



Legislative Assembly of Alberta

The 29th Legislature  
Third Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Agriculture and Forestry  
Consideration of Main Estimates

Thursday, March 23, 2017  
9 a.m.

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**Legislative Assembly of Alberta  
The 29th Legislature  
Third Session**

**Standing Committee on Alberta's Economic Future**

Sucha, Graham, Calgary-Shaw (ND), Chair  
van Dijken, Glenn, Barrhead-Morinville-Westlock (W), Deputy Chair

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Connolly, Michael R.D., Calgary-Hawkwood (ND)  
Coolahan, Craig, Calgary-Klein (ND)  
Dach, Lorne, Edmonton-McClung (ND)  
Drysdale, Wayne, Grande Prairie-Wapiti (PC)  
Fitzpatrick, Maria M., Lethbridge-East (ND)  
Gotfried, Richard, Calgary-Fish Creek (PC)  
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Orr, Ronald, Lacombe-Ponoka (W)  
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Schneider, David A., Little Bow (W)  
Schreiner, Kim, Red Deer-North (ND)  
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**Also in Attendance**

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## **Standing Committee on Alberta's Economic Future**

### **Participants**

Ministry of Agriculture and Forestry

Hon. Oneil Carlier, Minister

Gerald Hauer, Acting Assistant Deputy Minister, Food Safety and Technology

Bruce Mayer, Assistant Deputy Minister, Forestry

Bev Yee, Deputy Minister

Agriculture Financial Services Corporation

Ed Knash, Interim Chief Executive Officer



9 a.m.

Thursday, March 23, 2017

[Mr. Sucha in the chair]

**Ministry of Agriculture and Forestry  
Consideration of Main Estimates**

**The Chair:** Good morning, everyone. I would like to call this meeting to order and welcome everyone here.

Before we begin, I would like to recognize that this meeting is commencing on the traditional land of Treaty 6.

The committee has under consideration the estimates for the Ministry of Agriculture and Forestry for the fiscal year ending March 31, 2018.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, please introduce the officials that are joining you at the table when we get to you. My name is Graham Sucha. I'm the MLA for Calgary-Shaw and the chair of the committee. We will move to my right.

**Mr. van Dijken:** Glenn van Dijken, deputy chair, MLA for Barrhead-Morinville-Westlock.

**Mr. Taylor:** Wes Taylor, MLA, Battle River-Wainwright.

**Mr. Orr:** Ron Orr, MLA, Lacombe-Ponoka.

**Mr. Schneider:** Dave Schneider, Little Bow.

**Mr. Drysdale:** Wayne Drysdale, MLA, Grande Prairie-Wapiti.

**Mr. Piquette:** Good morning. Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

**Mr. Dach:** Morning. Lorne Dach, MLA, Edmonton-McClung.

**Connolly:** Michael Connolly, MLA for Calgary-Hawwood.

**Dr. Turner:** Bob Turner, Edmonton-Whitemud.

**Mr. Coolahan:** Morning. Craig Coolahan, MLA for Calgary-Klein.

**Mr. Carson:** Good morning. Jon Carson, MLA for Edmonton-Meadowlark.

**Ms McPherson:** Good morning. I'm Karen McPherson, the MLA for Calgary-Mackay-Nose Hill.

**Mrs. Schreiner:** Good morning. Kim Schreiner, MLA for Red Deer-North.

**The Chair:** Minister, if you can introduce the people joining you at the table as well.

**Mr. Carlier:** Very good. Thank you, Chair. Thank you and good morning. Do you want me to go on with my speech here?

**The Chair:** No, just introduce the people that are joining you today for the record.

**Mr. Carlier:** At the table with me are Bev Yee, deputy minister; Anne Halldorson, senior financial officer; Ed Knash, interim CEO of AFSC.

**The Chair:** Excellent. Thank you.

**Mr. Carlier:** Also joining . . .

**The Chair:** Oh, sorry. All I need for the record is just the people at the table, and then if any people in the gallery join in, they can introduce themselves as they go along.

Please note that the microphones are operated by *Hansard*, and the committee proceedings are being audio- and video streamed. Please set all your phones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates. Before we proceed with the consideration of main estimates for the Ministry of Agriculture and Forestry, I'd like to review briefly the standing orders governing the speaking rotation. As provided for in Standing Order 59.01(6), the rotation is as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not exceeding 10 minutes. For the first hour that follows, the members of the Official Opposition and the minister may speak. For the next 20 minutes the members of the third party, if any, and the minister may speak. For the following 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time that remains, we will follow the same rotation as just outlined to the extent possible; however, speaking times will be reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotations are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of up to five minutes, once again the minister and a member may combine their speaking times for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking times are being combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time.

If a member has any questions regarding speaking times or rotations, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

Three hours have been scheduled for consideration of the estimates for the Ministry of Agriculture and Forestry. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break? With that, we will have it right after the third party's speaking time.

Committee members, ministers, and other members who are not committee members may participate. However, only committee members or an official substitute for a committee member may introduce an amendment during a committee's review of estimates.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Members' staff may be present and seated along the committee wall. Space permitting, opposition caucus staff may sit at the table; however, members have priority for seating at the table at all times.

If debate is exhausted prior to three hours, the ministry estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 12 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written material provided in response to questions raised during estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again I will remind all members participating to address their questions and responses through the chair and not directly to each other.

The vote on estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2017.

If there are any amendments, an amendment to an estimate cannot seek to increase the amount of the estimate being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on April 19, 2017. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. Twenty copies of amendments, including the original, must be provided at the meeting for committee members and staff.

I will now invite the Minister of Agriculture and Forestry to begin with his opening remarks.

**Mr. Carlier:** Thank you, Chair, and good morning, everyone. Also joining me in this room are Dave Burdek, assistant deputy minister of the policy and environment division; Bruce Mayer, assistant deputy minister of the forestry division; Katrina Bluetchen, executive director of extension and communications services; Dr. Gerald Hauer, executive director of the food safety and technology division; Rod Carlyon, executive director of the industry and rural development division; Darryl Kay, chief financial officer, Agriculture Financial Services Corporation; Tony Clark, chief of staff; Jake Kotowich, executive director, livestock and extension.

Thank you for the opportunity to be here today to discuss the 2017-18 budget for the Ministry of Agriculture and Forestry. Our government remains focused on making Albertans' lives better by creating good jobs, making life more affordable, and protecting supports for health, education, and the most vulnerable. For Agriculture and Forestry that means we will continue to stay the course in our approach to working with our industry partners to support sustainable and responsible growth in the agriculture and forestry sectors. We know that the long-term success of these two important sectors is part of the cornerstone of the economic success of this province. As agriculture and forestry grows, so does the strength, diversity, and job opportunities within the provincial economy.

This year my ministry budget is approximately \$1.1 billion, which is 1 per cent higher, about \$10 million more, than last year's total. This includes continued investment in core programs that support wildfire management, research and innovation, improved market access, environmental stewardship, value-added industry development, and food safety. Twenty seventeen will mark the first full year that the programs previously delivered on behalf of government by the Alberta Livestock and Meat Agency, or ALMA, will have been fully transitioned to the department.

This is also the final year of the Growing Forward 2 agreement with the federal government, which will provide approximately \$36 million this year to fund some of our strategic programs. With the agreement set to expire by April 2018, one of our priorities over the coming months will be the negotiation of the new agriculture policy framework that will replace Growing Forward 2. We are optimistic that the overarching multilateral agreement with all the provinces and territories can be signed this summer. Following that we will be fine-tuning the details of the Alberta-specific programs that are tailored to our own unique needs, with the goal of having all the i's dotted and t's crossed early in the new year.

We know that many of the Growing Forward programs, especially those focused on improving on-farm energy and water use and adoption of new technology, have been very popular. That's why we announced last October as part of the climate leadership plan that we were topping up these programs with an additional \$10 million over two years to help producers invest in efficiency upgrades, reduce emissions, and save on energy bills. As we move forward, we will continue to work with producers to look at options on how to find greater efficiencies as well as support our transition to a low-carbon economy.

In addition to this work, we are also maintaining investment in crucial community organizations and programs that support a strong and vibrant rural Alberta. Nearly \$28 million has been allocated to agriculture societies and regional exhibitions, agricultural service boards, and rural gas and electrical infrastructure. We will also be providing \$19 million for irrigation infrastructure to help maintain the largest and most sophisticated irrigation network in the country.

We will also continue to support our ongoing efforts to grow Alberta's value-added businesses. Food and beverage manufacturing now employs more than 26,000 people and generates more than \$14 billion in sales, which help to illustrate the incredible potential of this sector. We know that continued growth in value-added processing allows us to expand into niche markets and create jobs for Albertans. It also creates additional opportunities for our commodity producers to provide the ingredients for these products.

**9:10**

The \$25 million small brewers development program is one example of how we're helping Alberta-based companies to increase production capacity, launch new products, and develop new markets. The expansion of the Food Processing Development Centre and business incubator in Leduc is another. I'm pleased to report that we hope to have shovels in the ground as early as this fall, with construction completed sometime in 2019. The 25,000 square foot addition to this facility will allow us to add two new incubator sites as well as additional food research and development space. This will enhance our ability to help more companies get their ventures off the ground as they fine-tune their products, develop their business plans, and establish a customer base.

The Leduc centre has a proven track record of success. The centre works with between 80 and 100 companies each year, and graduates of the incubator program have been significant contributors to the provincial economy. Since 2011 companies that have participated in the incubator program have generated an estimated \$60 million in investment and created more than 500 direct and indirect jobs.

Outside of our work with the agriculture and agrifood sector my ministry will continue to focus on other important priorities such as protecting Albertans and their communities from the threat of wildfire. Certainly, the tragic events in Fort McMurray last year remain fresh in everyone's mind, and I want to assure you all that we are committed to continuing to allocate all of the necessary firefighters, aircraft, and other resources to keep Albertans safe.

Our base operating budget for wildfire management this year has been set at \$133 million, which is almost 10 per cent higher than last year. This is mainly attributed to a significant increase in funding for FireSmart initiatives, that assist communities in mitigating wildfire risks. In fact, FireSmart dollars will nearly quadruple this year to a total of \$15 million, which includes a focus on the regional municipality of Wood Buffalo. The prevention and planning work that we will accomplish through FireSmart will be a strong complement to our other ongoing activities to enhance wildfire protection such as the legislation that was tabled last fall.

We are also making about \$12 million in capital improvements to enhance our firefighting capabilities, including maintenance on air tanker bases, towers, and bunkhouses as well as upgrades to the fire weather network and our mobile radio coverage. As in past years our government has the flexibility to use emergency funding to provide additional financial resources to support wildfire-fighting efforts throughout the season. Typically the base budget covers the cost of preparations while emergency funding covers the actual cost of fighting the fires. The level of emergency funding can vary greatly from year to year and reflects the severity of the wildfire season.

Beyond our wildfire management efforts, we also continue to focus our attention on programs designed to support the health of our valuable forest resources and industry development, including research and innovation. Nearly \$50 million will be invested in forest management, including our efforts to combat the mountain pine beetle, and \$3.8 million has been earmarked for forestry industry development, which is approximately the same as last year. In total, close to \$200 million will be invested in the management and protection of Alberta's forests as well as development of our forest industry.

As we move forward, my ministry's strong commitment to the growth and success of our renewable resource sectors remains at the heart of Alberta Agriculture and Forestry's mandate. There's a lot of work on the road ahead, whether it be finalizing a new Growing Forward agreement, developing new opportunities for our forestry and agriculture sectors in markets like Asia, or continuing to advocate for a new softwood lumber agreement.

We also know that the long-term future for agriculture and forestry remains bright. The recently announced investments in canola plant upgrades and a new potato processing facility in the Lethbridge area help to highlight that Alberta continues to be a great place to do business. We will continue to build on those successes with the help of smart and prudent investments in core programs that support development in these incredibly important sectors.

That concludes my comments, and I will be pleased to answer any questions you may have.

**The Chair:** Thank you very much, Minister.

For the hour that follows, the members of the Official Opposition and the minister may speak. From the Official Opposition caucus, would you prefer for us to set the timer at 20-minute intervals so you're more aware of the time?

**Mr. Schneider:** Sure.

**The Chair:** Okay. And you would like to go back and forth?

**Mr. Schneider:** Yes, if that's all right with the minister.

**The Chair:** Okay. Please proceed.

**Mr. Schneider:** Good morning, Minister Carlier. We had few minutes before the meeting started. Before I get going, I'd just like to say on behalf of the entire Wildrose caucus that I'd like to thank you and your staff for putting together the '17-18 budget. It is a big job. No matter what your political stripe, I guess, I certainly believe that it's done on behalf of Albertans, and we appreciate the effort.

To get started, on page 35 of your budget the expense forecast is considerably higher than what was budgeted. Now, we're still functioning in the '16-17 budget, but the forecast is telling us that we may be over \$300 million more expense than expected. Can you tell me what to attribute those expenses to, please? Would some of it have been the Fort McMurray fire?

**Mr. Carlier:** Thank you, Member. Thank you, Chair. Yeah. You hit the nail right on the head. That was, you know, the emergency funding that was allocated for the Horse River fire at Fort McMurray and the Wood Buffalo area. As we go through these estimates here, it will probably become more clear that that's exactly how that works. It's the way this province has done funding for emergencies for over a decade now, and it's my understanding that the vast majority of most provinces do it this way as well.

Thank you, Member.

**Mr. Schneider:** Okay. Any idea where it will shake out? We're a little closer now to the end of the fiscal year. This is where it'll shake out, as far as you're concerned?

**Mr. Carlier:** Yeah. This year, you know, I guess my crystal ball, I suppose, is as cloudy as the next person's – right? – but looking at the year, in many parts of the province we've had low snowfall. I'm a little bit concerned – right? – that we might have a dry spring. There's a bit of an irony in this. All the rain we had last year can mean more forest fires this year. It seems like it's a contradiction, but actually it isn't because with all the wet conditions it has, you know, developed a lot of the underbrush, all of the fine fuels. If we have a dry winter, we have all of these fine fuels because of the wet summer last year, that could mean more fires this year. I know in many parts of the province, especially in agriculture, it's too wet now, but in the green areas and forests I'm hoping for either more snow or some more rain.

Thank you, Member.

**Mr. Schneider:** Thanks. You talked about some infrastructure that was in the city of Lethbridge. Now, the \$300 million that's over forecast: was that strictly for what went on in Fort McMurray, or was there about \$2 million for a capital grant related to the municipal infrastructure support in the city?

**Mr. Carlier:** Yeah. Thank you, Member. That's correct. We had, you know, opportunity to incite a major investment from a private investor into the city of Lethbridge that I'm quite excited about, really looking forward to. It's going to help our producers down there and gives us a bit of an aside there. We're looking at perhaps an additional 9,000 acres in potato production because of that one facility.

**Mr. Schneider:** Okay. So, through the chair, it was set aside to attract Cavendish Farms.

**Mr. Carlier:** Yes, and help with their infrastructure needs.

**Mr. Schneider:** Okay. Was there any other money that was set aside to attract that business?

**Mr. Carlier:** Not from Agriculture and Forestry.

**Mr. Schneider:** Okay. As I look at page 35, it appears that the 2015-16 actual expenditures were over \$1 billion. Now, I need to ask you: are you concerned at all with the expenses that are lined up for the '17-18 budget, which are estimated at just shy of \$745 million, that you'll have enough money in your budget?

**Mr. Carlier:** We are. I'm quite comfortable with the budget. I'm quite happy that we're able, even in these tough financial times, to maintain a lot of our core programs that help Albertans in rural Alberta. As I said in my opening remarks, we are raising our total budget by just 1 per cent, and really all that's doing is keeping up with inflation. Those core programs, especially the ones that support rural Alberta: I'm comfortable that they will be maintained.

