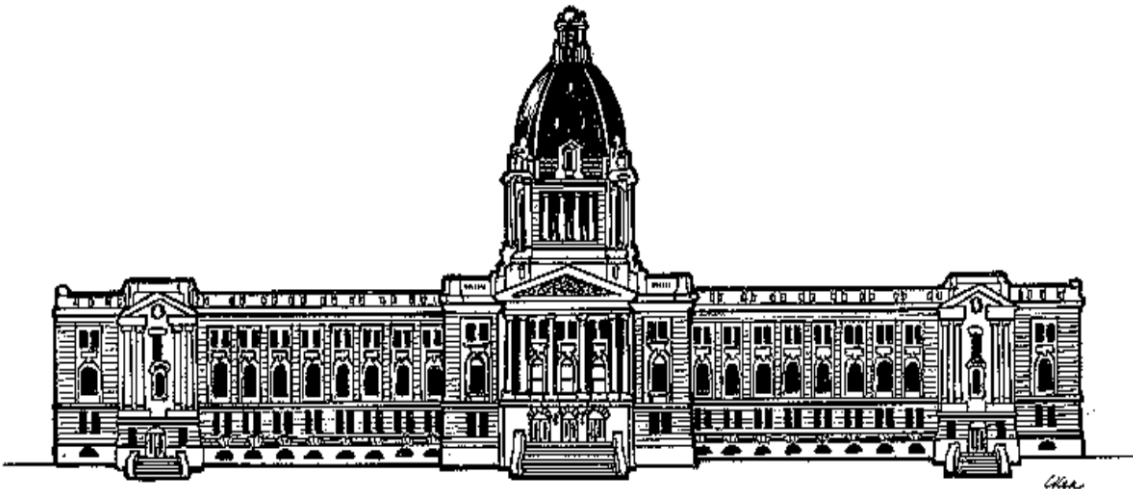




STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Mr. Darryl Hickie, Chair
Prince Albert Carlton

Mr. Ron Harper, Deputy Chair
Regina Northeast

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Weyburn-Big Muddy

Ms. Laura Ross
Regina Qu'Appelle Valley

Mr. Lyle Stewart
Thunder Creek

Mr. Len Taylor
The Battlefords

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 11:27.]

The Chair: — Welcome everybody. This morning we're running a little bit later than we anticipated, but the House got out a little later, so we'll begin the meeting of the Committee of the Economy. I will call the committee to order right now. We'll be here today till . . . well 2:30 gives us the three hours that have been asked for unless the opposition wishes to, you know, vote sooner than that.

We will now let the minister . . . I guess I'll introduce the committee members first. To my left, in opposition here, we have Mr. Harper, and we have Mr. Yates who will be substituting for Mr. Taylor. We have Mr. Lingenfelter, Ms. Atkinson, and Mr. Furber. And to my right we have Mr. Stewart, Ms. Wilson, Ms. Ross, and we're anticipating Minister Duncan showing up after he gets through the media attention he's in right now.

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — So I'd like to invite the minister to introduce his officials and start with the preamble if he so chooses.

Hon. Mr. Bjornerud: — Good, thank you, Mr. Chair. And good morning, everyone. I just want to introduce the officials that are with us today: Alanna Koch, my deputy minister on my left; on my right, Laurier Donais, executive director of corporate services; Nithi Govindasamy, associate deputy minister. Right over here, to my left behind are Rick Burton, I think everyone knows Rick back here, assistant deputy minister. Cam Swan, right directly behind me here, is general manager of Saskatchewan Crop Insurance Corporation. Tom Schwartz, on the right behind me back here, is director of financial programs branch. Maury Harvey is . . . [inaudible] . . . at the back on the right-hand side, manager of business risk management. James Kettel, manager of trade, competitiveness, and agri-food development, James is straight in the middle at the back. And Tim Highmoor, my chief of staff, is at the back there.

So with that, Mr. Chair, I've got some opening remarks, and then we can get into the questions of the day. Thank you.

[11:30]

Our Ministry of Agriculture, for 2010-11 budget, continues our commitment to serving Saskatchewan farming and ranching families. It is forward looking, I believe, and fiscally responsible. Despite the challenges facing our government as a result of worldwide economic conditions, this budget contains no cuts to programs or services for agriculture producers. We remain committed to serving the needs of farmers and ranchers, and this commitment is reflected in this budget.

The overall Ministry of Agriculture budget for 2010-11 is \$385.8 million. This includes \$283.4 million for business risk management programs broken down as follows: \$125.6 million for AgriStability; 32 million for AgriInvest; and 127 million for

crop insurance. The costs of these programs are based on federal government projections that take into account many different factors. Although these projected costs are reduced from last year's budget, they still represent one of the largest amounts of funding ever budgeted for business risk management programming in our province's history. This budget commits to fully funding these programs upfront, so producers can head into the growing season assured their government will stand behind them.

Included in this budget are significant enhancements to the crop insurance program. This includes the addition of new crops eligible for coverage in the program, specifically camelina, soybeans, and navy beans. These crops have shown good potential in the province, and their acreage has been increasing in recent years. We have also added honey yield loss insurance to the crop insurance program. Beekeeping, I think as we all know, is an important industry in Saskatchewan, and Saskatchewan accounts for 30 per cent of Canada's honey production.

We have also introduced new crops eligible for contract price options, specifically lentils, flax, and alfalfa seed. This option gives producers the opportunity to select coverage for their crops based on the price at which they have it contracted. We have also added yield trending as a permanent feature of crop insurance. This feature limits the impact of consecutive poor growing seasons, such as drought, on a producer's level of coverage.

We have also made significant improvements to the wildlife damage compensation program which is also now administered by the Crop Insurance Corporation. For the first time in our province, livestock producers will now be compensated for animal death and injury caused by predators. We will pay 100 per cent of the market value for livestock confirmed kill and up to 80 per cent of the market value for injured livestock requiring veterinary services.

The program will now also provide compensation for wildlife damage to crops and feed used for bale, swath, and corn grazing. In addition we are removing the previous \$5,200 limit for damage to stacked feed in a yard site. The program will now also provide compensation for crop damage caused by wild boars. The budget also provides funding for Crop Insurance to take over the livestock predation program. This program is in place to target and eliminate problem predators as well as help producers with predator prevention and education.

Crop Insurance has also assumed the administration for programs to help producers deal with wildlife damage, prevention measures such as fencing around feed stacks and intercept feeding stations. Essentially with funding in this budget, Crop Insurance will administer the majority of our wildlife damage and predation programming.

The Agriculture budget also provides funding for several programs under the federal-provincial Growing Forward framework including the environmental farm plan, farm business management programming, and the voluntary livestock traceability and food safety programming.

Research continues to be a top priority for our government, and that is reflected in our Agriculture budget. This year, there is \$16.9 million in the budget for ag research. This research funding will provide, we hope, long-term benefits to producers at the farm gate.

We are also allotting \$6 million for the Crown land sale program. This is a decrease from last year's budget due to the lower than we expected take-up in that program. I would note that we have also extended the 10 per cent discount on saleable Crown land by one additional year to allow more Crown land leaseholders, lessees to take advantage of this incentive.

We have also allotted 2.6 million for a comprehensive pest control program which includes funding for the control of gophers through the gopher rebate control or gopher control rebate program at the 50 per cent rebate rate, also covering rats, black flies, and wild boars.

The Saskatchewan farm and ranch water infrastructure program is also continuing with \$2 million in provincial funding in this year's budget. Although the funding is decreased from previous years, I would note that many of the projects, especially in the dry areas of the province, have been completed and are receiving funding. Therefore we expect less program uptake this year. I would note, however though, that all projects will be fully funded, and no eligible applications will be turned away due to funding.

Under the 2008 program which was specific to RMs [rural municipality] and producers in the southwest part of the province who had experienced four consecutive years of drought, approximately 3,200 applications were received for 69 community wells, approximately 1,800 dugouts, and approximately 1,300 pipelines. Project funding was \$27.2 million for that part of the program. Under the province-wide program which is province wide now, announced in 2009, to date we have had over 2,700 applications for 32 community wells, approximately 1,400 dugouts, and approximately 1,300 wells and pipelines. Projected funding for that was \$17.5 million.

In closing, Mr. Chair, I just want to stress again that no programs or services for producers have been cut in this budget. And with that, Mr. Chair, I would open the floor up for any questions.

The Chair: — Thank you, Mr. Minister. If I can just go back, procedurally I just forgot about one thing here. We're going to be considering vote 1, Agriculture, central management and services (AG01). And Mr. Ottenbreit has joined us chitting in for Minister Duncan, so that clarifies that point as well. Questions? Mr. Lingenfelter.

Mr. Lingenfelter: — Thank you very much, Mr. Chairperson. And thank you to the minister for that outline of the department's budget and sort of the looking forward at where we're headed and also to the staff who are here today, and welcome them to our committee. I might start by saying that it's about 10 years ago today that I left the job that you now have, Mr. Minister, as minister of Agriculture. And a few of the people, I'm pleased to see, are still in the department working hard.

And this is, I might say having been minister, a difficult department because farming is a bit like running a casino because you never know, based on the price of grain, whether you're going to have a lot of money flowing into the farm families or whether it will take a sharp turn and go the other way. And I guess even in the last three or four years, Mr. Minister, we've seen that rollercoaster in full flight from where cereal grains were at record highs.

I know on our farm where we grow a lot of durum, in southwest Saskatchewan where we, with final payments, were able to achieve close to \$12 a bushel for durum, I would be surprised if this year we end up with five and that at a time when diesel fuel is — I don't know; I suppose this spring, you may know better — but 20 per cent higher than it was last year.

Some relatively shocking estimates on increase in interest rate, I believe it's now at about — Farm Credit their base is, if you look at lending — the going rate at point five per cent. And then you add on a couple of percentage points for administration. You can get floating rates just below 3 per cent. But the prediction is that the base is going to go up somewhere between two and a half and three per cent over the next two years. And a 2 or 3 per cent increase doesn't sound like much, but when you . . . In reality it's 100 per cent increase on what farmers will be paying for one item in their expense. If it goes from 3 per cent to 6 per cent for a five-year mortgage, some will express it as a 3 per cent increase, but the fact of the matter is in your expense column it will be 100 per cent increase.

And my question to the minister on opening is, in this roller coaster that we're seeing in grain prices . . . And I don't mean this to be critical of the department at all, quite the opposite. But how are we making out at shifting gears from where we might have been two years ago with the optimism about grain prices and some of the lowest inventories of grain on record to now, where we're hearing continually stories . . . I was listening to one on soybeans on business news this morning where they say now we have a record supply worldwide, and that's changed in 24 months from shortage to oversupply.

But when we look at grain prices going forward, is there any estimate from the department on how long the prices may stay at these extremely low prices that we're seeing on the PRO [pool return outlook] from the Canadian Wheat Board?

Hon. Mr. Bjornerud: — Well, Mr. Chair, I would certainly share the member's concerns for where grain prices have gone down. I think we saw — the member would know dramatically what happened in 2008 — just a very positive sign within the grain industry, short lived though. I think we'd all like to have seen them stay for the next 5, 10 years and let some of the grain side catch up a little bit for some, many of the dollars they've lost over the past number of years with low grain prices.

The one positive thing I heard this morning, that projections are that canola is about . . . there's 12 per cent less in stock than they had projected before. So canola being one of the little bit brighter lights in the commodity prices out there right now. And if this 12 per cent projection is right, that there's less out there on farms right now and in storage I think is a very positive sign.

The member talked about durum and of course hard red spring,

and we know a number of those crops have dropped back down to fairly low levels again. Certainly it never seems that our input costs have dropped off that dramatically at the same speed.

But having said that, the one positive thing I guess across the province we've been very fortunate about, we've had two pretty good crops volume-wise and, last fall especially, quality-wise up until the point where the rain started in October and about the last 20 per cent of the crop was probably graded down somewhat. And some of it we know was tough, but I think it was really a positive sign that we were able to go through the November weather and get almost all of the crop off, with a few exceptions of course in the odd area out there. But had we not had November, we would have certainly been in a different situation.

Mr. Lingenfelter: — Just on the cereal grains, because that's still the bread and butter for a large part of the province, but on the estimates that you see the Canadian Wheat Board putting forward for the PRO for '10-11, you know, much lower than they'd been for a few years. Do you have a mechanism in the department in working with the Canadian Wheat Board and other organizations around the world that would give us any indication — and you must have because in the budget there are predictions two and three years out for wheat and grain prices; again, this very imperfect science — but what's your department's best estimate on the projected prices for grain? If we take hard red spring wheat, for example over the next three years, can you give some sort of an indication on that?

Hon. Mr. Bjornerud: — Mr. Chair, I'm going to ask the deputy minister to respond to the member's last question.

Ms. Koch: — Yes, I would just say that we work with all providers of commodity price information. Primarily our market analysis division in our policy branch of our ministry works with Agriculture and Agri-Food Canada on their price forecasting, and that's primarily who we work with. But most definitely we gather information, we assess information that's provided from the Canadian Wheat Board, from a lot of the private commodity price forecasters, so we certainly consider all of that information in our policy analysis.

But the comment would be that certainly this year the forecast is that prices will be flat for this year. But of course it's dependent on how the crop situation is, not just in Canada but obviously more importantly around the globe. But yes, things are to be flat for this year.

Mr. Lingenfelter: — And what about going out in the second and third year? What would the predictions from those organizations you deal with be?

[11:45]

Ms. Koch: — Yes, I mean, I think that there's all kinds of analysis that goes into some of the longer term years, but reality is markets are very volatile right now. If you look at currency rates and you look at global crop production, you know, weather volatility, so there's really no solid numbers that even the Wheat Board publishes in a public sense on it, but we certainly take all of that into consideration and . . . but at this

point what I would say is markets are very volatile. So there's really no, you know, sort of two- to three-year ahead commodity forecasts that are made public or anything like that.

Hon. Mr. Bjornerud: — One thing I might add to that, Mr. Chair, is also for the member's question, is some of the, a number of the groups actually that we meet with out there, I think have somewhat of a positive outlook on where they think things are going to go, especially on the grain side too with rural population growing right now.

And then I think their biggest reasoning is that we're coming out of recession and there should be more dollars loosened up again. And I think the member knows, you know, very well what's happened with the EU [European Union] and the flax situation, of course canola with China and things like that. But there's only so long. We saw that with the potash sales, where all of sudden . . . They can wait so long, but they have to start taking that up again. And I think a number of the companies out there that deal in these markets every day feel that there should be an improvement; at least that's what they're projecting into the future too.

So it's hard I think to put a specific number on where we'll be three years from now because we saw what's happened in the last two or three years. It's hard to predict, but I think there is some optimism out there within the industry.

Mr. Lingenfelter: — Just on that topic, and you mentioned canola and flax, can you give a bit of an update on the trade issue as it would relate to those two commodities? The GMO [genetically modified organism] affect on flax, and I guess blackleg as it would affect some of the trade discussions going on with China, and I think it's difficult always to know whether these are real issues or whether they're really trade issues.

And this is why I think it's so important for the Ministry of Agriculture and the Ministry of Trade and the Premier's office to be very involved in these because, as we know and as the minister would know, when it comes to trade deals, obviously there are from time to time barriers put up in the name of safety of commodities that can be interpreted as really being protectionist and being used to keep products out.

And we know that with the durum going into the United States, I mean I don't argue with the farmers wanting the durum not to go in, who farm across the border in North Dakota, but a lot of times it's simply people trying to use protectionism and using other terms to do that.

But what I'm curious about, and a lot of farmers who I talk to are curious about is, on flax and canola. The issues we're dealing with, do we feel as an Ag department these are serious issues that we need to deal with? Or is this something we have to work at on the trade side?

