



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Resource Stewardship

Ministry of Agriculture and Forestry
Consideration of Main Estimates

Monday, March 2, 2020
7 p.m.

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Second Session**

Standing Committee on Resource Stewardship

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Ceci, Joe, Calgary-Buffalo (NDP), Deputy Chair

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Standing Committee on Resource Stewardship

Participants

Ministry of Agriculture and Forestry

Hon. Devin Dreeshen, Minister

Bruce Mayer, Assistant Deputy Minister, Forestry

Andre Tremblay, Deputy Minister

Agriculture Financial Services Corporation

Darryl Kay, Chief Financial Officer

7 p.m.

Monday, March 2, 2020

[Mr. Hanson in the chair]

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

The Chair: Okay. I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Agriculture and Forestry for the fiscal year ending March 31, 2021.

I'd ask that we go around the table and have all MLAs introduce themselves for the record, and, Minister, please introduce the officials that are joining you at the table. I'm David Hanson, MLA for Bonnyville-Cold Lake-St. Paul and chair of this committee. We'll continue, starting on my right.

Mr. Smith: Mark Smith, Drayton Valley-Devon.

Mr. Rehn: Pat Rehn, Lesser Slave Lake.

Ms Rosin: Miranda Rosin, Banff-Kananaskis.

Mr. Singh: Peter Singh, MLA for Calgary-East.

Mr. Loewen: Todd Loewen, Central Peace-Notley.

Mr. Getson: Shane Getson, MLA for Lac Ste. Anne-Parkland.

Member Ceci: Joe Ceci, deputy chair and MLA, Calgary-Buffalo.

Mr. Dang: Good evening. Thomas Dang, Edmonton-South.

Mr. Dach: Good evening. Lorne Dach, MLA, Edmonton-McClung.

Ms Sweet: Good evening. Heather Sweet, MLA, Edmonton-Manning.

The Chair: And the minister.

Mr. Dreeshen: In my opening remarks I'm going to introduce staff.

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

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for the consideration of the main estimates. Standing Order 59.01(6) establishes the speaking rotation while the speaking time limits are set out in Standing Order 59.02(1). In brief, the minister or member of Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of his comments we begin a 60-minute speaking block for the Official Opposition, followed by a 20-minute speaking block for the government caucus.

The rotation of speaking time will then alternate between the Official Opposition and the government caucus, with individual speaking times set to five minutes each, which, if combined with the minister's time, make a 10-minute block. Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. If members have any questions regarding

speaking times or rotations, please feel free to send a note to either the clerk of the committee or myself.

A total of three hours has been scheduled to consider the estimates of the Ministry of Agriculture and Forestry. The scheduled end time of this meeting is 10 p.m. 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. Is anyone opposed to having a break? Thank you. I will let you know when the break takes place.

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. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist the members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn.

Points of order will be dealt with as they arise, and the clock will continue to run; however, the time for the speaking block will be paused.

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

The vote on the estimates and any amendments will occur in Committee of Supply on March 19, 2020. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I now invite you, Minister of Agriculture and Forestry, to begin with your opening remarks. You have 10 minutes.

Mr. Dreeshen: Well, thank you very much, Mr. Chair. I'm pleased to be here today and to have this opportunity to introduce my ministry representatives who have joined me here today. At the table to my right is my new and improved DM, Andre Tremblay. Bruce Mayer is to my left, the ADM of forestry. Katrina Bluetchen is the acting ADM of strategic planning and governance.

Also, joining us in the gallery today, we have Tim Schultz, chief of staff; Logan Skretting, who is right over there; Adrienne South, press secretary, who just walked in, perfect timing; Dave Burdek, ADM of processing, trade, and intergovernmental relations; John Conrad, ADM of primary agriculture; Christine Yaremko, senior financial officer; Yvonne Jachowicz, the director of financial planning; and Steve Blakely, the CEO of Agriculture Financial Services Corporation. Thank you, all, for being here today.

Thank you for the opportunity to be here today to discuss the 2020-21 budget for the Ministry of Agriculture and Forestry. As Budget 2020 continues our government's focus on creating jobs, growing our economy, and making sure that services are there for people that need them, we are taking action to get spending under control so that we can achieve better results for Albertans now and into the future.

Our plan is working. Alberta is on track to balance the budget by 2022-2023, and the key priorities in Budget 2020 for the Agriculture and Forestry operating budget are \$833 million. Putting aside funds spent on disaster funding in response to last year's wildfires in northern Alberta primarily, our operating budget this year will decrease by \$46 million. The intent of why that happened is that we made the executive decision to run the department like a

business, and Agriculture and Forestry provides services like any other service provider. You always have to be able to find ways to evolve and adapt to your customers' needs. This means that we have to be strategic in the way we direct every dollar, in the way that we deliver to the farmers and the forestry industries what they actually want, to make sure that we can transform our ministry into a key economic enabler for the province.

In the past Agriculture and Forestry was known for providing a high-level, one-on-one service for farmers, ranchers, and forest workers across the province, but producers' needs have evolved, and our approach must evolve with them. I believe that it's important that my department be smarter about how we are spending taxpayers' dollars, and Budget 2020 is our opportunity to do just that.

The fiscal realities of the province of Alberta – I'm sure everybody in this room knows that the previous government skyrocketed our debt to \$70 billion. We are spending \$2 billion in interest alone. That is more than double Agriculture and Forestry's budget. That intergenerational downloading on Alberta's youth and Albertans not even born yet is something that – we'll have to pay the consequences for the previous government's fiscal irresponsibility for generations to come.

That is why we're coming here to combat that, to get the province's fiscal realities in order. We have a growth strategy here in the province with the investment, value-added, and export growth strategy to make sure that our market access and investment attraction in the agriculture sector can actually produce economic growth and jobs for the province. There is an incredible potential for our agriculture sector's profile to increase to meet the appetite of the growing world population. To this end, the Agriculture and Forestry department is working on a strategy that sets ambitious growth targets for agriculture and value-added agriculture over the next four years. We expect that these targets will translate into more than \$16 billion in exports by 2023 – \$16.6 billion is the actual target – and that is if we can attract \$1.4 billion in investment by 2023-24. That will result in roughly 2,000 net new jobs.

To achieve this bold objective, there are several things that have to be in place; that is, reducing government red tape by one-third, ensuring that Alberta has the most competitive corporate taxes, attracting global investment, developing markets and increasing market access, helping businesses and products develop, increasing access to lending, and reforming our approach to agriculture research in the province. On the agriculture front these priorities will be our main focus over the next four years.

Regarding farmer-led research, we believe that to fulfill our commitment to Albertans in the last campaign, it's important to make sure that Alberta agriculture research in our province is the best that it actually can be. That's why in January we engaged with farmers, commodity groups, and representatives from academic institutions to hear their thoughts about how the government should be involved in ag research. We heard clearly that farmers should be in the driver's seat and direct the research priorities and that the funding from government should be maintained. We have listened to our industry partners and maintained research funding at \$37 million for this year and the outgoing two years, the entire time of our mandate.

More information will come in the spring about our new transformative research model, but I can tell you that it will provide the province with a stable foundation for scientific agricultural research. Under this new model that we're developing, agriculture research in Alberta will lead to tangible benefits for farmers, including higher profits, a more abundant food supply at lower cost

for consumers, and ultimately a higher quality of life in rural communities.

7:10

AFSC. When we have the right research in place and farmers can clearly see how it benefits their businesses and operations, the opportunities for growth are endless here in Alberta. To support this momentum, Agriculture and Forestry is increasing AFSC's borrowing limit from \$2.6 billion to \$2.8 billion. This increase will encourage economic growth in the province and allow farmers and ranchers to continue to have reliable access to lending programs targeted to meet the needs of the volatile agriculture sector.

I'm pleased to confirm that we're also holding the line on funding for key support services for farmers and ranchers, including rural utilities and agricultural societies. Rural communities generate billions of dollars in economic activity each year, led by key sectors like agriculture and forestry, which together employ nearly 100,000 Albertans. Our government values the contributions of our rural utility providers to the economic development of rural Alberta. We have a shared goal of helping to ensure rural Albertans and businesses have access to safe, efficient, high-quality utilities. The capital grant for rural utilities in 2020-21 will be at \$3.4 million, and that includes rural electric and rural gas.

Our government will continue to support Alberta producers and agriculture education, and we will work to create a place for communities to connect and gather, just like Alberta's ag societies do. I am pleased to confirm that we will also provide Alberta's renewed 4-H program, the new 4-H Alberta, with stable, long-term funding of \$1 million annually for the next 10 years. This will support the development of our young leaders and the communities that they call home. Alberta is proud to continue to be a leader in Canada in provincial funding to 4-H.

Switching gears to forestry, while I recognize that there is much room for growth on the agricultural side, there are major opportunities to transform our government's support for our forestry sector. Alberta needs a sustainable sector that can thrive rather than struggle under proposed federal and provincial restrictions. I think it's safe to say that as a province we've done our best to promote reasonable and responsible growth in Alberta's forest sector. Our Premier fought to remove the unnecessary barriers to the Canadian free trade agreement, and Agriculture and Forestry has worked hard as well to reduce unnecessary regulatory burdens and red tape to enable this sector to thrive.

Agriculture and Forestry will protect and promote and partner with Alberta's forest workers and companies to expand economic opportunities both at home and abroad as part of our forest jobs guarantee. This means eliminating trade and market barriers to create an environment of sustainability and increased profitability. There is no secret that we are too dependent on trade with our neighbours to the south, the United States. I'm working directly with my colleagues, the forest sector, and international trade offices to expand our market for Alberta forest products to Asia. We are looking at increasing the amount of fibre available to industry while ensuring the sustainable management of our forests. The results of this could mean hundreds of millions of dollars more in value in forest products from the province.

Again, I'd like to reiterate that in Budget 2020 the funding for mountain pine beetle is at \$30 million a year, maintaining that from last year. Also, in our ask of the federal government to initiate some support in this national fight to defend Canada's boreal forests, we've continued to ask for \$20 million a year from the federal government.

But one of the toughest initiatives my ministry has undertaken . . . [Mr. Dreeshen's speaking time expired] You'll never know.

The Chair: Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals so that members are aware of the time. Please indicate whether you wish to go back and forth with the minister, and, Minister, if you would acknowledge that you accept that.

Thank you.

Mr. Dach.

Mr. Dach: Thank you, Chair. I'd prefer to go back and forth with the minister if he'd be willing.

Mr. Dreeshen: Back and forth sounds good.

Mr. Dach: Sounds good. Much appreciated. Once again, thank you, Chair. I prefer, as I said, to go back and forth with the minister. Thank you to the minister and all his staff, of course, who I know have put a lot of effort into preparing and researching for this evening's estimates meeting.

I may move on to another question in the middle of your response, Minister, but please don't take it as rudeness. It would be just a desire to take advantage of all that extra effort and preparation by your staff, trying to get as many questions answered as possible for the benefit of Albertans.

I know that we've both seen each other numerous times across the province at different events, so I know that we both share our desire for the best outcomes for Alberta producers, processors, and exporters in both ag and forestry. It's in the interest of trying to understand the government's plans and projections to reach these goals that I ask my questions.

Let's get started in a productive way. Minister, on page 218 of the fiscal plan the figure 277 full-time equivalent positions stands right out and begs the question: who are these folks, these 277 people out of 1,658, or 16, almost 17 per cent of the staff of the ministry, being cut? Who are these folks, and what position did they occupy? What type of work did they do?

Mr. Dreeshen: To directly answer your question "Who are they?" with the collective bargaining agreement that we are bound by, we cannot identify the who. That is something where, respecting the rights of the unions and to be able to go through the proper process, we have to make sure that that is done in the proper course of time.

But we have identified – and that was something, as I said in my initial remarks, that we are identifying – areas in the department that we can run more efficiently. Trying to run a service department like a business means you have to be able to change and adapt ways in which you're actually providing service to people that you serve as a department. We have identified areas within the department where we think we can do a better job of streamlining, and that is something that took quite some time, working with department officials to be able to identify where we could do things better with less. Sometimes they were red tape reduction initiatives in which there was no longer a need for officials, if there was a red tape reduction, redundant policies that we ultimately cut. It was a mix throughout the department, the 277 that we found, ultimately to streamline the department.

As I said – and I would imagine that you strongly agree with me on this – respecting the collective bargaining agreement is something that is paramount, and it's very important for us . . .

Mr. Dach: What can you tell us about those individuals, though? What type of work do they do? Were they scientists? Were they clerical positions? Is there anything that you feel, without breaching the collective bargaining agreements, you can shed some more light on for Albertans? When you see 17 per cent of the staff cut from a

department, it begs some questions, and I think Albertans are pretty curious as to what's going on. How will it affect the ministry's operation?

Mr. Dreeshen: Sure. What we thought was paramount and something that was very important, that the ministry needed to keep funding on, was key priorities like keeping our borders open, making sure that we can have access to trading markets around the world, and also helping the federal government negotiate new markets as well as creating the right environment for investment – and that was under lending or less red tape – advocating for an efficient transportation system, providing business risk management tools for producers, standing up for industries when their reputations are under attack. I think some of the organizations that have been protesting outside the Legislature would be a lot of them.

Also, enabling industry to conduct research that is important for them while focusing our activities, provincial government activities, on public . . .

Mr. Dach: Speaking about industry, hon. minister, I'll just interject there.

Mr. Dreeshen: Those are things that we're actually wanting to ensure continue.

Mr. Dach: Right. I did want to speak about industry and industry members. Ag producers are also worried about the impacts of these cuts; namely, Mr. Dave Bishop, chair of the Alberta Barley Commission, was recently quoted, on February 29 in the *Edmonton Journal*, saying that he's very worried about the cuts, the loss of people, and where that leaves us. He's not alone with respect to concerns shared widely across the spectrum of agriculture and forestry industry participants. It's a huge loss of people that industry participants have relied upon for their expertise for years, and now they're going to disappear. What do you have to say to people who are worried about the impacts of these staff cuts, like Mr. Bishop, to their industry?

Mr. Dreeshen: Well, Dave Bishop actually was at our budget lock-up. He's a great advocate for the industry. I think Dave and farmers around the province do understand that, especially in PC governments prior to your government being in government, there was a lot of largesse that had developed, and I think he would be the first to say that there were a lot of red tape reduction initiatives that need to happen. That's something that we undertook, to make sure that, at the end of the day, we have an Agriculture and Forestry department that responds to farmers' needs and the evolving . . .

Mr. Dach: What do you say to Dave? You say that you know him well. You've talked to him, met him. He's expressing concerns publicly about these cuts and is concerned about where it's going to leave him and the Alberta Barley Commission, barley producers in particular. What do you say to an individual like him, in particular, to assuage fears that he's got?

7:20

Mr. Dreeshen: Well, I would tell Dave that this is a government that ultimately has the backs of farmers, whether it was removing the previous government's, your government's, carbon tax – we did that last year – whether it's, again, opening up a whole bunch of new opportunities in the ag space, whether it's fighting the federal government on their carbon tax, which is now actually at the Alberta Court of Appeal. We actually won that case to say that it was unconstitutional, and now we'll be fighting the federal carbon

tax at the Supreme Court. Also, whether it's the grain dryer initiative program that we announced to make sure that, again, the cost of the federal carbon tax that's been borne by farmers . . .

Mr. Dach: Yeah. But you're not addressing what Mr. Bishop's concerns are. The loss of these staff members is causing him great concern.

Mr. Dreeshen: Well, you asked the question: what would I say to Dave Bishop? I know these are things that he wildly supports, to be able to say that, yes, this is a government that actually understands the needs of farmers.

Mr. Dach: He didn't sound overly supportive of the staff cuts, though. That's what I was getting at.

Mr. Loewen: Point of order.

The Chair: Point of order noted.

Mr. Dreeshen: Again, I would just say that . . .

The Chair: Excuse me, Minister. A point of order has been noted.

