumbled on my last answer there. Just to be clear, yes, including the electrical wire and pipe to the centre pivot point is included in that 1,675 per acre. And again, why we increased that is overall the cost for materials and labour has increased for these materials. Yeah.

Mr. Wotherspoon: — And that's the max then, the 1,675 that someone can access?

Ms. McCall: — Yes, or if they cap out at the \$500,000 per application.

Mr. Wotherspoon: — Right.

Ms. McCall: — It really comes down to how many acres they're planning to develop.

Mr. Wotherspoon: — So that increase is about 40 K for . . . if it's 133 acres, which I believe is kind of the common acreage that a pivot would serve on a quarter. Am I correct on the math on that? So if someone's . . .

Ms. McCall: — Okay, can you repeat that? The 40 K . . .

Mr. Wotherspoon: — So I guess my question . . . My understanding is that typically a pivot would, for a quarter, would serve about 133 acres of that quarter. Typically the cost, I've understood, to be sort of about 150 K to establish that pivot. This is the on-farm cost, the producer costs. So what I see here in your program . . . I'm just wondering how you calculate that, you know, that increase. Would it be the 1,675 then times whatever's being irrigated — the 133 in that case? Like, if so, that's about a \$39,000 increase. I know there's inflation on these projects so I know probably the 150 that we're referencing is probably an old number as well, and I suspect costs have gone up.

But I guess my question is: how much more money is being brought to bear for these projects from the province? Is it sort of that 39,000 in that case and . . . if I did that math right in my head. And then the other question being, what's the current estimate that you're hearing from producers to establish a pivot? We've talked about the 150 in the past.

Ms. McCall: — Indeed the prices have gone up per acre to establish a pivot. The average, the current number I have is \$2,100 per acre for that pivot. So yes if you do your math, times 133 acres for a quarter section, it's looking at over 250,000 for a quarter section to develop.

Mr. Wotherspoon: — And that's what the increase in this was intended to do was to provide some relief?

Ms. McCall: — But recognizing again this is the price of the pivot for the farm which our program doesn't cover. Our program is about providing water to the edge of the field. They're responsible for their on-farm costs.

Mr. Wotherspoon: — So this will not then reduce the actual cost of the pivot that was just described then?

Ms. McCall: — No.

Mr. Wotherspoon: — Okay.

Ms. McCall: — But how we are helping compensate is through the other programming that we do provide up to the edge of the field.

Mr. Wotherspoon: — I think I've got a sense of it there. And

then as far as . . . What are you dealing with for infill acres that are irrigable acres that are available right now? What's the inventory at?

Ms. McCall: — We have estimated that in the irrigation districts there has been about maybe 50,000 acres per year that we thought that they would bring on for infill. Or sorry, 50,000 acres in total, but what we have been finding is that the irrigation districts are finding even more acres within those districts. And so we anticipate it will be more than that 50,000. That was the benchmark that we use when we're talking about numbers for the growth plan.

Mr. Wotherspoon: — Last year there was 15,000 new acres brought online here. Any forecast for this year based on what you're seeing in the market?

Ms. McCall: — One of the ways that we estimate how many acres are coming on is our agrologist will also assess land and see whether it's irrigable or not. And we've had an increased number of potential irrigators asking to have their land surveyed. And so that's one of the ways that we estimate what's coming on. And based on that, we are expecting more. We don't know exactly how much more, but we anticipate at least 15,000 acres again, maybe a little more than that.

Mr. Wotherspoon: — And Bill Boyd and his pivot scheme, he's not involved in this at this stage?

[20:45]

Moving along to a different, different focus here, and it's with respect to *The Farm Land Security Act* and foreign land acquisition concerns that are rather prevalent across the province on these fronts. I guess, you know, to the minister: what concerns do you have around foreign land acquisition that could be skirting the spirit and intent of the laws that are in place?

Hon. Mr. Marit: — I'll start with this and then I'm going to turn to Paul for some more of the technical side. Obviously our government is taking this very, very seriously as was indicated, probably I'm thinking six, seven years ago with changes we made to *The Farm Land Security Act* and the power that the Farm Land Security Board has, as evident, as a result of investigations and things like that. But Paul's going to get probably more into the details on just what powers the Farm Land Security Board can have now, so I'll turn it to Paul.

