



# **STANDING COMMITTEE ON THE ECONOMY**

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## **STANDING COMMITTEE ON THE ECONOMY**

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Saskatoon Riversdale

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Darlene Rowden  
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Kevin Weedmark  
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[The committee met at 17:00.]

**Chair Thorsteinson:** — Good evening, everybody. Welcome to the Standing Committee on the Economy. I'm James Thorsteinson, and I will be the Chair of the meeting this evening. Here with us tonight are committee members Darlene Rowden, the Hon. Terry Jenson, Kim Breckner, Sally Housser. And sitting in for Kevin Weedmark, we have David Chan. And sitting in for Tajinder Grewal, we have Erika Ritchie.

Today the committee will be considering the estimates and supplementary estimates no. 2 for the Saskatchewan Research Council and the estimates for the Ministry of Trade and Export Development. We will take a half-hour recess at 7 p.m.

**General Revenue Fund  
Saskatchewan Research Council  
Vote 35**

**Subvote (SR01)**

**Chair Thorsteinson:** — We will begin with the consideration of the estimates and supplementary estimates no. 2 for the Saskatchewan Research Council, vote 35, Saskatchewan Research Council, subvote (SR01). Minister Kaeding is here with his officials. I would ask that the officials please state their names before speaking into the microphone. As a reminder, please do not touch microphones. The Hansard operator will turn the microphone on when you are speaking to the committee.

Minister, please introduce your officials and make your opening remarks.

**Hon. Warren Kaeding:** — Good afternoon, Mr. Chair. It is a pleasure to appear before the committee of estimates regarding the Saskatchewan Research Council, or SRC, for the '24-25 fiscal year. With me today are SRC president and CEO [chief executive officer] Mike Crabtree; SRC's chief operating officer, Ryan Hill; and SRC's vice-president of finance, Jocelyn Allard. And my chief of staff, Drew Lumbard, is behind me.

For more than 77 years, SRC has proudly delivered smart science solutions with unparalleled service to clients that grow and strengthen Saskatchewan's economy. SRC lives by its core values: to build a better Saskatchewan and a better world.

SRC's mandate is to take under consideration matters pertaining to research, development, design, consultation, innovation, and investigation in and commercialization of the natural and management sciences as they affect the welfare of the province and any particular matters that may be brought to SRC's attention. This is and has always been a fairly broad mandate, which affords the SRC the opportunity to both react to the needs of industry, as well as progress new, innovative ideas forward for the province.

Driven by its passion for a better world, SRC is currently embarking on several first-of-its-kind projects, and in doing so is becoming one of the most internationally recognized and valued science solution organizations in North America. SRC is the second-largest research and technology organization in Canada, behind only the National Research Council governed by the

federal government.

Home to several state-of-the-art laboratories, SRC offers reliable, professional commercial lab services. SRC also delivers dedicated services that focus on contract research, development and demonstration projects, as well as pilot plants that offer clients the opportunity to test new technologies and processes. By investing in new technologies and world-class researchers, SRC continues to expand its capabilities, moving the organization to the forefront of research, development, and demonstration, and meeting the growing needs of Saskatchewan's industries.

Since its inception, SRC has been part of many important firsts for the province that have brought many benefits to the Saskatchewan economy. In the 1970s SRC was a leader in energy-efficient housing research, and its work formed the basis for the development of the R-2000 standard for energy-efficient homes. In the 1980s SRC played a large role assisting the Saskatchewan oil and gas industry by enabling the implementation of horizontal wells and the use of carbon dioxide for enhanced oil recovery.

SRC's geoanalytical laboratories' secure diamond facility, established in early 2000s, is the largest such facility in the world. And not only does it offer diamond services, but it also offers geochemical and mineralogical analysis for base metals, gold, lithium, uranium, potash, and rare earth elements. SRC is also home to the world's largest uranium and potash labs staffed by world-class scientists, engineers, researchers, and technologists.

These examples paint a small picture of the important work that SRC has done over its 77-year history, and the positive impacts that have followed.

Now speaking of impacts, SRC has been measuring its economic impact within the province for well over two decades now. SRC's '23-24 economic impact assessment shows approximately \$785 million in direct economic benefits to the province, with about 1,682 jobs created or maintained in Saskatchewan that are valued at an additional \$102 million. This means for every dollar invested in SRC by the provincial government, a 38-times return was achieved in '23-24.

Since 2003 when SRC began measuring its economic impact, SRC has contributed more than \$15.5 billion in combined economic and employment impacts in Saskatchewan. These impressive figures underscore SRC's pivotal role in fostering innovation across Saskatchewan industry and driving economic growth within the province.

One of the impacts SRC is most proud of from the '24-25 fiscal year is one that is already starting to make significant social impacts. In January 2025, SRC launched its Indigenous action plan, which is based on four pillars: leadership, employment, business development, and community relationships. The plan will see two new programs at SRC under the employment pillar: an Indigenous workforce program and an Indigenous summer student program, Kiskiyihta.

Together these programs will help SRC increase recruitment and hiring of Indigenous peoples by collaborating with Indigenous

educational institutions and training entities to develop strategies for the retention and advancement of Indigenous employees. SRC is proud to welcome several new students into its Indigenous summer student program within the next month.

Through this new strategy, SRC is also forming an Indigenous advisory committee, increasing Indigenous procurement through SRC's Indigenous procurement policy, and growing the number of Indigenous learning opportunities for SRC employees in strengthening meaningful engagement and collaboration with Indigenous communities and tribal councils.

I mentioned before how SRC is on the leading edge of bringing firsts to Saskatchewan, and I'd like to shift gears now to highlight a couple of projects that SRC is currently leading in Saskatchewan.

The first high-profile project that has already garnered significant national and international attention is SRC's rare earth processing facility. For almost 20 years, SRC has been investigating and developing the technology and intellectual property to process minerals containing rare earth elements, also known as REEs, as well as the technology required to separate individual REEs and to eventually produce rare earth metals.

REEs are a group of 17 metallic elements found on the periodic table. And despite their name, REEs are relatively abundant in the ground but are often difficult to extract and separate from each other and from other minerals.

The applications of REEs are vast. If we didn't have REEs, we would not have a lot of technology that we use today, including cell phones, rechargeable batteries, LED [light-emitting diode] lights, lasers, fluorescent lighting, HVAC [heating, ventilating, and air conditioning] systems, elevators, and robotics.

Currently 95 per cent of the global REE sector is dominated by China. And that's why in 2020 the Government of Saskatchewan commissioned SRC to begin constructing a North American first rare earth processing facility. This facility is now set to be the first fully integrated, commercial minerals-to-metals facility in North America with hydrometallurgy, separation, and metal smelting stages.

The objective of this facility is to stimulate the REE resource sector in Saskatchewan and across Canada. The facility is meant to provide the early-stage supply chain needed to generate industry investment and growth, and that is something that we're already seeing happening.

Once complete, the SRC's facility will take rare earth minerals and produce rare earth metals, specifically neodymium praseodymium metals known as NdPr. NdPr is a common ingredient in permanent magnets, used in electric vehicles and other green technology such as wind turbines.

SRC's facility can be broken down into three stages. The first stage of the facility is a monazite processing unit. This unit processes the mineral monazite and creates a mixed rare earth chloride, a liquid that contains all 17 REEs but is free from all other minerals or impurities.

The second stage of the facility is a solvent extraction unit, and

this is where in-house-developed technology will separate the 17 rare earths from one another, creating individual rare earth oxides. This part of the facility, when complete, will house more than 400 solvent extraction cells. These truly will be the workhorse of the facility. They are also a technology that SRC and the Government of Saskatchewan are extremely proud of.

In 2022 the SRC designed and manufactured proprietary solvent extraction cells in-house for the facility. This means Saskatchewan is now only one of a handful of jurisdictions in the world that have this capability, one that is extremely integral to completing the rare earth supply chain.

Moving back to the various facility stages, the individually separated REE oxides are then fed into the third stage, a metal smelting unit where a semi-automated process converts these oxides into REE metals. These metals will then be sold on the open market to permanent magnet manufacturers. Once fully operational, the SRC's facility will be able to process 3000 tonnes of monazite and produce about 400 tonnes of NdPr metal. That's enough NdPr to power half a million electric vehicles.

In mid-2024 the SRC's metal smelting unit began producing rare earth metals at commercial scale, making Saskatchewan and Canada the first jurisdiction outside of China to achieve this milestone. SRC's facility will fulfill a significant part of the provincial critical mineral strategy, which aims to grow and establish an REE hub in Saskatchewan. The development to this hub is aligned with the province's 2030 growth plan, and the project is already attracting interest and investment from abroad. And the world is starting to connect REE technology with Saskatchewan.

SRC has worked diligently to secure feedstock for its facility and has entered into agreements with suppliers in South America and Africa. On top of this, with the SRC's proven metal smelting technology and ability to produce REE metals, the council secured toll processing agreements with clients in Canada and Europe, where SRC is taking REE oxides and converting them into REE metal alloys. This toll-processing, metal-smelting client work has been ongoing since January of 2025 and will continue until the facility is complete.

Now I'd like to switch gears and highlight an SRC second major project, which looks to deliver a microreactor to Saskatchewan in the next decade.

Given its 38 years of hands-on experience with a Slowpoke II nuclear research reactor and its connections with key stakeholders across the nuclear industry, SRC is uniquely positioned to play a leading role in supporting the development of microreactors in Saskatchewan going forward. With \$80 million from our government, SRC is working to accelerate the adoption of microreactor technology, creating economic opportunities and securing Saskatchewan's position as a global leader in this area.

SRC is working closely with Westinghouse Electric Company to bring a first-of-its-kind eVinci microreactor to Saskatchewan, subject to licensing and regulatory requirements from the Canadian Nuclear Safety Commission, also known as CNSC. eVinci is classified as a microreactor capable of producing five megawatts of electricity. That's enough to power 5,500 homes.

The eVinci is best described as a nuclear battery that can operate at full power for eight years before needing to be refuelled. Over the eight years of its operation, an eVinci replaces one million drums of diesel and avoids 440 000 tonnes of carbon dioxide emissions.

SRC will apply the research and knowledge gained from the licensing and deployment of an initial microreactor to support the Saskatchewan nuclear industry, to better understand this type of technology and the potential for future microreactor projects in the province.

[17:15]

While SRC's nuclear program initially focused on the eVinci by Westinghouse, as the result of industry feedback, SRC is evaluating other microreactor technologies as a solution to industry's power and heat needs. There will be a lot more to come on SRC's microreactor progress in the years ahead.

While SRC's rare earth and nuclear projects focus on bringing world firsts to Saskatchewan, the majority of SRC's revenue comes from its fee-for-service client work, serving industry both within and outside of Saskatchewan. SRC is home to Canada's most complete analytical chemistry laboratory. Its services include monitoring, assessment, and testing of water, wastewater, biofuels; radon detection; crop DNA [deoxyribonucleic acid] testing; and aquatic toxicology. SRC also provides sustainable services throughout the mining cycle to maximize clients' production from exploration to remediation planning. A lot of this important work is supported by SRC geoanalytical laboratories which, as mentioned earlier, is the largest potash, diamond, and uranium laboratory in the world.

Sensor-based sorting is one example of SRC's sustainable mining services. And SRC has now become a leader with its sensor-based sorting services. SRC has recently acquired a new full-scale laser sorting unit, strengthening SRC's capability to deliver efficient, cost-effective, and sustainable sorting solutions to industry in Saskatchewan and beyond. This new laser sorting unit is the only commercial full-scale sorter of its kind in Canada, and it's expected to come online at SRC this spring.

Lithium is also a key area of focus for SRC, as it supports a growing lithium industry by providing geochemical and mineralogical services for all types of lithium, hard rock, and clay projects, and lithium pre-concentration technology testing and sensor-based sorting testing for all lithium ores. SRC supports the industry through two technology research and development areas, including lithium recycling technologies, advancing battery shredding and metals extraction, and direct lithium extraction technologies.

In 2023 SRC successfully piloted a lithium hydroxide monohydrate production facility and produced battery-grade LHM [lithium hydroxide monohydrate]. This pilot facility is the only one of its kind in North America and Europe. In addition SRC is leading a major remediation program known as project CLEANS [cleanup of abandoned northern sites] that has been ongoing for almost 20 years in northern Saskatchewan.

SRC was contracted by the Saskatchewan Ministry of Energy and Resources to manage the remediation of the Gunnar and

Lorado uranium mine and mill sites, as well as 35 satellite mine sites in northern Saskatchewan's Athabasca region.

To date, remediation at the Lorado mill is complete with long-term monitoring under way. Twenty-seven smaller satellites have been fully remediated, and SRC has permanently closed the three mine openings present at the Gunnar mine and mill site, including completing the construction of the hazardous material landfill. Remediation work at Gunnar is ongoing and is expected to be completed in fall of 2025. From there Gunnar entered into post-remediation monitoring for about 15 years.

Throughout the project, SRC has conducted meaningful discussion with northern Indigenous communities by hosting regular public meetings and providing updates on project progress and upcoming employment and training opportunities. In fact SRC has conducted over 200 public meetings with Athabasca communities throughout the course of the project.

This project will ultimately remediate the sites with positive economic, environmental, and social impacts, ensuring a safe environment for those that live and work in the area.

In closing, it is clear through the achievements of SRC that the organization continues to add value to the Saskatchewan economy. We look forward to continuing the journey of growth, driving economic prosperity, and enhancing the quality of life of all who call Saskatchewan home.

I look forward to taking questions from committee members.

**Chair Thorsteinson:** — Thank you, Minister. I'll now open the floor to questions. MLA [Member of the Legislative Assembly] Breckner.

**Kim Breckner:** — Thank you, Chair, and thank you, Minister, for that introduction. And thank you to all the ministry workers that have come today, and welcome to the legislature.

I have a few preliminary questions. So I understand it's the usual practice of ministries and Crowns to prepare a business or strategic plan for public distribution as part of their accountability to the legislature and the public. I haven't been able to find the '25-26 one for SRC, and I'm wondering if you could provide me with a copy if you have a physical copy now, or provide me a digital copy by the end of the week.

**Hon. Warren Kaeding:** — Okay, I'm going to have Mike just kind of go through the process of kind of how we've gotten to where we are today. The annual report comes out each July, and in that report is found kind of the objectives of SRC going forward. But I want Mike to elaborate on that for you and kind of explain to how we get to that and what to look forward to.

**Kim Breckner:** — Just a clarifying question. So there's no forward-looking strategic plan? The annual report at the end of the year will include some kind of forward-looking plans for the next fiscal year, is that correct?

**Mike Crabtree:** — Mike Crabtree. So with respect to strategic plans, the company operates typically under a five-year strategic plan, which is an internal strategic document. It's not published outside of the company because it contains information with

regards to a lot of confidential client work that we would be planning over that period of time.

What we do do is we embody the previous year's work within that strategic plan in the annual report, so you'll see quite a lot of detail in that. And the next annual report is due out in July. Previous years are all online at the SRC site.

I think there's a couple of points worth making with regards to how SRC develops its strategic plan. So it develops very much in some ways as both a commercial company and as a company that's owned by government. So from a commercial standpoint we discuss what the needs are of our clients across multiple sectors in multiple jurisdictions; what are the strategic requirements of our clients going forward. We will then take into very close account what the Government of Saskatchewan's strategic growth plan is. And the last plan that we put in place was 2020, and that referenced very strongly the growth plan, the 2030 growth plan.

We bring those two together into a strategic plan that we use for implementation on a year-by-year basis. But as I say, we tend to keep that internal because a lot of that involves a lot of confidential information. But as I said it's embodied in the annual report.