Mr. Loewen: Okay. Well, we could hit a couple here, but let's just start with 23(c): "persists in needless repetition or raises matters that have been decided during the current session." Needless repetition on that last question.

I'm not sure where I can see how somebody from outside this room, the discussion between the minister and that person, is relevant to estimates that are happening here today.

The Chair: Okay. Thank you.

Any response? Go ahead, Ms Sweet.

Ms Sweet: Thank you, Mr. Chair. I think, just in response to that, that the hon. member is actually referring to the job losses, has asked the minister a few times, and has tried to ask the question a variety of different ways, to which the minister has refused to respond. So he will continue to ask, which is his prerogative within the estimates schedule.

The Chair: Thank you very much.

I'm prepared to rule on that. The questions, I believe, are in line with the budget estimates although I would caution the member to not dwell the entire hour on one specific round of questioning and to make the best use of your time. That being said, the minister is not obligated to provide an answer, so I think that if you're being stymied at this point, it might be best for you to move on, but you can by all means continue with the question.

Mr. Dach: Thank you, Chair. I appreciate your input.

I have a large number of topics to cover, but this certainly is a large piece of what is happening with the ministry right now, the loss of almost 1 in 5 staff members. I'm just wondering: as far as organization is concerned, what type of organizational restructuring will this job loss require of the department?

Mr. Dreeshen: Well, again, as I was trying to mention prior to that point of order, we can't identify the who. That is something under the collective bargaining agreement. We have to respect the process. You could continue to ask me for the next two and a half hours who is going to be cut, but I will give you the exact same answer, which is that the collective bargaining agreement is something that I will not break.

Mr. Dach: I was trying to ask things that didn't contravene your sensibilities, but I imagine there's some restructuring that has to be taking place within the department if you're losing 20 per cent or 17 per cent of your people. Have you done some planning around the restructuring of the department?

Mr. Dreeshen: Yes. As I also mentioned, we have found areas within our department that we can actually streamline, where we can actually achieve the mandate that is actually expected and wanted from us by industry. Who that would be is something that, again, under the collective bargaining agreement I can't discuss. You can continue to ask me it, but I will continually say that I cannot comment on it.

Mr. Dach: Tell you what. I'll ask you this, then: if there is a sharp drop in the number of people in the department, is that work now not being done, or is it being outsourced to private individuals?

Mr. Dreeshen: I guess I don't understand the premise of your question.

Mr. Dach: Well, there are a lot of people no longer there, and they were presumably doing something while they were there. Is that work not being done anymore, period, within the ministry, or are you seeking outside sources to do the same work?

Mr. Dreeshen: The people that are doing the work are continuing to do the work. We cannot identify the people that are doing the work due to the collective bargaining agreement, but I see how you asked the question in a different way.

Mr. Dach: All right. Well, tell you what. I know that in an organization such as your ministry, the number of job cuts would certainly be difficult to take for those that are left behind with their jobs. Have you anticipated some types of measures to assist those employees with respect to morale within the department, to maintain the capacity that you'd like them to have?

Mr. Dreeshen: I'll let my deputy minister go through the actual management side. Last year we also went through a period of finding efficiencies within the department, and that is something that – you know, best management practices across the government of Alberta are something that we take very seriously.

But an expert in that area is my deputy, and I'd be happy to cede some time to him.

Mr. Tremblay: Sure. Thanks for the question. Having been through these types of restructurings and reconfigurations in the past, what I can assure you is that we are working with all staff in the department on a regular basis to ensure that they have as much information as they can on where we're at in the decision-making process. I actually have weekly calls with all staff just to let them know where we're at.

In terms of individual job impacts, for individuals that may leave the organization or, as you have mentioned, individuals that will remain, there's a series of supports that is in place that the GOA provides to staff if they're struggling with their work environment, with anxiety, and with stress. We're continually offering to link those programs with individuals that may be impacted by where we're at right now from a resourcing point of view.

Mr. Dach: May I ask you, sir: do those supports extend to staff members who've lost their jobs, those that, once they've been laid off and/or terminated – it's a devastating thing. We're talking about a lot of people. What supports exist for them?

Mr. Tremblay: As per the minister's point, there's been no position abolishment under the provisions of the collective agreement, and we can't get into details on that. But if there were individuals that were covered in the collective agreement that did have job impacts, there are programs and supports for those individuals working through those circumstances.

Mr. Dach: All right. Thank you.

I won't dwell on it a whole lot, but I do want to move to the AFSC, Agriculture Financial Services Corporation, staff cuts, located on page 218 of the fiscal plan as well. We're looking at 48 out of 582 positions, or over 8 per cent of the staff, being cut. Once again, I won't dwell on who these people are, what work they do to not beg the similar response, but in any case the same questions will apply to this organization as well and the same concerns I have about staff morale, about supports for staff who are losing their jobs, and the impact of this size of staff cut on the whole organization.

But let's talk about AFSC if we might. We've had a number of bad harvest years in a row. As you well know, Minister, 30 per cent of some of last year's crops in some parts of the province are still sitting in the field. Some might be a total loss, and as a result many farmers fear that they may be forced into bankruptcy because crop insurance is insufficient. Does your department anticipate higher than average farm/ag bankruptcies this year because of the bad harvest weather and other contributing factors, and if so, what steps are you taking to mitigate this?

Mr. Dreeshen: We haven't identified or calculated or estimated the amount of bankruptcies within the ag sector, but we are doing lots to make sure that our farmers can remain competitive on a global stage.

But you did mention the staffing changes at AFSC, and I would just say that we, again, are working with the same rationale for the Agriculture and Forestry department. Staffing changes are to make sure that we can find efficiencies. We operate, as does AFSC, as a service provider, and that is something where you have to be able to adapt to changing needs, changing demands by your customers. That is something that we will be working with AFSC to ensure, that that does happen.

Even just on further staffing changes, there are about 118 crop adjusters within AFSC, and we are working with them, knowing that there are bad areas, especially on the left side of this room. There are in northern Alberta a lot of harder hit areas, where we want to make sure there is a surge capacity of crop adjusters that are out there so that when farmers are making that decision on whether you burn your crop, whether you harvest your crop, whether you summer fallow, or whether you try to immediately harvest it and seed right away and you think you'll be able to get another crop, AFSC crop adjusters are not going to be a deciding factor on what they do. We want to be able to ensure that there is a week-long standard or, at maximum, a week response time from . . .

7:30

Mr. Dach: All right. Well, let's talk about some of those changes.

Mr. Dreeshen: Sorry. If you don't want me to keep going on about that, I would like to address just the difficult harvest and the disaster funding from AFSC, your last question that you had.

Mr. Dach: I'll tell you what. Part of my questioning will definitely deal with that because it is a big concern of mine. Difficult harvests have become, seemingly, the new normal. You just mentioned, Minister, the changing demands and changing needs that AFSC has to adapt to. So if the AFSC insurance and farmer assistance

programs are not really being increased even though we've seen devastating losses incurred by farmers over the past two years, I'm wondering: in a world where insurers around the world are factoring in climate change as a risk factor when projecting coverage requirements and future claims estimates, is AFSC indeed factoring in climate change as part of these changing needs and changing demands to their actuarial projections of future losses? How is climate change guiding your department's plans to direct research to mitigate losses and help farmers adopt new technology and adapt to new, changing conditions?

Mr. Dreeshen: AFSC always operates on a demand-driven basis. Whether it's crop insurance, whether it's a good year or a bad year or a bad harvest time or good, it's always demand driven after the fact. So if there's a bumper crop and a great year, then they fluctuate it downwards. If it's a bad year, like it was this year and especially up in northern Alberta, where it was extremely bad – we were just up in Grande Prairie . . .

Mr. Dach: I'm not talking about year to year, Minister. I'm talking about long term and looking at climate change as an example of what insurance companies are doing globally and taking it into consideration when they're considering their actuarial projections. I haven't heard anything yet from you talking about AFSC, as a leading and very important insurer of our farmers' crops and production, taking into – I can't imagine that they wouldn't be taking climate change into account as a risk factor because it's a global factor that all insurers are taking into account. How is AFSC taking climate change into account, please?

Mr. Dreeshen: Yeah. Well, actually, to your point, I would say that AFSC is a leading insurer in crops. They have about 15.2 million acres here in the province of Alberta that are insured under them. They are a leading insurer, and they usually insure about 70 to 75 per cent of the annual crops grown here in the province of Alberta.

Mr. Dach: Can you get back to me and identify specifically how AFSC is taking climate change into account in their actuarial projections? I can't imagine that they're not. You may not be able to point to it right now specifically, but, please, if you wouldn't mind having AFSC in writing tell us precisely how they're taking climate change into account in their projections.

Mr. Dreeshen: I can do you one better. We have Darryl from AFSC, who can comment on it right now. But I would just like to say that this last year was one of the worst years that we've had. We've had disastrous years in the past as well, but we had about a million acres left unharvested in the province of Alberta last year. I'm sure Darryl will go into the estimates of how much that will actually cost. AFSC is very actuarially sound and has accumulated enough resources that they'll be able to address this or any other type of disaster going forward.

I would cede some time to Darryl to comment.

Mr. Kay: Thank you, Minister. Thanks for the question. Darryl Kay, chief financial officer at AFSC. Absolutely, it's been an extremely difficult year for producers. We've heard from them, and we've been out doing town halls. We've been doing cash advances to try to get money into their hands as quickly as we possibly can.

In terms of the actuarial question, we have an actuarial department in our organization. Our premiums are set for a 25-year average, and it's provided individual coverage for each producer. But what we do do at our organization is that we weight the more recent years heavier. It's designed to capture any of those changes that we see in technology and in things like climate change, so

we're comfortable that those are captured. We have our premium-setting methodology tested on an annual basis, and it's certified by an independent third party, so we're very comfortable in how we set those premiums. They're very much based on an individual's situation, and it takes into account changing situations.

Mr. Dach: All right. While you're at the mic, sir, can you say how climate change is directly affecting plans to direct research to mitigate losses at all? Is there any correlation there that you can point to?

Mr. Kay: I'm not necessarily, maybe, qualified to answer that question, but again, to circle back to what we're doing as an organization and how we're managing our insurance programs, we're well aware that things change year to year, and we're well aware that technology changes and yields change. That is all factored into how we calculate premiums and pay losses.

Mr. Dach: All right. Thank you.

To continue, Minister, I'm wondering if in your business plan . . .

Mr. Dreeshen: Sorry. If I may, just piling on, I think it's \$2.7 billion, actuarially sound, that's at AFSC.

Mr. Kay: That's our crop surplus.

Mr. Dreeshen: The crop surplus. Again, \$700 million to \$750 million are the best estimates for this crop year, but AFSC has a pool of over \$2.7 billion. If there were to be continuously record bad year after bad year after bad year, they do have quite a surplus that is already built into their financials due to premiums that farmers pay into. I would say that you would have to be breaking a whole bunch of bad records year after year in order for there to be an issue. They are very well . . .

The Chair: Thank you. That's the end of the first 20 minutes. We'll start with the next 20.

Mr. Dach: Thank you. That begs the question: why do they have so much in reserve? What determines that amount? That seems like a heck of a lot of money from \$750 million a year. You're saying \$2.7 billion. Why do they need that much?

Mr. Dreeshen: To be actuarially sound. When they make all these estimates for, as you pointed out, possible disruptive events on the horizon, it is good as an insurance provider to be able to have that pool just in case a rainy day does come.

Mr. Dach: Yeah. Well, your comments seemed to indicate it might have been more than enough. I'm wondering if there's an assessment done on an annual basis to determine whether or not that amount is adjustable. Is it adjustable?

Mr. Dreeshen: I would say that it's quite standard. Maybe if Darryl wants to come back up again. Whether it's Saskatchewan, Manitoba, other provinces, that system for insurance and crop insurance is quite standard across the country.

Mr. Kay: Thank you for the question. Yes; we are in a strong financial position. We've had a number of good crop years. I can tell you that because of that, our premium rates are dropping significantly. We've had 10 consecutive years of premium rate decreases. We dropped them 10 per cent in 2018 and 9 per cent in 2019, and we'll be something similar when we finalize our 2020 premiums. We have built up a surplus, but remember that we're also insuring over \$4 billion of risk every year. Although the surplus is

now about four times our premium, we also know that with a drought condition like we had in 2001 or 2002, where you have losses three times your premium, you can see very quickly how you can deplete that surplus balance.

Mr. Dach: Thank you for that. I appreciate the answer there.

I just wanted to further ask the minister: what contingency plans have you developed, Minister, to assist farmers, as you mentioned, who are under significant stress right now in many parts of the province, who are under financial stress right now to survive until spring and be able to afford to plant a crop next spring should conditions allow them to do so? It's going to be tough if you get your crop off later or not at all or have to burn it to actually plant in time to have another harvest next fall. To help these folks who are in dire straits this particular spring, what contingency plans, what funding is available to give them a bridge they might need to actually get a crop in and off this year?

Mr. Dreeshen: Well, again, I would say that having that surge capacity, the 118 crop adjusters that are with AFSC, to make sure there's a focus in especially the hardest hit areas, in northern Alberta: I think that'll be an immediate effect. Farmers will be able to, again, make that decision on what they do with their crop, be able to know that one of the variables that is relatively in control is that they can get an answer from a crop adjuster on what they should do with their crop, knowing what it is after an adjustment. I think that's probably the biggest – and I'd like to reiterate also to my colleagues in very hard-affected areas that that's something they should be communicating with farmers in their area about, to know that that is something that AFSC is taking very seriously. They understand that that is a huge service demand that is coming from them. That, I think, would be one of the biggest things.

Another one would be – and I mentioned it earlier – our fight against the federal carbon tax. As farmers, whether it's something that we as the Department of Agriculture and Forestry – we peg just on grain drying alone for natural gas and propane about a \$4-million-a-year cost . . .

7:40

Mr. Dach: Right. As far as insurance products that AFSC could itself offer, because that's the topic I'm covering right now, what is there that the AFSC can offer to farmers immediately who are in dire straits to protect against actually going under this season? Is there something, a contingency plan that can respond to this crisis right now, or is there nothing? Last year's insurance products were bought, and that's it; sorry; too bad, so sad?

Mr. Dreeshen: No. I think that there's a cash advance program that's ultimately offered by AFSC and other service providers. There's a reduced loan application initiative that they've gone through, from seven and a half hours down to one and a half hours, just to, again, make a quick loan process that farmers can actually access. Again, that new kind of client-friendly process for a loan payment is something that's very, very key.

If Darryl wants to come up again to maybe highlight some AFSC direct initiatives.

Mr. Dach: Well, if I may, before your official starts, I wanted to ask you about this cash advance. You indicated that there'd be a cash advance, but in order to get a cash advance, you have to have something in the bin or that's potentially going to be in the bin. If your crop is sitting in the field, you're not going to get a cash advance on it, correct?

Mr. Dreeshen: Unless AFSC came up with the unharvested acreage benefit program, which they did. That is something that – it's almost like a cash advance on an insurance payout. AFSC will actually make an estimate on what the crop damage is right now, while it's covered in snow. Farmers facing a cash crunch right now: they're able to get this unharvested acre benefit, that actually will give them a cash advance on something that they would receive in the spring, knowing that it's a 50 per cent loss or an 80 per cent loss. They can get that cash advance right now to be able to help with payments and also, going into the spring, to be able to buy for . . .

Mr. Dach: Right. We know from your business plan that those that are insured are about 72 to 75 per cent, but there are still about a quarter of farmers who are not insured by choice, whether they think the insurance product doesn't satisfy their needs or not. Is there anything that is offered through AFSC for those individuals who did not purchase insurance, who are facing similarly devastating harvests this last year and this coming spring?

Mr. Dreeshen: Well, again, I mentioned that about 15 million acres are actually insured through crop insurance. AFSC is roughly 70 to 75 per cent of those annual crop acres here in the province. Darryl pointed out earlier the \$4 billion in risk that they actually take on. Really, we encourage all farmers to be able to manage their own risk through insurance.

