



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Mr. Doug Steele
Cypress Hills

[The committee met at 18:56.]

The Chair: — All right. Welcome, everyone, to the Standing Committee on the Economy. I'm Colleen Young and I will be chairing committee meeting this evening. And we have committee members Ken Francis here this evening, Jim Lemaigre, Doug Steele. We have Trent Wotherspoon sitting in for Aleana Young. And as I understand, Ms. Betty Nippi-Albright will be joining us as well shortly here.

All right, we are here this evening to consider the estimates for the Ministry of Agriculture, followed by consideration of Bill No. 73, *The Animal Production Act*.

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — And we will now begin with vote no. 1, Agriculture, central management and services, subvote (AG01). Minister Marit is here with his officials. And I would ask that the officials please state their names before speaking at the mikes tonight, and their position. And you don't have to touch the buttons on the mikes. Hansard folks back here will turn them on each time you want to speak. So, Minister, you can begin by introducing your officials that are here with you, and any of your opening remarks.

Hon. Mr. Marit: — Thank you, Madam Chair. Pleased to be here today to discuss the 2022-2023 Ministry of Agriculture estimates. The officials joining me here today include Grant McLellan, my chief of staff. And from the ministry we have: to my left, Rick Burton, the deputy minister; Paul Johnson, assistant deputy minister of policy; Lee Auten, assistant deputy minister of programs; Penny McCall, assistant deputy minister, regulatory and innovation; Grant Zalinko, executive director of lands; and Rob Pentland, the executive director of corporate services.

With us also from the Saskatchewan Crop Insurance Corporation, we have Jeff Morrow, president and CEO [chief executive officer]; Brad Schultz, vice-president of finance; Waren Ames, executive director of AgStability.

Despite our share of challenges, Saskatchewan's producers continue to produce the high-quality, safe food that helps to feed the world. The agriculture industry remains an important driver of our provincial economy. The incredible growth we continue to see in our value-added industry is one example, with five companies over the past year outlining plans to develop or expand canola crush capacity in the province.

We also continue to see strong demand for high-quality agri-food products we produce. In 2021 we had another record year of agri-food exports with \$17.5 billion in sales. Agri-food exports represented nearly half of Saskatchewan's exports in 2021.

Several of the economic goals outlined in our government's 2030 growth plan are directly tied to agriculture. These include growing Saskatchewan's agri-food exports to 20 billion, increasing crop insurance to 45 million metric tonnes, and

increasing livestock cash receipts to \$3 billion, expanding irrigation in Saskatchewan, increasing agriculture value-added revenue to \$10 billion, crushing 75 per cent of the canola we produce here in Saskatchewan, and processing 50 per cent of the pulse crops we produce in Saskatchewan, and doubling the meat processing and animal feed value-added revenue to more than \$1 billion.

[19:00]

Indigenous communities play an important role in meeting the agriculture targets in Saskatchewan's Growth Plan. To help explore these opportunities, the ministry is building and strengthening Indigenous supports or bases. A team is working to build relationships with First Nations and Métis people across the province. This team of regional specialists, in collaboration with the ministry's senior Indigenous advisor, is striving to increase awareness of the services the ministry offers and help communities better access available programs.

The growth plan goals are ambitious and we are on track to achieving them. This year's agriculture budget supports our work in this direction. Through the Ministry of Agriculture and Saskatchewan Crop Insurance, our government is focused on supporting a successful and sustainable agriculture industry.

The past year's drought presented significant challenges for our industry, and we worked closely with industry groups to respond through several avenues. We've made about \$277 million in payments to support the livestock sector through the federal-provincial drought response initiative.

We changed AgriStability to eliminate the reference margin limit, and the removal is forecast to pay more than 12.5 million in additional benefits for the most recent program year. This change will provide support moving forward as well.

The Saskatchewan Crop Insurance Corporation doubled the low-yield appraisal threshold, the values for customers who salvaged cereal or pulse crops as feed source for the livestock sector, without negatively impacting future individual coverage.

We temporarily increased the maximum funding a livestock producer can receive from the farm and ranch water infrastructure program to \$150,000. This included increasing the government portion of the cost-share to 70 per cent for costs above the \$50,000. I would note that we have invested almost 23 million into water development projects since 2018 under the Canadian Agricultural Partnership, and over 7.5 million in 2021-2022 alone.

Last year the forage insurance program administered by Saskatchewan Crop Insurance paid out more than \$66 million, nearly half of the total liability in those programs. For these programs, producers received between \$7 and \$10 in payments for every dollar in premium in 2021. These forage programs have responded to the dry conditions experienced and have paid out more than they have taken in premium seven out of the last 10 years. These programs help livestock and crop producers through extremely dry conditions, and they've protected our economy from further harm. Drought in fact remains a concern across the industry as we head into spring, and we recognize producers still

face some challenging decisions.

We continue to stay in regular contact with industry stakeholders to better understand the challenges the sector is facing as we move through the spring. Business risk management programming and crop insurance in particular will be extremely important for the sector in the year ahead. There also continues to be widespread interest across the ag sector in water development programming. This budget will help supply the tools industry needs to move through these current challenges while positioning producers for long-term success.

Our government's commitment to agriculture is steadfast. And I am pleased to say we are delivering a significant agriculture budget again this year. This year's agriculture budget is \$462.4 million, an increase of nearly 20 per cent from the previous year. This is driven largely in part by a strong 2022-2023 crop insurance program.

Business risk management spending makes up close to three-quarters of the ministry's budget and is governed by federal-provincial agreements. Specifically we are budgeting 338.5 million to fully fund business risk management programs, which includes crop insurance, AgStability, AgriInvest, and the livestock price insurance program. These are all cost shared between the federal and provincial governments through the Canadian Agricultural Partnership.

The crop insurance budget for 2022 is more than \$250 million. Average coverage will reach a record level of \$405 per acre this year due to higher commodity prices and increased yield coverage. This represents a 48 per cent increase in coverage compared to last year. Due to this increase in coverage, the average total premium is higher at \$12.05 per acre, compared to \$8.59 per acre in 2021. Our government understands that crop insurance is a major part of a farmer's risk protection. We have focused on making continual improvements to ensure it remains relevant and effective for the producers.

Changes introduced to the crop insurance program this year continue to build on previous program enhancements. In response to the extreme heat and dry growing conditions we have experienced, a heat adjustment factor was added to rainfall data used in claim calculations for the forage and corn rainfall insurance programs. These adjustments help recognize the impact of extreme heat on forage and corn yields. Additionally, within the crop insurance program, producers can choose from a variety of insurance price options.

With the contract price option, producers can use their contract prices to blend with the crop insurance base price for higher coverage. This allows producers to establish an insured price reflective of the actual market value they would receive for their production. This option was only available for select crops. New for 2022, this option is now available for all commercial crops.

April 14th is the extended deadline to apply or reinstate, cancel, or make any changes to the crop insurance contracts. The budget will also continue to invest \$71.2 million into strategic programs under the Canadian Agricultural Partnership agreement in six priority areas: science research and innovation, public trust, markets and trade, risk management and insurance systems, value-added agriculture and agri-food processing, and

environmental sustainability and climate change.

The biggest percentage is going to agriculture research and tech transfers. The largest research program is the ADF, or the Agriculture Development Fund. Environmental and climate change programs include the farm and ranch water infrastructure program, the farm stewardship program, and irrigation programming. The risk management area includes our programs for crops and livestock disease surveillance and our pest control programs, which are administered by SARM [Saskatchewan Association of Rural Municipalities].

Value-added programs include our Saskatchewan lean program, or improvement in manufacturing, or SLIM [Saskatchewan lean improvements in manufacturing] program. Public trust includes farm safety programming, the ag awareness initiative program, and youth development and leadership programming. Trade and market development funding is used to support industry in trade- and government-related activities that support market access, market development, and trade advocacy.

We continue to see strong uptake in CAP [Canadian Agricultural Partnership] programs. Work is also under way on the development of the next federal-provincial framework that will replace CAP next year.

This year's budget includes an additional 2.5 million for irrigation programming, building on the 2.5 million included in last year's budget. The provincial funding enhances the support available through the irrigation development program offered under the Canadian Agricultural Partnership. The program increases irrigation capacity by helping finance the infrastructure needed to bring a secure water supply to the edge of the cropland. Over the last two years we have seen approximately 20,000 acres of irrigation expansion occur throughout the province. We anticipate continued interest in irrigation expansion over the coming years.

The budget also includes 2 million in additional funding for the Global Institute for Food Security. This funding will be used to help define and communicate the agriculture sector's sustainable production methods and contributions to improve environmental outcomes.

Additionally, we are doubling our funding to the Animal Protection Services of Saskatchewan. We are providing 1.6 million to help ensure consistent and affordable enforcement of Saskatchewan's animal protection Act. APSS [Animal Protection Services of Saskatchewan] will begin providing enforcement in the city of Saskatoon this year following a decision by Saskatoon SPCA [Society for the Prevention of Cruelty to Animals] to cease enforcement activities. We will continue to work with all parties on a smooth transition of the animal welfare enforcement duties in Saskatoon.

With this budget, we are also once again providing support through industry grants. We are pleased to be able to assist organizations and events that help drive the current and future success of our industry, including 4-H Saskatchewan, Agriculture in the Classroom, Canadian Western Agribition, the Ag Health and Safety Network, and Crop Production Show, among others.

The value and importance of a strong agriculture industry is all the more relevant in turbulent times like we've experienced during COVID. At the ministry and Saskatchewan Crop Insurance Corporation we remain committed to creating the right climate for success. We are working collaboratively with producers and agri-businesses to achieve our shared goal of a thriving and sustainable agriculture industry in the province of Saskatchewan. With this budget we continue to make the strategic investments to support this work.

Thank you, Madam Chair, 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 Ms. Nippi-Albright.

Ms. Nippi-Albright: — müigwech. Thank you so much for this opportunity to be here and to ask some questions. Before I ask any questions, I want to table a few documents that I'll be referencing, if that's . . . What is the process?

The Chair: — They will be posted online if they're part of the official record. Either that or you can just use them for reference by giving everyone a copy.

Ms. Nippi-Albright: — No, I've been granted permission to enter it into the . . . have them presented in *Hansard*, I guess, because they will show up in *Hansard*.

The Chair: — Okay. The names?

Ms. Nippi-Albright: — Yes, their names, and I'm going to share their names.

The Chair: — Okay.

Ms. Nippi-Albright: — I've been granted permission from the Nations. Okay? So I will table . . .

The Chair: — If the names are in there and you're okay with the names being posted publicly, because they will be posted publicly.

Ms. Nippi-Albright: — So the documents themselves? . . . [inaudible interjection] . . . The documents because I'll be referencing them.

The Chair: — But they have to go to each of the members so they know what you're referencing.

Ms. Nippi-Albright: — Oh, sure, sure, sure. Okay.