Just for information, we are just completing our basically 2020 to 2025 strategy, so we are actually going through at this point now the development of what we're calling the 2030 growth plan.

**Kim Breckner:** — Thank you. Would you be able to provide a copy of the SRC budgets broken down by major division and major expense code?

**Jocelyn Allard:** — Jocelyn Allard for SRC. So our annual budget process is actually quite a detailed process, as Mike alluded to. Again, we do base our budget based on our client-deliverable projects, so we reflect our budget based on our various operating entities and business units across the council.

Again, because this is related to client-deliverable projects, we don't release that publicly. However the past-looking information is reflected in our annual reports, so you can see there that we do talk about various significant projects that SRC delivers on each year.

In terms of the overall provincial budget, though, our vote 35 is released publicly online, and those details are shared through the province.

**Kim Breckner:** — Can you advise whether SRC had a profit or a loss in the last fiscal year, '24-25?

**Jocelyn Allard:** — We are currently projecting a profit for the '24-25 year. We're just going through our year-end processes now.

**Kim Breckner:** — And are you projecting a profit or a loss for '25-26?

**Jocelyn Allard:** — Every year when we undergo our operating budget planning, we do set a targeted achievement to project a

profit based on our knowledge of our client operations. So of course because we are delivering services to our clients, our expenses will be reflective of the revenues that we're projecting, and we're able to manage so that we have appropriate margins on our operations each year.

**Kim Breckner:** — Right. So you always budget for a surplus, like any type of good operating company. And from what I'm hearing, you adjust your margins. Is that so you're not accumulating a profit year after year, being a government entity? Or are you accumulating a profit year after year?

**Jocelyn Allard:** — Overall SRC really aims to reinvest in the work that we do. So of course each year we are looking to further diversify the services that we offer across SRC. Though we aim to report a profit, we also aim to reinvest so that we can further develop technology and services for our clients and ensure that we're meeting our client demand.

**Kim Breckner:** — Thank you. Have the threat of tariffs impacted how you've approached your 2020-25 strategic plan or your budget?

[17:30]

**Mike Crabtree:** — So in terms of impacts on our budgeting for this coming fiscal year, we had done the majority of our budgeting before the detailed threat or actuality of tariffs came into play. As soon as it became clear that that was going to be something that we were going to have to address, we looked at our budget and then did a re-cycle through, which included reaching out to a significant number of our clients to get an understanding of how they were seeing clients.

So this is what we're seeing at the moment in terms of impacts of tariffs. So currently there's no projected significant impact. All companies are moving forward with production and investment as planned, as they see it at the moment. Clients have communicated that favourable tariff regimes on countries with competitors while higher tariffs on Canada could impact their sector in coming years.

So what they're saying is there's a medium-term potential impact, but in the short term they're not changing their plans, which is probably wise. Additionally long-term impact on stock and capital markets could impact the sector in future years.

So this is what I think we're all seeing is that in the short term, don't change your plans. In the medium term, there may be some impacts. In the long term there would definitely be some impacts there. So that's the approach that we've taken so far.

**Kim Breckner:** — As you're developing your next strategic plan, how has the changing relationship with the United States impacted that strategic plan or impacted how you carry out your existing strategic plan?

**Hon. Warren Kaeding:** — So I'll maybe start a little bit and then I'll certainly turn it over to Mike to get into some of the details.

But actually the reliance that we have on the United States is minimal. I believe it's 95 per cent of our work right now, the



SRC, is Canada. It's Canadian based. And then the next highest would be Europe, and then actually a very, very small amount that has any relationship with the United States. And so I think, you know, that provides us a lot of opportunity to stay flexible and to certainly nurture our relationships that we've got around the world. I think we're currently in 20 different countries.

**A Member:** — Twenty-two countries.

**Hon. Warren Kaeding:** — Twenty-two countries that we currently have business with, and the United States is one. And I will not say that they are not going to be an important customer of us as well. I certainly see there being lots of opportunities, and certainly in the critical minerals side of things, that I can see the United States being an important partner for us.

But we have plenty of options around the world and relations that SRC has made, you know, in supporting the facility going forward. So I'd say we're fairly well diversified in that area. So, Mike, I'll maybe just let you add some detail to some of that.

**Mike Crabtree:** — Yeah. I mean notwithstanding the current situation with the US [United States], a very significant amount of our Canadian and Saskatchewan customers rely heavily on their exports to the US. And so they do rely on our support in terms of the analytical services to be able to do that, so we've continued to support our clients here.

If you're operating a mine or an agricultural industry, you're looking at multi-decade relationships. So you know, SRC's job is to support our clients in that. But as the minister said, we've increasingly been reaching out actually to both the East and the West, to Europe and Southeast Asia in both critical minerals — things like lithium, rare earths — as well as technologies around things like artificial intelligence and sensor-based sorting, which you heard a little bit about before.

But I think too, you know, Canada's number one, Europe number two, and the US is quite a distant third in terms of our revenue.

**Kim Breckner:** — Thank you. I see that your budget has decreased significantly. I understand that this is maybe back to your baseline operating amount. As I understand there is about 20 million that was on top of what the minister at the time called the baseline operating amount for special projects. Am I correct to assume that the funding that you received for this estimate represents the funding that you usually receive to carry out your business-as-usual activities?

**Mike Crabtree:** — Mike Crabtree. I think a useful way of answering the question would be to look at what the structure of SRC is at the moment. Essentially we've got three pillars to our business. There is the core geospatial and analytical business and environmental analytical businesses, which is I think what you reflected as being that sort of core revenue area. The second pillar is an increasing amount of consulting services to the industrial and agro-sectors, as well as what we would class as small-scale piloting and commercialization for clients.

And then the third pillar of the business are these large projects, things like rare earths and nuclear. And because the funding for things like the rare earths and the nuclear flexes on a year-to-year basis depending upon where we are in the project, that can kind

of overshadow the two other pillars, which have been growing in themselves.

So what we'll see is one year revenue looks really quite high. That's because of particular funding typically in those larger projects. And then the next year it'll flex down as those projects are either developing or no longer requiring that level of funding for that year.

**Kim Breckner:** — Right. So maybe I'll just quote the minister to clarify, so we're on the same page here. The minister talked about SRC receiving 41 million or 41.6 million compared to last year's of 40 million. And he stated that:

This includes a status quo portion of SRC's provincial investment to continue its work spurring economic growth across the manufacturing, agricultural, oil and gas, and critical minerals sector, plus an additional \$21.5 million of previously approved funding for SRC to pursue its commercial demonstration of a microreactor.

So it sounds like we're back down to that 20 million range in funding from the provincial government coming up in this estimate. And that kind of covers one and two, or what the minister described as spurring economic growth across those sectors. Would that be a fair assessment?

**Mike Crabtree:** — Yes.

**Kim Breckner:** — Thank you. If we look at the 2025-2026 appropriation, what percentage of that money ... what percentage of SRC's total revenue sources would this represent? I'm sorry. Perhaps I meant income. I didn't go to accounting; I went to law so I'm really bad at this. But like when you start your business, you're doing your budgeting, all the money that's coming in that you have, not necessarily your profit. But what per cent is this 20 million compared to all your funding?

**Jocelyn Allard:** — Sounds good. Jocelyn Allard from SRC. So each year our vote 35 allocation is around the 20 per cent of our total revenue mark, give or take. Yeah.

**Kim Breckner:** — And what would you ballpark as the value of all SRC's assets? So I'm talking IP [intellectual property], or I don't believe you own land but machinery, equipment. What would you ballpark as the value of SRC?

[17:45]

**Jocelyn Allard:** — I'll maybe refer a little bit to our annual report, just because I know you have that in front of you. It might make it a little bit easier.

So each year in terms of our assets, our net assets for SRC, you can see on our balance sheet the total asset value is \$205 million last year. Of course those are various classes of assets. For example, our property, plant, and equipment, that line item is \$89 million last year. We also have significant lease assets and such on our balance sheet as well.

The items that actually wouldn't appear on our balance sheet ... So the other thing to remember here is this is a cost basis. So this isn't the value of the assets, but this is what they were acquired

at in terms of value. In terms of the property, plant, and equipment, they're also depreciated so their total cost is amortized over the life of the asset.

The one item that doesn't appear necessarily on our balance sheet but is very important to the value created by SRC and the value of the assets that we hold, is our intellectual property. So working with a number of significant clients over the years, we do have intellectual property that we've developed internally with our clients, that we still own.

As well we're continuing to build and develop our own intellectual property especially in relation to the rare earths processing facility. And within that facility itself, we don't capitalize or include those items on our balance sheet because we can't necessarily place a value on them right now, though there is significant future value to those assets.

I'll maybe allow Mike to go through some of the detail on these because the assets that we have developed and the value of those assets at SRC are very significant right now.

**Mike Crabtree:** — Mike Crabtree, SRC. The intellectual property is held by SRC in two key areas. One is secret in-house knowledge, which is in some ways too valuable to patent in the sense that in patenting it you publish the knowledge and that becomes problematic. And then the other area are patents themselves.

Jocelyn gave some indication as to the level of value or the level we consider value to be embodied in the intellectual property. I'll give an example here. In rare earths it was mentioned we have developed a separating technology that utilizes about 400 cells — about 20 feet long, 8 feet wide each of these cells — 400 of them strung together.

In other jurisdictions, to operate those cells you'd require about 80 people. Our system and our technology that's embodied within it requires four people and an artificial intelligence. So the value of that is really significant on an industrial basis. How we value that and then maybe monetize that for the province going forward is going to be a really interesting discussion over the next two or three years.

**Kim Breckner:** — So for various projects, but most notably the rare earth processing facility, you haven't done any kind of formal evaluation about what the IP would be worth?

**Mike Crabtree:** — We have done a very formal evaluation of the intellectual property and very carefully understood what stays secret in-house knowledge and what is patented, and there's a significant number of patents there. But in terms of understanding the actual value of that, one of the things we do need to do is to have the full plant operating so that we — value to some extent is in the eye of beholder — so we will get a much better indication of what the value of that is going forward over the next two to three years.

**Kim Breckner:** — So am I understanding correctly that you don't have a good idea of the value yet for almost two reasons? First, that it's not complete, and then you don't know the value of something until you know what somebody is willing to pay for it, and you won't know what somebody will pay for it until it's

complete in a sense?

**Mike Crabtree:** — What we do know is that from the international interest we're getting from rare earth companies right across the supply chain in these technologies — and I mentioned the SX [solvent extraction] separation technology, but there's also the metal making technology which we discussed a little earlier — the level of interest from around the world, from Europe, the US, Southeast Asia is very intense, so we think that this will have a significant value.

**Kim Breckner:** — And I don't mean to ask these questions in an accusatory manner. I'm quite fascinated and that's why I have these follow-ups and press a little bit. Because I find it quite interesting, and I want to make sure I fully understand the operations.

I'll go into my questions about the rare earths processing facility. So I understand you take feed from . . . you've got a couple companies right now, or a couple countries from which those companies come from. Is it just . . . I believe it was South . . . What countries are you getting feedstock from?

**Hon. Warren Kaeding:** — So currently we're getting from South America and South Africa, so Brazil and South Africa. And that's the monazite that we're accessing there because currently there is nothing available in North America.

**Kim Breckner:** — And are you selling the processed ore, the rare earth metal, to anybody right now? And who would that be?

**Mike Crabtree:** — So sorry, could you remind me of the specific question?

**Kim Breckner:** — The feedstock that you take in, what happens to the end product? Are you selling it, and who are you selling it to?

**Mike Crabtree:** — Mike Crabtree. So the feedstock is the mineral which is called monazite, which looks a little bit like black sand. Ultimately Canada will be a significant producer of monazite and some of the other minerals for rare earths. As the minister said before, "rare earths" is a misnomer. They're all over the planet. But actually mining them can be quite tricky, and certainly processing them is extremely tricky.

So in the process that we're putting together at SRC, there are three components of that. So there's the actual procurement of the monazite and the processing of the monazite to really basically strip away the waste rock and get to the rare earths within it. There is the separation of these 17 rare earths into the individual rare earths that are valuable. They range from a few hundred dollars a tonne to many hundreds of thousands, and in some cases millions of dollars a tonne, across that 17.

So there's a really substantial spread in value across those 17 rare earths. And then to separate those rare earths into two particular rare earths for metallization — they're called neodymium and praseodymium — and those, when you take it through that third stage, which is the metal smelting, you can produce an alloy which then can be used for electric vehicles, wind turbines, phones, computers, etc.

So SRC is the first entity outside of China that is doing that fully vertically integrated minerals-to-metals piece. And that's been really challenging for a number of reasons. One is that the Chinese have dominated the market for rare earths for the last 30-plus years, and over that period have developed the segment very effectively within China. And they know how to do it.

The challenge is that the environmental aspects of what they're doing is particularly problematic, with also them dominating 95 per cent of the rare earths market. And we're seeing this at the moment. As of April the 4th, the Chinese have basically said that they will not supply rare earths, or rare earth components of magnets, to anybody other than jurisdictions that they choose, which does not include Canada, by the way.

So being able to develop this technology outside of China, but also be competitive with the Chinese, has been really, really important, because we have environmental and sustainability regulations that are far in excess of other jurisdictions. Our, you know, salary and conditions are really quite different. So in order to be able to be competitive with what the Chinese produce on a dollars per kilo of metal, it means you have to change the game in terms of costs.

And that's where the requirement to put that level of intellectual property and intellectual effort in. Which is to say we can't compete on labour costs, so don't compete on labour costs. What you do is you basically operate the plant as automated as possible and utilize systems that are going to be as efficient as possible.

The rationale for what the Government of Saskatchewan has asked us to do is this: is to create a rare earth processing hub here in Saskatchewan, not just for Saskatchewan but for Canada because it makes sense to have that capability focused in one area. There are no rare earth mines in Canada yet. There are three or four out there, but they're . . . we're sort of 5, 7, 15 years away from those producing. So what we wanted to do was to be able to source non-Chinese rare earth mineral and be able to feed the midstream ahead of our own mines coming into play.

**Kim Breckner:** — You've got to see if the technology works, right?

**Mike Crabtree:** — Yeah. SRC is doing what SRC always does in these very early sectors, which we've got three things to prove out. Can we prove out the technology, that it works? Can we prove out the market? You know, the material can be sourced and the material can be sold. And can we prove out the financials? Is it going to be profitable for Saskatchewan to enter that sector? So those are the three key things that we want to prove with this facility.

**Kim Breckner:** — And have you made any money off this yet?

**Mike Crabtree:** — No, not yet. What we have done is we've brought the . . . There are those three components in this facility, the number one, number two, and number three. Number three is the metallization, which is a really core piece of the whole tech. We've managed to bring that on into operation early with one of the eight furnaces that will ultimately be in the full-scale demonstration plant. And that is the furnace that has gone commercial, providing metals for two companies — a Canadian company and a German-based company.

[18:00]

**Kim Breckner:** — So we've proven that this technology can work through the three stages, right to that point. Okay, we've got the feedstock. We did the hard work of separating out all the minerals, getting rid of the waste. And then we've made it into metals that can be used in practical applications. And the metals that can be used in practical applications, they have now gone to a Canadian company and a German company for use. Did we sell that? And how did we determine what price to sell it at?

**Mike Crabtree:** — Mike Crabtree. So the metal smelting of the NdPr is the end stage in that three-stage process. Of course we don't have the first stage and the second stage operating yet. We're still completing the build on that. So the question is, well where are we getting the material to run through the metallization?

