



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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The Battlefords

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Mr. Terry Jenson
Martensville-Warman

Mr. Delbert Kirsch
Batoche

Mr. Doug Steele
Cypress Hills

[The committee met at 13:58.]

The Chair: — Welcome, everyone, to the Standing Committee on the Economy this afternoon. I'm Colleen Young and I will be chairing this afternoon's committee. In for Mr. Belanger is Mr. Trent Wotherspoon, and other committee members that we have here today are Mr. Jeremy Cockrill, Mr. Ken Francis, Mr. Terry Jenson, Mr. Delbert Kirsch, and Mr. Doug Steele.

And because we are still implementing measures to facilitate safety in the context of the COVID-19 pandemic, if the minister needs to confer privately during proceedings he may do so in the hallway or the vestibule at the front of the Chamber. And as a reminder to members and officials, please don't touch the microphones. They are fragile and sensitive. The Hansard operator will turn your microphone on when you are speaking to the committee. Cleaning supplies are located at the tables by the side doors outside for members and officials to use if they require them. If you have any questions about logistics or have documents to table, the committee requests that you contact the Clerk at committees@legassembly.sk.ca. Contact information is provided on the witness table.

[14:00]

Beginning pursuant to rule 148(1) the following estimates and supplementary estimates were committed to the Standing Committee on the Economy on April 12th, 2021 and April 6th, 2021 respectively: 2021-22 estimates vote 1, Agriculture; vote 23, Energy and Resources; vote 26, Environment; vote 16, Highways; vote 89, Immigration and Career Training; vote 84, Innovation Saskatchewan; vote 35, Saskatchewan Research Council; vote 90, Trade and Export Development; vote 87, Water Security Agency; 2020 and '21 supplementary estimates no. 2, vote 1, Agriculture; vote 16, Highways; and vote 84, Innovation Saskatchewan.

Today our committee is tabling a list from the Law Clerk of regulations filed with the Legislative Assembly between January 1st, 2020 and December 31st, 2020 which have been committed to the committee for review pursuant to rule 147(1). The Law Clerk will assist the committee in its review by submitting a subsequent report at a later date identifying any regulations that are not in order with the provisions of rule 147(2); however, committee members may also decide to review any of the regulations for policy implications. The document being tabled is ECO 2-29, Law Clerk and Parliamentary Counsel: 2020 regulations filed.

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — We will now begin with consideration of the estimates and supplementary estimates no. 2 for the Ministry of Agriculture. Vote 1, Agriculture, central management and services, subvote (AG01). Minister Marit is here with his official. Minister, you can introduce your official and make any opening remarks you may have.

Hon. Mr. Marit: — Thank you, Madam Chair. I am very pleased to be here today to discuss the 2021-22 Ministry of Agriculture estimates. The officials joining me here today include Amanda Plummer, my chief of staff, and Rick Burton, our deputy minister.

Saskatchewan's agriculture sector demonstrated tremendous resilience throughout the past year. And I want to commend the producers in the agri-businesses across the province who work to keep the food chain supply and those who work in it, healthy and safe. This industry continues to produce, market, and process agri-food products that our country and the world need.

The Ministry of Agriculture's job is to support that hard work and to help make it easier. Agriculture is a significant component of Saskatchewan's 2030 growth plan. The actions we take to achieve our growth plan goals will strengthen Saskatchewan's primary and value-added agriculture sectors and ultimately help to build a better quality of life for all Saskatchewan people.

Saskatchewan will continue to be an important part of meeting the growing global demand for food. In the 2020 growing year it was very successful. The 2020 reinforced Saskatchewan's global reputation as a dependable source of safe, high quality resources, goods, and products.

I am confident that our growth plan goals continue to be achievable. And those goals include increasing crop production to 45 million metric tons, increasing livestock receipts to \$3 billion, increasing value-added revenue to \$10 billion, and growing the agri-food exports to \$20 billion. We experienced our second-largest harvest on record last year at an estimated 39.1 million metric tons. In turn, this helped us lead the nation in growth of overall export sales over the previous year.

Saskatchewan is the second-largest agri-food exporter in Canada, with exports of \$16.9 billion in 2020. Our 2020 agri-food exports were a new record for the province and they represent a 31 per cent increase from 2019. Agri-food exports accounted for more than half of our provincial exports in 2020, which were valued at more than \$30 billion. Saskatchewan's agri-food exports are diverse, with over 500 million shipping to each of our eight largest markets. Our largest markets for our value-added products include the United States, China, Chile, Mexico, and Korea. The United States remains our largest agri-food export destination.

In the livestock industry there were challenges in 2019 due to COVID-19-related supply chain disruptions. We were there to help the sector respond to those challenges by implementing a cattle and bison set aside program that was very effective. Cash receipts from the livestock sector are forecast to be \$2.26 billion for 2020. We continue to engage regularly with our producers and industry partners to understand and respond to challenges and opportunities as we move forward.

There continues to be growth in the value-added agriculture sector here in the province of Saskatchewan. Recently Richardson International announced a new investment to double processing capacity at its canola crush plant in Yorkton, which will make it the largest canola crush plant in Canada.

Today Saskatchewan's value-added sector is made up of over 300 food processing companies, employing approximately 6,000 people. By capturing more value from Saskatchewan-grown commodities, value-added agriculture strengthens the province's economy as a whole. Increasing the size of our value-added industry can translate directly to infrastructure and investment at the community level.

Our value-added sector revenue doubled between 2004 and 2018, from \$2.3 billion to an estimated \$5.3 billion. We look forward to continued growth of this very important sector. The interest in plant-based protein and renewable biofuel is also increasing, and we are well positioned to support growth in these areas.

With the 2021-22 provincial budget we are making strategic investments in priority areas, which will help to ensure a strong economic recovery. The 2021-22 Agriculture budget of \$386.9 million is a \$23.1 million increase from the previous year. That represents a 6 per cent increase. With this budget, we will fully fund business risk management programs, provide a record level of per-acre average coverage under the crop insurance program, continue last year's record investment in agriculture research, and make important investments in irrigation expansion.

This budget invests 265 million for business risk management programs offered through the federal-provincial Canadian Agricultural Partnership, or CAP agreement. This is a \$20.6 million increase from last year. The \$150.1 million 2021 crop insurance program includes average coverage of \$273 an acre, a new high for the per-acre coverage under the program. The 2021 program also includes a number of changes that build on previous program enhancements. This includes additional option for producers seeking to ensure their tame hay acres. Forage producers will also see an increase in native forage establishment benefit coverage. The coverage is increasing from \$75 to \$200.

In 2021, Saskatchewan Crop Insurance is also introducing coverage for large-scale vegetable production. Commercial vegetable growers will now have access to the commercial vegetable pilot program, which will provide stand-alone coverage for damage to cabbage and pumpkin crops.

Saskatchewan has recently become a significant producer of chickpeas. For this reason, Saskatchewan Crop Insurance Corporation is updating the base grade for large-seed kabuli chickpeas.

This year's budget also contains an additional \$2 million for wildlife damage compensation program to address stronger commodity prices. This program compensates Saskatchewan producers for crop damage and predation caused by wildlife. Producers do not have to be existing crop insurance customers to access this program.

In addition to the suite of business risk management programming provided by this budget, we continue to invest \$71.2 million in strategic programming through the Canadian Agriculture Partnership. This spending is directed to six priority areas under CAP: science, research, and innovation; public trust; markets and trade; risk management and assurance systems; value-added agriculture and agri-food processing; and

environmental sustainability and climate change.

This budget includes 32.9 million in funding for agriculture research, which matches last year's record level of funding for research. The continued emphasis on research is key to stimulating industry growth.

The largest research program funded by the Ministry of Agriculture is the Agriculture Development Fund, known as the ADF. Last fiscal year, through the ADF we supported 39 crop-related and 24 livestock- and forage-related research projects. This represented 9.8 million in funding for crop-related projects and 7.5 million for livestock-related projects. Research funding from the ministry leveraged a significant amount of industry funding also. The outcome of the ADF projects will help ensure our industry remains a leader in innovation.

The 2021-22 budget also includes funding for environmental and climate change programs under CAP, which includes the farm and ranch water infrastructure program and the farm stewardship program as well as irrigation programming. Many producers apply for and participate in the farm and ranch water infrastructure program, and this has recently been the case over the last number of months. Producers recognize the value of the program as a tool to increase resiliency and adaptability.

The farm and ranch water infrastructure program supports and develops dugouts, wells, and water pipelines for agriculture use. We've seen a huge increase in demand for this program, from 901 applications in 2018-19 to 1,516 in '20-21. This increased demand shows the importance of our environmental programming and the important role it plays in supporting producers across the province. The risk management area of CAP programming also includes programs for crop and livestock disease surveillance and our pest control programs administered by the Saskatchewan Association of Rural Municipalities.