**Mr. Schneider:** Okay. Thank you.

On the next page, page 36, under operating expenses, line item 1.5 is communications. As we look across that line, we see that the number has been increasingly, steadily going up since 2015. You know, this year the increase is seventy-one thousand bucks, and while that doesn't sound like a lot of money in a three-quarter billion dollar budget, if we look back a couple of years, this line item has increased by \$225,000. Can you help me out with this line item? What does that increase represent, certainly, for the '17-18 budget?

**Mr. Carlier:** One portion of that, Member, is that that was some of the communications that had originally been done by the agency ALMA that are now being transferred over to the department, so those funds are already also transferred over to be able to continue to do that good work that ALMA had been doing within the department.

9:20

**Mr. Schneider:** Okay. Thank you.

Line 2.1, under agriculture policy and economics, the Alberta Grains Council. The '17-18 estimate shows no budget for this item. As I recall, it was dissolved under the Alberta government ABC reviews. Does that sound right? That's correct?

**Mr. Carlier:** That's bang on. Absolutely. A hundred per cent. Yup.

**Mr. Schneider:** Can you tell if all liabilities and severances, et cetera, have been paid in full? Nothing outstanding?

**Mr. Carlier:** It was my understanding that it was only two, you know, paid employees with the Alberta Grains Council, and nothing is outstanding.

**Mr. Schneider:** Okay. Thank you.

Down a little further on page 36 to agriculture environment and water, item 3, I guess, line item 3.1, irrigation and farm water. This line has lost nearly \$800,000 in this latest budget. If we happen to have a drought situation in this growing cycle, will this cut have any effect or impact on programs?

**Mr. Carlier:** No. All the core programs and projects are all going to be maintained, and you're going to see that throughout the agriculture budget. That is a reflection of the slowing down of funds with the Growing Forward 2 program. That's how the five-year part of that program has always been designed, that in the last year of the program we're going to see less funding. But the core projects and programs will be maintained.

**Mr. Schneider:** Okay. So if Ag and Forestry has to find money in the middle of a fiscal year, where do you go to find it?

**Mr. Carlier:** I declare an emergency, and the money just flows. No. I'm being flippant. Forgive me, Chair, for that. Somewhat in reality, that is what it is, right? You know, the money is available for core programs. If – knock on wood – we have some kind of wreck in agriculture where we have to enact either AgriStability or AgriInvest, that's a provincial and federal opportunity, so we'll be able to find the monies for that. We can't, obviously, predict that. There are a few discretionary grants as well that we could look at. God forbid we have some other kind of wreck this year.

**Mr. Schneider:** I guess if we look back on that line item, this line has decreased by over \$1.1 million, and I'm just trying to get a sense of why it's steadily going down. I think you've answered that. Has

your ministry been able to find efficiency that would account also for that, or is this strictly the Growing Forward 2 budget?

**Mr. Carlier:** That's strictly a reflection of Growing Forward 2.

**Mr. Schneider:** Okay. In the same section, line item 3.2, environmental stewardship. Can you give me a brief description of what this line item entails exactly, please? Soil, water, and air?

**Mr. Carlier:** A brief description. Okay. Yeah. Thank you, Member. That's a whole range of things, right from, you know, weather information to support for AFSC, including the weather stations. I'm sure you know, but there are a number of weather stations that are operated and financed by Agriculture and Forestry, but there are others as well. Environment and Parks has some, Transportation has some, the feds have some, and we share all that information. That's part of it. The climate change strategy, obviously, to mitigate greenhouse gas emissions and other pollutants: from that all the way to manure management in intensive livestock operations. So quite a range of things.

As we continue with, you know, higher and higher technology, ability to adapt new technologies, whether it's new GPS operations on some of our operations – also interesting to note: I'd mentioned weather stations, but Alberta has the most extensive network of weather stations in the country, so we're quite proud of that.

**Mr. Schneider:** Yeah. As I look at the '17-18 estimate, it appears that there has been just under \$4 million cut from this item 3.2. I'm not sure what's happened to good old-fashioned stewardship that farmers and ranchers continue to use to this day, but can you help me out with the decrease in this line item, please?

**Mr. Carlier:** Yup. Thank you. I'm a big fan of good old-fashioned stewardship as well. You know, there are continuing investments in the Farm Stewardship Centre in Lethbridge to do exactly what you're talking about, to continue with good stewardship that farmers and ranchers are already doing out there. Using some of that new technology, they will be able to do that. Now, the decrease in there that you see, again, is because of the Growing Forward 2 suite of programs that are tapering off this year but, you know, I'll be in St. John's, Newfoundland this summer, and we're helping negotiate a new program that will take place.

**Mr. Schneider:** Three?

**Mr. Carlier:** Maybe. I don't know. I suspect it's going to be called 3, but I guess we'll find out. That will then be implemented April 2018.

**Mr. Schneider:** Okay. So directly below environment and water is the heading Food Safety and Animal Health, item 4. You know, given the events of the last year, this is an important topic. I wasn't the shadow minister of Ag and Forestry last year, but I understand that the critic talked about the agricultural operations act at that time, specifically as the act relates to the problem with manure and phosphates. A lot of it is in my riding of Little Bow, where Feedlot Alley exists. Line items 4.1 to 4.4 show a total decrease of \$6.5 million. Obviously, fed cattle numbers aren't significantly different than they were a year ago, I wouldn't think. Can you tell me if there were any programs or initiatives to deal with this continuing problem?

**Mr. Carlier:** You know, somewhat reflected in that is – well, not somewhat. Why you see the reduction, again, is the Growing Forward 2 funds. The core programs and projects will continue. It's

my understanding that the phosphate project that you did mention has wound up.

**Mr. Schneider:** Has it? Oh, okay.

**Mr. Carlier:** Yeah. That one has wound up as a project.

**Mr. Schneider:** What happens now going forward as far as manure management and phosphate management in that area, that high-intensive livestock?

**Mr. Carlier:** You know, I don't have . . .

**Ms Yee:** Do you want me to comment?

**Mr. Carlier:** Yeah, especially on the phosphate program.

**Ms Yee:** Thank you, Member, for that question. As the minister has pointed out, in both program 3 and program 4 we have significant input into that from Growing Forward. Our core water quality programs and water quantity programs, our food safety programs will be maintained, so as new initiatives come up, we'll continue to fund them. That area is fully funded.

What you see here is that the Growing Forward enhancements that we get; for example, enhancements to upgrades to equipment for producers. You would see that being funded by Growing Forward. It's that that is winding down, so there's no risk to any of the core programs. We will continue to monitor impact of manure, continue to take a look at impact on groundwater, and those programs will continue.

**Mr. Schneider:** Okay. Good. Thank you.

Specifically now line item 4.1, animal health and assurance, has been decreased by \$1.8 million as well. Can you give me any idea what programs have been defunded or cut, you know, to add up to this \$1.8 million?

**Mr. Carlier:** No. You know, we're still maintaining the core programs and projects. I think that's important, obviously, to the safety of our food for the benefits of all Albertans and people around the world that eat our food but also, of course, for the producers.

**Mr. Schneider:** Okay. So the \$1.8 million – I just . . .

**Mr. Carlier:** Yeah. Again, Growing Forward.

**Mr. Schneider:** Growing Forward. Okay. Man, it covers a lot of area, doesn't it?

**Mr. Carlier:** But, you know, it's really important to note that the core programs around the implementation of the Animal Health Act and other things that are a core part of our business will continue.

**Mr. Schneider:** Okay. Line item 4.2, then, food safety and animal welfare. Once again – and I talked about this in PAC the other day – the Auditor General has specifically repeated outstanding issues related to food safety between your department and Health, issues going back to 2006, actually. It looks like your ministry is making cuts here as well. I just want to ask why.

**Mr. Carlier:** Yeah. You going to know my answer because . . .

**Mr. Schneider:** It's Growing Forward.

**Mr. Carlier:** I'm going to ask Deputy Minister Bev Yee to answer that because she has a bit of a perspective on that. Thank you.

**Ms Yee:** Thank you, Member, for the question. As the minister has said – for example, on that specifically, our meat inspection program is fully funded. We have worked with Alberta Health and Alberta Health Services to make sure that there are no gaps, no areas that aren't being looked at. We consider that the recommendation from the OAG is fully implemented. Again, in this area the reduction is about the Growing Forward program winding down. Things like upgrades to food safety plans, enhancements to training programs that might have been taken on as a result of Growing Forward: it's those things that are winding down, but the core meat inspection/food safety program continues to be fully funded.

**9:30**

**Mr. Schneider:** Okay. I'm going to ask if you have any idea how much the Growing Forward program contributes to the Ministry of Agriculture and Forestry, the total number, I guess, because it looks like everything is related back to it.

**Mr. Carlier:** Yeah, it really is. This year it's a total contribution of \$36 million. Overall, in the life of the program it was slightly over \$400 million.

**Mr. Schneider:** So \$400 million. Okay.

**Mr. Carlier:** It's been a really robust and good program, I think, and well appreciated by the industry.

**Mr. Schneider:** Line 4.3, food chain traceability: this item shows an increase of \$127,000, I believe, in the '17-18 estimate from the forecast. Now, considering that thousands of cattle, of course, had to be depopulated in the southeast corner of the province after bovine TB showed up in six cattle, I just want to see if I understand this line item. Would food chain traceability be the line item that was accessed for programs regarding the tuberculosis incident, similar, you know, to the BSE crisis? I'm not sure where the money came from for that one either.

**Mr. Carlier:** Yeah. A good point. We are reprioritizing, you know, some of our other funds for the food chain traceability. Even though it was a huge problem with those producers in the Jenner area and southeastern Alberta, even with that, we're going to be still considered as having a tuberculosis-free status. If we have another case of TB, I believe, within the next 48 months, we might lose that status, something we're not going to look for or hope to do, but at the same time we need to make sure that we keep our herds safe for the health, obviously, of Canadians and people around the world and the viability of our industry.

**Mr. Schneider:** Okay. Does this line item relate to something that went on down in southeastern Alberta?

**Mr. Carlier:** No, not directly, Member, but, you know, I think it gives a bit of awareness to everyone out there of what can happen. With the best of intentions, with the best practices, unfortunately, sometimes these situations do arise.

**Mr. Schneider:** Okay. Did the core Alberta portion of that program increase? That is what is indicated in this item. I mean, it's only \$127,000, I understand.

**Mr. Carlier:** You know, some of that \$36 million in Growing Forward 2 has been reprioritized for this program, making sure that that stays robust.

**Mr. Schneider:** Under the same item, item 4, line 4.4 is surveillance support. It looks like there is a \$2 million decrease this year. Growing Forward?

**Mr. Carlier:** Growing Forward.

**Mr. Schneider:** Okay. Since the '15-16 budget, though, this line item has gone up \$2.6 million, now down \$2 million in '17-18. I understand it's Growing Forward. Anything to do with increased surveillance or just simply the program ending?

**Mr. Carlier:** It's the program. You know, it's almost on a wavy course like this, how it's been designed, you know, back in the five-year program. There is still some surveillance there that continues. It was heightened, you know, earlier around the BSE surveillance as well, the collection of samples and the reimbursement of those samples that were collected, right? It's interesting to note that that has tapered off a bit. It's not because we don't need to be more vigilant or continue to be vigilant; it's because the herds aren't as old. There was a lot of culling of the older cows, that kind of thing. Even though we need to stay on top of it, it's become less of an issue because of what's going on in the marketplace.

**Mr. Schneider:** Yeah. Okay. Thank you.

Just down the page to item 5, industry development. Item 5.1 deals with rural economic development. After increasing the budget last year, I see a drop of \$4.5 million in this estimate. Now, is this a cut or merely that programs and initiatives no longer require funding? Or are we back to Growing Forward 2?

**Mr. Carlier:** I'm not going to say Growing Forward 2 this time. Oh, sorry. I misspoke. Yeah, it's Growing Forward 2.

**Mr. Schneider:** Okay. Last year you talked about your favourite app, the \$40,000 farmers' market app. At the time it had over 10,000 downloads. How is that app doing now? Have you kept track?

**Mr. Carlier:** That is one of my favourite apps. The same day that our party had their convention, there was a lot of news happening that day. I never had so much media coverage as I did when we launched that app. It's been well received by Albertans. I think it's an important part of – it's approximately a \$65 million industry, farmers' markets in this province, with about 160 or so farmers' markets right across the province. The app has been well used. The actual number of how many people signed off on it I don't know. I know that within hours it was 10,000.

**Mr. Schneider:** So we don't know what kind of download numbers we've got currently?

**Mr. Carlier:** No.

**Mr. Schneider:** Okay. Line 5.3 refers to food and bioprocessing. This line is up about a quarter of a million dollars as well. Does this line item receive funding from the climate leadership plan?

**Mr. Carlier:** No. No funding that way. It shows an increase, a focus on what more we can do around food, right? We've been, you know, over the decades shipping our raw products around the world. We're starting to do a little bit more of that processing right here in the province, as we should. Instead of shipping the durum, Dave, let's ship the spaghetti instead.

**Mr. Schneider:** Agreed.

Okay. Down to line item 5.5, agricultural societies and exhibitions. Once again, I wasn't here last year, but I believe that during estimates it was discussed that major fairs and exhibitions are now under the Culture and Tourism ministry. That is correct?

**Mr. Carlier:** That is correct, yes.

**Mr. Schneider:** You mentioned last year that there were 286 agricultural societies being funded, I believe. Is that number still accurate?

**Mr. Carlier:** It is. You know, I'm quite happy that with this budget we're able to maintain this funding. As people who have lived in rural Alberta, we know how important those actually are – right? – to the fabric and the well-being of that community.

**Mr. Schneider:** Yeah.

**Mr. Carlier:** Yeah. We're able to maintain that.

**Mr. Schneider:** I guess that if more agricultural societies get added or drop away, then the financial pie is divided up out of that amount of money, period?

**Mr. Carlier:** Yeah, it is, but to my understanding, you know, it's not necessarily all that much easier to get. In two years I haven't heard of a new ag society forming.

**Mr. Schneider:** No?

**Mr. Carlier:** I wish they would. Write that down.

**Mr. Schneider:** Okay. In the Alberta's Economic Future Committee meetings there was a discussion around a proposal for an agribusiness trade show and symposium – I don't know if it ever got up to where you are in the scheme of things, but for lack of a better description that's what we would have talked about – that would showcase further the value-added agrifood sector. Would this kind of program come out of that particular line item?

**Mr. Carlier:** You know, that sounds fascinating. Sign me up. We have a little bit of discretionary funding around discretionary grants, that kind of thing, so I think we'd be able to find some funds. If that proposal actually hit my desk, I'd be very interested.

**Mr. Schneider:** Yeah. That was a good discussion.

**Mr. Carlier:** Very good.

**Mr. Schneider:** On the bottom of the page, still on page 36, is item 6, agriculture insurance and lending assistance. Line 6.1 deals with lending assistance. We see an increase of \$875,000 to this line. Can you just tell me, please, from that line item what percentage of this financing is to first-time farmers?

**Mr. Carlier:** Thank you, Member. That's a very interesting question. I know AFSC still has a program for new entrants. You know, sometimes a new farmer might be 40 years old. A young farmer can be 40 years old in this province.

Before I let Mr. Knash answer this question, I want to thank him for his service to Alberta, to AFSC. You know, he came onboard at a moment when we really needed the extra help with the issues that we had with AFSC, and I want to thank Mr. Knash for his work and see if he has anything to add to this, to your question.

**Mr. Knash:** Thank you, Minister. Thank you, Member. To your question about how much goes to beginning farmers and developing

farmers, about 80 per cent of what we do on the agricultural side is for beginning farmers or developing farmers. When you look back at our total portfolio, our lending portfolio that we have accumulated over 45 years, about half of it is to beginning farmers, where they get the benefit of reduced rates for the first five years of their program and that kind of thing.