[19:15]

Okay, so I'm going to the first document, and this is all in relation to duty-to-consult and in terms of the agriculture. So the first one would be from the *Touchwood Hills People: Our Land*, interviews with elders. And they've asked that the hunting exemptions for the post-grazing period, which is October, do not cover the traditional period when moulting ducks were taken in July and August. And regardless of the outcome of this auction, that there was a proposed auction to auction off that lease for the Mount Hope and pasture.

So they said it would be a conciliatory gesture to write into the lease permission for First Nations to undertake traditional use of waterfowl during the months of July-August, as they were formerly accustomed until they were told not to return by leaseholders in the 1970s.

So this is a document that I will be tabling. This is concerns from Touchwood, the First Nations from George Gordon First Nation, as well as Kawacatoose around the sale of Crown lands, the lease of Crown lands, agriculture lands that they were . . . that the concerns that they had were around the stringent criteria in terms of bidding for those, that lease. So this is tabled.

Another document that's going to be tabled . . .

The Chair: — Ms. Nippi-Albright, do you have a question in regards to that one specific document before we go through every last one of them?

Ms. Nippi-Albright: — Yes. Yeah, I will. They're all together.

The Chair: — They're all together.

Ms. Nippi-Albright: — So there's going to be one question for all of them.

The Chair: — Okay.

Ms. Nippi-Albright: — So the other document is from Dave Rondeau. He's the consultation coordinator with Crutwell, Métis Local 66. And this is another document that will be tabled. And this is regarding again consultation regarding the Windfall Lumber operating plant near Sled Lake. So they have questions and want their concerns brought forward in terms of that their consultation is ongoing, and it is necessary for their traditional users to voice their concerns and exercise their section 35 rights to consultation. So that's another document that will . . .

Another one that was from November 2nd is from Kahkewistahaw First Nation, and this is a cease and desist letter. And it's regarding the unauthorized and illegal colonial sale of Kahkewistahaw First Nation treaty lands. So this will also be presented for . . . This document will be tabled.

Another document that is going to be tabled here, and it's from Carry the Kettle Nakoda Nation, and it's with the Ministry of Agriculture and the Attorney General of Saskatchewan. And this is a judicial review application that they have sent that is now in the courts. But just wanted to table that document.

And the last document that I would like to table is a letter from the Onion Lake First Nation regarding the meetings they've had with the ministry regarding consultation. And they have a question, and I will be raising this question here.

So I just wanted to have these tabled.

The Chair: — Okay. The one document, the judicial review, cannot be tabled because it is before the courts at this point in time.

Ms. Nippi-Albright: — Okay. Sure. Perfect.

The Chair: — So we cannot table that document.

Ms. Nippi-Albright: — Yes. That's fine. Thank you. Thank you. But the other ones will be. So these will be tabled.

So my question is, and I'll start with Onion Lake's question that was asked for me to re-ask again. And you can take them to get photocopied once I ask.

So Onion Lake met with the Agriculture ministry, and they have had questions or actually concerns about the lack of consultation when it comes to selling off leases and Crown lands. And I'm just going to read the highlighted section that they've been waiting for answers from the ministry and have yet to receive any response. And quote:

In follow up emails, you mentioned that you were going to . . . [get] "legal consult" regarding our request for notifications for projects, land sales, and other activities within our Traditional Territory.

And so they are still waiting for a response and would like to know when, when is a time frame that they should be expecting a response regarding that legal consult. Because one of the questions they asked in that meeting was — and I was present there — was they wanted notifications, not just for sale and leases of Crown land near their Nation, but within their treaty territory. So they wanted notification for the whole territory, not lands or leases adjacent to their Nation. So is there an expected time frame?

The Chair: — Is that the same question for each of them or is that just for one . . .

Ms. Nippi-Albright: — Just for this one.

Ms. Auten: — All right, thank you. I'm Lee Auten. I'm the assistant deputy minister of programs. So to your first question about the Onion Lake response letter, we have prepared a response and we expect to have it back to Onion Lake within the next few weeks. We just had the meeting on March the 3rd, and so it's taken some time to draft the letter and it will be sent out in the next few weeks.

Second, to your question about notification of parcels in areas outside of what they've currently been receiving notification, we recognize the request and it's currently under consideration. And we're looking at what that process could look like.

Ms. Nippi-Albright: — Okay. So when you're looking at that consideration, will you be consulting Indigenous people or only the ministry officials?

Ms. Auten: — So we've been working with Government Relations and the Ministry of Justice and recommend if you have questions regarding process, that you direct the inquiries to those ministries. They are responsible for the consultation policy framework. And we follow the process under that consultation policy framework and therefore are consulting with those ministries.

Ms. Nippi-Albright: — Another question regarding this is: my understanding, and this was at a meeting that I attended in the

Agriculture ministry, there were about 180 letters sent out to impacted communities, Indigenous communities. We were told there were only 10 responses. Is there a way that your ministry assesses the impact of the response? Do you assess . . . Like if there's such a low turnout or a low response, is there a way that you measure the effectiveness of your process?

Ms. Auten: — So in January of 2022, there were 130 notification letters sent. And in response to the pressures communities faced during the coronavirus pandemic, officials called each community included in consultation to ensure they received the notification. This resulted in approximately 300 phone calls per consultation, starting in 2020. And we're assessing that process currently to determine if we're going to continue on an ongoing basis or an as-needed basis.

Our officials regularly meet with First Nations and Métis communities to discuss concerns and address questions regarding the sale of lease and Crown lands. On average, approximately — as you said, the 10 communities in this case — approximately 10 communities will respond to consultation notifications. And communities have a reciprocal responsibility to participate in the consultation process and to make their concerns regarding potential impacts on treaty and Aboriginal rights known. And so we look to First Nations to also reach out and discuss with our officials.

[19:30]

Ms. Nippi-Albright: — So I've tabled I think it was five pieces of correspondence that . . . obviously these five and more come. This was all I was able to get on a short turnaround to get their documents, their letters to be able to table here.

These groups and others have voiced their concerns with the lack of meaningful consultation in their communities. And they all say, and continue to say, that the government's current process of registered letters, emails, telephone calls, one-off meetings is just not working. And this continues to happen and this has been something that has always been, and First Nation and Métis Nations have been very frustrated with the 2010 voluntary engagement duty-to-consult process that you have in place. And the 2010 document does not incorporate the TRC's [Truth and Reconciliation Commission] Calls to Action.

And I know you've referenced that Government Relations and Justice comes up with the policy framework. Has or does the ministry have a desire or an intention to incorporate the TRC Calls to Action that could potentially impact the way duty-to-consult is carried out in the province?

Ms. Auten: — So the consultation policy framework falls under the Ministry of Government Relations and in consultation with the Ministry of Justice. And that question should be put forward to Government Relations.

Ms. Nippi-Albright: — Okay. So just getting back to the agriculture, the Ag department here, so we currently have 10 per cent of Crown land left, okay. And we know that in the fall, Crown land is sold. And in the spring, leases are sold or auctioned off. So you said earlier that in January of this year, you've sent out a bunch of letters, and this was with the leases, the auctioning off of leases. That does not take into account the notifications that

were submitted in the fall. So do you have a number of how many duty-to-consult letters were sent out in the fall regarding the sell-off of Crown land?

Ms. Auten: — So first I just want to clarify about the amount of Crown land remaining and the amount of land sold. The Crown land in the province has stayed relatively consistent. We have approximately 105 million acres of Crown land in the province, and since 2007 the Ministry of Agriculture has sold approximately 1 million acres of Crown land, which is a reduction of 1 per cent.

Second, the numbers that you're looking for, we're just trying to get those numbers and we'll have them back to you before the end of estimates.

Ms. Nippi-Albright: — Okay, thank you. One other, I'm not sure, maybe a couple more. When it comes to the leases that are auctioned off, the criteria that is in place right now, it makes it very difficult for First Nations or Métis Nations to compete in that bidding.

Just as an example, and I talk about the Touchwood Hills folks. They use their agriculture, that agricultural land for medicine picking in the spring and the summer. They use it during that time. And during the growing season that's where their traditional land is. And when that lease came up for sale, they were actually interested in bidding. However the criteria that was put in place, they couldn't participate. The starting bid was somewhere like maybe \$75,000 just to start the bid, just to get on the block.

The other criteria that was in place was that for agriculture land, for Indigenous people to bid on that, that they have to have cattle there all year round. That land has to be used all year round. And in this particular group, for both Gordons as well as Kawacatoose, they only use that land in the summer months. And that criteria was . . . They couldn't meet that criteria.

And what they had asked is, when it comes to selling off the leases of agriculture land and the criteria that the ministry has in place there, when it comes to the traditional use of those lands by First Nations or their inherent treaty rights, is there any opportunity for the ministry to rethink the criteria that they are putting in place that is prohibiting First Nations traditional users to bid on those leases?

[19:45]

Ms. Auten: — Thank you. I do have the response to your question about how many letters were sent in January of 2021. That would be for the fall auction. We sent 350 letters in January of 2021 for the parcels that went into the fall auction. Oh, and 230 letters were sent in June of 2021.

So addressing the lease question — and hopefully I'll be able to answer all the parts that you had — the reason for the minimum bid was that there were improvements on the lease, and that's a requirement, is that the new lessee pays for the improvements of the lease.

The criteria of having cattle year-round, it's just during the grazing season that there's the requirement to have cattle on the

pasture. In working with producers as they're building their herds, we understand that it's going to take a while for producers to build up their cattle, and so we do allow for time to build up the cattle herd and be able to maintain the herds. And generally that happens over a five-year period in order to obtain and retain cattle. We don't require it immediately.

When we were looking at posting this parcel in the auction, we did have contact by several First Nations, and as a result of that contact we did end up pulling that parcel from the auction. It was removed because the ministry wanted to take some time to work with the First Nations and better understand what they were looking for and the needs, and see if there was a way that we could put those considerations into different options should we move forward with leasing this. So we are continuing to have discussions with the First Nations that we've had contact with, and we haven't moved forward with putting that parcel up for lease at this point.

Ms. Nippi-Albright: — Thank you.

The Chair: — Thank you so much. Before we move forward with the rest of our estimates this evening, there are only two tables out of the ones that you've provided that we can . . . or two documents that you have provided that I can table. The two are the one from Onion Lake and the other one is from Kahkewistahaw, all right, that I can table. The reason being is you spoke to the fact that you have the approval of the writers of the letters to submit them, but within the other bodies of the other two letters are numerous emails that we cannot table. And so what we can do with those is we can put them on just the members' portal so just the members can see them. But we can't table them as documents here this evening.

Ms. Nippi-Albright: — Sure. I can also give you these.

The Chair: — If there are emails within it then . . .

Ms. Nippi-Albright: — That's okay. That's okay.

The Chair: — It's the emails that are the challenge, because one of these has numerous emails that I'm not sure you have the approval of everybody in there to submit it. So I am going to table, under ECO 8-29, the Onion Lake First Nation: Correspondence re: agriculture land sales and consultation, dated March the 9th, 2022. And the second one is ECO 9-29, Kahkewistahaw First Nation: Correspondence re: sale of treaty lands, dated November 2nd, 2021.