We have done significant work in recent years around monitoring of clubroot, a soil-borne disease affecting crops such as canola and mustard. In 2020, the ministry partnered with SaskCanola, Saskatchewan Crop Insurance Corporation, and SARM [Saskatchewan Association of Rural Municipalities] to conduct the clubroot monitoring program, which helps to understand and track the spread and severity of clubroot in Saskatchewan. The ministry's previous clubroot surveys provided an estimation of the distribution of the disease across the canola-growing areas of the province.

The 2020 clubroot monitoring program was a four-pronged approach that included clubroot-specific survey in high-risk clubroot areas, general canola disease survey across the province, on-farm testing, and encouraging increased external reporting from producers and agrologists. Increased understanding of the severity and distribution of clubroot will encourage proactive and science-based clubroot management. Ministry specialists work with producers to raise awareness of clubroot mitigation strategies, including minimizing soil movement, using a minimum of three-year crop rotation, using a clubroot-resistant variety, and monitoring all canola crops for clubroot symptoms.

Within the other priority areas under CAP, the value-added pillar includes a number of programs such as the Saskatchewan lean improvements in manufacturing program, and marketing

assistance offered through the Product 2 Market program. The public trust area of CAP includes programs targeting farm safety, ag awareness, and youth development and leadership.

The trade and market development pillar includes funding to support market access, market development, and trade advocacy. Saskatchewan continues to nurture and build trade relationships with our key export partners, while developing new trade opportunities in emerging markets. Export market diversification will continue to be one of the priority objectives of our government. Strengthening our existing markets is just as important as seeking new ones, and this work never ceases. When it is safe to resume such activities, we will continue to seek growth opportunities in the agri-food industry through the use of trade missions and support for organizations such as the Saskatchewan Trade and Export Partnership.

[14:15]

This budget also presents an opportunity to capitalize on the irrigation sector's strong interest in developing additional irrigation acres outside of Lake Diefenbaker irrigation expansion project. We are investing an additional 2.5 million in agriculture water development this year for projects outside the Lake Diefenbaker area. This funding will supplement existing irrigation development programming to increase the irrigable acres in our province.

We know that irrigation supports the growth of diverse, high-value crops, which increases on-farm profitability, value-added processing opportunities, business attraction, and employment. There was a strong uptake of irrigation-related cap programs in 2020, where more than 9,000 acres developed across the province last year. At a time when there is a global uncertainty regarding water and food security, we are strengthening the adaptability of our industry and provincial economy by investing in expanded irrigation.

This year's budget also includes support for our industry partners. This includes groups such as Agriculture in the Classroom Saskatchewan, which plays an important role in teaching youth about food production; the Regina Mobile Crisis, which operates the Farm Stress Line; and the Ag Health and Safety Network, which advances farm safety in communities across the province.

The 2021-22 Ministry of Agriculture budget positions our industry well as we work toward our growth plan goals. Saskatchewan farm cash receipts for 2020 are estimated to be \$16.4 billion, which is a new record for the province of Saskatchewan. That's 2.3 billion above 2019, an increase driven by a 21.1 per cent increase in crop receipts. Realized net farm income for 2020 is estimated to be \$4.2 billion, which is 63 per cent above the five-year average. Agriculture is a key sector to our province, and will be a driver in our economic recovery.

I believe this budget and the actions of our government will protect, build, and grow our Saskatchewan agriculture sector. I now look forward to the questions. Thank you, Madam Chair.

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

Mr. Wotherspoon: — Thank you, Madam Chair. Thank you, Minister, and to your deputy minister and officials that are here today, all others that are connecting to the important work here today as well. Certainly it's an honour to enter into discussion this afternoon into a sector that's so dynamic, so strong, and really has been sort of leading the way economically during, you know, many times but certainly through this very challenged time through COVID. Without a doubt we have world-class producers, research, innovation. The whole ecosystem that connects there is really a remarkable thing. I know we're the envy of the world on this front, as we feed the world. And certainly our agribusinesses and all the value-add and all the potential that I think we've just tapped on this front is work that we want to promote and support. So thanks for the time here this afternoon.

Maybe I'll cut into, because I know our time is limited here this afternoon, directly into the foundation of business risk management programs, and focus first off into the AgriStability. And of course there's been a real united voice of producers and farm groups in Saskatchewan — I'd say in Canada — pushing for needed improvements to AgriStability.

I was pleased, as I've identified . . . Of course I've been pushing along with them for the improvements both to the payment rates and then also to the elimination of reference margin limit. I was very pleased to see the reference margin limit being removed and I'll follow up more on the payment rate. But with respect to the reference margin limit, of course this was something really important to hard-hit livestock producers. Last year you spoke to the challenges with respect to the supply chain last year, also the reality by way of feed and our access to feed, cost of feed, the impacts of a very dry summer. So this is an important change. But I guess to confirm, this change will allow . . . It will be retroactive for producers last year, I believe? I guess if I could get the confirmation from the minister, as well as the cost for last year and for this year for this important change.

Hon. Mr. Marit: — Thanks, Madam Chair. The budgeted expense for 2020 on AgStability was 20 million, and for 2021 budget estimate I think we've got it at 25.3. That is retroactive to 2020 with the changes, and it goes out till 2023. It actually goes till the end of the CAP program with the removal of the reference marginal limit.

Mr. Wotherspoon: — Thank you. As I said and have put on the record and pushed for, this was an important change for producers, and I appreciate seeing the federal government come to the table with those dollars.

The piece that hasn't been committed to by your government is a concerning one for producers. Having the foundation of business risk management programs in place to secure economic recovery, it is really critical that producers have a program that's going to work, and that the payment rate increase that's, you know, supported in a united way by producers and farm groups is an important one.

You know, I've made this case, which you're well aware of. But I guess my question is . . . It's not too late to fix this program. And so my question to the minister is, what was the estimate on the provincial side? Because of course the federal government will pick up the majority of this cost, 60 per cent. What's the provincial estimate to fix this and improve this program and

increase the payment rates to 80 per cent, as producers have been calling for?

Hon. Mr. Marit: — Thanks, Madam Chair. Thank you for your question. And obviously it was a big discussion amongst all the provinces really, in discussion with the federal minister as well. First and foremost, the one thing that we did all through this whole process was really engage with our stakeholders, if not on a, you know, almost on a monthly basis and sometimes even more often than that.

The one thing we did hear from the stakeholders was the one thing they really wanted to see gone was the reference margin limit. That was their key thing that they really wanted to see. We looked at it, as many provinces did, and the federal government was, you know, their position was that cost shared at 60/40. The Prairie provinces obviously would be hit the hardest at the 60/40, and we had asked the federal government to reconsider that portion of that payment on that side to look at another, you know, percentage of funding, which they have said no to.

Where we have left it now is that we've asked the federal government to leave that 60 per cent on the table, regardless if the provinces participate or not. And right now all she's saying is that it's there, but she's not going to leave it on the table unless the provinces come to the table. The challenge for us obviously was the fiscal capacity of us. And as I've said earlier with the removal of the reference margin limit at a cost of, you know, 25.3 million speculated in this budget, that number could obviously see increases if we see a significant increase in participation, and that's obviously concerning as well.

So the challenge was for the Prairie provinces. We were obviously the hardest hit on this one at the 60/40 and asked for some compensation percentage change on that portion from the federal minister, which has not happened. But it obviously brought some fiscal challenges to the province of Saskatchewan, and what I heard from the stakeholders first and foremost was the removal of the reference margin limit. And that's the avenue we took.

Mr. Wotherspoon: — Well we can have the debate in other places as well. I mean I want to be clear on the record that I think it's a real oversight and error to not make this improvement when the federal government's committed to the lion's share of these dollars. Another way to look at this from a prairie perspective and from a Saskatchewan perspective is that we have the most at stake. Saskatchewan producers have the most at stake on this front, and this is an important foundation that should support producers in Saskatchewan.

And we'll continue to push with farm groups and with producers across Saskatchewan to make this important improvement, this important fix to payment rates after, of course, the cuts that really devastated this program in 2013. What I'm interested in — and of course we're coming up to the renewal or the agreement in 2023 — as well in whether or not you're looking at other options or alternatives right now to AgriStability, such as whole-farm margin insurance.

[14:30]

Hon. Mr. Marit: — Obviously we are looking at other . . . I just

want to say, you know, going back to the federal government, you know, she's made it very clear that their 60 per cent on the compensation side is on the table. But it's only there if the provinces come up with their 40 per cent. And that was a significant . . . as I said, a significant hit to the provinces in Western Canada. There was a vote taken by the provincial ministers on the last call to leave the 60 per cent on the table. And that was supported by the largest majority of ag industry provinces here in the country of Canada. So I wanted to see that on record as well.