Hon. Mr. Bjornerud: — Well I think, number one, I think what we would like to see and our federal government would like to see and I think many of the producer organizations would like to see, any of these decisions as was made with the EU or China, when they put in these tariffs or whatever they want to call it, but it's protectionism. I think none of us would argue that that's probably not what they're doing there.

But even this morning, we had the opportunity to meet with CropLife and a bunch of their companies that are involved in that. And everybody you talk to would like all these decisions to be based on science rather than misinformation or, you know, probably the excuse many of them use is food safety. And yet here in our country, we know we grow the safest food in the world, probably as good as anywhere else in the world. But if you base your reasoning on science a lot, I think, and I think everybody else would agree, involved in anywhere in the industry would say, if you base it on science, we're probably right there. And that's not happening as of today. And I think, I know the federal government, the federal minister has been pushing that in trade around the world, but it's not an easy sell.

We know coming out of the recession kind of plays a part in that, and I think we see all, every time we cross a border somewhere, there's that feeling when we're in recession that they have to close the borders off a bit to protect their own. And yet on the other hand, probably it's the worst time, I would think, to do that where we're really reliant on trade. And then of course, again in Saskatchewan, we're so reliant on export markets here that every time we do something like that, it affects every one of our producers.

Mr. Lingenfelter: — Yes. It's my sense that when you get into a recessionary spiral downward that we were, you know, sort of for the last 18 months and now flattening out and whether, when we come out of that. And I think the world did a pretty good job of having systems in place that said the worst thing you can do is close borders, and led by President Bush and now by Obama. I think they've done a good job of you know leading the world, to say the worst thing you can do in a recession and what will drive you to a depression is closing borders and becoming insular.

But I think sometimes while that's done by other industries, from time to time agriculture sort of gets left to its own and barriers are put up and we fly a bit under the radar screen. And I would just urge our government, and I'm sure you are, to be aware of that and to be always vigilant in keeping our border open. Because while we are by population a small population, when it comes to trade around the grains and with 60 per cent of the arable land, we have an even bigger job to do. We bat way above our weight class because we're such huge exporters of grain.

And why we need that kind of support and help from the office of the minister and from the department is because when it comes to flax and canola, they are fundamental two pillars in the agriculture. So anything that can be done, and commitment on the part of the opposition, if there's anything we can do in our language used around these issues, we would like you to keep us informed.

The one that I'm fascinated by is the argument of zero tolerance for GMO when I think the world now knows, people in the industry, that zero tolerance, nobody in science can even, I think with legitimacy, talk about whether that's possible or not. And there really has to be terms of engagement where we talk about tolerance levels as opposed to zero tolerance.

But that's my opinion. I just wondered in terms of the department where are we at on GMO tolerance in flax?

Hon. Mr. Bjornerud: — Well I think we would agree with the member that zero tolerance is almost an impossibility in this day and age.

Just to kind of change it a little bit. We talked a little bit about the borders tightening up and I know COOL [country of origin labelling] is on the . . . affects the livestock side maybe more. But also on country of origin labelling to do with, I know, the oat industry, they're very concerned right now with some of the zero tolerances that they're going to be, or looks like they may have to try and live with. And it's almost impossible in this day and age, no matter whether it's some type of a blackleg in canola or whatever it is.

Many times there's no . . . It's not a food safety issue, as we know. But of course to the public out there right now, it's a pretty easy sell when people are trying to be somewhat protectionist out there. So zero tolerance is a pretty high standard for anybody to meet out there. And I don't think any country, if they were to be honest about it, would probably be — at this point in time with a number of these things being in the system for quite a while — to be able to say that they're free and clear of that and could beat that zero tolerance standard. But of course then, when we're exporting into these countries, we have to abide by their rules.

Mr. Lingenfelter: — I think this the point. That the trade talks though that we . . . It's incumbent that we make, that if a country is allowed to have zero tolerance in flax, it gives them the lever to close the borders basically on a whim whenever their producers don't want our flax to come in.

And then we should be open about that and say, well look, what we're really talking about is having a borders that swing open and closed at will. Because I would bet that at any moment in time in terms of flax trade, if you have zero tolerance, you could close the border to imports almost on the spur of the moment, close them as long as you were protecting your producers and then open them up when you need the flax which is not what, not what trade agreements should be about.

Hon. Mr. Bjornerud: — One of the things that we have been pushing the federal government towards, and I know they've been working on this too, is rather than a zero tolerance level to have to abide by, is find some level, a low level of tolerance. Let's put it that way. But something that we can live with and probably in the long run would be good for everybody concerned and not maybe flag something that doesn't need to be flagged out there as a food safety issue.

And I know the federal government is working in that direction. I know the federal minister's been on a number of trade missions about that, but we've certainly been pushing that from our perspective here in the province, and through the department are constantly working on that with the federal government to make sure it's high on their priority list.

Mr. Lingenfelter: — Well I thank the minister for that. And, Mr. Chairman, I had mentioned before, do you mind, can we take our jackets off, just being new to this committee?

The Chair: — Absolutely. Feel free. If it gets too hot, feel free to take your coats off.

Mr. Lingenfelter: — I wouldn't mind doing that because, not that the debate's getting hot, but it's just I feel warm in here.

I want to talk for a moment, Mr. Minister, about farms and the number of farms in the province. And I have a chart here, and I'm not even sure where this comes from. But I think it's from Saskatchewan Agriculture from '07, so it's a bit dated. But it shows the number of farms starting in '06 at 55,000 and reaching a peak at the time of the Great Depression of 142,000 farms, and then in '07, dropping from 142,000 in '36 to 44,000 in '07.

And while we all have political banter about, you know, keeping a number of farms and making commitments, the fact of the matter is between '36 and '07 — regardless of whether it was the Thatcher Liberals or our government with all of the struggles we had with, you know, land bank and FarmStart to try to keep farms in place or the Devine administration — the graph is pretty much straight down from '36 to '07. And there's a couple of questions I wanted to ask about that.

Is it the belief in the department that the number of farms, one, will continue to decrease about the average, the projection that we're now on, which would mean dropping a couple of thousand a year as sizes increase? And what is the definition of a farm? And has that changed recently, and is there an update to the definition of a farm that occurs on a regular base? I guess there are two questions there.

Hon. Mr. Bjornerud: — Yes, interesting question. I don't know if anybody can give you a specific answer on what is the definition of a farm any more because it's evolved so much.

Mr. Lingenfelter: — But in this context.

Hon. Mr. Bjornerud: — Yes. Well, and I may be looking at the same statistics that you have, I think the last exact numbers we have was for 2006 too, is 44,329 that I have here. I don't know if that works with what you've had there too.

But I think, and, you know, I don't think it's a science, but I think we think and we feel that probably the number of farms right across the province are going to continue to drop. I know in my home area what we see when land is moved now, I don't know what percentage it would be, but in many cases it's the larger farms that are buying up some of the people that are retiring or moving on for whatever reason out there. But a lot of it's retirement because we have a lot of farmers that have hoped to be able to retire for the last many years, and find they get an opportunity where land prices have improved somewhat and so they're taking that opportunity now.

But, you know, I just see the trend in my home area and I would presume it's the same. I have a son-in-law, farms at Kyle, and I think from what I hear from him it's kind of the same trend out there. If one farmer in 20 out there retires or, you know, for whatever reason stops farming, usually even if it's a big operator or, you know, a good-sized operator right now, that land is either bought by someone in the community or possibly in some cases coming in from Alberta or somewhere else, but mostly the local community and in some cases even split up amongst a number of farmers out there. But at the same time we have less farmers when the smoke clears and a little bit larger

farms.

So I don't know what the answer to that would be. I think it's a trend that's been there for many years and I'm not sure we as government have the capability, nor maybe should we, to be able to try and change that trend.

Mr. Lingenfelter: — Thank you. The interesting thing I think, and I agree, I think it's the same all over the province. But I know in our area there are basically two major groups of farmers: those that have a very large land base and are in the game and growing, whatever their, you know, their strategy would be, to grow by 5 per cent a year or by 10 per cent a year, depending on your business model. I know on our farm we've got a business plan to grow by 5 or 6 per cent, or somewhere between 5 and 10, and on the land base.

So you have that group of farmers, and then you have another group who are with a couple of quarters of land and they have a very nice life. The spouse may work at the nursing home or the hospital, or the individual may have an off-time, off-farm job working in the oil fields or in some areas of the province in the potash mines, but there's really sort of a tale of two cities as it would relate to farming in my community at Shaunavon.

And the number of what we would call growing farms that have these kind of projections for growth in acreage are few and getting less, while the other ones seem to be more or less stable. And they're really two very different lifestyles. But what I'm wondering about is, is there any profiles that are being built on farm size that would say, well, that will work up to an extent, but then when a farm size gets to 20,000 acres then there's a point that the growth will just not be able to be managed. Is there any studies or analysis on that?

[12:00]

Hon. Mr. Bjornerud: — I think that one of the things that comes into it — and the member, I'm sure I don't have to tell you this — but technology has changed so much out there and the air seeders are bigger and the tractors are bigger and everything is a lot more efficient than we were 10, 15, 20 years ago for sure.

So that changes it too, where one farmer . . . I think this spring is going to be a good example, sun shining out there today and there's producers starting to put the crop in. Where we probably at one time — and, you know, I don't know if this is exactly right — but I'll bet it took us six weeks to put the crop in with smaller equipment and a lot more labour intensive, where now one operator out there can be running an 80-foot air seeder with a big tractor and cover a tremendous amount of acres. And some of the producers have two or three of those units going in their fields at one time.

So, you know, I think we're going to see a prime example of that now where, thank goodness, the moisture levels have increased right across the province. And boy, that's a good sign even compared to last year. But we get a number of sunny days now and that crop goes in such a hurry, and I think that kind of goes back to your original question of the size of farms. Because that efficiency also brings the capability of farming a lot more acres and probably doing it a little more efficient than

we could do it before.

I know the zero till and minimum till has really changed how farming has worked out there where, it wasn't that many years ago, where we'd work the land up a number of times before we even thought about seeding it, and then that was labour intensive but expensive but time-consuming. And you know, I think you know all these things, but I mean, it is, it's part of the evolution out there of how farming is working. And, you know, I think it's a trend that we're probably going to see for a number of years yet. I don't know that.

And what is the limit of, you know, how big is too big, I guess, out there? I don't know. I don't know how we say that. I guess it's up to individual producers to decide what's efficient in their operation and how can they make a dollar. And, you know, with low grain prices, I think a lot of them feel that they have to have the volume to be able to recover that extra dollar with inputs fairly high compared to that. So I don't think there is an ideal farm size. I don't know, but if there is . . .

The one thing I think we're seeing too, and you kind of touched on this, but specialities out there that some of the producers are getting in where they might even have a quarter of land now and making pretty good income off that. A lot of them have off-farm jobs to start with, but some of them are turning out to be pretty lucrative, and it's taking a lot of work to do it. Fruit growers are an example. I think it's an industry that's just really starting to go out there.

I met with the market garden people last week and they got a pretty flourishing industry starting there. And I know here in Saskatchewan — it's probably the same in Toronto or anywhere else in the country — if they have access to locally produced products, the public really seems to be in touch with that and I think they have that feeling, and rightly so, that this is a very safe food product out there and it's something that they know they're supporting their local growers. But at the same time it's turning into a pretty lucrative industry out there.

So maybe this will be the offset for the real large ones in some areas, but on the other hand, maybe somebody making a really good living off a quarter of land and with some other specialty out there and, you know, maybe that's a trend we're going to see come back. And hopefully so, because that can only be good for rural Saskatchewan and small-town Saskatchewan especially.

Mr. Lingenfelter: — Yes, I think that's the point I guess where I'd like to end this on, is that anything we can do as a government and department to assist small producers doing intensive whatever it is . . . In the Cypress Hills you'll know that we have the Cypress Hills wine company where they have a nice little business that includes some tourism. And they do it on, as I understand it, a relatively small number of acres.

Not that I'm in favour of small or large farms, but it just seems to me if you just go to bigger and bigger farms, this will define what our communities in rural Saskatchewan will look like as it would affect schools and hospitals and all of that infrastructure. If you only have six farmers in a large radius, you're not going to have infrastructure. It's impossible. On the other hand, if you can keep a lot of small producers producing different kinds of

higher value goods on smaller acreages, then it would be much better to keep, you know, in keeping your schools open and properly use the investments that we as taxpayers have already made.

But on that front, and then we'll move on to something else, but are there any new programs that are being thought of or introduced at this point in time by the department that would add to that side of the formula of keeping more of these unique farming experiences going? Can you just give a little outline of where the department may be giving a hand up to some of these people?

Hon. Mr. Bjornerud: — There's a few different fronts there that we've tried to initiate here. And I mean we know, I think every member here from rural Saskatchewan will know that we have a real shortage of young farmers, although I think we're getting a little bit of a feeling maybe that's changing to an extent. But to be able to put, you know, your finger on what exactly that number is, I go by things like Farm Progress and that. When you go to their shows now it's becoming a little more common where you see a father possibly with two sons along, where we went too many years — I think we all know that — that a lot of our kids moved on to something else because it was just a paying job, and farming wasn't all that enticing out there.

A few of those things that we've done is we've got a young group of farmers out there — young men and young women — that are just nicely really getting rolling good and trying to find ways of advising us on what could governments do, what should governments do, and what they shouldn't do I guess. And I think we're going to get some pretty good feedback from them.

I do know one of the issues that they have is many of the young farmers out there don't have equity. We all know, how do you get in the business when you have no equity? And in many cases for the parents to retire and move from the farm to town or wherever they want to move and build a house, they don't have that cash to be able to help start one son, two sons or a daughter or whatever it is, and at the same time be able to retire and retire comfortably as they should be able to do like everybody else does. So we're working constantly with them.

It wasn't that long ago we met with the Bankers Association from right across Western Canada. They have the same concerns: how do you lend money when a producer has very little equity and, you know, without risk? And yet there's that empty hole there that we seem to somehow need to address. We've talked to the federal minister and the federal government about that: is there some way through Farm Credit that we can set up something that's a little more enticing?

I know even some of the young producers that we have in our advisory capacity say that when you start out, you may have a quarter of land, but you go to the bank and that isn't going to borrow you much money. And you then probably borrowed to get the quarter in the first place, unless you were fortunate enough to have your parents could afford to give you one, you know, free and clear. So it is a tough issue, but it's something we've certainly got to put our attention to I think, even more than we have in the past.

Another area that we're trying to — and it kind of goes back to large farm, small farm, medium-sized farm — but is our extension services in the province. That has been an ask we had from producers, is to try and get more specialists out there to maybe help us with some of this. I know the fruit guys are really interested in that, and a number of the other areas, the market gardens as I talked about before, and a number of different commodities out there that producers are being pretty inventive and coming up with ways of making a living out there.

But our extension services, we're trying to get specialists out there with regional forest specialists and livestock specialists and crop specialists and farm business management specialists, just to help producers maybe find another way to make additional income without having to go the route of, you know, running 20, 30, 50 quarters or 100 quarters, whatever the situation is, and still make a decent living without farming that much land.

Mr. Lingenfelter: — One area that I would put by way of a suggestion that's come to me in many different parts of the province is, one of these areas is on energy production, where farm families would like to be able to produce their own wind power or geothermal or even gas, small units. And there are many examples of how this might work, whereas a business, as part to supplement their land base, they would go and borrow money. And my understanding is Farm Credit's now interested in these kind of projects, and where you would see someone generating enough for their own use and then be able to sell in a very easy way back into the grid. And here again I'm not talking about selling at the average rate. Let's say the average rate is 8 cents a kilowatt hour. The argument I think should be, and that we can make as producers, is that it should be at the cost of the next tranche of power that SaskPower would build.