9:40

**Mr. Schneider:** So the remaining amount of money in that portfolio or in that particular line item would be for low-interest loans for other projects?

**Mr. Knash:** We fund three different sectors. We do the agricultural sector, we do the rural commercial – there's a small amount of that; about 20 per cent of our portfolio is in commercial business loan opportunities – and then we do a bit of value-added on the agricultural side. We do some on the agricultural value-added side, all subject to the same individual loan limit of \$5 million per event.

**Mr. Schneider:** Okay. That was the next question, about the current cap of \$5 million on agribusiness loans. It's a \$5 million cap?

**Mr. Knash:** Yes. All loans.

**Mr. Schneider:** You were just brought on, but any idea why that \$5 million cap was selected, what the discussion was around when that number came up?

**Mr. Knash:** I guess I'd have some experience because I've been in the lending industry for a long time, and I'm always watching what AFSC is doing because it complements what I'm doing on the agricultural lending side as a commercial lender. I think that it's the sweet spot. I mean, if you can finance \$5 million for a beginning farmer or a developing farmer, that seems to be a fair bit of financing. Basically, again, it allows people to expand and become commercially viable and graduate into the commercial area. We have a lot of graduations going on all of the time. Of our portfolio this last year, 10 per cent was scheduled repayment, and another 10 per cent was prepayment. We have no prepayment penalty, so customers can come and go as they want without penalty, which is unique in the industry.

**Mr. Schneider:** Yeah. During the AEF committee with regard to agrifood and agribusiness there was some discussion from some of the agribusiness people that in graduating, as you call it, going from beginning with this small business to getting to the next level, the \$5 million was just about not quite enough. Anyway, that was my next question. How often is the ceiling reviewed by AFSC regarding that level?

**Mr. Carlier:** Before Mr. Knash answers, I want to supplement that a little bit. Yeah, early on in my portfolio I looked at that \$5 million as well, and I had the same questions. Is that sufficient to incent, you know, some of the larger, even good-sized, medium-sized businesses? So I have asked. We had a bit of a hiccup in AFSC, but we're getting over that. We're going to be back to full strength here very soon. We've been able to continue our programs with our interim board and interim executive. I have asked the AFSC and the department to look at that \$5 million to see if that's sufficient. If we do have an ability to increase that, I would really like to see if that's possible.

Thank you, Member.

**Mr. Schneider:** It's how often it's reviewed, I guess.

**Mr. Knash:** We should be reviewing it all of the time. We're currently reviewing the lending mandate as we speak, so we are looking at how we can change and modify what we do on the lending side to have the biggest impact, to fit into the current scenario in the best way that we can. The marketplace for capital is always dynamic, and we see AFSC as being the player who is responsive to fill gaps, niches and not necessarily be able to compete with the commercial lenders.

**Mr. Schneider:** Yeah. Fair enough. You know, just to follow up on that, I don't know how accurate you can get, but how often have the requests by businesses wanting to expand their operations actually exceeded the \$5 million? It sounded like, the day we listened – these guys will all agree – that they just felt that the \$5 million was short. It's just a question.

**Mr. Knash:** Thank you, Member, for the question. It's not common. Even on the agricultural side \$5 million of debt is substantial. We do have large businesses out there, and generally they are more attractive for the traditional commercial lenders, and they are mature. But if you're sitting back and you're developing a business and you're trying to look for new capital, that limit should be able to satisfy the vast majority of the cases. There might be exceptions.

What we do in addition to that, though, as AFSC is that we facilitate additional funding with partners. So we will go to the industry and almost syndicate loans. If we lend to our limit and there's more capital required, we will sit down with one or two or three other lenders – we have that relationship – and fund it that way. So it isn't direct lending, but it in fact happens.

**Mr. Schneider:** Yeah. Fair.

Line 6.2 deals with insurance. This is for lending insurance?

**Mr. Carlier:** That's the actual provincial share of the premiums.

**Mr. Schneider:** Oh, provincial share of the premiums. Got it. So cutting that budget by \$27 million – I think it's \$27 million. Am I wrong?

**Mr. Carlier:** Yeah, that actually has a more realistic show of the actual estimates that had been taking place, so that number gets down to what actually has been going on. There's no reduction in the premiums, necessarily, or the percentage share of the premiums.

**Mr. Schneider:** Yeah. There should be the same amount of acres or whatever that need funding. I just wondered why \$27 million.

**Mr. Carlier:** That's more of an accurate reflection of actually what's going on out there.

**Mr. Schneider:** Okay. I just want to jump back. I did miss a question under agricultural societies and exhibitions, and you'll be able to answer it fairly easily, I think. Did 4-H receive any additional funding for their 100th anniversary celebrations this year?

**Mr. Carlier:** Yes, they did. That's right. They applied for a grant for their events this year, and they did get additional funding not through their normal stream of revenue, what we do every day, but a special one-off grant.

**Mr. Schneider:** Did it come out of that line item, I guess, agricultural societies and exhibitions? It might not have.

**Mr. Carlier:** No, no. That's staying pretty steady, right?

**Mr. Schneider:** Yeah. Some of that discretionary money, probably. Okay. Got it.

The final line item on that page is 6.3, agriculture income support. What exactly does agriculture income support do, for the record, I guess?

**Mr. Carlier:** Agri-income support: that's the, you know, suite of programs where there's AgriStability, AgriInvest, and those numbers reflect a lot of different things. AgriStability, obviously, would help with climbing commodity prices, that kind of thing. AgriRecovery is compensation when we do have those disasters and natural disasters. They're over and above what the current suite of programs might not be able to cover. Yeah, that's the whole suite of programs that are in there.

**Mr. Schneider:** Okay. So this line item received a \$3.4 million cut from last year's budgeted number, and it's almost \$30 million below the 2016-17 forecast, so I just wondered what the discrepancies are.

**Mr. Carlier:** That's a reflection on the funding estimates. You know, it's important to note: no change in the programs. The current year budget is based on, again, those historical averages that we've seen, so it's a better reflection of what's actually going on.

**Mr. Schneider:** So is it an efficiency? There's 30 million bucks.

**Mr. Carlier:** You know, I suppose it could be looked at as a bit of an efficiency. It's not like we're saving the money, necessarily. But it's showing what actually had been going on. We could have a better reflection on current after looking at what's passed.

**Mr. Schneider:** Okay. If we turn the page to 37, item 7, forests, line item 7.1 deals with wildfire management. We always ask this question, I guess.

**Mr. Carlier:** It's a good question, though.

**Mr. Schneider:** It's been answered once. I'm sure it'll be answered the same, but that's fine. It needs to be read into the record, right?

Why doesn't, you know, Agriculture and Forestry simply use previous forest fire costs to build this particular line item? If you have a lucky year next year, you have discretionary spending.

9:50

**Mr. Carlier:** Yeah, it's a reflection of Growing Forward 2. I'm kidding.

This is the way that we know wildfire management disaster funding has been done in the province for about 12 years or so. It's what other provinces do as well. I remember that I had the same question of the department when I was looking at this. It does seem to work, and why I say that is that it ensures that we have the resources we need on the ground to hit those wildfires when we can and where we need them, whether it's, you know, equipment, manpower, or aircraft. It does reflect that, and you're absolutely right, it reflects on the emergency funding that we apply for and get. Same thing as for, you know, crop funding as well, whether it's hail damage or snowfall.

**Mr. Schneider:** Okay. This year that line item had an increase of about 11 and a half million dollars. Is this budget increase for contracts or equipment?

**Mr. Carlier:** No. Not necessarily. A big part of that is a reflection of the reinvestment, the larger investment that we're doing in

FireSmart. We're actually quadrupling that funding for FireSmart this year.

**Mr. Schneider:** Yes. Okay. So are the air tanker contracts back to 123 days again?

**Mr. Carlier:** Yeah, 120- to 123-day contracts.

**Mr. Schneider:** So will there be – how do I put this – a different methodology for the spacing of contracts to ensure coverage for the entire fire season this year?

**Mr. Carlier:** You know, I was confident last year as well that the coverage was there. You know, because of the large fire event we had in Fort McMurray, we extended all our air tanker contracts last year to 120 days. This reflects what we had been doing last year. Whether it's last year or this year, we've got the ability, the mechanisms, the finances, the resources always on hand to ensure that we can do the job that we need to do, and that's protect Albertans.

**Mr. Schneider:** Okay. Going back to the fire line, in previous years we've discussed that and trying to make the tender process more open and transparent. This has been a stated goal of the government. Has any review of fire line contracts been completed, and are there any new recommendations?

**Mr. Carlier:** That's, you know, a really good question there, Member. I'm going to ask ADM Mayer for an answer. He's our expert in everything forestry.

Thanks, Bruce.

**Mr. Mayer:** Good morning, Chair. Member, we have done a review of the contracting process. The key recommendations – and a lot of it came around fire line equipment – was engaging with the equipment operators. We have spring meetings. We have a fall close-out meeting: how did the year go? Then we have spring meetings. How can we improve the contracting process? How do we improve the rotation list? How do we make sure that everybody that has equipment on contract has the opportunity to go to work?

**Mr. Schneider:** Okay. Via the website?

**Mr. Mayer:** No, it's not on the website. It's through just interaction and relationships we have with all the local contractors within the various fire centres throughout the province.

**Mr. Schneider:** Okay. Thank you.

Page 37, still, line 7.2, Flat Top Complex. This refers to a series of recommendations from a report that came forth from the Slave Lake fire. There were some 21 recommendations from that report. How many have currently been implemented?

**Mr. Carlier:** I believe all have been implemented. There are some that are multiyear. There are some that are one-off, right? So they're all either implemented or in the process of being implemented. Why I say that it is in a process of implementation is because they are multiyear recommendations.

Among those recommendations, obviously, are the amendments we did with the prairie farm protection act, which we did last fall, which was an important aspect, the legislation part of it. That legislation did a lot of different things, from officially moving up the start of the fire season by a month to increasing fines.

It's important to note for the committee that our fines were previously \$5,000 maximum. We increased that to \$1 million.

Sounds like a big jump. It is. But it was necessary, and it was in line with what other provinces were doing anyway.

**Mr. Schneider:** Okay. It sounds like the 21 recommendations have been implemented or are in the process of. There was a quarter-million-dollar cut to this line item: efficiencies again or reshuffling?

**Mr. Carlier:** Again, showing that some of those recommendations had money attached to them, but once they were implemented, there was no longer money attached. It no longer needed to be done. Just implementing those recommendations.

**Mr. Schneider:** So the budget for FireSmart comes from this line, I believe.

**Mr. Carlier:** No. It comes from 7.1, FireSmart.

**Mr. Schneider:** This was a much-touted program, of course. I believe you said last year that a little more than a hundred million dollars was allocated for wildfire management and enhancement, which this program was a part of. How much will be allocated for FireSmart grants this year?

**Mr. Carlier:** I believe it's \$15 million for the FireSmart program this year. Now, why it's quadrupled is that we're going to be able to have the ability now to do a lot of FireSmart programming in the community of Fort McMurray, for instance. The question might be: why would they need it? The trees are burned. But it's not just the fine fuel and the tree clearing, you know, to make that firebreak. It's also in the community itself – the public buildings, the walkways, the sound barriers, the individual homes themselves – making them more fire smart.

Now, it's my fond wish that because of what happened last year, there's going to be a bigger buy-in from all communities in Alberta in the green zone. We need that buy-in with the communities. Yeah, people are in these communities because they enjoy the wildlife, they enjoy the trees. But, you know, there's, obviously, a heightened awareness in these communities, and we're going to be able to take advantage of that with this funding to get them that much for FireSmart, and hopefully we'll avoid another Fort McMurray.

**Mr. Schneider:** Agreed.

Let's move on to the capital grants portion on page 37, please, item 5.1, rural economic development. Mr. Minister, I see that the budget here has almost doubled, so can you just help me out with that?

**Mr. Carlier:** Yeah. That reflects the capital grant for the development of the industrial park in Lethbridge. A big part of that is moving a canal. A canal is in the way. To get it out of there.

**Mr. Schneider:** Okay. Well, I like a guy who takes charge.

**Mr. Carlier:** There you go. I'm not just moving canals willy-nilly, though, you know.

**Mr. Schneider:** Moving to the revenue part of the statement of operations on page 46, if we look at timber royalties and fees, your budget was almost \$65 million in '16-17, yet your forecast is significantly below that. Is that all attributed to the Fort McMurray wildfire, or are there other factors as well?

**Mr. Carlier:** I'm going to ask the ADM there to respond to that. Before I do, it's not due to the wildfire. It's my understanding that the mill up there, the family-owned mill – first, I want to

congratulate them for the great work they did in protecting their own facility. They were on-site there, you know, 24/7, but they are going to be able to salvage a lot of that burnt timber. They've got about two to three years to do so before it gets too checkered and weathered to do so. So they're not going to see too much of an effect on their own operation for at least, you know, two or three years, and by then there will maybe be other options.

More directly to your question, I'll ask ADM Mayer to respond.

**Mr. Mayer:** Thank you, Chair. Member, the reduction essentially is from forecasting and a reduced amount of product being able to go across the U.S. border, some of the market deficiencies from that perspective. A key piece is that housing starts in the U.S. were down. They're slowly starting to pick up now. That's why we're forecasting a bit more revenue in the upcoming year.

**Mr. Schneider:** Does the lack of a softwood lumber deal affect this line item at all?

**Mr. Carlier:** No, it shouldn't. You know, the softwood lumber agreement is, you know, keeping me up at nights. Just to let you know, though, Mr. Lighthizer – there's a new secretary of trade in the United States that has had some somewhat positive musings lately that he wants this agreement settled quickly. We don't know what the definition of quickly means, but I would agree with him. The sooner we can get this agreement settled, the better. But no, this doesn't reflect.

**Mr. Schneider:** Okay. With the new caribou draft plan still in a state of development, have you done, well, I'll call it economic impact studies with regard to the caribou ranges that these animals roam and regarding how this will impact royalties and fees?

**Mr. Carlier:** You don't remember, I think – yeah, you know, we're in a bit of a crunch on that. The previous government had 20 years or so to come up with plans. We don't have any plans. We have some draft plans. But those all have to be done by October of this year. We continue to maintain, myself and other ministers, including the Minister of Environment and Parks, that, yeah, under the Species at Risk Act we have to maintain the species, but at the same time we need to maintain that these are working landscapes.

**10:00**

Forestry supports 70 communities and many thousands of jobs, so that's important to me. It's important to this ministry that we're able to continue that. At the same time, you know – and industry and community leaders are well aware of it – we need to do what we can to make sure that we satisfy that legislation. If not, we're going to open ourselves up to all kinds of lawsuits and perhaps even federal intervention.

So, yeah, we're going to maintain that. It's my fond wish that there's going to be very little financial implication for forestry. There's going to be some, right?

**Mr. Schneider:** It will be interesting to see what happens there.

Page 48 deals with AFSC, their statement of operations. Under the revenue heading, looking at the line item for investment income, it looks like last year's forecast is coming in about \$5 million under budget. How much closer do you expect it to end up by the time we're done this fiscal year?

**Mr. Carlier:** Sorry, Member. Can you repeat the question, please?

**Mr. Schneider:** Yeah. How much closer do you expect it to end up regarding last year's forecast coming in about \$5 million under budget for investment income? Sorry if I didn't say that. It just

appears like it's an underperformance. You can get back to us if you like.

**Mr. Carlier:** Yeah. Thank you, Member. We'll make sure we get a better answer for you then.

**Mr. Schneider:** You know, while we're going on about it, given this underperformance, I'll call it, I just wonder if you could add in, when you get back to us, why you're estimating a \$4.5 million increase this year over last?