Mr. Dach: Should they choose not to, though . . .

Mr. Dreeshen: Farmers are businesses like any other business, and if they choose to not insure themselves, they do that on their own, with the financial free-market business risk management that they internally have within their own operations.

Darryl, if you wanted to maybe comment.

Mr. Kay: I agree with the minister, really. We have some of the best insurance programs in the country, and we encourage producers to use them. We have AgriStability and AgriInvest as well, two other programs that will respond in a situation like this. We do encourage producers to take advantage of our programs.

Just to circle back quickly to the conversation about this difficult harvest, the last thing we want to do at AFSC is get in the way of producers. We went through this in 2016-2017. We found that almost half of the million acres outstanding at that point were harvested, and we acted really quickly for those that were not able to harvest and make their decisions. We also extended seeding deadlines and worked with the federal government to make sure that we could provide some more time for producers to get their crop in for the next year.

Mr. Dach: All right. On the topic of those farmers who choose not to insure, the 25 per cent or so, do you track the reasons why? You obviously are trying to sell the insurance and would encourage farmers to buy the insurance. What reasons are given, in your explanation, as to why these farmers choose not to participate?

Mr. Kay: One of the main reasons, I think, is that a lot of producers self-insure. Some of the smaller producers have off-farm income, things like that. We have done a lot over the last few months and we're going to continue to do outreach with nonclients to try to understand why they aren't purchasing our programs. Like I said, I think we have some of the best programs in the country. But what we've typically seen is that there are a lot that decide to self-insure, and that's the choice that they make. When we get into a situation like this here, unfortunately, you know, the program will not respond if they choose to do that.

Mr. Dach: Thank you for that. I know that if indeed you are a client-based service, if 25 per cent of your clients are choosing to opt out of your service, you might want to take a look at what your offering is. That's my suggestion. I'm sure you continue to do that. But in the world of agriculture, particularly with crops and also with the raising of farm animals as well, "stress" and "survival" are two words that one hears often in agricultural circles these days. Minister, do you accept that farm family health, mental health is a significant issue which merits the serious attention of your department?

Mr. Dreeshen: Yes.

Mr. Dach: All right.

Mr. Dreeshen: For your previous comment about AFSC, I am a big proponent of AFSC, obviously, but there are other options out there as well. There are other companies that do provide insurance, so to say that AFSC should be monopolistic and the only one offering insurance, even though I don't think Darryl would say that he wants that, is something that we as a government are . . .

Mr. Dach: I didn't say that they should be monopolistic. I said that they should be worried about 25 per cent of their customers opting for something else.

Mr. Dreeshen: But that's free choice, so I would say that's . . .

Mr. Dach: Absolutely it is. Absolutely it is.

Mr. Dreeshen: . . . market forces meeting market forces, and that's healthy.

Mr. Dach: I was a salesman for 30 years before I got into this business, so if I had about 25 per cent of my market choosing to go with somebody else, that would be a concern to me. However . . .

Mr. Dreeshen: I'm glad we both agree that competition is a good thing. But when it comes to mental health . . .

Mr. Dach: There you go. And we're having a friendly one right now.

In the area of mental health supports, Minister, which you admit, of course, is a serious concern – and it is serious in farms right now. There has been a documentary – I believe it was CBC that did one recently – and it's been in the news about farm mental health and access to supports and suicide rates among producers as well. Do you plan, Minister, any new expenditures in Budget 2020 to address the immense pressure that farmers feel to keep their struggling operations alive? If so, what specific initiatives can you point to that are designed to help farmers and ranchers in mental health crises right now?

Mr. Dreeshen: I'll let my deputy minister comment afterwards, but I would just like to say that there was a report last year that came out by the federal government. I think it was their standing committee that did a report on mental health specifically in agriculture. Something that I've always felt and continue to think of is that if you're tough enough to farm, you're tough enough to talk about mental health. I think that's something that – you know, the stigma that goes around mental health. It is good to be able to talk about it openly and freely. I think that it's encouraging for me to see some very hardened, tough old farmers be able to finally open up once the discussion does start flowing and they start reading about it and hearing about it. I do think that is a healthy, good thing, but at the end of the day I don't think that farm mental health is any

different from a bus driver's mental health or a hairdresser's mental health, and I think for certain . . .

Mr. Dach: I beg to differ, sir.

Mr. Dreeshen: Sorry. I'd just like to – you can when I'm finished.

Mr. Dach: Go ahead.

Mr. Dreeshen: I'd like to say that, you know, just the overall economy and the state that we are in as a province, I think – I've heard from lots of individuals as an MLA, as I'm sure you have as well, that it is tough times. That is why this government is so adamant about getting people back to work and trying to make sure that there are economic opportunities for Albertans in whatever sector it may be to make sure that they can actually start working again, providing for their families, have the dignity of a job. That is something that we on the government side and, I'm sure, all of my government colleagues are very much supportive of, making sure that people have opportunities in this province.

Mr. Dach: I'll tell you what. I'm trying to drill down a little bit on the mental health and supports side right now, so let's stick with that if we can and just find out if there is any specific programming that you see your ministry providing right now or planning to provide in Budget 2020 that will be aimed at what you like to call the farming lifestyle, which is more remote and more rural, where your access to services may not be as available, particularly in the mental health field, as it might be in a more urban setting. I mean, those are some of the difficulties with the mental health supports that rural people face, farmers in particular. Is there anything named specifically to address the unique mental health concerns and issues of the farming community?

Mr. Dreeshen: I'll let my deputy comment.

Mr. Tremblay: Thanks, Minister. I'm just drawing upon my experience as a DM in Health. The government of Alberta currently spends about \$100 million on mental health programming and services across the province. The majority of that funding goes to our single health authority, Alberta Health Services, and much of that programming is customized to the specific populations that correspond with specific locations throughout the province. So the mental health characteristics of a farmer versus somebody else would be considered in developing mental health programming that's delivered in rural Alberta through the single health authority.

7:50

Mr. Dach: Thank you, Mr. Tremblay. Would it be fair to say that your ministry would be in consultation with the Health ministry, then, to ensure that those programs are tailored to needs that you hear about?

Mr. Tremblay: There's always communication amongst departments around programming, but ultimately program design, particularly in mental health in different communities, is something that Alberta Health Services is an expert at, and they develop and deliver those programs.

Mr. Dach: All right. Sounds good.

I'll take a bit of a break and hand it over to my colleague MLA Sweet for a few questions, and she may choose to throw it back.

Ms Sweet: Thank you.

Mr. Chair, how much time is left in this round?

The Chair: Five minutes and 14 seconds in this round, and then the additional 20.

Ms Sweet: Perfect. Thank you.

Minister, can we go back and forth?

Mr. Dreeshen: Happy to.

Ms Sweet: Okay. The first thing I'd like to do is look at outcome 3 on page 13, please, of your business plan. I'll probably be jumping between outcome 2 and outcome 3, actually, public health and safety as well as responsible resource management. The first piece I would like to talk to you about is environmental stewardship and increasing the awareness, understanding, and adaptation of sustainable practices by agriculture and forestry. Primarily I'm going to be focusing on – I'm sure everybody is surprised – forestry because it's one of my favourite topics, coming from a forestry family.

I'd like to talk a little bit about the surge cuts that are going to be happening and the changes to the surge cuts coming off around forestry. Specifically, we know that in May 2020 we're going to see one of the surge cuts coming off, and that's going to have a direct effect on Weyerhaeuser operations. Then again in 2022 we're also going to see the surge cuts coming off for Little Smoky and A La Pêche. I'm just curious. As we're recognizing that those transitions are happening and that the surge cuts will be changing and the impact on fibre and the impact on the operations of some of our stakeholders, are you working on a transition plan at this point with those employers around the potential job losses that are going to be coming out of the changes to the surge cuts?

Mr. Dreeshen: Well, through you, Chair, I would hope that we can garner the support from the Official Opposition in something that we campaigned on, which was the forestry job guarantee, and that is to ensure that we can increase access to fibre in the province. That is something that we actually went through the department to look, whether it be federal or provincial regulations, at how we could actually increase access to fibre in our public forests but with a lens that was purely environmental. So if you were a pure environmentalist and wanted to make sure that Alberta's forests were managed in a way that reduced fire risk, which with our high and dry boreal forest that we have here in the province of Alberta, it's natural to burn, (a) how can you, through proper forest management practices, actually reduce the risk of forest fire; (b) how can you . . .

Ms Sweet: Minister, I'm asking you about the transition plan once the surge cut comes off. We can talk about forest fires in a minute because I'm going to get there, too.

Mr. Dreeshen: Yeah. But (b) was to reduce pests. I'm sure you've probably gone out to Jasper and seen how dead and red the trees are out there. Again, if we could actually manage that forest better, we would actually be able to reduce the wide spread of pests.

Ms Sweet: Yeah. We can talk about pine beetles in a second, too, but I'm asking you about the transition plan for the potential job losses.

Mr. Dreeshen: Right. So with those two things in mind, we are looking at how we can actually achieve a 33 per cent increase in an annual level cut. We're looking at all FMAs, all quota holdings, all white zones, green zones, everything in the province to see how we can actually increase the access to fibre. I think it's a complete contrast to what we see with our neighbours to the west, B.C., who

are overregulating their industry and driving out investment. There is massive job loss within the British Columbia forestry industry.

Ms Sweet: Right, but in B.C. they have a struggle with old-growth forests, and as well in the interior they had forest fires and pine beetle, which is why the curtailment happened in B.C. In Alberta what I'm asking you about is that there was a policy put in place that was specific to surge cuts, and those rules are going to expire in May 2020 in certain areas within northern Alberta. It is going to directly impact Weyerhaeuser for sure, if not other producers. We know that we need to have a transition plan for those areas because they're one of our major employers in rural Alberta. My question: is there an ability or are you or your department working with those areas as we move out of those surge cuts to ensure that there's a good transition for those working in those areas?

Mr. Dreeshen: I would say that in addition to that ambitious 33 per cent goal of increasing the annual allowable cut, to offset the reduction in the surge cuts coming off, as you so rightly pointed out, we are looking at how we can actually, when negotiating new FMAs and renewing existing ones, ensure that there is continued access to timber resources. Again, as part of red tape reduction initiatives we have actually shaved six months off an FMA process by allowing the Agriculture and Forestry department to sign off on any new FMA. So rather than having to go through a six-month-plus process, that has been a . . . [A timer sounded]

The Chair: You have an additional 20 minutes. Please address through the chair if you can.

Ms Sweet: Yeah. Sorry.

The Chair: I'm getting a little lonely over here.

Ms Sweet: I'm sorry. Well, my other question, when we're looking at the 33 per cent, or the one-third, increase in harvesting abilities and the ability to increase fibres, can the minister, through you, Mr. Chair, tell me about the international certification program and whether or not the increase in the fibre harvesting will impact the international sustainability certification for forestry? Do we actually know: is this something that is being asked by the industry, and have you managed to address the sustainability international certification? Or is this something where it looks good, but realistically it's not viable?

Mr. Dreeshen: Do you want me to answer your previous question, or do you want me to go to the international certification?

Ms Sweet: We can go on to the next one.

Mr. Dreeshen: Okay.

Ms Sweet: Sustainable certification.

Mr. Dreeshen: With international certification there is a choice that forestry companies can go through. Ultimately for market access, for them to be able to choose a certain market, their customers at the end of the day drive what type of certification they should use. That's something that we as a government don't put our hand on and tip the scales one way or the other, but we will continue with the ISO certified inspection program. We are reviewing assessing compliance to operating ground rules and reforestation activities, which is, again, part of that certification, the body of work that happens, and focusing on high-risk areas like water crossings, erosion areas, timber utilization, and forest sustainability.

We are in constant contact with the forestry companies to identify, you know, what is that evolving look and change with the certification body? But I think it is something that as a government we should make sure – and something that we identified, again, in the campaign platform was a fight-back strategy, actually defending our forestry practices that we have here in the province of Alberta, which are the best in the world. I think there are lots of . . .

Ms Sweet: Well, I'm not disputing that, Minister, and I do believe that the industry is proud of their sustainable international certification, which is part of the reason why they like it, because it does address those other international trading issues around sustainability.

Mr. Dreeshen: Sorry. On the fight-back strategy, there are some international certifications that you get the same stamp for but where there are different levels of standards. I think something that we as Alberta and Canada need to be able to promote is the above-and-beyond work that we do even though we get the same stamp or same certification as jurisdictions that don't do everything that we do. We need to be able to highlight that and actually defend our forestry sector.

Ms Sweet: Great. Mr. Chair, I would like to move away from forestry for a minute. Actually, no. Before we do that, just talking about international trade and the extension, the minister had mentioned in his opening comments that he was talking about being able to expand selling our product to Asia for lumber trade; I'm assuming, lumber products. I'm just wondering if he can also update the committee in regard to the soft lumber dispute with the United States and where we're at with that. Obviously, expanding to Asia: I support that. The more product we can get to market, the better. Obviously, our biggest competitor – you referenced B.C. They have the same issue, which is domestic versus international with the United States in lumber production.

Mr. Dreeshen: As much as, you know, Japan J-grade lumber is so important, and it's a very important market and a lucrative market for our forest sector, the U.S. is our largest trading partner in lumber. On the ongoing softwood lumber disagreement, we did actually make some progress. In the recent ruling – I think it was a week or two ago? Two weeks ago?

8:00

Mr. Mayer: Two weeks.

Mr. Dreeshen: More than two weeks ago? You know, the preliminary indication that came from the U.S. Commerce secretary actually had a favourable ruling for Alberta and for Canadian softwood lumber even though that is not finalized. We're not organizing a parade yet on it, but we are hoping that at the next iteration, which I think happens . . .

Mr. Tremblay: I think two months from now.

Mr. Dreeshen: . . . in two months from now, a couple of months from now, they'll actually decide what the final rate would be. We are cautiously optimistic. We're working with our federal counterparts to make sure that we can defend Alberta's interests in softwood lumber disputes, but we did get some good news from our counterparts in the U.S.

Ms Sweet: Well, it's always good to know that our government can work with the federal government when it's needed.

Let's move on to agriculture if that's okay, Mr. Chair. You had made a recent announcement around farm gate sales and getting

food into the system. I think it was last week that there was a move towards potentially doing that, and I've noticed as well that you have been in your performance measures talking about health standards, regulation of the system, and ensuring that Albertans feel confident with the food supply. I, first off, just want to say that, obviously, I believe that our farmers, including my farmers in my community – my urban farmers, my potato farmers, and my grain farmers – produce amazing agriculture. But, in saying that, I've seen that you have actually cut some of the money out of your budget in regard to food inspection. I'm just wondering if you could maybe walk us through the rationale around why you don't need to have the same funds as you did last budget.

Mr. Dreeshen: Right. So, obviously, food safety is paramount. For any government, protecting your citizens is of the utmost importance. When it comes to food safety, we are allocating \$12.6 million in making sure that we are actually keeping food produced here in Alberta safe. I think that everybody in this room can agree that we have high-quality, high-value food produced here in the province. We have our blessings with clean land, clean water, clean air. Of that \$12.6 million, to break it down, \$8.3 million is in inspections, \$1 million in overall surveillance as well as \$3.3 million in lab testing. There was a slight reduction of just over \$1 million, and that came from red tape reduction initiatives that we undertook in the department to realize duplicative paperwork that wasn't necessary in ensuring that you actually had an outcome-based food safety system. Again, with the shift and the modernizing of food safety in the province, it wasn't necessary. We're still doing very important work to ensure that food produced here in Alberta is safe for Albertans as well as our global markets.

Ms Sweet: Okay. We saw in 2019-2020 that \$14 million was allocated. You've decreased it to \$12.6 million for food safety. Then in last year's business plan:

Crop and livestock health monitoring, surveillance and disease investigations reduce risks that [could] affect animal and human health and crop production... This initiative includes development of animal and crop disease control policies, and... the Animal Health Act, Agricultural Pest Act, Weed Control Act and other related Acts.