As of 2023 there is . . . Now the discussion has started with ministry officials on what a new program may look like, and there's obviously different options that are going to be looked at. But one that is being looked at is obviously a margin-based program where we have undertaken and started to look down that process as well.

Mr. Wotherspoon: — Would that . . . Are you looking at a more private model on that front? I guess that model of insurance could be administered by government or like any insurance, it could be done in a private way.

Hon. Mr. Marit: — Well I mean we haven't gone down that road of whether it will or will not, how that will roll out. But the one thing that we've made it very clear to the federal minister, any new program . . . The one program that cannot be even up for discussion is crop insurance.

Mr. Wotherspoon: — Was this critical at this time, as they say AgriStability should be improved right now? I noted your comments around the Prairie provinces being the holdouts in blocking this change. I just think it's really unfortunate our producers have the most at stake. We have the most at stake as an economy on this front and improving this program is a very important foundation on that front.

I'm interested in where the . . . what the province's presentation, or how you're relating to the Canadian . . . the *Canada Grain Act* review that's going on, and obviously this is important. It concludes at the end of the month. The implications could be significant for Saskatchewan producers. You know, the expectation would be that Saskatchewan use its clout and its voice to stand up for producers' interests on this front around fairness and costs and transparency. So my question is, what sort of submission has the minister brought to bear and in what other ways has he acted to ensure the interests of producers on this front?

Hon. Mr. Marit: — Obviously, you know, the review of the Act is an opportunity really for the entire grain industry to address issues and gaps in the current system and really to position the industry to adapt to emerging trends within the grain industry as well. So obviously this Act has been amended a few times but has not really had a major overview since 1971. We have previously joined with Alberta and Manitoba to ask the federal government to proceed with this Act. And we're obviously very pleased that they are doing that.

One thing we are doing here is we are really engaging with the stakeholders on this one and listening to what their concerns and positions are as we inform our positions as well. So obviously we're encouraging our stakeholders to obviously participate in

the discussion. And we are engaged with the stakeholders, and we will be reaching out and sending our proposals in before the end. I think it's April 30th is the deadline. And we are still engaged, my ministry officials are still engaged with stakeholders on all those discussions and what their positions are on them.

Mr. Wotherspoon: — It's important that we utilize this opportunity to use our voice and our clout. Certainly a submission is important and working with Saskatchewan producers is key. You know, I think at the end when you go through a review like this, there is a risk that producers lose out in this sort of situation. And we need to make sure that we're standing up for their interests because certainly other actors within the industry will be looking out for those . . . the shippers and others. But it's ultimately producers that I think are really in a tight spot right now and need their interests represented.

Do you have any specific entries at this point? Or specific positions that you'll be making sure are clear as part of this process?

Hon. Mr. Marit: — I know there's five key areas of the review and that's really where we're at too. Obviously it's the mandate of the CGC [Canadian Grain Commission] and working that side with the stakeholders as well.

There's obviously a producer payment protection aspect that's also being looked at. There's also the governance structure. The CGC is also being looked at. And then I think the fourth one is the grain-grading system itself is also being looked at.

So really that's where we're really engaging with the stakeholders, and I want to put on record that I feel our relationship with the stakeholders in this province is very good. We've been engaged with them since last March really on almost a monthly basis. We just had a call here last week again. We're going to be having another one here in a few weeks and just engaging with the industry and the stakeholders, both from a livestock side and a grain side, where all groups have the opportunity to voice their concerns and have a discussion about what is important to them in the ag sector. So that's where we're at.

We're going to really be engaged with the groups on what they feel some changes should be made or should not be made, and then at the end of the month we'll be compiling that and making our recommendations as well.

Mr. Wotherspoon: — Thanks for that. I'll be looking forward to the submission. It's an important place for us to use our voice, hopefully in a kind of united way. Would that . . . That submission will be public at that point as well?

Hon. Mr. Marit: — Well I'm sure it will be. I'm sure it will be. Yes. I'm sure it will be.

Mr. Wotherspoon: — Thank you for that. I heard that. That can go in the record, you said you're sure it will be.

With respect to grading right now, and so some of the roles of the CGC with that being an area of review, it seems that that's important for producers to ensure the CGC maintains the

responsibilities of grading, or are you supportive of that being outsourced or privatized to different players in the industry?

Hon. Mr. Marit: — As I said before, this is one aspect where we're really going to listen to the industry stakeholders on this side of it. Obviously there's some key components that have to be safeguarded, and really we want to make sure that we safeguard the high-quality integrity of the grain system as it is today. But it doesn't mean there isn't room for improvement or some changes that could be made, you know, something as simple as simplifying the classes of wheat to be in line with market trends. And there's lots of examples of where we've seen that from customers around the world, and also extracting maximum value from the market using flexible rules to adapt to changing market requirements. And we're seeing that all the time.

So there's a number of changes but at the end of the day that's why we're not in a position to say where we're at right now, because we're really waiting for the stakeholders to come forward. And we'll collaborate it all and hopefully we'll, you know, come to a real good consensus on what those proposals will be.

Mr. Wotherspoon: — Okay. We'll look forward to the voice and the presentations. Certainly I want to thank all the Saskatchewan producers and farm organizations that are using their voice right now. Certainly the review is . . . It's important to make sure we're protecting Saskatchewan's, you know, producers on this front, their interests, and not leaving them more vulnerable than they are already.

With respect to another review, and I don't know where it's at right now, and that's the seed modernization review. Is that still occurring right now? And if so, is the minister now in a position to use his voice to stand up for things like the ability of a producer to save their seed?

[14:45]

Hon. Mr. Marit: — Yes, as of right now we don't know where they are with the federal government on that. They had it on, then they took it off. But the one thing I do want to go on the record for, and all the farm groups know this . . . I've said it to them publicly. I've said it at AGMs [annual general meeting] and things like that. I said that before we put a position forward, I would be bringing all the stakeholders together and we'd have a discussion about this, and hopefully have consensus or a majority of the discussion around what the position would be from the province of Saskatchewan.

Mr. Wotherspoon: — Yes, I was having trouble tracking where that process was at. I didn't know if maybe during this period with COVID that it became, you know, if it was sidetracked or if it was shelved. But I do think it's critical that we hear Saskatchewan's voice around producers' interests, and specifically the ability to save seed is an important piece of that.

I'd like to shift just a little bit to looking just a bit at crop insurance. Of course, it's supplied significant surpluses in a cumulative way. There's a very serious surplus there, I think well over 2 billion bucks — 2.2 billion. I could be corrected. What's the plan with those surpluses?

Hon. Mr. Marit: — You know, as a result of the premiums, crop insurance is in a good position that way. One thing we do look at is obviously there will be a year where we will be paying out significant dollars, and that's, you know, what that fund is used for. But obviously the one thing it also does is, with that surplus it allows a pretty good . . . It allows us the premium discount for producers that they're, I guess, given the opportunity to use if they're in the program. So that's really where we see the benefit of that surplus.

Mr. Wotherspoon: — But \$2.2 billion is a significant pool of dollars that have been accumulated and, you know, ultimately those are producers' dollars. They're important to underwrite this very important program. So understood that an adequate reserve needs to be in place. I think there's a question around what that number is. My question would be, since this is essentially producers' dollars — and it's so significant, \$2.2 billion — the province, you know, cobs those dollars or borrows those dollars and does so at the lowest interest rate, the shortest term lending rate, which is in the end not providing producers the fair return on their dollars there. It's not short-term lending. The province is very reliant on this lending, and they're supplying the shortest term lending rate to a borrowing rate on this front, shorting producers of the dollars and the return that they should be receiving. I guess as the Minister of Agriculture, have you given voice to this within your cabinet, or is this an area of focus?

Hon. Mr. Marit: — You know, as I've said before, the risk on the crop insurance side is much, much higher than what is in the surplus, so that's always the challenge for it. And as a result of the surplus, it gives us the opportunity on the discount side. So that's really, you know, where that goes. As far as the fair return, I think that's a question you should ask, you know . . . That is not for me. I think it's for the Minister of Finance to answer because that probably speaks across all of the government.

Mr. Wotherspoon: — No, I appreciate that. And I will follow up for sure with the Minister of Finance. I think it's something that needs some consideration. And you know, just from your portfolio representing producers on this front and producers' dollars, their interests on this front, I think they're really getting shorted if you look at getting paid the lowest rate, the shortest term interest rate. You know, even if they were to be compensated with, you know, the one-year rate, it would be a significant difference. But I'll follow up with the Minister of Finance, and I've brought it to your attention.