Ms. Nippi-Albright: — Thank you.

The Chair: — And so we will continue with our Agriculture estimates this evening and I'll open the floor to questions from committee members and recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you so much, Madam Chair. Thank you, Minister, and all your officials, for your time here tonight, and all those that are connected to the important work and all those in this proud and important sector. I'm thinking of all the producers and ranchers across the province, all those that are involved in the value-add side, all those involved in science and research and innovation, all those involved in commerce and trade. It's a pretty incredible industry, and you know, it's made

that way by the incredible people that make those contributions.

The minister referenced that we're heading into another growing season off the heels of a very tough growing season for many with the drought that was a serious challenge for so many. I want to focus a bit maybe just on the front end here for a little bit of our time here tonight on the business risk management programs. I know there's been some adjustments and some improvements, which is a good thing.

Now I wonder . . . This question, it may not be able to be answered in a way at this table and, if not, just let me know and maybe there's information that can be provided or maybe there's information available. But is there a way to break out the, sort of the proportional spend in the different sectors for business risk management programs for the provincial cost-share side of that? I'm sort of thinking across the various sectors, breaking out those, the total spend and, you know, that proportion.

Hon. Mr. Marit: — If I could just ask for clarification. Are you talking like the different sectors, whether it's the grains and the livestock and . . .

Mr. Wotherspoon: — That's right.

Hon. Mr. Marit: — Yeah, in talking to my officials it's pretty tough to break that out. It really is. And the other side of it is too, is we have so many producers out there that are in both livestock and crops. So it's just too difficult to try and extrapolate the numbers between one sector and another.

Mr. Wotherspoon: — Would it be the kind of information that, as I understand, it might not be readily available tonight? Is it the kind of information that could be put together and brought back to us, you know, through the Clerk to the committee?

Hon. Mr. Marit: — You know, we can probably discuss it at some point with my officials later, but I just right now, in talking to them, I just don't see how we can do it because there's so many different variables in that to break that out to that side, even in the participation side too, as well.

You know, we have crop insurance for livestock producers. That is a crop insurance program and it's not a . . . You know, there's too many different tentacles to it. I think just in talking to them back there, it would be probably very difficult to try and pull that together. And we didn't even talk about what kind of human resources it would take or time that way too. So I think it would be pretty tough to try and do.

Mr. Wotherspoon: — Okay. No, that's . . . I appreciate it would be difficult, you know, here tonight. Maybe just looking at some of the components within it, the forage insurance has been . . . there's been strong uptake. And maybe just talk a little bit about, you know, what the experience has been on that front. I know if you look at . . . I guess in this last year, certainly it was something that was relied on by a lot of producers. What are you seeing this year by way of a trend for subscription into forage insurance?

Hon. Mr. Marit: — Thanks. Yeah, you know, I'll talk a little bit about the program and what I heard from it, from producers, and then I'm going to turn it to Jeff to give you some kind of numbers behind it, just where we see it going.

And I know in my part of the province, in the South Central where I represent, over to the Southwest — and my colleague from Cypress Hills is here as well — and talking to some of the ranchers that were in the program, really felt . . . You know, in fact they really thanked us for the program.

[20:00]

I mean it's a new program. You know, Jeff is going to get into some numbers that really kind of are mind-boggling when we see the numbers going the way they are. But I know I did talk to some ranchers in my constituency that actually phoned and thanked us for that program and what it meant to them. It was a lifesaver to some ranchers. It was. And I'll turn it to Jeff. He'll give you some numbers.

Mr. Morrow: — Jeff Morrow, acting president and CEO for SCIC [Saskatchewan Crop Insurance Corporation]. So the forage rainfall insurance program is one of the most popular forage insurance plans that we have, and it's a weather-derivative program. And we did see an increase of about 750,000 acres in that program in 2021. So it went up to 3.1 million insured acres, up from 2.4 the year before.

And as far as the uptick this year, our deadline is April 14, so it's too early to tell where we'll end up, but certainly from what the minister said about the program, how it's responded, we do expect that it will be a popular program again because of the way the program has responded when we've experienced dry conditions.

Mr. Wotherspoon: — So you would anticipate, I would suspect, after last year's experience and the reality folks are facing — and I think the value that the folks that were subscribed to the program, the value they found — you're expecting the, you know, higher subscription this year, I would anticipate?

Hon. Mr. Marit: — Yeah, I would definitely anticipate an increase. And hopefully we do, because it is a good program. And I think in light of what I've heard from producers in my area that were in it — they were talking to producers that weren't in it, and so I'm just going by hearsay — whether they sign up or not is another thing, but a lot of them are really considering signing up for the program.

Mr. Wotherspoon: — Yeah, I hear similar things too. A lot of folks that were involved in the program really value it. With respect to the coverage, I know one of the pieces that the different producers, different ranchers have been identifying is a desire to have some coverage for some of the cover crops as well. I'm just wondering where that consideration is with crop insurance in the ministry on this front.

Mr. Morrow: — We don't have anything specifically for cover crops right now. But from the forage side of things, we're always interested in hearing from stakeholders and work with stakeholders. When we're developing new programs, we hear from them on what their needs are. So if that's a gap that we have right now, certainly we're open to hearing that and looking at what that might look like for the future.

Mr. Wotherspoon: — Well that's appreciated, and I think that there'll be some folks that have been engaged in this work

through some of the ag organizations. I think of the stock growers specifically and some folks that are just identifying that that would be of value. And I know last year there was just some producers and ranchers in through that hard-hit area that really talked about the value, I think, of some of the cover crop that they had in place.

And I know they're going to, you know, continue to utilize, you know, the practice and continue to see. But just recognizing how it really aided them to get through that horribly tough year, I think that they would really like to see some expansion on those fronts. So there's good folks to work with.

Hon. Mr. Marit: — If I could add to that, I think . . . And you're seeing that in the changes we've made too in the crop insurance. I mean the one big change that's here is putting in the heat unit factor. But there's something else that crop insurance did that probably didn't get recognized by a lot of people, was the number of weather stations that they put in. Jeff, what was the number? Two hundred and . . .

Mr. Morrow: — We have 186 stations.

Hon. Mr. Marit: — 186 weather stations we have around the province. And that was just something that, you know, we heard pretty loud and clear from the producers group, to increase that number. And we did, and that changed the dynamics a lot, also changed the participation in the program significantly as well.

Mr. Wotherspoon: — How many weather stations would we have then, in the province?

Mr. Morrow: — For our network that we use to calculate the forage rainfall, we have 186 stations.

Mr. Wotherspoon: — So the expansion of 170 was a significant expansion, then. I suspect that sort of enabled the . . . to be able to have the heat adjustment brought about.

Mr. Morrow: — So the increase to the weather network was a couple of years back, and it was about a 30 per cent increase to the stations that were there up to the 186 which we currently have now. And the radius now, with 186 stations in terms of coverage, is every piece of ag land is within about 30 kilometres of a weather station.

Mr. Wotherspoon: — Do you plan to continue to expand that, or do you feel that that's significant coverage you've accomplished? Is that adequate?

Mr. Morrow: — I'd say we're looking at other technologies as well to be able to determine kind of the weather pattern, including satellite imagery. So we are interested in finding other ways to make that coverage as relevant as we can be, as it can be, sorry.

Mr. Wotherspoon: — That's good. Thanks for that information. Obviously it's been a really difficult . . . It's a difficult period of time for the livestock sector right now. The drought, you know, was, is a big part of that. But there's a lot of pressures that folks are facing. One of the things that I hear regularly from the livestock sector is, you know, the value around the forage program, as we've identified, a desire to see some expansion of some of the supports, continued expansion for the livestock

sector.

One of the pieces that always comes up is the price insurance program which, you know, has been a pilot that I think is appreciated by folks. But I really hear that it's, without the cost-share on it, that it's hindered in many ways and that, you know, I think from an equity perspective as well, if you look at the other programs for other sectors — certainly for grain — I think that there's a case around fairness for the sector to have the cost-share in place as well for this program.

So I guess there's a couple questions here. What do you envision with this program? I hear from a lot of livestock producers, a lot of ranchers who say that, you know, the program's good; it's important. But it's important that it becomes permanent, and that it's really important that the cost-share be established. And they feel that it could be a really valuable backstop then for the sector.

And I know the subscription hasn't been too high to date. But they feel that by making it permanent and something folks can count on, and then having the cost-share with the other levels of government, it would be something that would really provide them some protection. So just seeing I guess what you're envisioning, you know. These are federal-provincial conversations as well.

Hon. Mr. Marit: — Thanks for that. Yeah, I mean that's one thing we have prided ourselves on, is really engaging with the producer groups. And in fact we just had discussions with some of them yesterday, as a matter of fact. So this is, it's kind of a complicated issue too because the price insurance program right now is a Western Canadian thing. So if we take it to . . . And we have raised it. We have raised it at the federal table. And obviously if you bring something in, then you have to have 7 out of 10 to agree on cost sharing and some of the concerns around that. And we've been working, my team has been working diligently with other jurisdictions to see if there's opportunity to grow the program. And we're trying to do this.

There's other challenges around this, and especially around trade. And as you well know, the livestock sector has been under a pretty fine microscope with our biggest trading partner, which we feel is a very fluid trade corridor right now, especially when you're dealing with a price insurance program versus a production insurance program. So there's challenges around that, which the industry has, you know, also relayed to us that they're concerned about as well.

I do know for a fact and I've had calls from producers that are in it and are very happy with the program. They are. But we have made it a priority at the FPT [federal-provincial-territorial] table as well as raising this to become a national program and cost-share it as well.

Mr. Wotherspoon: — Thanks so much. And now, is that part of like the next policy framework discussions then? I know that's . . .

Hon. Mr. Marit: — Yes. Yes, it is.

Mr. Wotherspoon: — Yeah, no, I appreciate hearing, yeah, certainly you're hearing the same things from producers that I'm hearing. I think that the industry really does need a backstop. And

I know we all know the value of what livestock producers do in the province, you know. And even from kind of the environmental perspective, the role that they play in managing pasture and grass, and you know, protecting some of the biodiversity that's there, I think there's a real solid case to be made to make sure that that industry has the backstops that it needs right now to weather some of the serious economic forces that it's up against.

Right now, do you have any ideas as far as . . . So you're engaged in the discussions federally. Any sort of timeline as far as decision points or certain presentations that would be made that would be part of this timeline?

[20:15]

Hon. Mr. Marit: — Yeah you know, you raise some valid concerns and points too. Obviously the upcoming meeting, the FPT meeting in July, there'll be a lot of discussion around that. And I guess our concern is the federal government's perspective and their priority on agriculture as a whole but even more so on the livestock sector. They seem to have more of an environmental lens on it than agriculture productivity and profitability, if you want to call it that, or even competitiveness.

So I would encourage you to reach out to your federal colleagues as well to make sure that agriculture remains a priority from an agriculture production perspective and some of the challenges around what your federal colleagues are saying from an environmental perspective. So I would call on you to reach out as well.

