



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Alberta's Economic Future

Ministry of Agriculture and Forestry
Consideration of Main Estimates

Tuesday, April 17, 2018
9 a.m.

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Fourth Session**

Standing Committee on Alberta's Economic Future

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van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP), Deputy Chair

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Standing Committee on Alberta's Economic Future

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Andre Corbould, Deputy Minister

Keith Lehman, Chief Provincial Veterinarian, Animal Health and Assurance

Bruce Mayer, Assistant Deputy Minister, Forestry

Agriculture Financial Services Corporation

Darryl Kay, Interim Chief Executive Officer

9 a.m.

Tuesday, April 17, 2018

[Mr. Sucha in the chair]

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

The Chair: Good morning, everyone. I'd like to recognize that this meeting is commencing on the traditional territory of Treaty 6 people.

The committee has under consideration the estimates of the Ministry of Agriculture and Forestry for the fiscal year ending March 31, 2019.

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

Mr. van Dijken: Good morning. Glenn van Dijken, MLA for Barrhead-Morinville-Westlock and the deputy chair.

Mr. Schneider: Dave Schneider, Little Bow.

Mr. Strankman: Rick Strankman, Drumheller-Stettler.

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

Dr. Starke: Good morning. Richard Starke, Vermilion-Lloydminster.

Mr. Carlier: Oneil Carlier, Minister of Agriculture and Forestry. With me are Andre Corbould, deputy minister; Bruce Mayer, assistant deputy minister of the forestry division; Freda Molenkamp-Oudman, assistant deputy minister of the corporate services division; and Darryl Kay, interim CEO of the Agriculture Financial Services Corporation.

Mr. Dach: Good morning. Lorne Dach, MLA for Edmonton-McClung.

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

Mrs. Littlewood: Good morning. Jessica Littlewood, the MLA representing the beautiful rural constituency of Fort Saskatchewan-Vegreville.

Mr. Piquette: Hello. Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

Ms Fitzpatrick: Good morning. Maria Fitzpatrick, Lethbridge-East.

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

Connolly: Michael Connolly, MLA for Calgary-Hawkwood, home of Calgary's best Value Village.

The Chair: We all agree to disagree.

Mr. Fraser, if you can introduce yourself for the record, please.

Mr. Fraser: Rick Fraser, Calgary-South East.

The Chair: 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 or other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates, including speaking rotations. As set out in Standing Order 59.01(6), the rotations are as follows. The minister or the member of Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes members of the third party and the minister may speak. For the next 20 minutes members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time that remains, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members wishing to participate must be present during the appropriate portion of the meeting. Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the rotations that follow, with speaking times of up to five minutes, a minister and a member may combine their speaking time for a total of 10 minutes. 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 the rotation, please feel free to send a note or speak directly to the chair or the committee clerk about the process.

A total of three hours has been scheduled for the estimates of the Ministry of Agriculture and Forestry. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Is anyone opposed to having a break?

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

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to any questions. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery should not approach the table. Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority at the table at all times.

If debate is exhausted prior to three hours, the ministry estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Otherwise, the scheduled end time of today's meeting is 12 p.m.

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

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

The vote on the estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2018.

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 will now invite the Minister of Agriculture and Forestry to begin his opening remarks. You have 10 minutes.

Mr. Carlier: Thank you, Chair. Thank you, committee members. Good morning, everyone. I'd like to take this opportunity, first off, to introduce other officials from the ministry that I have here sitting in the gallery area. Joining us are Tony Clark, my chief of staff; Dave Burdek, assistant deputy minister of the intergovernmental relations, trade, and environment division; Jamie Curran, assistant deputy minister of the livestock and crops division; Lisa Sadownik, assistant deputy minister of the food and value-added processing division; Yvonne Jachowicz, acting senior financial officer; Dr. Keith Lehman, Chief Provincial Veterinarian; Chris Dyck, interim vice-president, innovation and product development at AFSC; Janet Bargholz, interim chief financial officer at AFSC.

Again, thank you for the opportunity to be here today to discuss the 2018-19 budget for the Ministry of Agriculture and Forestry. Our government remains focused on diversifying Alberta's economy, protecting vital public services for working people, and continuing on the path to balance. For Agriculture and Forestry, this means that our budget continues to reflect our priorities of investing in strategic programs that focus on the growth, long-term success, and sustainability of our agriculture and forestry industries. We know that these two sectors are essential contributors to a strong and diversified provincial economy. We will continue our approach to working with our industry partners to ensure responsible spending while supporting sustainable growth.

This year our budget is \$1.2 billion, including our portion of the climate leadership plan funding and debt servicing. This is about 3.5 per cent higher, or \$42 million more, than last year's total. This includes continued investment in core programs that support wildfire management, research and innovation, improved market access, environmental stewardship, value-added industry development, and food safety.

You may know that we have conducted a strategic review of our research capacity to lay the groundwork in shaping our science and research framework for the department. Through this internal research review process a stable funding delivery model is being established. In 2018-2019 our strategic research and development program has been expanded to address both crop and livestock research to provide innovative solutions for the industry.

The 2018 Agriculture and Forestry budget reflects a few important changes that have happened since Budget 2017. In January we announced \$81 million over four years to expand energy efficiency programs for the agriculture sector through Alberta's climate leadership plan and the federal government. Our 2018 budget reflects the second year of the provincial contribution to this program. Our agriculture and forestry sectors show great innovation and leadership in adopting new practices and enhancing environmental stewardship. In total, our 2018 budget includes about \$41.6 million in funding support across all climate leadership plan initiatives. We are making this significant investment to improve energy efficiency and the environmental sustainability of agricultural operations while also reducing costs for producers and helping ensure that the sector remains competitive in the global marketplace.

Our budget also includes the first year of funding in the new Canadian agricultural partnership, the new federal-provincial funding agreement for agriculture across the country, that I signed with Agriculture and Agri-Food Canada Minister MacAulay in Calgary on March 26. The program came into effect this April. We know the incredible benefits that Alberta's agricultural producers have seen over the past five years through Growing Forward 2. The

new agreement maintains a similar level of investment in strategic agriculture programs in Alberta of about \$406 million over five years.

While the funding commitment is similar to the last agreement, it varies from year to year, so the first year of provincial funding for CAP will be greater than the last year of GF2, which is reflected in our budget. This year CAP will invest almost \$47 million to fund some of our strategic programs. We have worked closely with our agriculture industry throughout negotiations with the federal government and the fine-tuning of the details of Alberta's programs to ensure that they meet the needs of our sector, and we'll continue to work in partnership as the CAP programs continue to roll out over the coming weeks and months.

In addition to this work, we're also maintaining investment in crucial community organizations and programs that support a strong and vibrant rural Alberta. About \$23 million has been allocated to agriculture service boards and Alberta agricultural societies and regional exhibitions. Alberta's 283 primary and seven regional agricultural societies will receive \$11.5 million in government funding to help build a strong rural economy, a sustainable agriculture sector, and vibrant communities. In fact, we have committed to providing stable funding for agricultural societies for the next three years. This longer term commitment ensures that ag societies can plan ahead and budget for the facilities, events, and education they provide in their communities.

9:10

Outside of our budget's significant and ongoing commitments in agriculture and agrifood my ministry will continue to focus on other important priorities such as protecting Albertans and their communities from the threat of wildfire. We remain committed to continuing to allocate all of the necessary resources to keep Albertans safe. This includes about \$130 million for our base operating budget for wildfire management, which is slightly lower, about \$2 million, than last year. Base operating dollars typically cover the preparation work in advance of wildfire season such as training, opening tanker bases and towers, prevention and detection activities, and hiring seasonal staff. The funding change is mainly attributed to \$1.9 million in targeted departmental reductions primarily related to savings in general supplies and services.

We have maintained our funding for the FireSmart program at \$15 million, which was significantly increased as part of last year's budget.

We're making about \$11.6 million in capital improvements to enhance our firefighting abilities, including air tanker base maintenance, primary and secondary wildfire staging camps and fire bases, bunkhouses, and lookout towers as well as upgrading and modernizing wildfire data management systems. As in past years the actual costs of fighting fires during the fire season are covered under emergency funding, which gives our government the ability to monitor wildfire conditions throughout the season and ensure that any additional resources needed to keep Albertans safe can be allocated if and when they're required. The amount of emergency funding can vary from year to year, depending on the severity of the wildfire season.

Beyond wildfire management we are focused on investing in the health of our forests and the forest industry. We continue to ensure a thoughtful and sustainable approach to forest management that balances the economic, social, and environmental needs of Albertans and our communities. Our government and the province's forest industry are working together to improve economic returns while continuing to ensure the sustainability of our forests with a focus on research and innovation, improving product efficiencies, and building and securing markets.

More than \$52.6 million will be invested in forest management, including more than \$25 million to fight mountain pine beetle. This is an increase of about 2 and a half million dollars from last year, mainly due to a reforestation initiative funded through the federal low-carbon economy fund. In addition, almost \$4.3 million has been earmarked for forest tenure, trade, and policy, which was previously referred to as the industry development portion of our forestry budget. In total, about \$202 million will be invested in the protection and management of Alberta's forests and the development of our forest industry.

While we continue our commitment to investing in the agriculture and forestry sectors, during challenging fiscal times tough decisions have to be made to find savings in order to fairly and responsibly reduce the deficit. This year our government will invest \$14 million for irrigation infrastructure rehabilitation projects, which is three-quarters of the previous funding levels and reflects a \$5 million reduction. The work to maintain this important infrastructure will still continue as our irrigation districts will focus their rehabilitation dollars on projects that are needed the most. To offset some of the effects of the reduction, we made a one-time payment of \$3 million in operational funding at the end of the 2017-2018 fiscal year. This will provide some degree of cost certainty heading into 2018-19 and will allow them to plan and execute their 2018-19 operations. An additional potential source of funding for irrigation districts and projects is through programs in the new CAP funding agreement, as I've described earlier.

To bring our province forward and focus on recovery and growth, we need to manage public expenditures very carefully. Alberta's revenue forecasts were lowered during the previous fiscal year, so all departments were asked to find cost-saving measures where possible. Last year's in-year savings decisions were based on finding opportunities for efficiencies and focusing resources on core programs that position the agriculture and forestry sectors in rural Alberta for responsible and sustainable growth. Our 2018 budget reflects areas where we had in-year reductions last year.

There was a \$500,000 reduction last year in spending on rural utilities grants. However, the majority of funding has remained intact for our rural utilities programs for this year at \$3.4 million. While the agriculture initiatives program is no longer available, we're continuing . . . [Mr. Carlier's speaking time expired]

The Chair: Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Mr. Strankman, would you like to share your time with the minister's time?

Mr. Strankman: If the minister is agreeable, yes, sir.

The Chair: Excellent. As a reminder, all discussion should flow through the chair at all times regardless of whether or not speaking times are being combined.

Please proceed, Mr. Strankman.

Mr. Strankman: Thank you, Mr. Chair. Good morning to all members and all staff and to the minister. Minister Carlier, I appreciate you and your staff being here. Some of the staff are newbies to the portfolio, and that is well appreciated.

We have a job to do, and mostly I consider it without malice, but we have a responsibility to Albertan taxpayers to be completely open and forward in our discussions about the expenditure of taxpayers' dollars. So, in that vein, that's how I'm going to proceed to the best of my ability, and I hope the minister and his staff do so as well. I know from past experience that the minister has

significantly experienced assistance and staffers who work behind him in that role, and they are to be well commended.

Mr. Minister, on page 39 of this year's budget, the 2018-19 estimates, the forecast is approximately \$44 million over last year's budget. You described some of that in your opening remarks, but that's not taking into account the money you get from emergency funding for your wildfire expenses. Was there a particular expense that accounts for this increase?

Mr. Carlier: Thank you, Member, and thank you, Chair. Yeah, you know, in our dealings with you and your colleagues I've never once thought there was any malice in any of your questions, so rest assured that we can continue along in that vein.

There have been no additions to budgets that would be important to highlight. The \$33.2 million increase for department-led climate leadership plan initiatives is important. I think that is well received within the agriculture community. When I talk to farmers, ranchers, processors, importers, and exporters across the province, almost to a person they are asking, you know, what more they can do around their own efficiencies, finding those reductions in greenhouse gas emissions and, of course, also finding some economic benefit to that as well.

Mr. Strankman: Thank you, Minister.

On page 40, line 1.1, I see that the minister's office has increased in your budget by \$135,000, and that's up from the \$60,000 increase from last year. Could you give me some sort of understanding of where those taxpayer dollars are going?

Mr. Carlier: Yes. Thank you, Member. We have looked at some opportunities to further stakeholder engagement within Agriculture and Forestry. I haven't seen it written down on paper anywhere, but someone once told me that there are close to 700 identified stakeholders just within agriculture and several hundred within forestry as well. You know, we felt that there was a real need to do more of an outreach with our stakeholders across the province and, frankly, around the world. So, yeah, that's reflected in the change that you see there, Member, to be able to do that increased stakeholder engagement.

Mr. Strankman: Thank you, Mr. Minister.

Line 1.2 is the deputy minister's office. This line has seen a nominal decrease, and I'm pleased at that. I've had a chance to briefly introduce myself to your new deputy minister. Are there any additional costs that may not have been factored in due in part to the announcement of the change a few weeks back?

Mr. Carlier: Thank you, Member. No, I don't see that it'd be reflected in any costs. Basically, it was a lateral transfer of deputy minister to deputy minister, so we don't foresee any additional costs.

Mr. Strankman: Mr. Chair, line 1.4 sees an increase of about a million dollars, and this line item is for corporate services. Mr. Minister, could you refresh me here and give me a quick sketch on what this line encompasses?

Mr. Carlier: Yeah. Thank you, Member, for that question as well. Agriculture and Forestry, as I understand it, is different from other ministries in that we never had an assistant deputy minister of corporate services, so we've been able to staff up an assistant deputy minister for that. You know, I think that's important in continuing the good work that Agriculture and Forestry does.

I'm going to defer to my deputy minister, DM Corbould, to fill in some of those blanks for me.

9:20

Mr. Corbould: Thank you, Minister, Chair. That \$1.1 million increase: a small portion of that is the new ADM office, and the corporate services includes financial services, corporate innovation and planning, information technology services along with strategic policy and extension. The division is a primary lead on crossministry initiatives such as business planning and staff engagement. Corporate services is also responsible for providing front-line client services to industry contacts throughout ag info centres in field offices, so there are some front-line pieces there.

The increase really is about reorganization within the department. I'm pretty aware of this because I sat on the DMHR committee that approved the restructure of the department at the time. So a small portion of that \$1.1 million is the ADM office, but more of it is just, really, realigning resources. You'll see decreases and increases in different parts throughout the divisions based on setting up that new division.

Mr. Strankman: Thank you.

This line was about a million dollars underbudgeted the year before, but now it's up nearly \$2 million from the '17-18 estimates, Mr. Chair. So I'm going to ask: why would there be an increase?

Mr. Carlier: Sorry, Member. You're still looking at the corporate services line?

Mr. Strankman: Referring to line 1.4.

Mr. Carlier: Yeah. I think, basically, you know, it's what the deputy minister has already outlined, the staffing up of an additional ADM and all the support services that would ensue. It's not just the operations within one office. It's being able to extend some of the strategic policies and things throughout the department and at various offices throughout the province.