Around the actual surplus itself there — the dollars or the reserves, if you will; obviously it's critical that you have adequate reserves — when was the last review or study undertaken on this front? And what is the actuarial goal by way of reserves? \$2.2 billion is a lot of money. Is that sufficient or is the program at risk? And if we're in significant surplus, you know, of course again producers are paying the price on that front, through rates or not receiving the dollars that they're owed.

Hon. Mr. Marit: — Thanks, Madam Chair, and indulge us because obviously we have to go outside and contact Crop Insurance folks, and I'm sure you're aware of that. And there's some technical things in this, so I'm going to turn it over to my deputy minister, Rick Burton, to answer this one.

Mr. Burton: — Thank you, Minister. I'm Rick Burton, the

deputy minister of Agriculture. So the actuary recommends that the long-term goal is to have a surplus of 175 per cent of annual premiums from the previous year. So that is roughly about a billion dollars. Now any year it will go up and down depending on what those premiums are and also the liability. Our worst-case loss year was in 2002; 42 per cent of total liability was lost.

[15:00]

So if you work that out to the current liability the program is carrying, that could be a \$3.2 billion loss in any one year. And that's why it's prudent to have a surplus like we do. But as the minister had said previously, having a surplus above the target rate allows us to put a de-load on it, or a negative premium piece that allows us to reduce 20 per cent in the years we're above that target.

Mr. Wotherspoon: — I appreciate that information. The 175 per cent of premiums works out to be about a billion dollars. Right now the surplus, the reserves that are there, are about \$2.2 billion. So I think there's a space here that maybe there needs to be some serious review as to, you know, what's the best way to treat those dollars?

Certainly as I say, the province is just cobbing those. They're borrowing and doing so at the lowest cost that they can. That does short producers of the dollars for something that has become long-term borrowing. But the question as to how much should be retained . . . It seems that there's excess dollars here that there — significant excess dollars — that there should be some thoughtful consideration with producers about the best way to make sure that producers share in the benefit of . . . Ultimately it's their dollars.

I know there's an agreement with the federal government that would factor in to some extent, as to how this excess surplus can be managed. But that shouldn't stop, you know, Saskatchewan from making sure that producers aren't shorted. And number two, that if we're in, you know, a situation of serious excess, that we're looking at a way to get those dollars back to producers in a fair way.

So anyways, I appreciate the . . . I'm mindful of the time here today. We could probably spend another hour on this piece itself. And I would look forward to further engagement. I might correspond a bit with the minister, and I appreciate . . . I would push for maybe some further attention on this matter because it's a whole lot of producer dollars that are being held there.

Shifting along a little bit here, I'm interested in . . . And I know it's an important file to producers, and that's the situation around them being properly . . . having a value or being compensated for their role as environmental stewards, their work in sequestration through things like zero till. And I guess in the wake of things like the Supreme Court ruling, it's important that we make sure that producers are recognized for the carbon that they sequester and their work as environmental stewards.

So I'm interested to hear, where are you at as a government with ensuring value and compensation to producers on this front?

Hon. Mr. Marit: — Yes, on this one, obviously the lead ministry on this is the Ministry of Environment, and obviously they're

currently developing an offset program as we speak, which hopefully we'll have potential implementation in 2022. Obviously that whole carbon offset protocol is a discussion, but obviously a proposed offset system will provide an opportunity for the Saskatchewan producers to earn credits for agricultural land, and that's a discussion that we're having.

One thing we are doing is engaging with stakeholders on this. And I'll give you an example of a stakeholder group. There's obviously the Saskatchewan Soil Conservation Association and groups like that, on offset protocols. And obviously where the federal government has landed on some of this is very concerning. But that's where that's at. But it's being led by the Ministry of Environment, and we'll hopefully have some protocols by 2022.

Mr. Wotherspoon: — It's important work, and so I think it's rather critical to producers. They're incurring the expense, certainly of the price, and you know, it's going to be rather critical to make sure that there's an effective mechanism that treats them with fairness and ensures compensation for what they do with respect to sequestering carbon and as environmental stewards on other fronts as well.

Where are we at on grain drying? Unfortunately Saskatchewan producers have been subjected to the price on grain drying. There hasn't been provincial leadership to exempt them on this front. The federal government hasn't either. What commitment can you make to producers going into the year ahead?

Hon. Mr. Marit: — Well obviously we've been opposed to the carbon tax since day one, still are. And obviously this is one place where it shouldn't be either. And we have sent letters off to our respective ministers in concerns of the carbon tax on grain drying. Where that is at now, that would be something you should probably ask the federal ministers on their position on the carbon tax. Obviously it's very concerning for us as well. I mean it's no different than the offsets on . . . for carbon, as far as agriculture use. And the federal government has taken a position, and that's very concerning to us as well.

But we have taken a position. We've always been opposed to the carbon tax on grain drying. It's really in the hands of the federal government on whether they're going to exempt grain-drying fuels, whether it's propane or natural gas, from the carbon tax side of it. And I would hope that they will.

That's a question that I think you have to ask the federal minister. We've taken the position it shouldn't be there in the first place on anything. But we've also taken a position that it definitely should, that grain drying should be exempt. And we've sent the letters in that regard.

Mr. Wotherspoon: — It just seems this landscape has shifted, and producers have been let down the last number of years by the provincial and the federal government with respect to grain drying. But there's now . . . It's my understanding that the province is going to exert some authority on this front and have a Saskatchewan plan on these fronts. So I think now more than ever it really requires the provincial government to step up with respect to things like grain drying as well as, you know, sequestration or the offsets that we've discussed here.

So I would just urge the minister to, you know, recognize now in the wake of the ruling, that it's really critical that we don't let many days go by without ensuring the peace of mind and security to producers that grain drying can be exempt. And the province ultimately, if the province is going to act with a bit of a Saskatchewan plan, needs to make sure that that happens.

Do we have this minister's commitment to make sure as part of a Saskatchewan plan that that'll be the case?

Hon. Mr. Marit: — Thank you. As I said before, I mean, the Ministry of Environment is leading the offset discussion, and the protocol will be out in 2022.

I just want to go back to your comments about the grain drying, the carbon tax on grain drying. We've made it very, very clear to the federal minister — not only in letters to the federal minister but in face-to-face meetings here at Agribition when we had a meeting with her — and raised this as a concern to her for the removal of the carbon tax on grain drying. And also at the FPT [federal-provincial-territorial] meeting, we also made this very clear to the Minister of Agriculture of the unfairness of the carbon tax on the grain drying, both for propane and natural gas.

So I think we've been very clear with the federal government on this issue, and we've really stood up for the producers here in the province of Saskatchewan on this one. And it's really in the hands of the federal government if they want to remove the carbon tax off of propane and natural gas for grain drying.

Mr. Wotherspoon: — Certainly we've asserted ourselves in this conversation as well. Grain drying should have been exempt. But now we have a situation where I think the province is going to need to be able to step forward, protect producers on this front. We've talked about some of the other components. These are important and I would urge that action. We can't just be sending letters back and forth to the federal government or cap in hand here. We need to make sure we're acting in a way — and we have the ability to do so — to protect producers.

I'd like to shift just a little bit to one of the concerns that I'm sure you hear often and over the last number of years, is the foreign purchase of farmland and structuring deals that in essence break the laws that we have around Canadian residency. And it's the perception of many — including my own — that this government has really had kid gloves on this file while legal agreements have been organized that have allowed for foreign purchase of land that isn't compliant with the Act.

[15:15]

Of course, the Farm Land Security Board plays a very important role on this front. I don't think they've been provided the teeth or the tools that are needed here. But I guess my question to the minister is, where's he at on this file, and is he planning to lean into this file? Because it's gone on for a long time without adequate attention from this provincial government.

Hon. Mr. Marit: — I just wanted to get some facts here straight, and that's why I consulted these. The Farm Land Security Board obviously has the authority to ask any land purchaser to submit a statutory declaration to verify they meet the Act's definition of a resident person. The Farm Land Security Board reviews all land

title transactions and receives submissions of approximately 1,000 statutory declarations annually.

In Section 90 of the Act, it allows the Farm Land Security Board to ask any land purchaser to submit a statutory declaration to ensure farm ownership provisions are being adhered to. And the Farm Land Security Board is working with Justice to pursue those limited cases where a statutory declaration has not been provided in response to a request.

So there is lots of teeth in the Act. I think we've given Farm Land Security Board a lot of teeth in the ability in what they can do. And they're also exploring with the Ministry of Justice the potential for requiring land purchasers to complete and submit a statutory declaration as part of the land title transfer process with the Information Services Corporation.

Mr. Wotherspoon: — Thanks for the information. I don't think they have the adequate tools right now, and I think if you chat with the legal community it's rather understood that deals are able to be organized that don't comply with the spirit and intent of our laws. And this has been the case for a long time. I appreciate hearing the statement that finally, finally after all these years of pushing this issue, that we're going to potentially have a statutory declaration.