Mr. Johnson: — Thank you, Minister. Of course you start to question who's allowed to buy farm land in Saskatchewan. And according to the Act, people that buy farm land have to be a resident person, a Canadian citizen or permanent resident in Canada. And Canadian entities have to have . . . shareholders all have to be resident persons as well.

So then if you want to get into what tools, the primary tool that the board and the board staff use is called a statutory declaration, which is a document that's signed by a Commissioner for Oaths and used for the land purchaser to attest to their resident status, and to identify where the funds are coming for the purchase of that land as well.

So each year about 750 to 1,000 statutory declarations are

submitted. I think in 2022 there were 750 submitted to the board. And statutory declarations are used on a voluntary basis for land transactions, but it can also be required by the board or board staff for a purchase to submit a statutory declaration. And if transactions don't provide that statutory declaration when requested, the board can move to more strict enforcement opportunities, including an order to reduce if it's a non-resident who has land holding in excess of what's allowed under the legislation. And in 2022, there were four orders to reduce issued by the Farm Land Security Board.

Furthermore the board has authorities to issue administrative penalties for up to \$10,000 for an individual or company that contravenes farm ownership provisions of the Act. And in 2022 again the board issued four administrative penalties in amount of \$20,500. In three of those cases, the owner had land holdings in excess of 10 acres outside of the legislative authorities. In the other case, a resident person had acquired land on behalf of a non-resident person in violation. So three of those fines were immediately paid, and one will be paid as soon as the land is divested.

So the board has a number of tools to validate farm ownership and to enforce the farm ownership provisions under *The Farm Security Act*.

Mr. Wotherspoon: — Thanks for the information. I think it's a significant concern. I've certainly brought it to this Assembly for many years, calling for action, including the introduction of course of the declaration of beneficial interests or the statutory requirements that are there. One of the questions though is, why has that not been made mandatory?

Hon. Mr. Marit: — Yeah, go ahead.

Mr. Johnson: — So to be clear, I think the specific question is a question that should be directed to the Minister of Justice, in terms of why it's not a mandatory process. But I will add, you know, the Farm Land Security Board can act and does act on any information or advice on land transactions in the province that may not meet the Canadian resident components of the legislation. So they flag transactions, they search for ownership, they request . . . they act on information from people that have concerns about land transactions. And the board can decide on the statutory declaration and any other enforcement tools that they have at their disposal.

Mr. Wotherspoon: — Thanks. I've been told that I have one last question, so I'll move along. But it's an important area that we're discussing and making sure the Farm Land Security Board has the tools to enforce is rather critical on this front. And frankly, I mean, we hear from landowners and lawyers that organize deals that aren't in the spirit or keeping with our laws, and it should be a concern. I think we need a better approach.

But my final question is . . . And I wish we had more time because it's a substantive area. There's little more important to agriculture than transportation, and rail being such a critical component of that.

I guess my question to the minister is, you know, there's many aspects that impact rail performance and reforms that could be brought to improve rail performance and competitiveness, to

improve conditions for producers, including, you know, obviously port capacity and some aspects which are outside of the provincial control but has . . . You know, our shortlines play a very important role. But our advocacy with the federal government and for reforms with respect to the CTA are very important.

And I guess my question to the minister is, what submissions has he made to the federal government or with respect to the CTA in the last year? And is he also able to provide those to the committee?

Hon. Mr. Marit: — I mean, this is probably a question that . . . And I know you asked the Minister of Transport these same questions earlier. And as a result, I think I can say that I know we have jointly sent letters as a result of rail transportation and obviously worried about disruptions. And we actually wanted to deem it an essential service. That's one of the things we had asked for.

Obviously our biggest concern was port representation, where we'd asked for fair representation on the board, where the federal government did add to the Vancouver port board of directors. They added one, I believe from BC [British Columbia], and not from either Saskatchewan, Alberta, or Manitoba.

So obviously, you know, we follow the rail transportation situation. We get biweekly reports from both railways on grain movement and elevator movement. We have a very good relationship with the Western Grain Elevator Association, a very open and transparent relationship with them, and have discussions with them quite frequently.

We did see in this budget some changes to the interswitching under the federal government. We don't know the details of that yet. We knew there were some concerns around that. We were very pleased to see the acquisition of CP [Canadian Pacific Railway] and Kansas City Southern. Obviously that gives an opportunity for linkages to north-south and obviously direct to Mexico as well. So we did welcome that as well.

