



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Aleana Young, Deputy Chair
Regina University

Mr. Jeremy Cockrill
The Battlefords

Mr. Ken Francis
Kindersley

Mr. Terry Jenson
Martensville-Warman

Mr. Delbert Kirsch
Batoche

Mr. Doug Steele
Cypress Hills

[The committee met at 17:05.]

The Chair: — All right. Good afternoon, everyone, and welcome to the Standing Committee on the Economy. I am Colleen Young, and I will be chairing the meeting this evening. We have also joining us committee members Terry Jenson, Delbert Kirsch. We have Terry Dennis substituting for Doug Steele. We have David Buckingham in for Ken Francis. And Aleana Young here this evening.

The first item of business is the election of a Deputy Chair. Pursuant to rule 123(2), the Deputy Chair must be an opposition member unless specified in the rules. Given that Ms. Young, Regina University, is the only member of the opposition on the committee, I will ask a member to move the Deputy Chair motion. I recognize Mr. Dennis.

Mr. Dennis: — I move:

That Aleana Young be elected to preside as Deputy Chair of the Standing Committee on the Economy.

The Chair: — Mr. Dennis has moved:

That Aleana Young be elected to preside as Deputy Chair of the Standing Committee on the Economy.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We also have here this evening joining us, Dana Skoropad, who is substituting for Jeremy Cockrill.

I'd like to advise the committee that pursuant to rule 148(1), the supplementary estimates for the following ministries were committed to the Standing Committee on the Economy on November 30th, 2021: vote 1, Agriculture; and vote 90, Trade and Export Development.

I would also like to table the following documents: ECO 4-29, Ministry of Agriculture: Responses to questions raised at the April 16th, 2021 meeting; ECO 5-29, Water Security Agency: Responses to questions raised at the April 29th, 2021 meeting; ECO 6-29, Ministry of Highways: Responses to questions raised at the April 23rd, 2021 meeting; ECO 7-29, Ministry of Environment: Responses to questions raised at the April 28th, 2021 meeting.

**General Revenue Fund
Supplementary Estimates — No. 1
Trade and Export Development
Vote 90**

Subvote (TE05)

The Chair: — So we will now begin our consideration of 2021-22 supplementary estimates, no. 1, for the Ministry of Trade and Export Development, vote 90, Saskatchewan economic recovery rebate, subvote (TE05).

Minister Harrison is here with his officials this afternoon, and I

would ask that all officials please state their names before speaking at the microphone each time. And as a reminder, please don't touch the microphones. The Hansard operator behind us will turn your microphone on when you are about to speak.

So, Minister, you may begin by introducing your officials here this evening and with your opening comments.

Hon. Mr. J. Harrison: — Sure. Well thank you very much, Madam Chair, and good evening to everyone. And I want to thank the committee for the committee's indulgence in scheduling on relatively short notice the meeting to review the supplementary estimates that are before us today.

With me on my right, Jodi Banks, deputy minister, Trade and Export Development; behind me, Grant Hilsenteger, assistant deputy minister, corporate services; Troy King on my left, the CFO [chief financial officer] for Saskatchewan Power Corporation; behind, Cole Goertz, manager, government relations, media and issues management with SaskPower as well.

And we are here today to discuss a supplementary estimate of \$9.5 million for the Trade and Export Development budget. This additional funding is necessary to support the Saskatchewan economic recovery rebate. This is the SaskPower customer rebate which began in December 2020 and ran until the end of this November. The rebate provided a 10 per cent rebate on the electrical charges portion of the SaskPower bills. The amount of the rebate was dependent on actual power consumption each month.

The budget for the rebate in this fiscal year was \$174.8 million. The estimated cost of the program in 2021-22 is \$186.8 million. The budget pressure from this program is partially offset by other savings in the ministry budget. I also want to note that last fiscal year, we were underspent in this program, with savings of approximately \$11.5 million. Therefore, the total estimated cost of this program over the two fiscal years it has been in place is reflective of the overall original budget.

And just a note for committee members that our SaskPower officials really are the subject matter experts in the program, so I'll likely defer to Mr. King, for a number of responses. But I want to say thank you to the committee, and we would now be pleased to take any questions.