This is something that I've given voice to many years ago in this very Assembly, stating the importance of something like a requirement stating beneficial interests, beneficial ownership interests in every deal. It's taken a long time and there's been a lot of concerns of Saskatchewan people that have, you know, not been responded to on this front. But I appreciate hearing that they're moving towards a statutory requirement on this front, and that's a positive move.

This is a frustrating one for Saskatchewan people because people have witnessed what's been going on. You chat with the legal community; they know what's going on. And, you know, this government has sort of sat idly by on this front instead of digging in and making sure we're, you know, upholding our laws and that we're looking out for the long-term interests of the province.

I'll shift just a little bit towards irrigation, and there's a couple of components of irrigation going on in this budget. As I understand it there's some irrigation dollars available for projects outside of the Diefenbaker project, and then there's dollars dedicated to the Diefenbaker project. Could you just break down what those allocations are?

Hon. Mr. Marit: — Okay, I just wanted to say on the Lake Diefenbaker project that's not ours at all. That's under Water Security Agency; that's where that falls. But I'll let my deputy minister give you the breakdown on what's in Ministry of Agriculture on the irrigation side.

Mr. Burton: — With respect to what's new in this year's budget is two and a half million dollars to help with irrigation development projects. In the ministry we currently have an irrigation development program to help support the addition of new irrigation acres either in existing districts or outside of those districts. We fund that through our Canadian agriculture partnership program. But this two and a half million is in addition, and it'll be provincial money on top of that to allow us

to fund more acres for further development over the next number of years.

Mr. Wotherspoon: — Thanks. In recognizing that the Diefenbaker project isn't housed under the Ministry of Agriculture, certainly components of that project are certainly touted from an agricultural perspective and connect directly to producers and to agriculture. And I'm interested on that project. I guess one very initial question: do you feel at this point that your government has fulfilled its duty to consult with Indigenous peoples with respect to this project at this time?

Hon. Mr. Marit: — Really, you know, these questions are obviously for the Minister of Water Security Agency. I know on the RFP [request for proposal] to the engineering firm that received the first part of the project, that's part of the RFP, was the duty to consult. So that's where it's at.

Mr. Wotherspoon: — Obviously it's a critical function. I mean this project, it's critical that we get those pieces right. And not just duty to consult, but if it's a project that's feasible and in the long-term interests of the province, full partnership and working together with Indigenous people, downstream communities.

You know, I think of a community like the Cumberland delta that is already been significantly compromised. There needs to be efforts to make sure that there's concessions and protections for that delta. But those questions will largely be pursued with the appropriate ministers, as well as the questions around environmental assessments and, you know, water supply questions and water quality questions.

More from specifically the agriculture side and the irrigation side. Now the project that's been projected at this point and the costs that have been shared, does that include the distribution of water right to the property line of a producer or of a land owner?

Hon. Mr. Marit: — I think you'd have to be more specific with the question. I'm not sure what you asking for.

Mr. Wotherspoon: — Sure. So the question of, you know, conveyance or the distribution method of water to the property line. I think currently with the irrigation districts and with the irrigation projects along these lines, it's a two-thirds share provincially. One-third, is what I understand by the producer, to pay to their property line. So when we're looking at the scope of the project and the costs that have been identified at this point, does that include that portion of the project? Getting the water from, say, a canal or from a pipe to the property line?

Mr. Burton: — Thank you for the question. So what you're referring to is, some of the original estimates were put out around the \$4 billion for the project. Now those are original estimates. And part of the work of the primary consultant is to refine the costs as we go forward, and that is for all three projects that are there — the two on the west side and the Qu'Appelle south conveyance.

So that number will be refined over time. That includes major canals, reservoirs along the way, pumping stations, and some of the lateral out-canals off of the main canals. It doesn't include what we would term as district works.

And when you were talking one-third, two-thirds I think you were referring to the district work cost-sharing that's been very common in our irrigation programming. So that would be separate, and that will be once the main canal, reservoirs, pumping stations, and the lateral canals are developed. And then we will work on the district works along with the producers in those areas.

Mr. Wotherspoon: — Okay. So that cost hasn't . . . So right now the current cost-share structure with the districts is sort of this two-thirds province, one-third either the district or the producer. That hasn't been included in the \$4 billion modelling to date.

Mr. Burton: — We generally call irrigation districts works. Once a district is established, we have a program for the districts where we'll cost share one-third, two-thirds for new irrigation acres developed to get it to the edge of the field. And so that hasn't been developed yet because we don't know where the districts, you know, which fields they'll be putting them to yet. That's part of the work that's still going on on the development side.

Mr. Wotherspoon: — You must have a working estimate, because it's a big project and that portion is going to be . . . It's going to be critical, obviously, to live up to some of the economic assumptions that that water is utilized. And so it's going to be critical that that distribution occurs, and then it's going to be critical that producers uptake with the irrigable land. So I'm just trying to get a sense of the scope of the investment that's required on those fronts. What sort of modelling do you have on that front?

[15:30]

Mr. Burton: — So we don't have those estimates. They haven't been done yet. That'll be part of the work of the consultant. So the first part is to refine the costing of the canals and the main works, and then the secondary work I'll call it, the district works that I referred to, that'll still be developed and designed at a later date with a costing estimate at that time.

The Chair: — We're just going to take a two-minute break . . . [inaudible] . . . to switch out their folks, so if you just want to hold for a second.

[The committee recessed for a period of time.]

The Chair: — Welcome back, folks. We will resume consideration of the estimates and supplementary estimates no. 2 of the Ministry of Agriculture. I recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you, Madam Chair. So I guess I've come to learn that the district works, the distribution of the water from the canal or the pumping station to the property line, those costs aren't included in the \$4 billion estimate right now. Clearly those could be really significant costs if we're talking about the two-thirds provincial share.

At what point do you anticipate having some hard numbers on that front? And I guess obviously you wouldn't . . . That's a significant portion. I don't know how much that adds to the project, but you're not going to be advancing major capital or a project before you've got certainty and much more clarity around

those costs. Is that correct?

Hon. Mr. Marit: — I think that's a better question for Water Security Agency on the timelines around that, and not me.

Mr. Wotherspoon: — Is there such a big connect as well to the irrigation, the agricultural piece? So I'm just trying to get a sense of the total scope of this project and the costs. So those portions aren't included there. Now the two-thirds/one-third, that would be two-thirds the provincial government. Is that right?

Hon. Mr. Marit: — No, I mean this is obviously a new project, and that cost-sharing model hasn't been done yet, hasn't been defined, and will be at a later time obviously.

Mr. Wotherspoon: — So I guess just to make sure I've got the clarity, though. So the project . . . Obviously you're not placing major capital into or advancing the project before you have, I mean, the duty to consult, the environmental piece, and importantly all these other aspects that impact feasibility both for the province and the return but also for producers and how they relate to the program.

Hon. Mr. Marit: — That's obviously a question you would take to Water Security.

Mr. Wotherspoon: — What about the costs of the power upgrades that I would assume would be required? Has that been included within the 4 billion or is that a separate . . . is that outside that scope as well?

Hon. Mr. Marit: — I think these are questions you have to ask Water Security.

Mr. Wotherspoon: — I am hearing from producers who are, you know, it's a big project; it's a lot of money. There's a lot that's been touted within it, a lot of potential. But it's going to be, you know, we have . . . it's critical that if we're going to maximize a return here or meet the assumptions that have been laid out from an economic perspective, that producers, that there's going to be uptake and that producers are organizing towards that. And so they do, you know, all people care about how a project's being managed and the scope of it and the feasibility. And then producers care about, like, how do they relate to the program?

More specifically then just on the . . . so we've talked about that the project right now doesn't, the costing doesn't include that portion of getting the water, sort of, from the canal to the property line. What about the on-farm costs? What sort of programs are you anticipating or costs might the province incur on the on-farm portion of that? Or is that going to be entirely on the producer?

Hon. Mr. Marit: — I can't anticipate that being any different than what the model is now, where the farmers are doing the irrigation themselves. But obviously as soon as they invest in irrigation, the value of their property goes up substantially.

Mr. Wotherspoon: — Now my understanding, like, there's some good irrigation going on within the province without a doubt. And then there's lots of irrigable land that's not . . . that irrigation isn't being exercised right now. Does the minister have a . . . I guess is there a percentage of how much irrigable land isn't being utilized at this point?

[15:45]

Mr. Burton: — In the plan for growth, it put a target of 85,000 acres for irrigation over the next 10 years. That did not include the 500,000 in the expansion area. So that 85,000 acres was based on some work that was done where we feel we can add 35,000 acres, what we call infill acres, within existing districts, and then there's about 50,000 acres that we believe can be added outside of those districts or at the end of those districts.

