



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Mr. Greg Ottenbreit
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Mr. Doug Steele
Cypress Hills

Ms. Aleana Young
Regina University

[The committee met at 15:29.]

The Chair: — All right. Welcome, folks, to the Standing Committee on the Economy. I'm Colleen Young and I'll be chairing this afternoon's meeting. Joining us here today we have members Trent Wotherspoon in for Jennifer Bowes; we have Ken Francis; Delbert Kirsch; Daryl Harrison in for Greg Ottenbreit; and Doug Steele.

Today the committee will be considering the 2024-25 estimates and 2023-24 supplementary estimates no. 2 for the Ministry of Agriculture and the 2024-25 estimates for the Water Security Agency. We will take an hour recess at about 5:30.

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — We will first consider the estimates and supplementary estimates no. 2 for vote 1, Agriculture, central management and services, subvote (AG01).

Mr. Marit is here with his officials. And I ask the officials the first time they speak at the mike just to mention their names and their positions, and Hansard will turn your mike on for you. So, Minister, you can introduce your officials that are here with you today and begin with your opening remarks.

Hon. Mr. Marit: — Thank you very much, Madam Chair. I am pleased to be here today to discuss the 2024-2025 Ministry of Agriculture estimates. The officials joining me here today are obviously James Cherewyk, my chief of staff; Rick Burton, deputy minister; Lee Auten, assistant deputy minister of field operations; Amy Standish, assistant deputy minister, policy and programs; Penny McCall, assistant deputy minister, regulatory and innovation; Rob Pentland is the acting executive director, corporate services branch; Jeff Morrow is president and CEO [chief executive officer] of Saskatchewan Crop Insurance; Lorelei Hulston, is here as acting VP [vice-president] of operations; and Christine Virostek is executive director of finance and accounting.

This past year we saw the agriculture industry continue to demonstrate its strength and resilience. Producers harvested a crop of more than 31 million metric tons, an impressive feat given the dry conditions this past growing season.

We saw key investments announced for our value-added sector that have helped us meet our value-added growth goals. This includes expansions in the canola crush sector and recent developments like our new sow processing facility in Moose Jaw and pea processing facility in the Yorkton area. And Saskatchewan saw a fourth consecutive year of record agri-food exports with shipments totalling \$20.2 billion for 2023, and this was one of our drier years.

This continued success reflects positively on Saskatchewan's agriculture sector, providing evidence of the global demand for high quality agriculture products our province consistently delivers. Staying competitive, staying sustainable, and staying

profitable is fundamental to our agriculture industry here in Saskatchewan. We are focused on supporting the resiliency of the sector which is a key part of a resilient economy in Saskatchewan.

This year's budget helps position the sector for continued success. The 2024-2025 agriculture budget is a record \$570.6 million, an increase of more than \$22 million from last budget.

The ministry's core budget, including salaries and FTEs [full-time equivalent] remains largely unchanged. Last year we introduced a new suite of strategic programming for Saskatchewan producers and agribusinesses under the federal-provincial Sustainable Canadian Agricultural Partnership. This is a five-year, \$485 million investment by federal and provincial governments in strategic initiatives for Saskatchewan agriculture.

As part of this agreement, the budget provides \$431.7 million for a fully funded suite of business risk management programs. Over the last three years the programs available through SCIC [Saskatchewan Crop Insurance Corporation] have provided over \$6 billion of insurance claims and other program benefits directly to Saskatchewan producers. Those programs have largely responded to weather-related production losses.

We continue to work to build and grow all of our business risk management programs to ensure the continued success of Saskatchewan agriculture. The multi-peril crop insurance average coverage for 2024 is \$389 per acre. This is largely due to an average decrease in insured commodity prices. The average premium is correspondingly decreasing to \$12.71 per acre.

While these averages reflect the overall program, it is important to remind producers coverage and premiums are individualized to their operation. Coverage reflects each producer's production records, and premium reflects each producer's claim history. The crop insurance program continues to respond in times of need. Even when we face back-to-back difficult years, a combination of the crop insurance fund, government and private reinsurance is in place to ensure the program remains reliable.

New for 2024 there are several enhancements to the crop insurance weather-based programs. The mixed forage rainfall insurance program protects a forage feed crop not previously covered under SCIC's weather-based programs, including mixed forage, greenfeed, and silage. With the intercrop rainfall insurance program, annual intercrops intended for harvest can now be insured for below-average seasonal precipitation. Additionally coverage is increasing for the 2024 forage rainfall insurance program.

As well an additional 38 weather stations have been added to supplement the existing network. All weather-based programs are enhanced by this increased weather station density province-wide. With 224 weather stations across the province, most land is located within 30 kilometres of at least one weather station.

This year's budget allocates \$89.4 million through the Sustainable Canadian Agricultural Partnership to continue to deliver our investment in priority areas to help ensure producers

remain competitive and profitable. We are in our second year of strategic programs, following a successful rollout of the programs last year. There was a big uptake of the programs, and we anticipate seeing a large volume of applications again in '24-25. Popular programs include the farm and ranch water infrastructure program to develop sustainable water resources; the resilient agricultural landscapes program, or RALP, to increase resiliency of agriculture land; and the animal health and biosecurity program.

Another big priority area for funding is agriculture research, with an investment of more than \$38 million allocated in this year's budget. This funding will support our research partners and the world-class research institutions in this province. Our investment includes continued efforts through the Agriculture Development Fund and the strategic research initiative. Investments in research are one of the smartest investments we can make. It helps us ensure our agriculture sector stays competitive and able to respond to future challenges and opportunities.

Saskatchewan is a leader when it comes to value-added agriculture and is home to one of Canada's fastest growing food manufacturing sectors over the past 10 years. The Saskatchewan lean improvements in manufacturing, or SLIM, program is one of our flagship programs for the value-added sector. Clients can use SLIM if they are a business involved in the value-added processing of crops and livestock into food, feed, or bioproduct.

This year's budget provides relief for the livestock sector after several successive years of dry conditions. In 2024 we are freezing the Crown land grazing rate at 2022 levels. The rate freeze applies to all grazing leases in Saskatchewan. This is the second consecutive year that rates have been maintained at existing levels. Additionally cattle producers who must reduce their stocking rates on leased Crown land due to drought will again be eligible for a rent reduction. This program helps to protect and maintain the sustainability of Crown land for the long term.

For producers who lease cultivated land, the ministry will freeze the 2024 average cultivation lease rates on Crown lands at the 2023 levels. Additionally Saskatchewan Crop Insurance Corporation continues to offer robust crop insurance coverage. We have seen excellent uptake in SCIC's forage program and forage rainfall insurance program. These are programs that will continue to be there for producers as we enter another potentially dry year in parts of Saskatchewan.

Our government also recognizes the importance of the livestock price insurance program for producers and the value it provides to Saskatchewan's livestock sector to mitigate market risk. With this budget we are 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. This includes a variety of activities throughout the year, from conferences to shows such as the Canadian Western Agribition, Canada's farm show, and the Western Canadian Crop Production Show. These events are important to producers to help our industry continue to grow and advance as we work towards achieving our growth goals for agriculture.

As Agriculture minister I have first-hand viewed of the great work taking place in this industry, and I hear about the global

demand for our products. It is my privilege to introduce this agriculture budget that will continue to support this key economic sector in Saskatchewan. Thank you for your time and I look forward to the questions.

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

Mr. Wotherspoon: — Thank you, Madam Chair. Thank you, members. Thank you, Minister, and certainly thank you to all the officials, senior officials with respect to agriculture here today and all those that are connected to this very proud, vital, dynamic sector in the province.

We have an incredibly proud world-class agricultural sector in this province that we're all very proud of. We need to make sure it has the footing that it needs moving forward front and centre that producers are well positioned. But we have so much to be proud of in agriculture in this province.

Certainly I think the drought situation that many producers have faced over the last number of years has been a very significant hardship and is having some pretty serious impacts on a lot of producers as we go into spring and into another growing season here. You know we're all, of course, pulling for the moisture and the rains. Even late snow we'll take, of course, to ensure that producers are well positioned.

We certainly think of those livestock folks, and those on the crop side all down in the southwest and the west central parts of the province who have been hit in such an extraordinary way. The reality is that we've had, you know, two out of the last three years where the AgriRecovery response was triggered, of course, for very serious drought. And certainly there is some levers government has on these fronts. Some were described here today.

But I have a few questions just around these areas. What was the uptake in 2023 around feed assistance compared to 2021? So kind of the number of participants, the payments, the number of head, etc.

[15:45]

Hon. Mr. Marit: — I'll start just a bit about the program for this year, and then I'll turn it to Jeff because he'll give the numbers, kind of, and the comparisons and the animal numbers. But just this year alone in the program it's right around 3,800 producers that applied, and what we had paid out. And then we announced the top-up yesterday of what we're going to do, so that'll be a projection. But it's probably going to be in the neighbourhood of about 85 million, I think, with the total that'll be paid out between the feds and the provincial government.

So I'll turn it to Jeff because he's got the total stats on the animals and number of producers.

Mr. Morrow: — Jeff Morrow, president and CEO. The minister covered the number of applicants and projected payments. That represents about 600,000 animals, breeding animals, in the 2023 program; 2021 about 11,000 applicants, 277 million, and 1.4 million breeding animals.

Mr. Wotherspoon: — I'm really sorry. Can you just give me

the . . . Those are good numbers and I wasn't keeping my notes as quick . . . taking them as quick. Can you just go through the animals and the number of producers for each again?

Mr. Morrow: — So 2023 I'll start with 3,800 producers, 600,000 animals; 2021 around 11,000 producers and 1.4 million animals.

Mr. Wotherspoon: — And the total cost for both?

Mr. Morrow: — 277 million for the 2021 program. And this is a projection because we just announced the top-up, but about 85 million.

Mr. Wotherspoon: — Okay. Have program reviews been completed with producer input to assess the effectiveness of the programs at this point — I guess the 2021 — and do you have intentions with the 2023?

Hon. Mr. Marit: — I'll start just with a bit. And first and foremost, I think when you look at the two programs from '21 and '23, obviously they're quite a bit different. And you know, '21 it was a province-wide drought and we saw . . . It wasn't even province-wide. It was Western Canada and also a lot of the Midwest United States as far down as Texas as well.

So the fee challenge became obviously a lot more significant and widespread. And I think you saw that even this year with the applications. You know, Jeff gave the numbers. In 2021 over 11,000 applications; this year, 3,800.

But the one thing that really has to be said and it has to go on record and I want to put it on record is what we heard, you know, what I heard from individual producers in my area in 2021 and even this year. But in 2021 what I heard was "thank you" obviously for the program, but the delivery and the timing of the program. And we heard it from producers right across.

And I said this publicly before. I think it really is kudos to a group of people. Obviously the Saskatchewan Crop Insurance staff have to really be commended for the timeliness in putting this out. Not only were they dealing with a drought in crop side, then we had an AgriRecovery program for the livestock side and added that to it as well. So I heard from producers that got their cheques in a very timely manner and were very appreciative of that as well. Jeff will get more into the weeds on the numbers and things like that, but there's a couple of things that I wanted to say.

And another one I want to say, and I've said it publicly too, is in 2021 the committee that designed the program was producers and producer groups here in the province. We took our direction from them on the design of the program that could be delivered. That ended up being virtually adopted by Alberta as a result of that as well.

So I just wanted to go on record and say that there's a lot of people to be thanked, and a lot of those people are the senior team behind me that work for crop insurance and the staff there in Melville that delivered a program that really did work for producers here in Saskatchewan. So I'll turn it to Jeff with some numbers.

Mr. Morrow: — So as far as review, there's a couple of pieces.

Because there has been other AgriRecovery programs rolled out across the country to deal with various weather challenges, there is a review going on at the federal-provincial level about the AgriRecovery overall, so there's that review that's occurring.

And I'd say from what we heard from our industry . . . As the minister said, we work with industry on developing these programs. When we were out in the summer last year at the Saskatchewan Cattlemen's Association's town hall meetings in the, you know, the most impacted areas of the province, what we heard is that it needed to be a more targeted response. The drought wasn't as widespread as it was in 2021 thankfully, but those producers still felt obviously the challenge of the dry conditions.

Mr. Wotherspoon: — Thanks. Thanks for that. Without a doubt producers really needed support in those areas that had faced such protracted drought. And I just want to commend the producer groups as well and the livestock organizations for their voice and their advocacy. I was pleased as Agriculture critic to join them in an important call early in July of last year as it was very clear that the situation was dire for many.

And I certainly want to commend all the officials and all those with Sask Crop Insurance, all those through Melville that were involved in designing and delivering the program. Without a doubt it was, it was needed for those that were facing significant hardship.

So then just to be clear, you have a . . . Can you describe a bit more what the producer engagement will be for the review of the 2023 program? And maybe just a bit more on what you learned from the 2021 program through producers and who was involved in that and what input you received.

Mr. Burton: — Rick Burton, deputy minister. So that process is fairly early days in the review, so not all of the steps have been laid out yet. But each province will undertake consultations with their own stakeholders, and we'll be discussing with our stakeholders their feedback on AgriRecovery throughout the process and feed that into the review that goes on.

We expect that there will be a discussion at the Ag ministers' meeting in July where those views can be further brought forward.

Mr. Wotherspoon: — Thank you. Thanks for that. And who will you have involved in that as far as on the producer side?

Hon. Mr. Marit: — It's something we do ongoing. We virtually do almost monthly calls with all our stakeholders. We have one, usually an hour, with the crops, and we have an hour with all the livestock sector. So they'll all be engaged in it — right from the cattle producers, the cattle feeders, the bison, the poultry, the egg, the sheep — they'll all be engaged in the process. And all those that were eligible for the funding side will be obviously brought into the full discussion.

[16:00]

Mr. Wotherspoon: — So again we're going into another year that is, you know, shorter on moisture than I think most folks would want. And again let's hope for the rains and the moisture

here that everyone's going to need. But if you look at the fact two out of the last three years has triggered the AgriRecovery response — and good work by those in a quick way — but ad hoc programs that have been put together. I guess the thought is, you know, do you see value in a more proactive approach to managing drought risks within the agricultural sector?

You know, throwing programs together in an emergent way is commendable for all those organized in it, and then doing the post-mortem after is important, but I think there's increasing calls from producers that there needs to be a more organized, proactive, planned approach on these fronts.