The Chair: — Okay. And I'll open the floor to the committee for questions. And I'll recognize Ms. Young.

Ms. A. Young: — Thank you, Madam Chair. Thank you, Minister. Thank you as well to your officials for being here both from the ministry and from SaskPower. I believe my initial question will be likely for Mr. King. Mr. King, how many customer accounts does SaskPower currently have? I believe the last time we spoke, it was 545,179.

Mr. King: — Yes, it would be around that 550,000 mark.

Ms. A. Young: — Okay. Has it increased or decreased since I guess it would have been March when we . . .

Mr. King: — There would have been a slight increase in

customers over that time.

Ms. A. Young: — Okay. Also just basing some of my questions off our last conversations around annual report time, per those discussions if I recall, electricity sales were down considerably in '19-20 and that trend had continued into '20-21. Is that consistent to date, or can you offer some comment on electricity sales volumes to date?

Mr. King: — No, we've actually seen quite a turnaround. I didn't introduce myself or say my name. Troy King, CFO with SaskPower, sorry. Yeah, so last year we saw about a three-and-a-half-per-cent decline in our overall electricity sales. However when you look at the year, it's really split into two parts. It started with the pandemic. In April, May, June, we saw a real drop-off in our sales volumes — up to 10, 11 per cent in a given month.

And then in the second half of the year, we certainly saw a recovery. So at the end of the year, we ended up at about three and a half per cent down. This year we're continuing to see that, what we call a recovery. We're looking at around 5 per cent growth this year for the full fiscal year to March 31st of 2022.

Ms. A. Young: — So am I correct then in understanding that it would be net two over 2019, 2020?

Mr. King: — Yes, about . . .

Ms. A. Young: — Give or take.

Mr. King: — One and a half, yeah.

Ms. A. Young: — Okay. Thank you. So the program covered power bills prior to December 1st, 2021, I understand. Obviously it's ending today. And the initial cost I think the minister referenced, it was 175 this year's budget. Overall I think it was 262 million. Is that correct?

So you know, recognizing the savings found within the ministry and it being underspent by I think it was \$11.5 million last year, can you offer some comment on the increased funds being requested today and the reason for that?

Mr. King: — Sure. So as the minister stated earlier, the program itself for a 12-month period is still intact. That 262 still looks like that's about the number that we're going to hit. The variation is really just timing between the four months that it took place in the 20-21 period and the eight months taking place in this current fiscal year. So you had four months of the rebate in the last fiscal year.

And so there's a couple things. One, you see variations in our sales volumes from month to month, and that can be affected by many factors, including weather. The other piece that causes some variability is really the first month being December of last year. What you end up having in that year . . . Because our billing is done on a cycle basis, it's not done on a month-end basis, so for example your bill in December may include 29 days of November and one day of December. And so there'll be variations in December.

So in December roughly we're getting about 50 per cent of the billing of rebate would take place, so there's a little bit of that

shift that's going from . . . Those first four months get pushed onto the last four. And so for example, the program's going to end in November . . . or it was going to end today, I guess. We'll still be issuing rebates into December because the bills for December will include days for November of this year. So that's one of the main reasons for that shift.

Ms. A. Young: — Thank you, Mr. King. I think I grasp that. I believe those examples were given even in the initial news release for the program. I suppose what I am actually asking is with the supplementary ask for the additional nine and a half million, is that due to increased power consumption? Is it due to increased generation costs? Help me understand that.

[17:15]

Mr. King: — It's mostly because we didn't rebate enough in that first four months. We overestimated how much would take place in that first four months, and it's really just flowing into the second part of, that last eight months it's going into. And so the full amount, the 262, is the same. It's just the timing of how much we got in last fiscal period and how much is in this fiscal period.

Ms. A. Young: — Okay, understood. I think last spring Deputy Minister Banks talked about, I think it was the 20th of the month that SaskPower and TED [Trade and Export Development] reconcile those invoices and kind of getting those dollars back, if I'm remembering accurately. And so when it comes to what — if I'm understanding what you're saying — is essentially a cash flowing issue, I guess, at what point is that reported to SaskPower and then back to the ministry? Or does that happen every month on that 20th day that was provided?