For example, if Northland Power has a contract to produce power for 20 cents a kilowatt hour, why would we say to a farmer, well we'll buy at the average of 8 or 9 cents? Oh but by the way, with Northland Power, they need 20 cents and so we'll pay them 20 cents. Or if SaskPower — and I'm not making an argument for or against Northland at this point, although I have my opinions on that — but if SaskPower comes and says, our next wind project is 15 cents a kilowatt hour, why wouldn't we give that same opportunity to farm families?

And I would argue you should even give a small incentive, that if SaskPower said it's 15 cents for wind, why wouldn't we give 17 cents to the local farmer? Or if Northland Power says an Ontario company it's 20 cents, why wouldn't we say to the local farmer, we'll give you 21 or 22? Because in doing that, you keep the industry here in the province. It's diversified. It would be happening all over the province. You wouldn't need as many large power grids to take it from one corner of the province. It would be more diversified. And I think it would empower communities because I think anywhere in the world where you have large monopolies, large company interests producing power in one area and then shipping it all over, the farther you have to ship, the more inefficient it is.

So I just think there's a huge opportunity for the Department of Agriculture — and I would urge it to come from the Department of Agriculture, because I think that's where the

impetus would have to come from — to look at a green energy plan. But it would be economic as well as energy, and it could also have an environmental umbrella.

Hon. Mr. Bjornerud: — I actually agree with you on a number of those issues. I think, and in the case of SaskPower of course, those discussions I know have been going on for a while now to try and be more open to exchanging, buying into the grid, and then when you need more, of course at that period, trade off for that.

So I know those discussions are going on. I think that has been a . . . I don't think it's a surprise to anyone that, I think the feeling out there was that SaskPower was, at one point, probably wasn't as open as we had hoped to have those negotiations. But the member brings up a very valid point that we have to be inventive in ways that we can assist producers out there to supply power for themselves but possibly even take advantage of some income from the excess power.

Mr. Lingenfelter: — Finally I just want to ask, and then I think the member from Moose Jaw south wants to ask a question, but I'd asked about the definition of what defines a farm, and maybe I wasn't paying attention. But is there a formula of, you know, production amount or size? What would we say in terms of the 44,000 that we now define as farmers, what would define that definition?

Hon. Mr. Bjornerud: — [Inaudible] . . . respond to that, Mr. Member.

Ms. Koch: — Okay. Since 1996 the census farm has been defined as an agricultural operation that produces at least one of the following products intended for sale: crops, including hay, field crops, tree fruits, nuts, berries or grapes, vegetables, seed, livestock . . . Okay. And now it appears that my BlackBerry just froze up, so let me just see if I can get another one here. Where the heck is it? The joy of technology.

In livestock it would include cattle, pigs, sheep, horses, game animals, and other livestock. In poultry it would include hens, chickens, turkeys, chicks, game birds, and other poultry. Animal products, including milk or cream, eggs, wool, furs, and meat. Or other agricultural products including Christmas trees, greenhouse or nursery products, mushrooms, sod, honey, maple syrup products. So that's the definition.

Mr. Lingenfelter: — I accept that. I just didn't know whether there would be a value.

Ms. Koch: — No.

Mr. Lingenfelter: — Nothing? Okay.

The Chair: — Yes. Ms. Higgins.

Ms. Higgins: — Thank you very much, Mr. Chair. Mr. Minister, just a few questions for you that were brought to my constituency office. And I apologize. I may not be using the appropriate language, but I'm here to get an answer from you because there were things that constituents were concerned about. The big one was flax and with the Triffid flax and the whole issue of shipments to Europe being embargoed. And I

believe that was from April 2009, was it not?

I also ran across an article in Internet that talked also about a recommendation for an embargo on Canadian shipments into the United States — I think it was from the Dakota Resource Council — and actually talks about quarantining all Canadian flax as potentially damaging pests. Did that embargo or quarantine come into effect? And is the European embargo still in place?

[12:15]

Hon. Mr. Bjornerud: — I would have to let the deputy minister answer that. She's been following this very closely. So Alanna, will you . . .

Ms. Koch: — So I would just say that Saskatchewan Agriculture's been working very closely with industry, the flax industry, the Flax Council of Canada, as well as the Saskatchewan Flax Development Commission. As well, our policy individuals in our trade area and also in our crops branch have been actively working with the Canadian Grain Commission as well as the Department of Foreign Affairs and International Trade on this issue because it has significant impact on our flax producers.

And of course Saskatchewan is the largest flax producer in Canada. So what I would say is, is with respect to the EU, while there was obviously an initial, immediate closure, what has now been worked out is a flax protocol with the European Union, and so this has allowed flax shipments to begin again.

There's no question. It's delayed shipments. It's caused lots of complications in the exports to the EU, but they have begun again. And there is more work going on still that we're quite actively involved in along with the industry on trying to work with the European Union as the minister had mentioned on this issue of low-level presence.

The fact is, is I think globally there's an understanding that zero tolerance simply isn't achievable and because technology on measuring instruments have now become so fine that the reality is, is we're going to continue to measure to finer and finer points. And so we'll continue to find problems. And so I think globally there's an understanding that we need to come to a conclusion that we need to agree on low-level presence as opposed to talking about zero tolerance.

Now of course we know the European Union has done what it's done partially because of food safety but as the minister said, also because of, you know, some issues around trade protectionism and things like that and in fact trying to slow down shipments. But I think we have moved ahead, you know, on moving shipments back into the EU because of this flax protocol. As for the US [United States], there is no US embargo on flax shipments.

Ms. Higgins: — But the EU embargo still is in place or not?

Ms. Koch: — I don't know that I would characterize it as an embargo. There certainly is . . . I'm not sure what the technical term is. It's not called an embargo, but clearly flax shipments can't move into the EU unless they meet this flax protocol. So

that's basically the way shipments are moving now is under this flax protocol.

Ms. Higgins: — Now I guess the . . . Thank you very much for that answer. The question that I received from a couple of producers in my area was that part of, I would assume, the protocol or the work that was ongoing could possibly require that certified seed was the only seed that could be used. And the question to me was, why could we not, instead of using our own seed, have it tested and certified through lab tests like a recognized laboratory test?

So I don't know if a final decision has been made, whether it has to be bought from a certified seed grower or whether you can certify your own seed and still have it approved under the protocols.

Ms. Koch: — Yes, in fact there had been some broad discussion by the industry about this issue of possibly having it just be certified seed. But in fact the industry has come to the conclusion that in fact that won't be necessary and that in fact flax will basically have to just go and get a test done, as you said, to certify that that shipment is clear and that it's, you know, safe to be shipped. So in fact they've moved away from the idea of having to only use certified seed. So it would just be the seed that is having to be tested and certified, and that would be the way seed would be sold and used.

Ms. Higgins: — So then using your own certified seed, recognized I'm sure by a laboratory — I'm sure you would list those that are the appropriate ones or standards that have to be met — self-certified seed or certified self-seed, I guess, would that be acceptable under the EU protocol?

Ms. Koch: — Right, yes. Farm-saved seed I think is, yes, farm-saved seed or your own seed is definitely allowable as long as there's a test that's been done to determine that it's safe to use in that it doesn't have any presence of Triffid. And so, yes, that's allowed again, is you can use farm-saved seed.

And yes, then eventually once you've produced your crop from that seed eventually then yes, it should meet the needs of the flax protocol. At that point there would, you know, maybe by then, maybe by the time we take the crop off this year we'll have moved ahead a little bit with the European Union, and maybe we've maybe improved the situation. But I would say yes, it, you know, it should meet the needs of the flax protocol to allow shipments to go back to the EU based on that production.

Ms. Higgins: — Thank you very much. I wanted to switch to another topic that is important in my community, and it has to do with the livestock industry. And I know we don't have to go back very many months where I heard a number of concerns where the cow herd in Saskatchewan was down to 1991 levels, that we were losing a great deal of the numbers in the province and many producers were just getting out of the industry. And I think in a roundabout way, or not maybe that roundabout, that's had an effect on the XL Beef plant in Moose Jaw. First laid off last April, I believe, in 2009, and when they did return to work through some discussions, or maybe lack of discussions — we won't get into that side of it — they were then locked out and have been locked out since.

And I'm sure I don't have to remind the minister that the XL Beef plant in Moose Jaw is the only major beef processing plant in the province of Saskatchewan, which many people would find highly unusual. I mean, other than some smaller abattoirs that are around the province, that's the only major slaughterhouse that there is.

Has the minister or the department had any conversations with Nilssons, the owners of XL, or XL management to see if there are outstanding issues or something that needs to be done to see this plant reopen?

Hon. Mr. Bjornerud: — I apologize. I missed the last part of your question.

Ms. Higgins: — Just curious as to any conversations with the Nilssons that own the plant or XL management as to what the future for this plant holds.

Hon. Mr. Bjornerud: — Well I know personally I've talked to the Nilssons, been at certain trade things that they were at. And they certainly know that we would hope that, and I think this is exactly where you're coming from too, that the sooner it would open, an agreement can be made there, the better it is for all of us — not just the workers at the plant but for all our producers in the province. We're short of slaughter capacity, always have been. And when one like that shuts down, it hurts the industry.

I think we also have a feeling, though, that there may be something in the works coming with possibly another company that's looking at coming in possibly in your area. And you know, I can't say that for sure today, but I'm certainly hoping something comes together with that situation and into the near future, and maybe that'll be another positive, too.

Ms. Higgins: — So has there been any offers on your behalf to, through the Department of Labour or the Ministry of Labour, to offer arbitrators or mediators or someone to get the parties back to the table and have some discussions? Because it's been a long time that there haven't been any type of official meetings to sit down and have any type of discussions.

Hon. Mr. Bjornerud: — I've been talking to the Minister of Labour, and this goes back a ways now — so of course maybe that would be timely to go make that offer again at this point — but I know the offer had been made earlier on. Or I'm sure it . . . I can't speak on behalf of the minister, but when I talked to him, they were about to make that offer. And I can't remember . . . This goes back a few months when they were going to see if there was anything they could do to assist to bring the two sides together and come to some kind of a resolve out there. I'm sure it was done at one point. Maybe you know, maybe it would be time later to make that offer again.

I know the other day I just kind of mentioned it to the minister. I know from what I gathered in the short conversation we had time for is that they would be open to anything if they could assist that process in any way.

Ms. Higgins: — That's very good to hear. And I know with the increase in cattle prices, that only will help the industry, I think, get back on its feet, And I know it's not a quick process by any means, but now that there's been the announcement that the

Moose Jaw pork plant has been bought by an operator from British Columbia, I think that gives all of us some hope that the industry, the livestock industry can get back on its feet and will be going through some much more profitable times over the next few years. So thank you, Mr. Minister.

Question on the signing of TILMA [Trade, Investment and Labour Mobility Agreement] and agricultural programs. So what does this mean if, take for example the livestock industry . . . And I know Alberta had put forward some fairly substantial dollars to support the livestock industry in Alberta, where Saskatchewan had not in the latest program. And for some reason I think 350 million comes to mind that Alberta put towards their producers, but there too I know the concerns are the same that we're seeing. The cow herd, I'm told, in Alberta is actually dropping quite drastically and that there is a concern for some of the feedlots being viable operations. So that's, I guess, their concern.

But would the signing of TILMA and this agreement with the Western provinces, would that require Saskatchewan to support the same programs as Alberta? Or would it require that any programs that the Saskatchewan government was looking to engage in with producers in our province would have to be approved or equal to, not greater than, whatever's being done in other provinces in the West?

Hon. Mr. Bjornerud: — A couple of points to the member. In her questions she had suggested that we had signed on to TILMA which isn't quite right. It's a new west agreement that's been signed on.

To the question of how would that affect agriculture, I think overall that really there will no direct impact on agriculture. I know one of the things that we've been working on previously to this, and maybe this will help the situation is — and you talked about that — the cattle numbers in Alberta have dropped far more dramatic they have here in the province and, you know, it's a good sign for us of course. As numbers go down it helps our prices so it's kind of a win-win. And you'd hate to wish anybody not good fortune, but on the other hand if somebody has to have bad fortune, I would rather it be them than us. And I think only that can bode well for here in Saskatchewan.

I think one of the issues that we've had — and we always get this, and I believe you probably had it when you were in government too — is border to border, whether it's Manitoba to Saskatchewan, Saskatchewan to Alberta, or Alberta to BC [British Columbia], there was so many different regulations in place, that if you want to slaughter cattle on one side but you can't sell on that side because it's not federally inspected, or there's a number of issues there that almost seem ridiculous with that invisible line between the two borders. And I know within the department they're trying to go through every regulation, every piece of legislation to see if there's instances where we have old legislation that's actually a hindrance out there to that happening.

And why I really mention this is because we do have a number of Alberta producers now that are . . . or Saskatchewan producers may take their cattle there for the summer or they may bring theirs here for the summer. There's a lot more of that

going on than we have ever had before, and yet sometimes we get regulations in the way of that and make it costly on one hand and really to the detriment to our livestock industry over here. I mean we're trying to, we're hopefully trying to grow it back now from when BSE [bovine spongiform encephalopathy] hit.

So the New West Partnership that's been signed on I don't think will have direct impact onto agriculture, but if it can also help to remove some of the barriers that we're talking about, I think it's a plus for the whole industry.

Ms. Higgins: — Well I'm a little concerned when you say you think it won't affect agriculture because I would have hoped that the Department of Agriculture would have had a fairly significant hand to play in doing an analysis and offering suggestions.

Now I'm not an expert by any means on the New West kind of new version of TILMA or whatever you want to call it, but it's my understanding is when it comes to municipalities, and whether it's tax incentives for businesses to locate there, there are restrictions that are attached to what can be offered and who it needs to be offered to or open to.

So I'm a little hard pressed to understand how then the Government of Saskatchewan could offer some type of an incentive to support the livestock industry—whether it's a hog loan program, whether it's cow-calf operations, whatever it is—that you could offer that in Saskatchewan without first running it by other provinces who are all in this and maintaining consistent regulations. Or would you have to offer it on a broader scale?

Hon. Mr. Bjornerud: — I just want to clarify one thing, and if I misspoke there when I said, I don't think. There's no direct effect on agriculture, I guess is the way I should have worded that.

From my own opinion though, what I see is I can see if anything comes out of it for agriculture, it's a positive because we're removing some of the regulations and things like that.

[12:30]

As to your last question, there will be no effect from this on that if we want to do something here that's separately ours. Those things are outside of any agreement that we would sign. I think, you know, there was concerns from municipalities and things that, with the old TILMA program, and all those things have been taken into consideration.

And I think especially in the livestock sector, in the situation you're talking about, we still need that autonomy to look after our producers here. And I know Alberta wants that same autonomy to do whatever they want to do over there in their industry. And Manitoba, I don't think, and BC are any different. So that would be outside and separate of any agreement that's been signed or will be signed in the future.

Ms. Higgins: — Thank you very much. That's it, and I'll turn it back to Dwain.

Hon. Mr. Bjornerud: — Thank you.

Mr. Lingenfelter: — Okay. I got a few questions on an issue, on grain storage. And the minister will know that we seem to be moving very quickly to on-farm storage in plastic in the field. And there's a lot of interesting discussion going on in *The Western Producer*, and I think more importantly in the coffee row in the Shaunavons and Canoras as to what the heck this is about—is it a good idea, a bad idea?