Mr. Wotherspoon: — Yeah, I have no trouble of course being public on these matters. And we're here tonight and it's all recorded permanently in *Hansard* and video recorded. And always willing to make the case, you know, to any party in Ottawa — whether it's, you know, anyone who's elected as a Liberal or anyone who's elected as a Conservative or anyone who's elected as a New Democrat or whatever else — as to the importance of the agricultural sector in our province. And always making sure that we here in this province will stand with the interests of our province and our producers.

And it goes the same on the energy side of course. I know the minister knows this, that there's, you know, on some of these fronts, quite a distinction at times between, say, where the party I rep provincially . . . And you know, I'm a provincial member and a provincial caucus member. And we're very clear the interests that we represent, and that'll always be the case whether we're chatting with . . . whatever one of those federal leaders down in Ottawa. But for sure.

And that's part of why we have these conversations tonight as well, to get well on the record the importance of this sector and the importance of that cost-share and the importance of having a program like that become permanent. And it's a matter of equity and fairness for the sector. It's a matter of economics for the sector.

And it's at a time right now where, you know . . . I think the program's been built out. It's a good tool. All these programs can be improved. But it's at a time where folks are really dealing with some tough decisions. And you think of the effort and

generations that go into building that breeding stock and that herd in this province. And it's just, it's an important program. And I think that it needs to be treated with the urgency that's required.

Just shifting a little bit to AgriStability, we've had conversations and debates on this front. As you know, we had advocated along with producer groups around the elimination of the reference margin limit, and it was great to see that action occur. And I know that that was of benefit to the livestock sector, you know, last year and certainly moving forward.

But if you look at what producers are facing and what the sector is facing right now with, you know, of course a real difficult drought year and the real impacts that they're continuing to weather on that front financially that impede their position. But then also if you look at the environment around just, you know, the inputs, the incredible inflation that folks are facing with respect to inputs getting into another growing season here, folks really do need to have backstops that they can count on and that are going to be there for them.

So going back into something that you and I have had a bit of debate over, you know, the last couple years on, but it goes back to the payment rates of AgriStability. And I know of course I pushed hard last year, along with producers, on this front to increase AgriStability payment rates to 80 per cent. Producers are now going into, you know, they're in that tough time where they're weathering the impacts of last year. They've got inputs that are really through the roof here right now.

You know, are you ready to make a commitment, in the current year in a timely way here, to increase AgriStability payment rates to 80 per cent?

Hon. Mr. Marit: — You know, right now at this time with the removal of the reference margin limit, we found that when we did that, that brought in a bigger perspective of producers that were eligible versus changing the compensation rate. So that's why we went that way. Obviously the projected number for 2020 . . . With the removal of the reference margin limit, the projection is a payment increase of over \$12 million to producers. So that's obviously going to have an impact to livestock producers and grain producers as well.

So we felt it pretty important that that was — and even talking to stakeholders, which we did very extensively — that the reference margin limit was the one big hurdle that they wanted to see gone. And that's the one we looked at and did it.

Any other changes to AgStability right now are probably going to take place in the next policy framework. You know, hopefully in July we can come to agreement with . . . Obviously any changes like that, you know, we look at right now, but there's got to be agreement with the provinces and the federal government on what changes are going to come forth in the 2023 and moving forward.

Mr. Wotherspoon: — Okay, well we've canvassed as well the debate over the last couple years. I would submit that it . . . And I recognize that there's going to be, the next policy framework brings about the renewal of programs in 2023. But here in 2022, I think that producers have really been through a lot and I think, you know, we know that producer groups are united on this front

with the call for payment rates to be increased.

Of course we had pushed hard for the reference margin limit to be removed — along with producer groups — as well as the payment rate to be fixed. And I think it's disappointing. Food security's an important thing and the role producers play within it is so important. And if you look at the tough times that many have been through, I think that we need to make sure those backstops are there.

So I won't make it another question because then we'll get into a protracted debate on this matter and not cover other areas. But I would just submit again that certainly we need trusted programs that are going to work in 2023 when we look forward and through the work with the federal government and the other provinces around the next policy framework. But producers really do need a backstop they can count on right now and improvements where they can be received, and I would just urge the minister's attention back to this front.

Something that I hear from the livestock sector particularly is that their margins these days — you know, correct me if I'm wrong, Mr. Minister — are often so tight. And so when you're talking about 70 per cent, if you chat with, you know, ranchers and producers in this province, they tell me that that doesn't work. In fact many would say that, you know, there maybe needs to be a conversation about a sectoral approach to this, recognizing the challenges of livestock producers and just how slim those margins are and how quickly they can be put into a really desperate situation.

So I'm pushing for an increase certainly for everybody to the 80 per cent. Has there been conversations or considerations about doing something, you know, having another trigger in place for the livestock sector, though recognizing the tight margins that they operate in?

Hon. Mr. Marit: — Thanks, thanks for that. You know, I guess I could go on for quite a while here about what we have done. And I'm going to for a bit here because I think you've opened something that really has to be said for a lot of things we as a government have done.

I guess I look at, right off the bat, at crop insurance payout of well in excess of \$2.3 billion that went out the door in a very timely manner. So you know, when you look at record crop insurance coverage this year at over \$400 an acre average, I look at that. And I look at even the forage and rainfall insurance program, which is a program we brought in to the sector, of which they do really appreciate. And I think I've got the number right, Jeff, but I think that program alone paid out \$66 million through crop insurance to livestock producers here in the province of Saskatchewan.

So you know, I think when you ask something about sector-specific, obviously it creates a lot of problems. Obviously it would create trade challenges, and we've heard that from the sector as well too. So I think where obviously the next policy framework is in discussions, and that's some of the things that we are looking at. And this team has been phenomenal at that and really looking at what would be eligible expenses that the livestock sector could use, you know, across all sectors, not just livestock, but really give some more equity.

[20:30]

But you know, I think that something really has to be said that what we did for the livestock sector, I'm going to give echoes and kudos to some people in the room because they really do deserve it. We put 277 million out into the producers' hands in probably the fastest fashion that has ever been done in this country. Not in this province, in this country. And that goes to Jeff and the entire team at Crop Insurance, without increasing human resources.

And I had examples. I had a gentleman phone me, he put his application, had his cheque in three days. So echoes and kudos to the entire team at Crop Insurance for really putting this . . . And we heard it loud and clear from the producers. I just heard it on Friday night from a rancher. He said, "That program saved my son's ranch."

So I think we've done a great job for all sectors. And we've got some of, we do have the best coverage programs, both from a crop side and a livestock side when you look at the price insurance, you look at the forage and rainfall insurance and the enhancements we made to that this year, the enhancements we made to crop insurance on the price options where all crops are now included. I think we've done a phenomenal job for the ag sector in this province, and that's echoes and kudos to this team behind me that deliver these programs.

Mr. Wotherspoon: — Yeah. No, thanks. And I'd like to echo that as well. I mean what folks were facing last year was devastation, and it's not easy to administer programs and to obviously get dollars to folks in the timely way that they need them. So thank you to everybody involved in the sector on that front as well.

Obviously, the programs that you're identifying, we have the best programs in Canada, and I agree. We should because this, you know, we've got the agricultural industry in this province, you know, is the backbone of this province, so we should have that. And some of the improvements that have been brought have been important improvements as well. As far as identifying the dollars for crop insurance and then the payout, I'd say that's important. That's how the program's supposed to work.

It was a real devastating year last year, so obviously the payment was significantly larger in scale and magnitude to the challenge that was in place. But that's what these programs are built for. So I do want to say thanks to everybody, those that are sitting at this table and behind you here tonight and those that are involved in the administration of these programs across Saskatchewan, to do that.

Just looking at the next policy framework, of course there's a level of uncertainty then, you know, as to what is going to be accomplished and what programs are going to look like. It has to be a situation where we're looking to continuous improvements on this front because there's been some good improvements brought about. We've talked about some of them tonight. We've talked about a few other possible improvements, things like important pieces around permanency to the price insurance; around cost-share, on that front; pieces, things like expanded coverage around things like cover crop; discussion around payment rates and adequacy on those fronts. At this point, I know

the minister and your team will have been quite engaged around the next policy framework pieces.

What level of confidence do you have right now as to what kind of commitments are going to be there for producers heading into 2023? Do you have any concern that you won't have the across-Canada pieces, it's the other provinces, it's the federal government? Do you have any concern that there would be a rolling back of any supports, or do you see this as an opportunity to improve that backstop for producers?

Hon. Mr. Marit: — Yeah, you know, in discussion with my colleagues here, obviously it's concerning on where we go. Obviously we're always looking to improve the programs, and you know, what are things that the industry stakeholders are looking for. We, through the month of February, were very engaged with both the crop side and the livestock side on things that they would've liked to have seen changed or enhanced into not only the business risk, but also just in the programs that we also offer to the ag sector as well.

I can be very confident in saying that there will not be a rollback in the level of support. And I think the challenge we have here, quite frankly, is a willingness of a federal government to accept some aspects, obviously the biggest aspect making agriculture a priority, and making sure that we as producers are competitive. That was the one word that myself and the team really tried to get into the whole discussion, was "competitiveness," so that the primary producers in this province can be economically viable.

And as I said earlier in a comment, and I'll reach out to you again as your colleagues the federal NDP [New Democratic Party] have negotiated a truce — if you want to call it that — with the federal government, that it's really important that you convey that to your federal colleagues as well, of the importance of agriculture not only to the province of Saskatchewan and primary producers, but to this country as a whole, especially when you talk about food security, as you did, and our concerns around that as well.

And to be competitive, and one of the challenges we're having, and obviously we're seeing it with . . . once again is the impact of the carbon tax and it's having on the impact in the ag sector. And it's having a big one. So as far as, you know, your question and back into the program, I'm very confident that you won't see a rollback in the levels of support both from a federal perspective and ours as well.

But my team will be meeting shortly with federal and provincial counterparts and we'll be having a meeting sometime coming up here later this spring. And then we'll have the big meeting in July, where hopefully some consensus can be made by all the jurisdictions, which has to be agreed upon by all the provinces. And obviously there's some concerns around that from other jurisdictions as well.

Mr. Wotherspoon: — Thanks for that undertaking around the backstops and the need there. And certainly there's a lot of pressures that folks are facing in the industry right now. The minister referenced the carbon tax and the newest, you know, increase here. And of course he would know that we've been clear and public in our call for that to be stayed as well. And as well, we're actually for making sure that . . . We have got a

Supreme Court that's ruled on this, and then producers are paying the price. We need to make sure that there's carve-outs, offsets, rebates, recognition for producers who right now don't have any of that recognition for their roles.

I'll get into that line of questions a little bit later on here, but again, just as far as the federal piece and making sure the minister understands, we will be crystal clear, you know, that it's Saskatchewan's interest that we will advance. That's the approach I've always taken. It's the approach our caucus will take. And that'll be whether we're chatting with the Liberals, the Conservatives, the NDP on these matters, from equalization through to, you know, through to fertilizer, through to trade, and through to business risk management programs and more.