Mr. Strankman: If I could just add to that, Minister, there's no line item for communications. Would that be part of the discussions that Mr. Corbould was talking about? Over the last few years the communications budget was around 1 and a quarter million dollars to 1 and a half million dollars. Is that part of the staffing up, or is that completely gone?

Mr. Carlier: Thank you, Member.

I'll defer to the deputy minister.

Mr. Corbould: All the communications funds are now centralized in CPE, the communications and engagement department in government, so you will have seen that that's part of our decreases over time, that all the communications branches were moved over to a different department. It's not in here at all.

Mr. Strankman: Well, Mr. Minister, it appears that I've been corrected by one of my colleagues here. Apparently, it's his understanding that it is in there, but I'll move on.

The department has combined some old headings under the heading Intergovernmental Relations, Trade and Environment, which is going to make it a bit of a challenge to compare yearly expenses, but I will give it a go. Line 2.1, policy, strategy, and intergovernmental relations, had a 2017-18 estimate of \$5.6 million from last year's estimate, but you blew past that by \$2.2 million. Could you help me understand why there was such a miscalculation?

Mr. Carlier: Thank you, Member. You know, policy, strategy, and intergovernmental relations provides some forward-looking and innovative policy analysis and advice. As you can imagine, there

are some intergovernmental policy files and negotiations, also the ability to strategize around some longer term strategic goals within the department. It also contains the budget for the office of the assistant deputy minister for intergovernmental relations, trade, and environment.

I'm sure you do know, Member – and perhaps others do as well – that the government of Alberta maintains offices around the world. In these offices they do a fantastic job to be able to continue our policies around, you know, expanding our markets world-wide, and I think it's an opportunity to continue to do so. I think it's important to Albertans and it's important to this government that we diversify our economy.

Mr. Strankman: Thank you, Mr. Chair.

To the minister: we've also had recently estimates regarding economic development and such, so I was wanting to know how these agencies interact, economic development. Are these separate entities? You go on trade missions, and I appreciate that. You know, I think we both understand that agriculture and forestry is the second-largest revenue generation source for the province. Do you have two separate entities going off on economic development missions unrelated to one another? And what might be the funding allocation for that interaction?

Mr. Carlier: Thank you, Member. Again, I think that's an excellent question. We work closely with Economic Development and Trade as well as intergovernmental relations on any of our travel, even within the country, to make sure that our focus is the same. As I'm sure you can appreciate, on our trade missions I do focus on agriculture and forestry in particular, you know, while the Minister of Economic Development and Trade might focus on various other things, including energy.

As an example, I recently had a very successful trip to India, in February, where the costume I was wearing is what I'm wearing today, and I think that was well appreciated. It was successful in many ways. I think one of the indicators of that success is that there are going to be two separate delegations of Indian businesses coming to Alberta within the next few months to look at what investments they can get into. I think that's at least one indicator of the success of that, an indicator of the success of the work that the Economic Development and Trade ministry does in maintaining these offices world-wide. I think it's been a real success story for Alberta.

Mr. Strankman: I appreciate that, Minister. I, too, recently was out to visit with the Indian consulate in Vancouver, and I, too, wore the same costume. I know that many Canadians are appreciative of that respect that we present as Canadians, not some other entity.

Now, line 2.2, environmental stewardship, was under a different heading last year. It had a 2017-18 estimate of 17 and a quarter million dollars, and this year the forecast was reported at just north of \$12 million. This year's estimate is \$11,804,000. Mr. Chair, to the minister. These numbers are \$5 million apart. I was just wondering if you could tell me why there's a variance in that department over the last few years.

Mr. Carlier: Environmental stewardship. You know, in my conversations with the agriculture community in Alberta, they're welcoming and keen to be able to do what they can in their own operations to find those efficiencies. I think it's important to know the work that Agriculture and Forestry does on that.

To fill in some of the finer details of your question there, Member, I will defer to the deputy minister.

Mr. Corbould: Yeah. I was just going to comment that the change between last year's forecast and the estimate this year really

represents about \$0.1 million, and it's a decrease due to lower costs required for the public service pension plan. You'll see that decrease in some areas throughout the budget because of lower PSPP costs.

Mr. Strankman: Well, that's good news if you're staffing up and the costs are going down, Mr. Chair. That sounds like an interesting equation.

I'd like to ask the minister about irrigation and farm water being moved from a different heading under intergovernmental relations. Could you give me some understanding why that might be? Last year's estimate, Mr. Chair, for 2017-18 was \$11.5 million, but the forecast now states that only \$11 million will be spent. You estimate slightly less than that. I did hear your comments, Minister, in regard to the reduction for irrigation funding, but I was just wanting some definition of those dollars.

Mr. Carlier: For the overall funding, the reduction in the rehabilitation, you know, is a reduction we've seen. Otherwise, there haven't been other reductions.

The other one that you might have noticed – I'm not sure if it's here or in other locations – is, for example, where the funds are no longer needed. The funds have been spent to help with the construction of the new Cavendish expansion project in Lethbridge. A big part of that – I think it was \$7 million or so – was to relocate a canal, to facilitate that construction. So you'll see a reduction there because of that. You know, that project is ongoing. It's under construction. It's going to have an ability to increase our irrigated potato production by about 9,000 acres, so a good story there. But, yeah, you'll see that it's one of the reductions. A big part of that reduction is because of that project.

9:30

Mr. Strankman: Thank you, Mr. Minister.

You mentioned Cavendish, and that's an interesting growth story there. You mentioned also the number \$7 million. Are there other benefits involved for that development there?

Mr. Carlier: You know, the moving of that canal would not just facilitate the Cavendish operation; it opens up more of the industrial park in Lethbridge to other operations, including a potential possible expansion even by Cavendish Farms or the Irving family to some of their other operations, which they expressed that desire to do. There's a potential for increased businesses in the agribusiness part of Lethbridge, but time will tell.

Mr. Strankman: Thank you.

With those changes – and I know. I've travelled to St. Mary irrigation district, and I understand that they have new efficiencies in irrigations. Will there be different changes to allocations in that area because of the new additional land that could potentially be irrigated?

Mr. Carlier: It's so much. It's well over 50 per cent now of the irrigated land that has been converted from canals to pipelines. We're going to see a lot of efficiencies, you know, in just those upgrades. Of course, our farm energy efficiency programs being able to provide grant money to our irrigation projects to be able to go from high-pressure to low-pressure pivots will, again, really increase the efficiency of that. With these efficiencies, with the new technologies in seed, in the application of chemicals, fertilizers, et cetera, we're going to see over the next few years an increased production on existing cultivated acres.

Mr. Strankman: Thank you, Mr. Chair and Mr. Minister.

I've been hearing lots of feedback in regard to the extra costs. You talk about modernization and efficiencies, including grants for the climate change program, but other businesses like Alberta Distillers, Alberta sugar, Canada Malting, Rahr Malting: all of these companies are all complaining about the carbon tax that they have to pay on their natural gas. I was wondering if you could tell me: has Cavendish Farms received any benefits for the climate leadership plan incentive, possibly, that they may have received?

Mr. Carlier: You know, I think there probably might be opportunities as they continue with their production to be able to do so. With the farmers themselves there have been a lot of efficiencies. Early on we were able to exempt marked fuel, for instance, from the carbon levy. There is a rebate program for greenhouse growers, various programs they've been able to look at.

The climate efficiency plan in Alberta: it's important to note that Alberta was the last jurisdiction in North America to have such a plan. So I think I'm very proud of this government to be able to do so, at the same time making sure that it is, continues to be a living, breathing project to ensure that we can make those, making sure that all industries can take advantage of these investments, including Lantic Sugar. I know that they're in discussions with Environment and Parks to ensure that for any of our programs, like the large food processing grant program, for instance, that we have within this department, they are able to take advantage of that to ensure that their operations not only stay viable but will achieve what we're all trying to achieve, and that's lowering our greenhouse gas emissions.

Mr. Strankman: I appreciate that, Minister, although one of the fatalities in our local community was an independent fuel supplier, who was complaining about the fact that he had to float north of six figures monthly on carbon tax funding, the rebates, et cetera, going forward, and it's caused his financial failure.

I'd like to go back, though, Mr. Chair and Mr. Minister, to irrigation. The Milk River basin water siphoning system has antiquated portions that are nearly a century old and falling apart. Could you explain to me where the money may come from for the upkeep of this? Could it be in a line item? I don't see it in your estimates.

Mr. Carlier: Thank you, Member. I don't believe that there's a particular line item for that particular project you're talking about. You know, I know that you realize that you and I had conversations about my background in irrigation. I was a construction quality control technician with the Prairie Farm Rehabilitation Administration for a number of years, and I'm quite aware of many of those irrigations districts in southern Alberta, where I worked for quite a few years. I understand the importance of keeping up that infrastructure. Some, without a doubt, are getting aged. I had the ability in my youth, in the 1980s, to work on the rehabilitation of the Bassano dam, for instance.

There is continuing funding. We have \$14 million this year for those irrigation districts to be able to continue. An example of the work that's been going on over the years is that Lethbridge Northern irrigation district installed 18.9 kilometres of buried pipeline.

Mr. Strankman: Thank you, Minister.

Line 2.4: is there another item that may have some differential there? What exactly does \$3.7 million for economics and competitiveness go towards? We've discussed that briefly. You touched on that subject, but do you have more accurate information?

Mr. Carlier: Thank you, Member. This touches on many different things. An example: works on, you know, development analysis,

the development-related economic impacts of environmental practices. As we all know, climate change does have an effect right across the economy, right across industries, including farming, so I think that's important. As well, land-use framework proposals, animal and plant diseases, and trade issues: it touches on many, many different things. It conducts cost production studies in support of continuous improvement by Alberta's producers. It's in support of business risk management programs as well. Its important to note that there are some very robust business risk management practices within AFSC that continue to provide the support that we need for our farming community. It provides data. It reports on primary production, agrifood processing. I mentioned trade already. This is in partnership with stakeholders who will conduct appropriate research.

It's a very small answer to your question, Member.

Mr. Strankman: Thank you, Minister. I appreciate that.

Moving on to line 3.1, through some of our discussions here we talked about rural development, but in that line it's taken a \$16 million hit. If there's no change in its design, how much, if any, of this change is due to Growing Forward 2 ending? You've briefly alluded to Growing Forward in your previous comments. Mr. Chair, I want to ask the minister where that \$16 million went.

Mr. Carlier: Line 3.1, Member, is rural development. There's not a lot of that funding, or any that I can think of, actually, that would have come from Growing Forward 2. It wouldn't really relate to the Canadian agricultural partnership, the CAP program, as well. Continuing our funding there, it's pretty much the same. There hasn't been much of a change there, you know, continuing our funding for ag service boards, ag societies, for instance, the 4-H program – Alberta is still the only province in Canada that supports a 4-H program; there are a number of staff, approximately a million dollars, I think, in the 4-H program – as well as the grant programs that are available to rural utilities, the gas co-ops, and the regional electrical associations as well.

Mr. Strankman: Thank you, Minister.

Line 3.2 used to be called food safety and animal welfare. Is this change the reason for the '17-18 estimates being \$21.4 million and today's estimate of \$15.5 million? Can the \$6 million change come from the loss of animal welfare funding?

Mr. Carlier: You know, it is just saying food safety now. It still includes making sure that meat is inspected in the provincially inspected abattoirs, for instance, that meat is safe for consumption by Albertans. The big difference in that change you see there is lower costs that were required because of the public service pension plan. A big part of what you see there is related to that.

Mr. Strankman: Thanks, Minister. Your comments are leading on.

Mr. Chair, he seems to be having a premonition to my questions here.

There were line items in the past for food chain traceability and surveillance support. There was a combined budget of around \$8 million, but we don't see them anymore, Minister. Has your department relaxed food chain traceability?

9:40

Mr. Carlier: No. Not at all, Member. I thank you for the question. You know, it remains important, obviously, to ensure not only the safety of the food that we're eating as Albertans and others as well but to ensure that we maintain our integrity, maintain our sustainability to ensure that our markets stay open where they should be as well. It continues to be a very important part. We still

support surveillance of different livestock and animal diseases. It's important to the government, those diseases that are in animals, whether, frankly, it's in livestock or in wildlife as well.

Mr. Strankman: I appreciate that, Mr. Chair and Minister. But can you tell me where the line item is for that in your budget there?

Mr. Carlier: Animal health and assurance is line item 4.1. Yeah.

Mr. Strankman: Well, thank you, Minister. Can you explain the new Canadian agricultural partnership and how it's going to replace the Growing Forward program coming from the federal government?

Mr. Carlier: Thank you, Member. I'm pretty excited about the signing of the Canadian agricultural partnership. It was quite an honour and a privilege to be able to take part in that opportunity. Last July, when we had the federal-provincial-territorial agricultural ministers' meeting in St. John's, Newfoundland, is where we were able to sign off on a national agreement. The national agreement, you know, supplies for Alberta. Growing Forward 2 was slightly over \$400 million. The new Canadian agricultural partnership we envision to be around the same funding. No new money, but it will be maintained at \$406 million, we envision. That's a 60-40 split; 60 coming from the federal government, 40 from the provincial. You'll see that reflected in the budget.

Many different programs. This year there are going to be 15 different programs being rolled out in the CAP for the province of Alberta. Just some highlights on that will be programs on environmental sustainability, science and research, risk management, surveillance, risk mitigation, et cetera. The programs do fluctuate and change year by year as the program rolls out. You know, pretty happy that we were able to sign the bilateral as well just a few weeks ago.

Mr. Strankman: Thanks, Mr. Minister and Chair.

One of the things of note is agricultural initiatives, line item 3.6. In the Alberta's Economic Future committee meetings there was a discussion around a proposal for agribusinesses, trade shows, a symposium. Minister, could you explain: would this kind of program come from this particular line item, or has your department acted upon the committee's recommendations in any particular way with any financial consideration?

Mr. Carlier: Yeah. On 3.6, Member, that is a good question. Like I said in my opening remarks, we had to go through the budget with a sharp pencil to see if we could find those efficiencies. You know, the core funding, for example ag societies, will continue. But some of those extra programs around the agricultural initiatives program have been cut to be able to find those fundings. Well, AIP is no longer available. We're still, obviously, going to provide that, which I think is still significant, core funding of \$11.5 million a year for three years.

Mr. Strankman: Thank you, Minister.

I'd like to move on to agriculture insurance. Line 5.2 deals with insurance, and that, as you pointed out last year, is the province's share of premiums. Last year you stated that the cut of \$27 million represented a more realistic show of actual estimates. That was a figure of just over \$240 million. This year it's increased to \$249 million. Could you explain why you may have been off your estimate, or has the trend indicated an increase?

Mr. Carlier: Thank you, Member. I know you appreciate, you know, the variability, the way you can't necessarily predict what's

going on in there in agriculture, not just weather, of course, but market value and things as well.

To fill in some more of those details, I'm going to ask Mr. Kay, the interim CEO of AFSC.

Mr. Kay: Thank you, Minister, and thank you, Member, for the question. This funding does relate primarily to the premiums for insurance programs. Each year we make estimates, and there's a number of things that impact that estimate, things like participation, commodity prices, coverage levels, and premium rates as well. So when you see increases year over year – really what we're focused on now is that we had a number of unseeded acres last year, almost 650,000. Our expectation is that those acres will now be back in the program, obviously the current weather notwithstanding. Hopefully, we'll work through that process. But we do expect a participation increase, and that's the reason for the year-over-year increase in our budget.