It was at \$18.2 million. It is now down to \$14.3 million this year. Can you clarify why that is? Will you also be – I've heard a rumour that you might be – doing video for emergency postmortems for animals that may have passed away?

Mr. Dreeshen: Don't believe rumours: that is what I would say, through you, Mr. Chair, to the member opposite. But to answer the question...

Ms Sweet: So that's not the case, Minister? It isn't a money-saving measure?

Mr. Dreeshen: I'd just say, to answer your question, though, that we're not abdicating or stepping away from our statutory abilities to make sure that, you know, assurance is being provided and done by the government of Alberta. The how we do it: that is being led and driven by experts in the field who are able to know that you can actually achieve an outcome that does, at the end of the day, save money but also makes things safer in the whole value chain. I would say that...

Ms Sweet: Okay. Minister, through the chair, we know that the meat inspection regulations expire in July. You opened consultations. Then it wasn't open to the public. Something changed. The question that I'm asking here is on the sale of farm-

slaughtered livestock directly to consumers from the farm gate. That is part of your new initiatives – you've announced that – salvage and sale of poultry and red meat by-products and then video postmortem inspections for emergency slaughters. Can you explain to me whether or not that is part of your cost-saving measures, and if that is, is there an ability for the public to have some feedback in regard to the meat inspection regulations?

Mr. Dreeshen: We are reviewing any changes in the meat inspection regs, and I would say that we do this, again, not through a political lens but through best practices from our competitors and people around the world. I do think that with any type of regulatory change that we make, yes, we're going to be consulting with industry to see what makes sense, but ultimately we do it with the best minds in the business in making sure that food safety is paramount and is the top concern.

I know that lots of farmers have said, you know, that when it comes to selling meat off farm, if they can do it when they go hunting, why couldn't they do it with a steer? Others have said that about 8 to 10 per cent of your herd gets injured and can't be transported. It's still an amazing steer, still an amazing animal, but you can't actually ship it because it can't be loaded due to the regular rule. We are looking at just common-sense changes that would actually help the industry and, at the end of the day, help us competitively around the world but keeping food safe.

Ms Sweet: Right. So you have to remain in the confidence of Albertans and the international market. This was something that was moved towards historically, and then we had the BSE scare, and it became a problem. Minister, through the chair, I guess I'm just wanting to caution you. I'm here to help. There are definitely, I think, maybe some moves that the ministry could do from a public relations perspective around ensuring confidence within the food market, if you are moving towards these methods. I think that to have a video of an animal maybe being postmortem in an emergency situation may scare some individuals and make them wonder about the safety of their food if it's not managed well. Just something to think about.

If we could – I don't know how much time we have.

Mr. Dreeshen: Sorry. Just to comment on that.

Ms Sweet: Yes?

Mr. Dreeshen: We make regulatory decisions with experts in the field, so I do understand your political correctness on these types of reviews, but we do have to let experts make these types of regulatory and policy decisions.

Ms Sweet: Sure.

Mr. Dreeshen: When it comes to food safety, we can't allow a fickle ideology dictate what policy or regulations happen. It is a scientific department that actually has to review scientific, peer-reviewed studies and is constantly evolving and changing. I understand your political sensitivities, but I would say that we are not going to make food safety regulations based on...

Ms Sweet: Public consultation?

Mr. Dreeshen: ... politics.

Ms Sweet: That's not politics. It's public consultation.

Mr. Dreeshen: This is something that industry initiated, and we are reviewing it right now.

Ms Sweet: You opened public consultation, and then you closed it. My understanding is that many of those researchers have been moved out of your ministry, so I'm curious as to who is actually doing those policies. You haven't been transparent about that.

But if we could move on to fire, because that's also an important topic, I believe, to Albertans besides their food safety. We see under 6.2, page 36, wildfire suppression and response. I believe that's the rap program, that no longer exists. Is that correct?

Mr. Dreeshen: Which page? Sorry.

Ms Sweet: It's 6.2 on page 36 of your government estimates, general revenue fund.

Mr. Dreeshen: Again, on the previous point, statutory abilities, we're not stepping away from it. We're assessing with stakeholders, and that's what a prudent government would do.

Ms Sweet: Okay. Let's talk about the rap program.

8:10

Mr. Dreeshen: On 6.2, wildfire presuppression and response?

Ms Sweet: Yeah.

Mr. Dreeshen: The fact that it is a dash in the 2020-2021 estimate is because it is demand driven. We do not have a time machine. We do not know what this year's fire budget will be, and that is something that we're obviously – we're preparing for the worst. We have hired over 500 Alberta Wildfire seasonal firefighters. We've hired roughly 500 support staff. We are already in – what? – day 2, 3 ...

Mr. Mayer: Day 2.

Mr. Dreeshen: ... of the Alberta wildfire season. It's earlier than any other province here in Canada, and we are ready. We have the air contracts, the air support contracts in place. We have the personnel ready in place, and we are ready for this wildfire season. I would like to assure all Albertans that we are ready to protect our northern and our western boundaries, our forested areas, going into this wildfire season.

Ms Sweet: Okay. I'm glad to hear that.

Mr. Dreeshen: Why it is a dash there and why you can see the big change from 2018-19: it was a very difficult fire season last year. About \$485 million just purely in demand-driven wildfire costs. That is something that – again, we rose to the challenge. I personally went to Treasury Board numerous times to make sure that we could fund the wildfire efforts that are being done across the province to make sure that we kept the community safe.

Ms Sweet: Minister ...

Mr. Dreeshen: In the gallery today at the Legislature we actually had Alberta Wildfire employees that went to Australia ...

Ms Sweet: Yes. We saw that today.

Mr. Dreeshen: ... who did an amazing job protecting here in Alberta and also in Australia.

Ms Sweet: Through the chair, you have projected zero money as of right now for the potential wildfires even though we're on day 2 of the wildfires. That is what you're telling me right now?

Mr. Dreeshen: Again, it's a dash. It's something that once ...

Ms Sweet: You haven't projected any expenditures as of right now to address the presuppression and response to any potential wildfires as of today?

Mr. Dreeshen: It is a dash ...

Ms Sweet: Okay. So we agree.

Mr. Dreeshen: ... because we do not know what this year's wildfire budget will be.

Ms Sweet: You've made no projections that you might need money in the future. How many wildfires do we have right now?

Mr. Dreeshen: Five going on right now.

Ms Sweet: Thank you.

Mr. Dreeshen: I would say that we have \$750 million – this was in Budget 2019 ...

Ms Sweet: Yeah, 2019.

Mr. Dreeshen: ... in a contingency fund, which is in this year's as well ...

Ms Sweet: But it's not.

Mr. Dreeshen: ... that we as a province, whether it be a wildfire, whether it be a flood, whether it be whatever type of natural disaster, will be able to draw from. So, hypothetically speaking, \$400 million: it would come out of that contingency ...

Ms Sweet: But it's not in your budget, so you might overspend. That is what you're saying, which is fine.

Mr. Dreeshen: No. I was saying that it was hypothetical. Let's just hypothetically say that it's \$400 million. We're going into the future.

Ms Sweet: We can't. This is public dollars. You can't hypothetically decide what you're going to spend.

Mr. Dreeshen: Ergo why we have a contingency fund, but you're trying to make a point out of a dash in which we do not know the cost of it because we haven't ...

Ms Sweet: It doesn't exist.

Mr. Dreeshen: ... achieved the actual costs of suppressing wildfires.

Ms Sweet: Yes, but you haven't given any numbers.

Mr. Dreeshen: Because it's unknown.

Ms Sweet: I would just like to go to discussion around – this is obviously where your cost savings come from for some of the emergency response for firefighters. Was there an economic impact study done around fibre savings when the decisions were made around the firing of the rap program?

Mr. Dreeshen: Sorry. Could you repeat the question?

Ms Sweet: Were there economic impact studies done around the fibre savings that were saved due to the rap program?

Mr. Dreeshen: The fibre savings?

Ms Sweet: Yeah. How many trees were saved?

Mr. Dreeshen: If you want to do the math, I think it was under 2 per cent of wildfires that actually were utilized under a rappel program; 98 per cent of the fires were done through conditional means, which was air attack, which was our helitack crews, which was our amazing, brave 500-plus men and women that are in Alberta Wildfire. Between the air support and the 500-plus that dealt with 98 per cent of the wildfires, I guess you could do some type of back-of-the-napkin map to prove what the 2 per cent did, but at the end of the day we have hired – and I’ll break it down – 68 helitack crews and 29 firetack crews.

Ms Sweet: Mr. Chair, my question is: is there an economic impact study? The rationale was about saving money. My question is: based on the rap program, with fibre savings, the amount of tourism due to smoke, and the workforce impact that was done or that people were able to go back to work because of the fires being put out, my curiosity is if there was an economic impact study done to compare the cost of the rap program to the actual savings due to fibre savings, tourism, and workforce impact. The reason I’m asking you that is that B.C. just hired all of our rap firefighters, so they must have had a rationale around the economic impact and why the money made sense for B.C. to have that program and not for us.

Mr. Dreeshen: I’d say that that statement is factually incorrect. Twenty-five per cent of them are actually working for Alberta Wildfire right now. The cost from last year was \$600 million, and it was the most expensive wildfire season that we’ve seen here in the province of Alberta. That was to protect what the department always terms as high-value assets, which are our communities, our families, our mills, our oil and gas installations. Of course, we can put a value on what that is in the northern and western parts of the province, but to say that a group actually had some effect that you could do an economic measurement of is something that – the people at Alberta Wildfire are really worried about how we can most effectively fight wildfires.

Ms Sweet: Well, yeah, but you have other people in your department that could do that math.

Mr. Dreeshen: Well, again, I can point out the 2 per cent versus 98 per cent. We could do a breakdown of how many they actually put out by 10 a.m. of the next day, which is our service standard.

Ms Sweet: Minister, you said that you were going to run the ministry as a business. A business looks at expenditures versus its risk management. If we’re doing it as a business, as you just indicated you want to run your ministry, then you should be able to look at the economic impacts and the potential cost savings if you have efficient people who are able to fight fires on behalf of the province and save all that infrastructure. Would that not make sense?

Mr. Dreeshen: Well, I’m very interested if you can extrapolate a fire that was put out at 10 a.m., which is our service standard, and what it could have actually grown into and the savings . . .

The Chair: Thank you very much, Minister.

We’ll now move on to 20 minutes with the UCP caucus. Your time starts now. Who is starting off, and do you want to go back and forth with the minister?

Mr. Rehn: Yes, Mr. Chair, I’d like to go back and forth with the minister during my time.

The Chair: Thank you. Go ahead.

Mr. Rehn: Yeah. I’d like to thank you, Minister, and your staff for attending this evening to enlighten us on quite a few different areas. You were mentioning the record fires in the province last year. As someone who spent a few decades in the forest industry, I’d like to commend you and your staff and your department for the exceptional job you’ve been doing working diligently with Alberta forest companies on the clean-up this winter. I know that I talked to a number in my constituency, and they’re very pleased with how you guys are working with them to approve the harvesting plans and get a lot of the burned timber to the facilities so we can process it and get something done.

Switching gears here, we see a lot of reductions in this budget, no doubt because of the fiscal mess left by the former NDP government. However, there are some programs that are not mentioned in the budget, so I’m hoping the minister will be able to answer a couple of questions. In the government estimates, page 36, under Operating Expense line item 2.1, rural programming, there has been a reduction of nearly \$1 million, which I worry may affect local 4-H clubs; 4-H is an important Alberta institution that urban and rural communities rely on. It teaches youth important skills like co-operation, leadership, interpersonal relations, critical thinking, decision-making, organization, public speaking, and community service. However, I do not see this organization mentioned in your budget. Will funding for 4-H continue? If so, how much will they be funded?

Mr. Dreeshen: That’s a great question. I know that in your neck of the woods, near Slave Lake – again, hit very hard by wildfires – actually, one of the wildfires just north of you was determined to be arson. That investigation is ongoing.

Over 70 per cent of the wildfires in the province of Alberta are man-made. That is something that, you know, through preventative measures, whether that’s FireSmart in our communities or just raising awareness – you know, 70 per cent aren’t intentional; they’re not arson. They’re just through accidental means. So it is something that we as a department are working on very diligently with communities and with community leaders like yourself to make sure that people are aware that during fire season it’s a very vulnerable time.

When it comes to 4-H, we made an announcement I believe two weeks ago or last week maybe; 4-H underwent a governance review. There ultimately were three different groups of governance within 4-H, and they were trying to determine how they could streamline their governance structure. One of it was government initiatives and government relations, which really kind of tied up the 4-H as an entity. The first thing that the Premier’s 4-H award winner this year told me when we went to the Premier’s office was: we couldn’t communicate anything during your election, and you need to be able to change this. I did actually feel bad, said that I wasn’t minister at the time so it wasn’t my fault. But now under this new governance structure they are able to operate more freely of government. That is something that we wholeheartedly support as a department.

8:20

As well, we made, actually, an unprecedented announcement to have a \$1 million a year funding commitment to 4-H every year for the next 10 years. You know, obviously, they’re free to get dollars and donations from entities and from individuals, but that is something that the government of Alberta really wanted to be able to support, the new 4-H Alberta, going forward. As you know, probably everybody, on the government side at least, has a 4-H club in their area. There are 324 of them across the province, and the folks that actually did the review said that they had unanimous support among

the 324 clubs across the province for the new governance structure. So a tip of my hat to those that underwent that consultation. Again, that long-term funding commitment to 4-H from the government is something that I'm personally very proud of as the minister.

Mr. Rehn: Excellent. My final question is: how many 4-H clubs will be funded by this investment?

Mr. Dreeshen: That million dollars will go to 4-H Alberta, and they'll be able to determine from there which funds, which clubs, what type of activities would receive that funding, as they would any other type of funding that goes into the new 4-H Alberta.

Mr. Rehn: Okay. That's all. Thank you.

The Chair: Mr. Getson, go ahead.

Mr. Getson: Yeah. Thank you, Minister. You know, as a former 4-H kid – we showed beef cattle and everything else – I'm really glad to see that program around.

Mr. Dreeshen: Grand champion?

Mr. Getson: Heck, no. I was way better at other things at the time. No. It was one of those things that was kind of in our communities that really gave a lot of us young kids exposure on a different level, in travel and doing those types of things, so I couldn't say enough about that. On the logging side, obviously, my family is involved in that quite a bit as well and in farming. So I really appreciate your portfolio and what you're doing for us.

MLA Sweet actually stole my thunder on a bunch of things. I was going to pivot today and talk more about the food safety issue, but she has kind of taken some of that.

Mr. Dreeshen: There might be an opening over there.

Mr. Getson: Well, there might be. You never know.

One of those things that I do want to cover on that, since she covered off the first thing and you did answer very well, I think, is that there were no issues with safety, the food quality. In a speech I gave earlier today, we're looking at growing the economy and diversifying it, and if we were to get full throttle on this and started to get more food value-add in that chain, how long or would there be a delay in ramping up those folks again if there was a need?

Mr. Dreeshen: Yeah. Again, I think that as a government you obviously have to have a focus on food safety and make sure that whatever type of regulatory oversight you have is something that makes sense. That is something that, you know, we're continuing to work on and doing consultation with industry to figure out, you know, which jurisdiction really is the best for an outcomes-based food safety system.

To your point on attracting investment to the province, there has to be a return on investment. There has to be a path forward where a company can realize – you know, especially with global capital markets the way they are and that it flows so freely around the world, you have to make a very compelling case for them to actually want to set up shop here in the province of Alberta. Whether it's our job-creation tax cut, which puts us at the lowest corporate tax rate in the country, lower than 44 U.S. states, it is something that helps us become a magnet for foreign investment. Obviously, there are regulatory problems at the federal level, but something that we as a provincial government do have is a red tape reduction, almost obsession, to make sure that we can try to give a concierge-type service, a red-carpet service to investors, because that's what the jurisdictions around the world that actually really attract major

investment do so well. That's something that we as a province are trying to emulate.

