



Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee
on
Alberta's Economic Future

Ministry of Agriculture and Irrigation
Consideration of Main Estimates

Wednesday, March 19, 2025
3:30 p.m.

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**Legislative Assembly of Alberta
The 31st Legislature
First Session**

Standing Committee on Alberta's Economic Future

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Pitt, Angela D., Airdrie-East (UC),* Acting Chair
Loyola, Rodrigo, Edmonton-Ellerslie (NDP), Deputy Chair

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Also in Attendance

Dach, Lorne, Edmonton-McClung (NDP)
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Standing Committee on Alberta's Economic Future

Participants

Ministry of Agriculture and Irrigation
Hon. R.J. Sigurdson, Minister

Agriculture Financial Services Corporation
Darryl Kay, Chief Executive Officer

3:30 p.m.

Wednesday, March 19, 2025

[Ms Pitt in the chair]

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

The Acting Chair: Good afternoon, members. I'd like to call this meeting to order and welcome everyone here in attendance. The committee has under consideration the estimates of the Ministry of Agriculture and Irrigation for the fiscal year ending March 31, 2026.

I'd ask that we go around the table and have members introduce themselves for the record, and then, Minister, please introduce your officials that are joining you at the table. To my right, Mr. Wright.

Mr. Wright: Well, thank you, Madam Chair. Justin Wright, MLA for the charming constituency of Cypress-Medicine Hat.

Ms de Jonge: Good afternoon. Chantelle de Jonge, MLA for Chestermere-Strathmore.

Mr. Wiebe: Good afternoon. Ron Wiebe, MLA for Grande Prairie-Wapiti.

Mr. Cyr: Scott Cyr, MLA for Bonnyville-Cold Lake-St. Paul.

Mr. Stephan: Jason Stephan, MLA, Red Deer-South.

Mr. Sigurdson: No. I introduce after. Please go ahead.

The Acting Chair: Sure.

Ms Sweet: If the minister wants to.
MLA Heather Sweet, Edmonton-Manning.

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

Mr. Eggen: Good afternoon. My name is David Eggen. I'm the MLA for Edmonton-North West.

Member Boparai: Good afternoon. Parmeet Singh Boparai from Calgary-Falconridge.

Member Loyola: Rodrigo Loyola, Edmonton-Ellerslie.

The Acting Chair: Minister.

Mr. Sigurdson: Minister Sigurdson, the Minister of Agriculture and Irrigation.

The Acting Chair: Would you like to introduce your officials?

Mr. Sigurdson: I will do so in my opening remarks, Chair.

The Acting Chair: Okay. Up to your discretion.

My name is Angela Pitt. I am the chair for this committee today, standing in for Mr. Getson, official substitute and the MLA for Airdrie-East.

I'd like to note the rest of the substitutions. Hon. Mr. Eggen for Member Elmeligi, Mrs. Petrovic for Ms de Jonge, and Ms Sweet for Member Hoyle.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio and video live stream, transcripts of the meeting can be accessed via the Legislative Assembly website. Members are not participating

remotely. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the main estimates for the Ministry of Agriculture and Irrigation shall be considered for three hours. Standing Order 59.01 sets out the process for consideration of the main estimates in legislative policy committees. Suborder 59.01(6) sets out the speaking rotation for this meeting. The speaking rotation chart is available on the committee's internal website, and hard copies have been provided to the ministry officials at this table. For each segment of the meeting, blocks of speaking time will be combined only if both the minister and the member speaking agree. If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the main estimates schedule and the committee will adjourn. Should members have any questions regarding speaking times or the rotation, please e-mail or message the committee clerk about the process. That's Aaron to my left.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break halfway through? Seeing none, we will have a break.

Ministry officials who are present may, at the direction of the minister, address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting.

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

Points of order will be dealt with as they arise, and individual speaking times will be paused; however, the block of speaking time and the overall three-hour meeting clock will continue to run. I suspect we won't have any of those issues here this afternoon.

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

Finally, the committee shall have the opportunity to hear both questions and answers without interruption during estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between a member and the minister.

I would now like to invite the Minister of Agriculture and Irrigation to begin with your opening remarks. Minister, you have 10 minutes.

Mr. Sigurdson: Thank you, Madam Chair. It is my pleasure to be here and to introduce the Agriculture and Irrigation representatives joining me; as I like to refer to them, the best department in the government of Alberta right now. At the table joining me is: Jason Hale, deputy minister; Matt Grossman, assistant deputy minister of finance; John Conrad, assistant deputy minister of primary agriculture; Darryl Kay, CEO of Agriculture Financial Services Corporation. Other ministry staff joining me are: Karen Wronko, assistant deputy minister of trade, investment and food safety; Miranda Senoussi, director of executive operations; Jeanna Friedley, communications director. Also representing AFSC are Mark Prefontaine, chief strategy and innovation officer, and Steve Lappin, chief financial and risk officer. My office staff joining me today are Mikayla Janssen, my chief of staff, and Darby-rae Crouch, my press secretary. Thank you, everyone, for being here.

Agriculture is essential to Alberta, and not just because it brings in billions to our economy and creates thousands of good jobs; it's part of our shared history and the foundation of so many of our

communities. Alberta's farmers and ranchers and our food processors work hard to put the best food on plates here at home and across the world.

This year's budget reflects our commitment to these folks and aims to help the ag sector grow and thrive, especially in uncertain, difficult times like these. It invests in research, industry support, and animal disease diagnostics and preparedness.

Agriculture and Irrigation's operation budget for the upcoming year is \$859.6 million, down \$10.1 million over last year's budget. This will ensure we can continue to attract investment, expand trade, and support our farmers, ranchers, and food processors when and if we need to. This year's budget has \$85.1 million in capital grant funding, most of which is for irrigation-related projects.

We are also projecting \$1.4 billion in revenue, a \$7 million decrease from last year's projected revenue. The lion's share of revenues is \$691 million from premiums, fees, and licences. The other significant contributor is federal transfer payments, including \$491 million to AFSC for its business risk management programming and \$60.2 million to the department for a sustainable Canadian agricultural partnership. That's the big picture.

We'll now move on to key details and highlights. We are a livestock province. Everyone knows we grow the world's best beef here, which is why we produce nearly 80 per cent of Canada's beef exports. Right now it's more important than ever to protect and expand market access. To achieve that while also safeguarding human and animal health, we are funding livestock diagnostics and disease preparedness.

In 2020 we started providing funding to the University of Calgary's Faculty of Veterinary Medicine, or UCVM, to expand towards a full-service veterinary diagnostic laboratory. This project's goal is to ensure Alberta's livestock producers have access to more affordable diagnostics closer to home. Before this initiative kicked off, producers and vets had to send samples all the way to Saskatchewan. In this budget we have allocated \$3.1 million to continue the project's expansion. This funding will help allow them to plan for the long term and retain highly skilled staff and expand services.

One particular disease that poses a threat to our livestock industry, specifically our beef producers, is foot-and-mouth disease. A recent case in Germany and its impact on that country's livestock export has highlighted the disease's ongoing risk and the need for us to better prepare when and if it lands here. With that in mind, we have earmarked \$1.2 million for Alberta's contribution to Canada's foot-and-mouth vaccine bank.