Mr. Wotherspoon: — Thanks for that. What's been the holdup, or why have those irrigable acres not been utilized by producers to date from the ministry's perspective?

Mr. Burton: — I think there's a number of things involved here. On-farm profitability is probably the biggest driver. It's a significant investment on the farm and, you know, it has to have a return. In recent years we've seen that and we've seen significant increase in irrigation acre development. We've seen about 45,000 irrigation acres added in the last 10 years, 9,000, over 9,000 acres added last year alone. So we are really starting to see that. I think our programs contribute to that. But the biggest driver is on-farm profitability.

Mr. Wotherspoon: — And it's roughly about, like a real rough ballpark, but \$100,000 a quarter for an irrigation system for a producer?

Mr. Burton: — It's between 120 and 150 for 133 acres that you're adding when you add a pivot.

Mr. Wotherspoon: — So it's just making sure that we've got to, you know, make sure that it's not just, if we build it, they'll come. We need certainty when we're talking about, you know, an economic project. And so I see the trend line that you're describing, but there needs to be a significant greater uptake yet to be able to utilize the sort of land that's in question with this project. So is there some further consideration around program design, or different supports, to see that greater subscription on that front?

Mr. Burton: — Thanks for the question. And obviously we want to see significant uptake in the new regions when that infrastructure is in place. As part of the economic analysis and work that's ongoing now by the consultant, we are doing some work about really providing the economic ability for producers to share in those costs. Obviously, we don't want to have a system where they can't afford to develop those acres or it doesn't make economic sense. So that's part of the modelling that's going on now. But we do believe that the cost sharing that we do have for our existing programs for districts and for producers to provide the on-farm works is a good starting point. And we'll see where some of this modelling comes back and where we can go from there.

Mr. Wotherspoon: — Thanks. And so the portion of the project that we've spoken about where you're distributing the water from the canal to the property line, that's then owned by the district works, correct? And what sort of operating costs are folks dealing with on that front?

Hon. Mr. Marit: — You know, and I guess I can only use the modelling from existing irrigation districts now, and some of that

modelling is in some of the districts and it varies from district to district depending on their distribution system, right? So it varies from 60 to \$80 an acre that a producer pays, both in what we call maintenance and rehab. And we have no idea what . . . It depends on the capital on this project and what it'll cost and what it may cost the producer, as far as that goes for, you know, maintenance and ongoing . . . And they build up their rehab as well.

Mr. Wotherspoon: — So just 60 to 80 an acre on the operating side?

Hon. Mr. Marit: — That's operating and maintenance and also in rehab too. So they put significant amount away for rehabbing their district as well.

Mr. Wotherspoon: — When you talk about the uptake in the 9,000 new acres that have been brought online last year, what are folks producing? And what's required to meet the kind of economic assumptions that make this project, you know, real feasible? What kind of crop change, high-value crop change are we talking about?

Hon. Mr. Marit: — You know, obviously time is going to tell how that's going to roll out. But I mean we're already starting to see that trend where some of the farmers up in the irrigation districts now are really looking at grabbing value in vegetable production. And we're starting to see an increase in that.

I think it just leads to the opportunity of growth here. And that's what you're going to see, is when you look at other irrigation districts in not only in Western Canada but in the United States as a whole, you're going to see that the greatest opportunity for growth is going to be here in the province of Saskatchewan from that perspective. I foresee a huge uptake in the vegetable side here in Saskatchewan.

Mr. Wotherspoon: — These are critical pieces to sort of the economic modelling and the feasibility of the project, you know, the project as it's been scoped right now, but then all these additional components, and then sort of what that return on investment or economic return looks like. It's fair to say, and I guess this is at the early stages of this project, but certainly I guess my question to the minister is, we can expect in the coming months and years much more fulsome opportunities to get at sort of feasibility assessments and economic modelling, and what some of these program costs will look like. Is that correct?

Hon. Mr. Marit: — Well you know, once again I think it's a question better answered by Water Security Agency. I think the opportunity is endless for growth and the opportunity around that. And some of those studies that are being done will show those numbers, what the potential growth can be.

Mr. Wotherspoon: — Cognizant of the time, certainly this project is one that, you know, I'll likely be following up to seek a little bit more information in the coming months. It's an important project, important that when you've got this sort of dollar that's potentially being allocated as well, that it's in the interests of . . . in the public, and organized in a way that's going to return the kind of economic returns that have been touted.

Shifting just a little bit to the opportunities around renewable diesel or biodiesel, certainly there's a lot of potential I guess on

the crop front here and then on the processing side to ensure that we're able to provide some of that feedstock to, say, the refinery here in Regina or to the fuel supply in Western Canada. What sort of efforts has your government taken on this front to I guess fulfill this opportunity?

I note of course that Federated Co-op, you know, a very important entity and employer in this province, has now acquired the interest from True North around the biodiesel project. And what I like about the considerations here is that we're finally not going to be importing feedstock from outside of Canada on these fronts, and we'll be able to get that more fulsome return for producers and a more fulsome economic return. I guess just if you could speak to what sort of . . . I hope this is a priority of your government, and what actions or programs you're providing on this front.

Hon. Mr. Marit: — Thanks. Thanks for the question. And I appreciate that question because obviously it's something that's very interesting to the province of Saskatchewan when you look at our growth plan to 2030, when we want to see, you know, our value-added processing, crush quota, you know, on oil go to 75 per cent and things like that. I mean obviously we're waiting to see where the federal government goes on clean fuel standard. You raise a good point that we're importing. Canada as a country is importing, and we're importing because of regulations around that.

[16:00]

So as a provincial government, we have obviously many tax incentives for companies to look at if they want to come and invest in the province of Saskatchewan. And those incentives are all administered through Trade and Export Development ministry, and the folks over there do an excellent job in working with industry stakeholders and laying out the opportunities to develop here in the province of Saskatchewan

Mr. Wotherspoon: — Thanks for the response. It's a space that I think we should be really active on. Not that we don't like our neighbours on either side or anything, but you know, I don't want to see this industry build out somewhere else. I think we've got an opportunity to make this happen. We have some of the investment interest here to make it happen as well. And I sure like that idea of having the better return here locally and not importing that feedstock . . . [inaudible interjection] . . . Okay, that's good. My colleague has come in and she's going to have a very important line of questions.

I guess I'll keep this more direct. Folks like APAS [Agricultural Producers Association of Saskatchewan] have really dug into the connectivity file, as have many producers. SARM has done the same. Connectivity really matters in Saskatchewan. It matters from an economic perspective to rural Saskatchewan. It matters to the farm. It matters to the towns, the villages, the First Nations across our province and in through the North. Folks have dug into that work. APAS has put forward a report that's really a constructive piece here, as have others at this point.

I guess I would urge you, and maybe call on you to see if you've provided this advocacy or if you're willing to provide this voice. You know, we need to go beyond the talk on this front. We need to make sure there's capital there. SaskTel, it can't just be pushed

to do things it doesn't have the capital for. At this critical time to connect Saskatchewan, I think it's very reasonable to be reviewing the dividend that SaskTel provides to the GRF [General Revenue Fund] to ensure the capital is there, dedicated to connect Saskatchewan.

Of course, on the farm side, you know, you're talking about a very significant economic piece in just how agriculture has shifted, as you would know. Connectivity matters to the equipment and the technology that needs to be deployed, from precision agriculture through to so much of the equipment that producers are purchasing. So we need them to be able to utilize that equipment.

I guess to the Minister: can we count on you to be a voice to make sure that on things like the review of a dividend, to reduce it and make sure the capital's there in SaskTel to connect Saskatchewan?

Hon. Mr. Marit: — I can say this: I think if you talk to my cabinet colleagues, there probably hasn't been a stronger advocate for rural connectivity than myself, along with many of my colleagues. And I think if you look at SaskTel's investment in rural Saskatchewan, it has been absolutely phenomenal over the past few years. And I know in my area of the province, in the South, it's obviously a challenge but we're seeing opportunities obviously from a government perspective in SaskTel and what they're doing and connectivity and working out, and also from private providers as well that are doing a phenomenal job out there too.

Mr. Wotherspoon: — Thanks for the response. It is a file I really think we should be looking at, how do we really turn the dial on this right now? And I think it's a real enabler by way of the capital, and it's very important for us to seize this opportunity for rural Saskatchewan at this time.

Obviously I want to continue to encourage efforts around supporting local meat production and abattoirs. You know, along the lines when we're talking about renewable diesel, it's about providing that more fulsome economic return locally and providing stronger opportunities, better pricing potentially for producers locally. Things like the consumer shift that's occurring really could support good economic, you know, opportunities on this front. I think of my friend across the way who represents the good town of Shaunavon and, you know, they've got a good example of an abattoir there and some local food production that's really an awesome story to tell about this province as well.

