



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Public Accounts

Agriculture and Forestry

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The 30th Legislature
Second Session**

Standing Committee on Public Accounts

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Standing Committee on Public Accounts

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Jamie Curran, Assistant Deputy Minister, Trade, Investment and Food Safety

Shannon Marchand, Deputy Minister

8 a.m.

Tuesday, June 8, 2021

[Ms Phillips in the chair]

The Chair: All right. Good morning, everyone. I'd like to call this meeting of the Standing Committee on Public Accounts to order. Welcome, everyone in attendance.

My name is Shannon Phillips. I'm the MLA for Lethbridge-West and chair of this committee. Ordinarily we would go around the room, but I think what we'll do today is simply just read into the record the attendees, in the interest of time, and the various ways that people have joined us today. To my right I have Deputy Chair Pete Guthrie, Airdrie-Cochrane; I have the MLA for Lethbridge-East, Nathan Neudorf; I have the MLA for Edmonton-Gold Bar, Marlin Schmidt; the MLA for St. Albert, Marie Renaud; the MLA for Edmonton-Whitemud, Rakhi Pancholi. On video I have the MLA for Camrose, Jackie Lovely; the MLA for Fort Saskatchewan-Vegreville, Jackie Armstrong-Homeniuk; the MLA for Vermilion-Lloydminster-Wainwright, Garth Rowsell; the MLA for Calgary-East, Peter Singh; the MLA for Spruce Grove-Stony Plain, Searle Turton; the MLA for Sherwood Park, Jordan Walker. We have from the Auditor General's office Auditor General Doug Wylie and Eric Leonty, Assistant Auditor General. We are also joined by Michael Kulicki and Aaron Roth from the Legislative Assembly Office in their clerk support roles today.

Thank you to all of the officials for joining us. What we will do is that I'll ask officials to simply say your name and your position before you speak when you're answering a question and then just say your name when you provide an answer subsequent to that so that *Hansard* can keep up and know who is speaking and to whom to attribute the remarks.

Of course, we are in receipt of the recommendations from the chief medical officer of health. People may wear their masks while speaking or not when we are at table here in the room.

Members via videoconference, please ensure that your microphones are muted unless you're recognized to speak. Of course, in the room *Hansard* operates them for us. We are broadcast on the Internet and on Alberta Assembly TV. Our transcripts and audio- and videostreams can be accessed via the Legislative Assembly website.

We'll now move, friends, on to the approval of the agenda. Are there any changes or additions to this agenda at this time? Seeing none, I'll ask a member to move that the agenda for the June 8 meeting of our Standing Committee on Public Accounts be approved as distributed.

Mr. Singh: I would like to move the motion.

The Chair: Okay. Thank you.

Mr. Singh has moved. Ms Renaud has seconded. Any discussion on this motion? Seeing none, all in favour? Are there any opposed? Thank you. That motion is carried.

We'll now move on to our approval of minutes. We have minutes from our last meeting of May 18. Do members have any errors or omissions to note? Seeing none, I'll look to the floor for the minutes of the May 18, 2021, meeting of the standing committee be approved as distributed.

Mr. Neudorf: So moved.

The Chair: Moved by Member Neudorf. Is there any discussion on this motion? All in favour? Are there any opposed? Seeing none, that motion is carried. Thank you very much.

Friends, because we are in session this morning, what we will do is that we'll be on the in-session two-hour meeting. As I understand

it, we are in session, right? Nothing changed. Okay. Good. We'll go with: our ministry opening remarks are 10 minutes, the Auditor General has five, and then our rotations are 12 and nine respectively, hon. members, leaving our reading-in portion of three minutes each the same and a potential small block of time for other business.

Moving along, then, I will invite our officials from the Ministry of Agriculture and Forestry to address the office of the Auditor General's outstanding recommendations and their annual report from 2019-20. Please take it away, Deputy. Your time starts when you begin speaking.

Mr. Marchand: Thank you very much, Chair. I'm Shannon Marchand, the Deputy Minister of Agriculture and Forestry, and I am pleased to be here today and have the opportunity to discuss the ministry's work for the 2019-20 fiscal year. I'm joined today by Darrell Dancause, the assistant deputy minister of financial services and our senior financial officer; Bruce Mayer, assistant deputy minister of forestry; Jamie Curran, assistant deputy minister for trade, investment, and food safety; John Conrad, assistant deputy minister of primary agriculture; and Darryl Kay, the chief executive officer of the Agriculture Financial Services Corporation.

The agriculture and forest sectors are essential contributors to our economy. As such, 2019-20 was a year in which significant change was initiated to deliver on a new long-term vision for Agriculture and Forestry, transforming the ministry into a key economic driver for the province that is built upon high-quality safety standards and services for Albertans. Ministry leadership made difficult and important strategic decisions on the direction of the ministry and how best to support the changing needs of the industries we serve. This included staffing reductions and a close look at ministry programs and services to ensure the best possible use of public funds.

The importance of prudence and the focus on priorities was reinforced as 2019-20 reminded us all just how predictable the agriculture and forest sectors can be. The 2019 growing season was not easy for Alberta producers as weather, trade disruptions, and other challenges had a significant impact on farming operations across the province. Likewise, wildfire, mountain pine beetle, and the softwood lumber dispute continued to challenge the forest sector.

Our ministry expenses were \$2.1 billion, and our revenue was \$1 billion for the 2019-20 fiscal year. Revenue was \$196 million more than budgeted because of primarily higher than expected AFSC premiums and federal revenue for AFSC programs as well as higher than expected timber royalties and fees. Within the available budget the ministry worked hard throughout the year to support the growth and sustainability of Alberta's agriculture and forest sectors, focusing on public health and safety, responsible resource management in thriving rural communities. I will now speak to some of the highlights.

The first outcome in our 2019 business plan was to support the "growth and sustainability of Alberta's agriculture and forest sectors." The ministry worked to promote Alberta as an attractive option for investment, secure market access, create new value-added opportunities, and help industry respond to changing consumer demands. Several standing initiatives support our key objectives in this area, including business risk management programs provided through the Agriculture Financial Services Corporation, AFSC, and grants under the Canadian agricultural partnership, CAP. In 2019-20 through CAP we invested nearly \$42 million in products, market growth and diversification, science and research, environmental sustainability, risk management, and public trust.

The ministry also consulted with farmers and ranchers to develop an approach that ensures producers' needs and views guide key agriculture research priorities. This led to the creation of Results Driven Agriculture Research, RDAR, in 2020, a nonprofit, arm's-length agriculture research organization. RDAR will align the focus of agriculture research and the priorities of its primary clients, Alberta's farmers and ranchers, and strengthen our ties with industry and postsecondary institutions.

Similarly, significant public engagement was undertaken prior to the introduction of the Farm Freedom and Safety Act, 2019. Ministry staff visited more than 25 communities and met face to face with hundreds of Alberta farmers and other stakeholders in the agriculture industry. This feedback was instrumental in the drafting of legislation, fulfilling government's commitment to consult with Albertans prior to the introduction of legislation. The Farm Freedom and Safety Act was passed December 3, 2019, and came into effect on January 31, 2020. It includes the provisions for occupational health and safety, employment standards, labour relations, and workplace insurance requirements that address the unique needs of the farm and ranch sector.

One important performance measure for this business plan goal is the targets we have set for the number of value-added agricultural products developed and successfully introduced into the market with assistance from the ministry. In 2019-20 we supported the introduction of 302 value-added agricultural products into the market, exceeding the target of 265. In 2019 the ministry also facilitated the attraction and expansion of 14 value-added processing companies, at an estimated value of \$316 million, creating 718 jobs in Alberta when the project is completed.

The second business plan outcome reflects the ministry's commitment to protecting Albertans from the negative impacts of wildfires, ensuring the regulations and systems that support food safety and animal health are effective in protecting human health and maintaining public confidence. Key objectives in this area were continued implementation of the provincial FireSmart program to help provide long-term protection for communities, infrastructure, and natural resources from the threat of wildfire and continued implementation of programs that improve agriculture's ability to anticipate and mitigate risks that could affect animal and human health.