**Mr. Carlier:** Yeah. Fair enough. Thank you.

**Mr. Schneider:** Sure. I'd appreciate that.

Moving to the expense line now, Mr. Minister. AgriInsurance took a large hit in your forecast. I would think this is primarily due to the postharvest and unharvested crop claims from last season. Is that accurate?

**Mr. Carlier:** Yeah. That's a reflection of the disaster funding and the fact that, you know, there are those unharvested acres. The vast majority have been assessed, I think. There are only three farmers yet that need to be assessed, and the vast majority of those payments have gone out as well. We're proud of that work that they're doing. But, yeah, that's a reflection of the odd year that we had last year.

**Mr. Schneider:** Yeah. So, I mean, you've got three guys left, I guess. Any idea what the final forecast will come in at?

**Mr. Carlier:** Sorry. I'll ask Mr. Knash to supplement that. Thank you.

**Mr. Knash:** Thank you, Member. Thank you, Minister. Basically, we're talking about all of the insurance programs. We have paid out about \$30 million in snowed-under crop now, so in total we've paid out about \$500 million for the various insurance programs year to date. The forecast originally was at \$650 million because we weren't sure. There's a huge amount of volatility. You're trying to forecast weather and damage and all these other kinds of things. So we think now, with our most recent forecast that we are working with internally, that it is going to be closer to \$600 million.

**Mr. Schneider:** Okay. So there are still a few that haven't been done, and there's probably some money that hasn't left the cupboard yet. Do these claims roll over into this year's budget, next year's budget?

**Mr. Knash:** No.

**Mr. Schneider:** Okay. So all the budgeted claims will come out of the '16-17 budget?

**Mr. Carlier:** Yeah, that's correct.

**Mr. Schneider:** Can I ask what current AFSC reserves are at?

**Mr. Knash:** Thank you, Member. The reserves, or contingency fund as I like to call it, are at \$2.3 billion.

**Mr. Schneider:** Okay. Is this considered an acceptable level, you know, in case of a second volatile year? Like, you can't predict weather – I understand that – but have you got yourselves protected, I guess?

**Mr. Knash:** Thank you, Member. We believe we do. In fact, the target is slightly less than that. When we reach about 1.8 to two times the annual premium, we start adjusting the premium rate up

or down to maintain the fund balance or decrease it. But saying that, there have been instances where our fund balances have disappeared. For example, if we had our 2002 scenario in 2016, we would have wiped out all of our surplus and all of our premiums in one year.

**Mr. Schneider:** So you'd call that liquid, floating but maintained.

**Mr. Knash:** Yeah. It's a healthy place to be.

**Mr. Schneider:** Yeah. Fair enough.

Mr. Minister, this is just a question for me to try and understand the ministry. How much power does the Agriculture and Forestry minister have over AFSC decisions and policy?

**Mr. Carlier:** That's a good question. Like, they have a lot of autonomy by themselves, of course. Expertise lies there in both the lending and the insurance side of things. As an example, you know, some time ago we had to make the decision to dismiss the board – right? – so I had the ability to do that. I had the ability to appoint an interim board. But the board then makes the decision on the interim executive, and the board does the day-to-day operations of that. As minister I have some input into the board, but otherwise they have a lot of autonomy. They have great financial folks there, obviously. Mr. Knash in here as an interim was a huge asset as we went through this bit of a transition. For the most part they have a lot of autonomy, and I absolutely trust their work.

**Mr. Schneider:** Okay. I guess, once again on your power as a minister, I've got to ask this question. Will you be stepping in to determine an approach for dealing with the destruction of these unharvested and postharvest crops? As the minister of agriculture it's probably you that everyone is looking to to come up with a plan, so I just wondered if you have an . . .

**Mr. Carlier:** Yes. On that, Member, yeah, I absolutely can . . .

**Mr. Schneider:** Time is of the essence, of course.

**Mr. Carlier:** Yeah. I can direct AFSC to perhaps look at their suite of programs to ensure that they – you know, instead of me saying that they're robust, actually make sure that they are, that they're meeting the needs of those producers, and if we have to look at anything else, look at, perhaps, AgriStability to complement what's already been done out there. As a matter of note, I have asked AFSC to do that in this current situation.

**Mr. Schneider:** Okay. So here we are again with a potential of a million acres of crops being at risk, you know, potentially not being seeded in 2017 or being seeded very late and the quality being different, different grains and different situations for all these guys. I guess I'm just going to ask the question for the record. When you do come up with a plan – and I'm sure you will – will you share that with Albertans? I know that time is of the essence, and you understand that, too. I know that. We've talked about it.

**Mr. Carlier:** Yeah. I think we should be able to work on that fairly rapidly.

**Mr. Schneider:** Yeah. Because they're getting itchy feet, and they're going to start getting a little . . .

**Mr. Carlier:** Oh, yeah. I can't blame them, right? You know, it's one thing to say that 90 per cent of the crop is in the bin, which it is, but it's that other 10 per cent that's the problem. No farmer puts crop in the ground to collect the insurance. They want that food.

They want that food that feeds all of us and feeds the world. So, yeah, it's a bit of a problem.

You hit the nail on the head again, saying that it's going to be case by case. What are the soil conditions? What are the moisture conditions? What's the crop that they're growing? What are the county's bylaws? So there are so many things here to consider. You know, I encourage farmers out there to keep in touch with their AFSC office, to ensure that whatever option they're hoping to do, they first contact AFSC to ensure that all their insurance products are in line.

**Mr. Schneider:** Okay. So the AFSC regional offices will have the latest and greatest information for guys that are looking for some?

**Mr. Carlier:** Exactly. Absolutely.

**Mr. Schneider:** Okay. Because those are the questions that I keep getting.

Anyway, back to livestock insurance. Does the bovine TB quarantine and destruction of herds factor into the large increase in this forecast?

**Mr. Carlier:** Yes, it does. That's AgriStability again – right? – which is a 60-40 provincial-federal split.

**Mr. Schneider:** Yeah. Okay. Good.

I noticed that you've cut the hail insurance estimate for the upcoming year. Have all the hail claims dropped off significantly over the last 10 years, and what is the average total in payouts?

**10:10**

**Mr. Carlier:** I'm going to ask Mr. Knash here to supplement.

**Mr. Schneider:** You can get back to us if you don't have it in front of you.

**Mr. Carlier:** On the hail what I found interesting is that last year we had a lot of hail, but it was pea size. There wasn't a lot of damaging hail as compared to 2015, which was a drought year. We had a lot more hail damage.

Mr. Knash.

**Mr. Knash:** Thank you, Member. Thank you, Minister. Obviously, hail is one of our larger perils because we insure it both in the multiperil program and we insure it in the direct hail program, so we can insure it in two different places for our customers. Hail is a relatively high risk for Alberta. It's a jurisdiction where we get a lot of hail. The thing that happened in 2016 is that when it rains, like it did in 2016, it obviously hails, too, so you get the situation where hail becomes more prevalent. But we're insuring in two different places on hail.

**Mr. Schneider:** Okay. What line item do expenses for salaries and wage bonuses come out of as far as AFSC is concerned? It's just about understanding the ministry and the budget again.

**Mr. Carlier:** The wages are distributed throughout the expenses of all the programs.

**Mr. Schneider:** So it would be hard to show any one spot for salaries and such?

**Mr. Carlier:** It's important to note that there are no bonuses as part of AFSC's compensation.

**Mr. Schneider:** Okay. Now, in previous years we've heard from farmers about their inability to get a damage control licence. As per

the fish and wildlife web page of the Alberta government: "A damage control licence can not be issued to control ungulates that are causing damage to crops, property or stored feed." You probably hear this lots, too. Your forecast will come in over \$12 million above last year's budget for wildlife compensation. Just what is that increase due to?

**Mr. Carlier:** Sorry, Member. Can you repeat that?

**Mr. Schneider:** Your forecast will come in over \$12 million above last year's budget for wildlife compensation. Just what is that increase for?

**Mr. Knash:** Thank you, Minister, and thank you, Member. Obviously, when you've got snowed-under crop, we expect that there's going to be a lot of wildlife damage. We're talking about the ungulates and the waterfowl. So we are forecasting that because we think it's going to be substantially higher.

**Mr. Schneider:** Fair enough. You know, we know that ungulates are damaging and eating crops and feed and destroying hay. Despite the fact that your ministry found our idea of a farmer-hunter program to deal with this problem – now, that was introduced here a while ago. This farmer-hunter program was basically: if deer are running up and down my bag of grain and poking holes in it and there are seven or eight of them waiting to do the same thing, can we just take care of that problem ourselves?

**Mr. Carlier:** But nobody's doing it that way. No.

**Mr. Schneider:** Nobody's doing that.

Will the minister of ag talk to the minister of environment to get the prohibition to obtain a damage control licence for ungulates lifted, or do these poor guys just continue dealing with the problem as they see fit? You can get yourself into a lot of trouble dealing with it.

**Mr. Carlier:** Yeah, that's true. There is that, too.

That's a really interesting proposal. I know that in my own experience, where my family are cow-calf operators, the province of Saskatchewan was giving grants for tall fences. Where my family farms, there are actually a lot of mule deer problems. If you want to hunt mule deer, I've got a really good location.

But, yeah, I think that's worth discussing. Perhaps, you know, not necessarily at every opportunity willy-nilly, but what about increasing the season? There might be other ways we could approach that – increasing the season, more tags, something – in the areas where the numbers are shown to be larger.

**The Chair:** I hesitate to interrupt, but the allotted time for the Official Opposition has expired.

We will now move on to the third party opposition. Mr. Drysdale, do you wish to share your time with the minister?

**Mr. Drysdale:** Yes. If we could go back and forth, that would be best.

**The Chair:** Please proceed.

**Mr. Drysdale:** Thank you, Minister and your staff from the department, for being here. I always appreciate the answers and support and hard work that your staff does. You know, the problem with going second after an hour is that a lot of the questions – but I didn't quite get the answers I was looking for, the details. Some of it might be partly a repeat, but I'm looking for a little different answer. Sorry if there's some repeating. I'll just carry forward.

To start with, in last year's business plan your key strategy 1.4 was to advocate for a favourable softwood lumber agreement with the U.S., and I'm surprised you took that out of your business plan this year. Any specific reason why you'd do that? I would think that we still want that to happen. In last year's plan it was 1.4 under Key Strategies on page 12, and it's not in this year's plan.

**Mr. Carlier:** Thank you, Member, for that question, an important question, and sharp eyes. Why was it in the budget last year? Because that was the softwood lumber agreement prior to its expiring in October of last year. What we're reflecting now is the fact that it's much more of a federal issue and will continue to be so. We're at a point where we're in a bit of a lull stage right now, where it is going to potential litigation. The United States has, you know, given an indication that they might be imposing duties and other tariffs, which is going to be hard on our industry, obviously.

Alberta has a representative in Washington that is very well aware of this file. We had an opportunity to organize a Premier's round-table with the forestry industry, where we got an update from her. The softwood lumber file remains extremely important for Alberta. I am really concerned that if what the Americans had proposed is going to be implemented, it's going to hurt our industry and especially our small mills. The big ones are going to be able to weather it, but it's the small ones I'm most concerned about. So, yeah, it's still very important, but that's a reflection more of going into this next stage of the feds gearing up for litigation.

You know, potentially, it's going to cost a lot of money. That money isn't going into a fireplace; I'm assuming that it goes into the wallets of some well-paid lawyers.

**Mr. Drysdale:** You know, as far as a strategy in your business plan I'm sure you're going to be advocating for a new softwood lumber agreement. You'll still be doing that.

**Mr. Carlier:** Absolutely. Oh, yeah. As a matter of fact, Minister Carr, the federal Minister of Natural Resources, has set up a federal ministers' task force, of which I am a member. There is also a deputy ministers' task force at the same level. So it's being looked at and worked on quite extensively, and as we go through the process, it's going to be more and more a busy part of the file.

**Mr. Drysdale:** Yes. I know you'll be working hard in the future to get that done.

Has there been any funding allocated in this budget to explore or enhance collaboration with agricultural, forestry producers to increase Alberta-U.S. advocacy and marketing and industry access strategies? I'm sure you're doing some work outside of the softwood lumber agreement. Where would that money be found in the budget?

**Mr. Carlier:** On that, we'll look up where that might be found exactly.

**Mr. Drysdale:** I mean, it's probably pretty general.

**Mr. Carlier:** It would be under program 2.

To supplement that, you know, in years past not just Alberta but other provinces and maybe even as a country we've kind of taken our big neighbour to the south for granted. It's by far our largest trading partner. I think that with recent developments down there we can no longer take them for granted. We need to concentrate a lot on our largest trading partner, but at the same time it's given us pause to really think about expanding those other markets, so instead of relying so much on one customer, you know, to really focus on expanding those markets. As a government we're taking that very seriously. I've had the opportunity to go on some very successful

trade missions, as our Minister of Economic Development and Trade has as well, so that we can expand those markets.

At the same time, you might have heard that both the Premier and the Minister of Energy have been down to Washington and Texas to promote what good products we have here and make sure that our American trade partners and governments don't forget that we are their largest trading partner. Nothing is set as a date, but I'm hoping to go down there as well to knock a few heads together.

Thanks, Member.

**10:20**

**Mr. Drysdale:** I'll move on to the FireSmart program. You know, last year you said that you were going to enhance it, and after this year I know that you're doing that as well. You said something earlier about quadrupling the money. I know it's in either line 7.1 or 7.2, but that's a larger budget. Could you tell me, maybe more specifically, exactly how much money has gone into the FireSmart program this year compared to last year?

**Mr. Carlier:** The total budget for FireSmart this year is \$15 million.

**Mr. Drysdale:** And what was it last year?

**Mr. Carlier:** It's four times as much. Last year it was \$3.8 million. That's a huge increase. Some of that is going to be spent in the Fort McMurray-Wood Buffalo area, obviously, to make them even that much more fire smart, but I'm confident that we're going to have a buy-in from a lot of other communities, too. Not picking on any one community in particular, but there were communities, very beautiful, picturesque towns in the green area, that didn't do anything. Now they're phoning us and saying: hey, we should get more fire smart. Yeah, they should.

**Mr. Drysdale:** I know that our community did that 15 years ago, but lots of guys like to have the trees in their backyards.

**Mr. Carlier:** Yeah. I live in a wooded area myself. I've got to admit that my house is kind of fire stupid.

**Mr. Drysdale:** The Forests Act and outcome 3. Key strategy 3.2 refers to a review of the Forests Act. What brought about the need for this key strategy? I'm not sure what, you know, the idea is of reviewing it. I mean, it's been done over the years. There were lots of reviews.

**Mr. Carlier:** I believe that the Forests Act hasn't been reviewed. There's been no substantial change to the Forests Act since 1972, I believe. You know, we're not necessarily going full speed on that. I think there are a lot of challenges within the forestry industry right now around, obviously, the softwood lumber agreement, long-range plans, and other things that they have on their mind right now. I think it's important that we do review the Forests Act to see what modernization we can do with that act and see what efficiencies we can find. So no real timeline on that necessarily, but I think it's something we're going to keep at the back of our mind.

Thank you, Member.

**Mr. Drysdale:** I mean, it's highlighted as one of your key strategies. So how do you plan on collaborating with industry? You know, is there a big plan to review it? I'm just surprised it's there because that's been ongoing.

**Mr. Carlier:** Thank you, Member. I think there are things that are – forestry has been doing a great job over the years on having sustainable forests. Canada as a whole and Alberta in particular

have some of the most sustainable forests in the world. I can think of one operation itself that meets three different standards for sustainability. It might be one of the most sustainable operations on the planet. Taking that into consideration, what else needs to be considered? You know, around our current climate leadership plan, our province's adoption of the United Nations declaration on the rights of indigenous peoples, for instance: what needs to be within our forestry plan to take that into consideration? I think there are a lot of things that are changing within societal needs and what they're looking for within their forestry industry that would precipitate a review.