And we know there's been issues with the supply chain and slaughterhouse capacity. We saw it, you know, on full display this last year with COVID. And so there seems to be real opportunities there, and so I would encourage your efforts on that front as well as around all the work around the protein industries that exist, and market access and those trade opportunities, making sure that we solidify the relationships and expand the relationships we have and then diversify wherever possible.

I say all of that in a bit of almost a speech just because I want to make sure that I'm supporting the work of those out there doing this work and that I encourage you towards it, and because I've got my brilliant colleague who's going to be taking over the questioning here this afternoon for the duration of the estimates.

So at this time I just want to say to you, Mr. Minister, thanks for your time here today, and to your deputy minister who provides great leadership, and to that whole team and all those that connect with the work in agriculture: all of our producers, all those involved in agribusiness, all those involved in innovation and research.

And we will be, you know . . . I know we had some contentious debates. I'll continue to push for things like the fix on AgriStability, continue to push on connectivity, continue to push for fulsome answers around the irrigation project. But I want to offer my thanks for your time here today.

Hon. Mr. Marit: — Thank you for your line of questions as well.

The Chair: — Thank you. I will turn over the floor now for questions from Ms. Nippi-Albright who has joined us.

Ms. Nippi-Albright: — Thank you, Deputy Speaker. I don't know what to call you here. So thank you all so much for, you know, spending a Friday afternoon sitting in here. I'm sure you want to be outside enjoying that nice weather.

I do have a few questions to ask. You know, as you know I'm pretty new here, so I've been doing reading, doing a lot of reading. And I was looking at the 2020 report on the provincial Calls to Action on truth and reconciliation. And the Ministry of Agriculture was going through the process of hiring an Indigenous advisor for the ministry.

So tell me the process you undertook to get an Indigenous person hired. And how is that person engaging First Nation leaders and community in a meaningful way that is respectful of Indigenous ways of knowing and seeing the world? In answering this, I ask that you provide some concrete examples that actually changed the systemic colonial structures that Indigenous peoples face.

Hon. Mr. Marit: — I'll have my deputy minister respond to this.

Mr. Burton: — Thanks for the question. So we hired a senior Indigenous specialist for the ministry. She came on board last April. The hiring — it's Kallie Wood — and the hiring of Kallie came through an open competition that we did, and she was the successful candidate.

You asked a little bit about, maybe, the role of that senior Indigenous advisor and if I could just kind of go into that role. You know, that position is tasked with working across Government of Saskatchewan and have created a community of practice to support the province in working together to achieve common goals and creating respectful engagement with Indigenous peoples and communities. The senior Indigenous advisor is responsible for being a point of contact and building connection with Indigenous communities by steering agriculture inquiries and requests for development of cow-calf, bison, greenhouses, and crop production operations to ministry specialists who can also help out.

Kallie connects with land managers, chiefs, and tribal councils and is helping to establish relationships with the ministry and across government specialists. She increases internal ministry knowledge and understanding about First Nations and Métis communities, First Nations and Métis history and culture, and

truth and reconciliation to enable staff to better serve and build relationships with Indigenous people, working to develop an Indigenous agriculture centre of excellence alongside other agencies such as Farm Credit Canada, Indigenous Services Canada, to name a few. And to help Indigenous producers find programs and services both federally and provincial programs.

The ministry's senior Indigenous advisor helps co-create tools to assist ministry staff — just one concrete example of the work, and again remember that she started in April and we were in COVID and so part of it was on-boarding Kallie within the ministry. She's done a tremendous amount of work in the time she's been with us.

But just one of the examples that we've undertaken recently is, in collaboration with the other Prairie provinces, Manitoba, Saskatchewan, and Alberta have entered into an agreement called the prairie regional First Nation engagement partnership project. This project is to engage with land-based First Nation communities located in each province and will collect data that will identify current level of agriculture and agriculture processing sector participation, their interests, and the feasibility of future participation.

The project will establish a baseline data set to support the development of government programming and initiatives aligned with communities' vision, land use plans, and governance. This will also support planning for our next policy framework where Indigenous agriculture will play a prominent role in our programming at both the national level and the provincial level.

Ms. Nippi-Albright: — Thank you. My next question is, when the province is auctioning off or selling surface Crown lands, is the province a willing seller?

[16:15]

Hon. Mr. Marit: — Thanks for the question. Obviously prior to any sale, Crown land undergoes a very comprehensive review to determine if the land can be sold or it should be retained. Several ministries and agencies as well as local rural municipalities where the land is located are canvassed to determine if there are any reasons to retain the land under Crown administration. The need to conduct a duty to consult and consultations were required as part of this review as well.

So leased Crown lands that are included in regulations associated with *The Wildlife Habitat Protection Act* are only sold if these lands are classified as having moderate or low ecological value. Moderately rated lands are only sold with a Crown conservation easement as well. And vacant lands not in the regulations associated with WHPA [*The Wildlife Habitat Protection Act*] undergo a CLEAT [Crown land ecological assessment tool] review. High ecological value lands are not sold, and moderate ecological lands are. So that's the process. And the duty-to-consult process is all part of that as well.

Ms. Nippi-Albright: — Just for clarification — I'm just not quite understanding — so is the province a willing seller in this when they sell off Crown lands?

Hon. Mr. Marit: — As I said we do an extensive review prior to the sale to see if there's any reasons for not selling the land. If

there's ecological goods or if there's other reasons, if a municipality has an interest, then we don't sell it. Otherwise if we see that there is no reason to not sell it, then we will put it up for public auction.

Ms. Nippi-Albright: — So just asking, just for clarification, just so that I understand. So are you saying then, or is it fair to say, that the province is a willing seller when you're selling Crown lands?

Hon. Mr. Marit: — As I said in my previous answer, my answer stays the same. We look at the review process. We do an evaluation of the land and if it has an ecological good or if there's an interest from a municipality that for whatever reason, whether it's got a gravel source or something like that on it, then it's not for sale. But if there is no reason to not hold it, then we will put it up for public auction.

Ms. Nippi-Albright: — Okay. And when you say "we," help me understand who that is.

A Member: — The ministry.

Ms. Nippi-Albright: — The ministry?

Hon. Mr. Marit: — The ministry.

Ms. Nippi-Albright: — You know, I've had this opportunity in my previous work as a community developer and working with First Nation and Métis leaders and communities. And one of the things that I've often done is around community development and consultation — meaningful consultation. And when I won my election, won my seat, my first task was to meet with First Nation and Métis leaders. And I've done a good majority of those meetings through Zoom meetings. And I've asked them about . . . because I also, I'm quite familiar with the Crown lands and when the province goes to sell them.

So I've asked them what the processes have been for consultation when this government goes to sell Crown lands. And what I've heard back over and over again, repeatedly, is that a registered letter goes out. And if these affected, impacted communities have any questions or concerns, they are given the opportunity to go to the website and provide feedback. This is what I've heard over and over again from First Nation leaders. And duty to consult, when I have spoken to them, is very different than what the engagement here means . . . about voluntary engagement when it triggers the duty to consult.

So my question is, besides that process, at what point does the senior ministry staff actually leave their office buildings and build relationships and talk to the First Nation leaders when there is a potential land to be sold? Crown lands, I mean. So at what point in this . . . and obviously the current process that's happening today is not effective nor is it efficient. And it's quite insulting to the First Nation communities, First Nation leaders, when they're not being consulted. They're consulted after the fact. Or when . . . or they're given just a short time to respond. So my question is, when and do you have any intention of actually consulting in a meaningful way?

In Indian country — and I say this because I am First Nation — in Indian country we actually call the leaders, and we actually go

and meet them. And with the case of COVID, we've had Zoom meetings; we've had teleconference calls with them to say, hey, this is what's coming down the pipe; let's have a discussion about this. That's the way we work in Indian country. We go and develop those relationships. And this ties in quite well with truth and reconciliation. It's about building those relationships. It's not about doing things over the phone all the time. It's about actually getting out of our buildings and going to the communities, building those relationships.

At what point does the ministry, or when will the ministry . . . or do they have an intention to actually engage in a meaningful way that is respectful of the Indigenous ways of doing business?

[16:30]

Mr. Burton: — Thanks for the question. We might need further clarification on a piece of the question. When you referred to the website, I think that might be the Government Relations website, not the Ministry of Agriculture's when we send the letter out. When we do send the letter, we have a contact from the ministry and a phone number in the letter, I believe. But what we do do is we follow the consultation policy framework that's recommended by the Ministry of Justice.