Maybe that just as a bit of a segue — I wasn't going to go there next, but it's a natural leaping-off point to touch in on — and that's the federal government's brought these hard caps on fertilizer that just don't seem to make sense for this province or for producers' interests with respect to food security, with respect to . . . Even from an environmental perspective it doesn't respect sort of the approach of producers here — the 4R [right source at right rate, right time, right place] approach that's been established for a long time. And so I'm wondering on this front, the hard cap really doesn't seem to make sense and the timeline is looming that they have, their 2030.

And it seems to me that there's, you know, a reasonable discussion around intensity on these fronts, to make sure that we're as efficient as we can, to make sure we're as productive as we can. But you know, our producers should be as productive as they can be, and then utilizing practices to make sure that they're managing in an efficient way, in an incredibly responsible way which is, you know, I think the approach of the vast majority of producers and I know commitments of this government.

So just as far as the federal government's hard cap, the 30 per cent by, I think, 2030, as opposed to some sort of intensity-based model or one that reflects the importance of production and food security and, you know, a more efficient approach to feeding the world, which reduces the emissions intensity on yield. I guess I'm interested to hear what undertakings the minister has taken on. How have you represented Saskatchewan on this front?

[20:45]

Hon. Mr. Marit: — Well it's interesting you raise this because this has been a key issue for, obviously for me as a minister but also for the entire team, is the federal government's whole idea of 30 per cent reduction and where we get to with that or where they even want to end up with that. I have reached out personally to the federal minister on numerous occasions — every time we meet — to say, why don't we use our dollars wisely here and really look at research, innovation, and new technology?

So that's, you know, that's where we've had it headed. And I think as a government you've seen that in our commitment to research dollars. This also fits hand in hand with higher yielding crops, where you see even, obviously, a huge impact on it. But I think this all falls . . .

There's a lot of comments I want to make on this one, because I think it's really important just in light of what's happened in

Ukraine over the last while. When you talk about food security the way we are, this federal government in this scheme of a 30 per cent fertilizer reduction seems to fall totally on the negative side of where we really want to get to with food security and food production and feeding the world. And that's what we do here.

Canada has reached out on a consultation basis on this. And my team has been involved with stakeholders now as having discussions around this, and I think the deadline is June 3rd for making that commitment. But I think this is just something now that . . . The world is talking about food security. The whole world is talking about it. So I'd hope the federal government would change its narrative.

And that'll be our focus in going into the next rounds of discussions is really, as I've said earlier, the whole thing about primary agriculture and primary production and our producers being competitive and feeding the world. And we'll continue to make that our priority. We always have. I've had the opportunity now to raise it with the federal . . . well I would have to think five or six times at least that we've had discussions about this. Maybe not that many, but I know in every meeting I've had, we've raised this discussion about the fertilizer reduction with her.

So it's very important to us and we'll continue to advocate on behalf of the industry here. And as I said, I think we can achieve some goals with research, innovation, and technology, and we're going to see some of that. And we're hoping in July that we'll be able to show the federal minister and my counterparts from across this country some of that research and innovation at the FPT meeting here.

Mr. Wotherspoon: — Yeah. Thanks for those comments. And yeah, I hope the federal government's able to adjust course on this front because the current way they're, you know, imposing this hard cap is, you know, it just doesn't make sense. And it didn't make sense before the horrible conflict, the unforgivable invasion of Ukraine by Putin, but certainly the world has awoken to the food security realities that have been present for a long time. And Canada definitely plays a very important role on these fronts.

I think of, you know, I was reading some pieces around where Africa gets its grains, and it's Ukraine and it's Russia. And you think of the food security challenges that are already so present through so many African nations. So anyways, I appreciate that we've touched on this piece and the minister is identifying and recognizing the importance, and wish him continued success in making that case.

With respect to trade itself, you know, obviously trade is so critical to our province as a whole as exporters, so critical to agriculture. And so it's always . . . It needs to be a steadfast effort of a government to be expanding trade markets. We know as well where you're at the mercy of others at times making decisions around your products. We know the horrible frustrations with respect to some of the actions of China just a few years back, other countries as well. So making sure you have that trade relationship and that you're expanding into new markets is important.

But right now, you know, our world simply can't look away from the atrocities, the war crimes, the human rights atrocities that

we're seeing being committed in Ukraine by Putin. And it's, you know, it needs to be certainly a Team Canada approach in being there, standing united, and we need to do our part as a province and we stand united as a legislature on this front.

But with respect to, you know, securing those markets that Russia currently serves — on certainly the potash side and certainly as well on the energy side — these are very important that we pursue as much as we can, expanding our trade and taking up that space, doing all we can to cripple, you know, Putin's ability to fund this horrible war and to make sure that there's consequences.

With respect to agriculture, agriculture plays a big role on this front. Certainly our ability to export, you know, grains and food products to those markets is important. So I'm just interested in light of the horrible situation our world faces at a time where we can't look away from what's going on, what additional efforts has your ministry brought about in working with Trade and Export, for example, to go and access and secure those markets that are currently being served by Russia?

Hon. Mr. Marit: — Thanks for the question. I could probably talk the entire hour on this one, but I don't think you want that.

But I think you touched on something that's obviously near and dear to this government, as recognized by the opening of the eight trade offices that we have opened. And I think I can almost recite them all, but I did miss one when I wrote them down. But you know, you look at Mexico City, London, Ho Chi Minh City, Singapore, New Delhi, Tokyo, Shanghai, and Dubai, you know, and London. And the Premier was just there and opened that office.

And so I think you're seeing a commitment from the government to really look at, you know, our trading partners and opportunities and all aspects. And agriculture's going to be forefront in all of that. When you look at our growth strategy to 2030, the points that are made, seven of them are really ag, have an ag focus on them and an ag impact on them.

I have personally been on two trade missions myself and talked to industry players and companies globally. In Mexico we talked to the largest oat buyer in Latin America who sources all his oats from Western Canada, and the opportunity of growth around there. And we're still in discussions with those. Same thing when we went to India and Bangladesh and Dubai. And we talked to all sectors, from the pulse side, from the grain side, and from the canola side as well.

You know, it's an interesting dilemma. It's actually quite a great story that we should really be telling, because these companies are coming to this country to look for a consistent supply with a country that they know they can do business with. And I think that's important to say. And we're starting to see that, you know.

One company I met with in Bangladesh, at the time 80 per cent of their crush was palm oil; 20 per cent was canola. And talking to the father and son of this company, that they were hoping in three years they could flip that and obviously looking to Canada for an opportunity for that side of it.

I talked to a pulse processor in Dubai who sources virtually all

the lentils and peas that he can out of Western Canada, and of course you know where Saskatchewan lies with all of that. We're number one in the world. So obviously these companies recognize what we have here. They recognize the supply and the product that we have.

But there is some challenges too. And some of the challenge with some of these countries is obviously the trade agreements. And I had the honour — privilege, I would say that — to speak at a national conference in India with the pulse sector and raise that concern about the tariffs and how it impacts producers here on making the decision on whether they're going to grow that crop or whether they're going to switch because of how it impacts the price side. So we've seen India, as a result, over the last few years remove the tariff side of it. I don't think that was the total result. I think probably because they ran out of production as well.

So I think it's important for us as a government. And I think you're seeing some vast expansion from industry companies here in this province and in Western Canada that are having opportunities to grow their business away from China, away even from some markets in the United States, where they're seeing opportunity for growth, whether it's in Indonesia, whether it's in Europe, or whether it's in Dubai and India, Bangladesh, Japan. We're seeing expanding growth there too.

So we are seeing expanded opportunities for growth. We recognize it, and obviously we recognize it by opening these offices, and the importance of us of having people there that can come to our door and say, what do you have that I'm interested in? And we can show them and engage them with the right industry players here in the province as well.

Mr. Wotherspoon: — Well it's a very important effort and a lot of what the minister recognizes, sort of the continuous efforts that the government's been bringing about on this front. And trade expansion is so critical. I think that we have to look at the current situation we face as something that should cause us to really all redouble our efforts and to calibrate an effort that can be effective in response as well to those Russian markets.

And when you think of all those African nations and the food security there that's dependent upon Ukraine and Russia, you know, there's an economic imperative to all of this but there's a moral imperative as well in making sure that we're playing a role within food security. That's why I would urge, you know, that lens as well to be applied in just the current situation, the changing world.

[21:00]

Certainly without a doubt, when we're talking food and fuel and fertilizer and so many other goods, you know, we should be the choice supplier around the world where we can do that logistically, and certainly agriculture plays such an important role.

With respect to the farm and ranch water program, there was some good improvements brought last year. A couple pieces are outstanding that producers continue to call for, and I'm just wondering if there's some movement to cover these pieces. One of them is to ensure coverage for electrification as well, for power to be established to a pumping site.

Certainly the program is very important to establish a trustworthy water source. The minister would know well the challenge many folks face on this front. Certainly it's the purpose of the program. But as I chat with many ranchers and producers on this front, moving water is critical to that and in that, you know, solar panels aren't going to cut it for what folks are requiring on this front. So to include the cost of having power brought to a site so that they can pump that water and utilize it, has the minister heard that case and is there an openness to adjust that program to include power?

Hon. Mr. Marit: — Yeah, you know, once again you raise a program that is probably near and dear to my heart, and plus my colleague from Cypress Hills as well, because we were on the design team of that program, and obviously it's worked out very well. I just asked my team how much we've invested in that since the inception, which is well over \$70 million has gone into probably one of the best programs that's really impacted the South — well the whole province — but it really impacted the Southwest for long-term sustainable water.

So when you . . . You know, and we always look at the program parameters and things around it. And you know, we've heard it too on the electrification side, and the challenge you have with it obviously is the cost and the impact. So then there has to be, you know, trade-offs onto what side of it.

Obviously the program has limits. Each producer is eligible for 50,000, and then if you're a livestock producer now, we raised it for the short-term — well that cut-off on March 31st — to 150,000 for cattle producers. But we gave them a six-month extension to get the work done, of which we are covering 70 per cent of that 100,000 and the producer's covering 30 per cent.

So you know, I mean we'll always look at changes going forward in the next policy framework agreement. It's a program that is near and dear to this province and to the producers of this province, and I think it's the only province that has it. So you know, we look at things but obviously then there has to be trade-offs on how you balance that.

Mr. Wotherspoon: — I understand.

Hon. Mr. Marit: — But electrification is . . . We've heard it but it is a very expensive part of it.

Mr. Wotherspoon: — Yeah. Thanks. I think it makes sense for the inclusion, and it's great to establish your water resource. But the power's an important piece to move that water, so I'll leave that there. The other piece that I'll just leave as, I guess, consistent advocacy on this front is the adjustment of the threshold.

And I know producers have made the call on this front as well, and the 50,000 income threshold requirement right now. I know the call by producer groups is to have that reduced to 10 and then, you know, certainly heard from some folks who, you know, have been shut out in the current program with these parameters. So I would urge, I would continue to urge for that to be adjusted as well, moving forward.