There were several initiatives that supported these objectives. The department manages wildfire threats and has preparedness systems in place to reduce risk to human life in communities and promote healthy ecosystems. We funded our 2019 wildfire management and preparedness initiative at just over \$101 million and invested \$7.8 million in FireSmart initiatives. Our crop and livestock health monitoring, surveillance, and disease investigations reduce risks that may affect animal and human health and crop production systems. In 2019-20 18 and a half million dollars was spent on these activities. We also met or nearly met several key performance measures in public health and safety. For example, in 2019 Alberta Wildfire staff were 95 per cent successful in containing all wildfires by 10 a.m. the day after they were detected. This is slightly below the 97 per cent target, a consequence of the province experiencing one of its most extreme wildfire seasons on record.

8:10

Our third business plan outcome was to invest in responsible resource management, which supports sustainable environmental stewardship in the agriculture and forest sectors in Alberta. Some of our key objectives were to "assist primary producers and agri-processing companies to adopt sustainable environmental stewardship practices" and to protect and enhance the health of

Alberta's forest resources to provide viable long-term social, economic, recreational, and cultural value to Albertans. One initiative that supported these objectives is the irrigation rehabilitation program, which provided \$14 million to help Alberta's irrigation districts improve the water-use efficiency of their infrastructure. Sustainable forest management includes innovative tree breeding programs and the mountain pine beetle management program. In 2019-20 a \$5 million funding increase helped control the spread of mountain pine beetle, reversed previous spending reductions, and increased the number of infested trees controlled by 28,000.

Our final outcome was to support thriving rural communities. Billions of dollars in economic activity is generated in rural communities each year, led by key sectors like agriculture and forestry, which together employ nearly 100,000 Albertans. Some key objectives to support thriving rural communities included grants and services to industry, individuals, and communities to enhance the quality of life in rural Alberta; and agricultural and forestry education, training programs, and services that build and strengthen rural community capacity.

There were several important initiatives that supported these objectives in 2019-20. Through the rural gas program the ministry provided just over \$2.7 million to support rural gas infrastructure, helping upgrade more than 2,200 services and building nearly 800 kilometres in gas distribution pipeline. About 150 households received grant funding for new services through the \$700,000 rural electric program. Eleven and a half million dollars was provided for agricultural societies to continue to contribute to a high quality of life in rural Alberta. In addition to cutting loan approval times, AFSC improved their loan renewal process by introducing automatic renewal for loans in good standing, developing a new client-friendly process for loan payment deferral, and accepting electronic client signatures. Our key performance metric here was the total investment leveraged through AFSC lending. In 2019-20 AFSC directly lent \$537 million to eligible primary agriculture, agribusiness, and value-added agriprocessors, resulting in a total leveraged investment of \$596 million in agriculture and rural business ventures.

Alberta's agriculture, food, and forest industries are cornerstones of our economy and will be essential contributors to the diversification and rebuilding of our economy as we recover from the effects of the COVID-19 pandemic. I am proud of the work of our ministry staff, our accomplishments across the breadth of the ministry, and for working within our means of the new fiscal reality.

Thank you.

The Chair: Thanks to the deputy for those opening remarks.

I will now move over to the office of the Auditor General to provide their opening comments, not exceeding five minutes. Mr. Wylie.

Mr. Wylie: Good morning, Chair, and thank you. I'll briefly summarize the work of our office that is before the committee, related to this department. We did audit department transactions as part of the consolidated financial statement audit of the province. In addition to that, we conducted audits of two separate organizations that are included in the ministry annual report. The first was the Agriculture Financial Services Corporation, and the second was the environmental protection and enhancement fund. In both cases we issued an unqualified or a clean audit opinion.

I'll spend just a couple of minutes to summarize the performance audit work that we completed in November of 2018, and that was on wildfire management. Really, the focus was on two aspects of that: the prevention and review processes at the department as well

as the processes to implement and report on the recommendations from external parties.

The conclusions of our work were that the department did have effective systems and processes for the planning and delivery of the wildfire prevention and review and improvement activities. However, we did identify some opportunities for improvements, and those were: first, that the department publicly report on its FireSmart programs, including how this work helps reduce wildfire hazard and risk; second, that the department measure, monitor, and report on the results and effectiveness of activities set out in its forest areas wildfire prevention plans; third, that the department comply with its business rules for internal results reporting for the review and improvement program; and, lastly, that the department show implementation timelines or completion target dates in its implementation plans for the recommendations and opportunities for improvements that were identified from external reviews.

I will highlight for the committee that we have completed our follow-up work on these – pardon me. There were two recommendations from those findings. We've completed our follow-up work on those recommendations, and we will be reporting the results of that work to the Legislative Assembly very shortly.

Thank you, Chair.

The Chair: Thanks to Auditor General Wylie.

We will now move over to our question-and-answer period. We will begin with our first rotation of 12 minutes, beginning with the Official Opposition. Official Opposition, your time starts when you begin speaking.

Mr. Schmidt: Great. Thank you, Chair. I have some questions around the creation of the Results Driven Agriculture Research program, which is discussed on pages 34 and 35 of the annual report. Can the deputy minister tell the committee what criteria were used by the department to evaluate the effectiveness of agricultural research that was undertaken by the department prior to the set-up of RDAR?

Mr. Marchand: Sure. Thank you very much for that question. Well, prior to the introduction of RDAR there was significant public consultation that was undertaken to hear directly from the agriculture community and farmers and producers to understand their research priorities and to ensure that the research undertaken and funded by the department was meeting their objectives in terms of getting research products that would support research, that would support tangible benefits for farmers like higher profits and a more abundant food supply at a lower cost to consumers.

Mr. Schmidt: You mentioned two criteria there: higher profits for producers and lower costs for consumers. Were those the criteria against which departmental agricultural research was evaluated?

Mr. Marchand: I think the departmental agricultural research, you know, had been under way for some time, and I think the government was committed to instituting a new research model. So as we moved forward to implement the model that the government was committed to introducing, as I say, we consulted extensively with farmers and agricultural community.

Mr. Schmidt: I appreciate the deputy minister talking about the consultation. That's not really the focus of my question right now. My question is, you know: how did the department and the public evaluate the effectiveness of the work that was being undertaken by agricultural researchers in the department?

Mr. Marchand: You know, what I would suggest on this one is that I will probably ask John Conrad, our assistant deputy minister of primary agriculture, to supplement a little bit. But my understanding is that those research activities were undertaken as they were undertaken in the past. It would have been fundamentally similar sort of metrics in terms of: was the research being used by – was it finding its way into the hands of producers? Were they using it? For some of the research, which would have been academic in nature, I expect considerations like publications and other things like that would have also been important. But at the core of it is the question: what is the research that is most effective to support our farmers and producers, and how do we leverage on the postsecondary institutions in the province and the other research capacity that we have?

Assistant Deputy Minister Conrad, perhaps you have anything to add to that.

8:20

Mr. Conrad: Madam Chair, John Conrad. I'm the assistant deputy minister for primary agriculture. It's a pleasure to respond to and amplify the hon. member's question. Certainly, looking at the efficacy of agricultural research: as the deputy indicated, a lot of stakeholder feedback, but I do respect that you're interested in metrics. In terms of a public service conducting agricultural research, we were the last jurisdiction certainly in Canada and, I do believe, across North America that was still conducting agricultural research internal to the public service, so there was a jurisdictional review that did look at the efficiencies and perhaps as well some best practices in terms of agricultural research for the dollar.

The other thing I would add is – the deputy has already mentioned it – looking at efficacy in terms of the presentation of research reports not only in terms of quantity and number but quality and uptake for how much it was costing.

The last thing I might point to is in terms of variety selection for research output and different products of seed, particularly in our barley breeding program, of which we're very proud down in Lacombe. There is real evidence that uptake of our barley variety is not huge. It's not overwhelming, and it's underperforming in terms of some other jurisdictions like Saskatchewan. There are clearly some areas that could be improved with a different paradigm. Those are a few more examples to zone in on the efficacy that I think your question is aimed at.

Mr. Schmidt: Thank you to the assistant deputy minister for that answer. He highlights some of the problems with the barley program in particular. But I'm just wondering: you know, can the return on investment to government and the public through department-led research be quantified monetarily?

Mr. Conrad: Madam Chair, Deputy, are you comfortable – yeah, absolutely. Thank you for following up with that question. The RDAR, the arm's-length research agency that has been stood up, has a rigorous performance expectation.

Mr. Schmidt: I appreciate that the ADM wants to get into RDAR, and I have that question coming up later. Departmental-led research: was that quantified monetarily in terms of return on investment to the government, the public?