We have met, in the past, with First Nations — prior to COVID — face to face. A couple of examples were in P.A. [Prince Albert] and Meadow Lake. We have been using Teams during COVID. I don't know the numbers of Teams meetings that we have, but we're certainly willing to do that and make ourselves, make our staff available that way.

We recognize that some First Nation communities may not feel that that is sufficient or that the time frame is always sufficient that they're given. We are open to discuss their concerns with us. We have provided extensions to the 90 days during COVID. And so as I said, we're open to discuss some of the concerns.

Ms. Nippi-Albright: — Thank you. So when you say you're open to discussion, I guess would the ministry and their senior officials be willing to get on the agenda of chief and council meetings when selling Crown lands in southern Saskatchewan? Would you guys be willing to do that, to get on the agenda of chief and council meetings?

Mr. Burton: — So currently we do have a process, and we've been following that process. As I said, we're willing to meet and discuss some of the concerns of that process, but I don't think I'm in a position to commit that we would be willing to get on the agenda before we sell any Crown lands.

Ms. Nippi-Albright: — So when the First Nation leaders, and when I chat with them . . . So you're saying that, just for clarification, that there's no desire to be on the agenda? Because many First Nations are very welcoming, and they certainly would like, when they're being consulted to be . . . they're very inclusive. And being on the agenda of their chief and council meetings as a presenter and building that relationship will certainly demonstrate the ministry's willingness to build meaningful relationships with First Nations people. So is that what you're saying, is that other than . . . the status quo is good enough? Or would you be interested in asking to be on the agenda at chief and council meetings?

Mr. Burton: — I just want to be clear in my response. And it wasn't that we wouldn't be willing to be on the agenda, but the way that the question was phrased, I interpreted to mean that we would be on the agenda before we sold any Crown land. And what I'm saying is we're willing to discuss the process. At this time I'm not in a position to commit to a change in the process. So we would certainly be willing to get on the agenda to understand the concerns, discuss the process, and to foster relationships.

Ms. Nippi-Albright: — Well thank you for that. So another question I do have is, so does the government or the ministry think that it should be offering to sell Crown lands to First Nations before other purchasers as part of resolving its obligations under the treaty land entitlement?

Mr. Burton: — So in regards to treaty land entitlement, Saskatchewan reviews all of the land selections and responds back to the First Nations groups within 90 days when they have made a selection. When it's not in the public interest to retain the selection, land is made conditionally available for sale where there's no provincial interest restricting the sale, where lands will retain reserve status, and where third-party interests are addressed.

Selected lands that have increasingly complex issues require involvement of provincial reviews. So I'll just leave it at that.

Ms. Nippi-Albright: — So another question I have is, how many times has the duty to consult been triggered when the government was looking to sell Crown lands?

[16:45]

Hon. Mr. Marit: — Thanks for that. I just want to say on the duty to consult, I'm, you know, extremely proud of the process that the ministry goes through on the duty to consult and the detail around that. And that's really where this is, is the process. And I would hope that that process is working well and just leave it at that. As far as the tracking, it's a difficult part.

Ms. Nippi-Albright: — Okay. So just about that process — and I shared a little bit with you how frustrating it is with First Nation leaders that the process does not work — so is there an appetite for this ministry to actually get on the chief and council agenda to discuss that process with First Nations people?

Mr. Burton: — Sorry for the delay in getting back to you on this one. Yes, we certainly would do that. It's usually a role that's coordinated through Government Relations, but we can work with Government Relations and attend those meetings.

Ms. Nippi-Albright: — Government Relations, okay. Just writing that down. So has the ministry ever asked First Nations how they would like to be consulted when Crown lands are being considered for auction?

Mr. Burton: — So your question was with regards to the auction that we hold. And prior to lands being put into the auction, those that trigger duty to consult will have been put through that process before they go into the auction. Once they're in the auction, First Nation communities have the ability to bid on them as other bidders.

Ms. Nippi-Albright: — Okay. I just want to get some clarification. When I asked about how many times the duty to consult was triggered, your response or the minister's response was that it's difficult to track. So are you saying that the ministry is inundated with so many duty-to-consult that it's difficult to track that way? Or help me understand what you mean that it's difficult to track.

Hon. Mr. Marit: — I guess we just don't actively track that. That's really what it is.

Ms. Nippi-Albright: — Very interesting, because I think it's probably in the best interest of all of us that that's tracked so that we can . . . That shows a measure of what we're doing as government.

One last question while I . . . Yes, well actually I have a few more questions. I'll take my time. So how many acres of minerals have been sold and auctioned off?

Hon. Mr. Marit: — If I could respond to your answer about the numbers, we did have one of the officials reach out and it was 157 times in 2020-21.

Ms. Nippi-Albright: — One hundred and fifty-seven times for what?

Hon. Mr. Marit: — Engagement in duty to consult.

Ms. Nippi-Albright: — Duty to consult.

Hon. Mr. Marit: — We're just getting your other response to your other question.

Mr. Burton: — Thank you. Your question was how many acres of minerals have been auctioned off?

Ms. Nippi-Albright: — Yes.

Mr. Burton: — That would be a question directed to Energy and Resources, not Agriculture.

Ms. Nippi-Albright: — So let me ask this question then: how many of acres of Crown land has been sold or auctioned off?

Hon. Mr. Marit: — Do you want for 2020-21? Is that for last year?

Ms. Nippi-Albright: — Sure.

[17:00]

Hon. Mr. Marit: — The number we have right now is what the Government of Saskatchewan has sold since 2008 is approximately 1.1 million acres.

Ms. Nippi-Albright: — Thank you. Just one last question here. Still with the 157 times that the duty to consult was triggered, do you have a list of the First Nation and Métis communities that were consulted?

Hon. Mr. Marit: — We probably have that list, just don't have it with us here today.

Ms. Nippi-Albright: — So is that something that will be presented sometime for me to review?

Hon. Mr. Marit: — Yes.

Ms. Nippi-Albright: — Okay. So is there a particular person that I would contact directly?

Mr. Burton: — The Chair. We can follow that up through the Chair of the committee.

Ms. Nippi-Albright: — I just want to go back to is the . . . And I wasn't quite sure, and I'm new as an MLA [Member of the Legislative Assembly] here. So you say the ministry is the willing seller. Is that on behalf of . . . Of course, obviously behalf of, just for clarification, behalf of the province? That the province is the willing seller on Crown lands?

Hon. Mr. Marit: — I'm not sure I understand your question. I mean we . . . Land is put up for sale when it becomes vacant, and that's the process we go through.

Ms. Nippi-Albright: — And that's the government? Is that the government, the Government of Saskatchewan?

Hon. Mr. Marit: — There's other ministries that have land as well, but we just administer what falls under the Ministry of Ag, that's all.

Ms. Nippi-Albright: — And just for clarification, that's just for on behalf of the province?

Hon. Mr. Marit: — It's just land that falls under the Ministry of Agriculture.

Ms. Nippi-Albright: — Okay. So just remind me again that your process of consulting with nearby First Nations when the ministry looks to sell parcels of Crown land.

Mr. Burton: — So I don't have a complete list of all of the steps in the process, but we follow the process that's laid out in the consultation policy framework. And it's recommended to us by the Ministry of Justice.

Ms. Nippi-Albright: — Okay. So do you think that, again, that the government should be offering to sell Crown lands to First Nations before other purchasers?

Hon. Mr. Marit: — You know, we feel the process that we have with the duty to consult is obviously all framed around the consultation policy framework, and that is really in conjunction with the Ministry of Justice. And so we think we're meeting all the requirements that are required under the current framework agreement.

The Chair: — Thank you, Minister. The committee now having reached our agreed-upon time for the consideration of business today, we will be adjourning our consideration of the estimates and supplementary estimates no. 2 for the Ministry of Agriculture. Minister, if you have any closing remarks you'd like to make.

Hon. Mr. Marit: — Thank you very much, Madam Chair. I'll

keep it very short. I just want to thank the members for their questions through this process, and I appreciate that.

But I also want to take this opportunity to thank the entire team at the Ministry of Agriculture for the work they do to deliver the programs on behalf of the farmers and ranchers and all of the people of the province of Saskatchewan to grow the ag industry here in the province. So I just want to go on record in thanking the entire team at the Ministry of Agriculture. Thank you.

The Chair: — Ms. Nippi-Albright, if you have any closing remarks you'd like to make.

Ms. Nippi-Albright: — I just want to say in my language, gichi-miigwech for giving me this opportunity to ask some questions that are near and dear to the First Nations people and the Métis people in this province. So again, miigwech for taking the time to sit here on a beautiful afternoon here to answer some questions. So, miigwech.

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

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee now stands adjourned until Saturday April 17th, 2021 at 12 o'clock p.m.

[The committee adjourned at 17:07.]