Mr. King: — Yes, every month we reconcile and dollars are transferred from TED to SaskPower.

Ms. A. Young: — Okay, so this would have been known then, you know, after those initial four months that you spoke of.

Mr. King: — Close, yeah. We would have known, I would say, the following month. In the fifth month, by the time we're reconciling, we'd have a good sense of what that difference was.

Ms. A. Young: — Okay, I guess so just to be clear, it would have been pretty apparent that this ask was coming after that initial four- or five-month period.

Mr. King: — Yeah, it would be reasonable to be able to estimate, yes.

Ms. A. Young: — Okay, thank you. So understanding that, you know, we're here to ask questions specifically about that additional money for the program, I think last year I'd asked about consumption patterns, and I believe the Minister for SaskPower had said that there wasn't any information available in terms of how that rebate was being distributed to customers.

Coming back to the additional funding, the supplemental nine and a half million being asked for today, are you able to offer comment on how much of that is going to residential accounts, business accounts, industrial, or farm?

Mr. King: — I can give you the full amount of the 262 of where

they're going.

Ms. A. Young: — Sure.

Mr. King: — Would that be helpful?

Ms. A. Young: — Totally.

Mr. King: — Okay. So of the 262, about 58.9 million is going to go to residential customers, 48.1 to commercial, 17.4 to farm, 42.9 to oil field. We have 77.7 to our power class, and 17.7 million going to our reseller classes, which is the cities of Saskatoon and Swift Current who in turn are issuing the rebates to their customers. So that ends up going to residential and small commercial basically in those jurisdictions.

Ms. A. Young: — Excellent. Thank you. Madam Chair, I have no further questions.

The Chair: — All right. Are there any other questions from any other committee members? Noting none. Vote 90, Trade and Export Development. Saskatchewan economic recovery rebate, subvote (TE05) in the amount of 9,500,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Trade and Export Development, vote 90 — 9,500,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2022, the following sums for Trade and Export Development in the amount of 9,500,000.

I recognize Mr. Buckingham. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right, seeing as that's everything under our Trade and Export vote, we'll take a brief recess and wait for the next consideration of estimates. Thank you. Minister, unless you have any closing remarks that you would like to make at this point in time.

Hon. Mr. J. Harrison: — Well just very briefly. Thanks, Madam Chair. Thank you to the committee, and thank you to the officials very much for their presence and expertise.

The Chair: — Thank you, everyone. Okay, we'll just take a brief recess until Ag shows up.

[The committee recessed for a period of time.]

**General Revenue Fund
Supplementary Estimates — No. 1
Agriculture
Vote 1**

Subvote (AG10)

The Chair: — Welcome everyone to the Standing Committee on the Economy. And we will begin this evening with vote 90, Trade and Export Development, Saskatchewan economic recovery

rebate, subvote . . . Oh, I'm on the wrong one. Sorry folks.

A Member: — That got me nervous too.

The Chair: — Yeah. Well I just didn't . . . I need to go halfway down the page. I started at the top of the page. So my apologies.

We are here for consideration of supplementary estimates from vote 1, Agriculture. We will now begin our consideration of the 2021-22 supplementary estimates, no. 1, for the Ministry of Agriculture, vote 1, business risk management, subvote (AG10).

Minister Marit is here with his officials, and I would ask that each official please state their names before speaking at the microphone. And, Minister, you can begin by introducing your officials and making any opening remarks you may have.

Hon. Mr. Marit: — Thank you very much, Madam Chair. Obviously I'm pleased to be here today to discuss the Ministry of Agriculture supplementary estimates. Joining me here today is Grant McLellan, my chief of staff; Rick Burton, on my left, who is the deputy minister; Jeff Morrow, the acting president and CEO [chief executive officer] of Saskatchewan Crop Insurance is on my right; behind me is Lee Auten, assistant deputy minister for programs; Penny McCall is assistant deputy minister for regulatory and innovation; and Paul Johnson is assistant deputy minister for policy. So those are the team that's with me tonight.