Mr. Conrad: Oh, well, yes. In terms of the royalty returns for Alberta varieties of crop seed, of barley – I mentioned the barley example. We formerly ran experiments down in California to maximize the growing season. Certainly, I would look at royalty returns on Alberta-developed seed as one indicator of our research paying dividends in terms of the dedicated revenue.

Mr. Schmidt: How much did that total in the 2019-2020 fiscal year, the royalty returns for those Alberta-developed varieties?

Mr. Conrad: Madam Chair, Deputy, I would have to take that away.

Mr. Schmidt: If you can table that, that would be fantastic.

Now, you know, going forward under this RDAR program, if researchers and developers develop a new variety of canola or barley or any other crop that's grown, who will collect the royalties on those varieties that are developed?

Mr. Conrad: The intent for royalty collection – let me preface my comment, Madam Chair, hon. member, by saying that we are in a transitional period with the postsecondary institutions who have taken over these blue-ribbon research programs. The barley breeding program, by way of example, is now with Olds College on this transitional journey. For this fiscal year, certainly for the fiscal year we're here to talk about, the Crown, the government, is getting any royalties from our seed generation. On the go-forward it's still under legal review in terms of getting it right – measuring twice, cutting once – but we estimate that the royalties will be paid to the conductor of the research, in fact, the postsecondary institutions. I do want to comment that it's under legal . . .

Mr. Schmidt: Pardon me for the interruption, but is it only postsecondary institutions that are conducting research under the RDAR program?

Mr. Conrad: Not necessarily. Not necessarily. There are other aspects. There are four elements to RDAR from pure research but also through to applied. We also have a number of research associations – we have 14 of them across Alberta – that RDAR works with to carry out the extension, like the more applied research for our producers, and also third-party organizations that are conducting research. They make proposals to RDAR, they're evaluated, and so on and so forth. Just to be concise, no, it's not exclusively postsecondary institutions.

Mr. Schmidt: In those cases, then, the other research associations that are set up, if they create a new variety of canola, let's say, that's funded by the public, who will collect the royalties on that new strain?

Mr. Conrad: Yes. I'd have to take that question away because it is linked to the review that we're completing with Alberta Justice on how to get the royalty payment right with the arm's-length research.

Mr. Schmidt: Are there options that were being considered, I guess, in the 2019-2020 year? If so, would the assistant deputy minister be willing to table those for the committee to review?

Mr. Marchand: My understanding: in the 2019-20 fiscal year the significant activity that was under way, you know, was the consultation in terms of understanding expectations and setting up RDAR and ensuring that the understanding of farmers and ranchers and their needs was clear so that an organization could be stood up, which happened at the very tail end of the fiscal year '19-20, in March, when RDAR was created, and then the work of negotiating the funding agreements and other things will be figured out in fiscal year '20-21.

Mr. Schmidt: If I understand the deputy minister correctly, then, Madam Chair, it was: set up RDAR and then figure out how it's paid for and who makes the money off of it afterwards. Is that essentially what happened?

Mr. Marchand: You know, the commitment to create RDAR, I mean, was obviously very significant . . .

The Chair: Thank you, Deputy. I'm sure we'll have an opportunity to get back to it. I don't know if you folks on the video can hear the little beep, so I will just be busting in when I hear the beep.

We will now move over to the government side for their first rotation of 12 minutes. We are beginning with Member Lovely.

Ms Lovely: Good morning, everyone. Nice to see you all virtually. On page 16, under supporting economic development and job creation, the annual report mentions that

the ministry began development of an Agri-Food Sector Investment and Growth Strategy in fall 2019 as part of a broader government investment and growth strategy to support continued investment and diversification, and increase Alberta's agri-food exports.

Can the ministry give a status update on the development of this plan, and what did the development process look like to ensure that the policy goals were met?

Mr. Marchand: Thank you very much for the question. The agrifood sector investment and growth strategy was completed in 2020-21, and it contains three pillars: aggressive investment attraction into the value-added processing industry, growing agrifood exports by maintaining and expanding existing markets and exploring research into new marketplaces, and then increasing primary production capacity and supporting a diversified value-added processing industry by modernizing and expanding irrigation infrastructure.

8:30

The strategy's targets are to attract \$1.4 billion in investments and create 2,000 jobs in the agrifood sector by 2023-24 and to see annual export growth rates of 7 and a half per cent for primary agricultural commodities and 8 and a half per cent for value-added agriculture products. To modernize and expand irrigation infrastructure, Agriculture and Forestry is negotiating an agreement with the Canada Infrastructure Bank and eight irrigation districts to invest \$850 million between 2021 and 2028. Implementation of the strategy is under way, since 2019, facilitating about \$800 million in agrifood sector investments.

In terms of developing the process and ensuring that policy goals were met, the investment targets were established on a couple of things. The basis of our sort of active and credible investment attraction leads to an important starting point, looking at understanding what was in the food, potentially, but then looking at what an important potential stretch target would be to apply to that so that we can make sure we have further growth.

In terms of the export targets it was a similar exercise of looking at what our past growth had been and then identifying a bit of a stretch goal to look to expand or advance that. A number of enabling strategies have been put in place to support that in terms of working closely with Invest Alberta Corporation on investment attraction activities, looking at our grant programs for producers to make sure they're well aligned, enhancing staff capacity at our international offices, and improving access to capital through the AFSC, among other initiatives.

Ms Lovely: Great. Thank you for the answer.

According to page 16

in 2019-20, the ministry investment attraction, product development, and business development services contributed to the creation of 284 full-time and part-time jobs and an additional 738 potential jobs to be created in Alberta-based agri-processing

and forest product manufacturing industries when related investment projects are completed.

Can the ministry talk about the process of determining the investment, business, and product development services that contributed to the creation of the 284 full-time jobs? Also, is there a project timeline when the investment projects will be completed?

Mr. Marchand: Sure. I'll maybe start with the latter one. The investment projects get reported at the time the company makes the final investment decision or an announcement on the project. That is consistent with investment attraction reporting best practices. The completion of those commitments may take multiple years due to the length of time between the project announcements and operational status and other factors associated with the company operationalizing the product. As of the end of May about one-third of the investment projects reported in 2019 are completed, with 394 out of the 718 jobs realized. We believe there are an additional 155 jobs on track to be realized by the end of this month.

In terms of determining those jobs and the services that are available, you know, we have dedicated resources that work on attracting investments into our agriculture value-added processing network, and we work collaboratively with Jobs, Economy and Innovation to do that. About 718 of the future jobs are a result of those investment cases. When we support a company to make an investment decision in Alberta, as part of that work at the time that they make their announcement we understand the jobs that are there. We track that to make sure those jobs are realized.

We also have another sort of tranche where there are jobs that are realized, investment that is realized, and that's through the grant programs that we provide through the Canadian agricultural partnership stream of product market growth and development grants as well as value-added product development and emerging opportunity grants.

There's another tranche of jobs associated with those, the 284 jobs that are tied to those grant agreements. We've scrubbed the number so that, you know, there's no overlap in reporting those numbers between where a company has maybe benefited from both the concierge service to make their investment decision but also for potentially some grant funding. Finally, there are also additional jobs associated with the sale of Crown timber and the forestry side of the ministry.

The other couple of things that we do that do support this work, although this doesn't so clearly flow into the jobs reporting or investment reporting, is the AFSC borrowing and lending. You know, the fact that AFSC lends to producers: that does help to build the agribusiness, the value-added agriprocessors by providing reliable access to capital. We also have the Food Processing Development Centre and the Agrivalue Processing Business Incubator, which is a place where start-up companies can enter the value-added sector in Alberta and can test their products and develop their products without having to make the initial major capital outlay into equipment and machinery that's required so that they can progress into the marketplace. We're looking to, as we move forward, see how we can best integrate the outcomes of that activity into our reporting on the jobs and investment targets that we have.

Ms Lovely: Thank you for the answer.

On page 16 of the annual report it states that the ministry "commenced targeted work in three activity streams to help meet the Government of Alberta's Red Tape Reduction goals." On page 20 it gives an overview of the red tape reduction activities undertaken by the ministry. The three activities are stated to be "better services and information for business," "regulatory reform

and functions," and "regulatory baseline count." Can the department give the committee an update on the work done in these three activities?