So those companies that I mentioned — the Canadian company and the German company who would normally get their metals produced in China — have provided us with what they call rare earth oxides, with those intermediate products, for us to toll manufacture their metals, which worked very well for us. We were then able to prove out that metallization, that third stage before bringing on the first and the second stage. So in a strange way, we were sort of like reverse-commissioning the plant.

So that production of that NdPr metal is actually the first . . . certainly the first in North America, and one of the very few . . . probably we can think of only one or perhaps two other capabilities outside of China, one or two other plants which are not at the scale that we will be building this at.

But there is another piece here is that I talked about, the NdPr, which is the metal that is the primary magnet metal that makes motors for electric vehicles. There are two other elements that we will be producing which are going to be genuinely unique outside of China. And these are called — apologies for the names — dysprosium and terbium. These are produced in much smaller quantities. They are, if you like, they're used at about 5 per cent of the main component of the magnet. But what they do is they vastly increase the energy and the power of the magnets.

Now that dysprosium and terbium that we'll be producing, we believe by early next year, early 2026, will be the only dysprosium and terbium that's produced outside of the People's Republic of China.

**Kim Breckner:** — Very cool. So these two companies . . . I'm sorry, what were the companies again? What were their names?

**Mike Crabtree:** — We're into confidentiality with both companies. Apologies.

**Kim Breckner:** — Okay. So what were the — and you don't have to give me dollar figures — but what were the monetary deals? So I'm assuming they didn't give you the stage two stuff for free and you didn't turn it into . . . you didn't smelt it for free and give it back to them. My question is, how can I be assured as a taxpayer that we paid a fair price for the inputs and sold the outputs at a fair price?

**Mike Crabtree:** — Mike Crabtree. So I think there's two

components to your question. The first is, both of those companies have provided us with the NdPr oxide, the input, essentially free of charge. We then convert that to the metal and charge them a tolling price, so the differential between the oxide price and the NdPr metal price, which is some small proportion of the value. But what we've done is we've designed that tolling price to be a profitable price. So the operation of the furnace, the operation of all of the operation pieces are covered by the costs of the tolling.

When the main facility, all three phases go into operation so we'll be going from monazite to metal, we've designed the plant so that it will be competitive with what's called the Asian Metal price — AMI for short, Asian Metal index price — which is a benchmark that is completely controlled by the Chinese. So the Chinese determine what that price is and pretty much everybody else who is looking to either purchase or sell components or finished materials that are in rare earths are related to that price.

The Chinese have managed that price very effectively over the last 20 years to keep the potential profitability of non-Chinese producers quite low. So when we looked at the design, one of the things that we said is, this has to be the most environmentally sustainable facility in the world, bar none. It will use very large quantities of water and chemicals, but not one single drop will be emitted. It will all be recycled and reused. And on top of that, it has to be competitive with the Chinese Asian Metal index price.

So those were two very, very strong criteria that we set ourselves at the start of this exercise. And what we have now is, we believe it will come to fruition next year. We believe that we are going to be competitive with the AMI price. So we would be able to sell at AMI pricing and still be profitable because of the technology that is going to be embodied in this plant.

But something else is happening, is that China is no longer looking to sell its rare earth raw materials. It has a very substantial internal market for rare earth OEM [original equipment manufacturer] products like cars, wind turbines, and computers and phones. So it's got a very significant internal market. And also it wants to value-add the rare earths that it produces through its exports. So essentially what they're saying is, if you want access to Chinese rare earths, you buy a car. You buy an EV [electric vehicle]. That is both an existential threat to development outside of China, but it's also a significant opportunity for those jurisdictions that are investing in the development of this midstream piece that we're talking about here.

So we're designed to be competitive with AMI, but we are also already seeing that the AMI price is becoming less significant, because there is a market developing outside of China. When China dominated the market and said, this is the price; take it or leave it, then that was your only option. If they're not doing that, the AMI price becomes less of an issue and it is what the market outside of China sets that price at. And we're seeing that escalation in pricing starting now. So that is good for us.

**Kim Breckner:** — So if China is indicating that they're only sending out value-added products that have these rare earth metals, could you deconstruct a Chinese car to use the metal to create defence weapons?

**Mike Crabtree:** — So there's a real key question, right. Mike Crabtree. There's a real key question there. I'll get it right before the end, I promise — Mike Crabtree. There's a real key question there and it's around recycling.

There is not going to be enough rare earth minerals as we move forward into the next decade or two that we can mine out of the ground at an acceptable level of environmental disturbance to match the needs if we were just going to use rare earth as single use. So recycling is going to be essential in rare earth. It's going to be essential in order to reduce the requirement for mined materials, but it's also going to be very important in terms of driving down costs.

[18:15]

You mentioned electric vehicles. Electric vehicles when they come to the end of their life, the lithium will be stripped out. The lithium will be stripped out and recycled and reused. The magnets within the electric motors — and a 400-horsepower electric motor in an EV is about the size of a watermelon — but believe it or not, it uses only a few hundred grams of NdPr. It's such powerful magnets. It's a very, very small amount. Actually extracting that can be remarkably difficult from a motor that's encapsulated in epoxy and plastics and other metals that are in there, so it's a challenging thing to do. SRC is working on that.

But we've also designed the facility — again that SX, that middle section there — to be able to take recycled materials directly into that second stage. So we would be able to tear the magnet apart, shred it, dissolve it, put it into the SX system, which would then go to metals. So within a very short period of time, it would reappear again as NdPr metal. The facility that we've designed will ultimately take . . . Anything up to about 35 per cent of its feed will be recycled material, which drives down the cost significantly. Some of the challenges with that are to maintain the level of quality. As you recycle, you can pick up a lot of impurities.

And you mentioned the defence market. The defence market is a very, very, very small component of rare earth, but the defence market there requires a much, much higher level of purity within the system. So it's difficult to envisage how you would tear apart a motor and then recycle. You can tear it apart and build it so it can go into another EV motor, but it would be unlikely to be something that you would recycle specifically into higher purity markets.

**Kim Breckner:** — So tell me if I'm understanding this correctly, and tell me if we just need to like go grab a drink and have this conversation next to a fire or something.

And I bring this up because Minister Harrison talked a lot about application in the defence sector of this project. So I think we can all assume that it's important that China isn't manufacturing the West's defence — what have you, weapons, whatever. We don't want a Chinese kill switch in our missiles. But if they're only sending out finished products — we're not going to buy a finished missile from them — and it sounds like we can't recycle their cars and maintain the purity to make our own weapons, then yes, it's a small piece of the market, but it's a very important item.

Does this give Canada and Saskatchewan thereby control over who has military sovereignty? For example, will the US have to come to us for their defence needs when it comes to defence weapons that need rare earth metals?

**Mike Crabtree:** — Mike Crabtree. So the US has over the last five to seven years invested hundreds of millions of dollars — actually billions of dollars — with a relatively small number of companies to develop the midstream intellectual property and technology that we've developed in SRC here in Saskatchewan. The question of the capability of the facility that we've built could certainly manufacture both the quantities and the purity and qualities that would be required by the US defence sector.

**Hon. Warren Kaeding:** — I think what we have to remember is that this facility's being built as the idea of a demonstration production facility, right. So as much as we believe we have that technology, that we can certainly move towards that, right now that's not the desire of government to take this on on their own.

I would say we've got the technology, we've got the ability, but is this something that government's going to want to do in the future? And I would say that's a decision that we've got in front of us now.

**Mike Crabtree:** — Maybe just in addition on this — and I think it comes back to something that we alluded to before — if you put this in context of value and quantity, the US defence market for magnets, the end-use products of NdPr, is about 3000 tonnes a year. The end use of magnets for electric vehicles, for wind turbines, for the devices we have in our pockets here is approaching 300 000 tonnes per year.

So when we look at where does the future for Saskatchewan lie in that, the commercial market is a factor of 100x larger than the defence market.

**Kim Breckner:** — So I guess it's safe to say there's no plans in the works to sell off our end products or our IPs to the US military or any companies that are supplying to the US military then.

**Mike Crabtree:** — Mike Crabtree. So the critical minerals and rare earths are now essential components of modern weapon systems, from fighter jets through to missiles to stealth technologies and all of these. They're absolutely essential. There is considerable interest from across the West in the technology that we're developing; and from Canada as well in terms of Canada's requirements for our own self-defence; the Europeans, who are in the process of thinking of rearming against the problems that we're seeing in Ukraine and Russia; and yes, the US as well.

[18:30]

These materials have use in wind turbines, electric vehicles, and in fighter jets. Our predominant focus is the mass market. But to say that we would not . . . that we could, in inverted commas, "guarantee" that none of the material that was produced in our plant was directed to, you know, defence purposes, I don't think we could do that.

**Kim Breckner:** — Thank you. And you can understand why this might be a concern, given the US has made threats to annex our

country. I guess to clarify my question, are there any ongoing discussions with companies that would be supplying either SRC's final product or IP to the United States for defence purposes?

**Hon. Warren Kaeding:** — So we have to remember that we're currently dealing with a major economy. This is a major trading partner. This is somebody that we do 58 per cent of our export business with in this province. This is a major trading partner that the country of Canada has, is the United States.

We've got a number of entities right now that could be or are used in the American military, whether it's uranium, certainly the tech sector. We've got companies in Regina right now that are supplying the US military through defence contracts.

I would say at this point in time, certainly there's no expectation that the IP that SRC has is going to be sold to anybody. Where the products end up, we can't always control that. And we have to remember as well that these products could easily be sold in Europe. They could be sold in other Western countries in their defence systems as well. So do we determine that we don't want to be selling to them because they have a restriction, or they have a country that we're not friendly with that they're dealing with? You know, decisions like that I think have to be made by government and will be made by government. But at this time I can't say yes or no that we would or would not. But that will be a decision by government.

**Kim Breckner:** — Right. So you're speaking about there may be a hypothetical decision that the government would have to make. What I am asking is, is there any active discussion to sell either the IP or the end products to a company that you know or ought to know would be using either the IP or the end product to supply US defence products?

**Hon. Warren Kaeding:** — Well again the IP, no. The companies that they're currently doing business with have many broad uses both for commercial and certainly for the military sector. So I can't say one way or the other that they will or will not be used in those uses.

**Kim Breckner:** — So am I understanding correctly that the Canadian company and the German company or companies that you're currently in discussions with, they haven't disclosed to you what they're going to be using the products for?

I'm sorry. I guess just to add on to that, if they haven't disclosed to you what they're going to be using the products for, how do you know that the products are suitable for their end uses? I assume they wouldn't purchase something unless it was suitable.

[18:45]

**Mike Crabtree:** — So we will manufacture the NdPr in particular to the client's specifications. So this is not a controlled product, so we have no right to ask the end user what their use of that product will be. And the fact is that most of the purchasers of the NdPr, whether they're intermediate traders in the product or they're ultimate moving towards the end OEM use, most of them have contracts that are both commercial and military. And that's whether we're talking about Canadian companies or German companies or European companies, British companies,

or of course US companies.

So the question of, do we know where a specific kilo of NdPr will be going once we sell it and can we give, you know, a categorical guarantee on the end use of that product? No, we can't because again what we're developing here is a midstream processing facility, not a downstream processing facility.

**Kim Breckner:** — Thank you. My next question I'm going to direct to the minister. I'm reading a news release from REalloys. REalloys is a company and it says that they are anchored by the Hoidas Lake rare earth deposit in Saskatchewan, and their aim is that they are committed to its America-first principle, leveraging cutting-edge magnets to US national defence stockpiles and key industries on an accelerated timeline.

Is SRC in any discussions to provide REalloys with any product from the rare earth mineral processing facility?

**Mike Crabtree:** — We can't comment on any specific company because that's highly confidential.

**Kim Breckner:** — Minister, can you tell me if there are any companies that have any rights to rare earth deposits in Saskatchewan besides REalloys?

**Chair Thorsteinson:** — I just would like to say, I think that's kind of getting outside of the budget estimates. And as far as who would have rights to minerals would be more of an Energy and Resources question, not an SRC question.

**Kim Breckner:** — You talked about how right now we're getting our feedstock from Brazil and South Africa with the hopes that we would be using Saskatchewan-mined feedstock in the future. What deposits is it most likely that we would be getting this future feedstock from in Saskatchewan?

**Hon. Warren Kaeding:** — So our understanding is Energy and Resources has a database that, I think, they refer to anyone who's interested certainly in questions like that, as to where some of these resources may be found in the province. And I would say that's an evergreen process as well, as more exploration goes on throughout Saskatchewan, that we're going to be continuing to find and certainly understand the size and scope of the rare earth deposits that are out there.

But I think we also have to remember that part of the critical minerals strategy and our growth plan is that the rare earth element-processing business . . . is that we could be the hub for what may be found throughout Canada. Whether the deposits are in BC [British Columbia], Quebec, Northwest Territories, wherever they may be found, we believe that certainly with the technology that's been developed and produced in SRC, that this could give us the opportunity to have a significant commercial production facility, refinement facility, based here in Saskatchewan for all of Canada, if not all of North America.

**Kim Breckner:** — This will be my last question. Minister, have you notified the federal public safety agency of SRC's intention to enter into an agreement with a foreign investor acquiring critical minerals or a sensitive technology crucial to Canada's national security?

[19:00]

**Hon. Warren Kaeding:** — When we look at the development of our critical minerals in the province, we've got investment from all around the world — from Australia, from Germany, from South Africa, from Brazil. I mean we've got investment that's happened literally from around the world that wants to help develop our critical minerals here. So I do not see a reason or rationale why we'd want to commit to something that would ultimately limit the investment potential that is going to be going on in this province.

Again part of our growth plan is that we want to develop our critical mineral space and we want to develop our resources here so that they're for the benefit of all. And I think with the capital investment that we've seen, in the last couple of years in particular is in the multi-billions of dollars of capital investment. And not all of that comes from Saskatchewan ownership or Canadian ownership or American ownership, but it comes from entities from around the world. So I can't envision where we'd want to restrict any potential investment in our province.

**Kim Breckner:** — Was that a yes or a no?

**Chair Thorsteinson:** — Actually we have reached 7 o'clock. So having reached our agreed-upon time for consideration of these estimates, we'll now adjourn consideration of the estimates and supplementary estimates no. 2 for the Saskatchewan Research Council. Minister, do you have any closing comments?

**Hon. Warren Kaeding:** — Certainly. Thanks, Mr. Chair. I'd certainly like to thank the participation of the committee tonight, certainly like to thank Hansard and all other officials.

I think I'd also like to say that I'm very proud of the groundbreaking research, technological development that SRC is involved in. I think you've heard tonight that it's a very fluid market, changing by the day, by the hour, you know, by the year. And we've certainly seen that, you know, as we're looking at sources, usage, new products; they're changing and developing on a regular basis.

And I guess I use what Wayne Gretzky has always talked about, is that you never skate to the puck; you skate to where the puck is going to be. And I'd say that's what SRC has been able to do, is to try and get in front of where we think we're going to be with our resources in the province here.

And certainly with all the other work that they do as well in the number of programs and services that they provide and offer our resource sector, our stakeholders here in the province, I think they've done a remarkable job. And I am so looking forward to the opportunities that they're going to be bringing us in the province in the future. So I certainly appreciate the work that we've had done by SRC and am looking for great things to be happening in the future.

So again I'd like to thank everyone that's with us here tonight and looking forward to great things. Thank you, Mr. Chair.

**Chair Thorsteinson:** — Thank you, Minister. MLA Breckner, do you have closing comments?

**Kim Breckner:** — Yes, I'd just like to thank everybody again for being here tonight and for answering my questions. It's incredible work that you're doing. It's important work for the province. It's something we should be very proud of.

I hope you don't take my questions as passing judgment or anything of that nature. I think it's important that when we're funding projects with public money that we know what the end results of these projects might entail. And that was my purpose with my few questions at the end there.