[21:00]

So that's, you know, some of the things that we've done and been involved in through the rail transportation, and concerns around Vancouver port as well. So thank you, Madam Chair.

The Chair: — All right. Having reached our agreed-upon time for consideration of these estimates, we will now adjourn our consideration of the estimates for the Ministry of Agriculture. And, Minister, if you have any closing comments you'd like to make at this point in time.

Hon. Mr. Marit: — Madam Chair, no. Thanks to the committee and the member and also thank you to the entire team at the Ministry of Agriculture for the work they do.

And I think this budget really does define how we listen to our stakeholders and address their concerns right across the board with the enhancements that we've made and changes that we've made to a lot of the business risk management programs as well.

But just on behalf of the government, I want to thank my ministry

officials and the Crop Insurance officials for all the work they do on behalf of primary producers in this province. Thank you.

The Chair: — Trent.

Mr. Wotherspoon: — Thanks. I just want to say thanks so much, obviously to the committee, to the minister for his time, importantly to the amazing officials for their time and expertise at the table here tonight, and to all those others that are involved in the work of this ministry and this incredibly proud and vital and important sector in our province. I say thank you to all of them.

It's a pleasure to work to serve the best interests of producers in this sector, and to push for some improvements, and to work co-operatively and constructively on files where we can as well. So thanks to all those that were involved, all the stakeholders, and all the producers and others that were involved in this work here tonight, including their interaction and support of my entries here tonight.

And just an update to the minister, we disagree on the odd thing, but when it comes to hockey we have agreement, and our Bruins won 3-1 here tonight. It's the first night of the playoffs, and I know the member for Kindersley across the table is looking happy here tonight too because I think his Oilers are up 2-0.

Thanks to everyone that's here tonight.

Bill No. 116 — *The Plant Health Act*

Clause 1

The Chair: — All right. Thank you. Do you have to bring in any other officials or you're good where you are? Okay. As our final thing to do this evening, we will now begin consideration of Bill No. 116, *The Plant Health Act*, Clause 1, short title. Minister, you can . . .

Hon. Mr. Marit: — I'll read fast.

The Chair: — . . . introduce any officials that you want to bring up again and then begin with your opening remarks.

Hon. Mr. Marit: — Okay, I'll open. Thank you, Madam Chair, for the opportunity to appear before the members of the committee today to discuss the proposed repeal of *The Pest Control Act* and replace it with *The Plant Health Act*.

Joining me today obviously is Rick Burton, deputy minister. Penny McCall is here, assistant deputy minister of regulatory innovation. And Faye Dokken is here, director of production technology unit.

Repealing and replacing *The Pest Control Act* would modernize the legislation. I can go through it all, Madam Chair, but I don't think we have to. I think the member opposite is very aware of this Act and the changes we really had to make. It was a very old and outdated Act and we really had to really standardize the control of declared pests, allow for surveillance of nuisance pests, and support the growth of the ag sector.

So it's really updating a very old Act, and we feel we've done it

obviously in the right direction. And I'd open it up for any questions that the member may have, Madam Chair. Thank you.

The Chair: — Thank you, Minister. And I'll open the floor to Mr. Wotherspoon for comments and questions.

Mr. Wotherspoon: — Well thanks much, Madam Chair. Thanks, Minister, for the comments. It seems at face value the legislation's fairly straightforward. I guess cutting to the chase, with respect to stakeholders that are impacted and have knowledge and expertise, have you heard concerns from anyone that was either consulted or even those that may not have been consulted? Have you had any concerns from anyone that would be impacted or have expertise on these matters?

Hon. Mr. Marit: — I would open by saying that no, I have not heard anything directly myself. And I thought if anybody would hear, it would be me, from either one of the commodity groups or anything in that regard. I'll turn it to Faye to see if we've heard anything at all from that, but myself I haven't heard anything.

Ms. Dokken: — Right. Good evening. I'm Faye Dokken, director of production technology with the Ministry of Agriculture. We didn't hear any major concerns from industry stakeholders when we were doing our consultations, and any issues that were brought up we incorporated into the changes and what you see in the bill today.

Mr. Wotherspoon: — Thanks. So appreciate that you didn't hear any major concerns. Any concerns that you did hear you've addressed and incorporated in here. Can you maybe just identify what those concerns were and how they were addressed?