But I'll also add to that that we are seeing premium rates themselves come down. We have a significant surplus. We've had a number of strong years in our insurance program, and we're committed to giving that back to producers, and we're seeing somewhere between 8 to 10 per cent reductions in our premium rates. When you factor in all of those things that impact the estimate, we are seeing a slight increase year over year.

Mr. Strankman: Thank you, Mr. Chair and to the minister and his well-versed, it would appear, new staffer from the AFSC.

Minister, have you ever given any consideration to the option, the potential choice, that may be given to farmers for their involvement in AFSC as a delivery mechanism or the option of another model for the delivery of those funds, whether they be federal or provincial?

Mr. Carlier: Thank you, Member. Yeah, I want to thank Mr. Kay for his contributions this morning as well. I think Darryl has been with AFSC for a few years now.

Mr. Kay: For seven years.

Mr. Carlier: For seven years. Right. He's interim CEO, and I really appreciate his efforts there, obviously.

Now, AFSC is a model not just for delivering a business management suite of program tools but also as a lending organization. They do a fantastic job, in the billions of dollars, of being able to invest in agriculture, in not just farm protections but also in small business in Alberta, where sometimes perhaps it's not so easy for them to go to commercial lending institutions. It provides a very important service that I think needs to be maintained within the province. Year after year, I believe for the past 10 years, they have been considered one of the top businesses in Alberta and, actually, as one of the top businesses in Canada as well. I think it's a model that's working, a model that we should all be proud of, and one that I would fully support.

Mr. Strankman: Thank you, Minister.

Line 5.3, agriculture income support: we know from last year that this deals with AgriStability, AgriInvest, and AgriRecovery. Last year your estimate was cut by about \$30 million, and when we asked you about that, you said that it was a reflection of the funding estimates. The forecast for last year's budget is coming in at almost \$111 million. Can you explain why that would be?

Mr. Carlier: Yeah. Thanks, Member. There are a few things there. Part of that decrease is lower estimated AgriInvest projections, that Mr. Kay had already mentioned, but also higher estimated

AgriStability projections. There were, you know, some opportunities there. Another big part of those changes is changes to the Canadian agricultural partnership program. Again, that program does fluctuate, as Growing Forward 2 did. The decline in cattle prices, frankly, in 2016 really affected the AgriStability program. Those are reflected in later years, which we can't estimate necessarily. Our crystal ball, obviously, is cloudy on weather but cloudy on market prices as well. That's reflected in the AgriStability and AgriInvest programs and, as well, in the fluctuating nature of the Canadian agricultural partnership program.

Mr. Strankman: Thank you, Mr. Chair and to the minister.

The no-interest loans for victims of the Suffield fire: do they come from this funding?

Mr. Carlier: Thank you, Member. No. The reimbursement for the Suffield fire: you know, my understanding is that the federal government has taken responsibility for that, and the base commander there has been working with producers and with the community leaders to ensure that what funding has been promised from the federal government to compensate will be adequately and equally distributed.

Mr. Strankman: But I understand, Minister, that there's an investigation going on that may be some considerable length of time no matter the responsibility, you know, as opposed to the Hilda fire, the neighbouring fire, with similar terrain, similar area, in fact within small miles of one another. Has your department been involved in any discussions with the feds to expedite any funds that may come forward?

Mr. Carlier: You know, in my conversations with people a little bit more in the know in that area, they haven't brought up this particular concern. But thank you for doing so. I think it's perhaps something worth looking at, talking to those producers about. Like I say, they haven't approached the department on that particular concern, but it's worth bringing up. Why not?

9:50

Mr. Strankman: Well, thank you, Mr. Chair and to the minister. I know that you were actually near a fire-affected community, Jenner, with the federal minister recently to approach the Osadczuk ranch, where they were afflicted by tuberculosis and that. I do appreciate some of the work by your department in that regard. Can you tell me: would any of the loans involved for the fire or for TB continue to be made until the matter is fully settled?

Mr. Carlier: The bovine tuberculosis crisis that happened in southeast Alberta was, thank God, one that I'm hoping is not repeated any time soon. You know, in talking to the producers down there – the Alberta Beef Producers, the Canadian Cattlemen's Association – all were very thankful for the response they'd received from the provincial and federal governments. That's what led to my visit of some weeks ago to the farms in Jenner, not to celebrate – that's the wrong word – but to commemorate the efforts made by the producers. The leadership that those producers gave to them, to their own operations and to their neighbours, I think should be something that is celebrated. They did a great job in being able to do that. My understanding is that that thing is wrapping up, that the CFIA investigation is wrapping up, and that their compensation was adequate to continue their operations.

In the early days it was pretty bleak. In talking to some of those producers, they figured that they'd never be able to recover from this, but then in talking to them, you know, a month or so ago, when

I was down there, they were happy with the support and are happy to continue their operations.

Mr. Strankman: Well, thank you, Minister. I think there's still an ongoing issue with the infected elk in that area, but that's not for this department or these questions today.

I'd like to cede my time to my colleague here from Little Bow if he'd like to proceed with some questions for the department of forestry.

Mr. Schneider: Well, thank you, and thank you, Mr. Chair. Mr. Minister, of course, thank you to you and your staff for the work you do for Albertans. I'm going to ask some forestry questions, but I did ask a question the other night of the Economic Development and Trade minister about your trip to India. You know, I think everybody knows that in the middle of November there was a tariff of 50 per cent thrown on peas. Peas are a pretty important crop in our neck of the woods, a good rotational crop. I mean, that was an immediate tariff. Grain that was on the way to India and on the high seas had the tariff thrown at it as well. Without any more explanation, I guess I just wonder about your international office and how you made out while you were over there and what you could see happening for possibly talking this tariff down. I don't know if that's the right way to put it.

Mr. Carlier: Thank you, Member. You know, on my trip to India I would have liked nothing better than to sit down with the government or industry officials and have a good discussion with them about why they were doing this, why they thought this was a good idea. I met many people over there. I didn't find anybody who thought this was a good idea, right? All the industry people, the importers, the exporters, people from, frankly, around the world are affected by this as well.

I had the great honour to be the guest of honour at the Pulses Conclave in New Delhi and delivered a keynote address. That was a great honour. There a reporter asked me, "What are your pulse farmers going to do?" My response to her was: "You don't understand. We don't have pulse farmers. We have farmers that grow pulses or wheat or barley or canola or whatever they want to grow." That really resonated. That actually got some media attention. They thought that our farmers are just going to go broke because all they can grow are pulses. I think that at least a portion of that population didn't realize that. So I think that that was a real opportunity to talk to the general public. I don't want to wish anything bad on anybody, but, God forbid, if they have a bad monsoon season or something else happens, they're going to need our pulses. I'm somewhat concerned that a lot of our pulses won't be in production because the prices aren't there, right?

So that was a great opportunity, with our offices there continuing their work. The trade mission is important. It really highlights the importance that Alberta has to the whole Indian economy, not just pulses. Work continues with our office in New Delhi to continue those conversations.

For the most part this is political. With 60 per cent of their voting base being farmers, you know, if you want to win an election, you have to have the farmers' vote, right? They had a bumper crop. The prices went down, the farmers were not happy, so they put in tariffs to raise the prices for the farmers. Now, the urban population is – you know, a large part of the population is very, very poor. Once the pulse prices go up too high, they're going to switch to other foods. It's going to have a negative effect in India as well. If I was really gazing into my crystal ball, I expect that maybe even before or around or slightly after the federal election, which is next spring – I'm really hoping that those tariffs will be reduced or eliminated.

Mr. Schneider: Like you say, monsoon rain is what they rely on, and those come and go. I mean, they're not normal, right? Thank you very much, Minister.

Through the chair, I know that you and I seem to have a conversation at every budget about line item 6.1, wildfire management, and I think I've come to the conclusion that your department doesn't actually budget for wildfires. It simply has its budget for prepping for the fire season, and any costs for wildfires are borrowed from emergency funding. Am I on the right track there?

Mr. Carlier: Absolutely. You're absolutely bang on, Member.

Mr. Schneider: Okay. Good. I'm just trying to understand this budget and make sure that I understand it.

Can you tell us what the five-year average is for actual costs for wildfire management?

Mr. Carlier: That's a most fabulous question. Yeah, you're bang on. Just to highlight, you know, what we're discussing now, the core base funding for wildfire fighting is \$130 million. That \$130 million gets the watchtowers up and running, gets the air tanker bases ready. It hires contract crews. It hires new hires within the department, trains them up. It gets the pumps ready, the hoses ready, all that kind of equipment.

You're, again, absolutely right: there's no way you can predict emergency funding. The same thing works in agriculture, you know, if it's a bad hail season or some other kind of wreck. Hopefully, this year will be a good year. But whatever happens, to get that funding, we can then ask for emergency funding from Treasury Board. This has been going on, I think, for at least 10 years, maybe 11 years. That's how the budget has been working around here.

While I'm talking here, I notice that ADM Mayer is busy flipping through his books, and perhaps he has a more clear answer to your question.

Mr. Mayer: Thank you, Minister, Chair, and Member. Bruce Mayer, assistant deputy minister of forestry. From a wildfire emergency perspective, the last five years' average is around the \$200 million mark.

Mr. Schneider: Okay. Thank you.

I don't know if you have any input on the emergency funding budget. I mean, there has to be an availability of X number of dollars if, say, there is a wreck in agriculture or forestry. Do you submit an estimate as to what it will cost? Is that how you use that number, that \$200 million? Is that how you kind of make a presentation?

Mr. Carlier: Yeah, pretty much. You know, I've got to make a pitch to Treasury Board – right? – on that funding. I say a pitch, but it's not like I have to go down on bended knee to ensure this funding, because we need that funding to ensure that the community is safe and that Albertans are safe. That's, of course, obviously, the priority. It's not the money that's the priority; it's safety that's the priority. The base funding will go some way to fighting those wildfires. I get a report once a year on wildfires. You see all the snow on the ground, but I think we're up to 20 wildfires already this year.

Mr. Schneider: Is that right?

Mr. Carlier: Yeah. You know, that's one of the natures of that beast.

It's important to note as well that May is actually our driest month of the year, right? You know, there's a lot of moisture out there.

There might be some areas in the green zone that we'll have to keep an eye on, as we do every year.

You know, that emergency funding, frankly, whether it's for forestry or agriculture, will be asked for from Treasury Board and will be received.

Mr. Schneider: Okay. Thank you.

Through the chair again, you've cut about \$3 million from last year's estimates. With so much money having come from emergency management, are you confident that this money that you have allocated is enough to get your department set for wildfire season?

10:00

Mr. Carlier: Thank you, Member. Absolutely. There were some decreases. A big chunk of that is just a change in budget transfer from wildfire management to corporate services, now that we have a new division of corporate services. There was a decrease from wildfire management to forest tenure, trade, and policy, again just a switch of funds, and a decrease due to, again, in-year savings – I mentioned that in my opening note – on supplies and services, so a bit there, about \$400,000, and a \$300,000 decrease, again, from the changes that aren't needed in the public service pension plan.

It's important to note that a big chunk of that money as well is that \$15 million to the FireSmart program. That continues to be an extremely successful program. We had some fairly substantial monies allocated last year and this year as well because there are a lot of communities, especially after the tragedy at Fort McMurray, that are taking a second look at that, making sure that their own communities are as fire smart as possible.

Mr. Schneider: Just switching it up a little, are the air bomber contracts to remain at 120 days again this year?

Mr. Carlier: Yes, they are, all eight contracts.

Mr. Schneider: Eight contracts. Okay.

Can you tell me how many active fire watchtowers there are for the upcoming season?

Mr. Carlier: Oh, that's a good question. I want to know myself. Thank you.

Bruce?

Mr. Mayer: Minister, Chair, Member, there are 126 between towers and mountaintop lookouts.

Mr. Schneider: Okay. Interesting. Are they all going to be manned for the beginning of the fire season?

Mr. Mayer: They will be manned when the hazard starts to pick up in specific areas. So if there's still snow on the ground for the entire visible area, we won't put the person on at that point. We will extend them, if required, longer into the season. Last year, if I may, we wound up putting towers up earlier because the snow had gone a lot earlier in many of the locations.

Mr. Schneider: Okay. When they are manned, are they manned 24/7?

Mr. Mayer: Each of the facilities is set up with a residence for the tower observer to live in. So, yes, they're there the entire time, but they won't be at the top of their tower – most of these towers are 100 feet, 120 feet tall – in the middle of the night.

Mr. Schneider: Okay. I've been to one of the towers, just east of the Dutch Creek campground. We've gone up there and visited with the fellow, and he has you sign a guest book. It's interesting stuff.

Does Ag and Forestry use technology like infrared or drones yet? Are we there yet? Certainly, drones: I mean, that's getting out there a little yet. But infrared?

Mr. Carlier: Yeah. We do have some drones. You know, I like to tell people that within the department I have my own air force. I think that's cool. As well, on the books, just as a note of interest that tickles my fancy, I still have conscription powers within the department as well.

As for some of that technology, there are some that I find absolutely fascinating. There's a type of radar that's called lidar, which is just absolutely amazing. It not only helps with wildfire detection and things like that but also helps with the planning for the cutblocks. With this lidar, they are able to find creeks and things, you know, quite rapidly that a ground survey crew might even miss.

But, actually, for those actual other high-technology efforts, including drones, I'll again ask ADM Mayer if he can fill us in.

Mr. Mayer: Thanks, Minister, Chair, Member. Yes, we do use various technology tools. We've got satellite imagery. It will be used for infrared to spot hot spots on perimeters of fires. We'll also use airborne infrared, whether it's in helicopters or fixed-wing aircraft, to identify where hot spots on fires are as well.

Mr. Schneider: Okay. Well, staying with that thought, we know the initial contact for the Horse River fire was an air attack helicopter returning to base at Fort Mac. Does your ministry have any plans to contract private aircraft as spotters in the upcoming season at a lower cost possibly?

Mr. Carlier: Thanks, Member, for that. I do have to thank all of our first responders – our fire crews within the department and our contracted folks as well – for the work they do. It's important that the work they do is appreciated. You know, we continuously, whether it was the Horse River fire or the Slave Lake fire or even what happened last year in Waterton, have an opportunity to review the processes, review our ability to ensure that we have the best technology, the best operations possible. I think, going in, there's always something to learn, and we can always learn that as well as the whole planning preparedness. The year before last I was able to introduce amendments to the Forest and Prairie Protection Act. Even legislation can go some ways to doing whatever we can to protect our communities and our forests and, obviously, our citizens.

Mr. Schneider: Thank you, Minister. Through the chair again, I think I asked this question during supplementary, but I don't think you were there, to be honest. It doesn't matter.

Mr. Carlier: Sure I was.

Mr. Schneider: But it bears repeating. Given that early season fires tend to be more in the old-growth boreal areas of the forest like Slave Lake and Fort Mac and Lac La Biche and that the foothills traditionally experience the fire problems later in the season, will you change up your methodology for placing your early season air groups based more on historic fire incidents and head fire intensity mapping, or is there another way you'll be basing it on for the air groups?

Mr. Carlier: Thank you, Member. I think that's a great question, somewhat technical, so I will again let ADM Mayer assist with that, please.