In 2022 we partnered with beef-sector partners to fund the Alberta beef competitiveness study, which presented several key recommendations. One of the recommendations was greater support for small and mid-sized meat processors. We're aiming to meet that recommendation with \$780,000 in department funding. This funding will cover four new staff to help with extension and business development and two inspection and investigation specialist positions that will strengthen our meat inspection system.

We also know how important research is to the ag sector. Research based on the reality our farmers are facing every day ensures the sector remains strong and continues to grow. Results Driven Agriculture Research, or RDAR, leads the Alberta government's research funding. Budget 2025 keeps RDAR's operational funding stable at \$41.5 million, \$14.6 million of which is funded through a sustainable cap.

RDAR also supports applied research associations. This year's budget allots \$4 million for ARA operating funding. For 50 years the Field Crop Development Centre conducted world-leading research, including its well-known barley breeding program. Last April saw the FCDC transition to Western Crop Innovations, a joint

business model that blends industry, academic, and public funding and guidance. This year we're investing \$1.8 million to WCI to continue industry-leading ag research. We have also invested \$600,000 in capital funding to replace critical equipment at WCI to ensure it continues to hit the ground running.

3:40

Alberta is also home to two crop diversification centres, CDC North and CDC South. Both have a well-earned reputation for innovative research and direct benefits to farmers from across the sector. We have earmarked \$3 million for facility repairs and upgrades to CDC South and \$1.2 million for repairs and replacements at CDC North. On top of that, \$500,000 is allotted for operational support for each location.

Moving on to the Agriculture Financial Services Corporation. AFSC has had a long, proud history of helping Alberta's farmers with lending assistance, insurance for crop, livestock, and wildlife damage. It has also kept farmers afloat with income stabilization with programs like AgriStability. Alberta's government continues to invest in AFSC to make sure farmers and ranchers will continue to have access to programs that they can depend on, which is especially important this coming year. This year AFSC is projecting a \$23.9 million decrease in operating expenses, largely due to a decrease in reinsurance costs. We are also expecting \$10.5 million in increased federal contributions for AFSC's programming.

Now I'll address supports for rural Alberta. This budget allots funding for rural economic development, ensuring folks in smaller areas, rural areas have the infrastructure and opportunities they need to succeed, and \$700,000 is earmarked for the economic development in rural Alberta plan.

Agricultural societies are a crucial contributor to rural Alberta's economy and quality of life. Across the province 291 ag societies own or operate more than 900 essential community facilities like curling and hockey rinks, rodeo grounds, and more. Every year ag societies put on or host more than 37,000 activities with more than 2.3 million people taking part. To support their work, Budget 2025 includes \$11.5 million for the agricultural societies grant program to ensure they can keep contributing to the quality of life in rural Alberta. It also includes \$2.5 million for the agricultural societies infrastructure revitalization program to support major repairs at ag society facilities. Last year that program funded more than 34 projects across Alberta.

Alberta has seven regional ag societies that have a significant role in their surrounding communities: Camrose, Grande Prairie, Lethbridge, Lloydminster, Medicine Hat, Olds, and Red Deer. Over recent years those seven have been facing challenges with increasing costs and operational pressures, which has led them to ask government to revisit the funding structure under the agricultural societies program.

To determine how best to support their work in the long term, we hired Deloitte, a third party, to conduct a study and provide recommendations. The study identified several threats to regional ag societies, including the growing cost of operations, deferred maintenance and debt levels; a growing gap between the complexity of the society's businesses and their governance maturity; and deferred maintenance and capital projects that have triggered requests for emergency funding. To address these issues, the department has earmarked one-time funding of \$7.4 million. This total includes just over \$4 million for one-time transitional funding coming from in-year 2024.

This year's budget includes \$2.87 million for targeted ag society-specific initiatives with demonstrable business cases. It also includes \$500,000 for operational business model transformation coaching and support for the regional ag societies.

In total, Budget 2025 is a common-sense plan to support the ag sector and the communities that rely on it. Thank you, Chair.

The Acting Chair: Thank you, Minister.

We will now begin the question-and-answer portion of the meeting. For the first 60 minutes members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block in both the committee rooms and on Microsoft Teams, which doesn't matter because nobody is online. Question to the members: who will speak first? Ms Sweet.

Ms Sweet and the minister: would you like to share your time or block time?

Mr. Sigurdson: That is agreeable. Shared time, Chair.

The Acting Chair: Shared time. All right.

Ms Sweet: We're good?

The Acting Chair: Yeah. I'm sorry. I made an assumption there that you would like shared time.

Ms Sweet: We're good.

The Acting Chair: All right. Ms Sweet, you may proceed.

Ms Sweet: Thank you, Madam Chair, and thank you to the minister for going back and forth. I do want to start off by just saying that I recognize there may not be answers to some of the questions that we're going to discuss today because there are a lot of unknowns, recognizing that if we look at the economic outlook of what is happening globally, internationally, at a national level, there's a lot of uncertainty that's surrounding the Alberta agriculture sector. I am going to be bringing forward some thoughts from our mutual stakeholders around questions that they have, ideas that they have as proposals. Again, Minister, you can take them. I'm not necessarily thinking that you're going to have the answers today on a majority of this.

I thought what we could do is just start on the fiscal plan. On page 8 it says, "Budget 2025 continues to support Alberta's agriculture producers and value-added processors, addressing barriers to trade by cultivating export markets, and working to increase market access for Alberta [producers]." I'm just wondering. Given the volatility with the U.S. market obviously there are conversations happening about looking at other markets. We see what's happening with China with canola. Also, the beef industry has been locked out of China since COVID. Can you maybe tell us what you've been doing in relation to exploring other export markets?

Mr. Sigurdson: Well, definitely. I think you're touching on a subject that is very front and centre to our producers right now. Of course, we have trading challenges with our two largest trading partners. Our department has sat down at this time, and I think both of those trade disputes are leading us to a conversation where we have to look at immediate things that we can do, medium- and long-term things that we can do as well. Of course, through those conversations, immediately, right away, buying local is the number one thing that we've been advertising across Alberta to be able to support our producers. Secondary and more short term, we're advocating with our provincial counterparts on interprovincial trade and any opportunities that that presents.

Of course, our department is very lucky to have an AgriInvest team, too, that has, when we look at the medium- and long-term strategies, offices all the way from South Korea; Tokyo, Japan; Düsseldorf; Minneapolis. We have individuals working all across

the world right down as well with Mexico, another large trading partner, to look at opportunities when it comes to diversifying our global trade.

What I also think is important, though, is that when we look at this from the 10,000-foot level in Canada, Alberta has always been asking and looking for stronger partnership with our federal government to increase and put more investments towards critical infrastructure that will allow our farmers and ranchers to get more of their product easily to those global markets, and I think that's something that our federal government needs to get serious about. We need more access east-west to be able to access those markets, and we need more solid investments within and all the way across Canada in important port access so we can start moving these commodities into those markets. We know that by midcentury the global demand is going to increase anywhere from 50 to 65 per cent. We've heard estimates. We believe the globe is going to look more and more to Alberta to supply that demand, and we want to make sure we're best positioned to be able to supply into that demand, which is going to be critically important.