Saskatchewan's agriculture sector demonstrated significant resiliency through COVID-19, working to keep the food supply chain and those who work in it healthy and safe. At the same time, producers faced significant obstacles this year due to the widespread drought. Livestock producers had the urgent challenge of accessing adequate feed and water to maintain their herds. Our government responded with the programming for the sector. We will continue to work closely with the industry through these challenging times.

The ministry is currently forecasting total expenses of \$539.8 million which is an increase of 152.8 million from the expense budget of 387 million. The ministry is forecasting the following pressures: 119 million increase in AgRecovery program payments under the Canadian Agricultural Partnership agreement with the federal government. Payments will provide immediate direct support for drought-affected cattle producers to help maintain breeding stock. 21.5 million increase in crop insurance premiums due to an increase in insured acres as well as increased prices. 7.3 million increase in AgriInvest program payments based on the Agriculture and Agri-Food Canada summer forecast. And 4.9 million increase in crop insurance administration costs for enterprise resource planning project costs. This pressure is offset by a 4.9 million increase in federal government transfers for the 60 per cent federal share of the ERP [enterprise resource planning] projects costs.

The final fall farm income forecast, due in late December, will be used to finalize our AgriInvest and AgStability program payment estimates for the 2021 program year. Thank you, Madam Chair, for this time, and I look forward to the questions.

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

Mr. Wotherspoon: — Thanks so much, Minister, for the time here tonight. Thank you to all of your officials. I know it's been a, you know, a challenging year responding to the challenge of so many producers across our province facing this extraordinary drought. And obviously it makes sense that we'd be dealing with some expense pressures here at mid-year to make sure that we have the backs of producers within the province.

Maybe we'll just focus on maybe the AgriRecovery portion first, the \$119 million. Could you give us a bit of an update? I guess there is a first payment and then a second payment. If you can give us an update as to what's, you know, what there was for applications and the number of animals that have been covered or that have been paid out for.

Hon. Mr. Marit: — Okay, the total number of applicants is 9,434 in payment one, and the amount paid out is \$127,013,069. And the number of animals declared was 1,389,359 animals.

Mr. Wotherspoon: — And that's for payment one, and then payment two has just sort of opened up right now and that you're accepting sort of application for it. Between now and then, maybe just if there's anyone watching, is that till March? Or what's that period of time?

Hon. Mr. Marit: — Also, on the first question, too, I just want to clarify that amount paid out, that's federal portions in there as well, so that's both shares.

In response to your second question, the second payment opened November 1st and closes January 31st of 2022, and there's a lot of applicants that didn't apply for the first payment and are just going to apply for both payments. There's quite a few that have done that already.

Mr. Wotherspoon: — So someone, if they didn't apply for the first payment, they can apply now and they're still eligible for both those payments?

Hon. Mr. Marit: — That is correct.

Mr. Wotherspoon: — How did you determine the per cent of eligible livestock? It's 15 per cent of breeding females — is that correct? — that are eligible for coverage.

Hon. Mr. Marit: — The criteria around the program is all eligible female breeding stock is eligible for the program. The 15 per cent is what we call the replacement side, so that if you're . . . and most of the producers always have replacement heifers for the next year. So, you know, we obviously consulted with our stakeholders, and this was a number that we felt was very adequate for the replacement side.

Mr. Wotherspoon: — I appreciate that. Obviously, you know, our livestock producers were so hard hit this year. There were really many in certain parts of the province facing, you know, completely devastating situations, and they need and deserve the support.

Now these two payments, they're up to an amount of \$200 per head. What do you anticipate as far as the average? Will it be pretty much \$200 a head, or what are the factors there that'll determine the value of that payment?

The Chair: — Just before you continue, Minister, I need to acknowledge the fact that committee members Ken Francis and Jeremy Cockrill have joined us. And Dana Skoropad and David Buckingham have left the committee. Thank you.

Hon. Mr. Marit: — Thank you, Madam Chair, and welcome, colleagues. I'm going to turn this one over to Jeff Morrow from Crop Insurance to get into the details of this one.

Mr. Morrow: — Thanks, Minister. Jeff Morrow, acting president and CEO for SCIC [Saskatchewan Crop Insurance Corporation].