And to the point, would a drought preparedness committee with producer and community representation help better plan and better monitor the situation on the ground to make these programs more responsive and timelier, less ad hoc if you will, to help producers plan?

Hon. Mr. Marit: — You know, I think if you look and I think if you listen to my opening remarks especially on the livestock side, there's a lot of things we have done. It's pretty easy to tell when you look at where the payout has come on that side, especially through the drier years that we've had, when you look at the rainfall insurance alone. Over the last three years, well over \$150 million paid out to producers in that one as well.

And when you look at what we've done also with this year, as I said in my opening remarks, with the freezing of the Crown land lease rates, and then also in the event of dryness, the pasture groups can pull the animal units off and the rent will be obviously reduced as a result of that as well.

Obviously we continue to consult with the industry, as I said in my previous answer as well. We have ongoing discussions with all our livestock groups on a monthly basis. And I mean obviously if conditions change, it's no different than what we did in 2021. We actually went down to almost weekly and biweekly meetings with those groups as well.

So we obviously have an internal working group as well. For drought conditions as well, we have a drought steering committee that is made up of the Saskatchewan Public Safety Agency, obviously the Ministry of Agriculture, the Water Security Agency. The Ministry of Government Relations is there. The Ministry of Environment is there. Obviously the crop insurance team is there and SaskWater is there as well. So we have an internal working group that really does, you know, watch this and look into this as well and monitoring all the situations. But I'm very proud of our record in consulting with the industry and having virtually an open door policy with our stakeholders.

We've been reaching out, as I said, on a monthly basis in many cases, and in 2021 it was a lot more frequent than that. So we'll continue to monitor the way we are and we'll continue to have a very good open discussion with our stakeholders as we always have. And I think I could quote our stakeholders, and I probably will quote them sometime tonight, in the relationships that they have with this government.

And I'll turn it to Jeff, because Jeff does have some numbers on the crop insurance side.

Mr. Morrow: — Just on the changes that we made to 2024 for the forage side of our business the minister covered in the opening remarks, we have a group of stakeholders in the livestock sector that we work with closely on program improvements and ideas for improvements. As I said, we attended those Saskatchewan Cattlemen's Association town hall meetings throughout the summer. We got some feedback there. So a lot of what we changed in 2024 is a direct result of working with those stakeholders, identifying opportunities to make the programs more relevant.

So the forage rainfall program is the main livestock program in terms of participation, and a couple of changes on that program. We did increase the coverage available under that program by changing the way we set the forage or the hay price and also changing and increasing the productive capacity that we use of grazing across the province. So we were able to offer the highest coverage that we have in the program's history in 2024.

The 38 weather stations that the minister spoke of, that was feedback that we got that, you know, what happens at the weather station doesn't always match what happens at the ranch or where they're grazing the livestock. So we did close some gaps with the addition of those weather stations to give producers more choice to pick a weather station that fits where they're grazing or fits a weather pattern better where they might be grazing those livestock. So those are the main things on the forage rainfall.

The other piece that we heard from that group as a priority was something for that mixed forage, the cocktail crops, the cover crops, greenfeed, silage. So we introduced a new weather-based program that covers that.

And we did see uptick in our participation. I don't have final numbers but, you know, what it's looking like so far is about half-a-million-acre increase, up from about 3.3 million across all those programs to almost 4 million in 2024.

So the other piece that we heard from industry was that we needed to create more awareness about how the programs do work and what they can offer. So we did take a different approach. We were more proactive in reaching out to those ranchers, our livestock producers. So we were happy to see the increase in participation across the board there.

Mr. Wotherspoon: — Well there's no doubt that there's a lot of good work that's been undertaken. But it doesn't dismiss, I think, the importance just to stress on the minister of the opportunity to work in a more coordinated proactive fashion. Take producers up on their call to work together in an active way here and have those on the ground right across Saskatchewan that can be there to make sure that we have producers positioned with the best programs possible and in a timely way. And so I would continue to stress that.

I think we see that with our neighbouring provinces as well, including Alberta, are taking a bit more proactive approach on some of the drought concerns on this front. And certainly stakeholders, producer groups are, you know, ready to be engaged in these ways. Some are making those calls directly, publicly, and lots of producers though are very clear in the importance of this.

Some of the producer groups have been advocating yield cushioning. And I just want to get a sense of, you know, where the minister's at on yield cushioning or where folks are at on it. And they're looking at this to help mitigate the multi-year, years of drought. Many producers or many farms are experiencing, as a result, rising premiums and declining coverage.

So I guess my question to the minister is, where's he at on the cushioning? Is he assessing this option? I know right now crop insurance currently applies the cap after two consecutive years below 70 per cent production. I believe Alberta, I understand, invests in yield cushioning any years that fall below 70 per cent. So yield cushioning, I understand, would limit yield declines of 70 per cent for calculating long-term averages.

So I just want to get a sense. I see different producer groups making these calls and producers using their voice on this front. I just want to see where the minister is at in his assessment of it.

Mr. Morrow: — So we have had yield cushioning in place since 2010. And the way our yield cushioning works is you only need one year below to trigger. So in the second year, if it happens again, that second year will be cushioned to the 70 per cent level. And that same cushioning applies each consecutive year that your yield drops below 70. So it does effectively do a multi-year cushioning and doesn't allow that yield to drop below 70 per cent. And that's in an effort to keep, you know, for producers that are experiencing multiple years of challenging yields to keep their coverage at relevant levels. So that's the way our yield cushioning works.

Mr. Wotherspoon: — Thanks so much for that information. Are you looking at any changes on this front or is that model working well from the input you're receiving from producers?

Mr. Morrow: — So I'd say we are satisfied with the level of coverage that this yield cushioning does support. When you look at the participation in the program, you know, last year 36 million acres, you know, we just got through our sales deadline here 10 days ago but certainly no trend for any significant shifts. I think producers see the value in the program and in terms of what it can provide when they do have some of these challenging years.

Mr. Wotherspoon: — Thanks for the response. With respect to AgriStability, of course there's been some improvements brought over the last number of years. We've advocated, along with producer groups on this front, the removal of the reference margin limits in 2020 that we had pushed for and that occurred, as well as the increase in the compensation rates in 2023 which were important measures that we had advocated for, as the minister knows.

Yet, you know, enrolment continues to fall with respect to AgriStability it seems. And I believe if I look at the annual report, it indicates an enrolment decline of about 16 per cent possibly from 2017 to 2021 so, you know, as a margin-based program should be providing coverage due to high input costs and significant drops in commodity prices last year.

[16:15]

So just a question about, you know, there's been improvements brought yet enrolment has been dropping. Do you have a sense

yet of what enrolment's looking like or forecast to be this year?

Mr. Morrow: — So for 2023 enrolment . . . The deadline for producers to enrol in that program for the '24 program year, I should say, is April the 30th, so we're a few weeks away from that. One of the things that we do look at in terms of participation is not just the number of producers enrolled, but the percentage of the farm cash receipts that we cover in the program. So while we do see enrolments coming down, that percentage of farm cash receipts has been 51 to 53 per cent for a number of years.

So I think we're seeing farm consolidation occurring, but the per cent of margin is staying relatively stable. And I think, you know, the RML [reference margin limit] that you referenced, that has been a significant improvement to the program, and we are still working to see if there are other ways to make it a more effective program. We're engaged at the FPT [federal-provincial-territorial] level, involved in those discussions to see if there are other things that can make that program even more effective.

Mr. Wotherspoon: — I appreciate that. And good context on the farm cash receipts and the consolidation that's there, and that seems to be sort of holding steady. And the hope would be that you'd see subscription grow with it.

Yeah, I guess maybe just, can you illuminate a little bit more what you're hearing from producers as to some of the concerns as to why they may not be enrolling? And then you talked about the FPT work that's been involved in the communiqué in the last couple years. Can you talk a little bit about what government's considering on this front to make it a little more predictable and easier to enrol?

Mr. Burton: — Yes. You know, you talked about the increased compensation rate, 70 to 80 per cent.

Mr. Wotherspoon: — Yeah.

Mr. Burton: — The removal of the reference margin limit. Another thing that has changed is moving the deadline to June 30th, which will result in more timely processing of the claims, getting the information quicker and hopefully cheques in producers' hands quicker.

A couple things that we're currently looking at of course is the list of eligible expenses, so what is eligible and calculated as you calculate your reference margin, and then the evaluation of inventory on non-marketable inventory, so things like your hay, your feedstock that you're going to use. That can have a significant impact on payments, particularly in drought years, and would make the program more responsive to the livestock sector during those.

So we're still working through those. Any changes to that program of course need to meet the amending formula as to the federal agreement and the amending formula with a sufficient number of provinces. So we continue to work through those.

Mr. Wotherspoon: — Well thanks for the information and the context and the work that's going in it. And it's important that we have these backstops in place and that they're as viable and utilized to the extent that we need them to be.

Let's look more specifically at the current state of affairs for crop insurance. And obviously it's been drawn upon these last few years with respect to the drought hardship that producers have faced. And that's what it's there for, and it needs to be that backstop they can count on.

Could you just give us an update . . . I know that a few years back there was a few billion dollars in surplus, if you will, or dollars that were in place. And we know it's been drawn upon quite heavy. Can you just state, you know, where crop insurance is at, where the fund, where the surplus is at right now?

And then could you also talk a little bit about forecast for the year ahead, and that if we were in that terrible situation where producers were facing drought and hardship again this year and drawing on crop insurance, what sort of percentage of coverage is reinsured and how much would be, you know, a direct commitment that would be required from the province?

Mr. Morrow: — So for claims, kind of the . . . Maybe I'll just approach it from the order of where the funds come from. So first is our premium. So for 2024 our budgeted premium there is about 1.08 billion. So we'd use that first. And then our projection for the fund is about 577 million in that fund. So those are the funds that are available to pay claims. If we're exceeding that, then there is the federal-provincial reinsurance that comes in. And we also have about \$230 million of private reinsurance that we have access to.

Mr. Wotherspoon: — Thanks for the information. When you talk about the fed-provincial reinsurance, is that simply the . . . You're the backstop to the program, the fed and the provincial program. Is there a formal reinsurance program that's associated there? If so, can you describe it? Or is it simply the financial obligations that then fall of course to the provincial and the federal government?

And then you mentioned the private reinsurance for the smaller portion there, the 231 million. I know it's fairly expensive as well to carry reinsurance. I suspect you're, you know, assessing how much you should carry at the associated costs. But maybe just describe a little bit more what the fed and provincial reinsurance is that you described there, and then a bit of commentary on the assessments that you make around how much private reinsurance to carry.

Mr. Morrow: — So the federal-provincial reinsurance fund, the way that works, the first component of that, there is a deductible that is the responsibility of the provincial reinsurance fund. That's equal to about 2.5 per cent of our liability. If claims exceed that level, then the federal-provincial reinsurance agreement suggests that 75 cents for every dollar of loss above that comes from the federal reinsurance fund; 25 cents comes from the provincial reinsurance fund.

So that is the reinsurance agreement, and that is the backstop for the program. If those funds should get into a deficit position, then future premiums pay those funds back. When it comes to the private reinsurance, we do use a broker and we do look at a number of different structures each year trying to find the right value for money. So for this year, for example, we did look at, you know, attaching reinsurance lower, but the cost goes up. You know, the more likelihood you have of a claim, the premium for

that type of cover does increase.

Mr. Wotherspoon: — What kind of rate are you talking for the private reinsurance?

[16:30]

Mr. Morrow: — So the private reinsurance that we purchased in 2024, it attaches at 16 per cent of liability. And so for that coverage and that limit that we bought, it's 40 million of premium for 230 million in coverage. And the lower down you go on the per cent of liability, the probability of claim goes up and therefore your premium.

Mr. Wotherspoon: — Right. Not cheap. Not cheap, but important to have all the provisions and planning in place in case of a catastrophic situation. So could you describe, I guess, could you forecast what a . . . Let's say that we had a crop year, a drought that was somewhere between the fiscal impacts on crop insurance in 2023 and what the impacts were in 2021, so somewhere kind of in the middle, if you will, between those two events. What would that payout, or what would that fiscal impact be on crop insurance?

Hon. Mr. Marit: — That's strictly a hypothetical question, isn't it? I mean how would we know until we even know where we're at?

Mr. Wotherspoon: — Yeah. I guess the forecast . . .

Hon. Mr. Marit: — So I mean, what's it got to do with the budget, I guess is my question to you.

Mr. Wotherspoon: — Sorry, maybe you misunderstood the question. A hundred per cent of the budget, right, because it's big dollars and it's about the backstop producers need and it's about, you know, what the impacts are on the programs. So maybe you misunderstood the program. Looking at if we were into, you know, a significant drought situation again this year . . .

Hon. Mr. Marit: — Madam Chair, we're not in that situation yet, so I'm wondering . . . I mean we can hypothetical all night here. If you want me to, we will. We'll hypothetical all night.

Mr. Wotherspoon: — Why are you getting worked up, sir?

Hon. Mr. Marit: — I'm not at all. I'm not at all.

Mr. Wotherspoon: — This is about planning. Having a good fiscal foundation is critical to business risk management programs and that's what a budget is all about, sir. So don't get worked up.

Hon. Mr. Marit: — Oh, I'm not at all, not at all.

Mr. Wotherspoon: — The question of . . .

The Chair: — Mr. Wotherspoon, they'd given you a base for 2021 I believe, and what you are asking is probably what has already been proposed in the budget under that.

Hon. Mr. Marit: — I just can't figure out where . . . Like it's totally hypothetical, Madam Chair.

The Chair: — So the budget has proposed what would be covered under those premiums.

Hon. Mr. Marit: — That's right.

Mr. Wotherspoon: — So then what is the situation as we come . . . We know what the premiums are that we're collecting; we know what the surplus is. I mean you don't forecast, you know, what you think the drought is going to be, specifically, but can you give a scenario of a drought situation and what the fiscal impact would be?

I mean it's a basic piece of what you do with assumptions of any part of a budget, whether that's your resource assumptions, and certainly for an actuarial program like a big business risk management program like crop insurance.