Mr. Mayer: Thanks, Minister, Chair, Member. With aircraft, whether it's helicopters or air tankers, we'll base them where the

fire hazard is or in preparation for fire hazard. If we know from any of our weather stations that we've got a lightning storm coming in, we can pre-position aircraft at a moment's notice. As we start our aircraft on contract, we've got latitude to start them early or start them later, depending on whatever the hazard may be.

Your other question, Member, was with respect to using observer or contract aircraft. We do that on a regular basis. We'll fly loaded patrols with our helitack crews so that if they do see a fire, they can respond immediately. But we'll also put a fixed-wing aircraft in the air if we've had an awful lot of lightning strikes, and they will fly around and liaise with lookout observers and the helicopters and helitack crews.

Mr. Schneider: Just a quick question about the air helitack choppers: do they all carry water buckets? Are they prepared?

Mr. Mayer: Yes, they are. They carry water buckets. They carry hand tools, a power saw, and strong, able individuals.

Mr. Schneider: Interesting. Can you explain to me what the reasoning was for having the air groups in both Hinton and Whitecourt early in the fire season? I just wondered why there wasn't anything closer to Fort Mac, why there wasn't something up there.

Mr. Carlier: Thanks, Member. I think that's a very interesting question.

Again I'll ask ADM Mayer to assist us.

Mr. Mayer: Minister, Chair, Member, in 2016 we had hazard across central Alberta, from Slave Lake west to Whitecourt to Hinton. In the springtime we know we're going to have fires. They're generally always human-caused fires. We just don't know when we'll have them. So we wound up spreading resources across the central part of the province. We had aircraft in Lac La Biche as well that wound up responding to Fort McMurray and aircraft north of Slave Lake that responded to Fort McMurray. If we had an idea where people were going to start fires, we would stage around there and make sure we have people there.

Mr. Schneider: Thank you very much.

Still within wildfire management is the topic of fire line contracts. Now, I believe Mr. Mayer and I talked about this process last year. He stated that they have several meetings each year on how things could be done better to increase transparency. We still get some complaints that the fire line master list is not available online to contractors so that they know where they sit on the call-out list. The complaint seems to be that because the list isn't available to all contractors, it prevents planning time and reduces the transparency, in their opinion. The complaint is that certain contractors are getting the brunt of the work. You know, this is what we hear. Other contractors with the same assets are being skipped or underutilized. I just wonder if you could comment on that.

10:10

Mr. Carlier: Thank you, Member. Yeah, I hear that as well. You know, they always have the assistance from the department to find out. We always take everything at its face value and make sure that we look into it and that everything is done fairly.

On the entire process of making sure that it is done fairly, again I'm going to ask ADM Mayer to fill in some blanks.

Mr. Mayer: Thank you, Minister, Chair, Member. With respect to fire line contracts you're correct; we do not post the rotation list online. The reason for that is that the amount of equipment available and the amount of equipment that companies have change on a

regular basis. All that information, though, is in each of our 10 fire centres. We continue to reach out to contractors whenever and wherever we can: at the spring meetings, the fall meetings, regular ongoing.

Over the course of the last number of years, when the oil patch was down, we'd had an awful lot of equipment sitting around. Everybody wants to be able to get a little bit of work because they have capital assets to pay for. We need to try and make sure that we are as fair as possible on the rotation list. Some people will wind up getting on a fire on the first call, and other people may just be standby. We'll try and work them on a week-on rotation so that we can switch it out and get some other people.

Mr. Schneider: Good. Thank you very much.

Through the chair again, I think I know the answer to this, but for clarification's sake I'll just ask. When the KPMG report on the Fort McMurray fire came out or the report on the Kenow fire, what line item does that come out of in this budget? Is it wildfire management?

Mr. Carlier: Thank you, Member. Yes, that's all part of wildfire management, line 6.1

Mr. Schneider: Okay. Is there any draft or completed report sitting unreleased in your ministry that relates to the Fort Mac fire?

Mr. Carlier: No. Again, I have to reiterate the importance of those reviews when we have those kinds of disasters. It's, you know, interdepartmental. It's more than one government as well being involved in those reviews to make sure that we can do all we can.

A good example of what's been implemented is something from the Slave Lake fire, the Flat Top Complex, which I believe was 21 recommendations, which have all now been implemented, including changes to legislation as one of the recommendations that came out of that review. All the recommendations of the Flat Top Complex were implemented by March 2017. You know, other recommendations from other reviews, whatever the reviews might be, will be implemented as well. Some from the Horse River fire were implemented right away because they could be, right? Other recommendations will take some time.

Mr. Schneider: Okay. Did your department modify or change any of the recommendations in any way since that Slave Lake fire? Did you make anything better?

Mr. Carlier: No. The recommendations were as they were in the report.

Mr. Schneider: Okay. Now, line 6.4 deals with forest tenure. This appears to be a new line item. Is it the same as the previously named line item that was forest industry development?

Mr. Carlier: Yes, it is.

Mr. Schneider: It is. Okay. So it just replaced it?

Mr. Carlier: Just a replacement, yeah.

Mr. Schneider: Just changed the name. Okay.

Line 7, climate leadership plan: this line has increased from \$6 million in 2016-17 to this year's estimate of nearly \$42 million. Can you explain the large increase? I think you kind of had.

Mr. Carlier: Yeah. Again, I'd say that that's indicative of the government's climate leadership plan: increases for the industrial energy efficiency program of \$35 million; a \$2 million increase for the greenhouse natural gas rebate program, that's well respected by

the greenhouse growers right across the province. You know, in comparison to Ontario or even B.C., it's fairly small compared to other jurisdictions but is a really important part of our overall agricultural landscape. On that, though, there was a decrease of \$3.8 million on the farm energy program. That's just due to the completion of that project.

Mr. Schneider: Okay. If I move to page 41 of the budget estimates, capital grants, I notice that grant funding to irrigation infrastructure assistance has dropped by \$5 million after being stable at \$19 million for several budgets. Now, I think you did explain this cut. You talked about the cut here a few minutes ago, I think.

The Chair: I hesitate to interrupt.

We'll now move to the third party on the rotation. Mr. Fraser, would you like to share your time with the minister?

Mr. Fraser: Yes. Thank you, Mr. Chair.

The Chair: All right. Please proceed.

Mr. Fraser: Minister, how are you today?

Mr. Carlier: Very well. And you?

Mr. Fraser: Good. Well, good to see you again. Thank you for all your efforts. We definitely appreciate your staff, the civil service, that works so hard. Any department is always challenging, especially with some of the issues that you've had to face over the last number of years.

I just want to start off on page 13 of the business plan. You mention that "variable weather conditions... in 2017 impacted crop production and grain prices." I'm just wondering: can you share with us the total value of crops lost to drought in southern Alberta in 2017?

Mr. Carlier: Thank you, Member. Without a doubt, southern Alberta was particularly dry. There were areas that were still underutilized because there were a lot of crops that hadn't been planted because of overly wet conditions from, you know, the fall of 2016 to the spring of 2017.

In the south: important to note that there are 1.7 million irrigated acres in southern Alberta, obviously not affected by drought. As a matter of fact, they did really well because the temperatures were really high as well. Seventy per cent of all the irrigated land in Canada is in southern Alberta. The irrigated production did very well. Upwards of about 60 different crops are grown in southern Alberta. I find that fascinating.

As for those particular numbers you're looking for, I'm going to ask Mr. Kay to help us.

Mr. Kay: Thank you, Minister. Thank you, Member, for the question. We expect to pay somewhere in the neighbourhood of around \$425 million for the 2017 crop year. Now, that relates to a number of programs: our hail endorsement program, for instance; our hay and pasture crop program; and our annual crop. Obviously, as we went further south last year, we saw yields drop, we saw drier conditions, but we made it through the year relatively okay. We added some moisture reserves throughout the summer, that managed to get us through. Obviously, when we finished, we were very low in terms of reserves. We've seen a lot of moisture over the last couple of months. I think that will help as we move forward. What we saw was right in that neighbourhood of \$400 million to \$425 million, and we're finalizing those estimates right now.

Mr. Fraser: Right. How much of those losses was covered by insurance and/or the AFSC? Was any of that covered by AFSC?

Mr. Kay: Absolutely. Any of those clients that participate in our programs, obviously, would receive payments under the AgriInsurance program.

Mr. Fraser: Okay. Like, obviously, my understanding is that down by Milk River, that irrigation district basically turned off the taps, it sounded like, for a couple of weeks because there was so much drought and reservoirs were low. That is my understanding. How are you working with the irrigation districts for 2018 to kind of mitigate that in terms of reservoir levels and that sort of thing?

Mr. Carlier: Thank you, Member. There are other uses for these reservoirs, obviously, recreation or even community supply. Community supply remains a priority, obviously, making sure that the towns have enough water.

Otherwise, these irrigation districts are for irrigation. When those reservoirs go low, it's because they're being used like they should be used, and that's getting the water on the land to irrigate those crops. This year they're probably at capacity now. There is a bit of a concern, frankly, because the melt from the mountains hasn't occurred yet either. This is just what they have there. Some locations are at about 150 per cent of their normal snow level, so there's quite a bit of snow in southern Alberta. Yeah, the reservoirs will, I have no doubt, fill this year. Even last year in the drought the St. Mary, which is the feeder reservoir for a lot of other smaller ones, didn't go dry. It still had capacity in there. This year – any year – the snowpack is good. It was good last year in the mountains, so the reservoirs did what they were supposed to do, and that was irrigate the land.

Mr. Fraser: Right. Are we expecting a further drought in 2018? Again, are you feeling pretty confident about this year? It's my understanding, though, that we're kind of in a five-year to 50-year drought kind of pattern. Do you have any concerns for this year?

Mr. Carlier: Southern Alberta is a normally dry portion of the continent, right? That's why the irrigation is there in the first place. Our forefathers, foremothers, forepeople, you know, had opportunities decades ago, over a hundred years ago, with some of these irrigation projects to have some real foresight to be able to do irrigation projects that got the European settlers in to be able to do what they are doing now, and that's irrigation. It is normally dry conditions down there. It's why irrigation exists.

Yeah, we'll see what the season holds, but I'm an optimistic person by nature. Even last year, with the drought conditions and everything else, we broke records for cash sales. For farming, even, it was a pretty good year last year.

10:20

Mr. Fraser: Good. Good. On page 40 of the estimates line item 5.3 speaks to agriculture income support. Forecasted spending is nearly double this year what was budgeted for 2017-18. Could you break down for us why the forecast for last year was so much higher than the budget?

Mr. Carlier: Thank you, Member, for that question. You know, income support was, for the most part, because of the AgriStability program, the wreck we had with the price decline for livestock, for beef in 2016. We haven't seen a decline like that since the BSE year of 2003. That was an issue, and the program did what it was supposed to do, and that was supply support to the cattle producers because of that severe drop in income and in commodity prices.

Mr. Fraser: Right. So you're budgeting a similar amount for this year as you did for the previous year. Are you concerned about similar cost overruns?

Mr. Carlier: With emergency budgeting, it's much like emergency services as well. You can't really predict what's going to happen in the year. You know, all commodity prices are staying pretty steady right now, pretty reasonable. One of my favourite questions I got from a reporter was: as ag minister what are you going to do about the high price of beef? Wrong question, wrong minister, right? I'm going to support the industry, and if the prices are good, that's good. Again, we can't predict what's going to happen. We're able to provide the support when it's needed.

Mr. Fraser: Very good. Very good. Another factor you identify as a challenge for our industry is the supply chain logistics. Is this a reference to the challenge of a producer shipping grain by rail?

Mr. Carlier: Absolutely. I was, you know, knee-high to a prairie dog when my dad would complain about the Crow rate. It's been something that's gone on for generations, probably since the beginning of the railroads. Absolutely, I've had the opportunity to have telephone conversations with both CP and CN. Just a few weeks ago CN appointed a new CEO, so I had a conversation with him. He comes from the marketing side of that industry, so he was well versed in the challenge that we have here. They've been fairly honest, I felt, with me and with our producers.

Even though there are some natural barriers around a particularly cold winter, lots of snow, that really affects the speed of the trains going down the track as well as how many cars they can haul. So that's all important. But there were other things that I think we can work on. Particularly with CN, you know, for northern Alberta, around the Peace Country, they're always a bit of an issue there, with one train in, one train outgoing, I suppose. They are doing a bunch of hiring. My perspective is that they're doing some rehiring because I think they probably laid off too many folks over the past few years. They also have 80 or so locomotives on order for this year. They're doing some more infrastructure upgrades in siding and in ports and those kinds of works. They're going to do some double-tracking. That work is all ongoing.

The big part from the federal government: I've had the opportunity to have conversations with both Minister MacAulay, the minister of agriculture, and Minister Garneau, the federal Minister of Transport, about the concerns around this. The past federal government had an interim measure to do a few things around being able to in some way increase the competitiveness – I mean the two railroads – so they're able to hopefully get, you know, our products to market easier. Around that are amendments to the Canada Transportation Act, Bill C-49, that has gone through the Senate. That's not going to help this season in particular, but hopefully in the future it will.

Grain transportation has picked up substantially. Right now I do believe they're getting all of the cars they need. I'm less sure if those cars are getting to port, if they're getting on the ships, but I think that's obviously picking up.

Mr. Fraser: How significant is the challenge of grain being displaced by oil on these trains?

Mr. Carlier: You know, I have that concern as well. I think: let's get that pipeline built. That's going to help a lot. In my own constituency, in Mayerthorpe, there were all kinds of hopper cars on the siding there, and they were all filled with frac sand, right? There were no cars filled with bitumen; there were no cars filled with grain. It was frac sand. As that economy picks up, we're going to see more of that product on the lines. That is what it is, right? But my understanding from CN is that only about 1 per cent of their product is bituminous right now. If we don't get a pipeline, that's

going to increase significantly. I don't see that as a factor, not at this time, anyway.

Mr. Fraser: Right. What measures in your budget are helping to alleviate any supply chain issues?

Mr. Carlier: You know, nothing in this particular budget, but I think it is something we need to keep an eye on, particularly as our hopper cars are aging. My conversations with CN and CP are that – they also, obviously, own a lot of hopper cars – they're looking to update and buy new cars, build new cars, perhaps rehabilitate some of the older ones because, yeah, without a doubt, a lot of those are aging right across the country.

Mr. Fraser: Okay. Thank you.

I want to move on to page 14 of the business plan. You talk about some of the challenges facing the forestry industry. On page 14 of the business plan it talks about "uncertain market access," specifically in regard to the recent trade issues with the United States. What impact do you expect that might have on Alberta's forestry sector in terms of dollars?

Mr. Carlier: You know, concern remains, obviously, that the current dispute, especially on the softwood lumber agreement, will cause some harm. Currently, with the value of the Canadian dollar, with the housing starts being quite substantially up in the United States, even with the tariffs, the industry is holding its own. It's doing quite well, actually. If you've had to build a deck or build a fence or something this past year, you might have noticed that some products have actually tripled in price, right?

As an example, the government and our department officials are working with Tolko Industries to reopen a mill in High Prairie that had been mothballed for eight years. It's an OSB plant, oriented strandboard, that's now up in production. Now, that's aspen products. That's not necessarily affected by the softwood lumber disagreement anyway, but it does show that the housing starts are up in the United States. These tariffs, in the long term, will hurt industry, but right now they're doing okay. We'll have to see. Like with any commodity, prices fluctuate, but right now let's hope that they stay high.