So I think we expect that most producers will reach that \$200 per head just because we know the impact that the drought had. And in order to qualify for the full \$200 per head, there's an eligible expense that we ask producers to declare. And so if producers have up to \$285 in extraordinary expense, then they would be eligible for the full \$200 per head.

[17:45]

And a lot of the extra extraordinary expenses are related to extra feed costs. I think one of the things that we're seeing that's quite common is producers having to pull their livestock off the grazing early because the grass was so short or the water was so short. So then you have extra feed costs. So as soon as a producer has, you know, 43 days of extra feed costs — that they had to pull their cattle 43 days earlier than they would normally — then they've already reached that \$285 threshold.

And there's a lot of other extraordinary expenses that we would consider, including water hauling, temporary fencing, if you had to secure other grazing arrangements. So again, we consulted with industry on the makeup of that, and I think we wanted to make sure that it was not overly onerous for producers to fill out the application for the full payment as well.

Mr. Wotherspoon: — No, thank you. Yes, it's important that they access those dollars, that they are able to access those dollars. And the criteria seem to be, you know, reasonable for folks like the temporary feed, temporary water, temporary fencing, hauling water, I think renting land for the extraordinary situations as well.

Have you heard concerns as to that eligibility? Or are there some expenses that aren't being recognized through this program that you're hearing concerns about?

Mr. Morrow: — I would say the only concern that we've heard is maybe not the inclusion of their own labour cost. But I would say overwhelmingly, you know, consultation with industry and producers I think it's going to be, because of the magnitude of the drought and the impacts that they had, that it's not going to be a concern for them to reach that \$285 level.

Mr. Wotherspoon: — I appreciate that, and that's certainly what we're hearing as well. I know, you know, obviously the minister's own riding was so severely impacted, probably one of the most dramatically impacted parts of the province. And just hearing from, you know, producers in through that region and other parts of the province, without a doubt this emergency needed the kind of, you know, provincial and national response.

And the support per head is a very important component of that.

If you're looking into . . . I guess looking forward, right now the program's . . . an additional \$119 million that you're requiring right now. What are you anticipating moving forward for that second payment? And as you take in other applications, what are anticipated costs or the range of costs that we'll need to make sure are there to backstop producers to fulfill this program throughout the rest of this fiscal year?

Hon. Mr. Marit: — I mean our anticipation of the plan is total cost is going to be 297 million, of which our share is 40 per cent of that, which is that \$119 million. That's our expectations on that program.

Mr. Wotherspoon: — Right. And that was the announced program. Now just to be clear, that program, if uptake is even greater than anticipated that there's not a time where this program will be maxed out or someone will be shut out? Or is there a risk of that?

Hon. Mr. Marit: — I think, you know, we're pretty comfortable with our numbers and what we have done on this just through all the work that the ministry has done. I'm sure if it is oversubscribed as you say then obviously we will have to, you know, go to the federal government and see if they're ready to, you know, partner up and continue partnering on that. And I know the province of Saskatchewan, we'll be there if there is a need for that. But we're very confident in where we're at.

Mr. Wotherspoon: — Thanks for that. And it's probably important for any producer that's looking to apply for them to, you know, to apply, get that paperwork done and make sure that they're getting the support that they need heading into winter and dealing with all the feed challenges at an extraordinary time.

I don't know if it's in order in the committee or not; I guess I'll ask, then maybe leave it to the Chair and the minister. I'll ask the questions as well on the other expense pieces here. We don't see any additional expenses on the farm and ranch water program. Certainly that's an important program to producers, and some of the changes that have been brought about have been really well-received.

That being said, there's still a continued call to improve some of those programs and to support some of the folks that are being shut out or some of the projects that are being shut out from eligibility on that front.

I think of some of the calls from the stock growers, I think in the last few weeks here, for some improvements to those programs. Are you able to speak to those at all, such as threshold for eligibility, the \$50,000 threshold, which I know has been argued by . . . I've heard from different producers across the province and I know the stock growers have made this call, that that should be reduced to 10,000 to make sure we're not shutting out some of the smaller operations out there that are needing support.

The Chair: — Mr. Wotherspoon, your question is somewhat related. It's a little bit outside the realm of the dollar figures that we are talking about here under the vote that's on the table, so the minister doesn't have to provide you with that feedback if he chooses not to. The water infrastructure part, there was part of it

in the AgRecovery program, as he mentioned. But if he doesn't have those figures here tonight, he does not have to provide them to you.