Ms Sweet: Thank you, Minister. Yeah. I think the announcements on buy the beef with the leaf – and now we see it's on chicken and all the things – are a great opportunity. I know that I seem to be having more conversations than not with people about looking at labels and where our food comes and then this lack of, like – "I didn't realize that Big Marble is in Medicine Hat" or, you know, whatever. I think it's a really great opportunity right now to be talking to Albertans and Canadians about where their food comes from and why it makes sense to buy.

On page 15, again fiscal plan – I'll stay with the fiscal plan so we don't have to flip books – in-year expense growth: \$1.4 billion mainly for agriculture disaster and emergency assistance for indemnity and insurance payments to producers as a result of the changing growth conditions in the province. Is that just crop insurance?

3:50

Mr. Sigurdson: Yeah, it is. I mean, these are the delivery programs through AFSC, and it includes the income support as well. A lot of what our department and myself personally travelling around this province continue to advocate for our farmers to take a look at is, really, looking at their business plans within their farming operations and, you know, looking at the business risk management programs that are available through AFSC, and seeing if those programs work for them. Under the current conditions and market climate we're seeing an uptick in participation in those business risk management programs, which signals to us that we do have programs that work. Of course, I always am the first one to admit that they can always be better. Those are discussions we have at the federal-provincial and territorial table. But through the suite of programs available through AFSC, that is what that funding is designated for.

Ms Sweet: Through the chair, the reason I'm focusing on these is that I do want to highlight the fact that the fiscal plan repeatedly talks about agriculture and tariffs, and so tariffs are within the scope of this budget, so I will be talking about tariffs throughout as we go. On page 31 of the fiscal plan:

The primary agriculture sector will also face challenges from U.S. tariffs, but the impacts will be uneven. Export volumes for crops are expected to take a hit . . .

We've already seen the commodity price drop.

. . . although a greater diversity of export markets could provide some cushion for major commodities such as wheat. In contrast, livestock exports – particularly cattle – may see sharper price

declines due to limited short-term supply adjustments and a lack of alternative markets. Strong cattle prices and robust U.S. demand may cushion the impact, but prolonged U.S. tariffs could shrink Alberta's livestock sector.

Again, that's on page 31.

I'd like to focus a little bit on the Canadian cattle feeders and the impact it's going to have on our livestock market. On outcome 2, page 23 of the business plan, between 2025 and '28, \$2.3 million will be allocated to increase support for Alberta's beef industry. The investment will help small and medium-sized processors and new entrants navigate the regulatory framework for meat products to boost domestic and international sales, build upon the strong reputation of Alberta's beef industry, and ensure Alberta's continued success as a leader in the agrifood manufacturing sector. This funding also ensures the ministry's capacity for investigation, compliance, and enforcement activity related to the illegal slaughter operations and sales of uninspected meat.

My question, Minister, is: out of that \$2.3 million, how much is actually being allocated to build processing plants or abattoirs, and how much of that is actually the investigation dollars for the new bill that was passed last fall?

Mr. Sigurdson: Well, right now, I think it's important to understand that when we talk about the creating – there are kind of two questions you've asked there, for sure, so I'll address the first. Number one, we've been hyperfocused as a government on creating a business environment that makes us the prime location for investors to come in and invest. Alberta's tax environment is already the best in Canada, and with that we implemented the agriprocessing investment tax credit.

Of course, any individuals that are looking at any processing, they can apply to that program as well as additional government programs that exist. They could qualify for a program called emerging opportunities as well. It's through that type of support that we've seen last year alone over \$3 billion of investment, and we've seen some great announcements that relate directly to beef processing, including JBS's patty plant that they're now working on. Of course, that is where our incentives move to. The 12 per cent nonrefundable tax credit is how we continue to incentivize to expand more processing capacity.

Then when it comes to the \$800,000 that we've allocated, it's for six new positions. These six new positions are intended to improve both the food safety, competitiveness, and market access for Alberta's meat sector. To break that down, \$0.3 million is for two new business development positions to provide guidance on marketing meat products and navigating business regulations for newer small to medium-sized meat processors; \$0.3 million on top of that for two new food safety specialist positions to help processors navigate legislative requirements, including facility standards for new and renovated facilities to mitigate complex food safety hazards; and \$0.2 million for two new inspection and investigation specialist positions to enhance the robustness of the meat inspection system, helping to ensure Alberta continues to enjoy its world-class reputation.

I want to be clear in stating that there's nothing my department and this government takes more seriously than the food safety within this province, and this goes a long way to continuing to shore up what we think is necessary to continue to grow with the industry.

Ms Sweet: Thank you, Minister. I appreciate those comments.

I can move through some of the pieces of this, but I think one of the more significant conversations that is happening right now with the beef industry is our processing capacity, right? Most of it ends up going south. We have a lot of crossover back and forth. The 25

per cent tariff is going to have significant impact on that. I appreciate your comments on JBS; however, we're also seeing with JBS and Cargill shifts in even their international market, in their international business market. We've seen a decrease in staff and layoffs in staff in other jurisdictions. I guess my question to you is: recognizing that this is a serious risk to the market, are you having conversations around retention for those businesses to ensure that they want to stay in Alberta when we recognize that the United States has a great opportunity to off-set our competitiveness?

Mr. Sigurdson: Absolutely. I mean, Alberta's beef sector, our entire livestock sector, is, you know, a very strong if not the strongest part of our agricultural industry here in the province. I mean, creating a low-tax environment is how we continue to incentivize and keep those businesses here. I mean, when you sit down and talk to these investors, whether it be JBS, Cargill, P&H – it doesn't matter – when they actually sit down at the table, they're looking at 50- to 100-year business plans when they invest here.

The continued conversation in making sure that we have incentive programs when they continue to grow and expand is important. To continue to make sure that we are a low-tax jurisdiction is incredibly important and also making sure that we have the cow-calf herd through programs to support, like our feeder association loan guarantee and other aspects, making sure that we're advocating on behalf of our farmers and ranchers, to make sure we've got strong BRM programs, to make sure that we have and continue to support our farmers and ranchers here. I think all these are things that we have to do from the very top side of it.

We also need to have a deeper conversation right now with our federal government. When we look at Canada's overall taxes that are being applied, we've talked a lot with our processors, how the carbon tax itself is hurting their competitiveness in the global market space. As well, even more of a struggle is that we have an aging farm population. I mean, the average age of a farmer is closing in on 60. You know, this is why we've had many conversations with our federal counterparts about how the moves they are making on the capital gains tax don't make it any easier for generational farmers to pass down their farms to those that are best suited to take them over, which are their children or, for that case, the ability for new farmers to get into the space, which is critically important when we build the future of it.