Mr. Marchand: Sure. On the first activity, about better services and information for businesses, this would be a significant area where the Alberta Financial Services Corporation made a number of important steps in terms of system enhancements to their lending management platforms to make it easier and faster for farmers and agribusinesses to apply for and receive loans.

New lending centres were established in Lethbridge, Calgary, and Leduc to provide improved access to information and advice. You know, AFSC continues to look at ways to improve its client services across the spectrum of its activities; for example, moving some processes to an online format and beginning to accept electronic signatures. Another piece in terms of the better services and information for business was a shift in authority for renewing forest management agreements to the Minister of Agriculture and Forestry from being a cabinet decision, which is expected to reduce, ultimately, the turnaround time for decisions on FMA renewal applications.

A second activity is in terms of regulatory reform. We initiated and completed reviews of the meat inspection regulation and the Forests Act and associated regulations in 2019-20. That ultimately led to amendments to the Forests Act in December 2020. With regard to the meat inspection regulation, those amendments occurred in July 2020. There were a number of opportunities to reduce red tape, improve clarity, and become more outcome focused in more than 40 areas of that regulation.

We also made amendments – and, again, they sort of led into early 2020-21 – with the Marketing of Agricultural Products Act, where amendments established authority for marketing boards and the conditions to develop bylaws and for the Alberta Agricultural Products Marketing Council to issue directives. We certainly expect that over time, as our marketing boards and commissions, you know, take advantage of the flexibility to establish bylaws underneath the regulation, that will help to remove red tape and allow for more timely decision-making and controls sort of by those entities.

8:40

The third activity – the first was about sort of better services and information; the second was regulatory reform and function – is around the baseline count. That was, really, just making an assessment of the regulatory requirements that exist in the ministry, and our baseline count was just slightly over 61,000 regulatory requirements between the legislation as well as policy, forms, and the other places where we establish requirements. As of March 31, 2020, the count was reduced by 8.1 per cent, which was about the first-year target that the government had established of 5 per cent. Also, for March 2021 the target was 12 per cent, and we achieved that target as well.

Ms Lovely: Thank you.

My next question is that regulatory baseline count is described as quantifying "a baseline count of regulatory requirements (including policies, forms, and process) faced by agriculture and forest industries for which the ministry has oversight responsibility." How many regulatory requirements were identified by the ministry? Pages 20 through 22 highlight some of the red tape reduction initiatives undertaken . . .

The Chair: Thank you, hon. member.

We will now move over to the Official Opposition for their nine minutes.

Mr. Schmidt: Well, I'm really disappointed that we had to put a stop to that fascinating discussion on red tape reduction, Madam Chair, but I do have some questions of substance that I'd like to ask the deputy minister.

Can the deputy minister provide us a list of research sites and facilities that were owned or are currently owned by the department that will no longer be used because of the establishment of RDAR?

Mr. Marchand: The sites that we had: largely, what's happened – and I will invite Assistant Deputy Minister Conrad to provide a little more detail on the locations – is that many of the sites that we have are being transferred to postsecondary institutions where they have adopted the research programs, and that process has been under way.

Mr. Schmidt: If I could have a comprehensive list of all of the facilities and sites that are owned by the government of Alberta and who they will be transferred to tabled to the committee, I would appreciate that.

At this time can you confirm that all of the facilities and research sites that the government owns are being transferred only to postsecondary institutions?

Mr. Marchand: John, are you able to speak to that?

Mr. Conrad: Yes. Deputy Minister, Madam Chair, it's a pleasure to respond. At this time that assumption is correct. Certainly, we can provide the list. We are currently running five different transitional pilots with postsecondary institutions, with well-crafted leases with Alberta Infrastructure with the postsecondary institutions and a three-year duration. Not all facilities are being transferred because we still have a strong surveillance role in this province, but the ones that are moving are to postsecondary institutions.

Mr. Schmidt: Great. Thank you for that.

RDAR was set up before the end of the fiscal year that we're discussing here today. What criteria for performance or success were created when RDAR was created? How will the people of Alberta know that this organization has achieved what it set out to do?

Mr. Marchand: Thank you. To that question, there are a number of provisions in the main funding agreement that speak to this. You know, there's a 10-year term, with a review to occur at the five-year mark. There are a number of sort of covenants and representations and warranties, standard things that would be there. There are provisions around the RDAR operations, and there are provisions around the use of grant proceeds, including the assignment of existing provincial grants, research grants that were being conducted in postsecondaries to RDAR to manage those processes, and release-of-information types of provisions. There is also work that will be happening. Right now we are at the point where we're receiving every six months sort of formalized reports. Every six months we're getting formalized reports, but the intent over the course of this fiscal year is to establish the formal evaluation framework in the frame of the 10-year agreement. What is provided in the agreement with RDAR is that by the end of January 2022 we will have established a new evaluation framework for the organization going forward, that'll sort of fundamentally speak to how we will be able to evaluate as we look to the five-year . . .

Mr. Schmidt: Sorry to interrupt. You said that evaluation criteria won't be set up until 2022. Is that correct?

Mr. Marchand: The formal evaluation framework will be in place by January 31, 2022.

Mr. Schmidt: So there'll be a two-year period where this organization is operating under no performance or evaluation criteria of any kind?

Mr. Marchand: No. I don't think that's fair. I think under the agreement, there are regular reports to the minister on progress. In addition to that, Assistant Deputy Conrad is a representative of the ministry on the board of the organization, so I will ask him to give maybe a little bit more insight on this one.

Mr. Schmidt: You know, before we flip to him, I have some additional questions. This funding agreement that the government has set up with RDAR: is that publicly available?

Mr. Marchand: I'm not certain what the status of the agreement is. I just do not know.

Mr. Schmidt: No. I appreciate that when you're working in government, you don't really have a clear idea of what's public and what's not, but I certainly couldn't find any evidence of a funding agreement. Is that publicly available, and, I guess, if it is, would the department commit to tabling that for the committee to review?

Mr. Marchand: Yeah. I think we can absolutely commit to sharing that with the committee.

Mr. Schmidt: Great. Thank you.

I mean, currently the process is that my colleagues and I can cross-examine executive members of the Department of Agriculture and Forestry on the effectiveness of agricultural research. How will the public and members like myself and my colleagues here hold the department accountable for the \$36 million that's planning to be spent through this RDAR program going forward?

Mr. Marchand: Yeah. I think through the same way. I suppose at the end of the day we'll be accountable for the disbursement of, you know, a significant expenditure of public funds that are under – and there's an agreement. There's a grant agreement in place. There'll be expectations associated with that grant agreement, so I think if there are questions about . . .

Mr. Schmidt: So on that question, we heard you say that we can hold you accountable through a grant agreement that you don't know whether or not is public. Now, under that grant agreement, of course, RDAR, as I understand it, will distribute those grants according to whatever criteria. Who is responsible for establishing those criteria for grants, and will those be publicly available?

Mr. Marchand: John, do you want to supplement for this one?

Mr. Conrad: Yeah, certainly, Deputy.

Madam Chair, a pleasure to respond. I know we're tight on time. Yes, the governance procedure that RDAR's board has established is posted to their website that's publicly facing. The research projects that they do support – and it is a rigorous process. I can speak to that on the governance side and the criteria for how they select scientific research and also the most recent projects that have been approved.

To your earlier point, hon. member, on performance measurement, there is an interim performance measurement in the agreement that they must adhere to. One of the stipulations that they have to deliver on is a much more sophisticated performance metric

that is tied to market products, actual products hitting producers and the shelves on the go-forward. So there is an interim process for accountability to the minister, and there is a remit to develop a more sophisticated one aimed at economic growth and prosperity for the sector.

8:50

Mr. Schmidt: Can the executive of the department tell us how RDAR was intended to work with other research organizations?

The Chair: All right. We'll move over to the government side in the second rotation; nine minutes, please.

Mr. Neudorf: Thank you very much, Madam Chair. I would like to give the executive director the opportunity to answer that last question. I was very curious on that line of questioning and where that was going. If you would comment on how RDAR works with other research branches, that would be helpful.

Mr. Marchand: ADM Conrad?

Mr. Conrad: Madam Chair, hon. member, I'd be pleased to articulate on this. I'll be concise because it's a very comprehensive connective function that the RDAR agency performs. They are connected, for example, with the federal government in terms of co-operative funding opportunities for research. They're connected, obviously, with this province, and I serve on the board on behalf of the department.