I know that, just from the Agriculture and Forestry standpoint, on the ag side we have a \$1.4 billion investment attraction goal that we're trying to hit. We have an investment team that has a running tally of the top 20 companies, the top 20 possible investments that are on the verge of actually coming into the province, and we diligently work with them to try to land those deals, which will see jobs and economic activity in our rural areas across the province.

I think it is a very concerted effort that you need to have in this space to make sure that you can attract that investment because there are other places in the world that are doing it, and they're eating your lunch, at the end of the day.

Mr. Getson: Well said.

If I could just pivot a little bit on the farmer-led research, I think that one of the key objectives on page 10 of the business plan states that you'll transition to a farmer-led research model. Your ministry toured the province and asked farmers what farmer-led research meant to them. I had a chance to partake in one of those in Barrhead. The member from up there was very kind to invite me. We have a lot of overlapping constituents on that side. What did you hear from Albertans, I guess – if you could do a spoiler alert a little bit for us – and how is that reflected in the budget?

Mr. Dreeshen: I'm not going to do a spoiler alert. You know, you're like the NDP trying to twist my arm.

We did have 17 different consultations across the province, and we did see 650 people come out to those 17 stops. We actually had an online survey, and more than 1,400 participants went online to give their input into what farmer-led research means to them and how they'd like to see it going forward here in the province.

I'd say that, you know, we got the same amount of excitement and enthusiasm for the consultations that we did prior to this one, on Bill 6, which was on removing what the previous government brought in, which I think is one of the most disastrous agricultural policies in the history of Canada. It was great to see that amount of enthusiasm from our farming community on getting farmer-led research done right.

Again, another disastrous thing that the previous government did was the elimination of ALMA and ACIDF, which were two entities on the crop side and the livestock side that actually allowed farmers and farm groups to be in the driver's seat on what type of farm research would actually be done here in the province of Alberta. They stripped that farmer control of public research dollars away from them. We're working on some government-led initiatives – that had to fall within their dogma-type research model. That is something that farmers just vehemently opposed, and that is something that we heard at all of these consultations, that farmers wanted the keys again to drive research priorities and research in the province of Alberta.

We are going to have a what-we-heard document from all 17 consultations. I guess you can see a little bit of our thunder. We are planning within the next couple of weeks to announce the new governance model of what that car, that vehicle looks like, where farmers will have the keys to be able to drive research priorities in the province of Alberta. But, as mentioned in this business plan, page 137, in the budget it does point out that \$37 million in research would go to this new entity, and that is for this year and the remaining two years after this year for this mandate.

Mr. Getson: Okay. Excellent. Yeah, that was similar. You could have been eavesdropping, actually, on the table I was sitting at. That was pretty much on point there.

The other thing I found that was really interesting was that the farmers were also strong proponents of letting the universities do what universities do best but also driving the industry, as you mentioned, from those other boards to make sure that it was something that they could instill as best practice, et cetera.

Mr. Dreeshen: To that, you know, we ultimately just thought that the NDP were in government; they eliminated ACIDF and ALMA, and they caused all this chaos in the research space within the ag sector. We thought we'd just do a light switch and just make an improvement on it. But as we started these consultations, we realized that we could actually go further. We could actually try to make improvements and better co-ordinate with our postsecondaries, with the federal government, their research institutions. So we really took it as another crisis that was created by the previous government in farmer-led research. We took it as an opportunity to be able to better co-ordinate the research activities that are being done here in Alberta.

Mr. Getson: Perfect. I was going to have a follow-up, but you actually answered it before I could ask, so I appreciate it, sir.

Mr. Loewen.

Mr. Loewen: Thank you very much. Now, when we're talking about applied research associations, there's been a lot of discussion, and I know that there have been round-tables going on across Alberta about that. Research extension and application are keys to the success of ag research. We know that applied research associations across the province do invaluable work. The success of any research model should be focused on research applicability. Any investment in public research is wasted if it never actually works in the field. So where do the applied research associations fit into this budget?

Mr. Dreeshen: That's a great question, and I agree with you. The applied research associations ultimately are bridging entities from the original kind of foundational research, whether that be through varietal research or genetic research, to be able to actually have on-the-farm applications and some usefulness being done on the farm, some profitability or some tangible benefit. It is something we support, applied research associations across Alberta. There are six of them and two forage ones. We actually have grants that are going out to all of them, something that, you know, shows the government's commitment to them going forward. I could read off all the grants, but they range anywhere from \$137,000 to \$190,000 in direct core funding grants to them.

8:30

We also wanted to make sure that under CAP, the Canadian agricultural partnership, we allocated roughly \$2 million to these applied research associations to be able to get funding for them. If there were any type of applied research initiative that they were looking to endeavour in and go into, they could be able to apply for this \$2 million in CAP funding going forward. It is something that they were very obviously happy to see, that the government appreciates the work that they've done, and gives them some funding certainty going forward into the future.

Mr. Loewen: Okay. Obviously, their work isn't put at risk in this budget.

Mr. Dreeshen: No.

Mr. Loewen: Okay. That's good. Now, how does that all fit in with the new research model that's been proposed?

Mr. Dreeshen: They also would have access to the \$37 million in public tax dollar funded research. Again, the new entity, the new governance board, will be deciding where that \$37 million would go, but some of the consultations that we had with industry were that there's a huge leveraging capability. I know some of the big universities were jabbing back and forth on who could actually leverage more research dollars on certain initiatives. I do think that'll be a main focus of this new board going forward, how you can actually leverage, whether it be through private funds or even producer check-off dollars as well that come directly from producers and farmers. You'll be able to see a massive leveraging effect going forward. That's something where that 37 million core taxpayer-funded dollars – you'll really be able to see a larger benefit going forward in the province.

Mr. Loewen: Okay. Thank you very much.

I'll turn the time over to MLA Yaseen.

Mr. Yaseen: Yes. Thank you. Thank you, Chair. Can I do back and forth with the minister?

The Chair: Absolutely, if the minister is in agreement.

Mr. Yaseen: Thank you, Minister, and thank you for the hard work that you and your staff are doing to bring this province back to fiscal order. We appreciate that contribution that you're making.

In terms of my question, it's on irrigation. On page 37 of government estimates under the capital grants I see a reduction in infrastructure funding from \$14 million to \$10 million. That would be roughly just under 30 per cent. Investment in irrigation has substantial returns. The irrigation infrastructure in Alberta provides the predictable environment required for the high-value core crops grown in southern Alberta. What is your ministry doing to ensure sustainability and successful irrigation agriculture?

Mr. Dreeshen: Well, I'd agree with you that irrigation farmers down in southern Alberta – there is a massive multiplier effect in investment in irrigation. We've heard industry estimates of every \$1 invested into irrigation-related activities yields about a \$3 return. Down in southern Alberta irrigation-related ag processing generates over \$1.7 billion in GDP to the province, and that equates to about 17,000 jobs. Just on the crop and livestock production side, that's about \$1.1 billion in just labour income, and that equates to about 38,000 jobs. I think it is important to know that the government of Alberta is still investing in irrigation to make sure those capital grants continue to flow. Next year and the year after it will increase up to \$12 million. Again, I just think that shows the continued support that this government has, especially in capital grants, for our irrigation sector.

But we are committed to doing a tour down in southern Alberta to talk to the 13 different irrigation districts down there to see not just monetary support that the government can help that area with but red tape reduction as well and how we can work with municipalities as well as the different irrigation districts that have different rules amongst themselves, to be able to really untap and to grow and expand our irrigation acres down in southern Alberta, to again get that GDP and economic growth bump and jobs, which we on the government side were all elected to do. Jobs, economy, pipelines: there are actually pipelines when it comes to irrigation, so it fits all three.

Mr. Yaseen: Well, thank you. Thank you for getting into red tape reduction because my next question is on red tape reduction. In your business plan, page 9, you mention that your ministry has aimed for a one-third reduction in the number of regulatory requirements in

statutes, regulations, policies, and forms, a commitment that this government made in our election. There's no doubt that reducing the barriers for the agriculture and forestry industry will increase competitiveness and reduce overhead costs for farmers, restoring the Alberta advantage. Is the ministry on schedule to hit one-third reduction? How many have been cut so far? A follow-up question is: can you provide some examples of agriculture or forestry red tape that has been cut so far?

Mr. Dreeshen: Sure.

The Chair: Sorry to interrupt, Minister.

We'll be next going into a 10-minute round with the Official Opposition, followed by a five-minute break because we're sharing facilities with the other committee that's working here tonight. So we'll do 10 minutes with the NDP caucus, followed by a five-minute recess, starting now.

Mr. Dach: Thank you, Mr. Chair. I'll continue on and go back and forth with the minister should he be willing to continue that way.

Mr. Dreeshen: Sounds good.

Mr. Dach: Thank you so much. I wanted to ask a number of questions about performance measures. In the business plan, Minister, there is an item under 1(a). I don't have the page reference right here, but it talks about the number of value-added agriculture products developed successfully and introduced into the market with assistance from Agriculture and Forestry. In 2018-19, of course, that number was 299, and it's targeted to go down to 280. So there's a reduction in the number of products that are anticipated to be brought into the market with assistance from Agriculture and Forestry, yet the whole tone and tenor of the budget you present is gladly going towards increasing these types of export products and development of products. Why do we see a reduction forecast?

Mr. Dreeshen: With our \$1.4 billion investment attraction value-added goal that we have here, I see that reflected in the targets, that it is going to be increasing over the coming years. Again, that's something that – you know, 2,000 net new jobs we're targeting, trying to achieve. It's something that, again, I mentioned earlier – perhaps you were out of the room. Our investment team within Agriculture and Forestry is targeting – they have a current list of about 20 of the top new agriculture investments that are kind of kicking the tires, thinking about investing in the province. We are trying very hard to court these new investments to get the economic benefits as well as the jobs that will correspond with them.

In addition to, you know, the red tape reduction initiatives, targeting what type of investments and what type of value-added processing, whether that's another Cavendish down in southern Alberta with another potato processing plant, for an example, or a mill or a new malt facility or a new canola crush plant, we are breaking it down by commodity and targeting different companies globally and within Alberta and Canada to try to attract that.

I'd also say that with CAP as well there are funds to help existing companies and new emerging companies coming into the province to be able to expand and to be able to export markets around the world, so . . .

Mr. Dach: Speaking of that expansion, it seems to be something incongruent here on page 36 and 37 of the estimates, line 3.4, processing, trade, and intergovernmental relations. Notwithstanding your aspirational goal of improving agricultural exports, we see that spending was nearly cut in half. I'm just wondering how you square the aspirational goal of improving trade with the reduction in

expenditure in the very line item in the budget which you might want to be investing in if you were trying to expand trade.

8:40

Mr. Dreeshen: Sorry. That's 3.4 in the estimates that you're referring to?

Mr. Dach: Yeah. On page 36.

Mr. Dreeshen: Yeah. I mean, it is very close. We're still spending over \$4 million on intergovernmental relations and trade compared to the slightly more over \$4 million of investment there.

Mr. Dach: Right. But the number actually is, from 2018-19, \$65 million, down to the 2020-21 estimate of \$30 million, so we're talking – it's more than cut in half, and that's a big chunk. It doesn't seem to square with your ambition to grow exports internationally. What's been cut here?

Mr. Dreeshen: Yeah. But 3.4, intergovernmental relations and trade, in '18-19 was \$4.5 million. The estimate going forward in 2020-2021, on line item 3.4 of the estimates, is \$4.39 million. I mean, they're pretty close.

Mr. Dach: Yeah. To be clear, I'm referencing more the whole line of item 3, the total at the bottom there, where you see \$65,539,000 in 2018-19 versus the \$30 million.

Mr. Dreeshen: Right. Yes. Business development and programs: that was a previous program in 2018-19 that your government initiated – I think it was \$37 million for the liquor manufacturing program, where you essentially were picking winners and losers in that space – and something that we eliminated in our first budget.

Mr. Dach: All right. I wanted to turn to your fiscal plan, page 137, and talk a little bit more about the \$37 million that you're going to hold steady on for farmer-led agricultural research, which you like to talk about so much. I wanted to shed a bit more light on how this will actually work for farmers. I know that it's still in process and planning, and we'll sort of wait for spring for the details, but I hope you can shed some light on it now because I've been to agricultural forums, talking with producers, and they are concerned about how this will actually work, what it will mean for them as individual producers. What is the application process? Is it open to individual farmers? How broad-based does their support for a research project have to be? We'll start with that.

Mr. Dreeshen: You're always trying to get me into trouble by mentioning things that aren't finalized yet or announced yet. I mean, at the end of the day, we have \$37 million in commitments. That is something that is in the budget – it's there in black and white – so the farmers know that the government of Alberta sees a role for government to actually be in the funding space when it comes to ag research. I think even a comparative analysis of what other provinces are doing: you add up Saskatchewan and Manitoba; their provincial ag research funding is less than Alberta's. So that is something that we in Alberta go above and beyond to make sure that agriculture research funding at a provincial level is the highest among the prairie provinces.

It is something that – you know, I can talk about the \$37 million openly and freely. When it comes to what the new governance model that replaces the disastrous change by your government, when you were governing – we haven't finalized the model yet, but whether it's ACIDF or ALMA, those were farmer-led initiative entities. They would assess different types of research proposals coming to them, but at the end of the day, it was farmers and the

industry that were making decisions on what the research priorities would be in agriculture, not government, not politicians.

Mr. Dach: Right. You had mentioned, of course, that one of your goals was that the farmers not be stripped away control of public-funded research dollars. I'm just wondering if indeed that same risk might be present in this system here. That's why I'm asking questions about who it's open to and how it'll work, what the process is. If indeed, you know, some of the funding requires that it be matched by other partners, whether they be private or even university partners, that may demand that a certain level of scale be achieved by the applicant and thereby eliminate the smaller producer from access to these funds. That's a concern that I have, that these individual farmers with good ideas might not have access to these funds because of the sizes of project required.

Mr. Dreeshen: Sorry. I will address that. Saskatchewan does about a little under \$31 million. B.C. does about \$4 million in government-funded research. It just is a little shy of under \$37 million, everything that the province of Alberta is committed to in public funds to this new entity.

When it comes to directly addressing your last question, it is something that we are trying to leverage. It is something that if you can have, say, a half a million dollars of public dollars going into a project, to be able to leverage producer check-off dollars of another half a million or your private sector to put in another half a million, you're then scaling up and extending the life of a project. I think that in the research world and I think that on the government side we view and understand that this type of leveraging, when it comes to research dollars, is a good thing and something that shouldn't be frowned upon or be scared of.

Mr. Dach: You know, I certainly wasn't frowning upon it. I just want to make sure that it was fair and equitable to different scales of applicants, and if we're going to do it this way, let's make sure that we don't create some of the problems you hope to avoid.

Mr. Dreeshen: Sure. I would say that it is very specific. It depends on the type of project, type of applicant. Is it a longer term, shorter term? So I think, you know, how the contracts eventually get drawn up and the research proposals are actually enacted will kind of be a case-by-case basis of how it's actually done. Again, even though I'm skating on thin ice, I think that still a lot has yet to be developed, and in the coming weeks we'll have more certainty.

Mr. Dach: Can you give any idea about timelines for approval as yet?

Mr. Dreeshen: Just keep on skating. No. I'm going to stop.

Mr. Dach: I guess you haven't figured that out yet.

Mr. Dreeshen: Yeah. We're hoping to very soon. There, I skated a little bit further.

Mr. Dach: All right. Sounds good.

I have a number of questions on different issues. I wanted to actually just ask a couple of questions about the . . .

The Chair: Sorry to interrupt, Member.

We will now take a five-minute break, followed by 10 minutes of the government caucus. Please be back in your seats promptly, including me.

[The committee adjourned from 8:47 p.m. to 8:53 p.m.]

The Chair: Okay. Thank you, everybody. Take your seats. The minister is now here.