So I just want to reiterate again how proud I am of the work that SRC is doing, and that I do want to continue to support SRC with its work. And I hope maybe you'll give me a tour some day, if I promise to stop asking questions. Thank you.

**Chair Thorsteinson:** — Thank you, MLA. Thank you, Minister, and thank you to all the officials who were here with us tonight. This committee will now recess until 7:30 p.m.

[The committee recessed from 19:04 until 19:32.]

**Chair Thorsteinson:** — Welcome back, committee members. For this evening's session, we have Kevin Kasun sitting in for Minister Jensen and Kevin Weedmark returning to the chair for David Chan.

### General Revenue Fund Trade and Export Development Vote 90

#### Subvote (TE01)

**Chair Thorsteinson:** — We will now consider the estimates for the Ministry of Trade and Export Development. We will begin with vote 90, Trade and Export Development, central management and services, subvote (TE01). Minister Kaeding is here with his officials from the ministry. I would ask that officials please state their names before speaking at the microphone. As a reminder, please do not touch the microphones. The Hansard operator will turn on your microphone when you are speaking to the committee.

Minister, please introduce your officials and make your opening remarks.

**Hon. Warren Kaeding:** — Well good evening, Mr. Chair, committee members. I am pleased to be here to discuss the '25-26 budget for the Ministry of Trade and Export Development, or TED.

So joining me here today is the dream team. This is Jodi Banks, our deputy minister; Tyler Lynch, our assistant deputy minister of economic development; Ryan Cossitt beside me, the assistant deputy minister of international engagement; Jay Teneycke, the executive director of marketing and communications; Kareen Holtby, the executive director of strategic policy and analysis — there's Kareen; Matt Smith, who is the CEO of Saskatchewan Indigenous Investment Finance Corporation — Matt's there; Krystal Medwid, the executive director of corporate services; and Drew Lombard, our chief of staff.

So TED's total budget for '25-26 is 43.855 million, an increase

of 3.266 million or 8 per cent from the previous year. This budget is supported by a ministry team of dedicated employees in Regina, Saskatoon, Prince Albert, Ile-a-la-Crosse, and across all of our nine international trade offices.

TED places a high focus on advancing a strong and sustainable economy to build a better quality of life for Saskatchewan people. As we move into the new fiscal year, it offers an opportunity to reflect on recent successes and challenges. The ministry and I are proud of what TED has been able to accomplish over the last year.

The last six months have been particularly challenging, and I'm proud of our ministry's dedication through it all. As you know, we've been working through uncertainty with two of our largest trading partners, the United States and China. The Trump administration's unjustified tariffs are a direct attack on the Canadian economy, and Saskatchewan will be disproportionately impacted by the canola tariffs from China.

As a province that exports 70 per cent of what we produce, these situations have caused much uncertainty for decision makers, for producers, and citizens alike. Our ministry has worked hard to understand the anticipated impact that potential tariffs will have on the businesses that call Saskatchewan home.

We have held multiple business round tables and industry consultations with sector representatives from across the province to hear from those who would be directly impacted. This included consultations on the US and China tariffs in March that involved businesses from major subsectors of the economy, including potash; critical minerals; energy, oil, and gas; manufacturing; agriculture; and forestry.

And the impacts varied depending on size and type of business, but one thing that was clear was that tariffs of any type even for a short period will have negative economic impacts. Tariffs will increase inflation, increasing prices at fuel pumps and grocery stores while decreasing jobs and weakening the respective nation's investment environment. These will have impacts across our supply chains, particularly in agriculture, mining, energy, and retail sectors.

And so our goal remains clear: to have no tariffs in place. And if they are to be implemented, our focus will remain on having them in place for as little time as possible. To achieve this we understand that it will take a unified approach alongside all other Canadian leaders. And while simultaneously advocating for Saskatchewan's interests, our province's approach has been twofold: one, working with decision makers south of the border and internationally to have them understand just how these tariffs will impact their own residents, local economies, and communities; and two, working to diversify markets globally, to leverage our network of nine international trade and investment offices to find new and expanding markets for Saskatchewan exports.

And I can tell you that the need for these offices and our international engagement has never been greater than it is today. The Government of Saskatchewan has nine trade and investment offices: in Mexico City, in London, in Berlin, in Dubai, New Delhi, Singapore, Ho Chi Minh, Shanghai, and Tokyo. We have long-standing relationships with these regions, who have

growing populations and higher demand for Saskatchewan-produced goods. It is thanks to these trade and investment offices that the province can be more resilient to market disruptions and threats such as tariffs and regulatory trade barriers.

And although the US is still our largest trading partner, our network of international offices is also a big reason that Saskatchewan has one of the most diversified economies in Canada and is among the least dependent on the US compared to many other provinces.

Since January Premier Moe, myself, and other cabinet ministers have been engaging in Canada, the US, and internationally to stand up for Saskatchewan people and further build relationships abroad. We have met with elected officials, decision makers, and business leaders in Toronto, in Ottawa, in Washington, Minneapolis, Houston, Vietnam, Singapore, India, United Arab Emirates, Mexico, the United Kingdom, and Germany.

Today the United States is Saskatchewan's single-largest trading partner and, once the dust settles and this trade war is over, the United States will continue to be our single-largest trading partner. The United States is by far the largest consumer of Canadian potash, uranium, and oil and gas, much of which comes from Saskatchewan.

Within the US, our focus has been on de-escalating the conversation around tariffs. The most important thing that we can do is show what a strong, integrated North American economy can do. This is done by sharing Saskatchewan's story in food, energy, and manufacturing security not only for North America but for the world. We've continued to work with Saskatchewan's business community as they have similar discussions with their American colleagues to advocate to decision makers in the US on the importance of our integrated economies.

In February, Cameco joined the Premier in Washington to advocate for the importance of Saskatchewan's resources to the US. Here is what Tim Gitzel, president and CEO of Cameco, had to say about this engagement:

Canada and the United States have a long-standing, positive commercial relationship in the civilian nuclear sector that has spurred economic growth and increased both energy and national security. The Trump administration's pursuit of energy dominance and its support for domestic nuclear power will require Saskatchewan uranium and Cameco's expertise and capacity across the nuclear fuel cycle.

Prabha Ramaswamy, Saskatchewan Chamber of Commerce CEO, also helped share this story alongside the Premier in Washington. She said, I quote:

Our Chamber colleagues in the United States share our commitment to open and mutually beneficial trade relationships ... and we reaffirm that shared priority. Through this mission, we aim to shape perspectives and inform decision making by highlighting the economic consequences of tariffs on both of our economies.

Through all of this we have and will continue to work diligently alongside our federal, provincial, and US counterparts to find common ground. On the international front, our focus is on

fostering Saskatchewan's competitive business environment, investment attraction, and protecting food and energy security across the world.

Here at home it's on reducing internal trade barriers, and we've always been a leader on this front. Our government has always been a proponent for more pipelines in North America, a concept that was politically contentious just a few short years ago and has now become widely accepted as a necessity by federal, provincial, and territorial leaders across our great country. And Saskatchewan led that charge.

Premier Moe has been an advocate in this regard and recently announced that all pipeline permits going east, west, or south received through our province will be considered pre-approved. And we have continued to encourage all provinces, states, and both federal governments to do the same in this area.

Saskatchewan has some of the fewest exceptions of any province with the Canadian Free Trade Agreement. We are conducting a thorough review of our remaining exceptions to ensure that we remain the best jurisdiction in Canada for trade and investment.

TED also supports the work of Saskatchewan's red tape reduction cabinet committee, which celebrated its 10th anniversary last year. Through the committee's hard work, they have saved Saskatchewan businesses over \$682 million since 2014. They have reviewed 249 business-related regulations and over 21,000 compliance requirements. Our province will continue to lead by example and encourage other provincial and territorial leaders to further reduce their barriers of goods flowing freely across Canada to match Saskatchewan's low-barrier environment.

It's important to remember that the work this ministry has been leading and advocating for has been years in the making, and it has been crucial to our province's resilience in this challenging time. Even with these challenges, the Saskatchewan advantage remains clear. For the third consecutive year, we have seen growth in private capital investment in this province because it's not just the Government of Saskatchewan who believes in the province's potential, it's people and businesses both in Saskatchewan and across the globe.

The province's total private capital investment for 2024 is \$14.7 billion. That's \$2.2 billion more than last year, one of the highest years on record for Saskatchewan, and the highest growth rate in Canada compared to 2023. That means more companies than ever before are seeing our province's potential and benefiting from Saskatchewan's advantage.

For example, BHP is investing \$6.4 billion in stage two of the Jansen potash project. This makes its planned total investment nearly \$19 billion and the largest single investment in provincial history, and also the largest investment in the history of BHP. And it's all happening right here in Saskatchewan.

Historic projects like this create new jobs and opportunities that benefit Saskatchewan's strong and vibrant communities. A partnership made up of municipal, provincial, and First Nations representatives called Sylvite Four-Six, or S4-6, has been created to plan for the anticipated growth in the Jansen region as a result of this project. This project is being funded by our government



in partnership with the BHP and PrairiesCan [Prairies Economic Development Canada].

S4-6 Chair Brent Sunshine from Fishing Lake First Nation had this to say about this unique partnership: “The S4-6 initiative represents a remarkable model of collaboration and innovation demonstrating how diverse stakeholders can unite to develop impactful and sustainable solutions.”

[19:45]

Another example of this investment in our province is from NexGen Energy. They have plans under way to develop the Rook I project into the largest, low-cost producing uranium mine on earth. The total expected capital expenditure for this project is \$1.3 billion.

Steel Reef Infrastructure is undertaking a \$265 million capital investment plan at five Saskatchewan facilities. This investment will produce a total of 100 megawatts of power from flare gas for the Saskatchewan power grid.

On top of those, there are many more strong roots already in the province, ready for expansion to better meet demand. O&T Farms has plans under way for a \$10 million expansion to their existing facility, specializing in flax processing. Louis Dreyfus Company announced the expansion of its canola processing complex and a new pea protein production plant in Yorkton. In total these projects will create 120 jobs and have lasting benefits for their surrounding communities and the producers of our province.

And Redekop, an ag implement manufacturer of harvesting and weed control equipment, is under construction on a 30,000-square-foot expansion. This growth will create 25 production jobs and five engineering jobs.

Part of what makes Saskatchewan one of the best places to do business is the personalized support that we offer investors. An important aspect of this support is our strong suite of incentives. We have incentives and tax credits available to businesses and investors across all our key sectors. They are relied on consistently by businesses throughout the province and foster the competitive business environment that we are so well known for.

This year I am excited to add two more incentives to our already robust list. This year’s budget saw the creation of a new Saskatchewan young entrepreneur bursary and a new small and medium enterprise, or SME, business investment tax credit.

The Saskatchewan young entrepreneur bursary is an annual grant of \$285,000 for a maximum of 57 bursaries to support young entrepreneurship in the province. Through this program, eligible young entrepreneurs can receive \$5,000 grants to cover approved business expenses. Saskatchewan residents have a long history of innovation and problem solving, and this new program will help foster our next generation of entrepreneurs. This program will be funded by the Government of Saskatchewan and administered by the Saskatchewan Chamber of Commerce.

The SME business investment tax credit is a three-year pilot program beginning this fiscal year. The program includes a 45 per cent non-refundable tax credit for individuals or corporations

who invest in equity of an eligible Saskatchewan SME. It will have an annual cap of \$7 million. The tax credit focuses on sectors such as food and beverage manufacturing as well as machinery and transportation sectors. And it will all be designed and administered similar to the province’s already successful Saskatchewan technology start-up incentive. Building on this past success will help ensure the program will work for the people and businesses who are poised for growth and attracting capital investment.

But it’s not just our province’s private capital investment competitive incentives that are growing. Opportunities in economic reconciliation are growing too. In July of last year we were proud to announce the first-ever loan guarantee through the Saskatchewan Indigenous Investment Finance Corporation, or SIIFC. SIIFC will provide up to \$100 million in loan guarantees to a group of six Indigenous partners — Cowessess, George Gordon, Kahkewistahaw, Pasqua, and White Bear First Nations, as well as Métis Nation Saskatchewan — to support their investment in the Enbridge renewable energy project, Seven Stars Energy.

Once complete, this 200-megawatt wind project will provide enough clean and sustainable electricity to power 100,000 Saskatchewan homes over its anticipated 30-year lifespan. The project is also an amazing example of collaboration between Saskatchewan’s First Nations and Métis communities, the provincial government, and private business.

In addition to increasing the sustainability of the province’s energy sector, this project will financially benefit nearly 25 per cent of Saskatchewan’s Indigenous population. This demonstrates our government’s commitment to creating opportunities and equity participation for Indigenous people and communities.

Continuing with our economic reconciliation priority, in March we hosted our fourth annual Indigenous Business Gathering in Saskatoon. This event continues to play a vital role in helping to create more opportunities for Indigenous peoples, and it has been encouraging to see such incredible growth since 2022.

This year was the biggest yet, with over 130 trade show booths and over 1,100 participants. This year we partnered with six corporate sponsors to accommodate the growth, and these partners included the Athabasca Basin Development, Farm Credit Canada, Kitsaki Management, Polar Oils, STC Industrial Group, and Synergy Construction.

Here is just what some of those sponsors had to say about the event. From Ron Hyggen, CEO of Kitsaki Management:

The connections formed here at IBG translate into real partnerships, contracts, and growth opportunities that might otherwise never materialize. By bringing Indigenous and non-Indigenous businesses together, we’re not just networking. We’re actively reshaping Saskatchewan’s economic landscape to be more inclusive and innovative.

And Mike Hanson, owner of Synergy Construction, said:

Our company has a genuine commitment to fostering community and opening doors for others. This event offers

conversations that could lead to a meaningful partnership, a collaboration, as well as other opportunities for Indigenous and non-Indigenous businesses alike.

The IBG [Indigenous Business Gathering] is one of the largest events in Saskatchewan aimed at Indigenous economic development, and it's growing every year. It allows participants to make meaningful connections that will help grow their businesses and enrich their communities.

Speaking of making connections and enriching communities, in December the Regina Airport Authority announced a new direct flight from Regina to Denver. The new daily flight is offered through United Airlines and will begin service in May of this year. The flight is supported by a minimum revenue guarantee from our government. Without this guarantee this flight, as well as the flights from both Saskatoon and Regina to Minneapolis, would not be possible.

This flight to Denver represents more than just an opportunity for Saskatchewan residents to fly to a US city. It's a step forward in connecting Saskatchewan with a global audience. James Bogusz, president and CEO of Regina Airport Authority, said:

This route strengthens Regina's position as a key gateway to southern Saskatchewan and demonstrates United Airlines's confidence in Saskatchewan's future. With United's extensive connections through Denver, this flight opens many new opportunities for personal and professional travel.

The direct link means that Saskatchewan's connection to global markets is going to be that much stronger for tourists and travellers alike, and our connection to global markets is stronger than ever. We are seeing more connections made, more partnerships formed, and more markets reached than ever before.

We continue to focus on international engagement because it's working, and it brings real results back to the people of Saskatchewan. Last year the province saw international merchandise exports reach \$45.4 billion, a top three record for Saskatchewan. Those exports travelled to 160 countries around the globe, with eight markets that totalled over \$1 billion.

Whether it's trade missions abroad or welcoming foreign delegations here at home, international engagement is a major driver in growing the economy and attracting potential investors. Through our network of nine international offices, new markets, potential partners, and investors are learning about Saskatchewan. More importantly, they recognize our global reputation as a stable supplier of food, fuel, fertilizer, and critical minerals. Around the world people understand that our province can provide food and energy security, not just for their countries but across the planet for generations to come.