**Mr. Drysdale:** Okay. Good.

You know, Minister, I've said in the past that I think it's important that we find these foreign markets, and in some of your travels you've been doing a good job of that. I just always want to see something more concrete happening. We've asked in the House three times now, I think, about that MOU that was signed with Punjab back in 2014. In OQP in 30 seconds you don't really have a lot of time. You know, so far I haven't really gotten any idea of what's happening with that agreement. It's been three years now. There should be something. Is there anything you can tell me about what's happening there?

**Mr. Carlier:** Thank you, Member. That's a really good question. On my recent trade mission to India I didn't meet with the province of Punjab directly. I was in Mumbai and Delhi, where I met with a lot of government folks, state level and federal level as well. As I'm sure you know, Alberta is only one of two provinces that have offices in other locations around the world, including Delhi. Our office there and our staff here are in contact with the state of Punjab. Every six months or so we touch base to ensure that we continue our good work there. It's important to Indo-Canadians as well because the vast majority of our population that originally came from India, perhaps even generations ago, came from the state of Punjab. That's important. There is no timeline on what we can do with that agreement. I'm hoping that perhaps on my next trade mission or the next trade mission of some official from this government we can get a sign-off on that.

Now, we're a lot closer to a sign-off on another state. I can't remember how – sorry, Member; I have trouble pronouncing it. Meghalaya. We're actually really close to signing an MOU with Meghalaya. Meghalaya is very interested in piggeries. Now, their farming operation is like nothing you've seen. You know, a large farm there is one and a half acres. By law in some states they aren't allowed to own more than 40 acres. They're really interested in our swine genetics, our technologies on feeding systems, and other technologies. I think there are going to be some real opportunities for our industry in that state and others.

**Mr. Drysdale:** I mean, I know this agreement was signed three years ago, so we have a signed agreement with Punjab. I just would have thought that in three years we would have something out of that agreement that we could say: this has happened because of it. Obviously nothing, I guess.

**Mr. Carlier:** No. On my last trade mission, as fruitful and important as it was, some of the states were going through elections. Being the world's largest democracy, with a very huge population, their elections can be quite complicated and take some months to finalize. At the government level their focus was a lot on their politics.

**Mr. Drysdale:** Well, we'll keep an eye on that, anyway.

I'll move on. Another question I've been asking and I'm not clear on has to do with forestry and, you know, the certainty. Different forest companies talk to me about all the pine beetle and the caribou and the one that maybe has been resolved but I've never heard the answer on: the cutblock retention going to 10 per cent. Has that been finalized? Do they have to leave 10 per cent now?

**Mr. Carlier:** I'm going to let ADM Mayer supplement that, but my thought on that is that, you know, the science is suggesting at least that to maintain a sustainable forest. I suppose we need to take that into serious consideration. At the same time, there are a lot of outward pressures on the forestry industry right now, the softwood lumber agreement having the most.

I'm going to ask Assistant Deputy Minister Mayer to supplement.

**Mr. Mayer:** Thank you, Mr. Chair. Member, the 10 per cent is off the table. We have been working with various stakeholders. We're looking at 5 per cent at this point in time. It has not been fully implemented, but we've been listening to the concerns, and as the minister indicated, we're still trying to make sure that we use all the best science as we're moving forward with policy.

**Mr. Drysdale:** That's good news. It was 5 per cent. I know that most of that ends up as blow down, but it's important for biodiversity and wildlife. There's no sense having 10 per cent blow down. You know, it's a 5 per cent reduction in their whole timber supply. I'm glad to hear that. Thanks. The forest industry knows that, though? It's been relayed? Thank you.

I guess the big question in ag now is the crops left out and the damage. I know it's been asked and some of it answered, but I'm a little bit confused. It was stated that the total cost would be \$600 million for this disaster and that it's all been paid out. I have a hard time believing that because I know that there's some assessment left to be done after the crops are off. I would think that there's got to be more money that'll have to go into the '17-18 budget to cover that off. You won't know the final cost until the crops are actually harvested this spring, correct?

**Mr. Carlier:** Yeah.

**Mr. Drysdale:** I mean, I think the program must be working quite well because I don't get a lot of complaints from farmers and they all seem pretty happy, so some of them must be getting good cheques or something. It must be working well, but I'm still not convinced there won't be any money in next year's budget to solve this.

10:30

**Mr. Carlier:** Thank you, Member. I find it strange that you don't get any complaints from farmers. I'm kidding. I'm kidding.

**Mr. Drysdale:** Yeah. I am, too.

**Mr. Carlier:** It's my understanding that there are still about 980,000 acres left out, right? You know, that's still 10 per cent, so that's a large chunk. I'm going to ask Mr. Knash to see if he can supplement some of those actual numbers that you're seeking, Member.

Thank you.

**Mr. Knash:** Thank you, Minister, Member. The total estimated losses or claims that we're suggesting we're going to be paying is on all perils. We've already paid out a lot of the money, so that's been paid out. About \$500 million has been paid out, so we're looking at another \$100 million that we're estimating that we will need. Historically, looking across all the provinces with a snowed-

under crop, we find that there is a lot of variability in the value of the crops in the spring. There could be no value, and there could be substantial value. It really is hit and miss, so until you actually go out there and do the assessment, you really don't know what the liability is. We presume that it's going to be closer to \$600 million total liability.

Again, wildlife claims. You know, when the snow geese come back again and land in the fields, they can harvest the best crop very, very quickly. Wildlife damage is going to be substantial. Again, very, very difficult to forecast, but we think we are on the mark.

**Mr. Drysdale:** Okay. You know, I'm not trying to cause trouble. I just want to know. Before you said that \$600 million was already paid out and that would be it, but now you're saying \$500 million has been paid out and you expect another \$100 million, but that would be in next year's budget, right?

**Mr. Knash:** Just to clarify, Member, if I did say \$600 million, it was a mistake. We paid out \$500 million in total.

**Mr. Drysdale:** Okay. That's what I heard, anyway.

**Mr. Knash:** Okay. And the revised forecast is \$600 million, so that means there's a net \$100 million, too, that we anticipate to be paid out.

**Mr. Drysdale:** And that \$500 million: all the farmers have their cheques already in their hands?

**Mr. Knash:** They've been paid.

**Mr. Drysdale:** Okay. That must be why I'm not getting complaints.

**Mr. Knash:** And it's all perils. It's for everything. It's for hail during the year. It's for crop loss, too much rain, drought, whatever.

**Mr. Drysdale:** As has been stated, I expect a lot more wildlife damage to show up in the future. That will show in that budget as well, but that won't be determined yet, so that will be in next year's budget. Good.

Moving on a bit here. You know, it's been touched on a bit, and the news is great. I guess I'm going to the TB outbreak down south there. It sounds like it's all resolved, and that's really good news. I've heard the figure \$10.2 million. Just how much of that is fed and how much is province, and where exactly in this budget do we see that money? I assume that's it now, it's done, and everything is good to go.

**Mr. Carlier:** It's done. As I'm sure you know, Member, it's a fairly reportable disease, and CFIA obviously takes the lead on that. I think it's for sure, you know, what we can do on ranch insurance. I think we've been very receptive to the needs of those. We've had Alberta Beef Producers welcome our quick response both provincially and federally. We helped out there because it couldn't have come at a worse time of year. Then here they are. They want to sell their calf crop and, bam, right? It couldn't have come at a worse time of year. So that actual breakout was \$9 million federal and \$6 million provincial. Now, it's important to note that we had to pay out originally the whole amount, and then the \$9 million is reimbursed directly to AFSC from the feds.

**Mr. Drysdale:** And have you got that back already?

**Mr. Knash:** Thank you, Minister and Member. We've paid out \$4.4 million so far, and we're waiting for the invoices and claims.

There are supplementary claims, so as TB goes on, there are more expenses that they can claim, and they will be coming back to us for the balance. We basically administer the program. We write the cheques. The program is funded by the province and the feds.

**Mr. Drysdale:** But I thought that you had got it back up front. If you only paid out \$4.8 million, there's a lot of money left to go.

**Mr. Knash:** I'm not sure. I don't believe we've been funded back yet.

**The Chair:** I hesitate to interrupt. The allotted time for the third party has expired.

We will now proceed to take a five-minute break, and we'll resume at 20 to 11 sharp.

[The committee adjourned from 10:35 a.m. to 10:40 a.m.]

**The Chair:** All right. I will call the meeting back to order. We'll now proceed to independent members here. Right now we have Dr. Swann present. Dr. Swann, would you like to share your time with the minister and go back and forth?

**Dr. Swann:** I would. Thank you.

**The Chair:** Excellent. Please proceed.

**Dr. Swann:** Well, thank you, Minister and staff for joining us today, an important time for us to at least talk about some of the major issues that are affecting our agriculture and forestry sectors.

I'll jump right to an issue close to my heart, Bill 6, the farm worker safety bill, and raise, I guess, a concern that the Alberta Federation of Agriculture hasn't taken the prominent role there that I had hoped it would. It seems to be being pushed aside in terms of some of the work at the regional committee level by the agriculture coalition. I'm wondering if you're aware of that and have an explanation for why the Alberta Federation of Agriculture, which has traditionally been representing the voice of the agriculture producers, in this particular instance has been taken over. In relation to the Bill 6 implementation, why is there no budget for some kind of support service for farm workers so they can call and get information? After, you know, a hundred years of not having any representation and not having been honoured in terms of their rights as farm workers, it's unlikely that many of these folks will feel free to stand up and speak out and participate and advocate for themselves.

A university professor at Athabasca University indicated in a recent report that only 40 per cent of those eligible for WCB are coming forward, partly because they don't understand it's available, partly because the culture of agriculture has not yet shifted. In some cases their bosses don't choose to inform them or encourage them to use the benefits. What, if anything, is your department doing to create a farm worker support centre that they can call and get the information and opportunities to move forward on some of their rights?

**Mr. Carlier:** Thank you, Chair. Thank you, Member, for that question. You know, thank you for being an advocate for farm workers. As you might know, I've been an advocate for workers and workers' rights for most of my adult life and will continue to do so. I have been fairly comfortable with the makeup of the technical working groups that we've had. A lot of variety of voices there, including representatives on the technical working groups from the Alberta Federation of Agriculture. I've had several meetings at the Alberta Federation of Agriculture as well as other bodies that are out there that are doing the work around farm safety

specifically, whether that is farm for life or the Farm Safety Centre down in southern Alberta. A lot of folks out there, I think, are doing really good work. We need to continue to support that work.

On your question around WCB, I find that really interesting. I think that's something that we should probably as a department look at a little bit closer, but I would like to compare those numbers to other industries as well to see what the buy-in is to WCB. I think it's early days for a lot of producers and workers on WCB. My understanding, even before this process, is that the number of operations out there that have paid nonfamily members is a little under 4,000, around 4,000, but about 1,300 of those operations had WCB as part of their operations for many, many years. There was a buy-in from some large producers all along in WCB, knowing the value that WCB had for their workers and for themselves as well. But for those others that don't, I think I would agree with you that perhaps we need to do a little bit more education with the producers and the employees themselves to knowing that this is a benefit for both sides, not just the workers, a benefit for employers as well. But, you know, thank you for bringing that to my attention.

**Dr. Swann:** And the role of AFA and how it seems to have been superseded by the ag coalition just since Bill 6 formed: it seems that they've lost their voice in some ways. AFA has supported Bill 6, of course, and the ag coalition has clearly not.

**Mr. Carlier:** You know, I think there is still room for both organizations. I do meet regularly with the Alberta Federation of Agriculture. Other than meeting with the chairs, I've met with the AgCoalition as a group. I have met with the Alberta Federation of Agriculture. I haven't heard from them that they felt that their voice was not heard at the technical working group, so I'm hoping that it was. But, you know, I would welcome any conversations with them moving forward to see what more of a role they can play and what role any or all of the organizations can play, even the AgCoalition can play, in forwarding what we're achieving with farm workers, especially on the safety file.

**Dr. Swann:** Thank you.

**Mr. Carlier:** Thank you, Member.

**Dr. Swann:** Under 4.2, food safety. I raise this issue every report. That has to do with antibiotic use in the growing of our meat products and the growing concerns globally about resistance to antibiotics and the widespread use as growth promoters as opposed to simply using antibiotics for treating disease. Has your ministry done anything about that, or is it considering policies to reduce antibiotic use for growth promotion?

**Mr. Carlier:** Yeah. Thank you, Member. I think I'll let Dr. Hauer supplement that. But, you know, we have done some work on that. I agree with you a hundred per cent that that it is a concern. We're focusing on stewardship, surveillance, research, and innovation. Last year we also had the opportunity to give a pretty sizable grant, \$250,000, to the Alberta Veterinary Medical Association to host a workshop on antimicrobial resistance.

I'd like to ask Dr. Hauer as our technical expert to supplement about what more work we do.

**Dr. Swann:** Thank you.

**Dr. Hauer:** Good morning. Dr. Gerald Hauer, acting assistant deputy minister for food safety and technology and also executive director of the animal health and assurance branch. Just to supplement what the minister was saying, we've actually recognized this as an issue for

quite some time, so we have a number of activities that we have either led or participated in. The minister did mention one with the Alberta Veterinary Medical Association, a workshop. We're working very closely with Alberta Health and Alberta Health Services to develop a strategy for Alberta. The strategy would then be followed up with an action plan on what are the concrete things that we need to do in this area. We're working very closely with stakeholders, including the agriculture industry groups and veterinarians, on the animal side, but also very closely with the human health side, so the college of physicians, pharmacists, and things like that.

That's at the provincial level, but there are also a number of things happening at the national level that we've been very actively participating in. The most recent one is the pan-Canadian framework for antimicrobial resistance, which is led by the Public Health Agency of Canada. It's quite an extensive project, where they are fulfilling a commitment to the World Health Organization to have a plan and a strategy for Canada. We've been participating heavily in that. I sit on the steering committee. Our deputy minister, Bev Yee, sits on the deputy minister champions group. We've had a number of people on the working groups to provide input into that, so that is evolving right now. That plan is to be done in May and then with the action plan to follow.

There are actually quite a number of other things that we've done over the years, the Alberta Farmed Animal Health and Welfare Steering Committee, the National Farmed Animal Health and Welfare Council. We've done quite a bit of that, participated with surveillance. We've got quite a number of activities in that area. We do recognize its importance, and we are supporting it.

**Dr. Swann:** Well, thank you. I've heard pretty much the same story every year for the last decade. I guess all of us are anxious, especially in the human health field, to see progress. I gather we may see some progress after May, actual legislation or mandates that reduce the use of antibiotics as growth promoters and reduce this terrible toll, that's increasing with resistant antibiotics. People are dying every day from resistant organisms. I hope we can see some real leadership from Agriculture on this.

10:50

Line items 4.1 to 4.4 have to do with food safety and animal health. I want to raise again wasting disease in deer, elk, and moose and the growing cauldron that's coming out of Saskatchewan, where 75 per cent of the deer farms have wasting disease endemic in them. This prion disease, the sister of BSE, or mad cow disease, is deposited into the environment through urine, feces, saliva. It is there indefinitely. It's been measured for decades after it's been deposited. It certainly poses a threat to wildlife. But given the 2016 report from the University of Colorado, where species barriers to wasting disease – which has always been the default position, that: oh, well, this disease doesn't transfer from one species to another. Well, we know it does through BSE. It actually went to humans. And this report from July 2016 reports that:

CWD adapts to a new host [much] more readily than BSE and that human PrP was unexpectedly prone to misfolding by CWD prions . . . the human protein has a region that confers unusual susceptibility to conversion by CWD . . . CWD adapts to the new species.