Just to let you know, we did start the clock, so we're at nine minutes and 30 seconds. If the government caucus is ready – Mr. Yaseen, if you'd like to go ahead.

Mr. Yaseen: Yes. Thank you. Thank you, Minister. You were talking about red tape reduction, and the question was: are you on schedule with respect to the one-third reduction? How many have you cut so far? In terms of examples, maybe you can give us an example with regard to agriculture or forestry of how many have been cut there.

Mr. Dreeshen: That's a great question. We have identified over 12,000 red tape reductions, whether it be statutes or regulations, within the Department of Agriculture and Forestry. We are in the process of implementing them, 22 initiatives so far. Of that, there are many within those 22 initiatives, totalling 686 reductions to regulatory and administrative burden. These initiatives along with additional administrative changes we're hoping can reduce that count by approximately 2,000 or just slightly over 2,000. That is something that we are constantly assessing, how we could address that 2,000 number.

It will take a lot of work, but something with this government, obviously, is having a minister responsible for red tape reduction. His team has been very helpful in us developing this count as well as trying to help our officials be able to (a) focus on it but (b) go through the steps to make sure we can make the reductions. He's had two pieces of legislation now, I think. There were some legislative changes that we made in the First Session of the Legislature. I mean, it is nice to be able to see that we're working with the associate minister as well as with other departments. This is just straight on agriculture reductions that we can make, but there are crossministerial initiatives that we're undertaking with other departments and with other ministers to make sure that we can identify common red tape reduction initiatives going forward.

Mr. Yaseen: Well, thank you. That's very impressive.

Mr. Dreeshen: It's a lot of work.

Mr. Yaseen: Yeah. I will pass on to MLA Rosin.

Ms Rosin: All right. Thank you.

Well, thank you so much, Minister and all your staff, for being here today. As you know and as we've been promising Albertans for some months now, our goal as a government has been to balance our budget in the first term, not through massive spending reductions but through growing our economy and trying to bring an uptick in our government revenues. So I was really happy actually that in your business plan, page 10, key objective 1.4, you talk about developing a growth strategy that aims to attract \$1.4 billion in investments over the next four years while also creating 2,000 jobs, which obviously was a very key plank of our '20-21 budget and our entire election platform. I'm just wondering if your ministry will be providing any sorts of incentives to investors that seek to invest here to kind of incentivize that investment in our agriculture and forestry industries. If so, how much has been benchmarked? If not, I'm wondering what your plan is to draw new investment into our province.

Mr. Dreeshen: That's a great question. We are helping investors or possible investors just identify the Alberta advantage that we've created, and that's, again, as I mentioned previously, our job-creation tax cut to make sure that we have the most competitive tax

rate within North America. Again, we're beating all of the other provinces, and we're beating 44 U.S. states.

But just because we made that initiative as well as our red tape reduction initiatives and the red carpet type treatment, that doesn't mean that investors are just going to flock to Alberta or want to come here and invest. We have to be able to make the case to, a lot of times, global companies with global investment with fluid global capital that can go anywhere around the world, and we have to be very active and very aggressive. We do have a team within the Department of Agriculture and Forestry that works with Economic Development, Trade and Tourism and Minister Tanya Fir as well to make sure that we can attract the right people here in the province of Alberta.

Again, if you measure something, you can improve upon it, and that's why we've identified different commodities with different types of value-added projects. Whether they're in the space already or new entrants or possible new entrants, we are trying to identify them and then court them and trying to bring them here to Alberta. That is something that even within AFSC, they also have a lending capacity as well, and it was at \$2.6 billion. Now it's at \$2.8 billion. We are looking to see if, you know, we could utilize AFSC in a lending capacity as well to help attract more jobs and more economic activity to the province. Those are some of the big steps that we're taking as a department to try to increase that economic activity and jobs.

Ms Rosin: Awesome. Thank you. Just to follow up on that, I did read that the goal was to create 2,000 jobs with this initiative. I'm just wondering if you can talk to what sectors you're anticipating those jobs to be in or what commodities.

Mr. Dreeshen: We have identified eight subsectors. It would be anything ranging from canola processing, whether that's canola crushing, refining, biodiesel, to the plant protein clusters, whether it be pulse crops or protein fractionations – I'm looking at you, Mark Smith – but even in the hemp industry as well, to see the possibilities of having more hemp production here and more value-added in the province to traditional livestock as well. What would it take to have another pork processing facility or one on the cattle side? We are looking at, you know, breaking down the types of commodities and what we do with our natural advantages here in the province of Alberta, what we actually do very well and how we can expand and grow upon what our natural advantages are here in Alberta.

9:00

Ms Rosin: Great. Thank you.

Just a few more questions kind of tailing off that. On page 11 of your business plan under metric 1(d) you outline that our province's agrifood exports sat at \$11.6 billion in 2018. In your business plan you emphasize the importance of growing our exports in an effort to draw in this investment you've talked about and create these jobs. I'm wondering what percentage of growth you are expecting for the agrifood exports in the next few years.

Mr. Dreeshen: That's a great question. Of course, when we made these estimates, that was pre-coronavirus. That was, you know, pre the possibility of a global slowdown. But our primary export growth: we're hoping over the next four years to be able to grow it by 7.5 per cent. That's something that's worth about 7 and a half billion dollars. Also, on the value-added export growth we're hoping to be a little more aggressive, 8.5 per cent growth, which is \$9 billion. We are being very hawkish and optimistic of being able to continue the trend of more exports as our farmers are more

competitive. They're producing more with less. Also, if our value-added strategy works, we will be able to do more value-added exports as well. Whether it's on the value-added side or even on the primary agriculture side, the vast majority of what we produce here in Alberta gets exported.

Again, that's why the opposition – dalliance is probably not the right word. Dealing with people, whether they be Extinction Rebellion, or encouraging people to go out on rail lines and protest and try to shut down the province is something that, again, harms our economy and harms what we can actually do as a province to be able to export. We produce so much and we do so much as a province. We need to make sure that we have our rail lines, which are the main way that we export products here in Alberta, unfettered and that the rule of law actually can reign supreme at the end of the day.

Ms Rosin: Absolutely.

One final question for my segment. I'm just wondering how much we are going to be investing to support the growth in these export segments.

Mr. Dreeshen: Well, we do have the CAP program, which individual projects, if there's some type of new technology that they want to bring on, can apply for government funding. Our main strategy isn't to have a big pot of free money to be able to pick winners and losers. We want to make sure that we as a government can just set a level playing field that is the most attractive in North America and that investors, after we try to attract them, will actually come and make the investments on their own.

Ms Rosin: Perfect. Thank you so much.

The Chair: Thank you. Sorry to interrupt.

We'll move on to 10 minutes with the Official Opposition. Mr. Feehan.

Mr. Feehan: Thank you. Minister, we of course will continue the exchange back and forth if that's okay with you.

Mr. Dreeshen: Happy to. Thank you, Richard.

Mr. Feehan: My questions are given to me largely by members of the community, so I'll be kind of asking on their behalf a little bit.

Mr. Dreeshen: Perfect.

Mr. Feehan: The first one comes from some of the chiefs in the North Peace Tribal Council area, the four bands near High Level, I guess, is a simple way to put it. They were surprised to learn about the 33 per cent increase in the annual cut, that is anticipated or hoped for in your business plan, and just have some questions about that. The first one is that they understand that the forest industry has had a long-term plan of sustainability in terms of cutting, and this would seem to be a significant change from the current situation. So there were some questions about whether or not forest companies may be in danger of losing their sustainable forestry certification if we suddenly jump that up. Or, as one of the chiefs said, if you have 10 chickens and you have sustainably eaten four every year and you suddenly increase it to eight next year, will you be able to have any chickens in a year or two?

Mr. Dreeshen: I'm not sure of your chicken or egg analogy if that was one.

Mr. Feehan: I'm just passing on the question.

Mr. Dreeshen: I would just say that we are working on improving forest management practices. As I mentioned earlier, we want to make sure that it is environmentally sustainable. We want to make sure that as true environmentalists, whether you're farmers caring about your land that you've had for 100-plus years or a forestry company that has a 100-plus-year forestry plan – these two sectors are renewable resources, and they do a fantastic job of building these century-plus out plans. I think it is something that – there are lots of indigenous groups that do partner with forestry companies.

Mr. Feehan: These ones all do, by the way. That's why they're wondering about not hearing about the sudden increase of 33 per cent until I phoned them about it.

Mr. Dreeshen: Well, again, we are working on trying to develop what actually is sustainable and can work within, you know, federal-provincial rules. But I do think – and those chiefs, I'm sure, would agree with this statement – that forestry is good, that sustainable logging, sustainable forest management practices are good, are necessary to reduce fire risk as well as reduce mountain pine beetle, which you said you were going to ask me a question about what I did.

Mr. Feehan: So was there some assessment done about the sustainability issue before you made the decision at 33 per cent or any number that you may have picked?

Mr. Dreeshen: The department looked at it, and we did work with the Alberta Forest Products Association as well, of which a lot of forest companies are members of. So it was with consultation with industry as well as the department who have forestry officials that have been in that area for a long, long time and really do understand Alberta's public forests on our western sort of end.

Mr. Feehan: Okay. I appreciate that answer.

The question, then, from the chiefs is that this is significantly affecting their land, their traditional territories. It sounds like you've had some consultation, but you've identified that that consultation has been singularly with industry and not with the indigenous partners who are actually part of the industry, and none of them knew about this. So they seem to be excluded even from your industry consultations. Do you have a part in your business plan where you have a direction set for consultations with First Nations before you make plans like this?

Mr. Dreeshen: Well, I'm excited to hear that there are other forestry participants that are excited about this process of increasing the annual level cut here in Alberta. From a provincial standpoint the largest regulatory control that we have is the FMAs, and that is something that we will continue to embark on, continue to use. But, as I mentioned, doing the best practices of forest management is not so much politics as: what are the best regulations going forward? I mean, the consultation . . .

Mr. Feehan: Okay. Let me simplify the question because I obviously put too much in and set you off on the wrong track. The simple question is: how come nobody called any of the First Nations chiefs?

Mr. Dreeshen: No decisions have been made. We're in the process right now of consulting. If you have names, please submit them to our office. Thank you for simplifying that, by the way.

Mr. Feehan: Certainly, I can provide them to you.

Some of the questions that they have around that that they will bring up, that I think are very significant, is that there are some

treaty land entitlements, treaty lands that are yet to be decided on, that will be added to some of the reserves in this North Peace Tribal Council area, and there is some concern about increased forestry or, in fact, the recent sell-off of land in northern Alberta without consultation. The First Nations said that you're actually undermining their rights under the United Nations declaration on the rights of indigenous peoples, section 26, their rights to have consultation regarding the use of the land in their traditional territories. So there is some concern, question about whether or not this will affect them because lands that they want to have for treaty purposes will be used largely not for agriculture or forestry but rather for ceremony, for hunting, and so on. How will that be affected?

I also want to make it really clear that we're not talking about chiefs who are saying: we want to stop forestry. It's not the issue. They're happy to be part of processes. What they're concerned about is that they don't seem to be part of the process. So will this affect treaty land entitlements?

Mr. Dreeshen: Well, on that part of the process I would say that our indigenous opportunity fund is something that we as a government are taking – not just words and platitudes as the previous government had . . .

Mr. Feehan: But you've excluded forestry from that fund.

Mr. Dreeshen: That's not true.

We, with the indigenous opportunity fund . . .

Mr. Feehan: I will just write that down because the other minister told me it was.

Mr. Dreeshen: With the indigenous opportunity fund we are partnering with the indigenous groups to make sure that they are partners in prosperity and that they can partake in any type of natural resource development.

To your question of consultation, Indigenous Relations does have a specific consultation office, and there are national standards that Indigenous Relations deals with. So that would be the proper consultation process.

9:10

Mr. Feehan: I did address that because I'm quite aware that they do have that office.

Mr. Dreeshen: As the former minister you would know that. Yes.

Mr. Feehan: Yes. The chief I was speaking to was quite surprised that they would sign off on consultation when he has yet to be contacted. So he wasn't quite sure how they would sign off on consultation when there hasn't been any consultation.

Mr. Dreeshen: I would say, as I mentioned before, that if you have names, please let us know. We do work hand in glove with our Indigenous Relations folks to make sure that the consultation office at Indigenous Relations is aware of . . .

Mr. Feehan: Okay. I will certainly be passing on your answers, so that's fine. I don't like to use the chief's name because it makes it sound like I'm speaking for them when I'm not. I'm trying to address the issue as opposed to the personalities.

One of the other issues that they did speak about in my consultation with them was concern around what you mentioned just now about protesters. What they are concerned about is: what happens if, as they may choose to do, they chose to construct culture camps in areas in order to prevent them from being logged, areas

that particularly have sacred or ceremonial or historic importance to the community? One of the common things that has happened in the north is that they have established culture camps, where they bring out their families and their children and show them where the berries are and how to gather medicines, and they talk about the importance of preserving the land. They are expressing some concern about the recent introduction of Bill 1. As you mentioned, we view that often as protest. They view it as just simply using the land which has always been theirs. They're wondering what the policy of Agriculture and Forestry is on culture camps, that are intended to make statements about the preservation of land where necessary.

Mr. Dreeshen: We don't mitigate culture camps. That's not our role, that's not within this budget. But when it comes to specific issues, again, please let us know rather than, you know, discussing it at a higher level. At the end of the day, no one is above the law. No one can block access in these areas, and we have to make sure that the rule of law is . . .

The Chair: Sorry to interrupt, Minister.

We'll now move over to 10 minutes with the government caucus.

Mr. Singh: Thank you, Mr. Chair. I've got questions for the minister, and I would like to have your permission to go back and forth with him.

Mr. Dreeshen: Sounds good.

Mr. Singh: First of all, I would like to commend the minister and his staff for the outstanding performance in support of the sustainable development of agriculture and forest sectors. My question is: in your business plan, page 10, key objective 1.5, you talk about delivering "agricultural insurance products to give producers tools to reduce the economic impacts of risks beyond their control that threaten the viability of their farms." We have already taken steps to help farmers by removing the actions of the previous NDP government, but it is fair to say that some things are out of our control. What flexibility is there within the current budget toward just funding based on the factors out of the control of the farmer?

Mr. Dreeshen: That's a great question. Again, 2019: you know, some industry folks dubbed it the harvest from hell because at the end of the day there are nearly a million acres that are still out under the snow right now. AFSC's most recent estimate is anywhere between \$700 million and \$750 million of insurance payouts that will go out. So it is very difficult, but I would say to farmers that are severely affected – I know that in Grande Prairie there were farmers that were 17 per cent done; over 80 per cent of their crop was still out. To not get paid that much money – because that's how they make their money – to have that kind of devastating year really hits a lot of farms and a lot of farm families very hard.

The unharvested acreage benefits program is something where, again, it helps in an immediate situation for a farmer like that, that has 80 per cent of their crops still out, rather than having to wait for the spring in order to get an assessment and whatever insurance payout that would come after it's been harvested and after they know the actual production loss. That is something that farmers know they can take to the bank. And when it comes to crop insurance, it's been a long-standing program; it's been in place for quite some time. That will continue and be maintained with this budget.

As an interesting note, when it comes to crop insurance itself, it's a five-year envelope funding with the federal government. We are

now in year 3, I believe. This July there's a big FPT coming up, which is going to do a whole bunch of critical thinking on what type of business risk management program should change, and crop insurance is part of that. There is some big policy work to be done to see what will change within the Growing Forward 4 framework after the five years. That'll be a big component of what crop insurance looks like going forward after that five-year limit.

Mr. Singh: I just ask because I noticed that on page 36 of your budget, section 5, the estimate for the year 2020-21 is well below the forecast of 2019-20. If farmers have another rough year, will we see insurance support increase so the farmers are supported?

Mr. Dreeshen: Yes. And something that I think AFSC, Darryl, just mentioned, I think it was reduced by 6 per cent, the premiums for this upcoming year.