My question is, has the department looked at those kind of studies that are done from other parts of the world? And I think Australia probably is one of the leading spots, although the climate being so different. Is there any formal study that has been done by the Department of Agriculture that is being shared with farmers who are considering this investment?

Hon. Mr. Bjornerud: — Yes. We actually have a pilot project for the grain bags, and I certainly understand what the member's saying. And then last fall was a very good example of where we saw grain bags showing up everywhere of course because of the crop size and the volume of the crop; and great problem to have.

But with that comes problems, of course, of recycling and what do we do with them. So really that pilot project, we're hoping that that kind of gives us some kind of ideas of how we deal with that end of the problem. The other side of that is, I guess we've had concerns from a number of producers also where wildlife has also been a real detriment to having grain bags, where they'd hoped they'd have them emptied out long before now, and we still see some grain out there in grain bags.

So I think there's a number of areas to do with that. It's a cheap, maybe a cheap way of storing the grain and quick out in the field and everything. It's handy. But we've certainly got to do our work on how we recycle that, the leftover, the residue from the grain bags.

Mr. Lingenfelter: — What is the length of storage that farmers are being advised? Is it thought that it is better because of the lower profile and the less weight for grain that may be over the 14.5 per cent moisture, or is it worse in terms of humidity inside of the plastic?

Here again, these kind of issues, farmers are debating. And you hear both sides, that you're much better off having metal with a good fan than you would . . . Others say, no because if it's only three or four feet high, you don't have the pressure that you have in a 40-foot bin, and pressure you know makes moisture content and heat and those kind of things. But is that kind of analysis being done on temperature? And if so, are there results that you could report on?

Hon. Mr. Bjornerud: — We have some work actually going on in that from our extension specialists out there right now, trying to find out some of these numbers. And I think because it's so timely right now because more producers are heading in that direction. And let's hope we have another great crop this year and the need is out there to even go further.

But I can't say there is a benefit or a disadvantage of having it in a, you know, a 10,000-bushel grain bin or having it out in a

plastic bag, if there's an advantage at the certain moisture levels. But that work is going on now because I think producers need to know that very quickly. If there's an advantage or a disadvantage to have it out there when they're going through this, I think we need to get that, you know, that information to them. But that's an ongoing process right now of course because grain bags are fairly new to the storage of grain.

Mr. Lingenfelter: — Is there a manufacturer in Saskatchewan of the equipment?

Hon. Mr. Bjornerud: — Nothing that we know of right now. I imagine that may change very quickly as the demand for them becomes greater, but nothing off hand that we know.

Mr. Lingenfelter: — The next question I had is around SaskPower rates. And again a problem that's being identified with a number of farmers who are seeing what we used to call, I guess still call, the cost-price squeeze where grain prices are coming down and input costs, if you call interest rates input costs, and diesel fuel up from where it was last year. And they add into that the 18 per cent increase over the last 14, 15 months for SaskPower rates, and they're saying, like how the heck can this work? We see our income going down, and yet the Government of Saskatchewan through SaskPower have increased the rates 18 per cent.

I wondered if you could make comment on that disconnect that there seems to be between the increased cost of power for the farms and what is truly a growing problem. Although I agree that we had a pretty good year last year, although the numbers that I see on being able to sell durum and wheat are not great, so a lot of people are having to carry over a fair little bit.

But when it comes to power rates, are we as a department, or you as a department making any special effort with SaskPower to say, look you've got to hold on this front. When grain prices were \$10 a bushel, it was one thing that could be absorbed, but what about now when we're at a different end of the cycle? Isn't this just a terrible time for SaskPower, a provincial entity, to be jacking power rates up 8, 9 per cent?

Hon. Mr. Bjornerud: — I share that concern; I think I always have. For years we've always been concerned what it costs us out on the farm. And I guess last fall was a pretty good example of where the crop got caught out there, the last part of the crop got caught out there. And we had certainly brought that to the attention of SaskPower that these costs could run up, and then in the end, it actually turned out better than we thought it was going to be.

But, certainly the concern was there from producers out there. And, you know, I guess if the problem comes up again, or even before that, we're going to be talking to SaskPower and finding a way that we could soften that blow for producers because — well I don't think I have to tell you — but it's very, very expensive to dry grain out there right now, no matter whether it's power or propane or whatever the issue, SaskEnergy even.

You know, it's a high energy user when you're drying grain across the province, and if we get caught with one of those years that we've had in the past, it would be a dramatic cost province-wide. So we're certainly going to follow up with that

and try and find a way that . . . You know, there may be a number of avenues that we can go here, but I think we're certainly passing those concerns on to the Crowns that are involved with that. And I think they're aware of that, but I think we have to push that envelope a little bit too.

Mr. Lingenfelter: — Yes, if you could, because I just know that when the SaskPower announcement came out . . . And having been minister of SaskPower, I know how you try to lower the impact of a rate increase, and so you don't talk about what it's like for a producer who has 10,000 acres with grain storage of 400,000. You take an average of all the farms, and then you soften it even more by saying, it's only this much per month. And then it, you know, there's people hoping that people won't notice it so much.

But the fact of the matter is when you use an average like this on our farm . . . I don't know how many different farmsteads we still have power on, but probably four or five of them. We don't use any power; we just keep it there because we might need it someday. And then at the main farmstead where the bins are, it's very high, but if you average it across the piece, it doesn't . . .

And I would just urge the department and the ministry to say to SaskPower that for farmers, it actually is an insult to them to try to pretend that the impact is very little when in fact it's significant. And even if they would say in there something about the fact, you know, that it's difficult for farmers, because I think in . . . And you would know this, and we've been around politics long enough to know especially with farmers, they don't love government very no matter who's there.

We're an independent breed and we just sort of like to, like not to give too much credit to government whether you're doing a good job or not. And if you haven't felt that already, I'm sure before the end of the four-year term you'll feel it a little bit. But having been through that process of the last major downturn, you'll remember in 1999 after the election, we were probably in the heat of, you know, a pretty desperate cost-prize squeeze and I remember trying to cobble together a program to get some help out to farmers.

And what I would just urge the department as well — not that we should panic about this change of circumstance to where the cost-prize squeeze is going to be greater — that if we would at least start talking about and putting in place some ideas and concepts of what we might do as a government and opposition in the event that this continued on for, and I hope it doesn't, for 12 or 24 months.

You know how fast that can change. And I would just urge the department to start laying some groundwork with our neighbours to the east and west and with Ottawa to say, look this is an issue. We should keep our eye on it, not debate about, you know, so much about formulas and red tape and who's doing this and who's doing that. Just admit there's going to be an issue and let's sit down and start doing some serious conversations.

And I remember when we were putting together the final agreement for a major payout in 1999, I think in part it happened because Vanclief, who was the federal minister, and I

were at the WTO [World Trade Organization] in Seattle. And of course there were the huge protests going on, and we were locked in our hotel in a lockdown for two days that gave us the opportunity to get to know each other. And the end result was that while it wasn't perfect, there was a fair bit of money thrown in — not thrown in, but put in by the federal government and provincial government.

But I'm not sure if we hadn't had that face time together, where we actually got to spend a lot of time together talking about it, that we ever would have got a program. So my only . . . and I don't want to give advice but, you know, just a bit of history of that, that I think the more time you're spending talking about this issue in advance, the easier it would be to get a program put together if in fact we happen to need one in 12 months or 24 months.

Hon. Mr. Bjornerud: — Well actually myself, if I had had to get locked in a room with somebody, it would probably have been Eugene Whelan would have been a lot more colourful to get locked in a room for a couple of days. Not that there was anything wrong with Lyle Vanclief, so point well taken. I understand where you're coming from.

Mr. Lingenfelter: — I wanted to ask a few questions about the program that we had in place that I think is now over as of the end of, I think it was the end of March, the coyote bounty program. And there's . . . Well my first question is, is there a final number now on the numbers and the cost of that program?

Hon. Mr. Bjornerud: — The final number, I'm hoping later even this next week we may be able to come up with that number. We're just going through the last bit of the applications that have come in. They were approved on April 2nd of course by the RMs, but you know how sometimes that's slow getting in here. So they've had their approval, but they have to come in and our staff have to go through the . . . We're just about wrapped up. It's right near the end.

Mr. Lingenfelter: — Now are there other provinces in Western Canada that have a similar program or had one that would be similar to Saskatchewan's?

Hon. Mr. Bjornerud: — To start with we were the only province . . . Let me word it this way: when we brought our control program in, we were the only province to have it at that point. Right now Nova Scotia has just brought a coyote control program in — I'm not sure what they call it; it could be a bounty, whatever you want to call it — pretty well the same as ours, \$20 per head. Ontario producers have been asking their government to bring the same thing in. At this point it hasn't happened, but there's some municipalities that have gone on their own to do that. And I'm not sure on their exact amount here, but I think it's around the \$20 per coyote that they're paying producers for too.

Mr. Lingenfelter: — Now as a result of that program, is it your sense or are there statistics that would show that actually the number of coyotes in the areas where we were concerned, the numbers of kill actually went up or did it stay relatively flat overall? Or what would your . . . I suppose by the fact that we aren't doing it any more, there must have been a conclusion made that whether it was working or not, it wasn't working well

enough to keep it in place.

Hon. Mr. Bjornerud: — Well really it was a pilot project because I think it was one of those things that you had a hard time to figure out exactly where the program would go, and I think that was, you know, we had that concern. That's why we made it a pilot to March 31st. And I think, you know, I think the member's heard me say this before is that normally the hunter/trapper coyote problem wasn't there because the hunters and trappers out there seemed to keep that balance for producers. We've all seen that over the years.

I know in my home area and I know from talking to a number of producers, there's not many hunters and trappers left out there right now because of course with the lobby against the fur trade, the pelts are down in price, and it just wasn't worth it any more. But having seen that happen, I know our numbers dropped to 15, 16,000 the year previous, where on an average year we might have been at 25, 30,000, somewhere in that neighbourhood when the normal hunting and trapping would take place.

So I guess, you know, automatically the numbers start to rise. And then as that happens, it just mushrooms, and the calls we were getting last started probably about a year and a half ago. And then into last summer and last fall, it was just tremendous, the number of calls that were coming in where 600-pound calves were being taken down, a number of the sheep and lambs out there. We even had the situations where there was the odd horse that was attacked by a pack of coyotes. And I think that's probably the key to this program. It wasn't one coyote or two coyotes coming into somebody's yard. It was six or seven or eight coyotes coming in a pack that was really scary. We've had calls from young farm families out there that were getting to the point they were scared to let the kids go out and play because these animals were coming in.

[12:45]

And I think all of us in rural Saskatchewan have seen many times where coyotes would come up to the yard, but they always had that bit of respect for humans out there. And they'd give you your space, and we'd give them theirs, and we lived fine in harmony. But we were getting past that. They were getting so brazen. They were coming right into yards, right into corrals. We've had a few callers call in where they're eating out of the dog dish on the porch. You know, so they're losing that fear of man.

Now I'm not sure if this program is going to help with that. I'm certainly hoping it does. But just by the numbers, I'm hoping by next week when we can find the final numbers on this program and see where we are and hopefully that translates back out there to help the situation. But just going home on weekends now, you still see there's still a lot of coyotes out there. We certainly haven't taken . . . We aren't going to run short, let me put it that way, for breeding purposes out there. I think there'll be an ample supply of them. But hopefully we've made some kind of dent in the problem out there.

Now having said that, we've brought in the wildlife damage compensation program now being administered through Cam at crop insurance. We're getting quite a few calls and claims right

now where there's still a lot of coyote kills going on in the province right now. So you know, I guess for me to say, well this program really worked or it didn't work, it's one of those things — how do you define exactly? And that's why we've put a March 31st deadline on it, was that we'll evaluate it over the summer and take feedback from . . . SARM [Saskatchewan Association of Rural Municipalities] was really a good partner in this program. About 250 of the RMs took part in the program, and that was their choice whether they did or not and assisted us with this.

But we're going to take feedback from them and the, you know, cattle organizations and the Sheep Development Board and groups like that to see if the program helped and where we go next year. Because I think our concern was to have brought the bounty in and not put a deadline on it, I mean it was one of those things that could run away and you had no control over. I think by putting March 31st on it, you know . . . And there will be disagreement from all sorts of different groups out there whether we should have done it or not, but I don't think as Ag minister I had much choice. We couldn't sit back and do nothing, wait for a little kid to get grabbed by a pack of coyotes out there. Some of the calls were really getting concerning out there for myself and I know for many of the producers across the province.

Mr. Lingenfelter: — Just on that though, the new plan that's come into place won't help on the safety side.

Hon. Mr. Bjornerud: — That's right. We still have a predation program there. I believe when your party was in power, it was 200,000 a year went into a wildlife predation program out there and the Sheep Development Board administered at that point. And I think we got to the point, because the problem was growing, I think we got to around \$350,000 went into that program.

The problem I had with that is it wasn't doing the job we had hoped it was and that it did at one time. It seemed to deal with the problem where, you know, someone would call in and they'd send somebody out to deal with whether it's a coyote or, you know, a cougar or whatever the situation. The conservation officer or somebody would come out, would try and find out what the predator was, where it was, and get rid of it. That wasn't working any more. There was so much wildlife in the province right now.

The other side of this issue though, too, is I think we're seeing wildlife changing some of their habitat. I mean there's moose in areas that we've never seen before. And there's even bear in a lot of areas that we've never seen before, cougar sightings in a number of areas here that we would have 10 years ago never heard of.

So you know, it's one of those things with the coyote situation we're going to monitor very closely, see what it did, and hopefully we did some good with this program. I think most of the RMs that I've talked to right now, but only a few we've had that opportunity with, feel that it was very worthwhile. But they also want to see how much it did out there, and we'll follow up with that.

Mr. Lingenfelter: — Again I couldn't agree more that in terms

of wildlife, and I think the reason you have more coyotes — I don't know if your experts would confirm this or not — is because there's so much food supply in the immediate term.

I'm not talking about more cattle and more sheep because there aren't more of those. But what there are is the herds of antelope and deer and gophers and mice and the things that these animals eat. The food supply is enormous in the farming area that I come from, and the bets are that it's the change of our crops and no summerfallow. And the food supply for the animals that the coyote lives off of have increased by many, many fold over the last 10, 15 years.

And I'm wondering how much control in the end we can really have over one of those elements in the food chain and whether it isn't more a matter of adaptation to more deer, more antelope, more gophers and finding ways and means that we have some sort of harmony in that system. Because I think by removing the coyotes out of the system, you're going to end up with a bigger feed problem, where now 120 deer will come into a yard overnight and destroy thousands of dollars worth of hay. Or if you look at the population of gophers, you'll have tens of thousand dollars in a small area being destroyed by gophers.

And I just think we need to have a broader view of what's happening out there because it's fundamentally different in the Southwest when it comes to wildlife, and it's not just coyotes. It's almost everything you can imagine, including new species now living in the farmyards. We see moose and elk on a common basis.

When I was growing up, for the first 30 years of my life, we never would have seen an elk or moose anywhere on our farm. And now it's, they're common. They're everywhere. Almost every farmyard has a few. So I think it's about adaptation as much as it is trying to control the situation.

Hon. Mr. Bjornerud: — Yes, I would agree with you. Our wildlife habits seem to have changed province-wide. Southwest is a good example, but I'm on the east side and it's the same thing there.

You know, what's the magic answer to this? I don't know. I think it's a work-in-progress. We all have to watch it very closely. I know Environment is. . . We've tried to work with them through this program too and get any expertise. And with coyotes, it was a tough one. There's no exact number of how many coyotes there is in the province. So how can we measure now to see, you know, what balance we've tipped out there?