Strengthening international trade relationships and diversifying our export markets are more important than ever as we look to promote our sustainable food and energy security to the world. Our offices in Mexico, the United Kingdom, Germany, United Arab Emirates, India, Singapore, Vietnam, China, and Japan go far beyond liaising with organizations and governments in their respective countries. They help create partnerships, facilitate business deals, and are crucial in helping our province's

companies reach even further.

And their success runs across all provincial sectors. Last year Saskatchewan's Mexico office facilitated an incoming buyers mission, where three buyers from the Latin American region travelled to Saskatoon for more than 30 business meetings. The Mexico office facilitated trade discussions with Saskatchewan Trade and Export Partnership on behalf of Saskatchewan companies, which resulted in business connections and potential sales of over \$10 million. They also helped 106 students from Yucatán in obtaining their Canadian student visas to study at the University of Regina.

The Japan office helped secure an extension to the government's memorandum of co-operation with Japan Overseas Infrastructure Investment Corp. until 2027. This extension focuses on identifying new investment opportunities in helium and carbon capture, utilization, and storage technology. Most recently at CeraWeek this March, Saskatchewan's Helium Evolution and Eneos Xplora from Japan announced their \$2.7 million strategic partnership. Eneos is Japan's largest energy resources and materials conglomerate.

Saskatchewan's India and United Arab Emirates offices supported the Ministry of Immigration and Career Training to recruit candidates directly through the Saskatchewan immigrant nominee program. This resulted in hundreds of skilled workers through the program being nominated to immigrate to Saskatchewan in 2024. Their work has also supported increases in our exports. For example, the India office works to promote Saskatchewan products, including forging a valuable relationship with India's agricultural institutions, authorities, and buyers.

As we know, Saskatchewan is vital to global food security. For example, approximately half of all lentils eaten in India, a country home to 1.4 billion people, come from Saskatchewan. In 2024 pea exports to India increased from \$12.8 million in 2023 to \$479.7 million in 2024.

In September, eight buyers in the Middle East and North Africa, or the MENA region, visited our province on a commodity buyer mission organized by the UAE [United Arab Emirates] office and STEP [Saskatchewan Trade and Export Partnership]. This mission resulted in \$74.5 million in confirmed and estimated sales over the next year. This brings the total confirmed and estimated sales from all of STEP's MENA-focused incoming missions to Saskatchewan that were facilitated by the UAE over the past three years to approximately \$430 million. For the period of January to October 2024, Saskatchewan exported \$322 million worth of agri-food products to the UAE. That's a 19 per cent increase from that same period in 2023.

Also in September, the India office was instrumental in a Saskatchewan-based firm being selected by the Department of Science & Technology within the Government of India to lead the creation of the hydrogen valley innovation cluster in Kerala, India. This project's initial value is over \$50 million, and it marks a significant milestone in global green hydrogen development because it's Saskatchewan's first significant foray into energy generation in India.

The China office facilitated the signing of an MOU [memorandum of understanding] between Saskatchewan

Polytech and Yantai Vocational College for international co-operation. They also facilitated the signing of an MOU between a Saskatchewan-based beverage manufacturer and Chinese company Greenland Zhongxuan. This MOU is for the distribution of their products in China and it's currently valued at \$10 million US.

And through the work of a United Kingdom office, Saskatchewan was able to sign a new partnership with France on the development of supply chains for strategic minerals. Saskatchewan has had a long-standing relationship with France through Orano and our uranium industry. French minister delegate Franck Riester was at the signing at SRC and said:

This agreement with the Saskatchewan government is one of the first we have signed with a Canadian province. That says a lot about the priority that we attach to our relationship with Saskatchewan. This partnership represents a major milestone in stepping up the bilateral efforts in this direction.

Additional recent wins in Europe came from our Germany office. In November 2024, German agriculture machinery company Horsch moved their Canadian headquarters to Saskatchewan by building a new 10,000-square-foot facility for sales and service. The Germany office has been engaging with Horsch since the summer of 2023.

This past January, Innovation Saskatchewan and DAAD [Deutscher Akademischer Austauschdienst], the German Academic Exchange Service, signed an MOU to increase research collaboration between our province and Germany. This is the first agreement with a sub-national government signed by DAAD, the world's largest funding organization for the international exchange of students and researchers.

On our recent mission to Vietnam and Singapore, we covered many of Saskatchewan's main sectors, including mining, critical minerals, energy and agri-value, as well as labour and immigration recruitment efforts.

[20:00]

In Vietnam, the MOU was signed between our government and the Ministry of Education and Training of Vietnam. It focused on strengthening academic and global connections through research and collaboration, educational exchanges, and the sharing of expertise. This is among the first MOUs that Vietnam has signed with a Canadian province or territory focused on education, which is very exciting.

In Singapore, the Saskatchewan Food Industry Development Centre announced a new partnership with Nurasa. Nurasa is a leading organization in sustainable nutrition development in Asia, and the Singapore office led the charge in building the connections between the two organizations.

Nurasa is excited about the global potential that this partnership has. Their CEO Xiuling said this, I quote:

This cross-border alliance creates opportunities for Asian innovators to enter the North American market, supporting businesses and commercializing their products at scale. By

leveraging the strengths of both regions, we are fostering deeper collaboration and enabling food companies to grow globally.

Their agreement provides a great opportunity to promote Saskatchewan's expertise in agriculture sustainability, agri-food innovation, and its role in providing food security across the globe.

Here at home, the province has also hosted 58 diplomatic and commercial delegations since April of 2024. These visits have included delegations from countries like Brazil, Switzerland, Türkiye, Kenya, the Philippines, Poland, Japan, and many others. And all of these outcomes are a testament to our strong, long-standing relationships, the ones that we've been forging for years. And now Saskatchewan people are seeing the results.

Whether it's our efforts in international engagement, economic development, economic reconciliation, responsible policy development, and red tape reduction, it's this work that is behind our top-of-the-podium results in providing capital investment, GDP [gross domestic product] growth, export growth, and market diversification. They are all working together to bring results to the people of Saskatchewan.

Thank you, Mr. Chair. My officials and I would be pleased now to answer questions from the committee.

**Chair Thorsteinson:** — Thank you, Minister. I'll now open the floor to questions. MLA Breckner.

**Kim Breckner:** — Thank you, Chair, and thank you to the minister for your extensive introduction. It was very interesting. And thank you to the officials. Welcome to the legislature. I'm a big fan. I am looking forward to our discussion tonight.

And I will start with, my first question is the 2025-26 budget for Trade and Export Development provides a 13 per cent increase in the ministry's central management and services. I would ask you to provide a breakdown of the 1.3 million increase by type and purpose of the various components that comprised the increase.

**Jodi Banks:** — Thank you for the question. Jodi Banks, deputy minister. So in central management and services, we did see an increase of 1.165 million, and that includes the following. So 651,000 is increase in salaries. That is consistent with all of the increases across government. We have a 106,000 decrease in goods and services. That was due to recoveries in accommodations to SaskBuilds. And then we had a \$620,000 increase in capital asset acquisitions, and that 620,000 is for an IT [information technology] project that we are undertaking for a client relationship management system.

**Kim Breckner:** — Can you tell me more about that IT project? How did it come about? Why was it necessary? I guess how the old system wasn't working, and the advantages of this new system.

**Jodi Banks:** — Thank you for the question. So we have had a client relationship management database, or CRM, since about 2015. And at that time we started to use the CRM system to support the province's growth plan for expanding trade

opportunities and growing investments for the province by having that centralized system to track all trade and investment opportunities.

So every time we met with a company we would be able to track what was talked about, what was said, who spoke to them, and all of the different sort of interactions so that we could continue. Because many times when we talk to a company it's over many, many years. And so the CRM manages these trade and investment opportunities by tracking client interactions, international events, and trade missions; recording investment project progress; and categorizing investment leads and accounts.

And so that current CRM database, as I talked about, was deployed in 2015, and at that time was built with some custom configurations that no longer meet the needs of the users and is no longer being supported, as happens with IT projects. So a new system is required to optimize relationship management with international and Saskatchewan businesses.

So since we had that first CRM database, we've added in our international trade investment offices. I would also add that it is used by obviously our ministry as well as other government ministries, including Immigration and Career Training, Energy and Resources, Agriculture, Advanced Education, and Saskatchewan Trade and Export Partnership, or STEP, in making data-driven decisions.

So we went through the IT procurement process at SaskBuilds, and the expected completion date for the new system is March 31st, 2026.

**Kim Breckner:** — Thank you. So the 600-or-so thousand allocated to that IT project, you would see that replicated in other budgets for other ministries? Or are you covering the whole cost of implementing this for the other ministries? Am I clear? Okay.

**Jodi Banks:** — We are covering the whole cost. But it is meant to be an all-of-government . . . or not all, but of those ministries that we spoke of, they would all be able to utilize so that we're capturing because we work so closely with other ministries.

**Kim Breckner:** — Thank you. The economic development subvote is receiving a 26 per cent increase in this budget. I would ask for a breakdown of the 2.6 million increase by type and purpose of the various components that comprise the increase.

**Jodi Banks:** — Okay, thank you for the question. Economic development (TE03) is receiving an additional \$2.635 million in budget this year. The budget includes the following change. So there's \$350,000 increase in salaries, which is again consistent across government. There is the 285,000 increase due to the young entrepreneurs bursary that Minister Kaeding spoke about in his introduction, and a \$2 million increase due to the addition of a minimum revenue guarantee funding for the Denver flight.

**Kim Breckner:** — Can you provide me more details about the Saskatchewan young entrepreneurs bursary program? For example, the selection process and the requirements around the bursary use. I understand, as you mentioned, it's a fund of 285,000 — 5 K grants for 57 recipients.

**Hon. Warren Kaeding:** — We're quite excited to be launching this as it's one of our election platform items. And with it, you know, we certainly recognize the value that small business plays in the province's economy, and certainly it's a motivation to stimulate some of our young entrepreneurs in launching in this province.

So it's to encourage entrepreneurship and distribute economic development across the province, but it's going to be administered by the Saskatchewan Chamber of Commerce. We've got a three-year funding agreement that we're currently just working the details out with them.

Ultimately it will be a \$5,000 bursary to one qualifying young entrepreneur. So we've got up to, I think it's 57 of those available — kind of one per chamber of commerce. But you know, ultimately those are the details that will get worked out. The applicant can be 18 to 35 years of age. And they're going to have to be a registered for-profit Saskatchewan business, and that's been in operation for 10 years or less.

And just finishing the final details now. It's going to be, like I say, delivered by the Saskatchewan Chamber of Commerce. So it should be launched here in a few weeks' time.

**Kim Breckner:** — Great. I'm happy to know that the Saskatchewan government still considers me to be young.

Let's talk about the new small and medium enterprise investment tax credits. I understand it will provide a 45 per cent non-refundable tax credit for individuals or corporations who invest in the equity of an eligible Saskatchewan small and medium-size enterprise. What is the estimated value of this tax expenditure in the 2025-26 fiscal year? And how many individuals or corporations are you forecasting will use the program?

[20:15]

**Hon. Warren Kaeding:** — Okay, once again, really trying to support the small business sector here. Recognize this through our election platform, another election platform item, to try and allow some of these companies that are maybe struggling on attracting, you know, some loans or equity, especially as a start-up. You know, recognizing some sectors have a little bit more difficulty accessing kind of upfront capital.

So as a pilot, and we're introducing it as a pilot for now, kind of focusing on a couple of key areas that we know have probably struggled a little bit in trying to develop. So that's the food and beverage sector, so that would include food processors, microbreweries, micro-distilleries. And the second sector is machinery and transportation equipment manufacturing, kind of a subsector. They're very capital-intensive, especially when they're ready to start up here.

So a few of the program parameters is that it's a 45 per cent non-refundable tax credit. Investors can earn up to a maximum of \$225,000 in tax credits annually. It's a three-year pilot, so it's going to be effective from July 1st of 2025 to June 30th of 2028. It's intended for businesses between 5 and 49 employees, with a minimum of 50 per cent of those employees residing in Saskatchewan.

The initial pilot, like I said, is going to target both the manufacturing and processing in the food, beverage, and machinery and transportation sectors. There is going to be a cap on the annual amount of investment tax credits that are approved. And so we're going to see no more than \$7 million in investment tax credits would be approved annually on a first-come, first-served basis. And like I said, investors can earn up to the 225,000 in tax credits, but an eligible business can claim a maximum of 140,000 in tax credits per year.

So it's very much aligned with the program that we've been running called the STSI [Saskatchewan technology start-up incentive]. And there's a minimum investment threshold of \$50,000.

The Saskatoon Chamber of Commerce, we'll give credit for, you know, kind of spearheading, and it was kind of their idea, something that they had proposed to us. And I know now we've seen some pretty good response from a number of the chambers.

And I know Mike Tate, president at the Regina chamber, had commented that he thought:

The introduction of the small and medium enterprise investment tax credit will have a positive effect on the Regina and Saskatchewan business communities. By introducing tax relief and incentives, the amendments will reduce the financial burden on businesses and allow for reinvestment in innovation, expansion, and job creation. This will enable local businesses to thrive while attracting new investments to Saskatchewan.

**Kim Breckner:** — Just some clarification questions. So during that three-year pilot period, it would be limited to the industries that you mentioned? And when you talk about the employee requirements, the 5 to 49, is that full-time equivalents or can that be a mix of full- and part-time?

**Hon. Warren Kaeding:** — So as a pilot, you know, we're just trying to get a handle on some of those parameters, but we'll have that kind of in that final version that comes out here in a couple of weeks' time. But again, just trying to target small, small businesses that are ready to move to that next level.

**Kim Breckner:** — In addition, how are you going to make sure that this tax credit is going to be used for incremental investment rather than simply the sale of existing equity from one individual to another?

**Hon. Warren Kaeding:** — Great question. So they're following the parameters that STSI has had established for it. And being a successful program, I think they've been able to work through, you know, a lot of the concerns there. But again just reminding you that's it's for the investor who is investing in the business, right, and they're ultimately going to be seeing a tax credit kind of the year following or the year after they've made that investment.

A couple of key parameters: it has to be an approved investor and it can't be a family member. So those would be a couple of the parameters that would go with that, but I would say very much following what the STSI guidelines have been in their program.

**Kim Breckner:** — Would you mind just describing those STSI guidelines and how you see it applying here?

**Hon. Warren Kaeding:** — So that's an Innovation Saskatchewan program. We don't have that specific information here, but we can certainly get it to you by end of night. And then we could carry on that discussion then if you're fine with that. But yeah, we just need to find the supporting material on that through Innovation Saskatchewan.

**Kim Breckner:** — That sounds great. And of course I support the intention. As a lawyer and a legislator, I am sure you can appreciate how I would be concerned that the wording carries out the intent.

All right, I want to move on to the international trade offices. Can you explain how the accounting system for those trade offices work? For example, do the offices submit their invoices for payment to the Ministry of Finance like the rest of the government? Or do they operate from a separate bank account controlled by an individual in each office with budget funds deposited in that local bank account?

[20:30]

**Jodi Banks:** — Okay, thank you for the question. So I would just start by saying that the employees in the Saskatchewan trade and investment offices are made up of a managing director, which is a Saskatchewan employee even though they live abroad, and two locally engaged staff.

Those managing directors that are Saskatchewan staff are guided by FAM [financial administration manual] back here. So that's the financial management system that all government employees must abide by. And so all things like travel expenses, anything like that, we would use a normal prior approval process exactly what, you know, we would all use here in Saskatchewan.