Ms. Dokken: — So I think the main question that we heard from stakeholders during the consultation was with regards to which pests are declared pests under this Act. And as that is part of the regulations piece, we will be addressing that as we develop the regulations in determining which pests and for what rationale they are declared.

Mr. Wotherspoon: — And which pests were identified as a concern? So obviously the regulations on these matter, and having all those stakeholders involved through the development of regulations will be very important. What pests have been identified as a concern?

Ms. Dokken: — So the current list of pests that are declared under *The Pest Control Act* are the Richardson's ground squirrel, rats — which is the brown or Norway rat — clubroot, grasshoppers, and then a couple of potato diseases — late blight and bacterial ring rot — as well as, most recently, feral pigs.

And what we heard during the consultations would be questions about some of these pests, mainly clubroot. We heard from SaskCanola some questions about whether it should remain as a declared pest going forward. And so we will include that, as well as all of the rest of the declared pests, in our consultations for the development of the regulations.

Mr. Wotherspoon: — Okay, thanks. And so it's just clubroot itself that was identified and it was . . . Can you just clarify again their position and how that will be addressed moving forward?

Ms. Dokken: — Right, so clubroot is obviously a declared pest and a pest of canola, so it's a big concern for us in the province. SaskCanola has questioned or raised concerns whether it should continue to be a declared pest, and so we will do further consultation. Obviously we want to make sure we include all stakeholders in that discussion. We will take a look at that as we develop the regulations and continue to do the great work with our clubroot program and all the extension work that we do with clubroot, regardless of the status of it being a declared pest.

Mr. Wotherspoon: — So Sask canola growers are . . . SaskCanola is questioning whether it should be included moving forward? They think that maybe it shouldn't be included? Help me understand that case, their case.

Hon. Mr. Marit: — No, there's a lot of dynamics around this one, as you well know. So that's why we want to get into the consultation process on, you know, if it is taken out, what impact does that have on the industry itself and on agriculture as well. So that's why we really want to make sure we do our due diligence on this, and that's why it's been this way. And now we'll look at the regulations and work with all sectors to make sure that we get it right. That's all.

We just want to make sure we get it right on how we treat clubroot right now, and you know, the whole issue around it and going on and how many properties we were testing, which was quite significant, and just how that process is going to work as well. So it's really working with the industry to make sure that we get it right and do our due diligence on it to protect the whole industry as a whole.

Mr. Wotherspoon: — And just help me to make sure that it's kind of clear to the public. The case that SaskCanola would be making on this front, can you just explain the case as to . . .

Hon. Mr. Marit: — I think you'd probably more so even have to talk to them on why they think they'd want to have it taken out of the regulation side. Is it just the public perception of it? You know, is it that, or what is it? So I think that's what we want to get into here is just finding out, okay, why? Obviously they sent a letter just saying that they would like to see it. They haven't given the reasons. We just want to find out why. And they haven't even said they want it. They just . . . It should be considered.

So let's have the discussion on whether it should be removed or not. So that's, you know, if they brought it forward, it's just to let you know that that was a letter so that there was an example. Now we just have to go . . . It would be no different if somebody wanted to take off the gophers. We'd still go through the whole process of making sure, okay, why are we doing it and make sure we're doing it right to protect the industry. So that's where it's at.

Mr. Wotherspoon: — Thanks. So obviously on the regulatory side, it's going to just be really on the regulations side. It's going to be really key to have, you know, good solid consultation and good solid science to back up decisions on those fronts and certainly accountability back to the public at large and all impacted stakeholders as well.

With those questions, I don't have any further at this point.

The Chair: — All right. Seeing no further questions from committee members, we will proceed to vote on the clauses of Bill 116.

[21:15]

Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 39 inclusive agreed to.]

The Chair: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Plant Health Act*.

I would ask a member to move that we report Bill No. 116, *The Plant Health Act* without amendment. Mr. Domotor so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, any closing comments you have this evening? None. Thank you. That concludes our business for tonight. I would ask a member to move a motion of adjournment.

Mr. Francis: — I move that.

The Chair: — Mr. Francis so moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until Wednesday, April 19th, 2023 at 3:30 p.m. Thank you, everyone.

[The committee adjourned at 21:18.]