We all know, I think, from time to time, mother nature plays a big part in this and tries to . . . You know, when there's an overbalance of one part of wildlife, mother nature seems to have that way, whether it's mange or something like that that goes through the coyote, you know, the coyotes in the province and drops some of the numbers out there.

But I still think it goes back to the unbalance with the lobby against the fur trade and less hunters and trappers out there. You know, I don't think we realize how big of a part they played in keeping that balance out there. And especially when fur prices would go up, they'd go out and take out more, and then of course if they dropped a bit, they'd take out less. But it

seemed to keep that balance and we've lost that.

And how we're going to . . . Ongoing, after this program now, what do we do next fall? And I think that's why we want to watch it really close, get feedback from producers and go from there. I would hope we don't have to put a program like this in place every year. You know, maybe there's a better way.

But that seemed to be where we had to go this year to start it off and then see where we'd go. And we'll certainly be following up with Environment too, that if there's any advice they can give us on where's another avenue that we can use to help keep the coyote population down.

And part of the other side of this is too, we also have some money out there for education for producers to try and deal with the problem themselves, you know, whether it's fencing or whether it's just education of how you try and do that. But then on the other side of that coin, when you get cattle herds stretched across this province and many out in pasture where, I mean, it's impossible to be out there. Probably in many cases, once a day is often for a producer to be out there in the larger herds. So it's a tough one. There's no easy answer to it.

Was it the right program to do at the right time? You know, I don't think we had any choice. We had to bring something in. And did it work perfectly? I can't tell you yes or no. We'll see as we follow-up, and I certainly hope it did some good out there.

And I think most of the producers in the province that I've talked to, when we brought it in and now as it's been ongoing, were very receptive to the program. And I think they knew we had to do something. I don't think for a minute any of them would tell you this would solve all the problems. But I think they were working with us to try and make sure we did something out there and try and address the problem of them losing livestock.

Mr. Lingenfelter: — On the issue of the sale of the wildlife habitat protected land or the opening up of that piece of the 3.5 million acres, can you indicate the role that the Department of Agriculture has played in this proposal and what role you will play if the legislation is in fact passed?

Hon. Mr. Bjornerud: — You're talking the WHPA [*The Wildlife Habitat Protection Act*] land, the opening up of the wildlife habitat land? Well I guess part of the part that we would have played is we have the Crown land incentive program in place and, you know, for producers that want to buy their Crown land.

I guess the problem that a lot of producers had when they went to take a look — and this may have happened in the past too — is say they had two or three quarters of leased land under their name and went now to take advantage of the discount program, and they wanted to purchase that land, where we're finding in many cases there may be one quarter, there may be two quarters under wildlife habitat protection and the other one wasn't. So they could buy the one but they couldn't buy the other two.

So from our perspective the request was, is there any way that we can maybe, if it's not as sensitive an area, as highly sensitive

as some of the land, is there a way we could replace WHPA with a Crown easement. I don't think any of them minded the Crown easement in those situations. And then we had others call and say, you know, you should come and look at this land because the sensitivity, it's wide open. In the case of cultivated land, it's broke corner to corner, and yet maybe WHPA was placed on some of that land. I don't think there was much of that, but we have had calls like that.

So have we played a part in this? I think the request in a number of areas came through because we had the Crown land sale program in place and producers were asking, is there any way that we can, even with a conservation easement, let us own the land.

And I would just elaborate a little bit in here on why the reasoning was behind this in a number of cases, was maybe a generational change from one, from father to son or something, whatever. They could not use of course the leased land here for equity. And again, I go back to the young farmer's situation. There was a number of issues like that that came up. I believe in Alberta they can use that land to borrow against, where they can't here. And I think we're in the right position on that one right now.

But that was their reasoning for also wanting to buy it because if they own it, I mean, the same guys have looked after this land for many, many years out there. In fact there's, I think you're aware of it the other day, we quoted some of the producers out there that have won environmental awards. And I know that they take, most of, many of those producers take great pride in how they've looked after this land for many, many years.

And I think their feeling is that they'll still keep up looking after this land very well, but if they could own it, it would be just a real benefit to their business and their farming operation and probably to their ongoing generations out there that would help them purchase other things with that equity.

Mr. Lingenfelter: — Just on that, obviously coming from southwest Saskatchewan, we have a fair bit of experience of working with ranchers. I guess if you'd think about one of the individual families in the Frenchman River area, the Pete Butala and Sharon Butala, who many stories have been told, and Sharon's written beautiful books about the stewardship of the land under ownership and lease of the Butala family. So I totally understand that there's probably no one in the world who's more . . . better stewards of the land than the ranchers and farmers as well.

Although farming is a little bit different, and we shouldn't confuse the land bank land that was set up for a very different reason. The ownership wasn't to do with wildlife habitat. It was an economic decision, right or wrong, that the Blakeney government set in place. And when that land was sold off, it's very different than the debate that we're having at this point in time. And I just wanted to make that point.

But from the arguments of the other side, that of the debate in Saskatchewan, the hundreds of letters that we're getting in our office from, some of them people who have lived in the city all of their lives, some of them who are very young, some of them in public school who say, well we own that land. The million of

us through our government own that land, and we don't want it to be sold. It's worked well this way for many generations.

And again, most of the letters give credit to the ranchers, but they also say, what we're concerned about is that someday, even with an easement, the minister can still change that and the land will be sold off and we'll lose it to other developments, especially that land that's along lakes and rivers. And I haven't seen the map, but I'm sure the minister will know that some of that land could serve as very different than agricultural or habitat land. It would make excellent recreational land. And so this debate goes on in our province.

And I guess the concern I have — and I'll just state it because the debate's been going on in the House — that what we would still like to see is that, if it is a good idea, that you test it with the public and that the Bill be withdrawn and the proper consultation take place, not just with ranchers and . . . And I'm not even arguing that the debate should go on between the ranchers as opposed to Ducks Unlimited. I think there's a broader discussion we should have and that's with the owners of the land.

This isn't a debate between interest groups. This should be a debate that includes the people who own the land and there should be town hall meetings and let it go out into the schools because it's . . . One of the most interesting things is the number of very young people who aren't even of a voting age, who are sending their opinions on Facebook and talking about it in their families because they're concerned about it.

[13:00]

And again it's not even so much important what you think of it and I think about it, but it's that the proper discussion hasn't gone on. And I wonder if the minister, even at this late date, would agree that there should be the involvement of the public. Again I'm not talking about the interest groups because I know where Nature Conservancy, I was chairman of the board here for a number of years and I know we struggled to get many quarter sections of land put into habitat. But we were of a special opinion of this, and I'm not talking about implementing what they want. I'm talking about the general public who feel they've been left out of the discussion.

Wouldn't that be a good idea for you and I to agree today: yes, that seems like a reasonable thing to do?

Hon. Mr. Bjornerud: — Well I guess I take exception with a couple of things. The one thing, and I'm not sure if this was the situation you were talking about, when Lorne Scott was the minister in '96 when there was about 25,000, excess of 25,000 acres put up for sale — and I might add, with no encumbrances and that was WHPA land — and then also about another 22,000 was TLE [treaty land entitlement] settlements. That land was opened up for that, so kind of to insinuate that this has never happened before, well yes, actually it has.

And I think that the Minister of the Environment has set up a process that I think will protect a fair number of acres out there, and in fact all of the acres will be reviewed to see before anything is taken out . . . I think the member knows as well as I do that there will be a large percentage of these acres won't

change the category that they fall under. It'll be just like it's under WHPA.

There will be another parcel that will be under conservation easement, and I might add that the Minister of Environment has strengthened the fines and that for anybody that doesn't abide to the rules that are put in place for the conservation easement. And then I think that there's the feeling there was about roughly 7 per cent of the land, possibly, after the review could be sold without encumbrances.

Now they may find more land out there in the process that maybe should go back into WHPA, and I have no problem with that if there's good reasoning and it's sensitive land out there. I think that would be important.

I guess from the other point of view, as our Minister of Agriculture, and I represent producers and farmers across the province as well as my own constituents who. . . By the way, I have people from the Wildlife Federation that I've talked to and some of the Nature Conservancy people and things like that.

But what I would want to say for the record is the Saskatchewan Cattleman's Association, the Saskatchewan Stock Growers Association, the Saskatchewan Cattle Feeders Association, the Saskatchewan Equine Ranchers Association, the Sask Elk Breeders Association and the Saskatchewan White Tail and Mule Deer Producers Association, western . . . [inaudible] . . . ranchers association, the Saskatchewan Bison Association, Saskatchewan landowners and lessee rights groups association, Sask Horse Federation, Sask Forage Council, Livestock Marketers of Saskatchewan, the Sask Sheep Development Board, Canadian Federation of Independent Business, Sask Reindeer Association, the Sask Irrigation Projects Association, and just lately APAS [Agricultural Producers Association of Saskatchewan] and SARM and the Dairy Farmers of Saskatchewan have showed their support for this.

So you know, I guess from my perspective and representing agriculture producers out there who, I think by the list I just read off, have given us their support for what we're doing here and feel, as I think you mentioned to the member that you mentioned before, that they're excellent stewards of that land. I don't think any of us will have an argument there.

And I think they feel that even with a conservation easement, they'll protect that land. They make their living off that land, and they certainly aren't about to change their practices out there because all of a sudden they have it in their name. We've had concerns from some of the hunters out there that, well now if these guys buy this land, they wouldn't have the right to hunt on it then. Well the lessees have the right to put no hunting signs up out there.

So if they were going to do that, they would have done that for the last 30 or 40 or 50 years while they had it leased, and in many cases they haven't done that. And I don't think they have any intentions of keeping people from hunting on that land. So I think this would be a very large benefit to rural Saskatchewan and ag producers out there, especially the ranchers out there that have a lot of acres of pasture under lease and would just like the opportunity to be able to own some of it, I think full well

knowing they won't ever be able to own all of it.

The Chair: — Thank you. Members of the committee, as agreed to earlier on, we'll take a five-minute recess now. We'll return at 10 after 1, please.

[The committee recessed for a period of time.]

The Chair: — Welcome back members of the committee, the minister, and officials. If we can have our seats please we'll resume from the recess. I believe, Mr. Lingenfelter, you would like to pose some more questions, sir.

Mr. Lingenfelter: — I think Sandra is going to.

The Chair: — Ms. Morin.

Ms. Morin: — Thank you, Mr. Chair, and good afternoon to the minister and your officials. I want to talk about how the drop in farm income is affecting a particular aspect of farm life, and that being the issues around women on the farm because we know that approximately 30 per cent of producers in Saskatchewan are women. And while the on-farm income has fallen 28 per cent from 2008 to 2010, off-farm income has risen by 4 per cent.

So most of this income will come from spouses forced to take an off-farm job to support farm expenses. And many of these spouses will be women, and their families will have to turn to off-farm income to take a job while working off the farm in order to compensate for the drastic cut in income on-farm. Now many of these jobs that these women will be taking are obviously in the health care sector where more than 80 per cent of the workers are women who still are without a contract. So I'm just wondering what the minister is doing to ensure that the negotiations are progressive and fair and respectful so that the stagnated health care contract, which affects women disproportionately, can be settled in an expedient fashion.

The Chair: — Mr. . . . Sorry, Mr. Stewart had raised his hand, Ms. Morin, in the middle of your discussion there.

Mr. Stewart: — I think, Mr. Chair, that this being Ag estimates I don't, I really don't see what health care negotiations have to do with that.

The Chair: — It's a point of order then for you, Mr. Stewart, and Mr. Yates to speak on as you're chitting in for Mr. Taylor.

Mr. Yates: — Thank you very much, Mr. Chair. As we've travelled across the province in many, many constituencies across the province, the individuals we have talked to, they are making their off-farm income in these health care facilities. And the questions are regarding off-farm income as it relates to subsidizing the needs of the farm. So the question is simple: what is the minister's position in regards to expediting that process to assist in those farm families? And I think it's not asking him directly about that, but what is he doing to ensure that those needs are met?

[13:15]

The Chair: — Thank you, Mr. Yates. As I did in the other

committee I was in a couple nights ago, I open up now the floor to members on either side for additional discussion points on this. Seeing none, I will take a quick recess here, if you don't mind, to discuss with the Clerk on this matter.

[The committee recessed for a period of time.]

The Chair: — Thank you. Mr. Minister, I need just to ask a question in regards to one of your line items in your estimates before I make a ruling. I see that you have a line item that talks about financial programs on page 35. Could you just quickly tell me what that would be applicable to?

Hon. Mr. Bjornerud: — Mr. Chair, what that would include, and there's a few areas that that covers, one of them is the specific risk management materials that because of BSE now — that's the brain tissue and spinal cord and stuff like that that we're dealing with — there's dollars for that in there. There's a number of smaller programs that those dollars would fit into.

The Chair: — So I guess I'm prepared to make a ruling on the point of order. This is similar to the one I had a couple nights ago where it's difficult because estimates are very broad-based discussion points on the ministry.

Now in this case I asked the question about the financial programs, wondering if there was a subsidy program for farm income, like if there was some sort of issue regarding something to do with insurance-based programs, those kinds of things. And I understand there are some programs like that. But I will find the point to be well taken with this premise again, or proviso, is that we're talking about the operational budget of ag, Ministry of Agriculture, and there's definitely going to be concerns for the farm families as to income related to crops, producers, those kind of things.

I have a bit of an issue or struggle trying to link a off-farm income situation where we're talking about the operations of the Ministry of Agriculture related to those things I've just stated — crops, producers, those kind of things. So I find the point of order to be well taken with the fact that, yes, I understand there's income issues related to farm families.

So as before with the other ministry, I will let the minister decide from this point on if he decides to answer those questions insomuch as that, if he decides not to, that he will have to make a verbal statement that he declines to answer. Thank you.

Hon. Mr. Bjornerud: — Thank you for that, Mr. Chairman. The member talked about a couple issues here, the first one being, and I think was talking about farm wives and mothers out there on the farm. I think farm wives have played such a big part in our agriculture sector for the past, what, how long have we been farming? A hundred and some years? And they've been a big part of that and that hasn't changed.

It certainly wasn't the last year or two that farm wives started to take off-farm jobs to support the farms out there. And I want to tie that back to a part of the member's original question is about the realized net farm income and how it relates to Saskatchewan and where we are today and more farm wives will have to go out and find jobs.

If you look at the realized net farm income for the province of Saskatchewan, 2009, we were at \$2.2 billion. That's a tremendous amount. That's a record high for this province. That's the highest we've probably ever been. I want to compare that to the province of Alberta, at about 335 million. And remember the size of the province of Alberta and compare Saskatchewan; we're very equal players. They have a larger cattle industry. And I know in Alberta many of the farm wives work off-farm, have for many years.

But when our income was 2.2 billion last year, realized net farm income, it had one way to go and that was probably down. When you look at some of the other provinces, Alberta's dropped 48 per cent. Ontario and BC are way down for realized net farm income, and in Saskatchewan in 2009 we had just gone up 259 per cent. So, Mr. Chair, when we go up 259 per cent in one year, and we drop, what, 28 per cent or whatever it is in the last year, we're still a way above our normal average.

Some of the numbers that I have in, Mr. Chair, is that in 1999 — and this was under an NDP [New Democratic Party] government of course — the realized net farm income for the province of Saskatchewan was \$291,000. Well if you look at last year's numbers and this year's projected numbers, we're a way above that; far more than we ever were there.