That's why I've worked with AFSC to take a look at increasing and expanding the opportunities within our next generation loan programs and being able to make some changes there that actually, I think, have had a positive impact as we look towards the future as well.

4:00

Ms Sweet: Yeah. I think using AFSC as the tool to administer services to our producers is the best move. I'm not going to get too far into the policy of the federal government only because probably come Sunday, we're going to have an election, so we'll see what happens. Minister, we can talk about Conservatives versus Liberals whenever it's over, and we'll see what happens.

I think today the urgency that needs to be addressed is the competitiveness within Alberta that is significantly being impacted by the U.S. market. The Canadian-U.S. cattle sector is deeply integrated, as we all know, with cattle crossing the border more than once in their lifetime. They're born in the United States, fed in Canada, processed in the United States. Due to limited Canadian processing capacity Canadian cattle feeders ship a significant volume of live cattle to the U.S. processing plants. Canfax reported that in 2024 Canada exported 580,000 live cattle for immediate slaughter. Averaging 11,000 a week, 18 per cent of Canada-fed

cattle were exported for slaughter in 2024. Due to cattle being a live commodity, they cannot simply be stored till market conditions improve, and there's minimal ability to diversify the market. Canadian cattle feeders may be able to divert some of the cattle to Canadian processing plants; however, this will only provide a short-term outlet for a limited time and will impact our cow-calf operators and, again, will cause a price-taker's environment. In addition, if Canadian beef producers are not able to sell as much finished product in the U.S. due to tariffs, they too may consider temporarily reducing their processing capacity.

My questions are – actually, the questions on behalf of the producers are: will there be emergency supports? We can look at emergency supports on 5 and 5.2 of page 44 of estimates, just to make sure we're recognizing I'm referencing a page number, Madam Chair. Supports will be required through emergency stimulus funding for both the federal and provincial governments. Obviously, BRMs, business risk management funding, through existing programs – i.e., AgriStability – could be helpful if the caps are significantly increased and the timeliness of payments is greatly improved, but immediate support is being requested. That would look like immediately, within two weeks of the tariffs coming in, support for cattle feeders who lost market value on their live cattle sales due to the tariffs. Payments should be based on a prorated amount based on receipts, not per head. I'm just wondering, Minister, if you have considered that opportunity.

Mr. Sigurdson: Absolutely. We're meeting with our producers every single day. As you can imagine, over the past few weeks we've had a lot of very in-depth conversations. They have expressed those sentiments to me as well. As you're fully aware, the BRM programs are a joint agreement and a cost-shared program between us and the federal government. Any changes within those programs require not only an agreement on the federal level but also an agreement across the provinces of 60 per cent or higher. Now, we have convened – federal, provincial, territorial – all of us together; we have had these discussions. I think it's important, like you said, that we make sure that we have the best business risk management programs for all of our producers.

Of course, we have seen an uptick in those programs. Livestock price insurance, a risk management tool to producers for price protection on cattle and hogs: we've seen a massive uptick. For our current fiscal year we've sold almost \$27 million of that. We normally budget around \$10 million. This just shows that this is a program that our producers are recognizing as being an opportunity for them to be able to derisk as we move forward. The program itself is designed for the prices to be forward looking. Support on policies sold after tariffs are applied may be limited, but the program premiums are currently funded 100 per cent by the producer. Premiums could be subsidized, but that increase countervails a little bit of that risk. Of course, these are one side of the BRM program that we think is something we've heard.

You talked a bit about AgriStability. Of course, that's a whole farm risk management tool. Nearly 7,000 Alberta producers participate in the program, with a three-year average benefit of \$110 million to the industry.

I will address that you've asked for changes, and I do want to make sure it's clear these conversations are ongoing. We continue to advocate on behalf of our producers in the province, ourselves as a province. We've identified that there are and should be improvements to these BRMs to make sure that we have programs that cover all aspects of our agricultural industry. We, myself and my department, have been working every single day, and in the past, through every meeting to make sure that we're bringing that to the table of our federal and provincial counterparts to do

everything possible to get them to agree to make some of these small changes. Now more than ever we are bringing that voice loud to that table saying that this is necessary now more than ever.

Ms Sweet: Yeah. I appreciate that, Minister. I know, through the chair, that the BRM, business risk management because someone said, "Stop using acronyms" to me the other day, has been an ongoing conversation. I recognize that because you have to get all the provinces onboard, it is a slog of a process. My hope is that by asking the questions and being able to advocate – obviously, I've written letters to the federal minister as well – we can put an Alberta pressure on changing some of these things.

I appreciate that you already spoke about livestock price insurance, and I would agree. I think that right now that is something that we also need to be looking at encouraging producers to access, and I'm glad to hear that they are looking at those options through AFSC. I do want to highlight – and I recognize that I am pushing on this a little bit, and I'm sure you heard this story as well – that the day the tariffs came in for the half of a day, the first load that went across the border cost \$40,000 to one operator. What we know – and we've heard this from the Alberta Cattle Feeders' Association – is that they told media that on the first day of tariffs the overall cost was going to be \$3.6 million. So as much as I appreciate that we're talking about this, one of the questions I do have is that we only see in the budget an investment of \$2.4 million over three years when we're looking at value-add and looking at production. I'm just wondering why the discussion, when we're looking at the fact that this is going to hang over our heads for a while, why we're not taking the opportunity to try to do more expansion and investment in processing. It is a question.

Mr. Sigurdson: All right. Well, through the chair as a response I do want to say that the incredible work that our Premier is doing advocating down in the U.S., ourselves with a whole government approach to continue to work with our U.S. counterparts I believe is having an impact. We're having those conversations every single day. I think the best outcome, that you and I can both agree on, is if we avoid this altogether. I am happy to announce that on that day – you are right. It was actually 20 loads total across the U.S. border. The good news is that, due to advocacy and the need to continue to improve relationships, those tariffs were waived, and we're happy to hear that. That's why this government is continuing to work so tirelessly with our U.S. counterparts to advocate and make sure that we're expressing to them how integrated our food supply chain actually is.

When we talk about the supports and when we talk about supports for processing, I am going to hearken right back to the agriprocessing investment tax credit, the 12 per cent nonrefundable. This has spurred more investment in agriprocessing than ever in Alberta's history. Last year, \$3.05 billion. On average we only do \$400 million to \$450 million of agriprocessing investment. This is working. We are seeing the investments coming to the province, and that is happening around livestock processing, not just beef processing.

We've seen other investments that include Little Potato Company, dairy innovation west, a massive investment to be able to concentrate milk for shipping. Of course, we talked about the \$90 million expansion to JBS processing for their patty plant. Parrish & Heimbecker. P&H Milling group, \$241 million for a flour processing facility in Red Deer county. Of course, we now have – these ones are too important to highlight as we sit underneath these looming Chinese tariffs – Canary Biofuels and Imperial. Imperial, a 20,000 BPD, a day, renewable diesel facility in which they're going to procure 75 per cent of their feedstock canola seed right

here from the province. That's burst crushing and gives us alternate pathways for sales of our commodities. The same with Canary Biofuels, investing \$18 million for the construction of a cold-press oilseed crushing plant in Lethbridge.