I'll focus my attention here . . . I guess you have some real challenges producers are facing right now going into this growing season. You have inputs that are really through the roof.

We have this extraordinary situation that's going on from an international perspective that's, you know, contributing to that situation. And we have supply chains that are in a bad state as well when you're talking about the availability of fertilizer and farm chemicals and implements. Of course, you know, seed and everything else that, you know, the timeliness on these fronts really matter, so do the costs.

So just with respect to the agricultural supply chains, you know, and we're getting down to that time where, you know, days are going to matter when products are supplied. And then also with respect to inflation, some of those pieces are understood with some contributing factors. There's also always concern with respect to the potential of price gouging. And so I guess just looking to the minister to see with respect to the very challenged supply chains that pose a real risk to producers at this time, and also the challenge of inflation around inputs and the potential of price gouging, I'm just wondering what actions this minister is undertaking on this front.

Hon. Mr. Marit: — Thank you. And you know, we've been watching this. We've been watching this quite tightly, and I do have some numbers that we can share. So as of March '22 versus September of '21, urea is up 71 per cent, phosphorus is up 29 per cent, potash is up 34 per cent, and sulphur is up 50 per cent. So we have obviously . . . the team has been reaching out to suppliers, and here's what we're hearing.

So supply and availability in Saskatchewan were found to be tight to satisfactory by major suppliers. So it's satisfactory as well. Solid fall and spring demand has obviously depleted the inventory, but the farmers have it on site.

And we've also seen where in some cases — and I can give you examples in my own constituency — talking to some farmers that obviously didn't have a crop last year, will virtually not have to put any fertilizer in the ground. Their nitrogen levels are very, very high to the tune, if you put it on today's prices, as one young farmer told me, it's saving him a lot of money because . . . and he's tested it quite thoroughly. So we're seeing that side of it too.

And when you look at with the fertilizer on hand, just about 90 per cent of the farms have their fertilizer on hand. You know, and I think the other side you really have to look at, when you look at the prices are up, yeah, they are. But I think you have to look at the other side too when you look at the commodity prices. They're the highest they've ever been, I mean, crop insurance coverage at \$404 an acre. And I have talked to a lot of producers that have phoned and said thank you very much for a program that's going to make it a lot easier for them to put a crop in the ground.

I mean as far as price gouging, you know, obviously we watch that too, but I mean that's a federal government issue through the Competition Bureau and challenges around that. My team is monitoring it and watching it, but supply chain has been impacted from all sides of it from, as you said herbicides coming into the country, you know, even to the point where my neighbour couldn't get tires for his new air cart. So it's all over. But you know, they found a solution and they got it fixed.

So the supply chain is impacted as a result of what's happening in Russia and Ukraine as well. But when you see the fertilizer

prices that way and you see the commodity prices, obviously the record-high commodity prices is definitely offsetting some of that challenge as some of the producers have said.

Mr. Wotherspoon: — Yeah, it's a real challenging situation. Certainly it's important we're engaged provincially and nationally on these fronts.

With respect to grain contracts, obviously last year was catastrophic for many folks, and many producers ended up in a situation where they faced serious stress and hardship and weren't able to fulfill their grain contracts. Those, you know, were dealt with in different ways across the industry. But the one thing that seems to have come out of that is a greater awareness as to the terms of the contract as well as some appetite to see some greater transparency, possibly some standards or improvements within them.

There's a role for the province to facilitate some of that conversation with producers and the industry. Are you engaged in any sort of facilitation on that front or any bit of a working group with producers in the industry to look to bring about some improvements on a go-forward basis?

[21:15]

Hon. Mr. Marit: — Thanks for that. Obviously we were very engaged in this process with the grain contracts. I and the team, we personally did reach out to every president and CEO of every grain company that does business here in the province of Saskatchewan. We also reached out to the lenders. We had some good discussion with all the ag lenders in the province as well about, you know, concerns that they may have had with some of the contracts.

And of course we reached out to the producer groups. We really did. And you know, we heard it from all sectors on it, on the process. Now the *Canada Grain Act* is open and some of the, you know, changes could be made in there on some of the wording. But at the end of the day, it's a business decision by a producer to enter an agreement.

But I think you've raised a very good point. It probably did flag a big awareness with a lot of people. And we heard it from some saying, you know, I'm going to look at the contracts and whether I sign one or not is going to be a business decision that they will make. And I think that, as a government, is where we have to really respect the business itself for a producer and the grain company in coming to terms.

And I just want to say this because I think it's important. In reaching out to the grain companies that I did — and I heard it pretty clear from all of them — they were doing everything possible to work with the producers, to work through this, whether it was a deferral or working through or taking other commodities.

But here's what I really got from every one of them that I thought was very sincere and dear. They said, we do not want to lose a customer. We want to protect our customers and our clients, and we want them coming back. So I felt very confident in what they were trying to achieve and trying to do and working it through with the producers. And for the most part, that's what I heard

from producers too. They worked it through, whether they offered another commodity or whether they did a deferral or however they worked on the payouts.

But the one thing it did raise, as you said, it raised an awareness for everybody to really have a look at the contracts. Because I signed contracts all my years of farming too and very seldom you looked at everything. You looked at the price you were guaranteed and what you were going to get and what your delivery date was. So I'm sure everybody's looking at the fine print more now too.

Mr. Wotherspoon: — Could you provide a bit of an update on the agenda around better supporting meat-processing development within the province? I know there's, you know, I think we've seen the supply chain on this side exposed as well and the consolidation and the challenges and the lack of competitiveness and the position it puts, you know, our industry and producers in and consumers in. And it would really be in the province's interest.

And I know it's not been without effort over the years and lots of good folks that have, you know, made some things work, and I know some that haven't succeeded. But there's a real desire in the province to grow a meat-processing industry in the province in a more significant way than we have right now.

There's some successful operations to look to as models on this front. Of course it offers choice and options, markets for producers, often something quite local to them as well. And it provides, you know, the consumer with that choice as well. And I know, you know, I value buying Saskatchewan beef and Saskatchewan livestock and, you know, we work with different abattoirs and different producers on that front.

But I know I'm not alone. I know that there's a large consumer appetite for the exceptional livestock that we raise in this province, for the exceptional beef that we raise in this province. And I look to some of the incentives that are there, and I'm not sure that this is . . . I think there probably has to be some other measures as well.

But I look to the value-add tax incentive program that's in place. And in that case the threshold is just so high by way of the requirement for investment that it really shuts out the vast majority of the types of smaller operations that may be able to be feasible and that are scalable, and where the economics could work on this front. So I know I've chatted with different folks on this front who seem to feel that a program tailored, you know, with some incentives in looking at that Sask value-add incentive, right now the threshold is just far too high.

And then some other pieces that could help, you know, fire up some investment. That's the other piece that I didn't identify of course. You know, what we're talking about is investment into rural communities, and we're talking about some local jobs. And they might be . . . Maybe they're smaller operations that we're looking to but those are still really valued. If you look at if those could be sustainable and successful, distributed across the province, they can certainly be good for producers, for rural communities, and for consumers.

Hon. Mr. Marit: — These chairs don't roll on carpet very well.

Thanks. You know, it's something we really have been engaged in, and I really want to commend the team again. You know, a good example is Donald's Fine Foods in Moose Jaw and what they're doing there, and the expansion of the hog facility there to another case.

So you know, you said the tax incentive. And then we have the SLIM program too that really allows the cost sharing for an abattoir or existing one if they want to become more efficient, which would really allow them to expand their slaughter capacity too. That's cost shared 50/50 up to \$500,000. So that allows them some opportunity to do that.

We have also provided funding to Saskatchewan Stock Growers Association to really look at a study on small beef processing. So I think that's where you probably put it. Put it in the hands of the producers to see if there's some opportunities. So we've done that, and we'll wait for them to come back with something on that side of it as well.

Mr. Wotherspoon: — Thank you for that. Yeah, I know it's such an amazing industry. And any way that we can, you know, support some options for producers and some rural economic development and a great choice for consumers, you know, I think that we should be pursuing it. And I'm real pleased that the stock growers are engaged in that work as well.

With respect to . . . we touched on it earlier and it's the imposition of that federal carbon tax on producers, right, and you know, the challenging situation it puts folks in. And the fact that, you know, we think of grain drying and whatnot, there's just not alternatives for producers.

And you know, producers play such an invaluable role as environmental stewards through management and practices and sequestration, and you know, practices like zero-till. And as well I think of all the livestock folks with protection of grass and the management of wetlands. And what that means, you know, from an environmental and an emissions perspective is significant.

So the federal government imposed the carbon tax. The Supreme Court has ruled. And producers are left now, you know, paying it but without any sort of a rebate or without an offset structure, without value recognizing their role as environmental stewards. And I know a lot of producers are, you know, looking for that sort of relief and recognition.

So I know the province is looking to take over the, you know, have a provincial plan on this front to take things over on this front. I think that, you know, that makes sense for the province to have its own climate change plan. But we need to make sure that producers have the recognition and the value placed on their role as environmental stewards.

So looking for an update I guess as to that provincial submission that the province has made or is making to the federal government and where things are at for producers to make sure that they're getting, you know, an offset structure, a rebate, and incentives for their work as environmental stewards.

[21:30]

Hon. Mr. Marit: — For all I know, this one will take me to the

top of the hour, so it'll probably be your last question.

Mr. Wotherspoon: — Oh, don't do that. We've got some other questions.

Hon. Mr. Marit: — No, you know, and you raised it. Farmers and ranchers have always been price-takers, and the carbon tax has always had a huge negative impact on the whole ag sector. Because nobody realizes that we're paying, the primary producer in this province is paying the freight on every bushel of grain that leaves this country. And we're paying the freight on every pound of beef that leaves this province as well. So it's all reflective in the price that the farmer or rancher takes.

So obviously we've been adamantly opposed to the carbon tax. Still are opposed to it, because it's going to have a huge impact on a lot of factors in the ag sector, and number one being competitive. So then you get back and you start talking about the whole thing about global food security and the challenges around that.

So you know, obviously the challenge we're having with the federal government, quite frankly, on this is the federal government won't recognize anything that we've already done. And that is obviously very disturbing when we were pioneers — and I will say that; we were pioneers — in zero-till, continuous cropping, to lead the whole ag sector in this entire country.

So we've done what we were supposed to do, and now the farmers and ranchers will be somewhat penalized for it because they won't be recognized for early action. And that's the position the federal government has taken, which is very unfortunate. But that doesn't mean we give up on our lobby effort and our concerns in raising this.

Obviously the whole Prairie Resilience and the carbon offsets and everything else is being led through the Ministry of Environment, so that would probably be a question you would probably want to direct to them.

Mr. Wotherspoon: — Okay, thanks for that. You know, certainly producers are now hit on this front. And you know, I think as the province looks to take over this program, it's going to be really important that producers have the recognition and value placed on their work. So we will take it up with Environment as well. Obviously it's real important to producers.