In 2000 the realized net farm income for the province of Saskatchewan was \$239,000. So that was a way below where we are today. So I guess my point being, Mr. Chair, is that even though we've dropped off this year, we went up at such a tremendous rate last year in part due to a couple of good crops we've had, remembering back in the fall of 2008 that the prices for grain jumped dramatically. We're getting prices we've never heard before and I and every other farmer in the province wish they'd have stayed at that level for at least 4 or 5 years or 10 years or 20 years.

But having said that, and getting back to the member's question a bit, I don't think it's nothing new for farm wives to be working off-farm. In some cases both partners are working off the farm to make it go. And this didn't happen this year and it's isn't going to, I don't think, change a whole lot into the coming year. That's been there for many years out there to help us survive on the farms. And so I don't think this is going to be any change in direction out there than it's been for the last 20 years.

Ms. Morin: — I wonder if the minister would mind tabling the documents that he's just quoting from, because I'm holding a document in front of me that says something quite different and it's from Statistics Canada. So I'm wondering if you wouldn't mind tabling those documents so that I could see what you were quoting from as well.

Hon. Mr. Bjornerud: — Well I can look to get that information for the member. These are my own notes that I've copied off something else. But I can certainly try and get you all of these numbers because these are factual numbers. I didn't make them up. If from time to time in opposition I might've made something up, that might have been a possibility, but not since I've been Minister of Agriculture. Stick to the facts.

The Chair: — Thank you, Mr. Minister.

Ms. Morin: — Well that's refreshing to hear, Mr. Minister. So getting back to the subject of women, like I said, predominately women working in off-farm jobs in order to supplement the income on the farm. If the minister doesn't want to respond directly to the question about what the minister is doing in terms of advocating on behalf of those women with respect to the contract — the health care contract — that is currently outstanding for over two years, what is in the minister's purview to provide assistance in the situations where these women are having to find off-farm income and thereby creating other stresses and pressures in their lives?

Hon. Mr. Bjornerud: — Well I think number one, SAHO [Saskatchewan Association of Health Organizations] is responsible for the health care contracts that are out there and that certainly doesn't fall under my purview, so I'm certainly not going to get into that debate here today. We're talking agriculture today.

But I think the member's point needs to be addressed. I can't say strong enough how . . . the big part that farm wives and mothers play in our agriculture sector out there. I mean, we wouldn't function without those people out there. If you watch out there right now — and harvest time is a really good example, in fact seeding right now — you'll see it too with these big machines that are out there. And I know some of the members at this table know exactly what I'm talking about.

But I think in harvest time where you get a half a million dollar combine going down the field and you look close and here it's one of the farm wives is running that combine, it might be from early morning until late, late at night, we won't survive out there with farm women doing the job that they do. And I think, I know from my own experience and I think from every husband out there, and I think I can speak for them in this situation, that we wouldn't have survived near this long, any of us out there in that industry, without our wives and our mothers out there. And they were just an equal partner in everything we do out there.

Now is it going to change this year because of what the member's talking about, realizing that income? I don't think for a minute. I think many instances, especially in the last 20 years, 16 of that by the way under an NDP government, that farm wives took jobs off the farm. In many cases both the husband and wife took a job off the farm to survive.

Where we, I think, can play a part in that is we've been working hard to improve programs like crop insurance program and the AgriStability program and a number of the areas, wildlife damage compensation program where a farmer out there would get a calf killed or an animal killed out there and there was no compensation. So does that just benefit the husband on the farm? No, it's the family and the wife and everyone else across the province.

So we're trying to do anything we can to help the agriculture industry out there. And I would include farm wives and mothers out there because I've been there, done that.

Ms. Morin: — Well thank you, Mr. Minister. I appreciate your

version of what's happening with the contract negotiations with the health care workers right now because, as we know, SAHO is directed by Executive Council which is cabinet which you are a member of. And we do know also that there was a proposal on the table for those farm women to be on call 12 hours a day just so that they could be available to work for eight hours a day, which does not assist with the farming operation on the farm for their husbands or for their families or for the farm in general.

So according to a report that I have in front of me which was done by the National Farmers Union, we're also looking at how off-farm income, off-farm work I should say, impacts volunteer work, with women working full time being less likely to volunteer than those working part time. And of course we know that volunteer work is so important in many aspects of agricultural life and rural life and such. So is there any initiatives within the Ministry of Agriculture to encourage volunteer work in rural Saskatchewan? Is there any such initiatives in the department, in the ministry I should say?

Hon. Mr. Bjornerud: — Well I guess my comment to that would be with some of the years that we've gone through low grain prices and low livestock prices, I felt we were volunteering our time as it was, and yet we made out an income, filled out an income tax form and filed it with Revenue Canada. And the member's right; volunteer work is very important across the province.

I think this line of questioning is getting away, Mr. Chair, a little bit from the Agriculture portfolio. I certainly am not getting into health contracts or anything else here today, as much as the member would like to go there. I came here today to have some dialogue on agriculture, and that's exactly where I intend to stay, Mr. Chair.

Ms. Morin: — Okay. So I'll restate the question that I just finished asking you. I asked if the ministry is doing anything or has anything within its purview to encourage volunteer work in rural Saskatchewan.

Hon. Mr. Bjornerud: — No specific program, no.

Ms. Morin: — Thank you. I appreciate the answer. Also with both parents working off the farm potentially, child care can obviously become a challenge for farm families as well. And again women are disproportionately responsible for caregiving duties. Again by the report done by the National Farmers Union, women are still 20 per cent more active than men with respect to child care duties.

So as the farm income falls and the Agriculture budget was cut by nearly \$100 million this year, is there any initiative under the Ministry of Agriculture to provide child care spaces for children of farming families from rural Saskatchewan?

Hon. Mr. Bjornerud: — Not specifically, to the member, not specifically under Agriculture, although I've had occasion lately to go with the Minister of Education in my own constituency — and I know this has happened right across the province — where in Langenburg we had a sod-turning for a daycare centre out there. And I guess where it would pertain to agriculture is a number of the people that can take advantage of that program and who, by the way, were very happy with the sod-turning

ceremony that day. A lot of them are farm families, again going back probably because the wife or the mother might be working or, in some cases, it might be the husband taking an off-farm job.

[13:30]

Saltcoats — my own hometown for an example, through great work out in the community and a lot of that was, most of it was, volunteer work and raising money with some assistance from the province of Saskatchewan — also started up a daycare centre out there. And again many of the people taking advantage of that daycare program are tied to the agriculture sector.

So I guess in that respect the member's question is fitting, and it certainly would pertain in part to agriculture and farm families across the province.

Ms. Morin: — Well thank you very much, Mr. Minister. I'm also wanting to look at potential studies that might be done through your ministry. And sometimes it's hard to decipher from the budget as to where this might fall, under what line item, as we've already seen from the Chair in terms of his question to you earlier about a line item under summary of appropriation and expenses.

So according to, again, the National Farmers Union report: "Farm household work is still significantly more likely to be the regular duty of women with over 97% of women doing meal preparation and clean up, shopping and house cleaning and laundry on a regular basis." So you know, Mr. Minister, when I look at the responsibilities of women in terms of what are typically still deemed to be the work that women are doing, plus then the issue of having to work off-farm in terms of supplementing farming as well, is there anything within the ministry that has been undertaken or any studies into the gender division of work in farming families?

Hon. Mr. Bjornerud: — No, not at this time there hasn't.

Ms. Morin: — Okay. And the minister talked about some other incentives earlier about getting young people involved in farming. And I don't know if the minister has any statistics yet to be able to share with us in terms of how successful that has been in terms of bringing those young farmers into the fold in terms of fruition of the program. But is there any incentives as well to encourage more women to become farmers?

Hon. Mr. Bjornerud: — Well I don't think a specific program is out there to get more ladies into farming. You know, I think right across, male or female, we want more young farmers out there. The one thing I think that has changed over the years is there's more young women are playing such a big part in businesses right across the province, and not that they haven't before but maybe to a different degree where they've gone off to university and got a degree and come back. And that plays such a big part in the farming operation. Now having said that, I don't want the member to read me wrong. I mean, many farm women out there have degrees and have had for many years and have gone to university and come back farming. And that's great. That's a plus.

But there's no specific program — and back to the member's original question — under the Department of Agriculture. And I mean the member knows there are other, probably other departments where that may fall under, but it doesn't under the purview of Agriculture.

Ms. Morin: — Thank you, Mr. Minister. As the minister probably knows, the Status of Women office under your government has been cut. And we're not really sure at this point whether the minister responsible for that particular file is understanding that he has those responsibilities, given that, when questioned about it, he was confused by it himself. So that's why I wanted to pose a question and see if there was anything within your ministry that's being done at this time to get some data on the issue and to show some encouragement for women who are interested in getting involved in the running of an operation of a farm.

So as I was just talking about the fact that the regular duties of women on farms are still significant in terms of what the NFU [National Farmers Union] studies showed . . . And we also know of course that, I mean, they're responsible for the most part in terms of child care, also in terms of elder care potentially, and so are therefore finding themselves in sandwich-generation situations and also the issue of having to work off farm and the stresses of course that come with the fluctuations in farming as a whole. So I'm wondering if you could possibly tell me what the status is of the farm stress line.

Hon. Mr. Bjornerud: — I guess can the member maybe define that question a little more? You're asking what the status is of it? It's up and running.

Ms. Morin: — It's up and running?

Hon. Mr. Bjornerud: — I don't know what else, what more to tell you. It's been there for years, and it's still there.

Ms. Morin: — So I guess I'll pose my . . . I'll make my question more succinct. So can I clarify that the farm stress line is still operating Monday to Saturday in an operation from 8 a.m. until 9 p.m. Is that still in effect?

Hon. Mr. Bjornerud: — What were the hours that you had stated?

Ms. Morin: — 8 a.m. to 9 p.m.

Hon. Mr. Bjornerud: — To the member, we don't have those exact hours in front of us. And we'll get those for you. We haven't changed those hours so whatever they were before, they would be the same now.

Ms. Morin: — Okay, and can the minister also let me know how many staff are currently working there?

Hon. Mr. Bjornerud: — Yes, we may know that number. I'll check. Okay, the answer to the member, Mr. Chair, is that there is four employees that work there. Of course with the hours that we work, not all four work at the same time.

Ms. Morin: — Okay, so four employees are currently working there. I'm presuming that those are full-time positions then?

Hon. Mr. Bjornerud: — Okay. The answer, and sorry for the delay, there's two permanent part-time — and we don't have the exact hours they work in a week; I guess that may vary — and two permanent positions with the stress line.

Ms. Morin: — Okay. So two permanent positions would then equal approximately 80 hours a week and the part-time positions, we have no idea what they're working at this time.

Hon. Mr. Bjornerud: — We don't have the number with us right here. We can certainly get that number for you.

Ms. Morin: — Okay. I would appreciate getting that information at some point. So how many people are on staff on the farm stress line at any given point in time?

Hon. Mr. Bjornerud: — So there's one person in the evening there. I should maybe give the member this information too — she may want it — that on average, we get one and a half calls per day. So that's all that comes in, yes. So on many occasions, we have two people during the day there who, by the way, do other work while they're, you know . . . But they're there available to answer the phone. And then quite often one in the evening so.

Ms. Morin: — Okay. Thank you very much. And was there any change to staffing for the farm stress line in the last couple of years? And was there any change to the funding of this farm stress line in the last three budget cycles, I should say.

Hon. Mr. Bjornerud: — Mr. Chair, the answer to that question is there was no change in funding. They've been moved in with the Ag Knowledge Centre in Moose Jaw now. So really in doing that, there's some efficiencies that have been brought to the whole system, not just the farm stress line, but to the Ag Knowledge Centre. And because you can see by the average of one and a half calls per day, you know, it meant there's times there's more probably, but there's days there's no calls. So there's that integration there in with the Ag Knowledge Centre, and we felt bringing some efficiencies to the program.

Ms. Morin: — Okay. Thank you for answering my questions, and I believe the Leader of the Opposition has a few more as well.

Mr. Lingenfelter: — Thank you, Mr. Chairman. I am curious about the minister's opinion on the issue of producer car delisting. We went through this debate, I guess it was last fall, last year I guess, in '09. And at that time, we were expressing our concern that of the 52 delistings, 24 of them were in Saskatchewan. And as I understand, and having met with CN [Canadian National] during that period, the indication was that most of these points hadn't had very many loadings over a period of time. I think one of them was quite active, the rest of them not very.

But as the minister will know that these producer car loading sites are not just used in the rural community as a loading site, but they're also considered as leverage that the producer has, that if the rates of elevation get too high, at a certain point they can come back and use their local site.

I just wondered if in the department what discussion went on at

that time in consideration of debating or meeting with CN on the delisting of those sites, and what process took place and conclusions that we came to and what we're doing looking out if another application is made to further reduce the number of loading sites.

Hon. Mr. Bjornerud: — Well I think as I had mentioned to the member once before or to one of the members on the opposition side, is that our displeasure of course with CN for going about removing loading sites across the province. And I think we agree with every farmer in the province that don't want to see these go. And the member's right, there might be some leverage that can be played there. If the elevation costs go up too high, they can go back and use producer cars and sidings out there like that.

Also I had talked to the federal minister at the time too about this issue, and really you know passed on our concerns from producers right across the province that we don't want, number one, to lose these sites. And I guess part of the argument was from CN and the railroad was that they were so expensive to keep in place. And I would take some umbrage of that whether they were that expensive to keep in place because they said, well, number one, to keep weeds down and things like that. And I think every rural member here and the member would know, most of the sidings have a fair amount of weeds standing in them, so I don't think that cost was utilizing a whole lot of dollars out there.

So I don't think you'll get any argument from me that these are something that we have to keep in the province or at least stop the pulling out of the sidings. And we need them; even if they're not being used right now, they may be someday. And I think that's why producers have contacted me or that have contacted me are concerned, even if they're not using them at the present time.

Mr. Lingenfelter: — Just on that, Mr. Minister, is there any suggestion or letters, consultation going on with CN that they may have other sites that they are looking at delisting at this point?

[13:45]

Hon. Mr. Bjornerud: — I'll just check for the member and see if there's anything recently that's happened.

There's been nothing happening in the last while here to change any of the issues around that issue. There's nothing new that we have, at least on that from CN or from the federal government.

Mr. Lingenfelter: — And what about with Canadian Pacific, are there similar considerations that you know of, or have approaches been made by CP for delisting of any of their sites? And I'm not sure how many they would have; they're more in the southern part of the province. But do you know of any application being made there?

Hon. Mr. Bjornerud: — Not to my knowledge at the present time. I do know, and the member might know this too, that CP did pull a number of sidings out in, I'd go back to the mid-'90s, I believe it was. We had one right at home in fact that was pulled out. And you know in many cases these sidings are, they

move in in the morning and they're gone by afternoon before anybody even knowing about it. And I think that's a problem for all us out there. At least we should have some notice or more notice than we have today.

Mr. Lingenfelter: — On the issue of producer cars and the sites in place, does the Department of Agriculture do anything to assist farmers who may want to get together and pool resources, buy existing elevators or sidings that may be in place, the switching and all of the process?

I know in our local area, at the site in Admiral, a number of farmers in that area, we got together and bought the elevator. It was an old Pool elevator and we now have, I forget how many investors, maybe 30. And we load a few hundred, I think probably 500 cars a year at that site, and we have an elevator and an agent. We actually have an agent hired. And I think we probably save between 800 and \$1,000 for each car.

And as the minister knows, that gives us a great leg-up with Viterra and the companies on the mainline who, because we have that option close to home, we can also have the option of getting our grain hauled for . . . I guess not for free because it will show up somewhere, but there is an incentive program that Viterra has if I want to haul durum to Gull Lake, they do the hauling for us. And we get that deducted or the hauling is done for free. If we didn't have the loading sites, I'm not so sure that we would be able to bargain that kind of an arrangement at our farm.