Mr. Morrow: — So the way we approach the budget for indemnity forecasts, we look at the last 10 years of our losses, so as a percentage of our liability in each year. So for 2024, we're looking 2022 and back; a 10-year average loss is just under 8 per cent. Our projected liability for 2024 is right around \$12.8 billion, so we are projecting an indemnity forecast just over a billion.

Mr. Wotherspoon: — No. Thanks for that information. And from that I guess you can play out, or factor out or calculate different scenarios. But I appreciate your response there. No need to get worked up on these things, Minister. It's just a matter of making sure we have the programs in place for folks and the budget foundation that supports it.

Moving along a bit to, you know, the livestock price insurance program. Obviously this is a valued program and been a good program, and those that have been involved in its design deserve credit. It's a file the minister knows I've been fairly dogged in following up with him on, and pushing that it's time that we drive up subscription in that program and ensure equity for the livestock sector here with making sure that there's federal-provincial contributions to it. So making it a national program but having those contributions there which, you know, address the inequity that livestock producers are facing with it. It's a good program; we get a lot of good feedback on it. But then drive up subscription and ensure a stronger backstop there.

Can the minister give us an update as to where that is at? I know there's been some words at this committee in the past that there's some undertakings to advocate on this front with other provinces and nationally. Can you give us an update as to the efforts that you've undertaken as minister on this front, and if there's some hope or any timelines on this front? It's certainly an important improvement that producers would value.

Hon. Mr. Marit: — Well we've always been a strong advocate for this program as a national program ever since I've had the privilege of serving as the Ag minister of this province. We've always taken this lead on this along with our counterparts from Alberta and Manitoba as well.

The federal government still sees it as a regional program and as such won't fund it as a national program. It is our understanding as of the last FPT meeting that the Maritimes are hopefully coming into the program. We haven't heard officially if it's this

year or not yet, but hopefully it will be. And then obviously it'd be the issues around Quebec and Ontario on whether they would be in the program or not.

So that's where it stands. And obviously if it became a national program, which we hope it does, this government will obviously have a very strong position to obviously support the livestock sector here and that program with our share.

Mr. Wotherspoon: — Yes. Thank you. Yeah, no, I think it's a matter of fairness for the sector and it's important to have those backstops in place, so we'll continue to push and advocate on this front as well.

Shifting gears just a little bit to the Bunge and Viterra merger. Of course Viterra is Saskatchewan's largest grain handler, and I guess my question to the minister would be, does the province have concerns regarding competition in the grain handling system? Yeah, maybe I'll ask that one first and see if there's a follow-up.

The Chair: — Mr. Wotherspoon, can you tie it to the vote that's before us?

Mr. Wotherspoon: — Oh sure.

The Chair: — Because if not, it's not part of this discussion.

Mr. Wotherspoon: — Sure, so the question would be . . .

The Chair: — It might be on a bigger . . . with SaskBuilds or someone else.

Mr. Wotherspoon: — Yeah, no, agreed. So of course there's impacts on the . . . The grain handling system is critically important to producers and to agriculture in Saskatchewan. Viterra is the largest grain handler. And agriculture and the ministry and the resources there are critical for it to evaluate, say, an economic impact assessment. That was done of course by the provincial government in 2012 and federally with Glencore and Viterra and also then, not on the ag side but directly, BHP and then PCS [Potash Corporation of Saskatchewan]. This time there wasn't an economic impact assessment. There's concerns over impacts on the grain handling system and farm incomes.

So I guess the question would be, why hasn't the ministry undertaken an economic impact assessment on this front?

[16:45]

Hon. Mr. Marit: — We'll bring someone that has been engaged in this, our new ADM [assistant deputy minister], Amy.

Ms. Standish: — Thank you. So I'm Amy Standish. I'm the assistant deputy minister of policy and programs. On this one right now there is work under way at the federal level. So this is an item that is going before the Competition Bureau and Transport Canada. Both of those organizations are undertaking a review that is going to go in front of the federal Minister of Transport, and then there will be things released after that. The Competition Bureau report, this is going to be a publicly released report later in April. And then the Transport Canada one will not be publicly released, but that is expected to go to the federal

Minister of Transport in June.

Some of the reasons around the economic analysis. It is best suited to these groups as they are going to have access and be able to call on some of the documents from the companies kind of going through. We wouldn't have access to all of the inner workings of those companies and the kind of the business details to really understand.

Of course we have heard from our industry, right. They've identified both opportunities and potential concerns, and so we've been listening to them and encouraging them to also reach out to Transport Canada and the Competition Bureau to better inform those reviews as they undertake that analysis.

Mr. Wotherspoon: — Thanks so much for the information. Is there not an opportunity for the province? We sort of have the most at stake here. And there's good folks that'll be involved in those organizations federally, but you know, we know the impacts best here in the province and have the organizations, the producers who, you know, understand supply chains and potential, you know, behaviours, anticompetitive behaviours of a monopoly or where there could be pinch points that could be concerns for them that impact farm incomes. Is there an opportunity for the province to work more directly with the Competition Bureau or some of the assessments that they are undertaking?

Ms. Standish: — Thank you. So ministry staff have had internal conversations with Transport Canada and the Competition Bureau to kind of walk through what that process looks like and identify some of those key questions that we have. In that, we have also been doing consultations over time with our industry to take a look at what opportunities are there and potentially what issues are concerns to better inform our work.

From there we did make a submission into Transport Canada and the Competition Bureau, and that was to highlight a lot of the key questions that we were hearing, talk about the opportunities, and again the concerns and questions that our industry had flagged for us. Because they have all of that analysis from the companies and the data there, they are best positioned to kind of take a look based on the questions that we have and the economic analysis that they would be able to do. So we've asked them to further look into the issues that we've identified in conversations with industry.

Mr. Wotherspoon: — No, thanks so much for the information. And I think it's critically important that the Saskatchewan perspective is well understood here if we're talking about, you know, a Saskatchewan giant of sorts with big impacts and big consolidation here. And so there may be certain opportunities that could be pursued, and then you have to assess as well whether there should be recommendations around divestiture of certain assets or interests or other interventions to make sure that the merger isn't impacting farm incomes in a negative way.

Yeah, I would just, I guess I'd urge Saskatchewan to be really present in this, and I'm thankful for the response that the ADM offered here. I'd urge the minister to, you know, be fully engaged in all that as well.

Would the province . . . would you see . . . I guess you'll see as

the assessment's being put forward. And so maybe I'm getting into a hypothetical. But be prepared if need be to intervene and speak up for producers if there are needed interventions, would be my call.

Moving along a little bit, of course producers have been paying the price on the carbon tax for a long time here. And you know, they're in a tough position obviously, right. Because they're price takers and those impacts are ones that they really don't . . . they can't really absorb, and there's not many other options.

Producers are wonderful environmental stewards of the land in so many scenarios and on so many fronts. Some of the technology that, you know, some might think would be there just simply isn't in place for producers when you look at grain drying and other aspects. So again, producers are in a hard spot with respect to the carbon tax.

Yet if you look at like the livestock sector, they play such an important role as stewards of the grass and of wetlands and native prairie and in sequestering carbon. And you know, this is a message I've brought to the minister over the last number of years to this committee.

Of course we are opposed to the carbon tax. We hear from the minister he's opposed to the carbon tax. The problem is producers are still stuck with it, and so there's been the conversation that we've tried to advance and push over the years around some sort of offset or compensation for producers for their role as environmental stewards. We haven't seen that work come to fruition provincially, and I just want to get an update as to what undertakings have been taken on this front and what work is currently under way.

The Chair: — Mr. Wotherspoon, this once again has nothing to do with the Agriculture vote that is before you this evening, and it's not . . . again once . . . doesn't belong in this portfolio and what is here. So if I could redirect you back to a question that relates to any of the programs and any of the budget that is before you in estimates.

Mr. Wotherspoon: — I'm rather . . . Anyways, I don't want to comment on the . . . The carbon tax is a big hit for producers and, you know, I think that this ministry's well positioned to understand the intricacy and the impacts for producers and to be the lead, if you will, on these sorts of offsets. But I can't go down this path? I've pursued it every year with the minister. We've had an exchange here in the past.

The Chair: — Minister, if you want a general comment on where we stand, that's fine. But otherwise I realize it has nothing to do with the vote that's before us in the estimates this evening.

Mr. Wotherspoon: — Well I'm disappointed and surprised there's no comment from the minister. I mean the role of the minister is to stand in the interests of producers, whether it's disease management or business risk management or the impacts of the unfair carbon tax, so . . .

The Chair: — Mr. Wotherspoon, could I ask you to move on?

Mr. Wotherspoon: — Sure will.

The Chair: — I think you understand where the government stands with regards to the carbon tax. We're against the carbon tax on everything, so let's move forward.

Mr. Wotherspoon: — With respect to concerns around the farm land security Act and it not being respected or enforced and the purchases of farm land that are either skirting the spirit and intent of the law or that are illegal by way of foreign land acquisition, this is an issue I've brought forward here before. It's a concern certainly for producers. We do see a lot of consolidation going on, and I think folks, you know, want to make sure that when you have a law in place that it's being enforced and that it's enforceable.

Where's the minister at on requiring a statutory declaration of beneficial interests, as we've called for in the past, to allow better enforcement? And then as well other tools to crack down on illegal foreign land acquisition.

Hon. Mr. Marit: — I'll open I guess on some of it as well. The member used the word "illegal" and I guess it kind of caught me. If he knows of something illegal, I would sure appreciate that he would let the Farm Land Security Board know because I haven't heard of one.

And I've got speaking points here. The Farm Land Security Board has a number of legal tools at its disposal to aid the enforcement of the farm ownership provisions in *The Saskatchewan Farm Security Act*. Statutory declarations are used by land buyers to attest to their resident status and declare their source of funds for farm land purchases. When necessary, the Farm Land Security Board has issued orders to reduce and ask the courts to order the judicial sale of lands held in contravention of *The Saskatchewan Farm Security Act*.

I'm going to turn it to Amy here now as a follow-up with some other documents. Thanks.

[17:00]

Ms. Standish: — Thank you. So I'll just start out by saying that in the 2023 calendar year about 740 statutory declarations were submitted voluntarily to the board as well as those that were specifically requested by board staff. So if there's questions or concerns, yes, there is the group that is submitted voluntarily. But with any questions, concerns, complaints that are kind of coming in, we can request a statutory declaration as well, or the board can. I should say the board should, not us.

If we believe there is a contravention of the Act or any issues there, there is the opportunity for that individual to present their case in front of the board. So they have that opportunity to first come in. And if the board deems that they are indeed in contravention, there is a number of legal tools, as the minister has mentioned, so that they can . . . one being that they can order to reduce or divest. They can issue administrative penalties, and those are set out in the Act as well, so with more detail.

Mr. Wotherspoon: — What do you do in the situation, or if you've identified that acquisition, that's not in keeping with the Farm Land Security Board occurred a number of years ago and you've identified that that's happened. How do you deal with the owner at that point? And can you describe divestment process

and other information there?

Ms. Standish: — So in this case, if you find something that is maybe not as current, from a few years past, it would still follow the same process, and the board would still have those same legal tools available to them to pursue.

Mr. Wotherspoon: — And what's the consequence? I think at some point I guess you deal with divestment that, if it's been obtained, not in keeping with the law. Divestment is what happens, is that correct?

Ms. Standish: — Yes, that would be the case that it would still be that same order to divest.

Mr. Wotherspoon: — And as far as the voluntary declaration, that's residency and then it's all the . . . and then it's the capital as well. It's not per se the beneficial interests and it's not mandatory. I guess the question — I know from some of the legal community over the years that's familiar with the concerns of skirting this law, and that's why I've been bringing it forward — is that it be a mandatory statutory declaration with, you know, beneficial interests stated.

Hon. Mr. Marit: — You know, we feel this is probably an issue. It's really an agreement that should be between Ministry of Justice and ISC [Information Services Corporation of Saskatchewan]. I think your question is probably best directed to them.

Mr. Wotherspoon: — Thanks. Thanks for that. With respect to the irrigation project itself, how, like . . . I don't want to get the Chair; I'm looking over at the Chair here.

There's a lot of important questions and big intersection, obviously, with Agriculture and producers. What can you share on the agricultural side as far as what's being built out right now as far as projected impacts or on-farm costs, economic analysis, those sorts of pieces, and . . . Yeah, just what can you provide?

I mean the province is going down this path. Interested in what involvement the Ministry of Agriculture has in it. What you can provide as far as answers around economic assessments, feasibility, and then breakdown on the different costs that producers would incur either directly or through district works and whatnot?

Hon. Mr. Marit: — I'm going to start and then I'm going to turn it over to Deputy Minister Rick to get into more of the details on some of the programming.

Obviously we've seen a big uptake in the irrigation in the province. Last year alone over 24,000 acres went under pivot. I believe the number of the last three years is well over 50,000 acres and we'll see a significant number this year too.

As far as the project, I'm not going to talk about the project here. That's a Water Security Agency project. But we do have irrigation allocation in our budget and we've got a pretty good detail there on that.

On-farm costs, you asked that question for the farmer for a pivot is running in that 21 to \$2,500 an acre range for them for

depending on probably what type of system they put in and that type of thing. But Rick will get into the details of what we do with our irrigation dollars under the Ministry of Agriculture.

Mr. Burton: — So thank you for that. The ministry provides a number of different services for the irrigators, including investments in research and extension and demonstration projects. We also provide engineering support for people undertaking new irrigation development.

Of course we have our Sustainable Canadian Agricultural Partnership programming where we provide support for new irrigation development. That's available for both irrigation development in districts or individuals undertaking programs. So under that program, we'll provide up to two-thirds of the cost of the off-farm irrigation development costs, so up to a maximum of \$1,675 per acre or, as I said, 67 per cent of the total cost of the development for off-farm, whether that's in a district or outside of a district. There's a maximum per individual of \$500,000 per farm under that program as well. So those are the main areas where we're involved.

We know that, as the minister had said, some of your questions are better directed to Water Security estimates when you get into economic assessments. But we do know that when producers add irrigation, they're adding up to about \$850 worth of additional revenue on that land, which has a significant economic impact on top of the investments they're making in the development.

Mr. Wotherspoon: — Well I think the Water Security minister is going to be up in a little bit. Is that correct? So an able critic will be here, so I'll respect the time. There's an important connect obviously to agriculture. And I know our critic will pursue that line of questioning.