Moving along a little bit, you know, we've talked . . . I guess I just want to give, before I get into a little bit of some questions around irrigation, I wanted to give a shout-out and recognition for getting that PST [provincial sales tax] off of dugouts and some other services there as well. You know, I first became aware . . . and I know the minister knows I advocated on this front. I first became aware of this meeting with the cattlemen's association, and I appreciated their advocacy on this front. And it was good to see the government act on this front. It didn't make sense at all when we're trying to encourage, you know, dugouts and water sources to have that PST. So good work there.

With respect to irrigation development in the province, I heard in your opening remarks you referenced a number of irrigable acres that have been brought online in the last, I think you said two years. Okay. So the number then was 20,000. I know last year

when I was asking these questions the number was 9,500. So we've sort of, you know . . . I guess our pace improved even a little bit more this year, so about 10,000 irrigable acres, new irrigable acres a year.

I want to get a sort of assessment of what the inventory is for irrigable acres right now where there hasn't been subscription or uptake. I believe in the past you'd shared that there was 35,000 infill acres with sort of the current assets or projects that are in place. And then I know there was, you know, a look to developing another . . . well there's the whole big project but looking at I think in the more immediate, there was another 50,000 irrigable acres that seemed to be realistic to bring online, a total of 85,000.

But I guess what I'm looking for right now is, what's the inventory right now of irrigable acres that haven't been subscribed to and, yeah, just where we're going on this front.

Hon. Mr. Marit: — I'll open it up just a bit and then I will get Penny to come and give an update on what you're asking for on the stat side. Yeah, it's encouraging to see this increase in the acres. And I think it's all part and parcel to just the whole ag industry and where it's going to. But obviously we saw it as a priority and that's why we increased the irrigation funding again, because we see it. And that really gives opportunity for other irrigators even outside the irrigation districts to look at opportunities for growth in irrigation around that.

And I can tell you from my perspective in our office we're seeing a lot of interest from other parts of the province that are really looking at irrigation development as well. But I will turn it over to Penny to give you an update on the infill and the numbers and where we're at right now today. So, Penny?

Ms. McCall: — Hello. I'm Penny McCall, assistant deputy minister for regulatory and innovation. And to respond to your question, yes, we are well on track to meet our growth plan goals. We had identified 85,000 acres within that. We anticipate that about 35,000 of those will be infill acres, so within irrigation districts, and another 50,000 outside of that. And at a rate of around . . . well over the last two years on average 10,000 a year, we should be able to meet that by our 2030 growth plan goals.

Now where this is coming from, there is non-district irrigators that are interested, but working with Water Security Agency to identify . . . There's six development areas that they're looking at outside of the Lake Diefenbaker expansion area that we want to target for some of this expansion.

Mr. Wotherspoon: — Thanks for that information. And so there's the 35,000 infill acres right now. We've talked about 20,000 new acres being brought on these last two years. Have they utilized those acres? Is 35 now 15? Or just an update on where that inventory's at.

Ms. McCall: — So of the acres brought on recently, 67 per cent of those are in non-districts. And so again, if you're looking at the proportion, the majority will be outside of infill areas. So I guess that's 33 per cent within the infill areas.

Mr. Wotherspoon: — Thanks for that update. Maybe you could describe a little bit what the projects outside the district areas

look like.

Ms. McCall: — All right. In response to that question, it's difficult to find a commonality, because every project is a little bit different. In fact, you know, some might be out of a river; some might be out of other reservoirs. In fact there's actually looking at some as pilots in conjunction with a drainage project to find other water sources that can be utilized for irrigation. So they're all just a little bit different.

Mr. Wotherspoon: — And then what's the role of the province, or what's the . . . How does the program work to go work with someone outside those district areas? What kind of provincial dollars are involved, or what's that look like?

Ms. McCall: — All right. So when it comes to irrigation support in the province, one of the things that we provide is soil certification. And so the very first step in the development process is to assess the land and make sure it is irrigable and can support irrigation. As part of that, we work with the Water Security Agency in terms of finding water for them, developing that water licence. And so as a ministry, we help producers work through a seven-step program in order for them to develop that irrigation, and that program requires support across ministries, primarily with Water Security Agency but also the Ministry of Environment as well.

In addition to that irrigation development support and soil certification, we also provide extension for new growers because we want those growers to be producing higher value crops, including things like vegetables, potatoes, fruit, and other crops under irrigation that would be more profitable. Part of that is also then marketing those crops.

We also provide support for, I would call it, the engineering side of the irrigation in terms of helping them determine what kind of set-up they need, what kind of pivot, the pipes, things like that.

[21:45]

And we also provide significant funding into irrigation research. And we partner with the Canadian-Saskatchewan irrigation development centre in Outlook.

And last but not least is the irrigation programming that we provide under our CAP. The largest one is our irrigation development program, and that is where we provide producers a maximum of . . . It's a cost-share agreement where we cover two-thirds of the cost to a maximum of 1,320 per acre. And each individual is capped at \$500,000. And so that's I guess a snapshot of what we do to support irrigation in the province.

Mr. Wotherspoon: — Thanks for that. And the two-thirds sort of that's . . . [inaudible] . . . for the non-district works and then the district projects, that's sort of reflective of the two-thirds share on . . .

Ms. McCall: — It's the same share.

Mr. Wotherspoon: — Right.

Ms. McCall: — Yeah.

Mr. Wotherspoon: — Okay, no, thanks for that. So with the growth then, and the majority is occurring right now outside of the district works that are there, so you have these other infill acres that are there. With respect to getting the other 50,000 online to get to that 85,000, is there any dollars in this budget to help to prepare those acres? Or what's the budget, I guess, the financial implications of bringing those additional 50,000 acres? Of course this is outside of the whole Diefenbaker considerations.

Ms. McCall: — There's two parts to that that we're supporting that development. One is in last year's budget. In this there's an additional 2.5 million that we are putting towards that irrigation development program that I mentioned. And so that just means that there's more money going into that program to support the increased acres that we're seeing. So that's one part of that.

And the other part of that is that Water Security Agency is looking into those six other areas to see about their potential. And so what they're doing is they're . . . In most cases it's a consultant or an engineering firm that they're bringing on to assess the feasibility of developing those other areas. Once we know that, then the next step will be to look how we can expand in those areas as well.

Mr. Wotherspoon: — Thanks for that information. And that's the work that you're doing to expand that 50,000 additional acres. Is that right?

Ms. McCall: — Yes. Correct.

Mr. Wotherspoon: — Making decisions as to where and what makes the most sense.

Ms. McCall: — Correct. And hopefully more.

Mr. Wotherspoon: — Right. Are you able to share what those six areas are? Maybe those are public already.

Ms. McCall: — All right. So the six smaller irrigation projects that Water Security Agency is looking into includes the Elbow-Loreburn area, the south . . . sorry, the Saskatoon south . . . [inaudible interjection] . . . Saskatoon South East Water Supply System, which we nicknamed the SSEWSS, which flows between the Broderick reservoir and Blackstrap. The third area is looking into the Quill lakes basin which also has a benefit there for, again, drainage projects.

The fourth area is Thunder Creek region, which is more in the Southwest. And then also number six is the north . . . sorry. Number five is the North Saskatchewan River, the north area on Highway 16 over to North Battleford. And the sixth area is in the Southeast, the Rafferty-Grant Devine reservoir area.

So those are the six. So they're across the province in different regions.

Mr. Wotherspoon: — Thanks for that information. I appreciate that. Moving along a little bit just to . . . I asked a couple questions last year that the minister wasn't able to answer at this table around the larger, the Diefenbaker project, and then took it . . . I think the suggestion was to take it to different ministers, which we did. We didn't get answers to that, to some of the

questions at this point. So I'll put a couple questions to the minister this year. But it's pertinent to agriculture, right. And you know, pertinent to being able to do a proper feasibility and proper economic assessment of the project is understanding your full costs within it.

So a couple of those questions were around what's been, you know, what's known around costs within this program. Last year I was asking whether or not district works projects, you know, moving water to the property line, whether that would be funded at the two-thirds in the same way that we've seen projects in the past, and whether those were included in the current estimates that were being tossed around on the project. And the answer was no, those aren't included, that it would likely be two-thirds.

It would be a significant, if you're looking at the kind of scope and scale of what this project represents, it would be a significant cost, I would think. So just looking for if you've got a, you know, the pen sharpened on some of those numbers this year around the district works piece, the two-thirds, moving the water to the property line.

As well, any anticipation of any on-farm programs that, you know, that you're looking to administer to work with producers on this front and other aspects, you know, the cost of things like power, which I understand last year you identified weren't, you know, included in that current estimate. So just looking for updates on the total costs that are being sketched out.

Hon. Mr. Marit: — Well once again I'll probably give you the same answer I gave you last year. That project is obviously being led by Water Security Agency and SaskBuilds. So that's probably where you'll want to direct those questions on where that's at and where the process is at.

Mr. Wotherspoon: — Okay. No, we'll follow up there. I know I'm cognizant of the time. I do think that this is a project that's, you know, has a large agricultural connect and that's critical to the economic case and the assessment and the feasibility, and to properly do that, some hard numbers are needed.

Just with respect to that Dief project, I notice that . . . I didn't really see references in the budget this year to it. Is there any changes with respect to your government's commitment on this front, or funding changes?

Hon. Mr. Marit: — Yeah, once again you'll have to direct those questions to Water Security Agency and their budget because that's where the numbers would be.

Mr. Wotherspoon: — Thanks again. And just to clarify on the two-thirds coverage on the district works, the movement of water to the property line, there's not on-farm coverage then for the pivot itself? I'd say roughly about 150,000 bucks or so, typically, for 133 acres. Is that sort of . . . That's the farm, the producer's expense exclusively?

Ms. McCall: — It is. Correct.

Mr. Wotherspoon: — Okay. Foreign land purchase concerns and the concerns of, sort of the way the deals have been structured over the last number of years. I know I'm a bit of a broken record on this front, but it's something we hear lots from

landowners in rural communities, concerns in how deals have been structured to break the spirit and intent of our laws.

And so one of the things I've brought about in the past is the requirement of a mandatory declaration of beneficial interests being a requirement in land purchase. Is this something that's being pursued by the government? If not, why not? And are there any other actions this government's looking to take to ensure the spirit and intent of our laws are being upheld?

Mr. Johnson: — Thank you. Good evening. Paul Johnson, assistant deputy minister. The answer on mandatory stat declarations, statutory declarations is . . . or the question is for the Minister of Justice, okay? We're one user of statutory declarations. The Farm Land Security Board may ask for a statutory declaration on any transaction, land transaction, in the province. And we do ask for a number of statutory declarations and we do follow up on farm land transactions that are flagged that may be suspicious where we have reason to be concerned it may not be Canadian ownership.

So we continue to look at the statutory declaration process and resources we have in the Farm Land Security Board to follow up on transactions, but the issue of mandatory statutory declarations is a question for the Minister of Justice.