And so I just urge the minister, if there's anything that the opposition can do in that area, and I think that this is one of those places and there are many, where sort of a bilateral or a bipartisan approach to maintaining those sites, that we are certainly interested in keeping those in place as long and as many as possible.

Hon. Mr. Bjornerud: — Yes, I would agree with the member. I think there's so many benefits out there from having these sidings sitting there for, whether it's leverage on whatever out there, I think it's an advantage for us. And he's right. The producers are saving a few bucks. It's not a great amount of money, but every dollar counts as we know.

One of the things, and I think it kind of ties into this, is short-line rails out there. I think for many years a lot of the producers out there have done some yeoman's work out there to put short-line rails together, for their own advantage of course and maybe saving them a few dollars, but have invested a lot of their own dollars into setting these short-line rails up. And, you know, I think that kind of ties in with the sidings here a little bit, part and parcel, but we're looking at ways if we can even help them with short-line rails more than we have and more than we are right now. And you know, I guess I'm sure not arguing with the member over this issue. I think it's a very important issue out there, and I think we share those concerns.

Mr. Lingenfelter: — Another issue that we've had, calls from individuals, but also organizations involved in the ethanol production and that industry in the province, was the reduction in support in this last budget. Would that come out of your department, or is that out of Finance and obviously whether the financing or the support program came out of Agriculture?

As you will know, the support for that program is pretty important because this gives another relief valve and especially now when grain prices are much lower. It was important two and three years ago when it was put in place, but at least at that time the price of grain was high enough, it didn't make that much difference. But now with a low grain price, having that access to use some of that low-priced durum or wheat and haul it to the ethanol plant, this becomes very, very crucial as an economic issue for farmers. But can you give an explanation of why that decision was made and whether it's just a temporary thing that will come back on?

Hon. Mr. Bjornerud: — Actually I can't. It falls under Enterprise; it's not under Ag. So I can't speak for the minister in that situation. I would agree with the member how important the ethanol situation is to the province right now and using up of some of our feed grains out there, and I think it's just another avenue to sell grain. But I'd hate to answer for the Minister of Enterprise because I certainly don't know all the particulars. I know they are having ongoing, you know, conversations with all the ethanol industry on an ongoing basis.

Mr. Lingenfelter: — I just wonder if the minister would undertake to get for me because I'm not sure that . . . Well let me put it this way: I'm sure you'll have an easier time getting that information and probably be able to do it quicker than I would. And I mean, I guess you don't have to because it's not how we normally do things, but if you would or could, I would appreciate it very much because, and here I think I support the minister on the role of ethanol in the province, I don't think we're offside on this.

But the fact is is that if we can burn up and use, you know, some tens of thousands of bushels of durum — and we're talking now about, the sad part is this is high quality durum that's being used in ethanol — but I think at the end of the day, it will help stabilize durum prices by taking some of it off the market and then actually assisting the Wheat Board and other people trying to market durum worldwide and getting the price back up to at some sort of a number that people can make a living growing durum.

But if you could do that for me and any information that you have from the Department of Agriculture's approach to Enterprise because I'm sure when this was going through, I'd be surprised if they didn't make overtures to Agriculture. And maybe while you're responding, Mr. Minister, if you could give me an indication of that discussion that would've went on between Agriculture and Enterprise as to the rationale for removing that program at this time.

I'm not arguing when the prices get back up to a level that there may be some, you know, over time withdrawal, but I think this is a very, very difficult time to remove that program.

Hon. Mr. Bjornerud: — Well, Mr. Chair, to the member, I guess all I can tell him is what I know, and I haven't had any discussions with the Minister of Enterprise. So I'm certainly not apprised of the situation with the ethanol in the province. I do agree with the member to a degree, that even he's right, we don't want to be selling good grade, high grade durum for ethanol plants. But on the other hand, if it helps get some of it out of the system, I guess there is a benefit there, although

probably the price isn't near where we'd like to see it. But as far as other information, I'll do some checking and see if I can get you something on that.

Mr. Lingenfelter: — Thank you. I wanted to ask about a program that may be small, but it's very important, has a strong history in the province, but that's the Department of Agriculture's support for the 4-H movement in the province and 4-H community. I'm sure the minister, if not personally involved at one time in his life, knew neighbours and friends in the great work that 4-H clubs do across the province.

The two questions I have to the minister. One is, what is the funding relationship and is it done with the 4-H at the provincial level and then the money is disseminated in some fashion? And also can you give me an indication of the growth or shrinkage in numbers in young people involved in 4-H in the province of Saskatchewan?

Hon. Mr. Bjornerud: — To the member on the issue of the 4-H, and he's right, my feeling is that this is such an important program right across the province, and especially in the rural parts of the province that have played such a big part. The funding right now, the core funding, is 300,000. That hasn't changed. That's the same right through.

Then we provide to the value of about \$140,000 in kind, where we might provide an office for the 4-H groups in one area or the other out there. And that adds up to about \$142,000. I don't have the number right directly in front of me here, but we do put some other dollars into if there's a special event or something or they have a 4-H convention. I know last year they had the national convention in Saskatoon, a very good convention. Sometimes we put money like that.

I think nothing's changed from the past. We certainly support the 4-H movement in this province and for that matter, right across the country.

Mr. Lingenfelter: — Did you give me the numbers on how many members, 4-H club members? Is it going up or down? Does it stay about the same? Or do you know that?

Hon. Mr. Bjornerud: — I can't give you those numbers. We don't track those numbers. We don't actually have access to those numbers.

Mr. Lingenfelter: — Okay. Can the minister, on the size of grain farms in Saskatchewan — this goes back, but it's one question I meant to get from you but neglected earlier on — do you have an average size of grain farm, number of acres that would constitute a grain farm?

Hon. Mr. Bjornerud: — I'll have to check to see if we track that. To the member, the last numbers actually that we can track back, and it might be a bit deceiving, is number two because this includes all farms. And in the member's own area, I think, he knows the size of some of the ranches, so that might skew these numbers a bit. But the average size in 2006 was about 1,450 acres, and that's the latest numbers that we have access to.

Mr. Lingenfelter: — The other question I wanted to ask the

minister has to do with those areas of the province where we have a vibrant oil activity that sort of started with some changes in royalty but I think had more to do in fact with the science around recovery from certain formations. The Bakken and Lower Shaunavon probably have been known about for 40 or 50 years but wasn't able to produce because we just didn't have the technology and the know-how to extract the oil. And now with, you know, horizontal drilling and multi-fracs and all of the things they have to extract oil, we now have a couple of areas where that industry is growing significantly.

The issue around that and how it relates that I would want to ask you about in Agriculture is the surface lease that farmers strike with oil companies and, whether they're small or large, the more activity you have, the more issues there are around surface rights and abandonment and environmental issues. And anyone who has bought land recently and used the great services of Farm Credit Corporation, we're now required to fill out five or six pages around environmental options on when you go to get a loan because obviously the people lending the money want to know whether there is contingent liability on the land by way of environmental.

My question surrounds the issue of the pipelines. When pipelines may rupture or leaks occur or drilling mud is on the land, do we have a program within Agriculture to advise farmers not just on the 5 or \$4,000 a year they get on lease, which is a nice revenue source per well, but on the long-term responsibility and how farmers need to protect themselves for any environmental damage that may be done. And I use the example of 20 years from now when these wells are abandoned, and the company that does the drilling may be small and may go away. And if there has been damage done to the land, by accident or otherwise, and the farmer goes to sell the land and suddenly realizes that to properly clean that, the disturbance to the land or to remove a pipeline or whatever has to be done, that it could actually affect very greatly the value of the land.

[14:00]

And are you getting much feedback from the farming community or surface rights association as to how we should educate ourselves as farmers, not to stop oil production or even hinder it, but at least be aware of the contingent liability that may be building on the farm so that proper care is taking in signing contracts?

Hon. Mr. Bjornerud: — Actually we have no program, specific program for what you're talking about. Now having said that, I'm wondering if Energy and Mines don't have that because they'd have part of that. Of course they deal with farmers and ranchers every day out there. So if the member wanted, I could certainly check on that. I'm actually kind of interested in that myself. I don't know.

Mr. Lingenfelter: — The interest I have — and I've been involved in both departments in different ways over the years — but I always felt the role of the Minister of Energy and Mines is to promote and advocate for the industry that you represent, although at the cabinet table I think the advice from your Premier, as it is from most Premiers, is you take your hat off when you go in and you now become a, you know, a representative for the people as opposed to just your line

department.

But my question to the minister is that this is something that I would really urge if it isn't in place, that the ministry would take a hard look at advocating on behalf of the farm community because individual farmers simply can't have the ability to build this information. And they're very busy people. They're growing their grain.

And when it comes to understanding environmental liability it's . . . I think you and I have wouldn't have the capability to do it, and that's part of our job. This has now become . . . When you deal in the industry, you have a herd of lawyers that take care of this stuff on behalf of the energy company. And so for an individual farmer in an area to have the knowledge not to compete with, but to put forward their view and their responsibility and the liability that might be occurring, I just think it, you know, the government and the Department of Agriculture could have, and I would argue should have, a responsibility to at least prepare some documentation and education program for the farm community.

Hon. Mr. Bjornerud: — Yes. We'll take that into consideration. I certainly am no expert in this field, have no idea. I wouldn't even want to comment on it.

The one thing I can tell you, and we just checked, is that as far as I know, we haven't had any calls or complaints on this issue at all. And probably calls would be more the thing that would be inquiring for information from what you're saying. So it's something we could sure look at and see, but it certainly hasn't, we haven't got any calls on it at this point.

Mr. Lingenfelter: — And the one last thing on this particular topic. I know in the southeast part of the province we've had producers who we'd met with who are in the area. And again I want to make it clear that most of the farmers appreciate some of the activity that comes because it helps pay the bills. But they also wonder whether or not there might be the opportunity for the Department of Agriculture to be involved in a small way in assisting the establishment of surface rights committees.

And their argument is, if you had a small amount of seed money to help establish surface rights associations — I think are the proper term — and then do more work with the surface rights arbitration board as well, that it wouldn't take very much in a province that's as active in the oil industry to have a small piece of activity within our department that would look at this situation and help. Again, not fight against oil companies, quite the opposite, but work in conjunction with the Department of Energy and Mines to make sure that the interest of the farming community and individual farmers is taken into consideration while this important development goes on.

Hon. Mr. Bjornerud: — Yes, we'll certainly take that into consideration and see if there's something we could do to assist with that out there.

Mr. Lingenfelter: — The other area that I'm curious about is in terms of the new families who are coming back to be involved in farming. And I think in the period between 2006 and 2008 with the increased price in grain, you saw a spike in people coming home because a lot of people left the farm

simply because there wasn't income because the price of grain, price of cattle, whatever. And then during that period from '06 to '08, there was income, and people looked and saw and came back. And now I don't know whether with the lower grain prices that will try, you know, start to tend the other way. We hope not, but that's sort of been the pattern.

But I'm curious about what assistance there is from the Department of Agriculture to support the establishment or renovation of yard sites. And what I'm thinking of, there are special programs there may be for wind or geothermal if somebody's doing a new yard and things like sewage systems and water. Is there a package that the Department of Agriculture sends out to farmers who may be looking at that kind of an expansion in their operation?

Hon. Mr. Bjornerud: — I'm going to pass this one over to the deputy minister. She has some information off some of the programming that we have there.

Ms. Koch: — Well the question about new yard sites. We do have a whole suite of programs under our Growing Forward package which is the federal-provincial package of programs. And certainly in the area of the environmental farm planning and group planning there would be some assistance, you know, not necessarily about setting up new yard sites but certainly about ensuring that, you know, good for example group planning occur to address any environmental issues, including individual environmental farm plans where you do an environmental risk assessment component of the whole farm operation plan to better integrate environmental planning on your farm, to prioritize beneficial management practices, and to ensure that you make the most efficient use of limited funding, things like that.

We also do have other components of our Growing Forward — everything from the farm business development initiative package of programs, our Saskatchewan agri-value initiative. We also have two food safety sets of programs, on-farm food safety program, as well as post-farm food safety programs. Then of course also some Growing Forward which aren't necessarily related to, you know, direct on-farm. We also do have assistance through our farm and ranch water infrastructure program to assist with dugouts and wells being established, which for example could be used in the establishment of new yard sites and new farms.

Then of course, not really related, but we do have a program called ADOPT [agricultural demonstration of practices and technologies] which is about taking technology transfer and moving it back out to the farm. So this would be in the area of research that's being done and making it more real for farms, demonstrating it on the farm.

So while that's not directly related to setting up new farms, certainly it would be of good information and good use to new and young farmers who are just starting operations because this would be new technology, you know, right there being demonstrated on-farm so that they would understand more fully what the benefits might be of accessing that technology. So that's a long list of several programs that we operate through the ministry.

Mr. Lingenfelter: — And this, this would all be on the website, I would expect.

Ms. Koch: — Yes, that's correct. All of our Growing Forward programs, if you go onto our website, we actually have a Growing Forward button or a little section on our website. It's right on the home page, so if you would click on that, all of our programs are outlined. And then you can just keep clicking, and there'll be a lot of details about each of those programs.

As well, the minister had talked about our regional offices. And so if anybody did have any questions about any of that programming, many of those programs are delivered through our regional offices, so they could go in and speak to any of the specialists that we do have in each of our 10 regional offices.

And of course we also do have our agriculture knowledge centre with a 1-800 number that is set up. So if anybody had any questions, they could call the AKC [agriculture knowledge centre] and could ask for information about these programs.

And as well, FRWIP [farm and ranch water infrastructure program], I believe, has a toll-free number as well that you can contact and find out how to apply for the program. But it is all on our website as well.

Mr. Lingenfelter: — Shifting to another area, I was noticing in *The New York Times* yesterday there is a . . . You don't get many agriculture stories in *The New York Times*, so I was curious about a story that's been in the news in United States a fair little bit, and in Ontario, about Roundup resistant super weeds. This has become a major issue in Ontario whereby using Monsanto's, particularly Roundup, chemicals on our farms . . . I don't know how many times a year we would use it. But we're using it for burn-off now, and we may use it for desiccation of certain crops where it's applicable. But if you start using this two or three times a year, what seems to happen in some areas . . . And I just wanted to quote from this article from *The New York Times*. It says:

Twenty years ago, the biotechnology industry promised that Roundup Ready crops and glyphosate would usher in a new area of less toxic weed control. In a stark betrayal of that promise, Monsanto is now subsidizing farmers' return to older, more toxic herbicides.

And when an issue gets to be that level that it makes a story in *The New York Times*, likely because it's as important to investors in Monsanto as it is to the farm community, it rates that kind of importance.

But I wonder, in the department and in Saskatchewan or in Western Canada, if the minister is aware that Monsanto products, like all the glyphosate derivatives in chemicals that we use . . . is there or do we know of weeds that are becoming resistant, and do we have some sort of a heads-up or head start on getting ahead of that issue?

Hon. Mr. Bjornerud: — I'll just have the deputy minister respond. We have an answer for you.

Ms. Koch: — I'm not familiar with *The New York Times* story, so I don't know if I can specifically address maybe what was in

that article. However I can say that certainly our crops branch is very actively involved in ensuring that we inform producers on responsible use and sustainable use of pesticides and all the technology that should be at their fingertips to be able to use on their farm operation. So for example, one of the things we do is we do publish *A Guide to Crop Protection*. And it's easily available, and it's provided upon request by farmers. So that outlines, you know, the rates, the kinds of pesticides to use on crops, and this kind of thing. I guess my comment would be that we certainly are involved in that area as far as pesticide use.