Hon. Mr. Marit: — I'll give somewhat of an answer to it, Madam Chair. Obviously, we did make a big change to the farm and ranch water infrastructure program and raising that cap to 150,000 for all eligible livestock producers, but only livestock producers. So if they were already capped at the 50,000 they could apply for the extra 100,000 for another project. So that's what we did.

On your question on the threshold, obviously when we designed the program we had consultation with the industry and with the stakeholders. And that's where they were comfortable was the 50,000 income to show that you had to be . . . Your primary source of income had to come from, you know, from the agriculture industry or job. Whatever you're doing, whether it was grains or oilseeds or livestock, that that had to be your primary source of income to access the money for farm and ranch water program.

Mr. Wotherspoon: — I'll just reiterate that it's a call, and I've heard from producers that, you know, some that aren't as established but that are starting out and they've got some pretty tight margins. And I understand you're not looking to support sort of hobby farms or whatnot, but I think it's something to . . . I think it's an important call to consider.

Because certainly I've chatted with . . . I was just thinking of a sheep producer the other day that I was chatting with. I think we also connected with your office on it. You know, I know that call has been amplified and made by the stock growers because they're hearing that as well.

One of their other calls was around making sure that there's eligibility for pumping infrastructure for wells and the ability to move water, you know, by way of hauling. I guess is there a consideration to include some of those costs in that program?

The Chair: — Mr. Wotherspoon, can I bring you back to the supplementary estimates and the vote that is on the table with regards the AgRecovery program and changes that were made within waters there, rather than outside of the estimates that we're discussing this evening? Thank you.

Hon. Mr. Marit: — Madam Chair, I guess, you know, to answer kind of indirectly into his question, it leads into some of it when you talked about hauling. Obviously the hauling side falls under the AgRecovery side. It doesn't fall under the farm and ranch water infrastructure program. And we're at this time obviously not looking at changing those now at this time.

Mr. Wotherspoon: — Okay, I want to make sure to stay within the rules of the committee and where estimates are supposed to be. I was just . . . I would urge consideration on some of these fronts. I know you've got an incredible team of civil servants working hard, and they want to do best by producers, but I think there's some practical calls yet to be considered on those fronts.

If we move along to the, I guess, the expenditure around the crop insurance premiums — and this is the \$21,613,000 — just to fully understand. So what we're dealing with here today is

expense pressure because of greater subscription to the program as well as premiums related to increased prices. Maybe if you could just break out a little bit those factors and detail this cost a bit more.

[18:00]

Hon. Mr. Marit: — I'll turn this to Jeff.

Mr. Morrow: — So the factors that impacted the premium, you're right. It was a subscription, so we did see an increase in insured acres. We saw acres grow to 32.3 million total, up from 31 which was budgeted.

And maybe just in that acreage increase, one of the highlights was the . . . We have a program called the forage rainfall insurance program, a weather derivative program that covers pasture and tame hay. And of course in a year like this, we saw pastures hit hard. So we did see an increase of 750,000 acres in that program. And we made some changes to that program in 2021 to allow producers to . . . give them flexibility because we had tame hay coverage under the traditional yield loss. And we heard from industry stakeholders that they wanted flexibility and have that covered under the weather derivative program. So I think that helped there.

And then the other pieces are . . . We did see a slight uptick in the coverage options that producers select. So of course they can select from 50 to 80 per cent. So we saw an uptick there. And also a change in the crop mix, a bit to higher value crops that carry with them a higher premium cost.

Mr. Wotherspoon: — Thank you very much. That was a good breakout of the pressures there and where the subscription is occurring. So you increase subscription by about 2 million acres more than was sort of budgeted at that point, and almost a million of them were in the weather-related category around forage. Where was the other growth? Was it sort of distributed across the other lines or where was the majority of it?

Mr. Morrow: — So I would say the shift in the crop mix that we've seen was an increase in canola acreage insured, and some of that acreage came from hard red spring wheat or the wheat classes which carry a slightly lower risk, so a lower premium cost. So that would be the major shift within the crop mix.