I would say that the budget starts . . . it is in our allocation. And then what we do is, because we are co-located with Global Affairs Canada in every office but one — soon to be all nine — we have a contract with Global Affairs Canada that provides services to TED. And so last year, we paid Global Affairs Canada \$4.939 million, and the services that they then provide to us include office space, office furniture, office equipment, telecommunications, IT support, security, personnel security, certain types of transportation services, expenses for support staff, furnished housing, and other supports. So we sort of have two ways of doing it.

And then we do provide some dollars for each office for sort of outside of those things, operating expenses. Those are put in accounts and again have to follow the rules like everybody else to get permission to spend those funds.

**Kim Breckner:** — What are the safeguards or parameters when you're paying Global Affairs Canada for these resources? Do they set the price for these resources? Is it third-party and flow-through costs that they're just arranging? Can you provide more information on that?

**Jodi Banks:** — Okay. Thank you for the question. So all co-locators in embassies or High Commissions are a party to a

memorandum of understanding. And so that would include other provinces, but it could also include organizations, like the RCMP [Royal Canadian Mounted Police] have staff in many of the offices, Export Development Canada has staff, and other organizations.

So if you co-locate in an embassy or a high commission, you basically have to be a party to this MOU. So the MOU is very detailed. It lays out all the different pieces around . . . And so basically what they do is, the costs are determined based on historical expenditures incurred at the missions. The costs of services at any given mission may vary due to local market conditions and service delivery needs, and then costs are pro-rated based on the actual footprint of the co-locator partner at mission.

So for example, as I mentioned we have three people so it's basically pro-rated to that. A province like Ontario might have eight people. They will pay more. But it is a bit of a revolving fund in that they take sort of the expenses of the year, making sure everybody has sort of that consistent service, pro-rate it to their footprint, and then they determine the fees for that next year.

**Kim Breckner:** — Thank you. And the two local staff, is their salary allocated for in . . . I guess where would it be allocated for in the budget?

**Jodi Banks:** — Thank you. So the salaries for the two locally engaged staff in the offices is provided in the contract with Global Affairs Canada. They are actually employees of Global Affairs Canada assigned to us as a province.

**Kim Breckner:** — Okay. Thank you. I misunderstood that. Could you please list the value of each employment contract in the international trade offices, excluding reception or administrative staff, and any supplementary compensation provided?

**Jodi Banks:** — Can I ask one question for clarification? So you're asking for the Saskatchewan employee or all three?

**Kim Breckner:** — All three.

**Jodi Banks:** — Okay. Thank you for the question. I'll just start by describing a little bit about the level of employees that we have. So our managing directors in our offices are Saskatchewan employees, are the equivalent of what we call an MCP9 or a director level in government. And so they would only receive as much as an MCP9.

However depending on what jurisdiction they've been assigned to, expenses in some of those countries can be more or less than they are here, and so we have a policy that they are no better off or no worse off than an MCP9 or a director working here in the province. And so in some cases they are provided with housing allowances or other allowances to ensure that they are evenly distributed.

For the other two locally engaged staff, in every office we have two types of staff. One of them would be the equivalent of sort of what we call a senior trade officer, so that would be somebody that had the ability to go out and meet with companies and follow trade leads. And the other employee would be a bit lower level

and would be more of maybe, I would say, an office manager, sort of manage the receipts, all those types of things.

And so last year for personnel that we paid to Global Affairs Canada, and so this was the total at the end of the year for the two together. I only have them together. It also includes where, if we've had turnover, the numbers might be lower, etc.

So for Tokyo it was \$167,548; for Delhi — we did have some turnover — it was \$80,648; for China it was \$268,768; for Vietnam it was \$82,085; for Mexico it was \$147,904; for Dubai it was \$288,431; for China it was \$143,934; for Berlin it was \$275,873; for Singapore it was \$242,620. For London, because we are not yet co-located, the numbers I do not have in front of me but are available. I can try to see if I can get them.

[20:45]

**Kim Breckner:** — Sure. Thank you. Could you provide detailed budgets for each of the international trade offices by major expense code?

**Ryan Cossitt:** — Thanks for the question. Ryan Cossitt, ADM [assistant deputy minister] of international engagement. Evening. So what I'll do is I'll walk through the budgets for our international offices as you requested for 2024-25.

So for operational support budget for our China office, the total was 818. That includes 118 for goods and services. And because of that particular office, there was no managing director in that market last year, so there's no budget for salary at this time.

For our India office, the total is 943,000. That's 777,000 for goods and services, 167,000 for salary. For our Japan office, a total of 1.29 million. That's 1.133 million for goods and services and 167,000 for salary. For our Singapore office, the total was 1.11 million. That's 947,000 for goods and services, 167,000 for salaries.

For the United Kingdom, total budget 990,000 — 823,000 for goods and services, 167,000 for salaries. For our United Arab Emirates office, 1.21 million. That's 1.04 million for goods and services and 167,000 for salaries. For the Mexico office, total budget 986,000. That's 819,000 for goods and services, 167,000 for salary.

For our Vietnam office, total 747,000. That's 580,000 for goods and services and 167,000 for salaries. And finally Germany office, 1.3 million total. That's 1.14 million for goods and services and 167,000 for salaries.

**Kim Breckner:** — Thank you. All right, changing gears. The Saskatchewan commercial innovation incentive program has been extended for two additional years. Can you advise me how many organizations took advantage of the program in '24-25, and how many you expect will use the program in '25-26?

**Jodi Banks:** — Thank you for the question. So SCII [Saskatchewan commercial innovation incentive] was first introduced in Saskatchewan in 2017, and it was put in place to try to capture income on commercialized products for those that qualify intellectual property in the province. So really to attract that innovation piece.

Since it has been put in place we've had a number of applications, but none which have actually been through and received the credit at the end. Therefore last year we did a fairly extensive review. We talked to some of the folks that had used the program, we talked to others that we thought could use the program, and also institutions like universities around sort of best practices.

And so from the review, we have put forward that we would extend the program for another two years and remove the economic eligibility benchmark, and then hopefully go back out and market the program and then make that assessment again in a couple of years to see if that has made it easier to use for companies.

**Kim Breckner:** — So you mentioned doing two things there — changing the income threshold . . . sorry, or the . . . Can you tell me again?

**Jodi Banks:** — Economic eligibility benchmarks.

**Kim Breckner:** — Economic eligibility. Okay. And then you talked about going out and marketing it again. Is that saying that maybe one of the issues prior to this change was it wasn't being marketed enough? Or is this just saying, okay, we think the problem is the economic piece; we're going to go out and market it again. Do you understand the clarity I'm trying to get?

**Jodi Banks:** — I do.

**Kim Breckner:** — Okay, thanks.

**Jodi Banks:** — I think that we have an opportunity to go out and market it again with the change. I think companies did know about it. You know, we have a whole team of people in economic development that work with companies and are very, you know, go through all of the different types of incentives that we have. And so while I don't believe that marketing was the issue, I think, you know, the ability to go out and talk about a change and see if it changes circumstances for companies will be valuable.

**Kim Breckner:** — Okay. Can you tell me about why that economic threshold may have been a barrier, and how you think that barrier goes away when you remove it?

**Jodi Banks:** — Okay, thank you. So I think there was two pieces that I would like to cover in this particular case. So the economic eligibility benchmarks require corporations to meet two of the following economic growth benchmarks with respect to innovation. So that included \$3 million in R & D [research and development] expenditures in Saskatchewan to create and maintain 10 net new full-time employees, to create \$10 million in net new capital expenditures, to have 3.5 million in new provincial CIT [corporate income tax] taxes paid, or they could come to the Ministry of Trade and Export Development and propose an economic benefit benchmark that we would then pre-approve. So they had to have two of those five. And so you could see some of those are quite significant.

What we heard was, when you put that with the . . . There was two other requirements. And so one of the other requirements to be eligible for the SCII is the requirement to set up a separate corporation to track income from the commercialization of eligible intellectual property. We're going to keep that in place.

But you know, what we found was a number of companies would have maybe more than just one IP, one patent that they were utilizing. And so, you know, what we were trying to accomplish was to be able to kind of ring-fence that income from that IP so that we weren't allowing tax credits on the whole sum piece of their revenue.

And so what we had heard was, when you combined those two together it became rather onerous. And so we are going to attempt to, by removing this economic eligibility, what we're basically . . . you know, if you're getting to the point where you're creating a new entity, to be able to track that income from the commercialization. And some of the other pieces we're doing are on scientific eligibility. We believe that, you know, only companies that are serious get to that point, and so we're hopeful that we'll be able to then help see that through.

[21:00]

**Kim Breckner:** — Thank you. Could you list all the major private sector capital projects in the province that your ministry is aware of for '25-26 together with the estimated capital spend for each project? And I'll leave it up to you to define what's major. I'm sure that you have some kind of definition for that within your ministry.

**Hon. Warren Kaeding:** — So I'll maybe start off high level and then we're going to let the guy that's kind of in the front of all of this kind of get into some of the granular detail. But I think that's the one strength that you've seen from this province is where we're leading when it comes to both overall capital investment and private sector investment in the province. I think the record that we've seen in the last three years, and certainly what we're going to be experiencing or certainly what we've been hearing, should be going on in the province in the next couple of years is nothing short of outstanding.

And we don't get to hear of all of the projects. We don't get to hear all the dollar values that go into all of the projects, but we're certainly very excited in the confidence, I guess, that companies from around the world have placed in investing in the province. It also, I think, is a good indication of the incredible work that our trade offices are doing in ultimately sourcing out opportunities.

And I think it bodes very well for, you know, the group that you have, that you're seeing behind me here, who is also doing yeoman's work in putting A and B together and just talking about the . . . even identifying the opportunities that there are here in the province. You know, we talk about 27 to 34 critical minerals. All those need to be developed. They're not all going to be done locally.

And so we're definitely very proud of the fact that, I think, part of the reason we're attracting so many of these investments is because of the regulatory process that we've got here. It's very easy to come into the province, to talk about a project, to engage with local residents, stakeholders, on how to get the project started.

We've got an extraordinary group here that does a lot of work on Indigenous engagement. And I'd say from what I've heard of jurisdictions around Canada, we are by far the best when it comes

to Indigenous engagement. And I think it's really shown well in now people wanting and literally lining up in our office to talk about the opportunities that they want to explore with us.

So, saying that, I'll maybe let Tyler get into some of the details that he's aware of.

**Tyler Lynch:** — Thank you. Tyler Lynch, assistant deputy minister of economic development division. And I'll touch on a number that are in various stages. Some will be in the planning stages, some under construction, some may be complete. And so it won't be necessarily specific to this fiscal year because some of these take years to plan and construct and ultimately get into operation as well. And as the minister indicated, in many cases we're not able to share specific capex [capital expense] dollar amounts, but some of these are public so we'll share what we can.

So the minister mentioned a few of these in his opening remarks. So BHP approved 6.4 billion in stage 2 of the Jansen project, again making it a total investment of nearly \$19 billion, which will with phase 2 will double their production capacity to approximately 8.5 million tonnes per year — again the largest investment in the province's history, largest investment in BHP's history as well.

K+S Potash has announced in June 2022 that they plan to increase their production over the next decade or two out at Bethune as well to nearly double the production capacity and which will increase a significant number of jobs. Planning is under way of that project.

Foran copper mine at McIlvanna Bay in northeast Saskatchewan. Foran is in the planning stages of their copper mine to commercialize production with an estimate of over \$800 million. The mine is expected to produce an average of 34.5 million pounds of copper and 58 million pounds of zinc annually. This is in the early stages of construction, to be operational in the next couple of years.

Minister also mentioned a couple of the uranium projects: NexGen Energy developing the Rook I project; as well Denison Mines developing their Wheeler River uranium project in the Athabasca Basin. Paladin Energy is developing their uranium project also in the Athabasca Basin.

Moving on to a couple of energy projects, Cardinal Energy is developing about \$155 million resource in the RM [rural municipality] of Reford to produce approximately 6,000 barrels of oil per day, which is under construction currently. North American Helium is currently building two additional helium purification facilities in Saskatchewan. To date that company has spent over \$500 million to get to about nine purification facilities.

Arizona Lithium is in their planning phase 1 development of their lithium project, which represents an investment of close to 300 million. Minister mentioned as well in the opening remarks Steel Reef Infrastructure, which is developing some infrastructure that will produce approximately 100 megawatts of power from flare gas production.

Seven Stars Energy Project, which is a collaboration between Six

Nations Energy Development — six Indigenous partners — as well as Enbridge to build a 200-megawatt wind power project southeast of Weyburn in the planning stages currently, which is also supported by a loan guarantee from the Saskatchewan Indigenous investment corporation.

Louis Dreyfus at Yorkton is currently expanding its canola processing facility, which will double production in Yorkton, and at the same time building a new pea protein isolate production plant on that same site. Combined will be about 120 new jobs between the two facilities — new jobs, permanent.

Cargill, just west of town at the GTH [Global Transportation Hub] is, as we've all seen, constructing their canola crush facility, over 50 per cent complete now. Richardson in Yorkton as well doubled their canola crush capacity. That is now operational. Donald's Fine Foods in Moose Jaw invested \$60 million in a new cull sow processing plant, reported to be the largest sow plant in Canada with a capacity of 225,000 sows, which will employ as many as 200 people.

Great Western Brewing is undertaking an expansion of their production facilities up in Saskatoon, which will help to cut some of their water consumption as well as create some energy efficiencies.

Red Leaf Pulp has announced plans to develop a pulp mill west of Regina utilizing agriculture biomass, and that's in the planning stages.

O&T Farms also recently announced a \$10 million expansion of their existing facility west of Regina, specializing in flax processing.

We've had a number of fertilizer facilities. Northern Nutrients has invested in a chemical fertilizer plant near Saskatoon with 30 new employees. Sask Mining and Minerals announced previously plans for a sulphate of potash facility at Chaplin in addition to their current facility, which is in the planning stages.

Dunkley Lumber has undertaken a \$220 million expansion of their project at Carrot River, creating 240 new direct and indirect jobs. One Sky Forest Products has announced plans for an oriented strand board, or OSB, project near Prince Albert as well.

Moving into some of the manufacturing projects that we've helped to support, Crestline Coach undertook a facility expansion, about an additional 30,000 square feet of manufacturing space in Saskatoon. Pro Metal Industries here in Regina recently built a new facility just in the west end of Regina as well that opened last year. Duck Foot Parts, which is an ag manufacturer, has purchased an existing facility to increase their production.

RayHawk developed a new innovation for rail car loading, a really interesting agriculture innovation company. They've expanded from a 4,000-square-foot facility to an 11,000-square-foot facility in Saskatoon.

Redekop, as the minister mentioned as well, an agriculture implement manufacturer, undertook a 30,000-square-foot expansion of their facility that will create 25 production jobs and five engineering jobs.



And the last one I'll maybe mention is Draganfly Innovations, a new facility in Saskatoon that will expand their manufacturing footprint in the UAV [unmanned aerial vehicle] systems components sector.

I'm sure I've missed a few there, but that's kind of a broad list of some of the projects that we continue to support.

**Kim Breckner:** — Thank you, Deputy Minister. Minister Kaeding, both you and one of your colleagues announced the Saskatchewan results of the Statistics Canada capital expenditures survey for 2025. Could you please describe your ministry's analysis of the survey results?

[21:15]

**Hon. Warren Kaeding:** — Well I'm glad you asked that question because there's a lot of really good stats I think that have come out from there. And we'll go through a couple of them.

The private capital investment for '24 I think is estimated at 14.7 billion, so that's an increase of 17 per cent compared to 2023. That's the highest growth rate in Canada. The total capital investment for 2024 is estimated at 19.9 billion, increase of 16.9 per cent, ranking second among the provinces for growth.