Our agriprocessing investment tax credit is having a massive impact, and we are seeing the investment. I would say that the environment this government has created has really brought to the forefront that the greatest opportunity in this province to diversify our economy and grow jobs – good-paying, high-paying jobs in rural Alberta – is through the continued support of our processing investment tax credit and ensuring that Alberta continues to be the lowest tax jurisdiction in Canada.

4:10

Ms Sweet: Thank you, Minister. I agree. I think that the agrifood processing tax credit was awesome. I wonder where it came from.

Mr. Sigurdson: I know whose name is on the bill.

Ms Sweet: Touché, but sometimes great minds think alike.

I do want to highlight – and I appreciate, actually, you bringing up Imperial, because I think we have focused quite a bit on beef producers, and I would like us to talk a little bit about canola. Obviously, canola is the other one that we're starting to see impacts on tariffs, whether it be China. We'll see what happens with the United States. One of the things that was brought forward is that there is a ton of opportunity in Alberta when it comes to looking at whether or not we're doing upgrading and using it, turning it into biofuels.

I have two questions, and this is where I want to go with a little bit of – I understand that this is not totally in your purview, but the opportunity with canola to be moved into aviation fuel, to be looking at renewable diesel percentages and mixed fuels: I recognize it's a different minister, but the ability for us to do the value adding with canola is significant. I'm just wondering if you can maybe chat with us a little bit about that value-added opportunity. What is your government's stance on looking at the renewable fuel mixed percentages and then also the expansion of the aviation fuel opportunity?

Mr. Sigurdson: We look at every opportunity. I mean, the investment we're seeing right now is obvious. When you look at Canary Biofuels or Imperial, their investments, they've seen incredible benefit to moving into the space. We definitely as the Ministry of Agriculture and Irrigation are going to continue to support our processors and producers.

This really is more in the lane of the ministry of energy, for sure, to ask on details on his thoughts. I would direct you to direct your questions on how he wants to look at those particular things to him. I think that would be more appropriate.

What I can tell you is that, through our processing investment tax credit, the additional programs that we have and – I want to say this. Our incredible agri-investing that is doing work on the ground right now, working with international investments, Canadian investors, local investors to pave a pathway to them and help them locate their businesses, get their businesses off and running and moving forward, is an incredible benefit. As we continue to go down that pathway, I know opportunities like renewable diesel and other refinements of rapeseed or oilseed are going to be beneficial to our farmers and ranchers, providing them an additional lane to sell their commodities where it's closer, logistics are cheaper, they have direct access to. For that, that market diversification is critically important as we move forward.

Ms Sweet: Yeah, and I appreciate that. I think, you know, we can look at other provincial jurisdictions across the country, and we can see that they are adjusting their aviation fuel requirement and their mixed fuel and diesel requirements, and we are starting to lag behind. We are oil and gas, and it's an oil and it's a gas, and we can use it. We should be not just focusing on oil and gas in the traditional sense but looking at the opportunities that we have here in the province. I can say that it is an opportunity. Again, right now with tariffs we can either decide to just sit idle and wait and take the hits, or we can say this is an opportunity to look at what we're doing in this province. I believe that it's an opportunity, and I'm hearing from producers that they want to be able to take that opportunity and turn it into local, value-added production and to not have to always be exporting raw material, and biofuel is a prime example of where that opportunity is.

I feel like you want to say something.

Mr. Sigurdson: No. I mean, listen, on the back and forth of this, we are having those discussions, understanding, like you had mentioned, that it's an emerging situation. It's kind of like hitting a moving target right now. I think, through your questions, I'll agree that we have to sit down and have a conversation about what opportunities exist and get real serious about making the changes necessary that support all industries across the board. But when it comes to those standards or opportunities, like I said, my job is Agriculture and Irrigation. This question is better directed to our ministry of energy.

Through Ag and Irrigation we're currently pursuing down this lane to be able to provide more value-add and opportunities for our producers. We have more than a hundred investment leads. Right now that could bring a potential \$5.6 billion in investments and create over 4,000 additional jobs in Alberta. We've created the climate right now, and we've become a beacon for investment. In '24-25 our department completed 97 market development activities involving over 350 participants, with 20 projects remaining to be completed. Of course, the activities within that include outgoing missions, targeting international markets, inbound missions to bring international buyers, investors, Alberta producers and processors, and seminars. These are all the things we're working on to continue to make sure that we don't just focus on one biofuel's absolutely massive benefit. We're trying to make sure that we're fostering and working on all leads, understanding the net benefit that it could be if we had all of that and more of that happening in the province right now.

Ms Sweet: Okay. Thank you, Minister. Just because I spoke a little bit about BRMs and opportunities for the cattle industry, I'm just wondering if you could maybe give us an overview of what you're doing and what you're looking at when it comes to our grains. Obviously, we have grains still sitting in the bins. At one point, when the tariffs first came in, companies had stopped taking bids. We've now rectified that, I believe, and things are moving forward again. We are probably going to see that there are many bushels still sitting in a lot of bins that are trying to figure out how to get to market. I'm just wondering what kind of conversations you're having to support the grain industry with current bin issues, potential bid issues, and then commodity depreciation.

Mr. Sigurdson: I'm sorry. You would point to which line item? Listen, I'm free to answer. Just so my department understands which line items and areas of the BRM programs you're referring to.

Ms Sweet: Sure. We can go to outcome 2, page 23. We can be looking at BRM, and we can do it under AFSC. If you want to do agriculture income supports, page 25 of the business plan. I could pull it up under 4.2 of page 45. We could do it – like, I don't know. There's a whole bunch of line items where it works.

Mr. Sigurdson: Thank you. Listen, I just want to make sure. Understand that I want to make sure my department staff is also locating those areas.

I mean, this is not meant to diminish the situation at all, but at this point in time a lot of our farmers, of course, are probably 90 per cent or more sold. This is most of the conversations I've had. Up until this point, as we're moving into the new season, they have sold off a lot of last year. Those that have bin space, from the conversations I've had: most of them are sitting 80 to well north of 90 per cent sold out. We are at that point in which they're making decisions as they're moving into the growing season as well.

I mean, I think I say this just to say that there are a lot worse times that this could have happened. It doesn't diminish the fact that this is and, if it continues to draw out for a long period of time, is going to be detrimental to our grain and canola producers in this province. When it comes to our available BRM programs, I mean, I always harken back to AgriStability, for our farmers and ranchers to take a look at it if that fits their farming operations to be able to assist them if they see extremely steep margin declines greater than 30 per cent.

4:20

I also want to comment on this, too. I mean, this is where the overlap comes. I don't want to say that I'm trying to shift off and put the entire blame on the federal government, but the reality is that we have two trade disputes with our largest trading partners. I cannot let it go without saying that this appears to be an enormous failure of leadership on the federal level. As well with that, if countertariffs are put in place – and I want to get this on the record and state this. If our federal government is going to countertariff as their response to either the U.S. or China, those countertariffs derived from agriculture need to come back to our producers in western Canada. Full stop.