Mr. Wotherspoon: — Okay, thank you very much. Certainly, you know, the Farm Land Security Board can play such an important role here. They need the tools or the teeth though as well on this front. And it's been one of those points of frustration where, you know, you go chat with the legal community or the business community and they're sort of rather well aware of how some of the deals have been structured over the last number of years that, you know, aren't consistent with the spirit and intent of the laws. And I think at the end of the day you should decide either to change your laws or uphold your laws. And so it's a point of some frustration, but I sure appreciate your response here.

With respect to transportation and making sure that we have the transportation system that can get our products to market and perform for producers and exporters in the province, certainly rail is such a critical piece of that and often that duopoly just fails to perform to the standards that producers need and expect. And I think it should . . . that they deserve . . . Shortlines of course play an important role within it, producer cars as well, and I know there's conversations with respect to the current Canadian grain Act review with some aspects of this around producer cars and whatnot.

But I'm interested in just hearing what undertakings you and your government have taken on with federal government and locally as well to ensure our rail system is performing for producers.

[22:00]

Hon. Mr. Marit: — Well it's too bad we're ending because I thought I could have gone for an hour on this one too. You ready to go for an hour?

Mr. Wotherspoon: — Let's do it.

Hon. Mr. Marit: — Yeah, no. I think the committee's ready

to . . .

A Member: — We're in. We're in.

Hon. Mr. Marit: — Yeah. No, obviously rail transportation has been near and dear to my heart for years, being on shortlines for as long as I was and the whole transportation, and talking to both CP [Canadian Pacific Railway] and CN. And I think you saw that, even with our government when we had the labour disruption with CP, where our government asked that the federal government deem the two railways an essential service. And I think that's an important thing to recognize.

But we get weekly updates from both CN and CP on grain movement and what happens there. We also are always in discussion with the Western Grain Elevator Association on service delivery and where things are at with them.

But I think a couple of things that I do want to talk about, and I think it's important to go on record that our government has been very vocal on changing the structure of the Vancouver port authority, on the board of directors, where we think that the provinces should have at least two seats on that board: all of Manitoba, Saskatchewan, Alberta, and BC [British Columbia].

So we just don't feel that one representative from the prairies is significant to make sure that all transportation to Vancouver . . . And it's not just grain. It's lumber. It's potash. It's all aspects of it, that it really move in a very timely fashion. Because we are a trading nation. A lot of times our credibility is on the line as a trading partner for logistics and service delivery of products. We've heard it from our customers globally as well. So that's why we felt it was important as a government to deem the railways as an essential service, and we will continue to advocate for that as well. So you know, we do everything we possibly can on the rail service side. And for the most part in having good, frank discussions with the railways as well.

So that's my answer to that one. I could have went longer, but I'll shut it off.

The Chair: — Thank you, Minister. So having reached our agreed-upon time for consideration of these estimates, we will adjourn consideration of the estimates for the Ministry of Agriculture. Minister, if you have any thank yous and wrap-ups you want to make?

Hon. Mr. Marit: — I do, thank you, Madam Chair. I want to thank you and the committee members and the opposition for the questions today in a very cordial and respectful manner. Thank you for that as well.

But I do want to go on record for thanking this team, Madam Chair. I am privileged to have a team of dedicated folks. And I know they're sitting behind me, but to me they're always sitting beside me. And in discussions that we have at a federal level, or in a provincial level as well. And their dedication to the ag sector here in this province is second to none. And I also know and see it at a federal level. When I bring these folks to the table, the respect they have nationally from their peers as well means a lot, not only to me, but to this province and to the ag industry as a whole. So this job is pretty easy for me with a team like this behind me. So I want to thank them, Madam Chair. So thank you

so much.

The Chair: — Mr. Wotherspoon, if you have any wrap-up comments?

Mr. Wotherspoon: — You bet. Thank you, Madam Chair. Thanks to committee members, thanks to the minister, and thank you to all those officials that are here tonight, and all those that are involved in the work that we're discussing here today. I know there's so many other civil servants and so many others, you know, across agriculture and our province, that have been involved in this work. Producer organizations and all those involved in science and research and innovation, all those involved in agribusiness and commerce and trade. So thank you very much.

And I think the minister identifies a proud reputation this province has more specifically to the team I'm looking at, and the civil service that's involved in agriculture. Without a doubt, you are incredibly well respected both in this province and across this country. You bring a lot of clout for agriculture in this province. So to that team of civil servants who are involved in this work, thank you so very much.

Bill No. 73 — *The Animal Production Act*

Clause 1-1

The Chair: — All right. We have one more item on our agenda for this evening, so we will now begin consideration of Bill No. 73, *The Animal Production Act*, clause 1-1, short title. Minister, do you have to change any officials out?

Hon. Mr. Marit: — No, but, Madam Chair, could I ask for just a five-minute recess?

The Chair: — Yes.

Hon. Mr. Marit: — Thank you.

[The committee recessed for a period of time.]

The Chair: — Welcome back, folks. We will now begin consideration of Bill No. 73, *The Animal Production Act*, clause 1-1, short title. Minister, do you have any opening remarks?

Hon. Mr. Marit: — Yes, I do. Thank you so much, Madam Chair, and thank you, committee members, for your patience. Obviously I'm pleased to talk to you this evening about *The Animal Production Act*, 2021. This replaces four outdated pieces of legislation: *The Animal Identification Act*, *The Animal Products Act*, *The Line Fence Act*, and *The Stray Animals Act*. This current legislation framework for livestock production had not received a full review since the 1970s. The practices and technology used by producers is vastly improved, and day-to-day operations look different than they did in the '70s.

Our legislation needs to reflect the realities of livestock production today and into the future. To achieve this, *The Animal Production Act* will bring together government oversight of livestock production in Saskatchewan. The ministry first proposed this idea to stakeholders in February of 2020. The idea received a very favourable response from the industry.

The changes encompassed in the Act are largely administrative in nature and cover livestock and animal product inspections and related licences; rules for administrative agreements the province has with service providers to conduct inspections; authority for the handling of stray animals and animal liens; fencing cost-sharing rules and an arbitration process for settling disputes; and the ability for animal groups to create assurance funds for their industries.

To date, stakeholders have been supportive of this approach and have little to no concerns with this direction. Due to the administrative nature of the Act, no major impacts to the province's livestock producers or service providers are anticipated.

There are 11 regulations under the existing Acts. Some are very interrelated and can be combined to streamline future updates and efficient use by the public. Our intent is to create fewer, more relevant regulations. Ultimately we will simplify the legislation to paint a clear picture of what is required of Saskatchewan's livestock producers. Key issues our stakeholders want to discuss are included in the regulations. Of particular interest are the processes and forms related to the handling of stray animals and fencing standards, livestock sales, and inspections.

The ministry is already engaging with stakeholders to further discuss these matters and bring forward regulations in 2022. It is anticipated that the new Act and regulations could come into force as early as January 1st, 2023, and having current legislation is an important part of supporting any sector. Thank you, Madam Chair.

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

Mr. Wotherspoon: — Thanks, Minister, for the remarks, and to those involved in this work. Just looking to get an understanding of who was engaged as stakeholders, who was consulted on this front, and making sure as well that I have a full understanding of . . . The minister said there was little to no problems that were being identified by stakeholders. Maybe just make sure to identify where there might be — if there are any — problems with this legislation to make sure that those are identified and to make sure we're fully canvassing the livestock producers and their respective organizations.

Mr. Johnson: — Paul Johnson, assistant deputy minister. I'm not sure if I have to redo that. But consultations have been and will be extensive. We've already talked to all of the major livestock organizations in Saskatchewan. I can go through the list if you'd like.

It's the Saskatchewan Cattlemen's Association, the Saskatchewan Cattle Feeders Association, the Canadian Cattle Identification Agency, the Saskatchewan Stock Growers Association, Animal Protection Services of Saskatchewan, Canadian Llama and Alpaca Association, Chicken Farmers of Saskatchewan, SaskMilk, Sask Bison Association, Sask Cervid Alliance, Sask Egg Producers, Sask Goat Breeders Association, Sask Horse Federation, Sask Livestock Association, Sask Pork Development Board, Sask Sheep Breeders Association, Saskatchewan Sheep Development Board, Saskatchewan Turkey

Producers' Marketing Board, Agriculture and Agri-Food Canada, Agricultural Producers Association of Saskatchewan, Canadian Food Inspection Agency, Livestock Marketers of Saskatchewan, Livestock Services of Saskatchewan, Saskatchewan Association of Rural Municipalities, Saskatchewan Food Industry Development Centre, Saskatchewan inspected meat plants, Saskatchewan Meat Processors' Association, Sask Ministry of Health, and Saskatchewan Society for the Prevention of Cruelty to Animals.

So it's a pretty comprehensive list of those we have engaged with and will continue to engage with as we develop regulations.

Mr. Wotherspoon: — Thanks so much. And just to be clear, as far as concerns that have been identified by stakeholders through that consultation, are there any outstanding concerns that haven't been addressed with this legislation?

Mr. Johnson: — As the Minister said, the legislation is largely administrative and enabling. So we expect to have detailed discussions with stakeholders on regulations once we get to the regulation phase of this new Act. So we know some issues will come forward in terms of stray animals and how we manage stray animals. There may be some concerns arising on fencing and other aspects of it.

[22:15]

We know the livestock dealers have wanted to have a conversation on surety bond levels for many years. So a number of issues have risen towards the surface of this conversation, but we'll have those detailed discussions once we get to the regulations.

Mr. Wotherspoon: — And all of the concerns that are being identified by stakeholders can be addressed effectively and resolved through regulations?

Mr. Johnson: — Yes.

Mr. Wotherspoon: — Okay. I just want to say thanks to all those that have been involved in this work. And I would also just, you know, suggest to any of those folks that might be following this if they're . . . hopefully there were either . . . concerns are resolved through this process. But you know, if for some reason that's not moving forward in the way that they feel is important, as the official opposition, we're always a phone call away as well to make sure we learn more and that we'll be constructive through the process.

No, thank you very much. I heard pretty wide canvass of the different sectors there as well, so thanks for that consultation.

The Chair: — All right. Seeing that there are no further questions, we will move to vote off the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. 1-1, sorry.

[Clause 1-1 agreed to.]

[Clauses 1-2 to 13-11 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:
The Animal Production Act.

I would ask a member to move that we report Bill No. 73, *The Animal Production Act* without amendment. Mr. Lemaigre so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, closing remarks.

Hon. Mr. Marit: — Time to go home. Thank you, everybody. Thanks, Madam Chair, you did a great job. And to my colleague from the opposite side of the Assembly, thank you very much for your respect of the ethics. I appreciate it. Thanks to the committee members. Thank you.

The Chair: — This concludes our business for this evening. I would ask a member to move a motion of adjournment.

Mr. Francis: — I so move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until Wednesday, April the 6th, 2022 at 6 o'clock p.m.

[The committee adjourned at 22:21.]