Mr. Lingenfelter: — Just on that again, to the minister: I just wonder if there would be a reason why we wouldn't quickly, you know, compile that kind of information because a lot of it is, you know, boilerplate. Probably research has been done. There's a couple of articles I have here — and I'll send them to him — from Tennessee and other places where this is a growing concern at the state level and their departments of Agriculture are now sort of rushing to deal with the issue. But I'm just thinking, if it's not an issue yet, there may be ways and means that, you know, by getting ahead of this, that we can actually avoid the problem.

Having said that, because we're such large producers of grain, if it does come to impact, there's no place in Canada where this issue won't be more important because I think the consumption of that product, any glyphosate product including Roundup . . . although there are many now. The farmers of America are bringing in generic forms of glyphosate. And I just think that it might be an idea for the department to quickly compile this information and see whether or not some unit in the department should be spending a little bit of money to save a lot of money later.

[14:15]

Ms. Koch: — I would just comment that we certainly are very aware of the fact that there is weed resistance to glyphosate in other areas. You know, you mentioned the United States and in North America. What I can tell you is that our specialists are on top of this issue and that there is no weed resistance to glyphosate in Saskatchewan. And in fact our specialists work very hard, as I said, on the area of responsible pesticide use in Saskatchewan. And we have recommendations for farmers that we provide in both that guide to crop protection as well as in our advice that we provide in our crop specialists on best management practices that farmers should use to ensure they avoid weed resistance.

I will tell you that we have a document on our website that tells farmers how to monitor for these kinds of weeds, as well as control them if in fact they would occur, and how to avoid them. And then the other thing I would mention is our crop protection lab here in Regina also provides herbicide resistant testing. So certainly we have quite a few efforts going on in this area already.

Mr. Lingenfelter: — The other side of this issue of course is the safety around the use of chemicals and the safety of the air and water and, importantly, the people who apply or the families that live in the area. And it's not just related to people who live in rural areas because there have been studies done that, at least in some urban centres, the amount of chemical per

acre is actually double or triple in the urban communities because of lawn applications and those kind of things than it is in rural communities. And so we need to understand that, while we talk about it as a rural or an agricultural issue, it really is an issue for everyone who lives in the province.

But there was a study done, and is being hotly discussed right now, which was done in the United States. It's called *Reducing Environmental Cancer Risk: What We Can Do Now* which is a report that was submitted last week to the President of the United States. And it goes into great detail, at least within this study, about the links between the various chemicals and different forms of cancer in the United States.

And I wondered whether or not . . . Here again the study was done, and it's not without detractors. Obviously the chemical companies will, you know, give their side of the story and try to put the best face. And I believe the chemical companies do a great job. If you read their social responsibility reports and sustainability reports, they put great effort into making sure their products are safe.

But I wondered whether or not this study could be used by the department to overlay the kind of chemicals that we use here. And obviously the Department of Health does a lot of work in this area as well because per capita we probably use more of these very chemicals that are referred to than almost anywhere else in the world simply because of our huge production capacities for grains. But obviously when it comes to health of our population and production, having that balance right is very, very important. So I wondered if the minister had had an opportunity to go through this report because it really deals very clearly with agriculture and farm chemicals, both herbicide and pesticide.

Hon. Mr. Bjornerud: — Actually I haven't had the opportunity to read that. But I might pass over again to the deputy minister. Maybe there's a couple of comments that tie in somewhat to the question that you're asking here. I do agree that it's an important issue out there, but there is that balance that we also have to work through. And it's a very fine, fine line.

Ms. Koch: — Okay. I would just comment that Canada has a very rigorous regulatory system. In fact it is federally regulated through Health Canada through the Pest Management Regulatory Agency. But most definitely Saskatchewan Agriculture takes an active interest and role in this area. As I said, our specialists are very actively involved in working with farmers to ensure that they are properly applying pesticides, properly using them.

I would say that it takes about 10 years for new chemistry to be registered in Canada. So I think that speaks to the rigor that we have in the system, that this isn't something that tests are taken lightly or that new technology becomes available to the farmers without a great deal of rigor to the testing that occurs.

What I would say is that it's really important that farmers have access to this new technology, this new chemistry. However it obviously has to be done in a sustainable way. And in fact many of the new pesticides that have become available over the past several years has meant that in fact less use is required, that

lower rates are required, that in fact, you know, farmers are using less and less pesticide as a result of some of our new crop breeding that has occurred. And so in fact these are very positive signs for environmental sustainability going forward for farmers.

And it certainly is very, very important for the competitiveness of Saskatchewan farmers is that they have access to this technology. Having said that, obviously it's really important that we continue to have that very rigorous regulatory system, that oversight to ensure that we maintain a very safe and environmentally sustainable pesticide use.

The last thing I would say is, is there is no scientific proof that cancer is linked to pesticide use. And so I think we have to be, you know, careful in some of the statements that are made certainly by some groups about these linkages because in fact, you know, while there may be some commentary on one side of the issue, there certainly is no scientific proof that cancer is linked to pesticide use. And I guess we would just say Saskatchewan Agriculture, overall in Canada really, the regulatory system is based very much on science, and so that's what we focus all of our work on.

Mr. Lingenfelter: — I think that's a very good point. I think the main . . . I mean there are lots of statistics. Our life expectancy in the province and quality of life would indicate that that's accurate. But in these kind of issues, it's always interesting to me how, when an issue gets a head of steam up and you're not ready for it, that sometimes it can do a lot of damage to an industry.

One needs only look to the West at the oil sands and how sort of not educating the public early on now has all of the industry running to catch up. And I would argue that in some ways it's very difficult for them to catch up simply because they believed they were doing the right thing. They were supported by the federal and provincial government and didn't get out in front and sell how important the development of the oil sands were for the economy of Canada — not only Alberta. But the fact is that there's actually as much benefit going to Ontario and Quebec when it comes to the manufacture of boilers and the products. But simply because they weren't out in front of it . . .

And I guess my urging here is that we accept the fact that there are others out there with a different story, and we not defend what we're doing but talk about it and be totally transparent in explaining to people how we are the best producers of food and the safest producers of food. And if we talk about it, get in front of it, I think it could save us a lot of trouble.

I had a question, and I would be remiss if I didn't ask the minister, and I'm sure he's expecting this. But spot loss hail and crop insurance, and you may have been thinking well he forgot about that, but it just is an issue. And I don't want to go back over, although we can go back over who cancelled it, who started it because I think you'll . . . I mean it's an interesting debate. But I think the public is more interested in what does it look like going forward. And I just wanted to ask the minister, is there any discussion, even at this date, with the federal government over the re-establishment in the Western provinces? And let's include Alberta and Saskatchewan and Manitoba. And is the program the same as it relates to spot loss

hail in all the provinces?

Hon. Mr. Bjornerud: — Well I'll start with the answer here, and I think I'll get others to add here too. I think the one thing I might add though, and the member kind of touched on this, but I did a little research after the questions the other day just to get myself a little more up to speed with the spot loss hail issue, and I didn't realize that your government actually had cancelled it twice. I didn't know that. You might remember this; I didn't know. In 1991 actually spot loss hail was removed, then re-instated in '94, and then again in 2002 taken out.

As I answered the other day — and I didn't want to mislead anybody the other day — my statement was the federal government won't fund their share of it. That wasn't quite accurate. What I should have said and I meant to say was they won't fund it to the same level that they would have done, that they were funding it before. And I was right in the \$70 million would have been our cost to bring that part into the program.

You know, I guess it's a judgment call, and I know many producers like the spot loss hail. I guess on the other respect is they don't have access to a crop insurance program outside of our program, but they do have access to hail insurance by the private companies. So I think that come into my decision on where we went, and our decision on what we decided to go with this.

The other side of it was when Meyers Norris Penny did the review, there was a number of other issues that had come up and suggestions of where we'd go — yield trending, yield cushioning, a number of things they'd like to see do. They weren't near as expensive, of course, as spot loss hail but also again not as high on the list.

Had we have brought in spot loss hail again and reinstated it and . . . You know, I think the member's well aware of why it was cancelled when it was cancelled both times, '91 and 2002 or '04 whatever it was. It's a dollar thing now. If we'd have brought the program back in and spent our \$70 million, you know as well as I do that that's an ongoing cost. This isn't a one-year cost and then it goes away. It's every year we're going to put of our budget. We'd put a few dollars more into a number of different areas where our budget had gone up dramatically, and I think, as the member knows, AgriStability two years ago jumped dramatically.

And I don't have to, I don't think, tell the member that we go by projections. I mean, he's very familiar with how that works with the AgriStability program or the old CAIS [Canadian agricultural income stabilization] program. The federal government projects what they think the costs of the program are going to be up into the next year, and we fund our share of that. Crop insurance, same thing — the federal government projects where they think grain prices will be. Our people from Crop Insurance take those projections and we go by that. So that's why the cost of crop insurance, the cost of AgriStability goes up and down as we go.

Now if we'd have taken the money from AgriStability and put it over into the crop insurance and spot loss hail and then AgriStability went up again, we're going to end up at a probably a 5 or \$600 million just before we even know it here

— for good reason because probably grain prices had gone up and that's a great problem to have. But as a government, then our costs would be way up there. I don't think I'm telling the member anything that he doesn't know. I think you're very familiar as I am with some of this stuff. But really that was the decision we had to make.

You put spot loss hail back in and not make any of the other improvements to the program that we have, probably we couldn't have done the wildlife damage control program. Wasn't a large expense in the big picture, but we wouldn't have had any money to do that. And I think we sat down and went through all the recommendations and thought, hail insurance is provided by the private companies. They have access to that here. So really what we're providing is a program that's already out there. Why don't we take the taxpayers' dollars and spend them as wise as we think we need to here and put them into other parts of the programming that we have? So it may not be the answer the member was looking for, but that's really where we're at.

Mr. Lingenfelter: — What I'm curious about is what is the cost share, let's say, if we went back in? And the other thing, are Manitoba and Alberta, do they still have spot loss hail? But what would the formula be between the fed and the provincial government on spot loss hail?

Hon. Mr. Bjornerud: — I'm going to get Cam from Crop Insurance to come up because he's familiar with this.

Mr. Swan: — Okay. First of all on the case share, basically the federal government would pay 20 per cent of the premium. In normal circumstances they pay 36 per cent. And basically what the minister was alluding to was to make up the difference between that 20 per cent and the 36 per cent to get producers back to only paying 40 per cent of the total.

Mr. Lingenfelter: — Tell me that again. I'm just a bit confused on that. But the federal government puts 20 . . .

Mr. Swan: — Yes. To get back into spot loss hail, the federal government calls that risk splitting and they have a different cost-sharing formula for that. And basically what they provide is 20 per cent of the premium as opposed to 36 per cent in normal crop insurance. Okay? So that's the difference that's there.

What do other provinces do? Manitoba has a hail program, nonsubsidized hail, so it's basically competing directly with the private industry there in Manitoba. Alberta actually has two products. They have a subsidized one that their province picks up, and they have an unsubsidized one as well that competes with the hail industry.

I will say that the hail industry in each of the . . . the private hail industry is much different in each of the three provinces. It has a pretty long history here in Saskatchewan. In fact a lot of it started here in Saskatchewan so there's a lot more presence on the private industry side here.

Mr. Lingenfelter: — Just on that though, I want to go to the . . . If we re-established it, 20 per cent would be paid by the federal government . . . is 30 by the province and 50 by the

producer? Or what would a split look like?

Mr. Swan: — Basically, I'll first explain how it is normally in the crop insurance to get to your question here. Basically it's 60/40 — 60 per cent government, 40 per cent producer. Of the 60 per cent government, it's 60 per cent federal, 40 per cent provincial. So how it works is the producer pays 40, the federal government pays 36, and the province pays 24 in a normal cost-sharing situation.

In the risk splitting or the high cost or what the federal government calls risk splitting, the producer is supposed to pay two-thirds or 66.7 per cent. The federal government would pay 20 per cent, and the province would pay 13 per cent. If the province wanted to get back to having the producer only pay 40 per cent, then it would have to make up the difference in that 16 per cent, 36 down to 20 on the federal share.

[14:30]

Mr. Lingenfelter: — Okay. Just one last comment, and it's not really a question. But I mean when you look at that formula and if, let's say, if the grain prices stay low and we have to do some program for grain producers — and I really hope we don't, personally and otherwise — but it might be the cheapest money we put into the system.

And my only argument is at a time when producers this spring already are facing some — some of them, not all of them — but are facing tough decisions and are going to start . . . Because this is what we do as producers; we start cutting where we can, cutting corners. If they cut out their hail insurance because they can't afford the premiums early in the year, whereas crop insurance, the beauty of it, you pay it later on in the year, we may actually be digging ourselves into a hole. Because if you get 10 or 15 per cent who don't buy hail insurance because they can't afford, then they get hail, they're going to be coming at us, you know, for some sort of a program.

And I just say to the minister . . . and here again I'm not being critical about not implementing and all that. We can do that another day. But I would really urge us to take another look at that to see whether or not there's any way, facing the different circumstance than we had even 10 months ago when it didn't look like you needed to help farmers, whether or not it might be something we could still look at doing at this late date.

Hon. Mr. Bjornerud: — No, really I think we know where each of us stand on the issue.

The Chair: — All right. Thank you very much, members of the committee. I will move on now to vote 1, Agriculture, central management and services, subvote (AG01) in the amount of 7,238,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Policy and planning, subvote (AG05) in the amount of 8,446,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Research and technology, subvote

(AG06) in the amount of 16,917,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Regional services, subvote (AG07) in the amount of 32,170,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Land management, subvote (AG04) in the amount of 9,718,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Industry assistance, subvote (AG03) in the amount of 6,096,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Irrigation and water infrastructure, subvote (AG11) in the amount of 9,721,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Financial programs, subvote (AG09) in the amount of 9,248,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Business risk management, subvote (AG10) in the amount of 283,371,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Amortization of capital assets in the amount of 2,306,000, this is for informational purposes only and there is no amount to be voted. Agriculture, vote 1, 382,925,000.

I will now ask a member to move the following resolution:

Resolve that there be granted to Her Majesty for the 12 months ending March 31st, 2011, the following sums for Agriculture in the amount of 382,925,000.

Mr. Stewart: — I so move.

The Chair: — Mr. Stewart. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 1 agreed to.]

The Chair: — I guess what we'll do is, any more . . . I'll let the opposition have a concluding comment before we go on to tabling a report here . . . [inaudible] . . . to the minister and officials.

Mr. Lingenfelter: — I just want to say thank you to the minister and staff and members of the committee for being here and listening in. I just really believe that this is a very important

part of the economy of Saskatchewan. I want to thank you for all the work that you do on a daily basis.

Hon. Mr. Bjornerud: — Thank you for that. And I want to thank all the members for their questions today and their participation. I especially want to thank all the staff here today that have helped me out with a number of answers that I didn't know the answer to. And there was a couple of questions that we said we would get the information back to some of the members. We will do that. So with that, thank everybody and have a good weekend.

The Chair: — Okay, thank you. Committee members, you have before you now a draft of the seventh report of the Standing Committee on the Economy. We require a member to move the following motion:

That the seventh report of the Standing Committee on the Economy be adopted and presented to the Assembly.

Mr. Stewart: — I so move.

The Chair: — Mr. Stewart. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I will now ask for a motion to adjourn this committee meeting.

Ms. Wilson: — I so move.

The Chair: — Ms. Wilson. Agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Mr. Minister and your officials, for spending the last three hours with us. And to all those that were watching, thank you. Meeting now stands adjourned.

[The committee adjourned at 14:36.]