We understand that we have in place our BRM programs that are cost share, and we do have some availabilities here, but I've been very, very strong in communicating to our federal government that they have to as well step up to the plate. When you look at the enormity of the impact that it could be in price declines when it comes to grains, canola, beef, all the way across the board, the federal government needs to come to the table, come to the plate, because they, off those countertariffs, would have the amount of money required to be able to support our producers at this time. There is no way that this province has the fiscal capacity to support these types of hits alone. Period. That's why we need the federal government to come to the table.

The Chair: Sorry, hon. members. I'm just going to hesitate real quickly. Just a reminder to all members to put your phones on silent. Somebody's was on vibrate, and the mics were picking it up.

Please proceed, Ms Sweet.

Ms Sweet: Thank you, Madam Chair. I appreciate what you're saying, Minister. I mean, we can look on page 145 of the fiscal plan, transfers from the government of Canada to agriculture support programs. I mean, there is a cost share there. I agree with you. I wrote a letter to the federal minister in October saying that they needed to do something about what was going on, no different than what they did with the dairy industry, right? When the 3 per cent came in under CUSMA last time, when it was Trump, they did an adjustment. So we are in agreement, but I think the struggle is that

even though we may agree that the feds need to step up and need to help us out, until they do, we can't abandon the industry. This is why I'm asking the question: what are the things? Because I have producers coming to me saying that they don't know what to do and where to go next, right?

I appreciate AFSC is available and can answer a lot of those questions, but they're bringing ideas forward. Is there an opportunity to look at reseeding? Can we be looking at a different type of opportunity when it comes to canola and trying to figure out if crop insurance is actually going to address the potential risk that is being carried over? As much as I appreciate that, yes, the federal government needs to do things, we also need to make sure that we're having conversations around the suite of services that can be offered. That is why I am asking these questions. Again, I know you want me to stay with line items, so we can stick to page 145, transfers from the government. We can look at page 143, which is AFSC corporate numbers. These are all in the fiscal plan.

I guess my question is: when I look at the transfers with AFSC and we talk about the overall budget when it comes to tariffs as being put at 15 per cent, I don't actually see an adjustment on the estimates to the targets of what is being spent for agriculture income supports that adjust a 15 per cent adjustment. What I worry is that we're building this all into contingency and that the contingency fund now has, like, wildfire, agriculture, tariffs, all of the things, and the numbers to me don't add up.

I'm just wondering why, when we're looking at AFSC supports, we wouldn't be ensuring that we're building in a 15 per cent buffer adjustment as part of the – like, I get that it comes out of contingency. I understand that. But from an accounting perspective, if we say that we're saying 15 per cent overall, why are we not building it into income supports where these services are probably going to get paid out of?

Mr. Sigurdson: Well, I'll frame it this way. I want to say this. When you say that we can't abandon producers, the only people abandoning producers right now are the federal Liberal government. Period. They're not stepping up to the plate at a time of critical need. Our province right now: we are standing shoulder to shoulder with our producers and doing everything possible to make sure their voice is heard. We're working with AFSC to make sure that our BRM programs are ready and there for them when they need it, which they are. Full stop. Any farmer and rancher right now: I advise them to reach out to AFSC, meet with somebody, discuss with them the possibilities of what we have for business risk management programs to help them through these times. I can assure every farmer and rancher in this province that if they partake in those programs, the money will be there for them. That is our guarantee to our producers, and that is something that will always be there.

Now, when you take in the factor of adjustment, of course, we have seen fluctuations in the past. We've seen a drought year. We sat in these estimates together, in which we got a lot of questions about why there was so much money being flooded into AFSC. Through that explanation, of course, is how we have always built out the way we fund AFSC. It's important to understand that sometimes when the premium pool is depleted, we have to build back the programs. It's important to state: you participate in the programs, the money is there. That's our guarantee as the province. These are statutory payments. These programs are here to help our producers, and they're available to our producers. The more that enrol in these programs, the better. I continue to encourage every farmer and rancher to reach out to AFSC and look at programs that could assist them through what could be a very uncertain year. That's the government of Alberta's commitment, my commitment as a minister, and AFSC's commitment.

What I'm saying is that there are issues that the only government that has the fiscal capacity to address them is the federal government. The only individuals that have the capacity to resolve these trade issues and to avoid these tariffs, that we know are going to be so incredibly – they're going to affect our agricultural industry in ways that we could sit here and talk about for hours. They need to figure out a way to improve that relationship and to come to the table and negotiate and resolve this through diplomacy as quick as possible.

Ms Sweet: I appreciate that, Minister, and thank you for that. I hope that no matter the outcome of the federal election, whether it be Liberal or Conservative, you fight just as hard, no matter which side it is.

We can keep having that part of the conversation, but the 15 per cent being built into the budget is still concerning to me because AFSC is still a liability on the books if they have to pay out. We saw this when we ended up having to pay crop insurance rates. It puts us in a risk position if we don't have enough money in AFSC to pay out the risk. I guess what I'm asking is: why is there not a transfer to AFSC to make sure that we're not putting ourselves in a risk position with the 15 per cent?

Mr. Sigurdson: You know what? I've got this incredible individual with me from AFSC. I actually feel like I'm underutilizing him. What I can say is – and it's a great question, and we're going to explain this. I also want to just say that the money is always there for our producers.

Ms Sweet: Yeah. For sure. We have to back it, though.

Mr. Sigurdson: A hundred per cent. But what I'm saying and making sure our producers know, for all of the thousands of them that are watching right now, is that the money is there to support them through these tough times.

Now I'm going to turn it over to Darryl Kay with AFSC to explain a little bit more on the structure and how they do this and why, and understand that the manner in which this is delivered and set up through AFSC is how we've done it for decades. It's been successful for decades. We continue to go with this methodology because it works.

I'll turn it over to Darryl Kay with AFSC.

Mr. Kay: Thank you, Minister, and thank you for the question. I guess what I would say, first of all, is that when we talk about estimates and budget, they're exactly that: they're estimates. The minister has repeatedly talked about the statutory nature of these programs, that we will be there to pay out. They are backstopped by both the provincial and the federal government.

4:30

When we talk about crop and crop insurance, we are rebuilding the fund. It's going to take a number of years. The first point I always like to make when we have this discussion is that it did respond when producers needed it. We paid out over \$7 billion in the last four years. This is a typical cycle for our organization. We build up premiums through the good years so that we can pay out those claims when we have difficult years. We take a long-term 25-year approach to rebuild that fund, and that's happening now.

When you think about price pressure and what impact that could have on AgriStability, really difficult to come up with an estimate. We make our best estimate when we prepare the budget, but we know that it'll depend on the individual producer, the impact on what grains and oil seeds they may have, what they sell into the market. Rest assured that any estimate we make on crop or on

AgriStability, whatever happens to that individual producer, that claim payment will be made by the government. You know, we make our best estimate at the time, but we recognize that that could change depending on individual situations, and we have a backstop, and we have statutory payments. We will be there to make those payments for producers.