In terms of all 14 of our applied research associations, agricultural research associations, they are connected with them. They're providing a very good leadership approach, if you will, with our research associations in modernizing and focusing the work to make sure there is no duplication inside of our research activity.

As well, the members of the board are deeply experienced and great Albertans from the sector – generational farmers, ranchers, scientists – and those connective threads with research agencies on the commercial side but also on the public side with our fantastic institutions in Alberta and in western Canada. They're extremely well integrated with all of these agencies, so it is a very powerful, synergistic organization in terms of having fingers in all of these pies to bring a collective whole to our research strategy in Alberta but also to avoid duplicative efforts, so we're getting maximum output for the research dollar for Albertans and for the sector.

Mr. Neudorf: Thank you very much. I appreciate that.

Continuing on that vein a little bit and drawing it back to the annual report, on page 17 it mentions that

- In January 2020, the ministry consulted with farmers, ranchers, and other industry stakeholders on government's commitment to farmer-led research.
- Feedback from the public sessions and online survey was used to inform a new research framework and delivery model,

as we've been talking about.

- This [has resulted in] Results Driven Agriculture Research (RDAR), was announced on March 30, 2020 and is a non-profit, arm's length... organization that will ensure agricultural research reflects the priorities of farmers and ranchers.

Can the department provide the committee with an overview of the new research framework and delivery model in just a bit more complete understanding of that as it ties in with the member opposite's question?

Mr. Marchand: Sure. I can begin on this one, you know, starting with the government's commitment in 2019 to ensure that farmers, not government, set key agricultural research priorities in Alberta, which is what led to the creation of the new agency.

RDAR has 33 voting member organizations, which reflect the marketing boards and commissions and others who are key players in the agricultural research space, and they came together to elect a new board of directors in February, so the focus on being producer led really is a core part of the organization. The directors come from diverse agriculture and research backgrounds and represent a broad spectrum of organizations that make up the industry.

In February Dr. Mark Redmond was named as the CEO, and then, as we've sort of alluded to, we reached agreements with several of the provincial academic institutions to transfer key research programs that – you know, we're very much building on the research strengths of those particular institutions and we expect will also offer more learning opportunities for the next generation of agronomists and vets and technicians. Then these funding agreements ultimately will see RDAR assume responsibility for those agreements going forward.

In terms of the feedback that we received in the development, we held a series of 17 engagement sessions with over 650 attendees, nine of which were with sort of the broad, general public, and six were sort of more internally focused engagement sessions with departmental staff.

The feedback which has led to putting on RDAR and the shape of RDAR was a couple of things; I think farmers' interest in sort of influencing priorities and shaping the research agenda in collaboration with their key partners such as commodity groups, academia, and researchers in government, and Assistant Deputy Minister Conrad alluded to some of that. Then, also, the importance of stable and predictable long-term funding to support agriculture research and to ensure, you know, transparent and efficiently delivered programs. It is always striving for the balance, I think, looking for the balance between profitability and the public good.

Mr. Neudorf: Thank you for that. So through that consultation process and all those different stakeholder groups what was some of the feedback that you heard from them in the consideration of this framework, and how was that incorporated in the framework that you laid out?

Mr. Marchand: Yeah. I will speak to a bit of it. Again, in the sense that in terms of the predictable long-term funding – so the way that manifested itself was in the 10-year grant agreement. You know, it has a five-year midpoint. But really an effort to demonstrate that long-term commitment so that we can get those programs and decisions transparently and efficiently delivered.

Then on the piece around sort of farmers wanting to influence priorities, I think that really developed the structure of the board and the voting membership of RDAR, as well as then within the organization RDAR has established a broader consultative network to help drive and shape the research agenda. I wonder, Assistant Deputy Conrad, if you could maybe just speak a little bit to that process and how that . . .

Mr. Conrad: Madam Chair, Deputy Minister, it would be a pleasure. I had the privilege of attending some of those stakeholder sessions, and producers were very clear, Albertans were very clear in what they wanted in a new research paradigm here in the agricultural sector. One of the things that I overwhelmingly heard was that our fingerprints aren't on the research agenda in terms of what we need in the field to sustain and to grow.

So being producer led was definitely a principle that we wanted to – well, not want; hope is not a method – that we did put into the new RDAR structure. Having some autonomy to operate – the arm's-length nature of the RDAR was something that we heard from grassroots Albertans was extremely important. As you know, hon. member, Madam Chair, we have very stringent financial rules inside the government and the ABCs that are part of government. It can run into really difficult artificial barriers for rolling money for a three-year research project. The arm's-length aspect was very important to producers and very important to scientists.

We heard very clearly about maintaining the public good. There is a polarity inside the research community between applied research, like turning a wrench on a tractor or putting a fertilizer innovation in the ground, and the petri dish and the microscope side of pure research. But we heard very clearly that there needed to be balance in the new organization between applied and pure research, and also we could not lose sight of public service and public good. So things that deal with the environment, things that deal with clean technologies and public safety had to be maintained as part of the research agenda. All of these things were represented. The principles that we used were the autonomy to operate, having a good level of government accountability in an arm's-length organization . . .

The Chair: Thank you, ADM Conrad. I'm sure we'll get back to it.

We are going now on to our third rotation of nine minutes with the Official Opposition, please.

Mr. Schmidt: Thank you. Just following up on my colleague's questions on consultation, did the government publish a what-we-heard document summarizing the results of those consultations?

9:00

Mr. Marchand: No. A what-we-heard report was not published in this area.

Mr. Schmidt: Okay. Thank you very much.

Will RDAR be subject to FOIP? Is it subject to FOIP?

Mr. Marchand: It's a not-for-profit organization, so it would be covered by one of the privacy statutes, but I'm not entirely certain which one. We can confirm that for the committee.

Mr. Schmidt: Wow; \$36 million is going out the door, and we're not even sure if the public has the right to know about how that money is being spent. Fascinating.

I want to turn now to page 44 of the annual report. The report states that on May 26 and June 8 Alberta Health Services identified food-borne related illnesses linked to contaminated pork products. Can the deputy minister tell me how these outbreaks were identified?

Mr. Marchand: I will ask Assistant Deputy Minister Curran to advise you on how the outbreaks were identified.

Mr. Curran: Good morning, Madam Chair and committee members. Jamie Curran, assistant deputy minister of trade, investment, and food safety. These were identified through Alberta Health through reports to the system, and then, of course, it was information that was – it was learned that the product from one of our meat facilities went to an Alberta Health facility that processes food, and some individuals got sick from the food at that facility. That's how the link happened.

Mr. Schmidt: Sorry. Just so that I'm clear, did Alberta Health buy this food and then serve it to staff?

Mr. Curran: No, no, no. My apologies. They were in the health system, right? They went to get services from Alberta Health Services in the health system through doctors or physicians. They identified E coli in the individual.

Mr. Schmidt: Oh, I see.

Mr. Curran: Then they came back to Alberta Health, and then we traced it back through the system to a provincial plant.

Mr. Schmidt: Okay. Where did these outbreaks occur? What facility or facilities were traced, were the focus?

Mr. Curran: It was one facility.

Mr. Schmidt: Yes.

Mr. Curran: It was one facility, but I'm not sure the region it was in.

Mr. Schmidt: One facility, and you don't know where it is. How would I find . . .

Mr. Curran: Well, we do, but I don't have that at my fingertips right now. I apologize.

Mr. Schmidt: Okay. How would I find out that information? How would I find out which facility was the source of this outbreak?

Mr. Curran: We'd have to ask Alberta Health Services. They would have that information.

Mr. Schmidt: Agriculture doesn't track outbreaks of E coli in meat-processing facilities?

Mr. Curran: In this case what happened is that it was an Alberta Health facility. The product was purchased from a provincial plant. It goes to an Alberta Health facility that is a regulated Alberta Health facility. They value-add that product. They turn it into sausage or other things. Somebody purchased that product, and they got ill from consuming that product. We traced back, in partnership with Alberta Health, and determined that the product actually came from a provincial facility, not a CFIA-regulated facility. Alberta Health was the organization that contacted us to say: we have a case. They were tracing the source back to a provincially regulated facility.