Mr. Wotherspoon: — Thank you very much for that. And maybe I should just also give a big thanks to everybody in Crop Insurance. I can only imagine the pressure on your whole team this year, certainly those in the room and then all of the team, those out in the field and all of those adjusters. I know a timely adjustment is critical for a producer when they're making decisions, you know, especially when there's different options and different programs to divert green feed or other programs. So just a big thanks to your entire team.

I guess a question to that. Your team must have been pretty stressed this year, pretty strained as far as the resources that you have for crop insurance to make sure that you had the adjusters in the field when they were needed in a timely way. Are there any expense pressures that we're incurring on that front to have bolstered up that team? And going forward, is there any consideration about how to build a bit of surge capacity into the

system to make sure that, you know, when you come across an extraordinary situation like we did this year, that the crop insurance can, you know, really get there when they need to? And that's not to question any of the commitment or the incredible hard work of everyone at Crop Insurance this year, all those adjusters in the field.

Mr. Morrow: — So yeah, I appreciate the acknowledgement of the team's commitment to the producers, and it has been a challenging year for sure for producers and we're proud to be there for them when they need us.

I'd say from our adjusting core, we have adjusters that we have what we call per diem. They're available to us when the work is there for them, and of course in a year like this, we had a lot of work for them to do. So we do have the ability to allocate resources to where the greatest need is. So we did see, you know, starting in July likely, when we saw what was happening, we did start to move adjusters to the west region of the province which was the most hard hit.

The other thing that we have in our processes is to look at claims by declaration. So you know, looking at the producer's yield information, seeing if it makes sense for the area, and taking a bit of a risk-based approach. So we do have the ability to adjust our processes if we can't manage with boots on the ground.

Mr. Wotherspoon: — Thanks so much. And within the estimates we're looking at here today, would there be . . . The additional costs on this front to sort of bolster the team, would those be . . . Are those within the crop insurance program delivery component then, the 4.9 million? Or were you able to live within the resources that you have on that front?

Mr. Morrow: — So of course we're still adjusting claims right now, but we do anticipate that we'll be able to manage within our allotment. And it is not part of the 4.9 million.

Mr. Wotherspoon: — No, thanks for that. Do you have the information to just, you know, as a point of information around the causes, the insurable losses, I guess those causes in a broader sense, sort of the percentage that you're attributing it to? Like I mean drought must be a massive portion of that this year, you know. In addition to all that hardship that folks were enduring of course, then the grasshoppers were rolling in, and you know, gophers were a real challenge for folks, and you know, certainly we weren't free of hail or anything within this province this year either. Do you have a percentage, a rough allocation of what the losses can be attributed to?

Mr. Morrow: — So I don't have the specific percentage of claims and we're still adjudicating some of those claims, but I think it's fair to say the vast majority would be to drought.

Mr. Wotherspoon: — Well thanks for that. Can you identify some of the concerns that might be brought forward to you around the crop insurance program this year, or certain gaps or inadequacies?

Hon. Mr. Marit: — I think it's pretty obvious how the program worked. You know, as Jeff said earlier, we saw an increase in sign ups for crop insurance — the highest per-average crop insurance coverage in history — so I think the program is

speaking for itself when you see that kind of uptake and what's happening with it.

Mr. Wotherspoon: — Thanks so much. I mean it's a critical backstop. We need to make sure that it's there in the ways producers need it to be. And there's been some important new coverages and new lines and adjustments that have been made over the last number of years.

Do you have any comment, you know, with respect to the go-forward for crop insurance? I know there's sort of the big discussion around the next policy framework and business risk management programs and, you know, insurance programs on this front. Is there anything related to that line right here, \$4.9 million, the crop insurance program delivery pieces? Is there anything there that's, you know, representing the engagement that you'd have with those considerations? And can you speak a little bit to what you envision for the future of business risk management programs, and specifically crop insurance moving forward?

Hon. Mr. Marit: — Thank you, Madam Chair. I'll give a little leniency to the question. I'll just say this: obviously that's a negotiation that's going now with business risk management, but I can assure the producers of this province and the ag industry in this province that crop insurance will be and remain a core in the next policy framework as far as the province of Saskatchewan is concerned. And I'm sure probably some of the other provinces as well.