So the top three industries that we've seen for capital investment in 2024 were mining and quarrying; oil and gas extraction; and then ag, forestry, fishing, and hunting. They're estimating in 2025 the intentions for capital investment is going to total 22.1 billion. That's a 10.8 per cent increase over 2024, again ranking first in Canada. And that's going to include, from what we understand, intentions of up to 16.2 billion in private capital investment.

And again, you know, just have to refer back to why this is happening and why Saskatchewan is seeing this level of growth in investment in the province is . . . It's the Saskatchewan advantage, right. Fuel, fertilizer, critical minerals — what the world is looking for — everybody moving towards food and energy security. And we have what they need for that.

You know, we have probably one of the lowest business tax rates in the country. We've got a suite of incentives. Love to be able to talk to you about those because there's many of them that is certainly supporting the capital investment.

Again what Tyler and his group offer is through that concierge support of somebody knocking on the door of Saskatchewan saying, hey, I want to get involved in something. And we will guide them through that entire process through number of ministries that they may need to engage with — filling out, you know, getting in front of the environmental impact assessments that we would have asked them to do, dealing with the Crowns — that's the kind of concierge service that our ministry supports.

You know, we talked before about the Indigenous engagement. I think that's critical. We're seeing significant Indigenous interest in businesses in either acquiring or building businesses here in the province. You know, we talked about the Indigenous Business Gathering. That was huge. Eleven hundred people participated in something they wanted to take part of, of what's growing and happening here in Saskatchewan.

And so I think we're very excited, looking forward to the future as to what it's going to provide for investment in the province. That means people are going to get to work. That means we're going to have more people coming to the province. That's going to be, you know, building the skilled trades area up that everyone is going to have an opportunity to be employed in a very, very rewarding field, and their family will as well. So that bodes very well, I believe, for Saskatchewan's future, and I'm glad that Statistics Canada has been able to support us in that.

**Kim Breckner:** — Thank you. And when you did those comparisons, did you adjust the numbers for inflation?

**Hon. Warren Kaeding:** — So again these are Statistics Canada's numbers, so you know, they release these on an annual basis. And so I would be assuming that they would be taking that into account, but I do not know that for certain, what factors and what the parameters are that they use for their statistical purposes.

**Kim Breckner:** — So when the Ministry of Trade and Export looks at this survey to determine how well we're doing, essentially our economy in Saskatchewan, they haven't looked into whether we're doing better than past years based on just inflation itself or if we have a real, actual inflation-adjusted increase in investment?

**Hon. Warren Kaeding:** — Well those numbers would be derived year on year using the same methodology, so I believe it's a very fair comparison as they would be using — or assuming again they'd be using — the same methodology year over year.

**Kim Breckner:** — Right, so if I spend \$100 in year one and inflation goes up 20 per cent and I'm spending 120 in year two, we can say there's a 20 per cent increase in capital expenditure. But really we're spending the same amount in capital expenditure; it's just inflation went up 20 per cent.

**Hon. Warren Kaeding:** — Okay. I'm just going to reiterate that these are comparative analysis, province to province, year to year, using the same statistical analysis, the same inputted data. If you want to, we'll use another factor. We'll use GDP growth. Right now GDP growth, which is a measure of true economic indicator, is one of the best in the country. So regardless of inflation, GDP growth is still increasing.

If you want to look at the ranking, Saskatchewan is ranked first or second when it comes to total capital expenditures in Canada. So that means that that's real growth, far surpassing what most of our neighbouring jurisdictions have been achieving as well. So whether CPI [consumer price index] is taken into account or not, the growth is real, and it's been real for a number of years now.

**Kim Breckner:** — I guess why I think it's important that the ministry is doing inflation-adjusted capital expenditure comparisons on how we're doing this year compared to past years is looking at our own growth, not just picking a certain year and comparing to other provinces. And so I'm curious if our growth has increased from say, example, 2018 to 2025, if there's been a trend of inflation-adjusted capital expenditure so we're actually building more widgets; we're not just paying more to build a widget.

**Hon. Warren Kaeding:** — Okay, we're just looking at the capital investment growth since, well 2014. 2014 was actually an anomaly. We had a phenomenal year that year with investment in Saskatchewan. But every year after that, it has been growing steadily, in fact far exceeding the CPI or any kind of inflationary index that you want to use.

And again I'm just going to refer back to where Saskatchewan is ranking against Canada, against the other jurisdictions. In fact I've got to read this into the record. I'm sorry. In '23-24 private capital expenditures in Canada grew 0.1 per cent. Nova Scotia grew 1.9 per cent. New Brunswick grew 1.2 per cent. Quebec, 3.4 per cent. Ontario actually decreased. Manitoba decreased. Saskatchewan increased 17.3 per cent. That's in the '23-24 ranking. So that's going to far exceed any kind of indexing or any kind of inflationary values that you want to attribute to this.

And that trend is occurring on a regular basis, year after year. '24-25, the Canadian average growth, 5.5 per cent. Where was Saskatchewan? 10.1 per cent. Where was Alberta? 10.2 per cent. No one else . . . Well Ontario, 8.1 per cent. Otherwise everybody was shrinking, declining, or was barely at par for growth in capital investment.

So I think the trend is significant. The trend is there. The year-on-year trend is there. We're in a growth pattern. We're in a significant growth pattern.

**Kim Breckner:** — I'm happy to hear that. There's no need to get defensive. I was just wondering your method of calculation and if it accounts for inflation. I'm happy to hear that we continue to grow year after year.

I'm also curious about gross domestic products per capita. My understanding is that it's lower today than it was in 2018. Can you explain why that might be?

[21:30]

**Hon. Warren Kaeding:** — Okay. Well I'm afraid that Google probably isn't the most accurate source of information, so I'm going to have to defer a little bit on the GDP-to-population. But there are two key indicators that I think will explain: if there's a drop per capita, or if it's not increasing per capita at rates that it had before. But I think again — just trying to do rough, back-of-the-napkin math — since 2017 to 2024, we've seen a . . . I'm estimating an 8 per cent population growth, and I think during that time we've also seen significant GDP growth.

And so if there is a drop in GDP per capita, it's only because we're growing at a significant rate, a very significant rate. So again, I can't provide you any data right now because we just don't have that at our fingertips here, but those would be two key indicators that again shows that our province, I think, is in very good stead, especially when it comes to GDP growth. I think we're second best again in the country in real GDP growth and, yeah, population growth is definitely significant in just the last seven years.

**Kim Breckner:** — Again, I didn't take economics, but my understanding is that to have a maintained standard of living, your GDP growth has to be at least in step with population growth if not higher. Would that be . . .

**Chair Thorsteinson:** — I hate to break in here, but I think we're veering away from the estimates of the '25-26 budget, which is what we're actually here this evening to discuss. So if we could bring it back to the estimates on the budget, that would be great. Thank you.

**Kim Breckner:** — Sure. Over the past eight years, job growth in Saskatchewan has been second or third last in the country, but what concerns me most is that there has been little job growth outside of Regina and Saskatoon. In the past eight years, only about 100 new jobs have been created in the Yorkton-Melville region, 300 in the Prince Albert and northern region, and only about 300 in the Swift Current-Moose Jaw region, according to Stats Canada.

How will this budget address job growth in these regions in 2025-2026?

**Hon. Warren Kaeding:** — I think that's a question probably best for ICT, for Immigration and Career Training. Probably better served by them to get a more accurate answer to that.

**Kim Breckner:** — You don't want to give it a shot about how our expanding economy, those developments we talked about earlier, might help?

**Chair Thorsteinson:** — I think the minister was correct. That's more of an Immigration and Career Training question.

**Kim Breckner:** — All right. Can you provide an update on federal discussions with the Chinese over the canola tariffs?

**Hon. Warren Kaeding:** — Good. Well thank you so much for the question, and I would say that we recognized this was going to be a problem as early as midsummer last year. And my colleague before me, my predecessor, and I know the former minister of Agriculture certainly engaged and sent letters of concern to the federal government just indicating that this was going to be a problem, and ultimately it was going to be coming back on canola producers in Western Canada.

[21:45]

Since then we have had endless amounts of engagement at both the local level . . . We've certainly had round-table discussions with industry. I know I've had numerous conversations with the Canadian Oilseed Processors Association, with the Canadian Canola Growers. I know the Minister of Ag has had that same level of conversation and discussions with Pulse Canada, Saskatchewan Pulse Growers, with producers from around the province, you know, certainly engaging with them and trying to understand how this is going to affect them.

I know the Minister of Agriculture has had certain levels of engagement with his federal colleague. In fact I think within his newest federal colleague being initiated, he had a high level of engagement. I've engaged with the two International Trade ministers that I've had in the short time that I've been in this file.

The Premier has had very high levels of engagement with as many Chinese officials as he possibly can. Deputy Minister Banks has, I've had engagement with consul generals as late as Saturday. I met with the acting consul general of China to

Canada. We've engaged at the province-to-province level in China. I've talked to the consul general of China to Canada.

But bottom line, all the conversations keep circling back that our federal government needs to engage with their national government. This is not something that's going to be solved or have any kind of reconciliation at the sub-national level. This has to be a national-to-national conversation.

From what I'm aware, that has not happened yet, and that's very, very disappointing. And I would suggest that we are continuing to remind our federal government that it is incumbent upon them that there is a canola industry, there's a canola crush industry, there's ag producers in Saskatchewan, Western Canada, that are being hung out to dry here because of federal government policy that significantly affects our industry here in Saskatchewan.

**Kim Breckner:** — So I understand Pierre Poilievre called for the EV tariffs before they were implemented in 2024. I anticipate he would be more receptive to you than to us or the Liberal government. Have you had any conversations with him or the federal Conservative Party about changing their position on the EV tariffs?

**Hon. Warren Kaeding:** — Well they certainly understand the ramifications that it's having on Western Canadian canola producers as well as industry that's here in Western Canada. As to what their response is going to be, I guess we'll have to wait and see what happens on April 28th.

**Kim Breckner:** — Happy to hear that you had that meeting with the consul general you said on Friday. What were your meetings like on this issue before that most recent meeting?

**Hon. Warren Kaeding:** — The end result was exactly the same, is that our federal government needs to engage with their national government to reconcile and to get in front of this issue. Sub-nationals are not going to have any influence at the national level in China or here in Canada.

**Kim Breckner:** — So have you had ongoing conversations about this issue then? Or did you first have this meeting on Saturday?

**Hon. Warren Kaeding:** — No, I've had a number of conversations over the last number of weeks.

**Kim Breckner:** — And with your federal counterpart, have you had any conversations with the minister at the federal level?

**Hon. Warren Kaeding:** — Sorry, could you repeat the question?

**Kim Breckner:** — Have you had any conversations with your federal counterpart?

**Hon. Warren Kaeding:** — With the federal minister? Yes, I did before the election. With the previous minister I had a conversation, a phone call. And with the newest minister, Minister LeBlanc, it was just the day before going into the writ period so I did not get a response from him.

**Kim Breckner:** — So rather than waiting until April 28th, is there any engagement you could be doing with the Conservatives at this point to try and get our message across?

**Chair Thorsteinson:** — I'm trying to figure out how this is related to the '25-26 budget, I think is kind of where I'm at on this.

**Kim Breckner:** — We'll give the minister an opportunity to answer and then we can move on from the line of questioning.

**Hon. Warren Kaeding:** — Sorry, Mr. Chair, where were we at here?

**Chair Thorsteinson:** — I was just saying I think we were having a hard time finding out how this ties in to the '25-26 estimates. So if you feel you have an answer, or we can just move on.

**Hon. Warren Kaeding:** — Yeah, I'd like to move on.

**Kim Breckner:** — You talked a lot about our foreign trade offices and building trade relationships with different companies. Can you describe the current state of the relationship between Saskatchewan and India? I understand this relationship has been strained for years.

**Jodi Banks:** — Okay, thank you for that question. You know, I think that Saskatchewan has long been a friend and an ally and a partner with India. I myself have been to India a number of times, and India was one of the very first trade investment offices that we knew we had to open because of the strength of the relationship.

We know that India is a key partner with Saskatchewan in trade. We talked a little bit about lentils. I'll get on that. But it's also been a person-to-person relationship that's been very strong for a very long time. We've attracted numerous students to come and study here. We've attracted workers to come and work here. And it's been crucial to contributing to the building and sustainability of Saskatchewan's economy.

And I would say that this has all happened and the relationship with India has remained positive despite sort of the difficulty in the geopolitical relationship between Canada and India. And so we've worked even extra hard to maintain our relationship, knowing how critical it is to our economic success.

You know, India's the fifth-largest economy in the world and remains a major export nation for Saskatchewan. It's got an estimated GDP of \$3.57 trillion and a population of over 1.4 billion. And in 2024 Saskatchewan exported approximately \$1.5 billion in goods to India. And those top exports to India from Saskatchewan include over \$500 million in lentils, \$480 million in peas, and \$411 million in potash. And so again when we go there, it is about reinforcing how Saskatchewan can be a partner in both food security and energy security with India.

You know, in the past before we had an office there, we saw tariffs applied and we saw our trade numbers really plummet, but since we've had our presence there, we've been able to maintain that relationship. So last fall in October 2024, you know, the federal government sort of stood up and talked about the difficulties they were having with India. And following that India removed 40 Canadian diplomats — sorry, in 2023 — and that included at the time the managing director for the Saskatchewan-India office. And so as a Saskatchewan employee he was there, and as they removed all the diplomats he was also asked to leave.

We took that very seriously and wanted to ensure that we could maintain that positive relationship. And so in February of last year, Premier Moe conducted a mission — he was one of the first to go back at that time — and met with some of the key ministers, including the minister of External Affairs at the time, and really talked about, you know, how Saskatchewan has a special relationship with India, how we've been there, and how we have been an important trade partner. And as such the Saskatchewan managing director has been able to return to India with both accreditation and diplomatic privileges.

As of this time, the Saskatchewan managing director is the only provincial diplomat I guess to be allowed to return to India. And so I think it just speaks to the importance of the relationship and I think the continued partnerships that we work with India. Some of the projects the minister spoke about in his opening remarks really speaks to the fact that they see us as a key partner.

**Kim Breckner:** — You said the only Saskatchewan diplomat. Did you mean the only Canadian diplomat?

**Jodi Banks:** — So it is the only provincial representative that has been allowed. However for the Canadian diplomats that are there, it is still that reduced number of 21. They have not been able to bring any further Canadian diplomats back in.

**Kim Breckner:** — Right.

**Jodi Banks:** — To my knowledge.

**Kim Breckner:** — And so you're saying there's no provincial, so no Ontario diplomat yet? We're the only sub-national diplomat?

**Jodi Banks:** — Yeah. At the time there was a very strict number around how many Canadians could be there. We've been allowed to go in as an extra one without it impacting the number.

**Kim Breckner:** — So where do you see some of the greatest opportunities for growth with respect to exports to India?

[22:00]

**Hon. Warren Kaeding:** — Well I think we've got a number of incredible opportunities with India yet. 1.4 billion people — that's a significant market to feed as they're working towards energy security, food security. I think we still have incredible opportunity to send more raw food products over there, certainly more processed, semi-processed food products over there, ag machinery. You know, we started the deal with Clean Seed, and so recognizing that they're certainly working towards an automated society there as well . . . So I think we've got all kinds of opportunities to work with our ag machinery.

Potash is an ever-increasing need there, critical minerals, wood products. I think we've got an incredible opportunity with finished and semi-finished wood products. And people. We still have an incredible people-to-people relationship there. I think through education, research partnerships with our learning institutions, I think there is ample opportunity for us to expand, as well as for India to participate in our economy as well.