I guess, like a water-related question not related to the irrigation project per se, but has the ministry done analysis that the agricultural water stewardship program does not harm the beef sector by allowing needed water to be drained or ensuring that any water that is drained isn't bringing contaminants into the livestock watering systems. Just wondering if you've been involved in the development of that policy, and if you've been able to intervene or have assurances that the water supply for livestock has been considered.

Hon. Mr. Marit: — Obviously the water stewardship program is being led by the Water Security Agency and the consultation process and the development of that. Obviously we've always been in discussions with the intricacies of the ministries and the importance of that as well. Probably one of the biggest programs we have that's really secured water for the livestock sector is the farm and ranch water infrastructure program.

[17:15]

That has been a fundamentally sound program that was designed to really look at long-term sustainable water for the livestock sector in the province. And I think, if my number is right, it's well in excess of \$120 million that has been invested in the farm and ranch water infrastructure program. Highly utilized, not only by farmers and ranchers, but also by communities where they partnered and did community wells that really had a great impact on the agriculture sector as a whole in some parts of the province.

Mr. Wotherspoon: — Thanks. And I suspect the two ministers talk once in a while?

A Member: — One's not listening.

Mr. Wotherspoon: — I mean, there's been some calls, I know the Saskatchewan Stock Growers have passed a resolution seeking to allow private investment to complement the funding provided through the resilient agricultural landscapes program, RALP, a resolution from 2023 to allow ENGO [environmental non-governmental organization] groups to top up RALP and SCAP [Sustainable Canadian Agricultural Partnership] projects. These ENGO investments would further support the livestock sector in the market.

Why did the ministry decide not to allow top-ups? And will the minister consider allowing ENGO investment on top of RALP and SCAP projects to aid the livestock sector?

Mr. Burton: — I think there's a couple different things that you're referring to in your question. I'm going to talk about the RALP program, or the resilient agricultural landscape program, that's administered by the ministry and under our Sustainable Canadian Agricultural Partnership program.

Under that program we have decided not to allow environmental groups to stack on top of our programming. We wanted to ensure that both the government dollars and the environment dollars could impact the maximum number of acres, as opposed to stacking them, which would mean that there's less acres being impacted at the end of the day.

So under our program in the very first year, where we are supporting the conversion of marginal land to permanent cover, we've seen 37,000 acres of uptake in that first year. A very significant amount, and we expect that to be an important program going forward for the sector. We have not heard complaints from the sector about not allowing the stacking. At times some of the environmental groups want the stacking, but we have decided to keep our program separate, that they can impact additional acres with their money if they so choose.

Mr. Wotherspoon: — With respect to the government's goal of maintaining 8.06 million acres of perennial forage I think, if I look at the 2023 report, the area of perennial cover has fallen to 7.81 million hectares. And I guess I'd like some comments on, you know, actions or if this is a priority or . . . yeah, just some of the actions that are being undertaken to address this.

Hon. Mr. Marit: — I have to ask, where did you get your numbers from? Because we cannot find them anywhere.

Mr. Wotherspoon: — So I have a 2023 report that was I believe a ministry report . . . [inaudible interjection] . . . Yeah, I'm not sure. I believe it's a Ministry of Agriculture report. Yeah, I'd have to go back. I pulled it out of there, and I have it in my notes here. I apologize. And I guess if you track it, maybe comment on what trend you're experiencing.

Mr. Burton: — Having a hard time sourcing the exact numbers you said, but they may have been some of the ones that are published in the *Prairie Resilience* report.

Mr. Wotherspoon: — I believe so.

Mr. Burton: — The tracking of the current numbers are that there isn't . . . very little change this next year in the report that'll come out next time.

I think your question was really more on what actions is the ministry doing to help protect native prairie. And so I've talked a little bit about our resilient agriculture landscape programming and how that's helping to convert marginal land back into permanent cover. There's also a number of other tools that we use. Conservation easements on any sale of Crown land that has perennial forage in it. We also have, you know, all of our lease agreements do not allow for break or drain when there's native prairie involved. We are moving land into WHPA [*The Wildlife Habitat Protection Act*] at a time if there's critical habitat involved that we think it needs to be protected under WHPA.

The ministry also is undertaking range health assessments on large blocks of pasture, and that's a continuing effort. We'll continue to do that, but we have done that on over a million acres in the last number of years. That really helps the patron groups that are working on that land to get the most out of that pasture and understand the value of that pasture by better management techniques.

We also fund research and extension in this area, both at the U of S [University of Saskatchewan] and then of course at some of our Agri-ARM [agriculture-applied research management] sites in terms of providing . . . talking about the benefits of forage and forage blends and also how that can support a viable livestock industry going forward.

Mr. Wotherspoon: — Thank you. Thank you for that. Cognizant of time, maybe a final question. Obviously, you know, I've expressed our concern that the ministry and your government hasn't taken on the challenge of addressing the anticompetitive behaviours in the meat-pricing industry and the meat packers, out-of-province meat packers specifically.

I guess I would just make that call again and look to you to see if there's going to be some undertakings on this front to address the anticompetitive behaviours to ensure fairness for producers and ultimately consumers as well.

And then subsequent to that, being able to act on the really significant meat processing opportunities that exist in Saskatchewan that present economic opportunity, value for producers and consumers. Of course the two go hand in hand. You have to address the anticompetitive behaviours of the meat packers to enable the other.

Hon. Mr. Marit: — Madam Chair, I'll just answer it this way. Due to confidentiality and agreements that I have entertained in, I cannot comment any further on this.

The Chair: — Thank you. Having reached our agreed-upon time for consideration of these estimates, we will now adjourn consideration of the estimates and supplementary estimates no. 2 for the Ministry of Agriculture.

I recognize the minister for any closing remarks he may have this afternoon.

Hon. Mr. Marit: — Thanks, Madam Chair, and I thank the member for the questions as well. And obviously I want to thank the entire team in the Ministry of Agriculture for the work that they do and obviously in preparation of programs that really do deliver to our stakeholders.

Being a farmer all my life and seeing the programs that are here and talking to a lot of my constituents who are ranchers and farmers, the programs that we are delivering are reaching them in the right way. But those can only be reached by having a good team behind you to deliver the programs.

So I just want to thank the entire team, both at Crop Insurance and the Ministry of Agriculture, for the work they do to deliver not only dollars at times of need, and they've done that, but also the programs that are working. And we're seeing, we're continuing to see an uptake in the programs and the participation by the industry in our programs that we offer. So thank you, Madam Chair.

The Chair: — Thank you, Minister. Mr. Wotherspoon, if you have any closing comments you'd like to make?

Mr. Wotherspoon: — Sure. Thanks so much, Madam Chair. Thank you, members. Thanks to the minister. Thanks so much to the officials that have joined us here tonight. I couldn't agree more that we have exceptional leaders in agriculture who are sitting here today and then right across this province who are connected to this work, certainly at the Ministry of Ag and at Sask Crop Insurance and then also in the producer organizations and crop organizations and livestock organizations and in the producers, in that whole ecosystem right across this province.

So we have a world-class sector and something to be very proud of, and I'm real happy to ask questions and hopefully advocate for the best interests of this very important sector to Saskatchewan.

[17:30]

Thanks for the time here tonight. Thanks to all those officials and all those that work day in, day out in the interests of this sector and producers.

The Chair: — Thank you, Mr. Wotherspoon. This committee will now stand recessed until 6:30 p.m.

[The committee recessed from 17:30 until 18:30.]

The Chair: — All right. Welcome back, committee members. I am Colleen Young, Chair of the Standing Committee on the Economy, and I will be chairing tonight's meeting.

We have joining us this evening Erika Ritchie in for Jennifer Bowes, and Daryl Harrison in for Member Greg Ottenbreit. And we also have joining us Member Ken Francis, Delbert Kirsch, and Doug Steele.

**General Revenue Fund
Water Security Agency
Vote 87**

Subvote (WS01)

The Chair: — We will now consider the 2024-25 estimates for vote 16, Water Security Agency, subvote (WS01).

Minister Marit is here with his officials. And, officials, first time you speak at the mike, mention your name and position, and Hansard will turn the mikes on for you. Minister, you can begin by introducing your officials and begin with your opening remarks.

Hon. Mr. Marit: — Thank you very much, Madam Chair. I'm pleased to provide details of the Water Security Agency's planned work for 2024-2025.

I'm joined this evening by my chief of staff, James Cherewyk. Shawn Jaques is the president and CEO of Water Security Agency. David Cooper, on my left, is the vice-president of agriculture services and economic development. John Fahlman, behind me, is vice-president of infrastructure. Thon Phommavong is the vice-president of science and licensing. Terri Kentel-Weinheimer is vice-president of corporate services. And Ali'i Lafontaine is general counsel for legal services. Also with us is Krystal Tendler, executive director of agriculture water management. And Jaime Ansell is director of financial strategy.

Water is an economic driver. It supplies our cities and communities with safe, clean drinking water. It is essential to our province's nation-leading agriculture sector, and it ensures healthy ecosystems and habitats.

In Saskatchewan the Water Security Agency manages the majority of government's core water responsibilities. Serving citizens is a core value of Water Security Agency, as are respect and integrity, intelligence and innovation, and taking a one-team approach by working across government collaboratively, sharing information, and providing exceptional service.

To achieve service excellence, last year they launched a new client service unit that is often the first point of contact for people contacting Water Security Agency. Client service agents help provide information for general inquiries, pathfind solutions, and connect clients with subject matter experts.

The client service unit is also a valuable resource to carry out proactive calls to provide information to the public, municipalities, towns, on updates to lake and river levels, operations of our dams and possible disruptions to local traffic, and in cases of public safety. Last year this unit fielded thousands of incoming calls and email inquiries and made over 1,000 proactive calls. WSA [Water Security Agency] plays a central role in supporting our growing province by managing Saskatchewan's water resources to be sustainable, adaptable, and reliable.

The Lake Diefenbaker irrigation project has been called a unique generational project, one which will permanently transform Canada's economy and food security. Last month, as part of the 2024-2025 budget, our government announced that the province

will be proceeding with the early works for the first 90,000 acres of irrigation from the Lake Diefenbaker irrigation project.

Its origins date back to former prime minister John Diefenbaker. Diefenbaker had always been attuned to the fortunes of Saskatchewan agriculture and witnessed the province's crushing drought during the dirty thirties. The Lake Diefenbaker irrigation project will create up to 500,000 acres of new, irrigable land in three projects: the west side rehabilitation project, the west side expansion, and the Qu'Appelle south water conveyance. The current focus for right now is on the west side projects and moving them forward.

The Lake Diefenbaker irrigation project represents one of the most unique opportunities in Canada to deliver on food security, climate resiliency, and economic growth. Irrigation enables producers to grow diverse, high-value crops, which increases on-farm profitability and enables value-added processing, business attraction, and employment. Changing one acre from dryland farming to irrigation can add up to over \$850 per acre per year to agriculture output, as well as increasing employment by four to six times.

The Lake Diefenbaker irrigation project will create thousands of new jobs during construction and the duration of its operation. This represents potentially billions in new tax revenue for both the provincial and federal governments, allowing us to invest in vital services that benefit all Canadians. Irrigation also acts as one of the simplest and best adaptation measures against varying climate conditions.

These projects hold immense potential for Canada with strengthened food security, climate resilience, water sustainability, and lasting economic benefits. Building the Lake Diefenbaker projects would be a tangible step towards achieving these goals and solidifying Canada's position as a global leader.

We believe the time for this project to move forward is now. In addition to the large project at Lake Diefenbaker, Water Security Agency continues to identify and develop other irrigation projects across the province. These projects will build on the over-58,000 new irrigable acres added to our province since 2020, further contributing to our growing province. If water is the lifeblood of our province's growth, then our water infrastructure is the backbone that supports it.

WSA owns and operates 72 dams and hundreds of kilometres of channels throughout Saskatchewan. This infrastructure helps WSA manage the province's water resources, supplying communities, producers, industry, and recreational users and habitat.

This year WSA will be investing 42 million in the maintenance, upgrading, and rehabilitation of infrastructure across Saskatchewan. This builds on WSA's record. In fact since 2007 WSA has invested over \$280 million in infrastructure to ensure our water resources are sustainable, adaptable, and reliable.

Our network of water infrastructure not only supports growth but also provides our province security against flood and drought. This year across most of the Western provinces, we are seeing dry conditions that are well below normal. In anticipation of these conditions, WSA enacted a conservative overwinter plan

for Lake Diefenbaker intended to retain and store more water to meet the needs of users from this reservoir.

Our province's largest reservoir, Lake Diefenbaker, was brought up by over 3 metres ahead of the summer season average. Thanks to this foresight and sound management, most major reservoirs are at full supply or above their historical average levels. What this means is that despite below-normal snowpack, Saskatchewan's water supplies are sufficient to supply the people of this province sustainably and reliably.

Throughout the course of its other regular duties, WSA also oversees over 800 drinking water and over 600 wastewater facilities. Their work is seeing improvements to water quality and compliance.

Protecting Saskatchewan's water resource is a responsibility that WSA takes very seriously. As an economic driver for the benefit of Saskatchewan people, and for the recreational and habitat purposes, our water is needed for many uses. That is why WSA is also undertaking measures to continue to protect water from source to tap, from channel to outlet. Producers are the best stewards of the land and have been for over 100 years. It is their livelihood. Saskatchewan has half of Canada's arable acres and we now know that 86 per cent of the wetlands, by area, in our province's agricultural area remain undrained. This tells us there is room to further develop our agricultural land in a sustainable way to gain the benefits of drainage, which include economic growth, gained efficiencies, and improved soil health.

Over the last year and a half, the agency engaged a total of 80 stakeholder organizations and First Nation and Métis communities in the creation of an agricultural water stewardship policy. With input from engagement and learning from our demonstration and research projects, the Water Security Agency is developing a policy that will support our producers, allowing for economic growth while protecting our environment. A final agricultural water stewardship policy is expected by 2025 once the policy has been tested through a series of pilot projects.

We believe that our province is on the right track when it comes to managing Saskatchewan's water resources. WSA's management of Saskatchewan's water resources supports economic growth, delivers benefits to Saskatchewan people, and safeguards our water sources. We understand that none of these main pillars — safe drinking water and wastewater management, agriculture and industrial supply, and habitat protection — can exist in a vacuum. All of them are dependent upon each other and the ongoing management provided by the Water Security Agency to ensure our province's water is sustainable, adaptable, and reliable.