Mr. Fraser: Very good. Are there any specific measures in your budget that would support expanding market access for our forest products?

Mr. Carlier: Absolutely. You know, on my trade missions it's sometimes overshadowed by the work that's around agriculture, but there are opportunities for our forestry products, not just lumber but pulp as well. We currently ship lumber and pulp to China, Japan, South Korea, a bit to India as well. I think that India is going to be the third-largest economy here in the next four or five years. It's important that we get into India and be able to do so.

Forestry in Alberta is particularly important. It supports a major industry in about 70 communities. Close to 19,000 people work in our forestry industry, so it's becoming important. The more we can expand those markets, the better off we all are.

Mr. Fraser: Great. As part of securing more market access, it's important to have a diverse supply of forestry products. Is there anything in your budget that's, you know, related to helping to explore, again, expanding those products with the forestry industry to diversify their economy?

Mr. Carlier: Yeah. Thanks, Member. You know, I find that the forestry industry is just as innovative as any industry. It's very

interesting, I think, to note engineered products. Oriented strandboard, in particular, was actually an Alberta invention, that we're able to really take advantage of, with different strategies as well in what we can do. Millar Western, in particular, has started an aspen strategy. It's a commodity, poplar and aspen trees there in the landscape, that is underutilized. In part of the green zone and even the white zone we have, you know, aspen stands. Millar Western is looking to develop a market for aspen lumber in the United States, which I find fascinating. I think it's going to go a long way to diversify.

To fill in a few more of those extra blanks, I'll look to ADM Mayer.

10:30

Mr. Mayer: Thanks, Minister, Chair, Member. A couple of the other initiatives we are undertaking is that we work with Canada Wood, Wood Works! Alberta, or Alberta Innovates to help with various product development. There are some niche-type products that can be made and/or tying in, then, to Asian markets and some of the expertise that they have to assist our industry.

Mr. Fraser: Very good. Thank you.

Minister, can you give us a progress report on combating the mountain pine beetle?

Mr. Carlier: Thank you, Member. That's an important question. Yeah, we continue contributing a fair amount of funds to combatting the mountain pine beetle. The mountain pine beetle is here. It's going to be part of a control program, you know, for the foreseeable future. We allocate about \$25 million a year for mountain pine beetle control. There are different areas of that.

The best way to combat the mountain pine beetle is the removal of infected trees, so that goes on every winter. Trees are cut and burned. As well, with pine beetles, what they find most tasty are older pines, right? There has been an old-growth-forest strategy to have companies accelerate some of their harvest plans around older trees to make them less susceptible to, then, pine beetle damage. It's often called a surge cut. So that is, you know, the ability to be able to do that.

Now, in the northwest, you know, from Whitecourt to Grande Prairie and north, the efforts of the department over the years have really, really shown. It's been some successful. Control methods are still there, but they are well under control, even surpassing some expectations about how well they have been under control.

Now, the problem areas are Hinton and Edson. Like all beetles, they fly, and they've been flying out of Jasper in droves. The proper term for groups of beetles is droves of beetles. Droves of beetles have been flying out of Jasper. As an Albertan I'm quite upset with what's happened in Jasper. If you're a tourist from China or Germany, wherever you're coming from, I don't know why you'd want to go to a national park with dead trees. That's what's going to happen. But in industry we now have a large problem in Hinton and Edson. I'm confident that with our control efforts we're going to maintain that control. But, again, it's going to take an effort.

Mr. Fraser: Very good. On page 14 of your business plan you talk about the implementation of the GBA plus policies in Agriculture and Forestry. Can you give us an overview or a picture of what that looks like in your department right now?

Mr. Carlier: Yeah. Thanks, Member. I'm going to ask ADM Andre Corbould here on my right to fill in the blanks.

Mr. Corbould: Thanks, Chair, Minister. The GBA plus policy is one that's being implemented throughout government. Essentially,

what it does is that it requires gender-based analysis of all policies in the government of Alberta. So when we go to cabinet, for instance, there has to be an understanding of the gender-based analysis that's being conducted. It's based on a federal program that's been in place for almost 10 years, I believe, and one that we started implementing here in the government of Alberta in all ministries at least over the last two or three years.

Mr. Fraser: Very good. Do you have a timeline on when that will be fully implemented?

Mr. Corbould: Well, I would say that it's something that just has to happen all the time. It'll never be fully implemented. We always do GBA plus analysis. Of course, it changes over time as things change. It's not just gender-based analysis; the "plus" is really about different races and different cultures and those kinds of things.

I guess I would also take the opportunity now to talk about the focus. As a result of some of that analysis, that's led to some training that will happen across the public service over the next three years on indigenous relations. Every public servant will be trained over the next three years on how better to work with, collaborate with, and understand the culture of indigenous peoples in Alberta.

Mr. Fraser: That's fantastic. In fact, I'll have to give you kudos because that's the best answer that I've heard from almost any other ministry on this particular issue, so good for you guys.

With the GBA plus training and the ongoing initiatives – I would agree that they need to be continuous – is there anywhere in your budget that talks about these initiatives in terms of a line item?

Mr. Corbould: The way we're doing it – and it's really being directed by the head of the public service, Marcia Nelson – is that there is always an ongoing training budget for public servants, and that is not increasing or decreasing this year with this budget. What's happening is a prioritization of training, and GBA plus analysis and indigenous training has been made the highest priority of individual training.

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

We'll now take a five-minute break and be back here in five minutes.

[The committee adjourned from 10:36 a.m. to 10:41 a.m.]

The Chair: All right. We'll call the meeting back to order.

It's now the time in the rotation for other parties. Dr. Starke, Dr. Swann, do you have a preference of who starts?

Dr. Swann: Yes. I guess I'll start, Mr. Chair.

The Chair: Okay. Dr. Swann, you have 10 minutes.

Dr. Swann: Back and forth with the minister if you're comfortable.

Thank you to the minister and to the staff for your tireless work for Alberta and for our agriculture sector. The Agriculture 2025 report by the Canadian Agricultural Human Resource Council indicated that there were 26,000 agriculture jobs unfilled in Canada, with increasing reliance on temporary foreign workers. That's expected to double by 2025, the shortage. What do you say about that manpower shortage? Are you aware of it, and what are some of the solutions?

Mr. Carlier: Yeah. Thank you, Doctor. For sure, you know, for the most part, it is somewhat our greenhouse operations and some of

our vegetable operations that rely on temporary foreign workers. Back when the program was developed, it was really developed, I feel, with agriculture in mind because a lot of this work is temporary. I think that where we see a lot of problems is that people forget that temporary part, and they start filling their blanks in other industries, not temporary jobs, with temporary workers. I think that was a problem that was addressed by the federal government, this one and the previous one. I think that didn't necessarily, then, take into consideration the importance of this employment, whether it's temporary foreign workers or immigration programs, to agriculture.

In Alberta it is our large food-processing and, in particular, our meat-packing plants, both in Brooks and in High River. They have a large turnover rate for employees in both those operations anyway. It's hard work. The pay is reasonable, but it is hard work. It is large workforces. Thousands of people work at each of those operations because it is manual, hands-on labour. The vast majority of it can't be automated. I know that JBS out of Brooks, for instance, has recruiting offices in Halifax and Montreal, with continuing enrolment or, you know, looking for the recruitment of employees. A lot of it is new Canadians. They have upwards of 70 different languages spoken in that plant at any one time.

So, you know, conversations with the federal government on making sure that the temporary worker program stays robust enough to make sure that we have those vacancies – it's always a concern of those industries, especially meat-packing plants, that they will have a shortage of workers. There are, like I said, those two plants in particular. Changes to the immigration program, I think, would go a long way as well. Again, they don't necessarily need or want the temporary foreign workers; what they want is workers, whether it's Canadians or new Canadians.

Dr. Swann: I guess it raises the question about labour and employment standards and the importance of Bill 6, if we're actually going to improve the conditions for workers and the income for workers and attract people, including indigenous people. With the significant unemployment, the problem that we already have, those are important considerations.

Alberta Greenhouse Growers are trying to get an exemption under Bill 17. I'm hoping that the Labour minister will see the importance of not allowing them to fall under Agriculture and be exempt from some of those standards. That's another reason why, I guess, we need to think seriously about moving on and getting the standards for both occupational health and safety and employment and labour standards, at least some element of that, into the agriculture sector. Bill 17, of course, exempted them from rest breaks, from overtime, from guaranteed . . .

The Chair: I'm sorry. Dr. Swann, can I rein you in a little bit? The focus is on the estimates at hand here.

Dr. Swann: Yeah.

I'd like to jump to a ticking time bomb that I've talked about every year for the last 10 years, and that's chronic wasting disease. I don't see anything in your budget relating to the threat to agriculture around this multisector challenge, to be sure, but I continue to look to you because I see the greatest threat of CWD to agriculture. Now that the prions have been found growing in plants and contaminating seeds, it's only a matter of time until Europe or some other major market says that they're going to boycott North American agriculture because of the potential for bringing in prion disease, wasting disease.

I'm looking to you, I guess, because I think the agriculture industry would be the most vulnerable to another BSE-type crisis, and I don't see leadership coming from Alberta or Canada. It needs

to be a co-ordinated effort between Canada and Alberta and Saskatchewan in particular to actually put in place some standards about moving animals, management of carcasses, standards for disposal, getting any possible contaminated feed or food out of the food chain, and getting a handle on this before it not only devastates the wildlife, the cervids in Alberta and Saskatchewan and North America, but potentially throws our agriculture sector into chaos. I wonder what efforts you've made with Saskatchewan and with the government of Canada to get serious about pulling together some kind of consensus around how we're going to ultimately control this.

Mr. Carlier: Thank you, Dr. Swann. You know, I think that is absolutely – you and I have had an opportunity to discuss this more than once. Alberta takes disease within our animal population, whether it's livestock or wildlife, seriously. The CWD surveillance program testing is, I feel, quite robust. Since 1996 we have tested 76,000 animals, so any animal that dies older than one year, either slaughtered or that dies in the pen. The farmed cervids are tested, so every animal is tested when it dies.

You know, I think we had four cases in 2015 – those were the first cases since 2003 – and all from one particular area, usually the eastern part of the province because this first became an issue coming out of Saskatchewan more than anything.

Now, those conversations with Saskatchewan or on what Saskatchewan might be doing or even on what the country is doing: I'm going to get Dr. Lehman – he's the Chief Provincial Veterinarian for the province – to fill in some of those blanks.

Dr. Swann: It's my understanding – and you can correct me if I'm wrong – that Saskatchewan has instituted a voluntary control program.

Dr. Lehman: Good morning, everyone. Minister, thank you, and thank you for the question, Member. As the minister mentioned, we've got very strong programs here within the province. Within the cervid industry they've got the strongest traceability programs in place so that if the disease is detected, we are able to quickly trace animal movement between herds and take necessary actions.

As the minister mentioned, we also have a very strong surveillance program in Alberta. I think that when we look back at the four cases that we've seen since the beginning of 2015, the four recent cases that we've had, what we've seen is that in three of those four farms there has only been the one positive. There were no additional animals within those herds detected to be positive for CWD. In the last farm, or the one out of the four, there was only one additional positive.

To me, that's a real testament that the surveillance program is working very effectively. One of your main objectives with surveillance is to detect disease early, and clearly that's what we're doing. We're detecting it before we see spread within those farms, and action is taken quickly so that we avoid that environmental contamination that you speak of.

Dr. Swann: Sure. Clearly, your responsibility is the farms, I guess, with environment and wildlife management, but the prion disease is continuing to spread in the wild and leave, for decades, contaminated soil, seeds, and plants. Again I'm asking: what co-operation is happening between Saskatchewan and the federal government to get serious about actually eliminating this threat?

Dr. Lehman: Yes. Thank you for the additional question. In addition to the measures that we've been taking already and thinking forward as to, you know, how this impacts our budgets, we are starting to talk with our colleagues within Alberta Health as well

as our colleagues in Alberta Environment and Parks and look at some strategic initiatives moving forward. I would fully expect that we will make those discussions collaborative with the province of Saskatchewan as well as the federal government. In addition to that, I and my colleagues across the country started an initiative in response to the federal changes to CWD control programming. Through that work we have put together a white paper which we presented to the regulatory FPT ADMs and have started to build some strategies around addressing some of the gaps that we see within that federal control plan.

10:50

Dr. Swann: So are you in fact working with the federal government on a collective plan for control?

Dr. Lehman: We are, yes.

Dr. Swann: Thank you.

Let's jump to clear-cut logging in the eastern slopes. Surely, water is our most critical resource, and especially in southwestern Alberta I was pleased to see you pull back from the Highwood clear-cut locations and shift locations. Are you reviewing other locations where licensing has been given but it's inappropriate from a habitat or recreation point of view?

The Chair: I hesitate to interrupt, but this is now the opportunity for Dr. Starke to have 10 minutes. Would you like to continue to share your time with the minister?

Dr. Starke: Yes, please.

The Chair: Please proceed.

Dr. Starke: Well, thank you, Chair. Thank you, Minister. I appreciate the opportunity to speak with you and to your very excellent team. I actually really appreciated your comments about the importance of the labour force in our meat-packing industry. My dad worked at Canada Packers and became a permanent foreign worker, a permanent Canadian worker actually, more correctly. He worked at Canada Packers for close to 40 years. I know that most of his colleagues in the packing house were eastern European immigrants, just like he was, so it was an interesting dynamic.

Minister, I want to turn to the business plan. On page 14 paragraph 2 talks about agricultural exports and talks about economic diversification. In your opening remarks you talked about economic diversification, and that includes both diversification of the kinds of economic activity but also diversification of markets. Yet when we turn to page 15, to the performance indicators, under 1(a), showing the percentage of agrifood exports by market for the United States and the rest of the world, I'm seeing a disturbing trend that started in 2012 and has continued up until the last year reported, 2016. That is that the percentage of our exports to the United States is steadily increasing, and our percentage of our exports to the rest of the world is steadily decreasing.

If there's a teachable moment in what we've experienced in our energy exports, we know that having an overreliance on one marketplace is a vulnerability. I know that you're involved with the international trade missions and that sort of thing. I think that's good work. I'm just wondering: what other initiatives are being made to reduce our dependence on the U.S. as a customer for our agrifood products?

Mr. Carlier: Thank you, Doctor. That's an excellent question. I think you're absolutely right. The more work we can do around diversifying our ability to sell our products, you know, hopefully value-added, finished products, around the world is always a good

thing. I find it quite fascinating that China is our second-largest trading partner, yet we trade more with the state of Illinois or California – just name a state – than we do with China. With any of those states we trade more than we do with our second-largest partner.

What you see here is actually a bit of a success story. You see a lesser number for foreign involvement because of some real success stories that are now up and running in and around those foreign markets. New markets are being opened up that we haven't realized yet, especially in Europe. I know our hormone-free bison producers are able to have more access to Europe. Our beef producers are still working to be able to see what more they can do around the ability to be more competitive within the European market.

Dr. Starke: Okay. Good. Well, thanks, Minister. I just wanted to make sure that that was on someone's radar.

In turning to page 16 of the business plan and two key strategies, 2.2 and 2.4, the first, 2.2, deals with the risks of antimicrobial resistance in Alberta and designing and implementing effective animal health policies and programs to reduce those risks, and 2.4 is to effectively protect animals from distress and drive continuous improvement within animal welfare. Clearly, those two objectives are going to require a co-operative effort with the Alberta Veterinary Medical Association. I'm very glad to see Dr. Lehman is here today, an old hockey friend of mine.