**Kim Breckner:** — The deputy minister describes the federal

government's difficulties with India. The federal government, CSIS [Canadian Security Intelligence Service], and the RCMP maintain that the Indian government was behind the murder of a Canadian citizen in Canada.

**Chair Thorsteinson:** — How is this related to the budget?

**Kim Breckner:** — Okay, I'll move on to . . . Can you describe the key exports that each trade office is focusing on for the upcoming fiscal year?

**Hon. Warren Kaeding:** — Well that's a great question. We could probably spend the rest of the evening talking about this, so we'll talk about a couple of aspirational opportunities I think. If we can get infrastructure built to our ports, both east and west, and we can get pipelines built, we can get, you know, supply lines built to all our major export parts of the country — crude oil, LNG [liquefied natural gas] — incredible opportunities that we've got around the world. So I'll go fairly high level, and then we'll go specifically into each of the trade office regions.

You know, the couple of trade missions I've been in, whether it was the US or to Vietnam and Singapore, certainly the discussion was about energy security. And with energy security comes certainly oil and natural gas but also comes uranium. And I know the interest in uranium now has just grown exponentially. And with that also goes the technology. And so we're very fortunate to have a partner with Cameco and Westinghouse. And what they're able to provide for energy security to a number of countries around the world is certainly a discussion that is had at many different levels across each of the trade regions.

Tech. We have an incredible tech industry here that is just really starting to take off. And I know I had the opportunity to tour Innovation Place in Saskatoon and talk to the tech sector folks there. And there are so many opportunities that we've got I think for them to be able to expand and certainly move beyond the borders of Canada in what they're going to be able to introduce to the rest of the world when it comes to tech and innovations.

You know, we talked about RayHawk and what they're doing with their AI [artificial intelligence]-supported, you know, bin-lid openers or grain-lid openers on rail cars. I mean that technology can be utilized in any kind of rail car anywhere in the world. So we're starting to see our tech industry now, I guess, get recognized around the world. So there's all kinds of opportunities there.

Of all the ambassadors, consul generals that I've met — and I think we're probably in the 20s now — you know, we talk about our research institutions that we have here, that you've got in your constituency, that others have certainly here tonight. Whether it's VIDO [Vaccine and Infectious Disease Organization], whether it's the Fedoruk Centre, whether it's the cyclotron, synchrotron, you know, the PTRC [Petroleum Technology Research Centre] here, the universities, Sask Poly, and the food innovation lab, the Global Institute for Water Security, Global Institute for Food Security.

All of these are recognized institutions that we're seeing around the world. And so the opportunities that we've got to both share the expertise that's generated there and create opportunities for them in other parts of the world I think is extraordinary. So we've

got some real opportunities with our research institutions and with our high-quality learning centres.

I think forestry products, you know, we are continuing to see tariffs and all kinds of issues in the US on our lumber products — have for three generations now. You know, there's going to be opportunities around the world to move both finished and semi-finished forest products as well.

But to get into some of the specific markets, certainly food and raw grain products, canola, canola oil, and potash are key to us in so many different market areas. So we get into China, so that's our second-largest export market apart from the US. Top exports there right now are canola seed, still canola seed; canola oil, significantly reduced but it still is a player; and potash. Those are three products that still have significant opportunity to increase in China.

In India, I know Deputy Minister Banks talked about the opportunities in India and the relationship we've got there. We're feeding 1.4 billion people there. Certainly have a need to grow more crops, so potash is very, very important to them. Our pulse crops, whether it's lentils, chickpeas, peas — but lentils in particular — there's still room for growth there. Pea exports to India increased significantly over the last two years, and I think that's certainly significant, another big area of growth.

Japan. Big in canola seed, wheat, barley, malt. Malt is a huge product in Japan. In fact they've made a significant investment in Saskatchewan, with Sapporo malting in Biggar, Prairie Malt, and so there's a great opportunity to expand that in Japan.

Mexico. Canola seed, canola oil are big products there. Wheat, buckwheat, millet, you know, some minor use crops with buckwheat and millet, but it is an area of growth for us. Another huge area that we've got to develop is in Brazil, which is now managed through the Mexico office. But it's part of the Andean region, which has incredible opportunity. Potash is a big, big product being used in Brazil, and as they're moving towards more of their food security program, potash is going to play a bigger role. And certainly lentils, non-durum wheat are big products in Brazil.

The UK [United Kingdom] surprisingly has a lot of interest in uranium and wheat. Those are the two big products that we export into the UK, and certainly has even more potential as we go into the future.

United Arab Emirates. We're looking at lentils and canola seed, wheat, peas, product, certainly, but we're also seeing an interest in tech.

Germany. Uranium, a big product that's going into Germany. And we know that they're revitalizing their energy security policy, and nuclear energy is going to be a huge, huge project for them to develop energy security in Germany. And we're going to play an important part of that. Canola, again beans, lentils, are products that Germany is certainly going to need more of.

Vietnam. Wheat and potash, two big products. And again I really appreciated the opportunity to get into Vietnam and see the incredible growth potential that's there. They've got a young population that is looking for more protein in their diet. And

fortunately we have a lot of protein to be able to sell them.

Singapore. A lot of imports, certainly in wheat, and I know pulse crops in there too. Protein is an important product in their diets that they want to certainly see more of.

So we've got a lot of opportunity in the key markets that we're currently in. And each one of them also expands into areas that we necessarily don't have a trade office in, but they support an area. And as we've said, we've certainly been talking to a number of ambassadors and consul generals that are very anxious to deal with a very responsible partner. And that's how they deem Canada, and that's how they certainly deem Saskatchewan to be, is one of those responsible trade partners that they're looking forward to expanding the opportunities that we've got for trade. And it's reciprocal trade as well.

I'll just throw out the aerospace industry. It's a sector that doesn't have a lot of I guess publicity right now in Saskatchewan, but I know there's some huge investments that will likely be coming forward here.

[22:15]

I think the air force base in Moose Jaw is seeing a \$4 billion investment over the next number of years. And I know as we talked to a number of trade consul generals that have, you know, very prolific aerospace industries in their country, were wondering what the opportunities were to invest here in Saskatchewan. So it's reciprocal. There's also tremendous opportunities that these countries are going to bring to Saskatchewan for investment to fulfill some of the security issues that they are dealing with in their countries as well.

**Kim Breckner:** — You mention that they look forward to working with a responsible trading partner. What is it about our trade climate that makes us a responsible partner?

**Hon. Warren Kaeding:** — Well when it comes to trade deals I think, you know, the people that you see in this room here are able to facilitate any kind of opportunity. And who they're working with as managing directors and people in the trade offices that we've got throughout the world, you're seeing incredible relationships. They're long-lasting, trusting relationships that they have with people here in Saskatchewan.

You know, they look at the opportunities that they've got here for investment. They look at the climate that's here, the stable environment that they've got to invest in the province. We've talked I think a few times this evening about, you know, the concierge service that we provide them, about the tax incentives, the low business tax rate. I mean there's a number of opportunities that they're able to take advantage of here that they maybe don't see in other jurisdictions.

You know, they look at a stable government that's here now in Saskatchewan that is very open to trade, you know, commitments that we have to their countries to further trade opportunities. You know, relationship-building — I think Saskatchewan is just a province of people that they can trust when they get into a deal. You know, we used to do a deal in Saskatchewan on a handshake; well it's a handshake and a good contract. But they know that the contract is going to be obligated through its terms.

**Kim Breckner:** — Thank you, Minister. I think a lot of people struggle with understanding the differences between the Canadian trade office and the Saskatchewan trade office. I guess, how do the missions differ? You talk about those relationships. Is it that the countries don't have the same relationship with the federal trade office staffers? Or how do those missions differ?

**Hon. Warren Kaeding:** — I think we have to remember that Global Affairs Canada is exactly that. It's Global Affairs Canada. It's responsible for 13 jurisdictions that they have under their jurisdiction. So they are going to look at Canada, marketing Canada as an overall opportunity, and we need to make sure that Saskatchewan's interests are looked after and are focused on.

So Global Affairs Canada looks at things on a national perspective, and in order for us to be able to do business, we need to ensure that our interests are looked after specifically. I'm going to get Jodi to maybe dig into that a little bit more for you.

**Jodi Banks:** — Thank you, Minister. I think, you know, when we embarked on opening the international trade and investment offices . . . Other provinces use different models. You can hire a contractor to represent. There's lots of ways you can do this.

We very specifically made the decision to be co-located in the embassies and High Commissions where we were wanting to open an office for that very reason. I think we wanted to be able to ensure that Saskatchewan's voice could be heard and to ensure that, you know, when trade leads come in, when companies come to the embassy to talk about wanting to make an investment in Canada that Saskatchewan's actually considered as one of the places where they could go.

And I think, you know, it's one of those things where sometimes out of sight is out of mind, and so I think there's a real benefit to being present when those meetings are happening. I think there is an incredible benefit. Sometimes it's just about talking around the water cooler around what those opportunities might be, who those companies are that are coming in, some of the events that Canada holds. And sometimes they may not be, you know, super relevant to Saskatchewan, but you never know who you're going to meet there. You never know what opportunities you'll find.

And so I think, you know, the ability to take advantage of Canada's reach, their infrastructure, their ability to . . . They have connections. Especially as we were newly opening they had connections that we maybe didn't necessarily have.

I think the other thing I would say too is that, you know, we talked about being a stable trading partner. And you know, Canada is a signatory to 15 international trade agreements, including USMCA [United States-Mexico-Canada Agreement] but also including CPTPP [Comprehensive and Progressive Agreement for Trans-Pacific Partnership], CETA [Canada-European Union Comprehensive Economic and Trade Agreement] with the European Union.

Those agreements that Canada is a party to covers 51 countries. So those are 51 countries that are going to be easier to do fair trade with, and that includes 15 billion consumers. So I think there's real opportunities to then take advantage of Canada's ability to, you know, enter into these trade agreements, to work through dispute resolution if there's issues. And so again, being

able to work directly with Canada on some of those pieces is important.

But to your point, we also have to make sure we're always differentiating and making sure we're taking care of the province. And so I think, you know, things like our investment in the Saskatchewan Trade and Export Partnership where Saskatchewan companies can buy memberships. And you know, Saskatchewan STEP, as they are called, can also represent companies, take them to trade fairs, on trade missions, work with embassies in other countries, talk about market intelligence. So again, working really closely with our trade and investment offices, but having that Saskatchewan-first focus.

And so I think there's a number of ways where we think we can, you know, benefit from being partnered or being co-located with Canada, but also making sure that Canada doesn't forget about Saskatchewan and that we make sure that Saskatchewan is being front and centre in those opportunities.

**Kim Breckner:** — Can you give me examples of where you would work with Canadian Global Affairs and where you would work without them?

**Jodi Banks:** — Okay, a couple of examples. I think I'll start with an example, and I'm not suggesting any malfeasance, but I would suggest that there's competing interests. So I think I would talk a little bit about critical minerals. And so definitely we know there's other provinces, particularly Ontario and Quebec, where there's significant supplies of critical minerals. Some are the same as Saskatchewan and some are different.

And I think that's an area where we, you know, may want to not depend on Canada to get our story out. You know, they may first turn to talk about Ontario's Ring of Fire and sort of forget about Saskatchewan and the significant critical minerals we have — you know, 27 of 34 in Canada, and the real opportunities that we have.

So I wouldn't say that we wouldn't work with them, but I mean that's an example where there's like real competing interests across different provinces. And you know, depending on what region we're in, who is there, they just may know . . . If the people from Global Affairs Canada are from Ontario, that may be all that they know.

And part of what we're doing when we're co-locating is educating and making sure they understand the opportunities. And then an interesting piece of that is, as ambassadors or senior trade commissioners are co-located with Saskatchewan, they may move to . . . You know, every three years they move around. For example, the consul general in Dubai really got to know Saskatchewan, really understood the value proposition that Saskatchewan had. He went on to become the ambassador in Saudi Arabia. Now we have somebody where we don't necessarily have an office but that really understands, you know, the opportunities that we have.

So I think there's an example of where maybe we might, you know, sort of branch out on our own. I think where we work well with Canada is, I mentioned the trade agreements that they participate in. I think it's, you know, feeding in as they're negotiating those trade agreements, making sure they understand

Saskatchewan's opportunities. Right now, they're embarking on negotiating a trade agreement with the Philippines, for example. That's a country we see lots of opportunities, so we're feeding in information into those discussions.

I think, you know, when it comes to things like dispute resolution, if there's issues with companies or with other market access barriers, you know, they have the resources to help provide that.

I think when we're on the ground in our trade offices, we'll often co-host events together where it makes sense to do so, whether it might be agriculture . . . Another big one where we're often the only player in town is nuclear and the opportunities around uranium, but also now, as Minister Kaeding talked about, the opportunities with Westinghouse on the technology. And so we do a lot of work and do co-hosting with Canada around opportunities like that.

Agriculture is always a big one. Saskatchewan's very well known for that. Protein, you know, plant protein, some opportunities around that. We sometimes do joint marketing. And so there's lots of opportunities where we can actually create synergy by working together. But we always just need to make sure that, you know, if there are situations where they may want to promote a different part of the country, well then we can always go out on our own.

**Hon. Warren Kaeding:** — If I can just add to this, is I think the one thing that maybe Global Affairs Canada will not focus on is our sustainable Saskatchewan story. And I think that's why we need to ensure that we have a presence wherever we can to promote that story because we do have the most sustainable food, fuel, and fertilizer that's produced certainly in Canada if not North America, if not, in many places, the world.

And that's maybe something that again it's a nuance we get, the world gets, but Global Affairs Canada maybe just would not focus on that story. And I think that's an important message that we have that's very, very marketable in so many different parts of the world.

**Chair Thorsteinson:** — You're done?

**Kim Breckner:** — I think that's it for the night. I need my beauty sleep; I don't know about Minister Kaeding.

**Chair Thorsteinson:** — Okay. All right. Well thank you, and having reached our agreed-upon time for consideration of these estimates, we'll now adjourn consideration of the estimates for the Ministry of Trade and Export Development. Minister, do you have any closing comments?

**Hon. Warren Kaeding:** — Well certainly thank you to the Chair, to the committee, to Hansard officials. I've learned a lot tonight as well. So thank you for the very informed questions.

[22:30]

We have a small but mighty ministry here. We may not have a big budget, but I think the return on investment that the people's investment has in the province is very, very high.

I'm very proud of these folks. These folks have spent 16-to-20-hour days, seven days a week, trying to deal with some of the many unsettled times that we're currently involved in. But they're very invested, they're very invested to make sure that this province is prepared for those uncertain times but also for the incredible opportunities that we have in front of us here.

I'm very appreciative and very proud of how prepared they are not only for tonight but literally every day of the year that I have the privilege of working with them. So these are very good folks, and I appreciate the work that they put into it to making sure that this province continues to be strong going into the future. So thank you, Mr. Chair.

**Chair Thorsteinson:** — Thank you, Minister. MLA Breckner, do you have any closing comments?

**Kim Breckner:** — Yeah, I'd just like to thank everybody here tonight, and especially the officials for all the time that you've put into the preparations for these estimates and for the work you do year-round. Thank you.

**Chair Thorsteinson:** — Thank you, Minister, and thank you to the officials for being here with us this evening. Thank you to all the committee members, the Clerk, Hansard, everybody else who was here this evening. That concludes our business for the day. This committee stands adjourned until Tuesday, April 15th, 2025 at 5 p.m.

[The committee adjourned at 22:31.]