I guess I'm concerned that I haven't heard much from your department. I haven't heard much from Environment. I know Saskatchewan has a very weak control measures program. They've abdicated that responsibility and simply put fences around these infected populations, but of course, that spread goes beyond their fences. Another report just a year ago identified the prion in seeds,

in grain, and that obviously gets eaten by, you know, agricultural animals, including cattle, and it's now found growing in living plants. The prion actually is growing within living plants. So we are spreading this across especially western Canada and the northern United States, where it originated.

I think it's incumbent on your department to be either collaborating with Canada in getting a stronger control program in place or identifying that we do have a potential disaster for all of agriculture. If Europe decided tomorrow that because of the prion condition and the fact that it's now in grain and is growing in plants, they would boycott North American agriculture, I don't know what stand we would be able to take against that in the international market. Because there is a theoretical risk here. Obviously, it is still theoretical, but I haven't seen the kind of national and provincial urgency to examine this as a real threat to agriculture that I was hoping to see over the last few years. There is a working group out of the Public Health Agency of Canada and the animal health branch, but it doesn't seem to have caught on in western Canada. I wonder if you're going to invest anything in examining these risks to the agricultural sector.

**Mr. Carlier:** Yeah. Thank you, Member. You know, I've had the opportunity to talk about this issue on several occasions. Last time I believe it was on what Saskatchewan is or isn't doing around their domestic elk herds. Absolutely, I share some of those concerns. I believe, if I remember correctly, that they were as well no longer looking at the wild populations while Alberta continues to monitor the wild populations as we do with the farmed elk. I think you're correct in saying that there's more than just the elk herds. I think that's where it hits the news is when we're talking about the elk herds. I'm pretty confident in the monitoring system that we have, at least in our domestic elk herds here in Alberta, and that we're able to – you know, when cases are found, and it's often in the same area, the elk are then depopulated.

You know, I think the larger issue is around co-operation or collaboration with other provinces. I think that is an important and timely issue. I say timely because this summer we are going into federal-provincial-territorial meetings on the next Growing Forward national framework. That might be a really good opportunity for me to broach that subject. I actually would probably like to broach it with some of my colleagues across the country before then, before we go to that meeting. I'd like to know what's being done across the provinces. We know a little bit more about what's going on in Saskatchewan. But, yeah, I think it's timely for you to raise this yet again because I think we probably do have an opportunity to give it a wider national stage this summer.

Thank you.

**Dr. Swann:** I appreciate that. I think we're really behind the eight ball given the history with how we ignored BSE for so long and wrote it off as a cow disease. This disease is more infectious. You don't have to eat the animal to get the infection; you pick it up from the environment. It's saliva based. If this does transfer into the agricultural sector, it's a huge risk, you know. Just a few animals was all it took to collapse our industry last time, under BSE, and I don't see the urgency that we should be seeing around that.

I want to just jump to the policy in your department on clear-cut or block-cut logging. The eastern slopes are our lifeblood for water quality and water quantity. It's my understanding that there continues to be block cutting or clear-cut logging that threatens the quality and the quantity of water retention in the eastern slopes and the quality of water draining out into the rest of the province. Is there going to be a serious look at finding alternatives to clear-cut or block logging on the eastern slopes?

**Mr. Carlier:** Thank you, Member, for that question. I'll ask Mr. Mayer, our ADM of forestry, to supplement. But, you know, in conversations with the forestry industry, especially on the eastern slopes, on what they've been able to do with direction from me, this department, on changing the size of their cutblocks to make it more sustainable to protect not just the waterways but some of the species at risk that were evident, including grizzly bears, including trumpeter swans, they were able to take that. I'm quite pleased with the actions that forestry took, with our direction. Also, they have the one mill, that I'd mentioned earlier, that actually meets three different standards of sustainability around the world, including the World Wildlife Fund, for a sustainable forest. So Canada and Alberta have some of the most sustainable forests in the world.

Now, I remember seeing a hydrology study done on the Ghost valley area west of Calgary. It was done by my old division of Agriculture Canada, the prairie farm rehabilitation administration, and that talked about, if the trees were harvested, what the difference would be in the hydrology study, and it was marginal, right? So I think as long as we stay vigilant and are able to maintain our industry but at the same time make sure that our cutblocks are of a nature that it doesn't affect the hydrology, we'll be okay.

Looking at the eastern slopes, I think forestry is sustainable. I'm confident in the plans the forestry company has done, you know, with some adjustments recently, knowing that there are other concerns – not every stick should be for sale – including retention where they need retention, including the buffer zones around the riparian areas. Riparian areas are important not just to forestry but to agriculture as well.

I'm going to ask ADM Mayer if he has anything to supplement. Thank you, Member.

**Mr. Mayer:** Thank you, Minister, Chair, Member. From a science perspective clear-cut harvesting is an accepted practice. What the minister has indicated is that we've enhanced how we do business out there in managing how the block sizes are done. In some locations we're harvesting in the contours of the landscape, trying to emulate wildfire, leaving retention patches, leaving smaller block-size patches throughout.

What I want to be very clear about is that water is one of the highest priority values that we look at as we are assessing all plans. It's an expectation of all industry to plan with water protection, water quality in mind. Where we have some of the greatest risk is in the road building. In that the mitigation strategies are putting in bridges, putting in crossings that span over watercourses so that we don't damage them. Then all of the areas are reclaimed shortly after the work is done. Blocks are reforested post two years following legislation that we have in place.

11:00

**Dr. Swann:** Thank you. Final question on the carbon tax. I'm wondering just how it's being calculated, how it's being rebated to farm operations, and what the criteria are.

**The Chair:** I hesitate to interrupt, Dr. Swann; however, we will now be moving on to the government caucus.

Would you like to share your time with the minister and go back and forth?

**Mr. Piquette:** Yes, I would.

**The Chair:** All right. Please proceed, Mr. Piquette.

**Mr. Piquette:** I might also request if maybe the timer could be set for 10 minutes. I want to share my time also with colleagues, and I'd like to make sure that I don't talk over their time.

**The Chair:** Yeah. Absolutely.

**Mr. Piquette:** All right. Thank you very much. It's been very informative so far. I'd like to congratulate the ministry. I don't think anyone has been able to stump you yet.

**An Hon. Member:** There's a lot of time left.

**Mr. Piquette:** Yeah. That's true enough.

Now, of course, going last, I do realize that I run the risk of repetition. I'll try to avoid that.

Actually, I'd also like to congratulate our opposition colleagues for some excellent questions, I think very helpful.

Sort of to follow up, starting off with the points that, you know, Dr. Swann had raised around animal health risks and kind of what risks that presents to our market access, I just want to talk particularly about TB right now. Part of the concern, of course, is that there are elk up in our area, up in northern Alberta, and I know that there was talk around that the bovine TB down south might have actually been communicated by the elk, particularly the elk that were introduced on the Suffield base. Is there any scientific evidence that this is actually what occurred?

**Mr. Carlier:** Thank you, Member, for that question. There were some concerns early on, especially when it was first detected, about bovine tuberculosis in those herds in Jenner, Alberta. We take that seriously. That herd was introduced by the federal government. At the time it was introduced, it was tuberculosis free. In the last issues that we've had there with the bovine tuberculosis showing in the cattle herd, Environment and Parks has tested, I believe, about 900 or so hunted animals that came out of there. None were found to have had tuberculosis.

Also important to note that the bovine tuberculosis strain that was found in in the beef herd down there is related to a strain that has also been found in Mexico – right? – so unless the elk were on holidays, it's not scientifically possible that that strain had come from that elk. It's shown to be that there are no positive responses for any type of tuberculosis in that herd anyway.

**Mr. Piquette:** Okay. That's reassuring to know. Thank you, Minister.

Now, on page 16 of the ministry business plan I'll look at 2.3, where the key strategy is to develop and implement inspection and surveillance systems in response to existing and emerging food safety and animal health risks, which Dr. Swann, I guess, was quite eloquent about just before. Can you tell us, Minister, what are the next steps from 2.3?

**Mr. Carlier:** Sorry, Member. Could you elaborate a bit?

**Mr. Piquette:** Sorry. You talk about developing, implementing inspection and surveillance systems. What are the next steps in going forward with that?

**Mr. Carlier:** Thank you for that question. The whole, overall strategy is to try to influence and achieve results, benefit the strategies to make evidence-based inspection decisions, identifying and assessing food safety hazards more effectively than we're already doing. We're doing a pretty good job. I think there's always room for improvement, and we're looking for those improvements.

You mentioned in your previous question about market access. That, obviously, is important. We don't want to have the problems we've seen with BSE in 2001. But I think even more important is the safety of people that eat our food products. The safety of humans always has to be paramount, but that safety with humans

consuming food starts with the safety of that animal, so preventing animal health and food safety emergencies through increased surveillance, inspection, and early detection of those hazards and what they might be and what we can do to improve our response times to those emergency hazards as well.

I was quite pleased, frankly, on the bovine tuberculosis, the response that we were able to achieve. Those individual producers down there – I went down there and met them personally myself – thanked me and AFSC and our department for the work that we did, on the quick response that we had to help them overcome and, you know, go through the process to be able to hopefully continue their operations. The kind of problem that's going to be there is that they're going to need to rebuild these herds, and because there are so many animals they're going to have to rebuild, it's going to take some time, right? All these producers were very proud of the herds they had. It takes some time for them to find the genetics that they want, the herd health that they need. But the more we can do around surveillance of animal safety, food safety, and our response to those emergencies when they do pop up is so much better for the industry.

Thank you, Member.

**Mr. Piquette:** Thank you. Actually, that's probably sort of leading on to the next question I had. We're talking about, of course, that producers need to repopulate the herds. How is the government going to assist in this, and where would that funding, you know, for that assistance be found in the estimates?

**Mr. Carlier:** Bovine tuberculosis is a federally reported disease, so the Canadian Food Inspection Agency always took the lead on this. It's my understanding that where they've had to cull herds, they have compensated a total of \$18 million, so the ranchers are going to be able to use those funds to now start what can be a fairly long process of repopulating their herds.

Why this kind of became such an issue is a lot of things. It was almost a perfect storm of bad things. The timing of the year was bad – right? – when this was first detected. First off, it's a good thing it was detected because we want to make sure that we maintain our market access and at the same time retain our tuberculosis-free status, so that it was detected is a good thing overall, but the timing of when this was detected wasn't great because it was right in the fall season, when the ranchers are looking for their one and only paycheque, which is the selling of their calf crop. They weren't able to do that, but I'm quite happy with CFIA's response, their diligence to making sure that the health of the animals is maintained.

Now, why this spread so much is because there is a very large community pasture down in Suffield, just east of Jenner. You know, that's why a lot of these herds had the ability to intermingle, because they were all in the same pasture in Suffield. It's a rancher-owned co-op. It had previously been run by the federal government.

**Mr. Piquette:** Okay. Well, thanks for the clarification.

How am I doing for time?

**The Chair:** Two minutes, Mr. Piquette.

**Mr. Piquette:** Okay. MLA Schreiner, would you like to ...

**Mrs. Schreiner:** Thank you, Mr. Chair, and good morning, Minister. I'd like to start off by saying thank you to you and your ministry for all the hard work that you've done this past year, all of your outreach. I'm proud to represent a government that is focused on creating good jobs and building a diversified economy, either be that through securing new pipelines, cutting small-business taxes, or by putting Albertans back to work on construction projects.

11:10

As we have recently heard in this community, the small brewers development program has been a great success, and I know that our Finance minister is particularly delighted about the program.

I just have to add that the World Beer Cup, often referred to as the Olympics of beer competitions, is considered the most prestigious beer competition in the world. In 2016 there were 6,596 beers entered from 1,907 breweries from 55 different countries. I along with my constituents couldn't be more proud that Red Deer's very own Troubled Monk Brewery took silver for the Open Road American Brown Ale. If you enjoy beer, you may want to give the ale a try. My personal choice is a pale ale labelled the Pesky Pig, named after Frances the Pig, a true story of a pig that escaped the slaughterhouse and how Red Deerians helped Frances run free for five months, making sure he was well fed and kept hidden. When he was finally captured, Red Deer found a nice home for him, where he could live out the rest of his days and children could go and visit him.

Minister, thinking about strategy 4.2 on page 18 in the ministry business plan, what is Agriculture and Forestry's role in the small brewers development program? How is your ministry related?

**Mr. Carlier:** Thank you, Member. Thank you, Chair. We've all heard the Minister of Finance and the President of Treasury Board say beer is good. As a slogan maybe we could work on that a bit. Maybe as a bumper sticker it'll be fine. The minister had the opportunity to really promote this last summer, go to many different breweries and sample. I wasn't along on that, but this department is the one that will now administer this grant, so the \$25 million in small brewers program: the grants will be administered by Agriculture and Forestry. A big part of that is that it is agriculture, right? We're using that good barley and wheat that's grown around the province and even hops as well. We grow some hops in this province. You know, this program has been very successful, and we have the expertise in grant development and grant implementations within the department. It's a good home. It's a good fit.

**Mrs. Schreiner:** Good. Okay. Well, thank you for that. Could you tell me where this is in the estimates? Which line item would this be under?

**Mr. Carlier:** That's under the rural economic development, and that's 5.1.

**Mrs. Schreiner:** Okay. Thank you for that.

On the same topic again, I know that the budget announced the development of a program for small distillers. Will your ministry have a role in this program's development and implementation?

**Mr. Carlier:** I suspect the Minister of Finance and President of Treasury Board will now be saying whisky is good. Yeah. I'm not sure if I'll be going along on his trade show, on his travelling road show, but there are a growing number of small distillers in the province as well, I think about a half-dozen or so, right? There's a distiller in Longview. There's one in Banff that I know of. There's one in Edmonton that I know of. There's one in Turner Valley. [interjection] Where? One in Grande Prairie, right? It's a great industry. We've had distillers in this province probably for, you know, hundreds of years, including my uncle at one time, but he wasn't registered by anybody.

You know, I think there's a real opportunity again for our producers and the grains that we grow here in Alberta and another great opportunity to diversify our economy a little bit more with the spirits that we grow. You know, once that program is implemented,

I expect as many good things with the distillers as we've seen with the brewers.

Thank you, Member.

**Mrs. Schreiner:** Well, thank you for that. Again, I encourage anyone to give our Troubled Monk Brewery a taste test.

Thank you.

**The Chair:** MLA Dach.

**Mr. Dach:** Yes. Thank you, Chair. I'll continue with a new line of questioning. Thank you, Minister and staff, for shedding light on the operations of both the agricultural and forestry industries in Alberta and explaining how your government is meeting today's new challenges. Agriculture and forestry, of course, as we know, are pillars of our Alberta economy and offer tremendous growth opportunities for our province, as you've noted in previous answers.

Only a generation ago my grandparents and my father farmed using horsepower, the four-legged kind, not powered by fossil fuels. Of course, the transition to fossil fuels was rapid in the '20s and '30s. I remember my grandmother telling the story many times of how she would reserve the spring runoff water in a ditch beside the farm gate so that it could be collected, and she used it to make her milk bottles sparkle. She took the milk into town to sell it.

Farmers and ranchers have always been concerned about maintaining that pristine environment and protecting the viability of their farm and ranch operations. We all know that farmers and ranchers continue to care about the environment today.

Now, the government knows that human-caused climate change is real and knows that it will certainly have an enormous impact on our agricultural industry. In order to ensure the sustainability and competitiveness of our agriculture and agricultural industries, something farmers and ranchers have sought to do for generations, including my own father and grandparents, what is the government doing to address climate change by implementing the climate leadership plan within Agriculture and Forestry?