You know, what farmers can expect now going into 2020 is that of the 118 crop adjusters that AFSC has, they have identified a surge capacity of about 30 of them to go up into the northern areas, the harder hit areas of the province, to make sure that when farmers are making those critical decisions about what to do in the spring, they can make it in as quick a time as possible.

Mr. Singh: On the same page of your budget, section 5.1, there's a decrease in funding of \$3.4 million in lending assistance. Can you explain what this direction is going to mean for the farmers if they need to rely on lending assistance in the upcoming year?

Mr. Dreeshen: The \$3 million lending assistance for AFSC is something that, through the expansion of their lending program, now to go up to \$2.8 billion – they are going to be less reliant on government subsidies, which that \$3.4 million is, and will be able to be self-sufficient. AFSC is confident that with the increase in lending program, they'll be able to be self-sufficient and won't need to rely, or rely so much, frankly, on government subsidies going forward.

Mr. Singh: My last question is: what other initiatives has your government developed that are aimed at supporting farmers that need help?

Mr. Dreeshen: I think it's encouraging farmers to know that there are a lot of programs out there already, whether that's AgriStability, whether that's crop insurance, whether it's cash advances. There are lots of programs that are available, that are out there. You know, there's an aging farmer group out there. We just need to make sure that farmers are aware, especially the new farmers, when they come on, and see the benefits of the stability of the safety nets that these programs provide, and that there is ultimately an uptake. They don't have to necessarily – close your ears, Darryl – use AFSC. They can use other insurance providers as well. But they need to make sure that they have some type of safety net in their farming operations. With such a volatile industry that is agriculture, they need to hear that encouragement from government and from family, whomever, to make sure that they're aware that they can try to smooth out some of the volatility in farming.

Mr. Singh: Thank you, Minister, for answering. I will let my fellow MLA ask the next question.

Mr. Dreeshen: Thank you.

Mr. Loewen: Okay. Thank you very much, Minister. I want to get back onto the farmer-led agriculture research model that we were discussing earlier. Now, in your business plan, page 10, key objective 1.6, you talk about transitioning to a farmer-led research

model, which would be like going back to the way things were done before the NDP centralized everything under government. So after months of in-person and online consultations with farmers, ranchers, industry, academics, and many more Albertans, including my constituents, we're excited to hear about the outcomes from that consultation. When will the details from the consultations be available?

9:20

Mr. Dreeshen: Just like the counterparts across the way.

We're hoping to very soon do at least a lessons-learned report from all these consultations that we did over a month: 17 different stops, 650 in-person meetings, over 1,400 online submissions. We actually had an amazing team within the department that did all these consultations, that put it all together. That lessons-learned report we're hoping to release very soon.

Mr. Mayer: What we heard.

Mr. Dreeshen: What we heard. What did I say?

Mr. Mayer: Lessons learned.

Mr. Dreeshen: Well, we learned something, but it was more about what we heard. Sorry. I do apologize.

The what-we-heard report will be made public very soon.

Mr. Loewen: Okay. Sounds good.

Now, is there any idea of what kind of governance structure this new research model will take?

Mr. Dreeshen: Too early to tell.

Mr. Loewen: Okay.

Mr. Dreeshen: As I did mention, ACIDF and ALMA from the crops and livestock side were very successful in having farmers' voices heard when it came to directing public research dollars. The NDP, for ideological reasons, eliminated both of those programs and wanted to move towards a government-led research model as they wanted to centralize control within government. We're not doing that, obviously. Something that we want to make sure of is that farmers are driving the research bus going forward.

Mr. Loewen: Your office won't have control over the farmer-led research, then?

Mr. Dreeshen: Once it's up and running, the new organization, there will still obviously be accountability measures. But that \$37 million: it will be up to the new entity to make the priorities and the decisions going forward.

Mr. Loewen: Okay. Great. Thanks.

Now, I noticed on page 36 of your budget, line 4.4, livestock and crop research, the funding decreased by just over \$200,000 to \$25.7 million. Will this funding be directed to the new farmer-led research structure?

Mr. Dreeshen: Yeah. The total of the \$37 million is coming from multiple sources. What we're trying to do – and this is very much inside baseball – is that we're trying to get a \$37 million line item within the actual budget estimates as something that was going to be agriculture research. We did all this work to make sure that funding was going to be consistent this year and in the out-years of this mandate. We couldn't quite get it. If you do a whole bunch of math, you add up to that \$37 million, but at the end of the day that

makes up some of the \$37 million that will eventually be provided to farmers.

The Chair: We will now move on to 10 minutes with the Official Opposition.

Mr. Feehan: Thank you. Minister, I'd like to just go back to the last answer you gave just before we were cut off by the bell. I just want to be really clear. If First Nations establish culture camps on disputed land, your ministry's recommendation will be the prewarrant arrest of families at the camp as illegal protesters? Is that correct?

Mr. Dreeshen: Indigenous Relations would be the lead on that, so I don't really know the scope of that within Agriculture and Forestry's budget estimates. I would defer to the chair.

Mr. Feehan: So Indigenous Relations will have the decision over whether or not there'll be arrests on forestry lands. Is that what you're telling me?

Mr. Dreeshen: I'll defer to my ADM of forestry if he'd like to address that.

Mr. Feehan: I will ask the minister in the morning. Thank you. I do have another quick set of questions.

Mr. Dreeshen: He's right here, about 12 feet away from you.

Mr. Mayer: Should there be culture camps set up, past practice, as I think you're aware, is that we go out and talk with the nation.

Mr. Feehan: Yes, but a new bill has been introduced to change that pattern, so I need to ask questions. But thank you. I appreciate it.

I'd like to take a moment to ask some questions regarding wildfire, and these questions come from conversations with Paddle Prairie members, not leadership. Unfortunately, the leader died this year, and it's sort of a difficult situation. The question from Paddle Prairie, of course, has to do with the fires that went through last summer and the resulting loss of I think approximately 15 homes. My number may be wrong in terms of the number of homes, but it's approximately that.

The question is: how does the ministry prioritize what fires to fight? This was particularly enhanced by the fact that I was able to speak with some of the firefighters from the community who were stationed in High Prairie and were told not to go to Paddle Prairie to fight an existing fire because they were prioritized as protecting High Prairie from a potential fire. The community was very concerned that a potential fire in a white community was rated higher than an actual fire in a Métis community.

I will just let you answer so that I can pass the answer on to the community.

Mr. Dreeshen: Sorry. Could you repeat that last question?

Mr. Feehan: The question is: how are these decisions made? The concern was that there was an actual fire at Paddle Prairie – it burned 15 houses, I think, somewhere close to that; it totally destroyed them – and at the same time, firefighters who were stationed in High Prairie were not allowed to go to Paddle Prairie because they were in High Prairie on standby in case of a potential fire in High Prairie. So the viewpoint of the individuals I spoke to from Paddle Prairie was that a white community was protected from a potential fire whereas an actual fire in Paddle Prairie was not fought.

Mr. Dreeshen: I'd just like to state for the record, Chair, that that's a ridiculous assertion.

Mr. Feehan: Okay. I said I would ask the question on their behalf.

Mr. Dreeshen: I will stand by the Alberta wildfire personnel every day of the year. They do tremendous work. The command centre that they set up, they assess risk on human life and communities. It is an ever-evolving and changing situation.

I've been up in these incident command centres: essentially, like a war room. Information is constantly coming in. We have experts here within Edmonton that feed information on weather patterns and actually monitor, whether it's through satellite, whether it's through aero support, whether it's through just eyes on the ground. They do a tremendous job of being able to monitor these fires, and they are the best in the world at what they do.

Mr. Feehan: Thank you, Minister. I just promised that I'd ask the question and I would just return whatever you answered. So I don't have any more questions.

Mr. Dreeshen: That assertion is insulting to the brave . . .

Mr. Feehan: Well, it wasn't my question. So I'll pass that along to them.

Mr. Dreeshen: Well, it was insulting.

Mr. Feehan: Thank you.

The Chair: Thank you very much.

Mr. Ceci, carry on.

Member Ceci: If the minister wants to answer back and forth, that'd be great. I just have a few clarification questions, if I might, with regard to the ministry business plans. It says that "in 2018, agriculture and forest sectors employed over 100,00 Albertans." Do you know what that number is for 2019? Is it the same or higher or lower?

Mr. Dreeshen: Our hope is that it'll be higher. If the \$1.4 billion value-added – again, how successful our investment team can be on that, that in itself is about 2,000 net new jobs.

Member Ceci: Yeah. I saw that a little further down, but you don't have a number for 2019 as of yet.

Mr. Dreeshen: Of how it can be broken down? Again, it depends on . . .

Member Ceci: No. Just the total, I think.

Mr. Dreeshen: Right. So the StatsCan data on that, it's not ready yet.

Member Ceci: Okay. That's great. When will it be ready?

Mr. Dreeshen: Well, StatsCan – whenever they do their quarterly report.

Mr. Tremblay: It takes a while.

Mr. Dreeshen: Fall is our best guess.

Member Ceci: So just a question about line 4.7, irrigation infrastructure assistance, on page 37.

Mr. Dreeshen: Of the estimates?

Member Ceci: You might have answered this, but I didn't hear it yet. So there's a reduction of \$4 million to that area and the area's infrastructure assistance. I'm just wondering if that area is to rehabilitate – I guess it's canals, cant canals, we're talking about throughout Alberta. What's the impact of \$4 million less to that area?

Mr. Dreeshen: Something that the irrigation districts really thought that they could still do, when we talked to them about that, was proper capital maintenance of their system. Also, the increase of \$2 million for next year and the year after – obviously, the \$10 million goes a long way this year to being able to keep capital infrastructure still going and operating in the irrigation district.

Member Ceci: Does it mean that fewer acres can get under irrigation and therefore be less productive as a result of the reduction?

9:30

Mr. Dreeshen: No. They're still in an expansion mode right now. They're still trying to look at ways in which they can increase the acreage that's under irrigation. A lot of times that type of expansion, you know, is with the irrigation district themselves and with farmers to be able to see how you could actually grow and expand and increase acres, at the end of the day.

If my deputy minister would like to comment as well.

Mr. Tremblay: Sure. Much of the funding actually goes to the irrigation sector to improve efficiencies, and by improving efficiencies, what I mean is using less water. When you use less water within the irrigation district's water allocation, you can expand acres. As an example, providing maintenance on irrigation canals or pipelines to reduce the wastage of water or transitioning irrigation equipment from high-pressure irrigation equipment to low-pressure equipment actually saves water, which means irrigation can actually expand based on the existing water allocation.

Member Ceci: Thank you for the clarification. Under 5.3, agriculture income support, is that a demand-driven program as well? It's a big change from the budget to the forecast in '19-20 and then back to the similar kind of budget. Is that demand driven?

Mr. Dreeshen: Yeah. Similar to whether it be the lending assistance or insurance, the agriculture income support – you know, with AFSC in general, that is demand driven. Whether it be good or bad years, obviously you're going to see that number fluctuate. That's something that I would say that the best way to characterize it would be that it depends on how good the years are.

Member Ceci: It depends. I thought I heard you say earlier that there were some real problems with very low crop being pulled into the bins in some areas of the province. Is this demand-driven income support going to explode in this year?

Mr. Dreeshen: Well, I think it's not going to look good. It's \$700 million to \$750 million just on crop insurance. I don't think that there's an estimate on AgriStability. That's more on the margins side, and it takes a longer time to actually make that assessment. Usually it's a year or two out from the actual disaster year. Where crop insurance is an immediate payout, you'll see it within the next year, but when it comes to AgriStability, it's a lagging effect of two years out. Like I said, it does fluctuate and depend on the year and also, depending on the program, when it actually hits the budget cycle.

Member Ceci: Can I just ask you a question about the reductions in a third area here: processing, trade, and intergovernmental relations? A cut of \$1.5 million, a cut of \$1.3 million, a cut of \$800,000: are the same outcomes going to be anticipated to be delivered in each of those areas, or will there be a reduction?

The Chair: Sorry to interrupt. We'll now move on to 10 minutes for the government caucus, starting now.

Mr. Smith: I'll think I'll take it up if I can.

The Chair: Mr. Smith, go ahead.

Mr. Smith: Is the minister prepared to go back and forth?

Mr. Dreeshen: Yeah.

Mr. Smith: Okay. Good. Thank you.

I want to start by just saying thank you for the work that we've done together over the last year and a bit. I know that I attended the 4-H governance model forums that you had in Edmonton and was very impressed.

Mr. Dreeshen: You should have made the announcement. I was on a horse.

Mr. Smith: I was just very impressed with the people that were there and the seriousness with which they took that. It was an excellent evening.

Of course, industrial hemp we've talked a lot about. I want to focus my questions on growth and sustainability a little bit, and it's not going to be with regard to industrial hemp, nor with the rhodiola rosea, that we've had a conversation on.

I do want to start by looking at the business plan. On page 11 of the business plan, we're going to start by looking at metric 1(b), "percentage of eligible seeded acres for major crop categories insured under Production Insurance."

Mr. Dreeshen: Yup.

Mr. Smith: Okay. So in that part of your business plan you talk about the percentage of eligible seeded acres for major crop categories that are insured under production insurance. You aim for what looks like pretty modest gains in eligible seeded acres. You've got a 1 per cent increase per year for the annual crops and again a 1 per cent increase over the next three years for perennial crops. I guess my first question is: how does your budget achieve this goal? It's one thing to do that, but how are you going to achieve that goal?

Mr. Dreeshen: I do think that it's awareness, and something that I mentioned earlier, you know, having older – I think it's in the low 60s, the average age of farmers in Alberta. As we go out, there are more hitting that retirement age, even though I've heard – and there are probably lots in your area – of 80-plus-year-old farmers that are still farming and not wanting to give it up. But I do think that just with more awareness being given, you will see the number of crop acres being put in being insured. Whether it's AFSC or other private insurers entering that space, I do think that farmers see the value in having that insurance. Yes, insurance premiums are a lot of money, and, yes, there will be lots of years that you'll never actually need it, but in a disaster year that, you know, would bankrupt a lot of people, a lot of farms would see the benefit of being able to have that insurance pay out when trouble does come.

Mr. Smith: Yeah. There's no question that an increase to the level of insurable crops would benefit a farmer, would help them greatly.

With more insurable crops, though, what will the increased expense be from the increases in eligible seeded acres in an average year?

Mr. Dreeshen: That's a very good question. It's something that, again, if Darryl wants to comment on – I do know, as we mentioned earlier, that AFSC is quite actuarially sound and would be able to absorb that increase. But if you'd indulge Darryl to . . .

Mr. Smith: Sure.

Mr. Kay: Sure. You know, we build a number of assumptions into our estimates when we prepare premiums, and participation is one of those, so we have built in some growth. The challenge with the year that's coming up – obviously we know that there are a million acres unharvested. That will often lead to some unseeded acres as well, so we have to be aware of that and the impact on the acres that we will insure for the first year of this budget. But, yeah, we consider things like participation, coverage levels, commodity prices when we create the estimates for our premiums.

Mr. Smith: On page 36, line 5.2 in your budget estimates insurance spending has been increased by \$5 million since the last budget update of 2019-2020. Are we to assume, then, that the \$5 million increase is expected to cover those additional costs that we were just talking about?

Mr. Kay: Thank you for the question. You know, participation is only one small part of that premium calculation. The biggest driver is typically commodity prices, and we estimate each fall and into the new year on commodity prices. Coverage levels that producers take will impact that. Crop mix, depending on – you know, we've seen a shift into canola over the last five or six years, that brings our premiums up as well. It's fairly complicated, but there are a number of items that really would impact the total amount of premiums for a given year.

Mr. Smith: Okay. So it's not just the one thing.

Mr. Kay: It's not just participation. That's right.

Mr. Smith: Okay. I want to sort of switch out of ag and into forestry . . .

Mr. Dreeshen: You bet.