[18:15]

Mr. Wotherspoon: — Thanks for that. And certainly I know we'll have other tables to discuss it. It's such an important component of consideration right now. We need to make sure those programs are here. This year is a prime example of how important these programs are for folks.

Maybe just to touch on the AgriInvest component there, the \$7.3 million. Can you detail that spend there and the factors behind it?

Hon. Mr. Marit: — I'm going to have Paul Johnson answer this question.

Mr. Johnson: — Paul Johnson, assistant deputy minister with Ministry of Agriculture. AgriInvest is one of the key components of the business risk management program that we run in Saskatchewan, and it's set up for a government match of 1 per cent of allowable net sales on an annual basis.

So over the past year, high market prices, very high market prices for all commodities in Saskatchewan and increased sales of those commodities as well have translated into higher eligible or allowable net sales for the program across the sector, which means that our budget is projected to increase significantly to provide that 1 per cent matching.

Mr. Wotherspoon: — Thanks so much. That makes sense. It was sort of this challenge this year, and then also the situation that some were in. I mean certainly the pricing environment was something folks hadn't seen for, you know, ever. And yet then many others left with such, you know, challenging yields and

situations. That's really interesting though that the program, in the end, that the net sales were such that it required the additional dollars. So thanks for the description there. It's an important program, so thanks for making sure that it was supported.

I don't have any other questions on these estimates tonight, unless the Chair will let us get into some other policy discussions. I just want to say thank you to the minister, of course, for his time, and to all the senior leadership and to everyone out in the field and across Saskatchewan involved in this important work. Thank you very much.

The Chair: — All right. Seeing no further questions, vote 1, Agriculture. Business risk management, subvote (AG10) in the amount of \$152,813,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2022, the following sums for Agriculture in the amount of \$152,813,000.

Mr. Francis so moves. Is that agreed?

Some Hon. Members: — Agreed.

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

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

Mr. Dennis, will you please read . . . or Jenson, sorry. Mr. Jenson, will you please read the motion?

Mr. Jenson: —

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

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister Marit, if you have any closing remarks you'd like to make this evening.

Hon. Mr. Marit: — Thank you, Madam Chair. Just in closing I want to thank the entire team at the Ministry of Ag. We worked very hard on this, and I really want to thank the folks at Crop Insurance and also Rick and the entire team. And we call it a team because we really do work well together. And you know, this was really a program that we really wanted to get out the door in the simplest way to the producers, and we felt we did all that. So just want to thank the committee for this time and thank my team as well. Thank you.

The Chair: — Right. Thank you, Minister. Mr. Wotherspoon, if

you have some closing remarks you'd like to make.

Mr. Wotherspoon: — Just thanks again to the whole team here. And I just want to thank all the producers across Saskatchewan that have reached out and that have taken time with me over the last year and through this terrible devastation. I respect what you do and I respect the hardship that you faced. And I can think of the numerous calls, often late into the evening, trying to get back. I know it'll be the same for the minister and for those that are in this room.

You know, it is a real dire situation that folks are facing and many aren't out of the woods here yet — a lot of continuing pressures. And you know, I've got a tremendous respect for producers in this province. And you know, they're a proud lot, they're an independent lot, and a strong lot.

I saw some pretty strong, proud folks this summer with . . . Well I saw a lot of tears in eyes as folks were walking you through a crop that was burnt, that didn't, you know, that hadn't amounted to anything; hay that was completely scorched; no access to feed and water; and then that terrible responsibility, that love for those animals, and that responsibility to take care of them. So I just want to say thank you to so many folks for being so genuine in sharing in their experience.

And I, you know, certainly it's been my aim as the Agriculture critic to be constructive and pushing for the kinds of supports that producers need in this dire situation. But thanks to everyone here and just thanks to all those producers.

The Chair: — Thank you, Mr. Wotherspoon. So having reached our agreed-upon time for consideration of these supplementary estimates, I would ask a member to move a motion of adjournment. Mr. Cockrill so moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until the call of the Chair. Thanks, everyone.

[The committee adjourned at 18:23.]