**Mr. Carlier:** Thank you, Member, for that important question. Agriculture and Forestry has had the opportunity to incent and continue the good work that farmers and ranchers are doing already. I think you said it quite eloquently: that farmers and ranchers have always been for stewardship of the land. It makes sense. I think, you know, farmers and the whole industry want to do their share around reducing their carbon footprint, greenhouse gas emissions, other pollutants. At the same time there's a lot of opportunity for economic opportunity as well. If they can lower their energy bills, it's going to make economic sense, right?

I had the opportunity – and the Member for Little Bow did as well – to go to the Brant Hutterite colony, southeast of Calgary, where there is a net-zero egg-laying barn. That was started some years ago, right? It was before this government implemented the climate leadership plan, but that colony, as the progressive farmers that they are, looked at the economic opportunities that were there. They're thinking long term, obviously. This barn had solar panels on it. They had pumps that used so little energy that they were magic, as far as I was concerned.

There are opportunities for farmers. Just last fall we injected a few more funds into the farm energy efficiency and climate plans that already existed within Agriculture and Forestry. It was well subscribed to. Now, these weren't new programs, but we were able to tweak the parameters of these programs to make them more accessible to large operations as well as smaller ones, to raise the cap on them so they would have the opportunity to do even more. That was extremely well received. Before we made those slight

changes and put the new money into it, the \$10 million extra, we would get about 40 applications or so a month for these programs. In the month of November last year we got 250 applications, right? It's well subscribed, oversubscribed.

I'm looking forward to our conversations with the climate change office to see what more we can do for agriculture. There's a real appetite out there in the farming industry to do what they can around intensive livestock operations, greenhouses, irrigation pumps, row crops, almost any sector of agriculture, including food processing.

In my conversations with producers across the province, you know, since I've had the portfolio, I've heard their concerns around a lot of different things, including the carbon levy. We thought it made a lot of sense to ensure that, for instance, the marked fuel that farmers use would be exempt from the carbon levy, to make the greenhouse sector, another one that was very much exposed because 60 per cent of their energy costs are from natural gas because they use that natural gas to heat – that rebate program for greenhouses already existed in B.C. Now, they have, obviously, some very sound challenges – think about trying to compete with B.C. – mostly climate, right? It's hard for Alberta to compete with the Lower Mainland. We have the opportunity to have this rebate program. It's not an exemption but a rebate program. About 80 per cent of their carbon levy will be rebated just to make sure that they stay sustainable.

In any conversations on agriculture we're going to continue to have to ensure that we find those efficiencies. I think farmers are absolutely looking for those efficiencies because they want to do whatever they can to reduce their emissions but, at the same time, you know, find the economic advantages that the climate leadership plan has for them.

Thank you, Member.

11:20

**Mr. Dach:** Thank you, Minister.

I know that we all are aware that farmers and ranchers have consistently been rapid innovators and rapidly and quickly pick up on new technology and implement it into their operations for efficiency and improved environmental protection. Let's drill down a little bit into some specific questions, if I may, starting on . . .

**The Chair:** I hesitate to interrupt, hon. member. My apologies. The time allotted for government members has expired.

We will now repeat the same rotation, moving back to the Wildrose caucus.

**Mr. Schneider:** My colleague from Lac La Biche would like to ask a few questions if that's all right.

**The Chair:** Okay. Would you like to continue sharing your time with the minister?

**Mr. Hanson:** Yes. Back and forth, please.

**The Chair:** Please proceed.

**Mr. Hanson:** Thank you very much, Chair and to the minister and staff for being here. I know it hasn't been a great year for your portfolio, but it sounds like some of the questions might be driving you to drink, so I'm going to go light on you.

Anyway, I'll be coming at you from my responsibility as the emergency response preparedness critic, so most of my questions will be based on that. Starting with the million acres of crop that are remaining that farmers didn't get a chance to even start to combine, what would the average payout per acre be on that if it is totally unrecoverable?

**Mr. Carlier:** Thank you, Member. That's a great question. I'm not sure. I'm going to turn this over to Mr. Knash here for a second. That might be really hard to quantify, the average, right? I wonder if we are able to come up with that, just because the variables would be extreme. I'm going to ask Mr. Knash to see if he has something to respond.

**Mr. Knash:** Thank you very much, Minister. You're right. It is an incredibly hard thing to estimate. We're trying to forecast losses. Again, what I was going to start out with is that we're finding historically that in most cases the snowed-under crop can be harvested to some degree, and either there is some value in it as feed, or it can be sold. In some cases it comes through the winter in very good condition and would have very little damage.

The producer has a lot of choices when they want to be paid out. They can either choose to wait until the spring, or they can contact AFSC and have us prepay some of the things and write it off in advance. That's what's going to be happening as we go along.

The acreage that's under snow right now: in a lot of cases the producers have harvested a fairly significant amount of their crop already, so it's residual crop that's snowed under. In some cases it's all of their crop. So there's a lot of variability there.

But to answer your question, it's almost impossible for us to assess what crops are out there and what their value is.

**Mr. Hanson:** Okay. I would just like to point out that I talked to a young farmer up in my area there, and her input cost for cereals runs at about \$310 an acre, and for canola it's about \$350. So I'm just wondering if any of that insurance even comes close to covering input costs.

**Mr. Knash:** Thank you, Member. Yes, our insurance is designed to cover off a lot of the costs that are associated with growing crops and provide some profit margin. In other words, you don't want to be claiming insurance any more than you want to be claiming insurance for your house burning down. You buy it for unusual loss or a disastrous loss, and that's what we're designed to do, basically, to provide that safety net. Our insurance is first class. I'm confident that it might be one of the best insurance programs in the world. We have exceptional coverage, a lot of individual options, so farmers can choose, have a lot of choice points as to how much coverage they want to buy, which crops they want to ensure, to which level, for which dollar amount. There are just all of these variables. They choose, and that's how we determine the premium and the coverage.

**Mr. Hanson:** Okay. Thank you.

My main concern when it comes to this is the fact that, especially if the spring doesn't co-operate, a lot of these guys are going to have no choice but to burn. Some municipalities have already come out and said that they will not be issuing burn permits. I'm just wondering: is there a plan in place? You know, just like the deer and the rows of grain, some of these guys are going to take things into their own hands and drop a match. When it comes to liability, how are we going to help support municipalities with their volunteer fire departments? You know, if they have to bring another department in from another municipality, it's going to be very expensive. Is there any plan in place to help out municipalities?

**Mr. Carlier:** Thank you, Member, for that really important question. Yeah. We've heard both in the news and now we've had contact as well with one county that we know of that's not going to allow burning. That's going to be one option, obviously, you know, depending on a lot of things, depending on how our spring is going to shape up, depending on the crop that's being grown, depending

on where that crop is: is it highly wooded or has a lot of shelterbelt in it or whatever it might be? A lot of things to consider. The one county that I know of that's not going to allow burning: we're in conversations with them to see what other options might be available and, again, seeing how the spring shapes up, what's going to be the best plan going forward.

**Mr. Hanson:** Okay. Thank you. Well, hopefully, as we get closer – I mean, we're running out of time here very quickly, right? – some kind of a plan to support should be in place.

I'm going to get back to an incident from the Fort McMurray fire. Everybody knows that the community of Lac La Biche really, really stepped up and helped out. They implemented their emergency response plan just about immediately, which saved a lot of – you know, getting people water and fuel up the highway and stuff like that, they used a lot of their own staff. Their own staff helped out in the emergency evacuation centre. They put a claim in for about \$259,000, that was rejected, for the county staff that were taken off their regular duties and spent the bulk of their time or pretty much all of their time – and a lot of these folks, even when their shift was over, refused to go home. They'd stay there and volunteer into the night. Is there anything that we can do to help them offset those costs? I know that we had support for extra fire departments, policing, all of that stuff. These are no different than regular county staff that were also taken off their jobs to do this. Is there some way we can help out the county with that?

**Mr. Carlier:** Thank you, Member. Much like you, I really appreciated Albertans right across the province, you know, Canadians right across the country stepping up to the plate and giving support. I had a meeting with the town of Lac La Biche yesterday and was able to talk to them about the work they did. Now, the assistance that you're talking about: I believe that request probably went to Municipal Affairs. It didn't come to us, right? But I know that there are different parameters on what assistance can be provided. Now, it's my understanding that there is still some money that we're expecting from the federal government, so probably, maybe there's an opportunity there as well to see what support can be had.

I think it's important, first off, to acknowledge the work that Lac La Biche and others right across the province did in helping out all Albertans to get through this crisis, and more than being acknowledged for that, they shouldn't be out of pocket either, perhaps.

**Mr. Hanson:** Yeah. In my opinion, they should get a bonus rather than be penalized for it.

**Mr. Carlier:** Yeah.

**Mr. Hanson:** So if there's something we could do there, it'd be great.

Okay. The next one. Through the course of that fire we had heard that the oil sands industry had offered to build firebreaks between the time the fire started and before the state of emergency was called, but they were denied, first by the mayor and later by the ministry. Is that really the case?

**Mr. Carlier:** I don't know in particular, Member, but I know, like, that fire event got extreme. There weren't going to be any people on the ground, right? They couldn't even fly aircraft because the winds were blowing at 70 miles an hour and it was extremely dry. When I flew over there in the early days, there was still snow and ice on the creeks, so it was an extremely unusual fire event. As for that particular situation, I'm not sure, you know. Perhaps it might

have done some good, but we all know that when that fire jumped the Athabasca there, a kilometre wide, any kind of firebreak wouldn't have made much of a difference.

11:30

**Mr. Hanson:** Yeah. I guess the time frame I'm referring to is from the Saturday when the fire was first noticed, between then and the Tuesday, when basically all hell broke loose. There was an opportunity to get in there and maybe try and stop that thing. The oil companies had offered, but they were basically blocked by the mayor and council. That's what I've heard. I'm just wondering if...

**Mr. Carlier:** I'm going to ask ADM Mayer. Maybe he has some light to shed on this. Thank you, Member.

Bruce.

**Mr. Mayer:** Thank you, Minister, Chair, Member. I don't know the details, whether they were blocked or not, but I can tell you that we did have dozers and equipment on the fire within that first period that you're talking about. The issue that we had was getting adequate crossings across wide pipelines such that you can support the heavy equipment. As we were getting that happening, the winds changed, and safety issues became a problem. I can say that we did have great support from the oil and gas industry in providing equipment and manpower as we went further into the fire. I'd met with them a number of times there. They did help us build a dozer guard on the north end of the fire along the steep bank on the south side of some of the plants.

**Mr. Hanson:** Thank you. Quickly, then...

**The Chair:** I'm sorry. I hesitate to interrupt here.

We'll now proceed to the third-party caucus, the PC caucus. Mr. Drysdale, do you want to continue going back and forth?

**Mr. Drysdale:** Back and forth if we can. Thank you.

**The Chair:** Okay. Please proceed.

**Mr. Drysdale:** Thanks, Minister. I'm just going to go back to where I finished off. There's a little confusion here. You know, I'm not meaning anything by it, but I'd like some clarification, and maybe you'll need to send it later or whatever. It goes back to the TB outbreak. I've heard a couple of different things. The feds' was \$9 million, and we were \$6 million, and we've paid out \$4.8 million. Then in answering one of the government member's questions, you said that the feds have already paid out \$18 million.

**Mr. Carlier:** Oh, no. That's CFIA's portion. That wasn't for the producers. That's CFIA's portion for the culled herd.

**Mr. Drysdale:** But that was paid to the producers.

**Mr. Carlier:** Yes, but that's separate from AgriRecovery. The portion that I was talking about, the \$9 million and \$6 million – sorry, Chair.

**Mr. Drysdale:** Okay. But it's still paid by the federal government.

**Mr. Carlier:** Yes. That's the feds'. That \$8 million was the feds' portion. They also have a portion within the AgriStability, the \$9 million. That's over and above the \$18 million.

**Mr. Drysdale:** If I could just get a total on what that whole TB outbreak would cost and how much is the feds' and how much is us and how much is already paid and how much is yet to be paid. There

just seems to be some confusion. If you've got it, fine, but if not, you could send it through the clerk.

**Mr. Carlier:** So \$27 million federal and \$6 million provincial.

**Mr. Drysdale:** Okay. And that's all been paid out? We paid \$4.8 million you said at one time.

**Mr. Carlier:** I'll ask Mr. Knash to respond, please.

**Mr. Knash:** Thank you, Member, Minister. The second program: there's the CFIA portion, where they paid for the animals that got put down. What we're administering is another program and is basically for the additional cost. The people who are affected are keeping animals from market, so calves, culled cows. They're building corrals. They're having to dig wells, doing all kinds of things. That's the program we are administering. We've paid out \$4.4 million to date. Some of the producers are holding back because they still see additional expenses coming and haven't even applied. We've handled all of the payments where the applications have been made, but we're anticipating additional applications, which will eventually use up the remaining dollars. So it is a bit confusing.

**Mr. Drysdale:** Yeah. You know, my question was the total cost, but that's okay. I just was confused there. So it's more like \$28 million or whatever.

**Mr. Carlier:** Yeah.

**Mr. Drysdale:** Okay. But it's not all paid yet. Again, I think it must be a pretty good program because the producers seem fairly satisfied with it.

**Mr. Carlier:** They seem happy with it, yeah. Early on I know my own personal concern was, you know, they weren't expecting to double their herd that they normally would winter. So an early concern was: are they going to have the space to do that? So working through—give credit where credit is due—the Alberta Beef Producers, they were really helpful in that, in making it insured. But, you know, as resilient and as innovative as ranchers are, they'd figured it out. By the time we thought we should be able to find some space for them, they'd already figured it out.

**Mr. Drysdale:** Yeah.

**Mr. Carlier:** I think we had to find space for maybe 400 head.

**Mr. Drysdale:** Okay. I'll leave that go. I was just confused there. I just want to move on to one of my favourite topics, and that's value-added, and I know for you as well. It's something that we need to grow because, you know, Canada or Alberta is going to be one of the major exporters of food in the future, probably more so than oil, hopefully. I know canola, as I've said before, is a shining example of how the ag industry is value-added and how you buy packaged bottles already on the shelf, whether they get used in Alberta or go to China. That's a great example of value-added and how it's increased. Also, the potato, with the chips and the new plant in Lethbridge now: that's really adding value and working well. I mean, beer is good, but it doesn't really use a lot of volume of barley up.

**Mr. Carlier:** Potatoes are good, too, Member.

**Mr. Drysdale:** Yeah. Beer doesn't take a lot of grain.

**Mr. Carlier:** It doesn't. True.

**Mr. Drysdale:** Even beef has done a lot in processing and value-added. You can buy beef for your table, ready to use kind of thing. The biggest one, though, one of our bigger crops, is wheat. We've got some of the best, world-quality hard red spring wheat there is, and we just still ship raw wheat over. You mentioned earlier a bit about the spaghetti, so I'd be a little more interested in, you know—there's spaghetti. Even if we made it into flour instead of just whole wheat. But spaghetti or flour: anything there on wheat?

**Mr. Carlier:** On wheat it's, you know, because our systems have been developed over the generations to ship the raw product, and it ships easily, as you know. Put it in the tanker car, it goes to the coast, gets on the ship, and away it goes, right? It's easy to do that. I think that for value-added on wheat there are other challenges. You know, do you mill it? Do you ship it in bags? Yeah. The value-added is here, but the customer in the end market, wherever that might be, is paying much more for that wheat product. So then maybe they're getting the raw product from Australia or someplace like that.