Mr. Schmidt: Forgive me for feeling frustrated. It's extremely confusing to understand how our food safety system works. This is a food-processing facility that's regulated by Alberta Health Services, where the product was created, but the input was from a provincial meat-processing plant. Do I have the situation? We understand where the product was made – let's say that it's a sausage or pork chop or whatever – and Alberta Health Services has documented an outbreak at that facility, but it came from a provincially regulated meat-processing facility, and you don't know, like, the department doesn't know where that is, doesn't keep track of that information?

Mr. Curran: We do have that. Yes, we do have that information.

Mr. Schmidt: Okay.

Mr. Curran: We know where that information is.

Mr. Schmidt: All right. I hope that you can table it.

Is there a system of public reporting where the public can know which provincially regulated meat-processing facilities are the sources of these outbreaks?

Mr. Curran: Good question. Alberta Health Services has reporting. This outbreak happened at an AHS regulated facility. The actual incident happened – the product came from a provincially regulated facility for meat under the department. We have over 150 meat facilities where we have meat inspectors at those facilities. What happens is that you either kill, you slaughter, and you process. That product gets sold to other facilities that don't actually slaughter, and they often value-add that product. And that's regulated by Alberta Health Services.

We know in terms of what's – on a daily basis we get daily reports on what's happening in the facilities. But occasionally we have to try to figure out where that incident happened, and sometimes you don't know where the pathogen occurred. You don't know if it happened in the facility regulated by Alberta Health Services or the facility regulated at the provincial meat inspection plant under the Meat Inspection Act.

Mr. Schmidt: So in this particular case did the pathogen enter the product in the meat-processing facility or did it enter it in the food-creation facility?

Mr. Curran: I don't think we can determine the exact location of how it entered. The science doesn't allow us to do that.

Mr. Marchand: If I can maybe interject. What I understand, Jamie – and you can correct this – is that, at the end of the day, the only source of the E coli, the only facility that the E coli could be traced back to was the Alberta Health regulated value-added processing. It could not be traced back to the slaughter product from the provincially regulated facility, which I would expect would have also likely been sold on potentially or moved on to multiple different places. At the end of the day, in this instance what I understand is that it would only have been in that one Alberta Health inspected facility that was identified as the source of the E coli. Is that correct?

Mr. Curran: Correct.

Mr. Schmidt: Does the department know how many people got sick from this event?

Mr. Curran: I don't have that. I'd have to ask Alberta Health for that data.

Mr. Schmidt: I guess you don't know, but if we could find that out. How many died as well, if any? What steps did the ministry take to get this outbreak under control?

Mr. Marchand: Jamie, do you want to respond to that?

Mr. Curran: We worked very closely with Alberta Health to trace where the product came from and try to determine where the product went and determine if it's a broader sort of a systemic issue. In this case it was one facility. That product, of course, goes to several – they sell the product all over the province.

We work very closely in terms of how we trace, how we respond with Alberta Health to ensure if there is a systemic . . .

The Chair: Thank you, Assistant Deputy Minister.

We'll now move on to the government side for nine minutes, please.

Mr. Neudorf: Thank you, Madam Chair. I would like to extend an invitation to the member opposite anytime. We do have a number of slaughter and processing facilities in Lethbridge. Be happy to host a tour at some point if that was of interest to him.

I would like to go back to the previous line of questioning if that's all right. I just had one last question that I would like to allow you to elaborate further on, and the member opposite touched on this earlier. As you transition to permanent metrics for performance evaluation on your RDAR, there was mention made of an interim performance agreement for monitoring and evaluating the success of those programs. Could you elaborate more fully on the interim evaluation that's in place and where you are hoping to go once those permanent metrics are established and fully elaborated on?

Mr. Marchand: Thank you very much to the member for the question. I'll begin and then maybe ask John to speak, particularly on the second part of your question, around the evolution of this. As noted, the funding agreement itself has an evaluation framework and reporting structure built into it. In this first year of the agreement – the funding agreement was only just recently signed, so we've just entered into the first year of the funding agreement right now – there is a progress-reporting regime that's in place, which happens semiannually and is subject to the satisfaction of the department and minister.

9:10

There are a number of elements that are there. You know, the broad objectives and measures: progress in meeting the objectives and any measures outlined in RDAR's business plan is one element of it; issues of concern that might arise, from RDAR's perspective, in terms of their ability to meet the agreed-upon deliverables or the timelines or anything that they might anticipate would cause some deviation from the agreement, that's included; a list of all of the research activities that are being undertaken by RDAR in terms of who's receiving funding, for what purpose, the amount of funding that is being provided; an understanding of the grants that RDAR is being able to leverage through the research partners; updates on research outcomes through scientific achievements and technology adoption, so speaking to that; speaking to the outcomes of research and how it contributes to job diversification and economic growth; speaking to farmer-led engagement activities; and then any other achievements or highlights.

That provides, I think, sort of a comprehensive list of early tracking and measurements of success. The work this year will be to further refine that information.

John, I wonder if you could supplement anything on what that process will look like.

Mr. Conrad: Thank you, Deputy, Madam Chair, committee members. That was a pretty comprehensive answer. The only thing I would amplify, I think, is that the interim assessment is focused very much on the personal performances of the chair, Dr. David Chalack, and Dr. Mark Redmond, the CEO of the agency. The deputy has covered that quite well. On the other aspects of the future system that we're walking to for performance, there is a real need – they will need to demonstrate the value they're bringing to the enterprise in terms of research outputs becoming products on shelves. In terms of growing our economic sector, our department has an imperative to grow the ag sector by millions, and they have their goals to contribute to that. You'll see that it's more of a value contribution of the research in the future assessment model along with the professional performance metrics.

Mr. Neudorf: Thank you for those answers. I appreciate that. That does tie into some former line of questioning on reviewing the current legislation and working with the implementation of regulatory reform for that very purpose, to reduce the burden of ineffective regulation on the agriculture and forestry industries, taking what you've learned and making sure that it can be applied more efficiently.

If we jump to page 20 in the annual report, which mentions the implementation of this regulatory reform across numbers of levels of government, can you speak a little bit further to how this will impact the structure and findings out of that review to make this entire process more effective and efficient from the research right through to implementation?

Mr. Marchand: If I could clarify, are you talking sort of specifically in the context of RDAR, or are you sort of asking more broadly?

Mr. Neudorf: I'm asking more broadly. Yeah. Thank you.

Mr. Marchand: Well, I think that as we go through the review, as we look at red tape reduction and looking at how we have regulatory reform that is effective, what I think we're focused on trying to understand is being really focused on the regulatory outcome. At the heart of the question is: what are we trying to achieve through regulation? What is the actual outcome we're trying to achieve in terms of whether it is about research, you know, whether it's research on one hand that needs an objective, whether it's about sort of systems of public assurance or systems for providing forest tenure or things like that? We really are focused on looking at the outcomes, and then that really looks at how we structure that regulatory framework. Do we sort of have duplicative regulatory requirements or nearly similar regulatory requirements that should be, that can sort of be consolidated if we really again come back to the core question of: what is the outcome we're trying to achieve?

Looking at building on that, sort of the notion of smart regulations, so an outcome-focused regime where perhaps we're less prescriptive in how the outcome is met but the focus is again on the outcome; looking at risk-based regimes where we are thinking and paying attention more to sort of histories of the entities that we're regulating, what their past performances looked like, if individuals are sort of operating within the rules or the structure that we have, focusing our regulatory efforts more on exceptional circumstances; and then also, I think, supporting that with then looking at sort of how we look at processes – for example, digital transformation of processes – so that we can reduce administrative costs and be more efficient in how we do the work.

I think the example of setting up RDAR is certainly – at its root it is about focusing on the outcome and then working to build and create a mechanism that creates the outcome. That broad initiative in that way is quite applicable to much of our work in terms of really coming back to: what is the outcome that we're really trying to achieve? How do we do it efficiently and effectively and as simply as possible for everybody concerned but, you know, at the end of the day, still maintain the regulatory intent that we have?

Mr. Neudorf: Thank you for that.

Drilling down a little deeper into that, how are you approaching this regulatory challenge? Are you doing it by department? Are you doing . . .

The Chair: Thank you.

We'll move over to the Official Opposition, please.

Mr. Schmidt: Thank you. I want to go back to these questions on the E coli outbreak that's mentioned in the annual report. What was the economic value that was lost due to this outbreak? How much meat was recalled? How do you quantify this? Who was affected? Was it consumers? Was it retailers, restaurants?