We look forward to continuing this vital work for our province and its people. And with that, I'm happy to take any questions. Thank you.

The Chair: — Thank you, Minister. I'll note at this point in time that we have Member Nathaniel Teed joining us in place of Aleana Young. So thank you. I'll now open the floor to questions from members. I recognize Ms. Ritchie.

Ms. Ritchie: — Thank you, Madam Chair. I think I'll start by asking some questions about the capital budget. Can you tell me

what the capital budget for dams has been for the last five years?

Mr. Jaques: — Shawn Jaques, president and CEO of Water Security Agency. So in fiscal year '20 we spent about 16.2 million; fiscal year '21, 21.3 million; fiscal year '22, 28.4; fiscal year '23, 43.3; and fiscal year '24, 48.6.

Ms. Ritchie: — Thank you. I'm wondering if you can tell me how many of these projects are former PFRA [Prairie Farm Rehabilitation Administration] projects and what the total capital budget is for the work on these projects.

[18:45]

Mr. Jaques: — We don't have, like since we took over ownership from the former PFRA, they've all . . . We've integrated them into all WSA assets, so we just allocate capital, you know, where the need is. We don't separate it out, you know, this was a former PFRA asset or this, you know, was a provincial asset.

So our engineers are always looking at and assessing, you know, which structures need to be repaired, where the most need is, and then that's how we allocate the dollars to it.

Ms. Ritchie: — When the PFRA facilities were taken over by WSA, did you receive any long-term funding from the federal government? And if you did, how much money was it and what are the terms and conditions for using the funds?

Hon. Mr. Marit: — That's probably a question that should probably be asked at Finance, because that was an agreement between the federal government and the provincial government.

Ms. Ritchie: — So is the Water Security Agency receiving any funds as part of its list of own revenue in an ongoing manner? I just notice there's — schedule 1 of the annual report, contract revenue — there's a number of organizations. Some of them are federal government departments. And do any of these relate to PFRA facilities?

Mr. Jaques: — So the question, Ms. Ritchie, was on what was in schedule 1 and the different contracts that we have. And you're right. A lot of them come from the federal government. But a lot of them are related to the environmental initiatives that WSA undertakes. So for example, we do a lake sturgeon monitoring to determine the health of the lake sturgeon because of the operations of the different structures that we have around the province.

We monitor in different locations, you know, close to Diefenbaker, obviously. We do monitoring on the North Sask as well. There's also . . . We get some money from DFO [Department of Fisheries and Oceans] to do a study on the bigmouth buffalo fish. It's an endangered fish, I believe. We also get some money from Environment Canada for, you know, monitoring of the piping plover that nest around Lake Diefenbaker.

So all of these contracts from the federal government are related to the environmental initiatives that WSA undertakes. There's also one in there, a ministry, Parks, Culture and Sport that says Pike Lake, and that's to help WSA. WSA supplements or pumps

water into Pike Lake, and so then Parks helps us with some of that cost. Yeah, that's what most of these are.

Ms. Ritchie: — Thank you. So what I hear you saying, though, is that those revenue contracts don't relate to the PFRA projects. Can you please advise what the replacement capital value is of the provincial dam infrastructure that is managed by Water Security Agency?

Mr. Jaques: — All of the dams that we own?

Ms. Ritchie: — Yes.

Mr. Jaques: — All 72? Okay.

Hon. Mr. Marit: — I'll start and then I'll hand it over to Shawn in a bit. You know, really when we look at the dams and what is in the province, and Water Security has done a really good job. And I have to commend the staff and the engineering department and all of that, where they really look at where the resources and needs are.

Obviously we're always hopeful that we never have to replace a dam that's been built now, because I don't think anybody could predict what it would cost to even build one. And I think it would be not on . . . For me, anyway, shoot, you would need a lot more experts in the room than probably here tonight. You would need a whole Stantec firm or something to give you an idea of what it would cost to replace

I think that's why the team really looks at all the infrastructure we have and bases it on the priorities, on the needs around that. And I'll ask Shawn to add a few more comments. Shawn?

Mr. Jaques: — Yeah, Minister, I think that's absolutely right. You know, WSA, we're proactive in assessing, you know, where our infrastructure does need upgrading. We believe the base capital that we get each year is sufficient. How we assessed the dams was based on the dam safety index, and that's where we prioritize our funds. And really we're doing that to make sure that we don't have to replace, you know, an entire structure at once. So you know, that ongoing maintenance, that ongoing capital, you know, helps us make sure that our structures are safe and will be there into the future.

Ms. Ritchie: — Have there been any major issues or problems found or outstanding with respect to any dams in Saskatchewan which will require significant work in the next three to five years?

Mr. Fahlman: — It's John Fahlman. I'm the vice-president of infrastructure. I'll just repeat the question to make sure I'm answering the right question. The question was, are there any significant work that needs to be done or significant dam issues that need to be addressed in the near future?

There's a significant amount of work that has to be done. I guess I would answer that as the Grant Devine dam in southeast Saskatchewan does have a flood passage challenge where the CPKC [Canadian Pacific Railway and Kansas City Southern] crossing below the dam does . . . there's not enough conveyance through it, that in a major flood, it would back the water up against the dam. So we really do need to deal with that

constriction downstream.

[19:00]

Other than that, in the past few years, the most significant challenges, we fixed them. There was a spillway in Moosomin. There was a spillway in West Val Marie dam. Lac La Ronge has cloudy seepage going through it, and we spent about three years on site fixing that one. So the major significant issues that we are aware of have all been dealt with, other than that passage one.

Ms. Ritchie: — And I did note that there was a significant amount of money identified to address the Gardiner dam, I assume to address the issues you just mentioned.

Mr. Fahlman: — Gardiner dam, it's our largest, most risky asset, so we take the lowest risk approach to that one. What we're doing with Gardiner is there was what we call tunnel 5. So when the dam was first built, and you see the towers up there, there's five towers. One of them was never made to put a power generator in it. And that one is used to pass floods when the spillway is not operable. It had some problems downstream in what they call the stilling basin where the water comes rushing through and it'll erode away. And if it's not designed right and constructed right, it will actually erode back into the dam. So we did some assessments on that three years ago and just fixed that this year. And a lot of money went towards that, is one thing.

But there is a series of projects and there's always going to be a lot of projects on Gardiner dam. Like most recently for this year, we're planning on operator safety and public safety improvements that's going to cost 2 to \$3 million, that type of thing. There's always going to be a lot of money put into that dam because it's a big asset.

Ms. Ritchie: — Thank you for that response. I understand that SaskPower has been paying a fee for the use of water for hydro. Will SaskPower continue to . . . Or is that part of what I see in the schedule 1 for the contract revenue for the last annual report? And can we expect to see that same money going to Water Security in the current and future years?

Mr. Fahlman: — SaskPower does . . . According to, I think, it's *The Water Power Act*, they provide a royalty to WSA based on the amount of . . . It's loosely based on . . . not loosely. It's based on the amount of electricity they generate from waterfalls. Okay, so that will vary based on how much flow is available in a given year. So on a year like last year where there was not a lot of flow, you produce less electricity from it, less hydro from it. And so the amount of royalty that comes to WSA is lower. But as far as on . . . next time we get higher flows again, we will get significantly more revenues from power.

Ms. Ritchie: — So just to clarify, are you saying that *The Water Power Act* specifies that SaskPower pays an amount directly to the Water Security Agency for that electricity production from hydro power?

Mr. Jaques: — So for, you know, all the dams across the province where SaskPower generates electricity using water, there is a negotiated rate that they pay to Water Security Agency for that water.

Ms. Ritchie: — And is that as per legislation, or can that be amended or be redirected elsewhere?

Hon. Mr. Marit: — Just want clarification. You're asking for what to be directed elsewhere?

Ms. Ritchie: — The payments by SaskPower.

Hon. Mr. Marit: — Okay.

Mr. Jaques: — So *The Water Power Act* does, you know, set out that SaskPower has to pay Water Security Agency for that water and those funds come to us. That's the only place that they go to.

Ms. Ritchie: — Okay, thank you for that clarification. So where would I see that then in the annual report?

Mr. Jaques: — So in the annual report, page 15 of 29, statement 2, where you see revenue where it talks about "own source revenue," that's where it will show up.

Ms. Ritchie: — All right. Thank you very much.

Last spring I submitted written questions asking for some updates on the Lake Diefenbaker irrigation project, and since that time there's been announcements made regarding the Westside rehabilitation and expansion project. In your responses to my written questions that were received in the fall session, you refer to preliminary engineering and financial analysis. Are those reports finalized now and available for inspection?

[19:15]

Mr. Cooper: — Thanks, Ms. Ritchie. David Cooper, I'm the VP of agriculture services and economic development. So in the time that's passed since those written questions have come in, there's been a lot of work that's been ongoing, both related to the, kind of, engineering work that was originally done and we've built off of that, and also with respect to the business case. So there has been some work that's been done, kind of a number of things.

In 2020 the federal government had Clifton do some work with Western Economic Diversification. They published a report that had kind of the preliminary business case and some really good data that spoke to the benefit to irrigation development. We've done some work internally but that work is ongoing. And so as a result of the announcement that you had mentioned, there's some more work that's going on. And our intention is to publish some of that data on our project website.

And so that work is kind of iterative because the project . . . It hasn't been kind of a stasis project. We've continued to iterate and evolve, and that's kind of where we've landed right now. So we've announced the 90,000 acres, and so you may have noticed we're doing some additional engineering work on that in the ensuing months. And so it's kind of an ongoing project, so it hasn't kind of stopped and put us in a position to publish a finalized report.

Ms. Ritchie: — Well I appreciate that, you know, the project has evolved as one would expect. But certainly the work that was contracted by the engineering firms and the financial firms to contribute to that ongoing work would have been finalized by

now surely and should be available for public inspection, should they not?

Mr. Cooper: — Thanks, Ms. Ritchie. So we're just chatting. So the original work by Clifton is really being built on in this next iteration, so there is information that would be included in that that has the risk of having proprietary impacts on upcoming bids. And so that's why we're taking the tack that we're taking with respect to releasing that report because it is, as I said, it builds off of itself. It's not a kind of a completed document that you could share. It's building with this next iteration of work.

And with respect to the business case that I think you'd alluded to, same thing. With the process we've taken with the project, when that work was initiated, it was contemplating a somewhat different project than where we are today. And so we are having to take the data that we have and make some adjustments, and our intention is to provide that. But like I said, we do need some time to update the data.

Ms. Ritchie: — So are you saying that there has been a redefined scope to what was originally announced in 2020? And if so, what is that new scope?

Mr. Cooper: — Thanks for the question, Ms. Ritchie. No, the scope of the original project is still there. What's changed is we've been really focused on having the first phase, the rehab phase, be as cost effective as possible. And so what's changed is some of the lands that had been thought to be included in the second phase, we now think are more cost effective to be included in the first. And so it's just, I would say, adjustments, small adjustments to what had been previously announced. The scope remains in line with what you've seen.

But as we've said, our focus is on that rehab piece. So that's really where our focus is. So a slight change in terms of what lands will be captured within which phase but really, by and large, the spirit and intent of what you'd seen originally is still there.

And so I'm not sure if that answers your question, but that's some of the changes that we're talking about.

Ms. Ritchie: — Thank you for that response. Well I guess I'm kind of curious to know in more detail what now is, what is included in this first phase and what the timeline is for undertaking that phase in terms of . . . You mention pre-engineering, design, construction. There's permitting. You indicate that that work is going to start this year.

What progress are you intending to make in the current fiscal year? And then what will be remaining after that point? Is there some sort of a timeline that you can provide to me that would lay that out?

[19:30]

Hon. Mr. Marit: — I'll start and then I'll turn it over to the expertise. Yeah, this is a big project. And obviously I've visited the site a few times, the area, and it is quite complex. I know an RFP [request for proposal] has gone out as of last night. An RFP has gone out for some engineering designs, so we'll see where that takes us.

But that kind of takes us to the phase 1 that we're talking to, the expansion of the M1 west canal and hopefully gets us to that 90,000 acres. But I'll turn it over to Shawn, and then I think Shawn will turn it to David for some more comments too on the technical side.

Mr. Jaques: — Yeah, thanks, Minister. I'll just make a few comments, Ms. Ritchie, because you had asked about like what we're focusing on. And so the project now to get to 90,000 acres is focusing on the rehab of the canal. It's an existing canal that was built shortly after Gardiner dam was constructed. I believe it was built in the early '70s, late '60s, and it was built within, I think it's about 3 kilometres of it being completed before it was stopped by the government of the day.

So our focus on this project is rehabbing that. There's work that . . . there's an existing pump station already. There's a small irrigation district that's using the pump station irrigating some acres close to the lake. And so that's what our focus is on, you know, how do we rehab that original canal.

Some of the work that may happen this summer, there's some old structures there that have never been used. There's concrete gates. There's culverts that are failing under the road. Those may be replaced this year. And as Minister Marit mentioned, an RFP went out, I believe it was posted either last night or first thing this morning, for that next level of engineering work. But I'll turn it over to David for some more of the detail.

Mr. Cooper: — Thanks, Shawn. You covered a lot of it. A couple of other things I would add is that we are aware there are some long-lead-time items that we will require, such as transformers. So we're working with SaskPower to try to get ourselves as ahead of the curve as we can on that because we know in some cases it might take multi-years to get them in. So those are the types of things that we're focused on right now.

And in terms of particular timelines, they would be an estimate and a guess. You know, there's some things that are just . . . Over this next year we'll have a better definition of things like the transformers, where we know that there's some variability in terms of when we would receive them.

Ms. Ritchie: — So as you say, this is a sort of a project in three phases and once completed is going to provide 500,000 irrigable acres, I believe is the number that you mentioned in the annual report. Are you committing to undertaking a full environmental impact assessment for the full scope of the Lake Diefenbaker irrigation expansion project?

Mr. Cooper: — Thanks for the question. And so we have been engaged with the federal EIA [environmental impact assessment] process over the last couple of years; in fact we've been talking to them again within the last week. And so at this stage in terms of where we are in terms of development, the indication is that they don't think that we've reached that threshold where an assessment would be required for the rehab project.