But I'm concerned, Minister. Quite frankly, two of your colleagues showed a wanton disregard for the Veterinary Medical Association in bringing forward decisions that were done without any consultation with the Veterinary Medical Association, specifically the Minister of Service Alberta, in bringing forward Bill 31, and the Minister of Advanced Education, in his disastrous decision with regard to the funding for the Western College of Veterinary Medicine. Minister, I just want you to confirm here that you are continuing what has been a close working relationship between Alberta Agriculture and the Alberta Veterinary Medical Association because, clearly, if these strategies are going to be successfully implemented, that close linkage has to be maintained.

Mr. Carlier: Yeah. Thank you, Member, for the question. On those line items – you mentioned specifically 2.2 and 2.4 – I want to talk a bit about 2.4 and probably get Dr. Lehman to help us a bit with 2.2.

On 2.4, you know, looking at Alberta farm animal care, they've been doing some great work in developing programs and policies and procedures right across the livestock. They've got these books that they've developed with industry.

Dr. Starke: I'm very familiar with them, Minister.

Mr. Carlier: I've no doubt.

Dr. Starke: Yeah. Very familiar.

Mr. Carlier: No doubt, Doctor. Right. So that's, I think, good work they're doing there in collaboration with industry and with this ministry. On animal welfare, we continue to be advocating, obviously, for animal welfare right across the province.

On the school funding, you know, I won't speak too much for my colleague, but I think it's an opportunity to reinvest more money into the veterinary school in Calgary. I think they're doing some great work there.

Interesting that at a veterinary program up in Fairview I had an opportunity to speak to those students there, and there were upwards of about 60 or so students. All of them were female. All the students were women.

Dr. Starke: That program is actually the animal health technology program, so those are allied health workers in the veterinary profession, which traditionally have been, you know, a very high percentage of women.

Minister, in the short time that I have – we'll have a discussion with regard to the decision made by your colleague, and I'm confident I can convince you that that decision was disastrous. I've no problem with expanding the University of Calgary school of veterinary medicine.

Let's move on to performance measure 2(b), again on page 16. I love this one. This has to do with the percentage of provincial abattoirs that meet provincial slaughter and meat-processing requirements. The last actual in 2016 was 86 per cent, and the target for the three out-years is 100 per cent right across the board. You know, a great target, what we'd like to see, but I think every farmer will tell you that it's the last 10 cows to preg check that are the hardest ones to get into the chute. So how are we going to hit those last 14 per cent of these abattoirs that thus far at least have failed to comply? Is it going to be a requirement for further licensing, or are we just going to wait until they drop out of the business entirely?

Mr. Carlier: Thanks, Doctor. I think that's a really important question. I think 100 per cent compliance is attainable. You're absolutely right. I think it's going to be a difficult target to achieve, but I think it's something that, you know, should be strived for as we continue our promotion of local food in evidence of the new legislation that we're hoping to pass. You know, the consumers want that level of confidence as well. Like I say, it is an ideal, difficult to achieve. We should all be looking towards that as an opportunity. In my own district of Whitecourt-St. Anne there's an artisanal meat operation in Sangudo that is a fantastic model, right? I stop there on a weekly basis.

Dr. Starke: Well, I mean, glad to hear that you've recognized that there are going to be some challenges.

On page 17 of the business plan, key strategy 3.4: "deliver programming and education to enhance public trust in the agriculture and forest industries." I think one of the biggest threats to public trust in the agriculture and forest industry is garbage science, garbage science like the anti-GMO movement. That is, frankly, garbage science, the whole movement, you know, saying that we raise hormone-free beef. I'm sorry, but if there are no hormones in beef, the animal doesn't live. So I have a lot of problems with what I call garbage science. All of these things, all of these myths that are perpetuated erode public trust in the food supply and in our food production in Alberta, which, I'm sure you'll agree, is at the highest level of just about anywhere in the world. What specifically is Alberta Agriculture doing to combat those trends in perpetuating what I call myths about the way we produce food in Alberta?

11:00

Mr. Carlier: Thank you very much, Doctor. I agree with you a hundred per cent. The world's population, sociologists tell us, is going to increase by 2 billion people by the year 2050. The world is going to worry, I'm assuming, about that food. If it happens to be scientifically enhanced, naturally raised food, then that's fine, and it should be promoted. I think we have less of a problem than what I see now in the northeastern United States. There are some real issues there. Europe I found fascinating and frustrating at the same time, where they are so dead set against scientifically improved products that they've gone backwards, as far as I can tell. I had an opportunity to have breakfast in a hotel when I was in France, and on the platter was ...

The Chair: I hate to interrupt.

We'll now move on to the government caucus. Would you like to share your time with the minister?

Mr. Piquette: I would indeed.

The Chair: Excellent. Please proceed, Mr. Piquette.

Mr. Piquette: Yeah. I guess that just for the interest of posterity, what was on your plate there?

Mr. Carlier: It was seedless watermelon, a 100 per cent GMO crop. We can't ship canola to Europe because of GMO, but watermelon for some reason is okay. I can't figure that out.

Mr. Piquette: Well, I appreciate having the time to discuss estimates with you, Minister. I also have to say that I appreciate the tone and the quality of questions coming from our opposition. I think that in these sometimes jaundiced and cynical times it's good that people get a reminder that there are parts of our system that work quite well, and being transparent through this process I think is one of them. I just wanted to recognize that for a moment. I also appreciate how forthcoming you generally are with answers. It's been really good so far, and I'm sure the rest of the committee has just been on the edge of their seats as much as I have through these proceedings.

Now, I just want to turn to discuss the Canadian agricultural partnership. I know that this is something that you alluded to in your preamble. I know that Mr. Strankman had some good questions on that. One thing hasn't really come up yet. I know that, of course, you signed CAP with the other agriculture ministers and the federal minister last summer, and I know that late last year you signed the bilateral agreement. For members of the committee, what are the differences with the national framework that was signed and the bilateral agreement that we just put into place?

Mr. Carlier: Thank you, Member. Yes, the national agreement was signed last summer, but the bilateral agreement was only signed a few weeks ago in Calgary.

Mr. Piquette: Oh, I thought it was late December.

Mr. Carlier: No. I had the opportunity with Minister MacAulay, the federal Minister of Agriculture and Agri-Food, at the Beef Centre of Excellence in Calgary, actually, and it was a great location to be able to do so. The big difference is that the bilateral agreement is, if you'll pardon the pun, the meat and potatoes of the entire agreement. It's what really contributes to agriculture in Alberta. You know, the last program contributed about \$406 million to the agriculture industry in Alberta. This program will be something very similar. The bilateral agreement contributes to the 15 different programs that are going to be available in Alberta, but it's also important to highlight as well that the Canadian agricultural partnership includes the business risk management tools suite of programs that the AFSC administers. That's also part of it. The biggest difference, Member, is the importance that bilateral has for Alberta. You know, not that the bilateral agreement that's been struck with Nova Scotia isn't important as well, but of course our focus is with Alberta.

Mr. Piquette: Okay. Speaking of that, what would be some of the examples of differences in that funding, and how would it align with our priorities and policies?

Mr. Carlier: Some highlights. The CAP program's focus on product, market growth, and diversification, you know, really fits

in with the priorities of this government: risk management – and I mentioned the ag insurance products before – and environmental sustainability. Again, environmental sustainability is something that the agriculture community right across the province is extremely concerned with. As the climate starts to warm, you're going to see some drastic climate change that perhaps we're already seeing in Alberta. I won't go as far as to say that we are, but perhaps we are seeing the danger that that might have.

Science and research are important parts of that. There's some fantastic research that we do in collaboration with the federal government. As I'm sure you're aware, the federal government does maintain research stations right across the province. There's some good work there. The province does as well.

There's more work on this whole concept of public trust. Dr. Starke was talking about how it's important to maintain the public trust around genetically modified products, or antibiotic-free, or whatever all the terms are going to be. Right now our focus is on organic foods. What does "organic foods" mean within Alberta? I think that's now going a long way within our own government, and that will fit in well with the programs that are going to come available in the CAP program. Again, 15 this year; the programming changes every year. The funding model works on kind of a curve. This year we'll see so much funding available. Next year: a little bit higher peak in the middle of the program and then tapering off.

Mr. Piquette: Okay. I see. All right. Well, that's a good answer. I guess you explained that most of it is pretty similar. AgriStability: some minor changes to caps. Otherwise, it's good to hear.

You talked about this a couple of times, and I think Mr. Schneider also asked some questions on funding around the climate leadership plan. I also look at this sometimes from an insurance agent's perspective and the frequency of natural disasters; you know, the changing fire season. But looking at agriculture, I don't remember them growing legumes in Smoky Lake 30 years ago. Then again, that's a market thing, too, but definitely there do seem to be some impacts. Maybe you could give some more details on how this increase in estimates and how the budget generally address the environmental impacts of climate change as it pertains to agriculture.

Mr. Carlier: Thank you, Member. You're absolutely right. You know, there's more corn grown further and further north in Alberta all the time. More producers are using it for silage for their cattle operations. We'll probably not be growing mangoes in Alberta any time soon, but it is a concern right across the industry.

In our energy efficiency programs we have four particular streams that we're focusing on. One is farm energy and food processing for small and medium-sized operations.

We're looking at solar programs as well. There have been some real success stories. There's a dairy farm near Millet, Alberta, that has put solar panels on their barns and changed all their lighting and other energy efficiencies to the point where now they feel they'll be saving 60 per cent of their energy costs by taking advantage of our farm energy programs. I think that's a fantastic success story. Some of these improvements are some kind of magic, as far as I can tell, like some of these light bulbs. The young farmer there will be taking over from his parents. He's in his late 20s or so. He figured he might have to change these light bulbs by the time he's 70, right? They just do not burn out, which I find fascinating. So that's, you know, the solar panels program.

There's the irrigation efficiency, which I mentioned before. Converting a lot more pivots from high pressure to low pressure will save a lot of energy and make those operations efficient.

As well, the last program is grant programs for large food processors; you know, the meat packers, the Lantic Sugar operation.

Mr. Piquette: Yeah. That's excellent. Actually, I know a couple of potato farmers that also put up solar panels and are finding amazing efficiencies.

I have to say that in touring the irrigation districts – was it last summer we went down there? – just the level of efficiency that they've been able to get to, where you can program per pivot, like per actual outlet, for conditions: it's amazing the progress made. I guess it's money well spent because I know it does help with that.

Another climate change impact, of course, is arguably the mountain pine beetle. I think it's been the lack of, you know, that month of solid minus 30 to minus 40 weather that we once counted on to keep them from spreading. That's not working for us anymore. This is a question that I know MLA Rosendahl is particularly pushing on because, of course, Edson and Hinton are both communities, as you alluded to, that have been pretty heavily impacted by this. I know you talked a bit about how this program is working, but I'd like to get some more details on those couple of hot spots. Like, what's being done in particular in those areas to stop the spread of this pest?

11:10

Mr. Carlier: Yeah. Thank you, Member. I think, you know, that MLA Rosendahl has got to be commended for not only his advocacy. He does sit on a working committee with the town of Hinton, the county, and industry as well to continue their work to be able to do it. We have the opportunity to contribute a fairly large grant program to communities, Whitecourt to Canmore to Hinton, to do their own control work within their own boundaries. The department as well continues contributing a large amount of resources, not just finances but also people, to continue that control work. It's important. It has to go on, as you suggested. We're not getting those particular cold winters, those sustained cold temperatures, especially at those times when it would actually make a difference. The beetles are here, right? They're going to be here for some time, so it's all going to be about control.

We also contribute about \$500,000 for pine beetle research. You might have seen something in the news a few months ago. A news article, anyway, was suggesting that there's now some kind of new hybrid beetle. That's fantastic, some kind of superbeetle, you know, that's out there in the landscape now. It continues, even doing the work we do. In the Hinton area there were about 95,000 infested trees that were identified and then burned and destroyed over this past season.

Perhaps advocating, as MLA Rosendahl has and as the towns and the communities are doing, to the federal government to take some kind of responsibility for the disaster that's coming out of Jasper national park. They have responded that they do a lot of funding on pine beetle control research as well. I will continue advocating to the federal government that they could perhaps do a bit more.

Mr. Piquette: Okay. Well, thanks for that.

I think I've got about 10 minutes remaining. I'd like to share the remainder of my time, actually, with MLA Littlewood. She's got some questions she'd like to ask.

Mrs. Littlewood: Thank you. Thanks, Chair. Thank you, Minister, for coming and joining us for questions. In line 3.5 in your estimates it discusses the funding for agricultural societies and exhibitions. Of course, ag societies are throughout the province, not just in rural Alberta but also in Edmonton and Calgary. These groups are involved with local food initiatives, providing food to the food

bank, 4-H clubs, local sports, ball games, rodeos, bull-a-rama, combine crunch, mud bogging, blues music festivals. In Vegreville we have the demolition derby on Father's Day.

I mean, obviously, there is a lot going on that they help support as community infrastructure, but they also support critical infrastructure of curling rinks, hockey rinks, community halls. They serve to create this sort of framework for a lot of rural communities, so they are incredibly important. The people that commit their time to do this are incredibly passionate and should be thanked by a lot of us for what they do. I was really glad to hear that your ministry had committed to three years of stable funding. I'm just wondering if you could share with us what you hope to achieve by having that stable funding.

Mr. Carlier: Thank you, Member. You're absolutely right. Agricultural societies sponsor things like a demolition derby. It's quite interesting. The cultural fibre of rural Alberta is shaped, in large part, by those agricultural societies. You know, there are 283 primary agricultural societies in the province. There are seven regional exhibition ag societies. There are somewhat larger ones, like in Grande Prairie, Lethbridge, Medicine Hat, et cetera. Right? It's important that we maintain this funding to those societies for the good work that they are doing. This core funding will go a long way to sustain their operations. They have been, as you said as well, Member, very appreciative of the funding that they do receive from the provincial government to maintain their operations.

You cannot say, you know, that this one ag society is doing this or that they're all doing it. They're all so fascinating in the diversity of what they actually do. Some will maintain their rodeo grounds; others don't have rodeo grounds. A hockey rink here, Boys & Girls Clubs there, and even operations around younger children, facilities for playgrounds, those kinds of things. Yeah, they do some amazing work for the fabric of rural Alberta. It's important to rural Alberta to be able to do that. It's a real success story, I think, in Alberta around ag societies, and maintaining that funding goes a long way.

Now, you mentioned Edmonton and Calgary. The Stampede and Northlands, in particular, are still agricultural societies. Northlands, as I'm sure you're aware, is going into a bit of a flux, a bit of a change now that the city has taken over some of the management of the facilities that they used to manage, for instance. So I think opportunity is there. Now, this funding doesn't go to those two ag societies. Their funding, for the large part, comes out of Culture and Tourism, some fairly substantial funds to be able to fund that. So even though they are technically ag societies, they're not funded out of Agriculture and Forestry.

Mrs. Littlewood: Okay. Thank you very much.

I would actually just like to take a moment to thank all of the ag societies that mobilized their membership and their efforts for the people that were evacuating Fort McMurray. Of course, as it was coming down through Athabasca-Sturgeon-Redwater, MLA Piquette, who used to be a member of the Boyle ag society – you know, people were being helped by ag societies in Wandering River, Athabasca, Grassland, all of their ag societies before hitting Boyle. So that ability to be nimble and react quickly I think is a real testament to the work that they do. Thank you for continuing to support those groups.