Mr. Marchand: I will ask Assistant Deputy Minister Curran to respond to this, please.

Mr. Curran: In this specific case, it was, first of all, a very small outbreak. It wasn't an outbreak, actually. I don't think they determined, like, the actual source of it, so it wasn't a broader, systemic issue. Of course, in these serious cases, when there's E coli in the system, we do a full investigation in partnership with Alberta Health Services. You go into the facility. You talk to the facility operator. You look at the operations. You do some surveillance and testing. You try to determine if there's a larger, systemic issue. In this case I'm not aware there was one. Those kinds of investigations happen in partnership with Alberta Health Services. We take it very seriously, and if there's a broader outbreak, we investigate it, and we look very closely at it and determine where those sources come from and what the path was.

Mr. Schmidt: Was a report on this incident generated, an investigation report?

Mr. Curran: I'm not aware of a public report that's been provided, no.

Mr. Schmidt: Is there a requirement to produce a public report when these kinds of things happen?

Mr. Curran: Of course – go ahead.

9:20

Mr. Marchand: Sorry, Jamie. I think that if there was a requirement to produce a report, I would expect that it would have been met.

Mr. Schmidt: Thank you.

I guess that leads to my next question. I mean, when I was doing some research into this issue, I could find nothing on any government website, no newspaper articles, nothing about this – the only mention on the public record of this particular incident is this one paragraph in this annual report – anywhere. What are the requirements for public notification when these kinds of incidents occur? How will the Alberta public know that the food that they're eating is safe?

Mr. Marchand: I think the notification – and I think these are questions that may in this instance be better directed to Health and public health in the sense that, you know, this obviously emerged as a public health concern. I think that their notifications would be contingent on sort of what is understood as the risk of broad exposure or not, as the case may be. That's what the surveillance activity and the investigation activity that we're involved in with Alberta Health were really trying to track down and come to ground on, the nature and the magnitude, I think, of the risk that existed and the origin of the . . .

Mr. Schmidt: Is there any public reporting on the results of inspections of provincially regulated meat facilities?

Mr. Singh: Point of order.

The Chair: All right. The hon. member.

Mr. Singh: Thank you, Madam Chair. The point of order is under Standing Order 23(c), that the member “persists in needless repetition.” The committee has convened for the purpose of considering the ministry’s accounts. The matter has been previously answered by the deputy, and we need not hear it again as it is unnecessary repetition.

Thank you.

The Chair: Thank you, hon. member.

Given that the actual content of the questions was qualitatively different for each question and the hon. member has referred back to a page in the annual report, I’m going to ask him to continue his line of questioning, understanding that his questions, while one might ask a question and ask for some clarification as a follow-up, should be different every time. Thank you.

Please proceed.

Mr. Schmidt: Is there a way for the public to see the records of inspections of provincially regulated meat facilities?

Mr. Curran: We do not publicly post those.

Mr. Schmidt: Okay. What processes did the ministry put in place to ensure that an outbreak like this doesn’t happen again?

Mr. Curran: Every review has an in-depth look sort of procedurally at what can change to determine if there are any sort of food safety risks. There’s a review that occurs. There’s working with the processors to determine if they missed a procedure, if there were any sort of facility infrastructure requirements or cleaning requirements that weren’t undertaken. In some cases when we do these, the facility operator actually followed all the procedures. It could have happened at a different facility [inaudible] and the product reached the other environment.

Mr. Schmidt: In this particular case there was no – like, E coli just happens, and there’s nothing that can be done. Is that essentially what the investigation found?

Mr. Curran: I don’t have the specific report details on me, but certainly I know that if there’s corrective action required by those facility operators, it would have been undertaken.

Mr. Schmidt: How do we know that? I mean, it’s fine for the assistant deputy minister to say that he knows that, but he’s not demonstrated to this committee that the public can be assured that that’s actually happened. There’s no public reporting of the incident. There’s no public reporting of the results of the investigation. I can’t even get a copy of the investigation unless I’m a member of the Legislature and on this committee and can come and ask you for one.

Were there any legal consequences to the government as a result of this outbreak? Did this investigation demonstrate that the provincial meat inspection process has failed in any way that would expose the government of Alberta to liability?

Mr. Curran: None that I’m aware of. No.

Mr. Schmidt: Okay. Were there any legal consequences at all? Did anybody launch a lawsuit against a producer, against a meat-processing facility, any of the stakeholders that the department works with?

Mr. Marchand: None that we’re aware of.

Mr. Schmidt: I assume that these kinds of inspections happen on a risk-based basis. Is the threat of legal action one of the criteria that the department uses to determine the risk level of these provincially inspected meat facilities?

Mr. Curran: Food safety is how we determine risks and make sure we have proper procedures and processes in place to protect Albertans from any food safety risks and pathogens that could occur in the processing and development of that product.

Mr. Schmidt: Did the ministry give any consideration in the 2019-2020 year to changing the reporting mechanism with respect to food safety so that there is increased public transparency and accountability on these issues?

Mr. Curran: Of course, we have the annual report, and we have performance targets around compliance but no further consideration beyond that.

Mr. Schmidt: The annual report says that only 94 per cent of provincially inspected meat facilities met the requirements, which, you know, sounds high, I guess, except that I would want 100 per cent of my food that I eat to be safe. I guess: what other considerations, other than this one performance measure, has the department given to increasing the public’s confidence in the food safety system here in Alberta?

Mr. Curran: Well, I would speak to the highly competent staff we have in terms of training and developing them. I would speak to the daily inspections that we have and the over 6,000 inspections we have annually at those 150 facilities, that provide a high degree of confidence that there’s a strong, safe, secure . . .

The Chair: Thank you, Assistant Deputy Minister.

Back over to the government side for the final rotation, please, of nine minutes.

Ms Armstrong-Homeniuk: Thank you, Chair. Under key objective 4.2 on page 61 of the annual report it is outlined that in 2018, the Agriculture Financial Services Corporation (AFSC) revised its lending mandate to direct lending services toward priority agriculture segments such as beginning farmers, farmers expanding their operations, value-added agricultural producers, and agribusinesses.

I understand that there are six lending programs to assist eligible primary agriculture, agribusiness, and value-added agriproducers with their operations. Would the department be able to provide a high-level overview of these lending programs and the eligibility requirements for each of them? Also, at the same time, what does the application process look like for these lending programs, and what criteria are used to evaluate who gets loans and the dollar amounts?

Mr. Marchand: I can speak to this a little bit. There are several farm loan programs, four farm loan programs. There is the next generation loan program, which facilitates succession planning to support new entrants and young agriculture producers with a consistent source of fixed-rate term loans so that they can establish, grow, and refinance a farming operation. There is an incentive as part of that that helps reduce borrowing costs by an additional 1 per cent for up to five years.

9:30

In terms of eligibility for that, an individual needs to be under the age of 40 at the time of application. If they’re joint applications, 50 per cent of the members must be under the age of 40 or, if a

corporate application, 25 per cent of ownership. Then it is possible for those who are over 40 to be able to apply and be successful if they have fewer than three years of farming history and very limited past farming income to expand their operation.

The developing producer loan program helps existing producers invest in their operation, allowing growth and expansion of their business, and is really eligible to any individuals who are producers in Alberta. Similarly, there is the producer loan program that ensures existing agricultural producers have access to long-term financing, that allows them to maintain and sustain their operation. Again, really, any producer in the province is eligible for that, and that would be true for the fourth farm loan program, which is the revolving loan program, which enables producers to borrow through a self-serve online account that can really be accessed any time. Funds can be used for anything, input costs, which is feed, seed, fuel, and fertilizer, and offers a competitive fixed-rate term for up to three years with no annual fees.

Then there are two business loan programs, or there were in the context of this report, one being the agribusiness loan program, which supports investment in Alberta's agribusiness sector to generate and maintain jobs and sales, the export of products, again, eligible to individuals who are Canadian citizens or landed immigrants or companies incorporated in Canada and registered to operate a business in Alberta. There was a sixth lending program, a rural business lending program, that was less about the agrifood business and more about generally rural – just a business in rural Alberta. Because there's been sort of minimal transaction activity in that area and the fact that rural businesses have many other options available to them for lending, AFSC has discontinued that program effective April 1 of this year.