We are fully committed to following proper process. And I will note that once we get to the Qu'Appelle side, that that would trigger a federal EIA. And so we would, you know, go through that process once we get there. We know that's the case for that part of the project. For this initial stage it's largely existing

works, and so through the conversations we've had, we don't think that would be required.

We will work through proper provincial process to make sure that we're following kind of best practices. But in terms of federal involvement, conversations continue, but early indication as of right now is that we won't meet that threshold.

Ms. Ritchie: — What was the decision factors for deciding to proceed in the first instance with the Westside rehabilitation project.

Mr. Cooper: — Thank you for the question. And so the reason why the focus was on Westside rehab was really for the reasons we've mentioned in terms of existing infrastructure that's there, and that it provided not only probably the lowest cost of development, it also . . . Like we mentioned in terms of the EIA, we know for the Qu'Appelle side that's going to be a reality.

And so the timelines that will be required for that will not be insignificant. We know that. And so it's the most shovel-ready when you consider we've got the existing pump station. We've got the existing canal and a start of a reservoir as well. So that's really the reason. It was the lowest cost, and that's primarily due to the infrastructure that is in place now.

Ms. Ritchie: — How much water will the Westside rehabilitation project increase irrigation by?

Hon. Mr. Marit: — I just need a little more clarification. You said, how much water will increase . . . Sorry . . .

Ms. Ritchie: — Yeah, my apologies. That was poorly phrased.

Hon. Mr. Marit: — Okay.

Ms. Ritchie: — No, I'm just asking, so when this Westside rehabilitation project is completed, you've indicated that it will irrigate up to 90,000 acres. So how much water does that represent?

Mr. Jaques: — Thanks for the question, Ms. Ritchie. I'll start and then David can jump in with some more detail. So when the full project is developed and it's 90,000 acres, so let's assume we allocate a 1-inch duty, that's 90,000 acre-feet of water. And I think one of the things, quite often people don't maybe realize how big Lake Diefenbaker is. It's a reservoir that's 225 kilometres long, 67 metres deep, and there's about 900,000 acre-feet of water available each year for irrigation, and what evaporates off that lake on any given year is anywhere from 2 to 3 per cent. And so this project would use about 0.6 per cent of the volume of the lake. So not even a quarter of what's evaporating every year from Lake Diefenbaker.

I think the other thing, you know, when I'd mentioned the 90,000 acre-feet of water, that's assuming, you know, the water flowed all the time. We know that it . . . and we see this now with current irrigation. It really depends on the crop that's being grown. It depends on the weather conditions, because not every year is dry. We have lots of years where there's, you know, natural rain so farmers don't use as much water. It depends on, you know, the flow of the application. And so just because it might be 90,000 acre-feet of water doesn't mean that we would use that amount

each and every year.

So I don't know, David, if you have any other detail to add?

Hon. Mr. Marit: — No, I think you covered it all. I think you meant to say 1 foot, 1 acre-foot, not . . . so 1 foot per acre development is . . . but the math you said was all right.

And just to add to that, I think Shawn made a good point is, it depends solely on the crop that's grown, right, and we know that. Obviously if it's corn or potatoes or something like that, it'll take that. But they use crop rotation, so a lot of times it might even be a pulse crop in there where they might only use 3 or 4 inches of water. So it's, I mean, the allocation is there, but the usage of it probably doesn't even hit the target many times.

Ms. Ritchie: — Thank you for that response. I guess I was working off a premise that there would be a design value that the project would be built and designed to in terms of the amount of water, and that you would be using that allocation or that volume to then have those conversations with the federal government in terms of whether or not there was any federal triggers for this project.

I appreciate what you're saying about, you know, the capacity of Lake Diefenbaker and how much evaporates every year in relation to the size of this project.

[19:45]

But I'm also aware that, you know, there has been water held back in Lake Diefenbaker even in the past year. We've seen low flows downstream impacting other communities. And obviously many people are concerned about water supply and are looking for assurance that a project such as this one that is sort of generational in scope, as has been indicated in the past when you look at all three phases of the project.

And you know, all good in terms of, you know, the desire to safeguard agricultural production. We want to preserve that sector. But at the end of the day it's important to be able to sort of fully assess and understand, you know, how that affects supply. You know, it's my understanding that Lake Diefenbaker provides water to two-thirds of the population of Saskatchewan and so it's a vital source of water, important for human consumption as well.

So you know, citizens are rightly concerned about this project in many aspects, whether it's security of supply, whether it's impacts on, you know, downstream populations, you know, what the forecasts are looking like in terms of that supply going into the future. So you know, that's kind of the basis of asking that question.

I am going to maybe pivot a little bit. You do mention in the business plan that as Saskatchewan weather patterns continue to change, increased irrigation helps to stabilize the province's agricultural sector, improving certainty to producers. I wonder if you could perhaps explain to me what you mean by that statement.

Hon. Mr. Marit: — I'll start and then I'll turn it over to David and Shawn. And just to address your question on my comment

about the importance of agriculture irrigation to the ag sector here in the province, obviously it's more than just about cereal crops and that avenue as well. It's about all of it. We see a lot of alfalfa grown in the area. That's obviously going to increase feed production for the livestock sector as well here in the province of Saskatchewan. We're seeing an increase in vegetable production, which really helps obviously here in Saskatchewan when we see locally produced vegetable crops in our local stores, which we all have seen and very proud of it. And also even on the grain side, when you see increased production on cereal grains, oilseeds, pulse crops on irrigation land, it obviously increases our productivity here in the province of Saskatchewan. So it's important that we obviously want to increase that side of it.

It's obviously part of our growth strategy, but we see the opportunity around the increase in irrigation of the impact it will have on value-added, especially when . . . And I have seen the vegetable production increasing in the Elbow area, that irrigation and what's happening. So there's all of that that I think is important about the sustainability of it.

And I'll turn it over to David for some more technical and then to Shawn if he wants too.

Mr. Cooper: — Sure. For just for some context on why we're talking about kind of the future benefits of the project. So we've had an opportunity to listen from Professor John Pomeroy on a number of occasions talking about forecasts that he sees in terms of inflows to Lake Diefenbaker in the future, and his comments are I think really positive in terms of the way things are looking. And I don't claim to be an expert on it, but what he says, we really are sitting on somewhat of an anomaly globally in terms of the future forecasts for inflows. And so what he's said is that the timing of flows may evolve over time and the necessity of storing water and, you know, making use of it is going to be even more critical.

I'll just maybe just read a quick quote. He was in *The Western Producer* last year talking about this, and he talked about how "current climate change modelling predicts generally wetter conditions on the Prairies, most of it in the form of rain in the winter and spring . . ." So it's changing the timelines, but the overall volume of water is expected to stay stable or increase into the future.

Hon. Mr. Marit: — And I just want to add one thing, if you don't mind, just on this. I think Water Security did a fantastic thing in monitoring their levels in the reservoirs in the province of Saskatchewan starting last year. Obviously we narrowed our scope of outflows to make sure the community had water, and now when you see pretty well most of the reservoirs in this province sitting at near capacity or well above the 10-year average, it speaks well of the management of our dams and reservoirs by the Water Security Agency folks.

Ms. Ritchie: — I guess I'd like to sort of . . . There's several jumping-off points from those statements. I'll try to keep them straight. I guess what I was more focused on was the statement, "as Saskatchewan's weather patterns continue to change." So I'm wondering both in terms of what you mean by, you know, why you think weather patterns are going to continue to change, and what those changes will be. And then how has the preliminary design work and ongoing analysis for this generational project

taken these changes, these weather patterns, into account as you build out the project?

Hon. Mr. Marit: — I'll just open I guess. Obviously when you asked a question about my comment about weather patterns continue to change, of course they do. They change all the time. 2010, 2012 there was a significant number of acres in this province that couldn't be seeded because of weather. And it was rain. And I saw first-hand when reservoirs were so full that they were concerned of them not being able to keep them. So that's where my comments were around the weather patterns changing, because it does. It changes yearly, cyclically, however you want to say it.

[20:00]

What this does, what this project does is really give farmers in that area certainty that they are going to be able to access water to grow crops that not only this province needs, not only this county needs, but the world needs. I think that's it.

Mr. Jaques: — So you know, maybe just a couple comments. You know, you were asking, Ms. Ritchie, about the water inflows or the sustainability, and that's some of the work that, you know, our team has done. And I mentioned that earlier that we had, you know, studied the flow datas on the river and there's about 900,000 acre-feet of water available just for this project and where I had said earlier that the 90,000 acres would take, you know, about 90,000 acre-feet. So there's a lot of water that is available. And so, yeah, that's the work that, you know, WSA hydrologists have done is study those flows into the reservoir.

Ms. Ritchie: — So just to be clear, Mr. Marit, are you indicating that this project is just in response to natural, normal variability and there's nothing really more pronounced going on than that?

Hon. Mr. Marit: — I'm sorry. I don't understand that question at all. I really don't.

Ms. Ritchie: — Well you mentioned what was happening in 2010, 2012. And you know, a lot of concerned citizens are very worried about what's happening in terms of melting of glaciers, global warming. We're on track globally to have atmospheric temperatures rise three degrees. Here in the prairies it's projected to rise to six degrees because we have a continental climate. That has an impact on the hydrologic cycle. It has an effect on the water that we receive upstream that's regulated as part of the prairie water board agreement between Alberta, Saskatchewan, and Manitoba.

And so, you know, it's just a very simple question trying to see if, when you say, "as Saskatchewan's weather patterns to continue to change," if that was what you were referring to or something else. And then I guess further to that, you know, as has been in the media quite a lot of late, is the concerns with the drought in Alberta and how that relates to a changing climate.

And you know, we've seen soils very dry in that region, and so you know, whether or not Alberta's going to be able to continue to meet its obligations and deliver to us the water that they are required to, if there's certainty around that, what discussions have you been having with your counterparts in our neighbouring prairie provinces to ensure that that agreement is honoured and

remains intact and how any of that might change as we continue to see weather patterns continue to change, as you indicate in your statement.

Hon. Mr. Marit: — Thanks for that. And you know, we were just discussing it. Like our reservoirs are full. And really if you want to start talking about the climate change piece, I think that's a question better answered by the Ministry of Environment as they're leading that whole file on the Prairie Resilience strategy. So that would be a discussion that you would probably want to raise with them.

Obviously when we look at the water strategy, irrigation is important to grow the economy of the province. When we see that, you know, our water utilization is nowhere near capacity or anywhere near where it could be, this is just a small step in what we hope is further development that irrigation is a priority. We want to continue to grow crops. We want to become even more sustainable on the food side as well. So that's why we obviously announced phase 1 of our irrigation project.

And I don't know, Shawn, if you want to add anything more to that just on where we're at?

Mr. Jaques: — No, I think you've covered it well, Minister. Maybe I would just mention that there was a question about the Prairie Provinces Water Board. Water Security Agency, we have regular meetings with our counterparts both in Alberta and Manitoba. We have a lot of informal conversations with each province, you know, particularly this year more with Alberta just because of what's going on.

You mentioned about the 50 per cent flow. That is in the master agreement, that they have to flow 50 per cent of the water to Saskatchewan. And they've always met that. And the lowest it's ever been was last year, and they still flowed through 58 per cent of the water that came through on the South Saskatchewan River.

Ms. Ritchie: — Has there been any indication that that obligation will not be met in the current or future years? Anything from the discussions regarding that?

Mr. Jaques: — No, there hasn't been any indication of that.

Ms. Ritchie: — Has it been a topic of discussion in terms of how they will ensure that they will continue to meet those obligations?

Mr. Jaques: — So you know, thanks for the question. And so, yeah, we do have a good relationship with Alberta. You know, our senior executive's been meeting with Alberta — Environment, I believe, is their department — so we've been having regular meetings with them. And so they are committed to flowing through their 50 per cent.

Ms. Ritchie: — So just sort of staying on the Lake Diefenbaker project a little bit more here, it was announced that there was going to be funding of 1.15 billion in the current year — is that right, in the current year? — but then also that the project was going to proceed with funding from other partners. And so can you tell me what the breakdown is between how much is anticipated to be government funded versus other funders and who those would be?

Hon. Mr. Marit: — First of all I want to correct you. It's a 1.15 billion project over the term, not in this year. There's a budget allocation this year as well but we're looking at, you know, obviously there's an RFP, as we said earlier, that has gone out. It depends on what scope that gets done. And obviously we're going to have to see next year what RFPs are getting done, what work can be done, and phase it out. This is a total cost combination of mostly government and producer side as well, and their cost is part of that as well.

We have not exhausted any of our discussions with the federal government. We're very disappointed in the current federal government that hasn't come to the table on this project at all.

I would ask the member, I guess as it is a federal Liberal-NDP [New Democratic Party] government coalition, that I would hope that you could reach out to your federal counterpart and ask for a letter of support for this project. And I'll ask you this question here too, if you would send that letter of support for this project, because it's important not only to the people of Saskatchewan but to Canada as a whole.

[20:15]

Ms. Ritchie: — So you've indicated 1.15 billion is the cost. Is that then the total cost estimated for the Westside rehabilitation project?

Hon. Mr. Marit: — For phase 1.

Ms. Ritchie: — Which is the Westside rehabilitation.

Hon. Mr. Marit: — The 90,000 acres.

Ms. Ritchie: — The 90,000 acres. Right. Okay. Now of that amount, is the government paying all of that or are you looking for other funders to contribute? And what's the breakdown?

Hon. Mr. Marit: — There's producer participation and right now it's provincial. What we're asking for . . . And we haven't exhausted our ask with the federal government. And as I asked you before, I would hope that I could get a letter of support from you to say that you would support this project and send it to your federal counterpart that we could see federal dollars on this. And I'll ask again. I hope I would get an answer that you would support this project with a letter to your federal counterpart.

Ms. Ritchie: — Well that's an interesting response. I did note in the response to my written questions from last spring, it was indicated that the federal government has offered assistance in the form of a loan through the Canada Infrastructure Bank. So I guess that's where it stands right now.

But back to my original question. Can you tell me kind of where in either the business plan or the estimates we see before us tonight, how much money is allocated for this project?