I think I only have about four minutes here. The small brewers development grant, that has been funded as a grant through your ministry, has seen, obviously, an explosion in breweries and distilleries in the province. We have more than 65 now, I believe. I was talking to Jasper Brewing the other day, and we were talking about the number of jobs that are created by having these small businesses. You know, you need a team for each one of them, so

the economic development is really substantial and creates a lot of opportunities for growing hops. I know there are Alberta farmers that are trying to find local brewers for their barley, to malt it for the brewers as well. What feedback have you been getting from this industry? What role is your department continuing to play in this grant?

Mr. Carlier: Thank you very much, Member. A really important question. You're right; this has been hugely successful. You know, there have been upwards of about 780 jobs created because of, like you say, the explosion of small brewers within the province. It's been a great success story. You might recall the Minister of Finance and Treasury Board taking a lot of credit for this, but it is actually this minister that administers those grants.

Dr. Starke: He does that a lot.

Mr. Carlier: He does, right? I know.

To continue this work around the small brewers, we do have a line item of \$25 million to be able to do that. But that will also now include, as of last year, small distilleries, wineries, meateries, and cideries as well. Cideries? Is that a word? Okay. Yeah, I think there's an opportunity for some of these other parts of the industry as well. It does highlight the good products that we grow here.

Just this past Saturday, actually, I was at the Northern Girls hop yard. There's a hop yard really close to my residence, close to Darwell, Alberta. They are already starting operations. Within their greenhouse they have cultivars that they have developed over the years, that now they're selling to other hop yards across the province, too. It's a fascinating aspect of agriculture that's really taken hold, and I'm proud and happy as the minister and as a department that we're able to support them.

11:20

Mrs. Littlewood: Absolutely. It's good to see that the local food act, that you brought forward, is talking about processing. Obviously, it's not just food; it's beverages. You know, people want to be able to buy local, so I'm glad that you've also supported the policy changes that see these products being sold at local farmers' markets throughout the province.

I think that's about it. I don't think that I have enough time to ask another question, so I'll cede my time.

The Chair: Sure. We'll now go back to 10-minute rotations.

Going to the UCP caucus, would you like to share your time with the minister?

Mr. Strankman: Yes, Mr. Chair, but I'd like to cede my time to the Member for Battle River-Wainwright for now.

The Chair: Absolutely. Mr. Taylor, please go ahead.

Mr. Taylor: Thank you, Chair, and thank you, Minister. I would like to go back and forth with the minister if that's okay. Minister, I guess I'm going to start off just by saying that I only have a bit of time, so I might interrupt you if I think that I've gotten the answer to the question if that's okay. I'd like to ask some questions regarding line 2.3, water and irrigation, in the main estimates. Now, as you know, some of Alberta's farms and ranches have been threatened with the withdrawal of their traditional agricultural right to water. What I need to know on behalf of Aaron Brower is: who gave the order for these letters to be sent out, and at whose direction?

Mr. Carlier: Thank you, Member, for the question. I can't answer that question directly. It wasn't my ministry; it was another

ministry. But I know that the Minister of Environment and Parks took this extremely seriously. I know that in my conversations with her and if you've had conversations with her, she was quite upset that this happened. It was an incredible error. You know, I won't name anybody individually. If I knew them, I probably wouldn't name them. It was something we saw as an error. We've taken responsibility for that, and we've gone to great measures to correct that error, to make sure that Mr. Brower and others within there do have the water they need to continue their operations. That's essential, and it will . . .

Mr. Taylor: Okay. Well, thank you. Excellent. I appreciate that.

When responding to these important questions, no minister has guaranteed that these water licences will be reinstated immediately. All that's been promised is a right to access at this point in time. What does the minister mean by a right to access? Does that mean that this government is somehow modifying these ranchers' traditional usage rights, or will things remain at the status quo?

Mr. Carlier: Again, Member, I won't answer for another ministry and another minister, but my conversation with her is that we're going to go a long way. Now, you mentioned Aaron Brower. I had several conversations with him as well. You know, he's a long-term, I believe, at least fifth-generation rancher down in southern Alberta, so he's an important part of that community, an important part of the economy, frankly, and cow-calf operators. He has been working with the department for somewhere upwards of I believe about 18 years on this particular issue.

Mr. Taylor: He has, yeah.

Mr. Carlier: Yeah. That's a problem.

Mr. Taylor: It's definitely been a big concern for him and other ranchers that are out in that area. You know, water rights are very important to, I guess, all Albertans, especially people that depend on it for their ranches. If you can't have water for your cattle, you have no cattle industry.

Have all traditional water rights and licences been reinstated to all ranchers affected by this gross oversight? Would you know that?

Mr. Carlier: No, Member, I don't know that in particular, but I'll continue working with the Minister of Environment and Parks. She is absolutely aware of the importance of this. I'll continue working with those producers to ensure that their operations stay viable. Without water, you haven't got cattle.

Mr. Taylor: That's right.

Is there any move to restrict these traditional water rights in order to divert . . .

The Chair: Mr. Taylor, I hesitate to interject, but it's on the merits. We're starting to stray from estimates, and it's also been outlined that this falls within the Ministry of Environment and Parks.

Mr. Taylor: Okay. That's fair enough.

If we go on to page 15 of your strategic plan, you talk about moving from 10 per cent renewables to a target of 30 per cent. With that in mind, I have some other questions. Now, will you change the land-use rules to change agricultural land to agribusiness? In other words, if a landowner decides to lease out land to a solar or wind farm, will you be changing the tax base from the lower agricultural-based tax to a higher agri-based business rate in order to cover the tax shortfalls?

Mr. Carlier: That's a fascinating question, Member. Again, I'm pretty sure that falls out of my responsibility as Minister of Agriculture and Forestry. But, you know, I think it's something – like I said, it's an intriguing question and something that I would be perfectly willing to bring up to my colleagues.

Mr. Taylor: Okay. When oil and gas company agents are taking an interest in land, they fall under specific land agent regulations that must be abided by. Why are similar agent-represented renewables not regulated and licensed in the same manner as land agents are in the oil and gas industry? Are there plans to do so?

Mr. Carlier: Thank you, Member, for the question. Again, there's no shape or form of that question that I feel falls under this ministry. Again, I'm interested in the question and, you know, when the opportunity presents itself, will bring it up to my colleagues.

Mr. Taylor: Well, I see some municipalities are moving and changing some of their designation from what they're doing currently. They're going to go into cannabis growing, into the greenhouse area, and changing that. How will that affect what the taxes are going to be on those properties?

Mr. Carlier: You know, it's a brave new world, Member. A brave new world. I had the opportunity to visit a medicinal cannabis operation north of Pearce, Alberta, a fascinating operation. Their phase 3 will be three buildings of 42,000 square feet apiece. One interesting aspect of that is the money involved. I asked them if they were interested in a low-interest loan from AFSC. They said that they don't have loans; they don't worry about loans.

Mr. Taylor: My question is more with regard to the tax base because a municipality is more interested in knowing what is going to be the impact for them.

Mr. Carlier: Yeah. Again, Member, I'm intrigued and interested in your question. I'm unable to answer as that would be under the purview of Municipal Affairs.

Mr. Taylor: Okay. Thank you.

For renewable projects such as a wind or solar farm that require running power lines through adjoining properties, what resources do these citizens have to block such an action if they chose to do so?

Mr. Carlier: Again, Member, that's an interesting question for the Property Rights Advocate. You know, there might be a portion of that that might cross the desk of the Farmers' Advocate office. We could probably, maybe, look at a portion of that through that angle. Otherwise, it would be the purview of other ministries.

Mr. Taylor: Yeah. We don't have a property rights ministry, so that's why I'm kind of asking the question of you. I am the critic for property and surface rights, but there's no direct connection for me to be able to ask that specific question, so I'm going to the ministries and trying to get a fulsome answer from the ministries. I'm trying to work with you. I guess that is what I'm saying.

Mr. Carlier: I see that, Member. I see that. Yeah. It's all good.

Mr. Taylor: What if there were reclamation costs should these renewable projects fail? You know, all of a sudden you have the land – it's agriculture land – and these renewable projects fail. It's just like if you take a look at the orphan wells, where we have orphan wells sitting out there. Who's going to look after those reclamation costs?

Mr. Carlier: I think you might have missed your opportunity, Member, to ask the Minister of Justice and Solicitor General. Actually, the Property Rights Advocate office does fall under the Ministry of Justice. Otherwise, you know, if you look at the larger picture of, say, a loss of farmland, that's a concern for Albertans, Canadians, probably everybody around the world.

Mr. Taylor: Okay.

Mr. Carlier: But we'll continue doing what we can to ensure that our farmland stays viable.

Mr. Taylor: I agree. Okay.

It seems like my questions have been more or less for a different ministry, so I will give my time back to the Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Mr. Chair. I'd like to talk about expense amounts funded by credit or recovery under item 5, please. Minister, we're returning to the mountain pine beetle again. We get funding from the government of Saskatchewan to the amount of half a million dollars to fight the mountain pine beetle on our eastern border. Are there any areas of concern on that border that we should be aware of?

11:30

Mr. Carlier: Thank you, Member, for the question. There isn't in particular. What the Saskatchewan funding will do is go to our mountain pine beetle fighting overall, whether in Hinton, Jasper, around Whitecourt, wherever that might be. There isn't any particular issue. It's my understanding that there was – I'll look to ADM Mayer in a moment – some pine beetle in the Cypress Hills, which is not only shocking but surprising. If you've been to Cypress Hills, it's not surrounded by trees. Those beetles flew in on the wind somewhere and landed in Cypress Hills. That funding goes into the general work that we do around pine beetle control.

Mr. Strankman: So Saskatchewan goes into general revenue funding for . . .

Mr. Carlier: No, no, no. The funding goes into the funding for pine beetle control.

Mr. Strankman: Part of my ongoing question, Mr. Chair, is: do you get funding from the B.C. government, on our western border?

The Chair: I hesitate to interrupt. The time allotted has expired.

We will now move on to independent members. Dr. Starke, would you like to share your time with the minister?

Dr. Starke: Please.

The Chair: Please proceed.

Dr. Starke: Well, thanks. Minister, I want to pick up where we left off in the business plan, page 17. I read key strategy 3.6, and I'm going to read this out loud because I think this is an incredible statement: "develop and implement an innovative program, in collaboration with Environment and Climate Change Canada, to enhance carbon sequestration in Alberta's public forests." Wow. That's going to be some kind of program.

Mr. Carlier: Isn't it? I know.

Dr. Starke: Now, could you enlighten us at all as to: are we going to genetically modify trees so that they sequester more carbon? I'm having a real hard time wrapping my head around how a program

can actually enhance carbon sequestration in Alberta's public forests. I think they do, you know, a pretty good job as it is, but a tree is a tree, and it's going to sequester a certain amount of carbon. Are we talking about doing something different to the trees to enhance the process? What is this program that this key strategy speaks of?

Mr. Carlier: Thank you, Member. No, there are not going to be any Franken-trees out there. What it does is that with the replanting of trees, a young tree sequesters a lot more carbon than an older one, that's not growing as rapidly, obviously.

Dr. Starke: It sure does.

Mr. Carlier: Yeah. There are other programs within there. I'm going to let ADM Mayer fill in on some of those things, but one of the things that we're looking at is being able to enhance more constructive methods around woods, being able to sequester more, and opportunities for lumber even within public buildings and private buildings within the province. There's some really good work going on around that.

I'm going to let ADM Mayer fill in any gaps.

Mr. Mayer: Thanks, Minister, Chair, Member. Specific to this initiative, it's a partnership with the federal government, and it's part of their low-carbon economy fund.

Dr. Starke: Fair enough.

Mr. Mayer: It's a three-year project where we're going to be actually planting trees in some of the old wildfires that we've had where trees haven't come back as fast as we would like them to start sequestering carbon. The minister is correct. It's not about Franken-trees. We're not changing the species. It's about enhancing reforestation on the land base.

Dr. Starke: Okay. If you'll forgive me, I think that there's a little bit of hyperbole in the words around this. To develop "an innovative program" where, in fact, you're enhancing reforestation: that's great. Enhance all you like, but to call that some sort of magical, innovative program to enhance carbon sequestration I think is a bit of a stretch.

Let's move on. Again in the business plan, we're on page 19. This is always a section I find very interesting in every ministry's business plan, the risks to achieving your outcomes. I always find it interesting to see how these risks change from year to year. I would think that for the most part there's a lot of consistency for most of these. I mean, risks don't tend to fluctuate that much.

There are two specific mentions about disease outbreaks. The first is in the very first line.

Key strategic risks include uncertain or reduced market access . . .

And we've talked a little bit about that.

. . . major disease and pest outbreaks.

And it goes on. Then about halfway down it says:

Outbreaks of foodborne, livestock or plant diseases and forest pests are a potential challenge for Alberta and pose a major risk to both industries and Albertans.

I certainly agree with that. I certainly acknowledge and recognize that that is one of the strategic risks, and it will always be a risk. You know, last year's tuberculosis outbreak certainly highlights that. I mean, for the most part we thought we were largely TB free. These things can come out of the blue. I was in practice when BSE was first diagnosed, and we know what kind of damage that did to our livestock industry.

I guess my question, Minister, is this. There's going to be a shift – and we talked about this a little bit before – in that all of Alberta's

veterinarians are going to now be trained at an expanded college of veterinary medicine in Calgary, starting in another year or two. That college has shown itself to be very adept at training small-animal, urban veterinarians. The percentage of mixed practitioners that come out of that college is significantly lower than the college in Saskatoon, that we've supported for the last 54 years. My question is very simple, Minister. If these are risks to our industry, where are the veterinarians going to come from that are going to look after these disease outbreaks?

Mr. Carlier: You know, I'll let Dr. Lehman fill in some of those blanks there, but it's my understanding, from talking to the veterinary school in Calgary, that a large number of their graduates do go to rural Alberta.

Dr. Starke: Less than a quarter.

Mr. Carlier: Twenty per cent?

Dr. Starke: Less than a quarter.

Mr. Carlier: You know, it continues to be, I think, a challenge getting not just veterinarians but getting all kinds of professionals into rural Alberta. There are opportunities, I think, for rural Alberta. Within a very short distance from my own location I see that there are large-animal veterinarians. Without a doubt, I suspect that there probably are some areas within the province where there is a shortage.

As for key strategies within this ministry on recruiting and developing veterinary practices, I know of nothing in particular that I can point to as a line item but to make sure that we continue our conversations with the veterinarian colleges to ensure that our large-animal vets are there. I know that some of our larger operations, confined feeding operations, of course, have veterinarians on staff.

Dr. Starke: Yeah. Again, Minister, all of that I'm very familiar with. I guess what I'm concerned with is that, for example, the tuberculosis response was led by Alberta veterinarians, and a large measure of the veterinarians that led that response were trained at the WCVM in Saskatoon. I have a significant concern that we as a livestock-producing jurisdiction are going to be left vulnerable.

Let's move on. Let's move away from that topic and to the estimates, page 40, line item 7. Minister, you've mentioned this already. In your opening remarks you talked about, under the climate leadership plan, the increase from last year's budget, from \$8.4 million to some \$41.6 million this year, and that was to fund specific programs with regard to energy efficiency for farms and agricultural operations.