In terms of the application process and the criteria for evaluation with that range of products, really, there's rigorous assessment for all loan reviews. Factors that are considered would include management experience, market strength, the years in operation, which, you know, is differentiated in some of those products in terms of the target market that they're trying to serve. They look at the customer financial analysis, existing covenants that may exist, analysis of the industry sector where that's relevant, operational strengths, succession planning where that's a relevant consideration, the business plan, security valuation, and the risk rating of the individual that would be associated with the loan.

Ms Armstrong-Homeniuk: Thank you.

On page 55 of the annual report key objective 3.5 is identified as supporting forest sector competitiveness by modernizing and streamlining the timber and forest planning process. Under this objective the annual report states that the ministry initiated development of a single provincial standard for forestry operations. Can the ministry explain how the development of this standard fits into the general policy goals and direction of the ministry, can you give a status update on the development of this standard and what work was done in 2019-2020, and can you speak to what other steps were taken to meet the goal of modernizing and streamlining the timber and forest planning process?

Mr. Marchand: Thank you very much, Member, for the question. What the single standard is intended to do is really to provide more consistent operational requirements for forest companies that are regulated under the Forests Act. This is in alignment with the red tape reduction objectives. We are certainly, to our earlier discussion about regulation efficiency of the regulatory regime, looking at where there are opportunities to remove redundancies and submission requirements and really trying to support an outcome-based management framework. The adoption of a standard for

forestry operations will change how approvals are evaluated and processed, but it won't reduce the standards that companies are expected to maintain and must deliver.

In 2020 the work at that point in time was focused on developing working groups with the sector, including representatives of the Forest Products Association and other non-AFPA members of the industry. That consultative work led to the changes to the Forests Act that were made last fall and the further regulatory changes, all of which came into effect on May 1 of this year, at the beginning of the forest season.

With that regulatory regime in place now, we're continuing the collaborative work with the working groups in a sort of systemic review of the timber harvest and the operating ground rules, with the objective that we will over the course of this year come to agreement on that new set of rules so that training can be undertaken and they could be in place for the next forest year. As I said earlier, this really is sort of undertaken with a view of a regulatory excellence framework consistent with wanting to make sure we have a consistent approach co-ordinated with the approach Environment and Parks is taking in this area as well, again, the goal being to sort of focus outcomes using a risk-based review, approval, and compliance approach so forestry companies will have clear rules when they seek approvals.

If the activities are within the established rules, we would envision a very quick approval of those decisions. If there's a deviation from the established rules, that's where there would be more effort expended in terms of really looking to understand what those proposals are and minimize potential negative impacts, you know, with a view here that we're going to be really focusing on the nonstandard and also focused on monitoring and compliance of operations, when the operational intent is to be consistent with the rules that we have established.

Ms Armstrong-Homeniuk: Thank you.

Part of the ministry's strategy to achieve the policy goal of increasing the competitiveness of the forest sector in Alberta seems to be a forest jobs action plan. The plan was announced in May 2020, signifying the government's commitment to sustainable . . .

The Chair: Thank you, hon. member.

I will now move over to the Official Opposition for three minutes of reading questions into the record. Just a reminder to department officials that this is the point at which hon. members read questions for written follow-up, and departments are then requested to provide that written follow-up within 30 days.

The hon. member.

Ms Pancholi: Thank you, Madam Chair, and thank you, ministry staff. With respect to the Canadian agricultural partnership agreement – \$42.3 million budgeted for the 2019-20 year – can the ministry please table the scoring metric that was used to rate each project that was used generally as well as whether or not that scoring metric is different from 2018-19? If so, please table both.

Can the ministry please table the list of all grants distributed under the CAP program, including the names of the recipients, description of the project, and the amount of the grant? Can the ministry also table a detailed description of the grant allocation process for CAP? What is the process for determining how projects are scored, who makes the recommendations, and how are they approved? As well, are there any projects that might have been funded under the CAP program that did not follow this grant allocation process, and did the minister or the ministry approve any grants that were not recommended through this process?

With respect to in-year savings, we know all ministries in the 2019-20 fiscal year had in-year savings targets. Can the staff please table any targets that they were intended to meet in this fiscal year? Was that target met for in-year savings, and which programs specifically were cut as a result of this in-year savings program?

As well, with respect to the wildfire rappel program – this was cut in the 2019-20 year – can the ministry staff please table the cost-benefit and crossjurisdictional analysis that was done that led up to the cut of the wildfire rappel program and table that with this committee?

I will now turn it over to my colleague the Member for St. Albert.

Ms Renaud: Thank you. Can the ministry provide the annual allowable cut in any area covered by a caribou recovery plan for 2018-19 and 2019-20? Can the ministry provide details on allowable cut in the Little Smoky and A La Peche caribou range and their analysis on effective annual allowable cut on woodland caribou populations in those areas?

Thank you.

9:40

Mr. Schmidt: And then one follow-up question. That section 11 agreement with the federal government for woodland caribou recovery says, “Complete forest harvest planning . . . that is consistent with woodland caribou conservation and recovery.” Can the department table the forest harvest planning documents in the forest management areas that overlap with the Little Smoky and the A La Peche ranges?

I also want to request the complete funding agreement between the government and RDAR, just to make sure that that request was on the record.

The Chair: Okay. Thank you very much.

Turning things over to the government side, please.

Mr. Rowswell: Thank you. The annual report states that key objective 4.3 is “deliver agriculture and forestry education, knowledge transfer, and training programs and services to build and strengthen rural community capacity.” Under this key objective the report outlined the 4-H program, which provides youth development opportunities to build and strengthen leadership capacity in rural communities and the agricultural industry. “In 2019-20, Agriculture and Forestry provided just over \$1.5 million to support the delivery of 4-H in Alberta, including the evolution of 4-H programs to better meet the needs of members and leaders.” What sort of oversight does the ministry have once funding is given to the 4-H? The annual report mentions that the 4-H gathered input on a new governance and operating model in 2019-20. I was just wondering: what sort of input did the ministry have on this model?

Then I’ll turn to pine beetles. Key objective 3.4 on page 54 of the annual report is identified as “protect and enhance the health of Alberta’s forest resources to provide social, economic, recreational and cultural value to Albertans.” Under this objective the report

outlines the initiatives taken by the ministry to manage the mountain pine beetle infestation in Alberta.

Budget 2019 increased the funding by \$5 million, totalling \$30 million,

to manage the spread of mountain pine beetle, reversing four years of spending reductions. The additional \$5 million invested increased the number of infested trees controlled by 28,000.

Can the ministry explain to the committee how this \$30 million is used to mitigate the spread of mountain pine beetle infestations, and what kind of benchmarks did you use to measure the success of the mountain pine beetle infestation management?

I’ll pass it on.

Mr. Neudorf: Thank you. Very quickly, key objective 3.2 states, “Provide support to agricultural producers to reduce the impact of agricultural production on surface water and groundwater supply and quality.” Under this key objective the irrigation rehabilitation program provided \$14 million of dedicated funding to 12 irrigation districts. Can the department speak to how this was divided? What sort of oversight does the ministry have on this funding, how is it distributed, and what makes a project eligible to receive this funding?

Mr. Guthrie: Key objective 2.1 on page 39. In the annual report it states that in 2019 the overall budget for the FireSmart program was reduced. Can the department explain their rationale for that reduction? Can the ministry provide a more detailed explanation as to what sort of prevention measures this funding . . .

The Chair: Thank you, hon. member. I think they probably got the gist of it.

With that, my friends, we will move on, thanking the officials from the Ministry of Agriculture and Forestry for attending, for answering our questions. We do ask, as indicated, that those outstanding questions be followed up within 30 days, forwarded to our committee clerk within 30 days.

We’ll now move on to other business. Hon. members, we have received written responses from the Ministry of Justice and Solicitor General, Advanced Education, and Jobs, Economy and Innovation. As per our usual practices those are posted to the committee’s public website for the public to review.

Are there any other items for discussion under other business?

Seeing none, we will move on to the date of our next meeting, which is June 15, 2021, when the Ministry of Energy will be joining us.

Those that are at the table, please be reminded to remove your items yourself for the safety of LAO staff.

I will call now for a motion to adjourn. Moved by Member Neudorf. I saw him first. All in favour? All right. Are there any opposed? That motion is carried.

Thank you very much. See you next week.

[The committee adjourned at 9:45 a.m.]