Hon. Mr. Marit: — You know, I just want to go right back to what I'd said earlier too. I mean it's a \$1.15 billion project phased in over time. As I said, we have not exhausted any of our opportunities to seek out a partnership with the federal government as an equal partner. The Infrastructure Bank is a loan that has to be paid back. If the federal government comes in as

an equal partner, then obviously it really changes the whole scope of the project as far as timeliness, delivery, and obviously cost as well.

So as I said, we haven't exhausted that. Our estimated cost on this project is 1.15 billion phased in over time. If we get a willing federal government that comes in as a partner, obviously the timeline changes drastically. So that's where that is.

Shawn has got some other comments on what's in this year's budget there.

Mr. Jaques: — Thank you, Minister. Ms. Ritchie, your question, what was in this year's estimates. We've set aside \$20 million in this year's budget and that's what — you know, up to 20 million — what we think the next level of engineering . . . It should be more than enough to cover that off.

Ms. Ritchie: — So if you could just help me understand where that falls within the estimates. So would that be under transfers for public services, the 75,000?

Mr. Jaques: — So, Ms. Ritchie, thanks for the question. Under vote 87, you're right. It shows up in the 75 million, but that includes . . . our capital is included in that 75 million. And then there's also money allocated for other irrigation, if there's other irrigation opportunities in the province. You know, we're looking . . . I'm working with producers and interested districts at expanding irrigation all over Saskatchewan. So there's money allocated for that as well.

Ms. Ritchie: — Okay, so I think you said 20 million this year for Westside rehabilitation and then another 50,000 for other . . . Can you give me a breakdown of what that other 50 . . . million, sorry.

Mr. Jaques: — Yeah, so there's capital is . . . I think it's 40 million for capital, 20 million for . . . I'm just going to get the number. Just let me confirm it here.

Sorry about that. I just want to make sure I get the right numbers for you. So there's 40 million for capital. We've talked about that. That's repair to our dams and infrastructure. We have a million dollars allocated to the Rafferty dam flood passage improvement. John talked about that. We have 20 million for Lake Diefenbaker. We have 3 million for the Grant Devine. And then we have \$10 million for other irrigation projects.

Ms. Ritchie: — And so on those other irrigation projects, I think I had a question about that. There was an announcement a few months ago with respect to irrigation projects in southwest Saskatchewan. Is that what that's referring to?

Hon. Mr. Marit: — What we've done is we've added 10 million into the budget for, as Shawn talked about, other irrigation opportunities when we look at other parts of the province and we have interest from landowners, or the case may be to look at the potential for irrigation. We might be outside the districts, or it might be within a district.

So that's why we've allocated that. It's there; there's no priority on it. It's not set to go here or there. It's as a need basis. If somebody comes forward, we have that opportunity to utilize. And it might be an engineering design. It might be even in soil

sampling, which we have to do the full evaluation of that side of it before it's even deemed whether the land is fit for irrigation.

Ms. Ritchie: — Currently how much agricultural land receives irrigation, by percentage? And how much will the three phases of the Lake Diefenbaker irrigation expansion project increase those number of acres, by percentage?

Hon. Mr. Marit: — If you're asking the percentage, right now our estimation I think is right around 400,000 acres in the province are under irrigation, whether it's flood or in different districts. This 90,000 acres would increase it by 25 per cent.

Ms. Ritchie: — And what does that . . . Okay. So we bring it up to, just for round numbers' sake, 500,000 acres.

Hon. Mr. Marit: — Yeah.

Ms. Ritchie: — Okay. So what does that represent in total acres for agriculture in the province?

Hon. Mr. Marit: — Well if I had the Ag committee here, which I don't, to give you the total number . . . I'd be totally guessing. Roughly 40 million acres seeded in the province on a yearly basis; 500,000. It's not hard to do . . .

Ms. Ritchie: — Okay. I guess I've heard — and I don't know how accurate these numbers are — that it's around 1 per cent.

Hon. Mr. Marit: — If that's what you're hearing.

Ms. Ritchie: — Yeah, okay. And so you mentioned some numbers, about, I think you said \$850 per acre that the . . . First of all, I'd like to understand better what that number represents and how it was arrived at.

[20:30]

Hon. Mr. Marit: — That's probably a question better to ask for Ag and agtech people. I know there's a formula to do it obviously. My best guess would be on average \$850 acre increase in irrigation would be strictly based on greater volumes. If your dry land canola crop at 40, irrigation you could be 80. So you're obviously doubling your production, so there you're going to double your revenue. So that's probably where the number is coming from.

Ms. Ritchie: — Yeah, okay. And then I don't know if you gave a hard number, but you talked about billions in new tax revenue I believe. Was there a number that you had stated or was it just sort of around billions?

Hon. Mr. Marit: — I don't think I've ever said a number. You know, I don't know if you've heard that number wherever. The only number we can even see anywhere is it's a WD [Western Economic Diversification Canada] number and I think that's talking the full blowout of the full irrigation and up and that side of it. You'd probably have to ask WD how they come up with those numbers, not me.

Ms. Ritchie: — Well I'm sure you're aware, Mr. Marit, that there is a lot of discussion happening in the agricultural community right now about the costs and the benefits of this generational,

once-in-a-generation project. You know, who's going to benefit, how much it's going to cost, how much it's going to generate in economic benefit.

I mean lots of very legitimate questions, you know, to understand the feasibility and overall merits of it. So I think they're very valid questions obviously. So I do want to know the extent to which those economic benefits have been costed out for this project to sort of make the business case for it and if you can provide those to me please.

Hon. Mr. Marit: — You know, we look at this project as having a huge impact, not only on the local economy but even on the provincial economy through jobs and increase and that. And we're already starting to see it in parts of the irrigation district where we're starting to see a lot of interest, especially in the vegetable sector on facilities around that side of it as well.

I think this just all stems part and parcel to what we just went through with COVID and the whole issue around food security and companies, even local grocery stores, looking for local product and things like that.

So I'm very proud of the fact when I go into a local grocery store and I see carrots packaged in Outlook and I see vegetables grown there too. But when I go and talk to the irrigators in that area and the vegetable growers — and very proud of the fact that where their product is going and being utilized with — I think it's just a great opportunity for expansion and growth, and that is why we feel that there is a real need for the expansion in the irrigation side.

Not only that. When you look at the expansion or the completion of the works on the M1 west, that also is going to supply water to communities as well. And I think that's an important factor when we look at long-term water strategy and how that's going to work out. So it's got more than just irrigation into it. It's got something for community, long-term sustainability for a good supply of water. So we look at that side of it as well. It's important for us. I think there's great opportunity here.

When you look at other jurisdictions around the world and what's happening with their farm land or what is under irrigation in some parts of North America now, it's being very challenged, and we see this as a great opportunity. And I live by the adage "if you build it, they will come," and I think that's exactly what's going to happen here. We're going to see.

And this is intergenerational. It's not going to happen over the next three to five years. It's going to take longer than that where we're going to see continued growth. And the excitement that we're seeing from within the irrigation districts themselves to see, you know, just over the past few years over 55,000 acres. Last year over 24,000 acres going under pivot. Next year over 25,000 acres going under pivot.

It's telling its own story. It really is. It tells you that there's that kind of interest in it, and we're starting to see very high-valued crops. I never thought I would see onions grown the way they are. I never thought I'd see cabbage and all the other vegetables that are being grown . . . carrots. It's incredible what is happening in the irrigation district and the crops that they're growing and supplying food, not only to Saskatchewan.

I talked to a young producer there a year or two ago that was very excited about carrots, and that's what he had in. He had about 115 acres of carrots. He had a contract with Walmart, and was very excited about what he was doing on that side of it. So we're seeing those kinds of opportunities in growth and supplying the world with safe, reliable, sustainable food which we've always done here in Saskatchewan. I'm very proud of it.

Ms. Ritchie: — Well yeah, I guess, you know, anecdotal kinds of examples are all well and good. And we're not going to disagree on the importance of agriculture and, you know, wanting to see a healthy sector. But this is really a question about the financial feasibility and economic benefits of a very major undertaking that's relying on taxpayer dollars to fund it.

And so you know, I am getting a lot of questions from concerned citizens about the cost-benefit of the project. And I'm not saying that there isn't one but what I'm saying is, is that people want to see it. You know, we want to understand overall how this is going to impact and benefit the Saskatchewan economy.

And surely to God, that analysis has been undertaken and you can provide me with answers to these questions in terms of, you know, if there's a number of 850, where that came from; or billions, you know, what is that referring to? Like I would like to request the financial analysis that shows us where the benefits are from this major project.

Hon. Mr. Marit: — We did find the document, and I'll have David read it to you.

Mr. Cooper: — Well thanks, Ms. Ritchie. So I had alluded to this earlier. So the WD had undertaken a, you know, thorough report in 2020 which is publicly available, and I can maybe just provide some of the information that they had summarized.

And I will note that this is for the 500,000-acre project, so you know, obviously it'll change with the 90,000-acre project. And as I mentioned earlier, we are doing that ongoing economic analysis that we are planning to make public as it relates to that project.

But for the 500,000-acre project in 2020 — so these numbers will have changed somewhat — they talked about an \$85 billion contribution to the Canadian GDP [gross domestic product], approximately 20 billion in net tax returns for governments, so obviously there would be a split between the provincial and federal governments. And a good amount of detail. And so if you're interested in looking at the entire report, I can make that available, or we can make that available for you for sure.

They also talk about significant employment benefits. They talk about 22,700 person-years of employment per year through the build-out phase, so a substantial piece there, and a \$23.5 billion increase in personal incomes over the life of the project. So that's obviously over, you know, a very long-term set of time, but happy to provide the report.

Ms. Ritchie: — Thank you very much, appreciate that. I'm wondering if you, Mr. Minister, if you could tell me what the status of the Duncairn irrigation expansion or allocation is currently.

Hon. Mr. Marit: — I can just say this. What we're really looking at now is not just strictly just Duncairn. We're looking at the whole region and the whole area, and there's been no allocations made at this time.

But we're looking even at Highfield and opportunities around that, and even downstream where we know there's . . . I think there's roughly around 15,000 acres under irrigation towards Herbert and in that area as well. Looking at some opportunities where we could maybe utilize water better. And that's some of the opportunities we'll look at, and that's kind of where we're at right now.

Ms. Ritchie: — Can you tell me what the process will be for determining who receives additional allocations from Duncairn reservoir?

[20:45]

Hon. Mr. Marit: — I'll let David answer that because there is a process that we go through, and he's just trying to get it all up because it doesn't change for any one area. Thanks.

Mr. Cooper: — Yeah thanks, Ms. Ritchie. So we've undergone a similar process through the SSEWS [Saskatoon south east water supply] canal where there was, you know, a high demand for water and much more demand than water that was available. So we created what we've called a scoring matrix. So it looks at a number of criteria, including ability to provide the water, ability to get the water to the client, ability to move ahead with the project, and some other criteria as well.

And so our intention, should we go ahead with irrigation expansion at Duncairn, would be to use a very similar approach. The one thing I'll mention, the matrix also caps the amount of water that any one entity would be able to receive, so we're making sure that there's a broad opportunity for water. And I will say in Duncairn, you know, obviously it's an arid part of the province, high level of demand. We're aware of right now, 8,500 acres of interest in water for irrigation, so that would far exceed what we have. So we do know that we'd have to go through this process.

Maybe one thing I should add as well. Before we were to go ahead, we would have a public advertisement of the fact that water is available so every producer would be aware of the fact this is happening. So we want to be as equitable as we can.

Ms. Ritchie: — Well thank you for that response. I'll maybe just leave it at that for now.

I want to ask a few questions about the agricultural water stewardship policy. That policy has been undergoing what appears to be a number of iterations, and timelines have continued to sort of be extended. Last year it was indicated that the policy would be finalized last fall, and now there's talk of it now not being finalized until 2025.

It's my understanding that the current draft of the policy would allow, on average, 71 per cent of wetland area in any given drainage project to be drained. Maybe I'll just start with an initial question. What sort of mitigation or compensation will be undertaken as part of this policy?

Mr. Cooper: — Ms. Ritchie, could you just expand on just the last part that you'd mentioned on the compensation, mitigation piece? Could you kind of elaborate what you're getting at with that part of the question?

Ms. Ritchie: — Yes. In other jurisdictions there is a no net-loss provision that is managed through mitigation and compensation. And I'm asking whether or not that is part of the policy that's being piloted here in Saskatchewan.

Ms. Tandler: — Thank you for the question. I'm Krystal Tandler, executive director of agriculture water management. So a few different pieces I want to touch on. The first is around the timelines for the agriculture water stewardship policy. It's very important to us that we get the policy right. And so you're right; we have been taking our time. We've launched through an extensive consultation process. We've invested over a million dollars in research and demonstration projects to get the data and the perspectives from the people of Saskatchewan to make sure we land in the right place.

And one of the things we heard in our consultations and engagements through the fall is that we don't want to rush the policy. And in fact, most recently we conducted a series of virtual engagements last week and met with researchers from the global water institute with the University of Regina. And again, they reiterated, don't rush it; we've got to make sure we're taking our time and getting it right. And so we've listened to those voices. We have slowed it down, and we have moved back our planned implementation date to 2025.

Around the 71 per cent, that number is not accurate. Our draft policy, which we are still in the testing phase of, we have not made any commitment to, would see an anticipated wetlands to be retained in the landscape around 53 per cent by area. So the 71 per cent isn't at all in our proposed policy.

Through our engagement, we heard really a loud call that Saskatchewan's diverse and we need to reflect those regional differences around the province. That's why we're not pursuing a no-net-loss policy. That's a blanket approach. We're looking at the regional differences that exist in the province and ensuring that our policy reflects those differences.

And so in some areas we would see that, you know, retention looks a little different. We would see different amounts of wetlands left on the landscape, but that's reflective of the risk in the area, the important criteria around water quality, quantity, and habitat that we're trying to manage through our agri-environmental priorities.

So no, we're not looking at compensation. We don't have a no-net-loss policy approach that we're moving forward with testing right now.

Ms. Ritchie: — And so if you're not moving forward with any kind of a no-net-loss policy, how are you addressing the loss of habitat that these drained wetlands will incur?

Ms. Tandler: — Okay, thanks. Thank you for the question. I think the first piece I want to touch on is just where we are at right now in understanding what the status of wetlands is.