Wheat, even though it's such a large—depending on the year, depending on the rotation, is canola grown more, or is wheat grown more? Depending on year to year, absolutely, it's our first, or largest, commodity that we produce here in Alberta, but there are challenges, I think, on value-added within wheat other than maybe, perhaps, some snack foods. There are some different value-added food processing companies within Alberta that are using wheat as a flour. Cheemo perogies: I was at their plant. They make 80,000 perogies a day, right? There's a value-added we can see there, that shipment part of theirs. There is some, but because of the size of the commodity, you know, we could probably do a lot of these one-off things, but I think we're going to maintain, probably have to maintain the raw product.

**Mr. Drysdale:** Good. Thank you. It's important that I know.

Kind of along the same line, Minister, last year we were discussing the business plan, and we spoke about the importance of investing in innovation more on the forest industry side now. We touched on the emerging lignin technology and the by-product from the lumber industry. I'm sure you're aware—we're both aware—of the possibilities around the uses of nanocellulose and, you know, the federal government and the partners with FPIInnovations in Canada and Forest Research in Quebec and everybody on the nanocrystalline cellulose, NCC. Can you outline if there's been any specific new funding allocated in the budget to work on some of these emerging innovations and the opportunities and partnering, if not money, but that's important just like the wheat in the value-add?

**Mr. Carlier:** Absolutely. Yeah. Thank you, Member, for that important question. We have to be so careful when we incent new financial incentives to the industry around forestry because of the softwood lumber agreement, especially now, where every industry in the country is being looked at with a magnifying glass by the American industry, which, you know, under the trade agreements they're able to do so. So we've got to be careful with that.

But there are some things we can do industry-wide instead of maybe specific to one individual mill; that is, we're looking at an Alberta wood charter. The wood charter is going to be able to—we're trying to incent more development of public buildings in wood, the building of wood. There are so many engineered wood products now. The things they can do with wood are magnificent, right? We did have the opportunity to change the building code to be able to go from four to six storeys, I think, which is a great start.

11:40

If you haven't yet, search on YouTube or Google for "UBC wood building." UBC is a municipality in itself, so they write their own bylaws. They were able to build a 19-storey wood structure, and on the video it shows the construction of this wood structure. A lot of the components were prefabricated off-site, obviously, but I think it took about six days to build 19 storeys. Amazing. Kind of a Lego kind of thing – right? – putting it together. It is amazing what we can do with wood.

So the wood charter is with both municipal and government to encourage more use of wood. It helps our industry, obviously, but also helps our climate leadership plan because you're sequestering that carbon from that tree, you know, into that structure. At the same time, you're planting a new tree somewhere in the forest that's gathering more carbon than an old tree does.

Something else innovative that the industry is doing on its own is an aspen strategy. There is one mill in particular that I know of that is already starting production on aspen as a building product. It's something that has been underutilized in the province for decades. Now, it's important to note that Alberta back in the 1970s, using innovation, came up with the whole oriented strandboard. That's an Alberta invention, right? We're going to use aspen and poplar products in OSB. The mill I'm talking about, actually, is Millar Western. There's no secret. They're developing lumber products for the U.S. market to use in ...

**The Chair:** Sorry to interrupt, Minister. The allotted time for the third-party caucus has ended.

We'll now proceed to the government caucus. Would you like to continue sharing your time with the minister?

**Mr. Piquette:** Yes, I would. Thank you, Chair.

**The Chair:** Please proceed.

**Mr. Piquette:** Yeah. I just wish we had more than 10 minutes, but just if you wouldn't mind talking a bit more about AFSC. This is definitely an organization that's been coming up quite a bit in my riding, you know, of late. It's hard for me to believe that it's only 10 per cent of the crops that are still on the ground when I drive up through Thorhild county and these places. I know, Minister, in your own area I think Mayerthorpe is about the worst hit in the province for the amount that's on the ground, so it's a bit disproportionate. I know that, I mean, there were a lot of concerns from producers in my area, which led me to organize an agricultural round-table in December in Thorhild. I'm very happy that AFSC was gracious enough to send representatives to that just to provide more information to farmers. It seems like communication and kind of an understanding, even sometimes among producers, is a very critical piece of this.

I guess, before I get to my particular asks, maybe for the record if you could explain kind how AFSC supports the farmers through publicly supporting crop and livestock insurance and just kind of how that's divided up between the federal, provincial and then for us. So maybe just a quick overview, if you wouldn't mind.

**Mr. Carlier:** Yeah. Thank you, Member, for that question. It's important to note that there are three parties in the agricultural insurance. A portion of the premiums are paid by the province, a portion by the federal government, and a portion by the producers as well. I'll ask Mr. Knash here to supplement in a second, but, yeah. As Mr. Knash has said, the programs within AFSC are some of the best in the world if not the best in the world, and they're well subscribed to. About 80 per cent or so are subscribed to one way or

another by the producers in the province. The ones that don't: there are a lot of reasons for that, I would suspect. If I were to guess, it's because they have other risk management tools at their disposal, but knowing that, I think, you know, the programs we have with AFSC are some of the best.

But for that breakdown on premiums I'll ask Mr. Knash.

**Mr. Knash:** Thank you, Minister. Thank you, Member. It's tripartite, as the minister has mentioned. The premiums are split between the producer at 40 per cent of the total premium, the feds are 36 per cent, and the province is at 24 per cent. Then there's an additional allocation from the two governments for administration costs. That is the way the programs are funded. All of the funding, even the surpluses, stay with the producer to the benefit of the producer. It has never gone anywhere else. We invest with AIMCo the surplus that we talked about before and get a reasonable return on a conservative portfolio. That comes into the fund as well, so it's always there for the benefit of the producer.

**Mr. Piquette:** Well, okay. Thanks. Since it's a three-part system, that would maybe speak to why we can't be making modifications on the fly with this program. Sometimes there seems to be a bit of frustration, you know, where farmers will want to say: well, this is a problem, and we want answers now. Because we have three parties at the table, that would maybe explain why sometimes these things would take a bit of time to work through.

**Mr. Carlier:** Thank you, Member, for that because it gives me an opportunity to talk about the consultation process that we're going to have going towards the federal-provincial-territorial meetings, that are going to be held this July. At the federal-provincial-territorial meetings we're going to be able to start the negotiations and finalize some of the agreements toward the next federal framework. That includes the crop insurance, right? So from now till then there are going to be a series of meetings, round-table discussions right across the province to talk to producers to see what perhaps can be tweaked, what can be changed in those insurance programs going forward so we can make them even that much better.

**Mr. Piquette:** Okay. That's good to hear.

I guess a question particular to, you know, the conditions for this spring – and I think some of the other hon. members had mentioned concerns particularly around turnaround. One thing I would have to say is that this partial payout seems to be going quite fast because I've noticed, you know, I'm not getting, really, too many calls now on that either, which is a good thing. However, I know there is still that concern about – especially, some farmers have had the canola on the ground that's been testing for Fusarium. They don't necessarily want to be spreading this, and they're looking for options beyond having to actually pick up the crop and harvest it in order to get the full payout. I know that there were some discussions going on with some municipalities. I'm just kind of wondering: what is the status on that for being able to expedite claims for the spring harvest and providing more options for farmers?

**Mr. Carlier:** Thank you, Member. I think you've thrown a lot of things in that question right from, you know, pest control to the options. Like I've said, you know, before and even in the House, I know the Member for Barrhead-Morinville-Westlock, for instance, has brought up this issue as well. I'm going to have some further discussions with him because we're neighbouring counties and we have some very similar situations around weather that happened last year. There are going to be options that will really encourage farmers out there to contact their AFSC office before they

implement any of those options to ensure that through AFSC their programs are in place, that everything is in place, if they've had the proper assessment, and all those kinds of steps.

You know, we've talked somewhat about burning, how that could be one of the options. It's my understanding that burning can be one of those options but not necessarily the best one either, right? It doesn't necessarily get rid of some of the pathogens that are out there. Now, because we had a fairly wet year last year, I do personally have somewhat of a concern that pests such as Fusarium, you know, might be even worse this year than they have been because of the wet conditions last year.

I'm going to ask Mr. Knash if he has anything to supplement.

**Mr. Knash:** Thank you, Minister. Thank you, Member. When we talk about claim turn on, that's always one of our issues when we're dealing with insurance, and I think it's an issue with most insurance companies because claims are lumpy. You have nothing, and then it hails and everybody wants to have you out tomorrow, and if they're looking at doing something with the crops, they all want to see you at the same time.

Getting back to the specific issue of snow, we're doing the preinspections now. We're basically done with that, and with the three that we haven't done, it is usually a connection issue, where we can't seem to reach somebody and get out to get the preinspection done. It's very small. I said three individuals. What we've got set up now is that we're ready to bring in all of our inspectors from across the province and some additional staff so that when we're able to do the inspection, we're going to do them very rapidly. We'll get that out of the way, and then processing is relatively fast after that. It's getting the inspections done and making sure that we can assess what the crop is like, if it's, in fact, something that needs to be destroyed or whether it's something that still has a fair amount of significant value.

**Mr. Piquette:** Okay. That's good to hear. Actually, I'm a former insurance agent myself, so, you know, point well taken. Yeah, when these disasters happen, then the challenge is getting the inspectors in the field. I have to say that considering the scope of this, it seems like you guys are really expediting this, so that's appreciated.

Did you have a follow-up? You look like you wanted to add something to that.

11:50

**Mr. Knash:** Just maybe going forward, we are doing a lot of things to make inspections quicker, so we're researching a lot of technology with radar tracking, drones, phone applications. We're basically simplifying the process and making it more rapid.

Also, about 15 per cent of claims are no claims, so basically people submit a claim, and there is no claim. If we can eliminate that somehow with drone flyovers or whatever and say, "No, it didn't hail on your farm" or "There is no snow on your farm" or "You don't have a crop there," we could eliminate a lot of wasted time.

**Mr. Piquette:** Okay. When the average brings it up over where they can claim.

**Mr. Knash:** Yeah. Absolutely. Fifteen per cent of your time is actually responding to claims that aren't really there.

**Mr. Piquette:** All right. I don't know how much time I have left. I guess, just maybe besides this program, you know, what other supports would the ministry provide to producers that still have their crops sitting out on the field, and is there any place that we can find this in the business plan or estimates?

**Mr. Carlier:** Yeah. There are other suites of programs, whether they need to be implemented or not. AgriStability and AgriRecovery are two of them. You know, I have asked the interim board chair of AFSC to have a really good look at both programs to make sure that they're robust enough to meet the challenge if we need them. Right? I'm really confident in the programs that we have. I'm personally not . . .

**The Chair:** I hesitate to interrupt.

The final eight minutes will be for the Wildrose caucus. Would you like to continue going back and forth?

**Mr. Schneider:** You know, Mr. Chairman, if I can read my two questions into the record for an answer, my colleague at the other end of the table has some discussion.

**The Chair:** Go ahead.

**Mr. Schneider:** Mr. Minister, we're starting to receive a lot of e-mails from farmers with respect to imidacloprid. I just wanted to get this question in before we're done here. I know that some potato growers in my area use this pesticide. What is the Alberta Ag position if Health Canada bans the use of this pest control measure, and do we have a plan to protect crops in Alberta if the phase-out of this insecticide is implemented? I ask the question because I'm assuming that you're looped in, you know, on federal discussions.

I'll turn my time over to the Member for Barrhead-Morinville-Westlock. Thank you.

**The Chair:** Mr. van Dijken, go ahead.

**Mr. van Dijken:** Thank you, Chair. Thank you, Minister, for the time that you're having here and to all the staff that have accompanied you. My first question, in a way, is with regard to the snowed-under crops. You know, both industry and the province have a vested interest in ensuring that we are able to get into the best position to be able to have a successful 2017 crop also. There is some concern with regard to lost time during the spring, especially if it's a delayed spring, where we would put ourselves in a position to try to salvage a low-salvage crop and then also not being able to seed and harvest a successful 2017 crop.

Not just from an insurance liability aspect but also from the aspect of disease prevention I believe there's an opportunity – and I'm hoping the ministry is having those discussions within the department – to identify the risks with regard to disease prevention, as was alluded to earlier, and how those might play into a strategy of working together with the insurance provider, AFSC, and also working as a ministry to ensure that the spread of disease and disease prevention within the cereal acres and that type of thing are highlighted and that they have been considered. Has the department been having those discussions, and how quickly can those decisions be made to ensure that producers have the best opportunity to get a successful 2017 crop?

**Mr. Carlier:** Thank you, Member. There are a lot of different aspects there to your question. You know, again, it's going to depend so much on what exactly the crop there was, what pests are prevalent in the area, what pests are prevalent in that particular commodity. Over and above the unharvested acres is what more we can do around – Fusarium, for instance, comes to mind.

We have been working diligently with the Fusarium Action Committee to find what more we can do with that. I think it's becoming a pest that is more and more prevalent on the landscape. You know, the current regulations around Fusarium I think worked in the past. I'm a little concerned that perhaps it won't be working

in the future, so we're looking at that. We're working with the working group to make sure that it is. That's even over and above the unharvested acres.

You know, we've been talking about perhaps burning some of the commodities. That's going to make a bit of a difference, depending, again, on the commodities, but overall, globally speaking, burning the crops is not going to get rid of some of those pests. It would be an option to get those crops in.

It's all fine and dandy. It's great to have the insurance products, and I'm hoping that farmers are going to be, you know, pleased with the outcome around that, but again they're not farming to get insurance; they're farming to get the seed in the ground. That's going to be the problem there, of course, because we don't know what Mother Nature is up to.

**Mr. van Dijken:** Yeah. Absolutely. I guess the discussions have to happen at this time in order to be prepared for seeding a crop and to be prepared for handling whatever happens at the time. I believe that there's an incredible educational opportunity here stacked on that. We'll be able to help the industry to recognize the threat of the disease and what they can do to mitigate it going forward with seed treatment and fungicide treatments and those types of things. I think there's an opportunity since the topic is front and centre in a lot of people's minds that we can do some education here as well as trying to mitigate the issue at hand.

I also have a question with regard to the windup of ALMA. The program was dedicated towards the improvement of value-added meat and livestock. You took a strategy with regard to bringing it into the department and being able to deliver that through the department. Are you happy with that move? Has the department been able to retain a focus on that type of value-added now that it's become part of a bigger structure? There is a risk of losing the focus when it becomes part of the bigger department.

**Mr. Carlier:** Yeah. Thank you, Member, for that important question. For the record I'm always happy. You know, the dissolution of ALMA was a cost-saving measure. Without a doubt, they were doing good work, but we're able to save about \$3 million

yearly on the dissolution of ALMA. Rolling it into the department has been a transition that has gone extremely smoothly. All the grants and programs that were in place with ALMA: a hundred per cent of those are now being administrated by the department, with very few issues around that.

**Mr. van Dijken:** Just if I may, Minister, how would we be able to decipher that through the estimates document? I don't find a spot where there was a line item for ALMA in, say, the 2015 actuals. Then, you know, we look at the press releases from the time, where the money funnelled to ALMA was being reduced by approximately \$8 million, more than 25 per cent of what they were originally being funded, so it's hard to track whether or not there's actually a focus on getting that work done.

**Mr. Carlier:** Yeah. You're absolutely right. There isn't a line item that says: this isn't ALMA anymore. In 5.2 it has the monies that were used for research and extension. The research and extension line is where the previous ALMA funding is now within the department.

**Mr. van Dijken:** Okay. Thank you.

One last question. In the business plan on page 18 there's talk with regard to one of the key strategies being the implementation of farm safety education programs. I'm just wondering: if it's implementation of these education programs, when will they be rolling out?

**The Chair:** I apologize for interrupting, but I must advise the committee that the time allotted for the items of business has concluded.

I would like to remind committee members that the schedule for the next meeting is on April 3, 2017, at 7 p.m. for consideration of estimates for Executive Council.

Thank you, everyone, for attending. This meeting is now adjourned.

[The committee adjourned at 12 p.m.]