Ms Sweet: Thank you. Through the chair, I appreciate that. I am not at all nor would I ever want to minimize that AFSC is going to be there for producers. I one hundred per cent understand that. But when we look at budgets, we make assumptions, and the budget is based on a 15 per cent assumption on tariffs. I'm seeing it pushed into contingency, yet AFSC is an insurance program that is required to be able to pay out to our producers.

What I'm trying to understand, what I'm trying to get at is that the assumption in the budget is 15 per cent. We're going to assume – let's just say it's 15 per cent; Trump is saying 25, but we're sticking with the government's 15 per cent – that our producers are hit with a 15 per cent tariff. We're talking about creating AgriStability programs, whether it's a crop program, whatever it looks like, to support our producers through this period of time at an assumption of 15 per cent. But I don't see it built into AFSC's line items at 15 per cent. I see it sitting in a contingency percentage. If we're saying that we're going to be looking at AgriStability and we're making assumptions on AgriStability and we're also making assumptions on crop, the assumption in the budget is 15 per cent, so I'm just wondering why it's not reflected that way through AFSC.

Mr. Sigurdson: I apologize; I just also wanted to hear a few comments from my department.

I mean, the manner in which we've delivered our business risk management programs: there is risk built into that as they forecast for the years when they took commodity prices, premiums, and everything all the way through. This isn't the first time we've seen trade disputes. They've happened in the past. We've managed through. Our business risk management programs were successful through those times. We have a few new programs that are seeing higher than average enrolment, but within that, understand that through that cost share and the fact that producers are also paying premiums, the pools are there; the money is there; the support is going to be there. The manner in which AFSC has used their methodology to build out these programs and support these programs for decades works, it works well, and from what we have built into the budget, I know this will work for the upcoming year.

When you talk about the assumptions for the 15 per cent, listen, these are insurance programs, and they're going to cover off as long as the income for those that comply with the AgriStability. That's going to be there. These are done through a long-term approach. The adjustments made through on what is going in and out of AFSC: a lot of that is on a long-term approach. I have full confidence in the numbers put forward by the budget, that those BRM programs are going to be there to support our producers. Full stop.

Ms Sweet: Okay. What I'm hearing is – like, I'm happy to be corrected on this because I'm just honestly trying to get clarity – that the BRMs historically are based on commodity prices, the adjustments are made, and the forecasting is done based on the commodity. Totally get that. Totally get that that is traditionally how we have always done these things.

We are in a unique situation right now where we know that there is a 25 per cent tariff hanging over our heads at any given time to be injected into our markets, and the government has decided to do

an assumption of 15 per cent. It is a basic accounting. Like, I get that for the government of Alberta this was the worst timing. It would have been great if any other province could have gone first and had to do these assumptions in their provincial budgeting model. I totally get it. But it's not built in to AFSC, which is a provincial insurance program. It is not – Minister, you're shaking your head at me.

Mr. Sigurdson: Sorry. Well, listen, I'm going to break this down. Two things I want to make sure that we get clear. Crop insurance, hail insurance is for loss of production. It does not compensate for a change in price. The program that we have available that would deal with margin declines is AgriStability.

Now, with that, understanding that very dynamic changes were happening, I think everybody in this room understands that a full provincial budget is not made overnight and cannot be changed overnight. Of course, with the U.S. tariffs announced after the inauguration of President Trump, we had very little time to be able to make some of the adjustments that were necessary in order to make sure that we have the money where it needs to be.

That is why it was worked on, and this has worked in the past. We did this in the drought years, and it worked extremely well. When the premium pool was depleted, the money was pulled from contingency to shore it up, understanding that that is just a loan to the future that comes back to the government of Alberta. That is why it was decided, based on the fact of the dynamic, changing situation with a lot of market instability and a lot of unknowns, that the contingency would be increased, the additional \$2 billion, understanding that if we saw higher enrolment in AgriStability and there was a 15 per cent or maybe worse tariff put in place that caused exponential declines in margins, we would have the availability through that contingency to ensure that we can backstop those programs. It's worked in the past. It worked during our drought year, both '21 and '23. It's going to work through this plan this year, too, as well.

Ms Sweet: Okay. You want to talk about something fun for a bit?

Mr. Sigurdson: Sure.

Ms Sweet: Okay. Let's talk about agrifood, agritourism, some fun things. Do you want me to line item it? I could get you an outcome if you want. I feel like this one's under you.

I'm sure you're aware of Bill 186, which came out of Ontario. It was a bill that was just passed to limit liabilities in respect to agritourism. The intention behind the piece of legislation was to support small agriproducers, Prairie Gardens for example, or any of those mixed producers who are like a dairy farm but making cheese or being able to do weddings on maybe some of their area or small wine producers, things like that. It has been brought to me to ask if there's an opportunity for you to explore working with our agriculture producers on that agritourism piece and some of the barriers that they're facing. I get that some of this comes from the feds; I will agree with you on this around structural buildings. But how can we work on expanding access and getting more people out on the farm? Especially during a time like this, getting people out to buy their local foods, engaging in agritourism, and getting out on farm days. Is there an opportunity to look at legislation to try to maybe get rid of some of that red tape, Minister?

The Acting Chair: Hon. members, I hesitate to interrupt. While these questions are admirable, they're perhaps not estimate related.

Ms Sweet: Yeah, they are. One hundred per cent.

The Acting Chair: Find your line item.

Minister, you can answer if you want to. You guys are all getting along. I feel slightly useless.

Ms Sweet: You just want to be included.

The Acting Chair: Yeah. I'm trying to chair.

Mr. Sigurdson: Actually, it does give me a chance to talk about something that has been incredibly successful, that our department has been supporting for a couple of years now, which is our Open Farm Days. Open Farm Days has been incredibly successful. It's an opportunity for a lot of our local farming operations to be able to open up their farms, to be able to tour people around and show them the incredible work that they're doing on those farms.

I agree with you. We look at the possibilities for, you know, agrifood-related tourism, and I think there's an incredible benefit. These are conversations I've had as well with our Minister of Tourism and Sport, Minister Schow, to be able to look at opportunities and making sure that he's highlighting possibilities through his department as well to connect and make sure that people understand that Alberta has incredible producers, processors, distillers and look at opportunities to be able to bring them together with a collective approach to make sure that we're letting people know across Alberta and internationally of the opportunities.

4:40

Locally, like I said, we have a grant that we provide to support Open Farm Days. I actually encourage everybody, if you haven't taken part, if you haven't gotten out there. I've probably said too many times that we are two to three generations or more separated from the family farm, and it's a great opportunity through those Open Farm Days for individuals in some of our larger cities or urban municipalities to take time, get out into the country, have a great day, to be able to meet and hear directly on the ground from our producers and see the incredible work that they're doing. In my personal opinion, we've got the best producers and farmers and ranchers in the world. A lot of them do an incredible job to highlight their operations through programs like Open Farm Days that our department continues to provide a grant to every year. Matt just threw it at me; it's \$100,000 a year that we do to support Open Farm Days, to make sure that we're providing that support.

Ms Sweet: Okay.