And so we were able to, over the last number of years, develop an extensive wetland inventory. So that inventory mapped the wetlands that exist on the landscape across Saskatchewan. That told us that 86 per cent of the wetlands are still undrained in the province, which is a tremendous testament to the producers in our province who are being stewards of the water and the land as they continue to improve the productivity of their operations.

That tells us though that there's also still room for development, while maintaining that important habitat that exists in our wetlands. And so it's a balance that we need to consider, how many wetlands need to remain in the landscape to maintain those habitats, and we know we need to continue to understand that. And that's part of our demonstration research projects that we invested money to conduct studies that helped us understand potential impacts if there was continued drainage. And so that research is helping us to design our policy approach, which again is a regional approach.

We know that habitat has different values in different places in the province. Different species exist in different parts of the province, and so they need different things from their wetlands.

So that's that regional approach rather than a no-net-loss or a blanket approach that we might see in other provinces. It's tailored and specific to what habitat is needed in what parts of the province.

The next piece is about . . . What this policy will do is require a level of retention. Without this policy in place, there is no retention requirement. And so no matter what we do on this policy, we're ensuring that more wetlands are to be staying on the landscape than if we weren't to move forward with the policy. And I think that's a piece that's sometimes forgotten, that these protections don't exist unless we get this policy in place, since we want to be able to continue moving forward towards that.

And finally, we know that we're going to continue to learn. Science continues to evolve and tell us more about habitat and the functions of wetlands, and so we're developing a monitoring framework that has a series of indicators that will track things like impacts to habitat. And we're able to continue to watch those and adjust policy approaches as necessary in the coming years.

Ms. Ritchie: — There's been some . . . I'd like to know what feedback you've received regarding the Water Security Agency's determination of 86 per cent current existing or retained wetlands. It's my understanding that that number is under question, and I'd like to know to what degree of academic scrutiny that that number has undergone.

Hon. Mr. Marit: — Just before she answers your question on that, I was still hopeful I could get an answer from you if you do support the Diefenbaker project. I really would like to know if you're going to assist us in trying to get money, and if you support the Diefenbaker project.

No answer.

[21:00]

Ms. Tandler: — So regarding of our 86 per cent and the data found on our wetland inventory, I think fair assessment that it's

new information. And I think I appreciate that when new information comes available, sometimes we need to understand how we came to that conclusion. And so that's fair.

And this data is better data than we've ever had available in Saskatchewan in the past. It's a brand new inventory that we were able to develop in partnership with data that we received from several partners. And what it's done is mapped 4.6 million wetland acres over 47 million arable agriculture acres in the province. And so it's a huge data set in the province. Imagery is ranging from 2007 to 2015 and that allows us to really quantify that historical wetland loss, both intact and lost.

And then in terms of data validation, we hired a consultant separate from the original consultant who did the mapping to go over and map and catch errors. And that can use to improve the accuracy of the mapping.

We've been meeting with stakeholders in regards to your question of, you know, researchers and their perception on the data. Last week we were able to meet with researchers. In previous weeks were able to meet with several other stakeholder groups and spend time to go through our methodology used to create the inventory and the conclusions we were able to draw from it.

And I think it's prudent that we continue to do that, to share this data. It's new information. It's a new source of understanding around the wetland status in the province, and so we'll continue to share that information to build up that understanding in the province.

Ms. Ritchie: — There's also several . . . multiple concerns about the impact of agricultural drainage impacting downstream landowners and water bodies in addition to the loss of habitat and its other beneficial ecosystem services that they provide. I'm wondering what is, you know, as you continue to build out the policy and verify its basis, how you are continuing to monitor and enforce the drainage approval process that currently exists and has been identified by the Provincial Auditor as requiring bolstering.

Ms. Tendler: — Thanks for the question. I think really what you're highlighting is the intentions of the agriculture water management program overall. The program was designed to consider the various different potential impacts that drainage could have, and those include impacts on water quantity, quality, habitat.

But we also know that drainage can have many positive benefits as well, and those come in forms of efficiencies on the farm where we can see reductions in input use. We can see an environmental benefit from those reductions. We see economic benefits both at the farm gate with improved margins, but also as a provincial scale in changes to our GDP in the province.

But it also comes into . . . Our program is designed then around approvals. An approved project is a responsible project that's considering all those impacts and able to achieve those benefits that we also can see from drainage.

And so we do know that there can be projects that aren't aligned with that goal of responsible drainage. In those cases, that's when

we focus on compliance. And so very recently — in actually January of this year — we updated our compliance policies. We implemented a new approach to our phase through our new procedures. And we're able to now really focus on projects based on risk and impact. And that's how our compliance approach is. There's various different pathways that we will work with clients to bring projects back into compliance depending on the risk that they are.

So the main approach here is a client service-based approach. We're trying to work with clients, work with landowners around the province to bring their works into compliance with our agriculture aware management program so that we can achieve that goal of responsible agriculture water management.

This year we saw . . . Or at this point we now have 8,200 approvals in the province. And that's 8,200 quarters then that are water managed on them responsibly and are able to achieve those positive benefits. There is continuous progress on this front and in terms of the auditor recommendations, we anticipate to see that progress noted in the future that we've made considerable changes and improvements in the program over the last number of years.

Ms. Ritchie: — Researchers have shown that drainage of wetlands releases significant amounts of greenhouse gases. As the amount of wetland drainage is increased through this policy, carbon emissions will increase. I'm wondering if WSA has allocated funding to offset these impacts.

Ms. Tendler: — Thanks for the question. Again I think the best place to start is the current status. And there's recent research came out from the Global Institute for Food Security that highlighted that Saskatchewan farmers are some of the most sustainable in the world, and particularly as it relates to carbon emissions. And so it's a pretty good place for us to be starting from.

But we do want to understand any potential impacts of drainage on carbon, and so we've been partnering with the U of S on this, a soil carbon project, and in particular with Angela Bedard-Haughn. And that project will help us to understand those potential impacts. And so we're partway through a multi-year study which we're looking forward to seeing the results on. So we continue to understand those impacts and adapt our program to better manage.

The final piece I would like to note is around best management practices. Our ag water management program is managing impacts through a variety of tools. Some of the tools is around wetland retention, some of the tools are around different mitigation practices we put in place, and some of those are around the best management practices that producers are using on their farms every day. And those too help to address things like carbon emissions.

And so we have to think about the challenge a little more holistically than one tool, and that's how we work with the various partners across the research community and across government to get to that goal.

Ms. Ritchie: — So you mentioned that there is the research project under way in collaboration with researchers from the

global water institute. But will that project . . . or is there any kind of incentive or offset that is currently or in the future planned for addressing the loss of carbon sequestration from wetlands? Where does that fit in, in the policy?

Ms. Tendler: — Thanks for the question. And first just to clarify, the project is with Angela Bedard-Haughn who is the dean of agriculture at the U of S department of agriculture. So that's who the project is with. And so a little bit about the project. It's partnered with the Ministry of Agriculture who is also supporting the project. We're using soil sample data provided by local operations to predict changes in soil organic matter content across fields. So as we're able to analyze the results of this study, understand the impacts, then we can make policy decisions based on it. So it would be premature at this point to be making any decisions about whether there would be compensation when we don't understand what those potential impacts might be.

Ms. Ritchie: — It's my understanding that both Manitoba and Alberta have best management practice funding to restore drained wetlands. Alberta recently announced 8.7 million for producers to restore wetlands and create storage on the landscape. Has Water Security Agency allocated any funding to wetland restoration and, if so, how much?

[21:15]

Ms. Tendler: — Thanks. So when we . . . [inaudible] . . . about our neighbours in Alberta and Manitoba, they do definitely have different policy approaches, but they're also starting from a different spot. And so in Alberta right now they have about 60 to 70 per cent of their wetlands have already been drained. They're no longer on the landscape. And then in Manitoba that's about 75 per cent have been drained. We're at 14 per cent. And so we're starting from a significantly different place, and so again our policy approach needs to be significantly different.

And so although restoration is important there because they need to put back what was lost, we're still in a position where stewardship will retain what we need to retain on the landscape to achieve our outcome of responsible water management, productive farms, and thriving habitats.

Ms. Ritchie: — The 86 per cent estimate that you mention, does that include cultivated wetlands?

Ms. Tendler: — Yeah, it does include farmed-through wetlands, that's what we would call them. Those wetlands provide considerable value in the landscape. In fact I took a picture on my way home yesterday of ducks sitting in those farmed-through wetlands on our land, doing what they need to do at this time of year.

And so that's why we consider those, as they provide that same type of value in the landscape, whether it be in terms of habitat, also in terms of water quantity. And that water can sit there. It's sitting there at this time of year and performing an important function, preventing flooding downstream. If we were to take those farmed-through wetlands out of our calculation, we're at 72 per cent of our wetlands are still undrained.

Ms. Ritchie: — And so that method of calculating the amount of wetlands retained, is that consistent with how it's measured either

in other jurisdictions or by other scientists?

Ms. Tendler: — Thanks. So there's a couple key pieces to ensure our data's consistent with other jurisdictions. The first is the wetland classification system we use to really define what a wetland is. We use the same type of classification used quite consistently in other jurisdictions.

The second piece is we work with partners that are doing this type of work for other jurisdictions as well, so including Environment and Climate Change Canada is one of our partners in collecting the data, as well as other non-governmental organizations who are involved in collecting the data. They're doing it across multiple jurisdictions that ensures the consistent approach is being used.

Ms. Ritchie: — It's my understanding that WSA has begun running ads on social media and local papers with a picture of a wetland promoting Saskatchewan has 86 per cent of its wetlands intact. I have a couple of questions with regards to that. I'll list them off all at once here.

How much is that campaign costing? Are cultivated wetlands included in that . . . No, I won't ask that question. I just wonder if you think that the general public looking at that ad would think that estimate includes farmed-through wetlands. And according to reports, 50 per cent of Saskatchewan wetlands by count have been drained, and will you be advertising that estimate?

Ms. Tendler: — Sorry, just about the last piece, could you clarify that?

Ms. Ritchie: — It's my understanding from the estimates that, your own estimates, that 50 per cent of Saskatchewan's wetlands have already been drained, and whether or not that will be included in the advertising.

Mr. Jaques: — Thanks, Ms. Ritchie. I'll maybe just start with the question when you were asking about the social media campaign. So WSA has launched a social media campaign around, you know, sustainability, adaptability, and reliability campaign. So it's covering all four pillars of our business, which include, you know, drinking water.

You've probably seen some ads, social media ads on that. We had one on irrigation infrastructure — I believe we had some out on that already — and then this one pertaining to ag water management. So it's a whole campaign to talk about the four pillars that WSA is responsible for. But we don't have it broken out by each individual piece. It's part of a broader campaign. And then I'll let Krystal answer the other questions.

Ms. Tendler: — Yeah, on your second piece of what would the public think the 86 per cent means, I think if you were to speak to Saskatchewan farmers and ranchers they would understand that number to include all classes of wetlands. Because they can see the value of all those classes of wetlands. Whether they're those class 1's that, you know, we farm through or whether they're those lakes, they all provide value as a part of a working landscape. And so for the farmers and ranchers, I think they would be able to interpret that data to understand it.

But for the rest of people who maybe don't spend as much time

on the landscape understanding how those wetlands function, we've provided a link off of all of our advertisements linked to our website, where we provide all the background information that went into calculating that 86 per cent, including our wetland inventory and the analysis that was undertaken in developing it.

The final piece you mentioned was around our 51 per cent by count. So that is a different statistic than what we talk about, the "by count," because it doesn't consider the volume of wetlands. And as many of us can appreciate, you know, a wetland could hold significant different amounts of water by volume depending on its size and its classification. And so we consider the area of wetlands to be a more important indicator of how we manage the potential impacts of losing it and the value it provides in the landscape. And so we do understand that the 51 per cent by count is . . . we've been able to confirm that through our data, but it's the 86 per cent by area that's more important to the analysis.

The Chair: — You've got one more minute.

Ms. Ritchie: — One more minute? Okay. So you mentioned some indicators that you were going to be using as you rolled out your pilot. I'd like to know what those indicators are, please.

[21:30]

Ms. Tandler: — So a key part of our engagement process on this policy has been identifying our policy outcomes or policy goals. And through our engagement process we work with 80 different stakeholder organizations to come together to identify these goals. So they're water quantity, water quality, biodiversity and habitat, agricultural economy, agriculture stewardship, and Saskatchewan communities were the six goals that we collectively landed on.

And so from the start we've said that our indicators will align with our policy outcomes, which I just described. So as we proceed into our 15 or more pilot projects that we're undertaking this spring and summer, we'll be monitoring indicators aligned with those goals to assess whether the policy is effective in its current form or whether revisions need to be made to make sure it can achieve those outcomes.

Ms. Ritchie: — Thank you for that response. No further questions, Madam Chair.

The Chair: — So having reached our agreed-upon time for consideration of these estimates, we will now adjourn consideration of the estimates for the Water Security Agency. Minister, if you have any closing remarks.

Hon. Mr. Marit: — Thank you, Madam Chair. I guess I just have a few. Obviously I want to take this opportunity to really thank the entire Water Security Agency team for the whole engagement process on just about everything we're doing, whether it's the ag water strategy, whether it's irrigation projects. We have really had an outreach and this entire team is dedicated to getting it right. And I just leave with that.

And the other one is that I guess I'm very disappointed the NDP critic could not answer the question whether she was supportive of the Lake Diefenbaker irrigation project.

The Chair: — Ms. Ritchie, do you have a wrap-up comment? Any wrap-up comments you'd like to make?

Ms. Ritchie: — Yes, thank you. I want to start by thanking all of the Water Security Agency officials for their attendance here this evening and the answers they provided, and their service throughout the year. I want to thank also the Legislative Services staff for helping us to carry out these proceedings here this evening.

And just in response to that last comment from the minister, I look forward to receiving more robust information on which myself and the rest of the population of Saskatchewan can make an informed decision on whether or not we are in support of this project. There are more questions than there are answers on it. That is why I spent so much time asking the minister for those reports and answers on the project. I eagerly await receipt of those documents so that I can give you a robust response.

That's all I have to say. Thank you very much, Madam Chair.

The Chair: — That concludes our business for this evening, and I'd ask a member to move a motion of adjournment. Mr. Ottenbreit so moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until Tuesday, April 16th, 2024 at 3:30 p.m.

[The committee adjourned at 21:33.]