Now, this is the same question I asked to the minister of seniors, and that is: how are we going to measure what we're getting for that \$41.6 million that we're spending? I mean, we can certainly measure the number of solar panels or the number of, you know, gizmos that can be bought with that to reduce energy consumption, but do we know what the current level of energy consumption is? Are there going to be any energy audits done on these agricultural facilities before installing these energy-saving devices? That is part of what is being done in the seniors ministry, so they at least have a baseline. Are we going to establish a baseline, and if we're not establishing a baseline, how do we know whether the \$41.6 million that's being spent is in fact reducing energy consumption and greenhouse gas emissions? Are we going to be able to quantify by how much that reduction is?

Mr. Carlier: Thank you, Member. That's an excellent question. You know, there's some work being done in the Farm Stewardship Centre out of Lethbridge. It was a centre that we repurposed to be

able to continue working with industry on their efficiencies. We have had over the years environmental resource tools for farming operations that they can use to evaluate their own operations. That's been highly successful and enabled those operations to be able to find those efficiencies, obviously not just energy or environmental efficiencies, but the economic benefits that go towards that go a long way as well.

So we have opportunities within, like I say, the stewardship centre in Lethbridge to be able to gauge how much success there is, and we're working with other ministries and the climate change office and the Ministry of Environment and Parks to continue that work.

11:40

Dr. Starke: Okay. Well, Minister, if within the parameters of the business plan there could be some development of some measurables or some actual numbers. For example, even in the Infrastructure ministry there's a number, which was strangely deleted from this year's business plan, in terms of the amount of GHG emissions per square metre of office space leased by Alberta Infrastructure. That, at least, gives you a tangible measurement. And I acknowledge that we're dealing with farmers that have private facilities and that sort of thing.

My final question, Minister, relates to page 14 of the business plan and outcome 1, with regard to the competitiveness of Alberta's agriculture and forest industries. There was talk in last year's business plan about the development of an Alberta wood charter initiative. Now, that's been carried forward into this year's business plan, so I'm interested in hearing from you: what form of progress has been made on this, and where are we at with the development of this wood charter?

Mr. Carlier: The Alberta wood charter is in collaboration and co-operation with industry to be able to promote more wood products within . . .

The Chair: I hesitate to interrupt.

We'll now go to the government caucus. MLA Littlewood, would you like to share your time with the minister?

Mrs. Littlewood: Yes. Thank you. I just have one short question, and then I will pass off to MLA Piquette.

Back to your budget line 3.5, about ag societies, further to what you were saying about how many ag societies there are in Alberta, could you share if there are policies that determine where ag societies are located in the province?

Mr. Carlier: Thank you, Member. If there is an existing ag society, another one cannot be formed within a 40-kilometre radius of the existing ag society. You know, there's a little bit of leeway there, obviously, for ones that are already existing. Everything changes, of course. There have been some ag societies over the years that no longer exist, so there might be opportunities for other communities perhaps, if they're interested, to be able to form ag societies. Yeah, there are some rules and regulations around that.

Mrs. Littlewood: Okay. Thank you.

Mr. Piquette: All right. Just to come back and talk about research – and I'm not sure if this has actually been brought up in particular – I know that a couple of budgets ago you wound down the Alberta Livestock and Meat Agency. Of course, this was part of the overall streamlining of agencies, boards, and commissions, part of that ongoing review. My understanding: about \$3 million in research spending was saved by doing that. Now, looking to this year's budget, how are we still supporting livestock research?

Mr. Carlier: Thank you, Member. We're conducting a review of the funding that had been available for ACIDF. That was the funding that was for crops, and that was last funded by the government in 2012. But that program is winding down, so the whole review is going to look at how we can integrate crops and at being able to continue doing the research that they are doing. Part of that is the proteins as well as the livestock, the Alberta Livestock and Meat Agency's roll-up into the department to continue that research. That continues. What ALMA was able to achieve continues within the department, and part of the strategic research and development program will now incorporate crops into that research stream as well. Nothing is lost there. As a matter of fact, like you say, we have gained with the dissolution of ALMA a saving of \$3 million.

Mr. Piquette: Okay. My understanding, then – correct me if I'm wrong – is that the livestock research has been bundled in with the Alberta Crop Industry Development Fund.

Mr. Carlier: No. Sorry.

Mr. Piquette: I'm a bit confused.

Mr. Carlier: Sorry about that. The ACIDF, the crop research program, is wrapping up. It was last funded in 2012.

Mr. Piquette: Right.

Mr. Carlier: Now, you know, the whole program is going to include crops and livestock research. It's not going to be separate entities. It's not going to be separate funding. It's all going to be funded through the department. The development program will include approaches to enhance productivity and efficiency; to improve competitiveness; to advance product differentiation, assurance systems that ensure plant and animal health; to promote sustainable production; and to address consumer demand and public trust.

Mr. Piquette: All right. Thank you for that.
How am I doing for time, Chair?

The Chair: Six minutes.

Mr. Piquette: Oh, okay. I thought we were at five minutes each. Okay. So we've got six minutes, then.

An Hon. Member: I'll take it.

Mr. Piquette: Oh, no. That's okay.

All right. Let me just see. A lot of the questions have actually been answered. There's one thing. I think there was some reference to the agreement we have, going back to the mountain pine beetle. I think it was half a million dollars from Saskatchewan. I know the question that the opposition was asking was more about, you know, B.C. How fruitful has that program been to date in co-operation with Saskatchewan? Is there anything besides the hybrid beetle that they've been able to come out with that could actually help us with this?

Mr. Carlier: You know, of the \$25 million that would go towards pine beetle control, \$500,000 of that does come from Saskatchewan. Perhaps I wasn't as clear with the member that that's an overall part of the funding that goes towards the pine beetle control. It's my understanding that the pine beetle doesn't exist in Saskatchewan yet, and they don't want it to.

There are other pests there on the landscape. In eastern Canada they have a larger problem with spruce budworm that we don't have near the problem with here. Our problem is pine beetle, and our pine beetle control is robust. It continues to be so, and some substantial funds are going towards that. You know, industry has to be commended as well for their work on this. They obviously are concerned about the control, and they've been great partners in that.

To answer more specifically, I will turn to our expert, obviously, our ADM of forestry, Mr. Mayer.

Mr. Mayer: Thanks, Minister, Chair, Member. The agreement with Saskatchewan has actually been going on for about four or five years now. It's a very strong partnership. Their view is that it's better to fight the beetle on Alberta's ground than it is on theirs, and they are prepared to fund operations to help keep beetles from going east across the border into northern Saskatchewan.

Mr. Piquette: Okay. All right. Well, thank you for that.

Still in forestry, I guess, since, of course, the softwood kind of forests that are in my riding that are between the mountains and Saskatchewan. Hopefully, we stop them a little bit further west than east.

Now, just turning to line 6.4, the forest tenure, trade, and policy line, I'm seeing a 12 per cent increase. What is it? It's \$4.2 million, up from \$3.8 million previously. I need some details. How is that additional funding going to benefit the forestry industry?

Mr. Carlier: Sorry, Member. What line item?

Mr. Piquette: Oh, 6.4.

Mr. Carlier: Oh, 6.4. Yeah. You know, continuing our work around trade and policies, we have an issue, again, with the softwood lumber disagreement that's going on currently. That, as far as I can tell, makes a lot of lawyers rich but nobody else. Some of that funding will go towards our continuing advocacy work around that.

The budget increase is due as well to a transfer within the ministry itself from wildfire management to forest tenure, trade, and policy. So there's a little bit of reshuffling of funds within the ministry that will show, you know, a decrease or an incline in one line item but a decrease or incline in the other line item as those funds transfer from within the department.

Mr. Piquette: Oh, I see. Okay.

I think I've got a couple of minutes left. I guess maybe I can circle back and ask some questions on the climate leadership plan and the energy efficiency program, which is just great. You know, with co-operation with the resource part in the budget, maybe the minister can speak to how our actual industry partners in agriculture and forestry are themselves showing leadership in addressing greenhouse gas emissions. I mean, we've talked about solar panels, but I wonder if there are any other examples that you might want to spotlight.

11:50

Mr. Carlier: Thank you, Member. We do talk about that it's easy to get caught up, you know, in the sexiness of solar panels and wind turbines and things like that, but farmers, as stewards of the land, have been doing some great work over the decades, over the generations, on being able to find those efficiencies. It's not just energy efficiencies, but in those energy efficiencies are economic efficiencies as well that make their operations more profitable, anything from zero till to the new, emerging technologies around grade applications for everything from irrigation water to fertilizer.

They're able to run machines over the fields to test soils in quite a rapid manner so that they're now able to vary applications of fertilizers to pesticides. The fertilizer applications will only apply to the portions of field that need it, you know, all by machine. That not only becomes much more efficient, but it saves some big bucks because fertilizers can be an expensive part of the operation. There are some real abilities there in new technology and in advancement of farm machinery to energy efficiency that farming operations are extremely anxious to take advantage of because they know it will raise their competitiveness and raise their profitability.

Mr. Piquette: Well, thank you very much, Minister.
I suppose one thing I should say is that . . .

The Chair: Now the final eight minutes will be for UCP caucus.
Would you like to go back and forth?

Mr. Strankman: Mr. Chair, I've got four quick questions. I got delayed on the questions about the pine beetle strategy, so if you'd just bear with me.

Are you planning or reviewing any changes to your pine beetle strategy in our provincial or federal parks?

Mr. Carlier: Thank you, Member, for that question. Earlier on, you know, even with the previous Conservative government, there was a strategy on pine beetle control, specifically on what is termed a surge cut, the elimination of older-growth trees. That program was always going to have a sunset date, I suppose, if you will. In the future we're going to see some of that surge cut coming off as those trees are eliminated to maintain the sustainability within the forestry industry for the long term. We can't, of course, obviously, just cut willy-nilly. That program will be seeing a downturn as it is successful in maintaining and making sure that we get rid of that food for the pine beetles. So you're going to see some changes there.

Mr. Strankman: Thanks, Minister.

I was wondering if possibly Assistant Deputy Minister Mayer might have an opinion about if there might be a practice of selective harvest. Or, in his case, maybe he could go out and play fireman on the infested trees to effect some control.

Mr. Carlier: Yeah. You know, a big part of the control, obviously, is removing those infested trees and burning them.

I'm going to ask ADM Mayer as well to fill in any spots, perhaps, that I have missed.

Mr. Mayer: Thanks, Minister, Chair, and Member. With respect, there are two pieces here, one on the selective harvesting. Generally the species that mountain pine beetles attack are the pine stands. They're not conducive to selective harvesting, so we'll operate more in a patch or in a harvest area type of scenario.

With respect to wildfire, you bet. Part of the issue we have now nationally with all pests is how good a firefighting engine we have been over the years.

Mr. Strankman: That would give you a chance, sir, to practice and get better.

Mr. Mayer: Where we can, we can try and put some prescribed fire on a landscape. Usually the same time that we've got the right window for prescribed fire is also the time we've got other fires and other high hazards. So where we can manage some natural wildfire, we will.

What we do in absence of being able to manage with a fire is to work with a local forest industry and put disturbance on a landscape with harvested cut blocks.

Mr. Strankman: Thank you, Minister and to the deputy. It's well appreciated.

I want to jump around here just in the final few minutes because recent news articles, Minister, have commented about the potentiality of a rail strike at CP Rail. I know that you've met with those people. I, too, have met with the grain monitor in regard to their performance or lack thereof. Have you given any consideration to any discussions? How recent was your meeting with them in the potentiality of that event?

Mr. Carlier: You know, it's my understanding that the federal government has appointed a mediator to see if they can mediate out of this issue. The process is there as set out in the Canada Labour Code to ensure that if there is any disruption, it will be as short as possible. So the process is in play. I have confidence in the process. Hopefully, optimistically perhaps, the mediator can get past these concerns. We don't need any more concerns that currently are stressing our transportation systems.

Mr. Strankman: Well, I appreciate that, Minister, because, you know, we are coming into the springtime of the year, not necessarily when farmers are going to be concentrating on hauling grain. CP has been one of the modern performers whereas I would be happy to slag CN a little bit in this regard.

One of my final questions in jumping around again, Mr. Chair, is to agriculture carbon sequestration. I have a personal acquaintance with the carbon credit aggregator firm, and he talks about the complete variability of the carbon credit sequestration aggregation criteria when it comes to agriculture. Like, presently we only have a limited number of firms that do carbon credit aggregation in agriculture. Can you tell me why that's a minimum and why the amount of sequestration is very limited? The ability for agriculturalists; i.e., farmers, to sell those carbon credits is extremely limited. You yourself have said that farmers have been good custodians of the land, et cetera. Can you give me some understanding of why? I know that may lead into E and P, but that's also interrelated to this portfolio.

Mr. Carlier: Yeah. Thank you, Member, for that. I think that is a really important question. You know, a lot of it is the types of farming as well. Obviously, grasslands will sequester a lot more carbon than cultivated acres that are actually in long-term-release carbon. So I think there are potential opportunities there. You are also correct that the big part of this portfolio would lie with Environment and Parks and their ability to continue our advancement with our environmental enhancement plans within the department. But I'm interested in your line of questioning and will be happy to bring it up with my colleagues in Environment and Parks.

Mr. Strankman: Well, I know in the past your agency – and Mr. Kay could attribute to that – the AFSC, has created records for producers on the cropping side of things, but there is no legitimate forum for doing it in pasture land or grassland. So I was wondering, potentially, if AFSC has any consideration of involvement with these kinds of information so that producers can effectively receive the benefits that they earnestly deserve.

Mr. Carlier: Yeah. Thanks for the suggestion, Member. I think, you know, with the 680 or so folks that we have working at AFSC,

no doubt there are experts in all different lines of agriculture and perhaps even carbon sequestration. So I'll take your suggestions.

Thank you.

Mr. Strankman: I'd be anxious to hear from the representative from AFSC whether they've given any consideration to including the sequestration from the native hay and forage land that they also insure in regard to records for those people who are requiring that information for aggregation purposes.

Mr. Kay: Thank you, Member, for the question. I don't have that information in front of me. I certainly will follow up with our group to find out if we have done some work in that area, and we can get back to you with a response.

Mr. Strankman: Okay. Thank you very much for that.

I'd like to go on to agri-insurance. There's a line in your estimates that this agri-insurance has dropped by about \$125 million. Could you tell my why that may be?

Mr. Carlier: Thank you, Member, for the question.

Just for the sake of time, I'll quickly turn it over to Mr. Kay.

Mr. Kay: Just so I understand, you're referring to our statement of operations for Agriculture Financial Services?

Mr. Strankman: Yes.

Mr. Kay: Yes. What we try to do each year is to come up with an estimate, and we've seen some strong crop years over the last four or five. What that really represents is that it kind of reflects the recent experience in our agri-insurance program. Obviously, if there are more claims to pay out, this is a statutory program, and we'll continue to pay out those claims. But this is simply an estimate that we've prepared based on our recent history.

Mr. Strankman: As a result of that, can you give me any information on what reserves you might have on hand, then, if the payout or whatever this year has dropped?

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

I would like to remind committee members that we are scheduled to meet next on Wednesday, April 18, at 3:30 p.m. to consider the estimates for Executive Council.

Thank you all very much. The meeting is now adjourned.

[The committee adjourned at 12 p.m.]