Mr. Smith: . . . for my next set of questions. On page 11 again of your business plan, performance metric 1(c): that's the "timber royalties and fees from harvested timber."

Mr. Dreeshen: Yep.

Mr. Smith: Okay. The royalties for timber are outlined from 2014 to 2019. When can we expect to see the numbers from 2019-2020?

Mr. Dreeshen: They're a year post, so it takes about a year.

Mr. Smith: Okay. It's just going to be behind. Okay. From 2017-2018 to 2018-2019 we see a drop of about \$14 million in royalties, most likely, I would suggest, maybe from the failed policies of the former NDP government. But why have royalty numbers been going down? Can we expect another decrease, do you think, in the coming year, 2019-2020?

Mr. Dreeshen: Whether they go up or down is your question?

Mr. Smith: Yeah. Why have the royalty numbers been going down?

Mr. Dreeshen: Yeah. I think there's – and maybe our ADM of forestry can add to this as well. It does fluctuate. There are market forces. Again, this is just a projection that we have going out into future years. But, you know, with an increase in the annual allowable cut to try to attract more investment into our forestry sector to be able to, you know, in a more sustainable way maximize our harvest, our forest management practices in Alberta, that's something that I think obviously will have an effect on royalties.

If ADM Mayer would like to add.

9:40

Mr. Mayer: Thanks, Minister, Chair, Member. The minister hit it on the head. It's basically all demand driven and based on the market, so if markets are down, the royalties are going to be down for what the producers have as well.

Mr. Smith: Okay. Then my next question would be: the market determines the amount, but is there anything that we can do to reverse the negative trend and increase the number of trees that are being responsibly harvested in this province and then see the royalty rates go up?

Mr. Dreeshen: Yeah. I think that if it is market driven, to increase the amount that's done would obviously offset any reductions. I think it is important to make sure that we get that consultation right and that we can actually see an increase in an annual allowable cut here in Alberta.

Mr. Mayer: Just to add to that, it's strong advocacy for the forest industry: how do we get to other markets? You know, the majority of the market right now is North America. How can we work on Asia opportunities as well? Value-added is going to help increase the cost for the producers as well. Dues may still be the same, but it's finding other markets and being a strong advocate for them.

Mr. Dreeshen: Sorry. My DM also has something he could add.

Mr. Tremblay: I just want to underscore that point. Forestry is no different from agriculture. We obviously have a very integrated lumber market with the U.S. From a diversification point of view finding new markets, not unlike what we're doing in agriculture, is critical to reducing the overall risk of trade action by the U.S. having a direct correlation to timber dues.

Mr. Smith: Okay. That makes sense. The annual allowable cut has not been reached in a number of years in Alberta. If industry were to harvest to the maximum capacity that it could, what would be the impact on the royalties for the province?

Mr. Dreeshen: They ultimately would go up. I mean, we're trying to increase that annual allowable cut, but as you mentioned, for various reasons it hasn't been able to be achieved in the past. That is something that we are trying to kind of raise that tide and make sure that that's enabled and something that, you know, we have. Whether it's through streamlining any FMA approvals or new FMAs, there was always about a six-month delay, going through a cabinet process, for example. Now it's done at a ministerial level.

The Chair: Thank you, Minister.

We'll now move over to 10 minutes for the Official Opposition. Mr. Ceci.

Member Ceci: Thanks. I appreciate that.

You got cut off before you could answer. With regard to the area under 3, all the sections there, three of them, there are cuts amounting to about \$3.6 million. Do you anticipate the output of

those three sections to be the same as the previous year, or do you see there to be a reduction in delivery?

Mr. Dreeshen: Sorry. Just getting caught up: that was 3 . . .

Member Ceci: Yeah: 3.1, 3.2, and 3.3.

Mr. Dreeshen: On page 36?

Member Ceci: That's right, 36.

Mr. Dreeshen: Yeah. Line 3.1: again, that was the liquor manufacturing program. That was, I think, a \$31 million program that got eliminated.

Member Ceci: Was it administered in that area?

Mr. Dreeshen: Yes. That would be under 3.1. That was under your government. You had that program in place . . .

Member Ceci: I remember. It's good.

Mr. Dreeshen: It wasn't that good.

Member Ceci: Yeah. You could just see the explosion of all the liquor.

Mr. Dreeshen: I know you're a craft beer fan.

Member Ceci: I am.

Line 3.2: what about food safety? There's a reduction of \$1.3 million.

Mr. Dreeshen: Again, it was something that we mentioned before on the food safety side. There are some red tape reduction initiatives that we've been able to identify, you know, whether it's just doing less paperwork and needing less resources to ultimately have an outcome-based food safety initiative. That's where that came in.

Member Ceci: And the last one, food and bioprocessing, an \$800,000 difference from the previous year's expenditure.

Mr. Dreeshen: Yeah. With the AFL – not your AFL but the agrifood laboratories . . .

Member Ceci: Not the football team either.

Mr. Dreeshen: Or the football team. That's right.

That is something where, whether with the Meat Inspection Act or the Dairy Industry Act, the Animal Health Act, you know, we're transforming it, and we're going to be focusing on testing that can't be provided by another laboratory. So we'll still be in that space and, again, not leaving our statutory obligations in that area.

Member Ceci: Okay. Sounds like staff reductions.

Go ahead.

Mr. Dach: Thank you. Mr. Chair, I'll continue with some more questions. One question I have relates to food safety and also the security of establishing new markets. I did work for a period of time in my younger years in a packing plant here in Edmonton. I was actually on the cleanup crew, and I've seen what happens to dead animals. I know that animals do die in transit and so forth. But with respect to the questions that were answered earlier about the animals who did die – concerns were raised by our Edmonton-Manning MLA – I don't think they were correctly interpreted by yourself, sir. When she asked about video antemortem inspection for emergency slaughter, she wasn't concerned that people were

going to suffer an ick factor from watching that video. What the question was getting at was whether or not video antemortem would be adequate in terms of keeping an animal that shouldn't be in the food supply out of the food supply.

When I was at the packing plant I worked at, if an animal on the chain was identified and condemned as not fit for consumption, it was out of the food supply and gone. There could be some questions, in the public's mind, as to whether or not a video antemortem, where the animal is sliced open – you don't actually have the food inspector necessarily there and present – is an adequate inspection. I think that's a legitimate question for the public to ask. We're starting to sort of take a different – it's a different form of inspection. Maybe it's cheaper to do it that way. Still, is it going to raise questions in the public's mind as to whether or not you're doing something that is less than adequate?

Mr. Dreeshen: We ourselves are still asking questions. We're still consulting. No decisions have been made. You know, whether it's this or other aspects of the department, we are looking at how we can transform and better evolve and adapt to emerging technologies and how we can, at the end of the day, have the same outcomes, the same safe outcomes, but do it in a more cost-effective way.

Mr. Dach: Yeah. I think the public just wants reassurance that indeed whatever steps are taken, that may save you a bit of money, are actually maintaining the same standards we've always had since the days in the '70s when I worked in the food packing plant. I just wanted to clarify that because I thought there was a bit of misunderstanding as to the intent of the question.

A second question I had . . .

Mr. Dreeshen: Did you wear Birkenstocks back then?

Mr. Dach: Pardon me?

Mr. Dreeshen: Did you wear Birkenstocks back then or not?

Mr. Dach: I'll tell you what. I worked in cleanup, where I actually did clean the meat inspector's office, and I know what it's like to try to maintain standards. But they are certainly higher now than they were then.

Speaking of standards, the Alberta Employment Standards Code, which is the law in the province, states that you have to give the government notice for mass layoffs. Will you be doing that or have you already done that given that there are some significant mass layoffs that fall under that rule?

Mr. Dreeshen: Again, as we mentioned earlier, with a collective bargaining agreement, we can't go into the specifics of who. That is something where, two hours ago and continuing right now, we still have to respect that process.

Mr. Dach: Well, I would imagine that you're bound to follow the law in that particular case.

Mr. Dreeshen: Due to the collective bargaining agreement we can't identify the who because we still have to respect the process, be working with the unions to make sure that we can identify people going forward. I mean, that is something where we still need to work out that process.

Mr. Dach: Okay. I'm switching gears . . .

Mr. Dreeshen: Actually, if you would like some more colour . . .

Mr. Dach: That's fine. I'll switch to a different topic right now. It concerns your goal of creating 2,000 new direct jobs, which is laudable, in key sectors such as canola processing, the pork industry, and value-added processing. I'm just wondering, indeed, how you're planning to do that and what steps you're taking to go about attracting labour in a job market where there is a shortage of labour for those agricultural fields. We know it's a difficult place to attract labour. Certainly, there may be jobs that are waiting to be filled if indeed you're successful, but what specific plans do you have to attract labour into those areas where we've traditionally found it difficult to do so?

9:50

Mr. Dreeshen: Well, I think we have seen some expansion. When we actually announced the Bill 6 changes, there was a \$20 million investment and a hundred-plus new employees to a mushroom farm just north of Calgary. That, again, was a huge, big influx of workers needed. The company managed to find those workers, and they're in the building stage right now. Whether it was the Cavendish announcement down in southern Alberta, they, again, are looking for highly trained, skilled labourers to work in that very scientific plant.

It does seem to be that if we can create the economic conditions to bring that type of investment to the province, the companies that are making these big investments know that we have a highly trained, highly skilled labour force here in the province of Alberta. I think that, you know, the more we can bring, the more job opportunities Albertans will have to get into high-paying, good jobs. AFSC will also be there providing lending supports, whether they be to small start-up companies in the ag space or larger ones, to be able to add that type of value-added economic growth in agriculture.

Mr. Dach: Yeah. I think you must be aware, though, of the special needs of this sector in drawing and attracting employment. Just because you build it doesn't mean they'll come.

Mr. Dreeshen: Well, it depends.

Mr. Dach: There are going to be some challenges, and I hope the ministry is preparing for them.

Mr. Dreeshen: If it's a new slaughterhouse or if it's a new canola-crushing plant or a biodiesel plant, there will be, you know, different engineers, different types of labour for whatever type of investment. That is something where we'd work with any company on whatever type of specific labour they would need to try to ensure that . . .

Mr. Dach: Okay. Well, let me switch gears to value-added exports for a minute because I want to get this topic covered as well. It refers to 1(d) on page 11 of the business plan, where you're looking to grow agrifood exports and indicate it had grown by 3 per cent in 2018. With respect to packing houses, once again, and increasing exports in our meat products, do you see and have you accounted for and somehow looked into what risks we have facing us because we only have two major slaughterhouses in the province? Our slaughterhouses are concentrated in southern Alberta. We have a third, medium-sized one. But in order to serve new markets that we might identify with specialty products or custom products that are tailored to those new markets, are we perhaps not going to be able to take advantage of those markets because our two major packing plants can't respond in the same way that smaller, more decentralized, diversified slaughterhouses might?

Mr. Dreeshen: This is probably the first time we've agreed all night.

Mr. Dach: Hallelujah.

Mr. Dreeshen: We do need to increase our slaughter capacity here in the province, and that is why it has been identified in our kind of top 20 investment goals, to try to attract some new slaughter capacity here in the province.

Mr. Dach: How do you plan to do that? What measures do you plan to implement?

The Chair: Sorry to interrupt, Minister.

We will give the remaining time to the UCP government caucus.

Ms Rosin: All right. Well, I have one final question for you. On page 14 of the business plan, key objective 3.3, you talk about building public and consumer trust in Alberta's agriculture and food systems. I think it comes as no doubt that eco radicals and activists everywhere have made it their priority, really, to attack Alberta's agricultural industry and specifically focus on Alberta's cattle industry. Anyone who drives by an Alberta cattle ranch – I know that I have many of them in my constituency – can tell that these cattle are raised with a high quality of life and high standards. They're ethically sourced, ethically produced, yet these false attacks are really harming our industry.

That's not to say that there aren't any good players. There are amazing players out there, like McDonald's, who will go out and defend our industry when they need to. But there are still a lot of bad players out there, like, say, A&W or Ruth's Chris, who will, frankly, advocate till the cows come home, for lack of a better saying, that their American beef is better than the Canadian beef, which is absolutely ludicrous. We're even seeing these attacks justified in the Canadian food guide now, which is saying that we should reduce our beef and red meat consumption. I'm really wondering if you can talk about what your ministry is doing to achieve public trust and consumer trust on this file while combatting this radical push and attack on our agriculture industry.

Mr. Dreeshen: That is a great question. I know that you've had eco terrorists that have gone and trespassed on businesses in your riding. I know that down in southern Alberta there were the same eco radicals that protested, broke in and breached biohazard protocols on a turkey farm, actually stole turkeys from a turkey farm in your riding. They stole dogs from a sled dog outfitter. How these militant radicals can think that they can break into private businesses, breach biohazard protocols, and steal is just beyond the pale. What we can do as a government to ensure the good work that our ag sector does is promotion, and as something in our fight-back strategy, that we all campaigned on in the last election, we're actually allocating \$2 million in that fight-back strategy to be able to promote the good work that the ag sector does.

We don't want to reinvent the wheel. We're working with industry via *Guardians of the Grasslands*, via the Canadian Cattlemen's Association. They have been working with Alberta Beef Producers, with McDonald's, if we're going to say that one fast-food restaurant is better than the other. You'll see it on trucks: not made without Canadian farmers. They really do promote the amazing work that our beef industry does here in the province of Alberta.

I think that it's just, you know, reinforcing and telling those stories that we do have the best ag sector in the world and to promote that. It should be – and it is in a lot of places in the world – a marketable, tangible benefit. You have places like Japan and

other places in the world that view Canada as a reliable shipper of products, even though that's being stressed right now, and to be a high-quality food production area in the world with our clean land, clean water, clean air, and that its people will pay top dollar to get our high-quality products. So I think that it's telling that good-news story and also pushing back when there's misinformation being told about our industry. That is something where we want to be able to help Albertans and help our global customers around the world realize and understand the great work that our farmers and ranchers do here in Alberta.

Ms Rosin: Thank you.

With that, I've got two minutes left, so I'll pass it off to Shane. You guys will have to talk a little fast.

Mr. Getson: I'm a bit fixated today on transportation/utility corridors, growing out the economy, trying to get our goods to market, value-added. I spoke to you briefly about, you know, the model out in Oyen, as I did today as well, where you have Chinese investment that wants to build facilities here and get our product within 150 kilometres of their manufacturing facilities with the 49-51 per cent ownership, potentially, to get that on trains, get it over to their market to feed billions of people.

With that, I'm looking at item 1(a) on page 11. It looks like we're growing our targets from 280 to 310. Which products are we looking to build on that? What's the investment, and what do we think of the uptake on that? What's the value for us?

Mr. Dreeshen: Those can be big or small, those targets, you know, actual companies being able to grow and expand, whether they're a large investment or a smaller one. We want to make sure – and I know I've said this before – that on the primary exports we grow by 7.5 per cent, on value-added by 8.5 per cent. Those are our internal goals on how we can increase that.

To your point, we need to have corridors. We need to make sure that we can get products to market in order to have an export growth strategy.

Again, as I mentioned, to have radical activists that try to block our exports – we are so dependent on exports here in the province in Alberta that it really does hamper it. That's why we are making sure that the police feel like the government has their back when they actually have to go out and enforce the rule of law. That's something that we're working with the federal government on – our Justice minister will work with his counterpart in Ottawa – to make sure that they push as hard as they can so that people know that this lawlessness on our rail lines is not being tolerated. It is so important to make sure that we can grow not just the ag and forestry sector but all sectors in Canada that depend on resource corridors and trying to get products to market, because we are a landlocked province.

Mr. Getson: Just to that point, too, again, the First Nations in my area have . . .

The Chair: Sorry. My apologies for the interruption, but I must advise the committee that the time allocated for this item of business has concluded.

I would like to remind committee members that our next meeting is scheduled for 9 o'clock tomorrow morning to consider the estimates of the Ministry of Indigenous Relations.

Thank you, everyone.

[The committee adjourned at 10 p.m.]