If we look at line item 2.3 on page 44, so rural economic development.

The Acting Chair: Thank you.

Ms Sweet: You're welcome.

We've only got three minutes, and we can probably come back to this after. The previous minister before you, now the Finance minister, wrote the economic development in rural Alberta plan, and it was a five-year plan. We're on year 3 of five years. In two minutes and 43 seconds do you want to update us on the outcomes and what you've been working on in relation to the development in rural Alberta plan?

Mr. Sigurdson: In two minutes I will try to provide you the quickest answer I can. I think what I'll do to start is maybe highlight our small community opportunity program. Of course, the SCOP program, as we call it, was launched in 2023, designed to advance economic development in rural Alberta. Outcomes: it itself was a two-year program that supported 85 projects. Eligible projects needed to align with one or more of the strategic directions of the economic development in rural Alberta plan.

In '23-24, 43 SCOP applications were approved. These applications aligned with four or five strategic directions outlined, which include rural business supports with entrepreneurship, support for labour force and skills development, marketing and promoting rural tourism – there we go; right back to some rural tourism – and rural economic capacity building. In '24-25 an additional 42 projects were approved, with one community withdrawing from the program, so we ended up with 41 total. Our department, of course, is continuing to work with recipients to finalize these agreements.

We've seen, as always, over the years a bit of rural decline. We know supports like this, through the small community opportunity program, are helping support our small or rural communities to be able to take a look at things they can work on to be able to track business, move forward with promoting their communities. You talked about agrifood and agrifood tourism, rural tourism, and rural economic capacity building. These are things that were expressed to us that are important. We look forward to seeing these applications move forward and actually, hopefully, getting to be able to connect with these rural communities, see the impact of this as we continue to look for additional opportunities in the future to be able to maybe build some additional supports and programs.

Ms Sweet: Thank you, Minister. In the last five seconds: just to let you know, the next block will be my lovely colleagues beside me.

We will cede to the government side.

The Acting Chair: We'll go to the government for questions for the next 20-minute block, and then we'll take a quick break.

In the meantime I encourage all of you to watch a YouTube show called *ag with Mady*. It's a sweet little girl out of Saskatchewan who brings the farm to the Internet, and it's good for agriculture around the world. I can say that because she's from Saskatchewan, not Alberta. I feel like that's still impartial.

But we'll go to the 20-minute block for the government. I understand, Mr. Wright, that you're up. Would you and the minister like to share time or block time? Shared time? Nod of the head.

Shared time?

Mr. Sigurdson: Absolutely, yeah.

The Acting Chair: All right. Mr. Wright, go ahead.

Mr. Wright: Thank you, Madam Chair and through you to the minister. I'll be referring to the outcomes as well as key objectives on page 21 of the business plan.

You know, Minister, we've talked lots about my riding. In a number of conversations I have with constituents or stakeholders, I often talk about how oil and gas tends to be the backbone of Alberta's economy, but I always talk about how agriculture is the heart and soul of Alberta. It's where our culture was created and earned through the blood, sweat, and tears in the field, and in many ways in my riding we feel that pretty regularly. Cypress county is made up of 2.3 million acres of pasture land, dry land, irrigated crops, greenhouses, and livestock operations. We celebrate 335 days of sunshine with great heat units. We have approximately 800 to 850 farms and ranches and approximately 160,000 head of cattle. We're home to two Hutterite colonies, Big Marble Farms, and the historical Reesor Lake, just to name a few.

Minister, when I take a look at the critical role agriculture plays in Alberta's economy, particularly in rural communities, agriculture is not just an economic driver, but it's often the only way a lot of small communities put both food on the table but also finances in the bank for families. It's a way for creating job creation and often a way to diversify industry and economy. With increased

challenges such as production costs, supply chain disruption, and market fluctuation, strategic government investment is necessary to maintain Alberta's competitiveness in this sector. We see a continued focus on agricultural investments to ensure producers remain resilient and innovative in a changing economic landscape, that changes even just 40 to 50 minutes ago.

Through Budget 2025-26 what specific measures is the government implementing to enhance competitiveness and attract further investment in Alberta's agricultural sector? And looking at previous years, what measures of success have been seen in the agricultural-focused programs, and how have they shaped this year's funding strategy? Beyond financial investment, what steps is the government taking to support long-term sustainability in agriculture, particularly in workforce development?

I'll throw a fourth part into that question. This is kind of breaking in the last 50 minutes, but what negative impacts would a B.C.-style tax system or PST, as suggested by the Member for Calgary-Foothills, do to our agricultural sector and competitiveness?

Mr. Sigurdson: Well, I'll try to hit all of those. I mean, hopefully, I'm going to touch on – there are a lot of questions there to answer. Hopefully, as I get through this, I'll address every single one. I do agree with you. You know, agriculture really is the fabric and backbone of Alberta. I think this year's budget was a very strong budget moving forward to support that industry through both some of the market instability, definitely, but also as we look long term to the future.

As always, our government is focused, our department is focused on growth and diversification. Of course, in the year ahead we're going to continue to share our story with international investors, because I believe we have an incredible story to tell. We have the highest valued commodities in the world, and being able to get out there and promote those commodities on behalf of our producers is something that our department is very happy to do.

4:50

Of course, as I mentioned previously, Alberta already has the lowest corporate tax rate in all of Canada combined with our agriprocessing investment tax credit. We've become an absolute beacon for investment. As well, we have ag staff in key international offices that assist us in helping to share this story with the world. Combined, we offer a very wraparound service through our concierge service that works with investors to help them locate and continue to grow their business right here in Alberta. Investors have provided a lot of feedback to us that programs like our agriprocessing investment tax credit and grants through the sustainable Canadian agricultural partnership are really a lot of the reasons why they've come to Alberta. You add that to the fact that they already knew that our farmers and ranchers are processing the highest quality commodities in the world.

In addition to that, when we look forward to continuing to support the industry as a whole, I think one piece that we don't talk enough about, that is critically important, is education around the agricultural space. Of course, we have partnered with Alberta Education on the green certification program in high schools in Alberta to help high school students get work experience in the ag sector. This is actually a program that my youngest son is a part of right now. It's an amazing program to get young kids, you know, a little bit of experience into the ag space. It's apprenticeship-style agricultural training. The program is celebrating its 50th anniversary, actually, in September of this year.

As well, we're working actively on initiatives to raise the awareness and attract young Albertans as well as adults who are looking for a change to consider trades and professions in

agriculture. Our efforts are completed by a job attraction strategy involving Jobs, Economy and Trade targeting skilled trades professionals in all sectors of the economy to help them find those pathways for education, apprenticeship, and training in the agricultural space. A highlight, too, in the province is a grant program that we've administered by Agriculture for Life. It provides funding to promote careers in agriculture as well and increase the human resource management capability of agricultural employers. The program is expected to continue into '25-26.

You know, to wrap it up, we have our green certification program, economic development in rural Alberta plan, Ag for Life, many internships as well within the University of Alberta with their agricultural students there. Our department as well has launched a monthly video series promoting careers in agriculture. In addition, the Alberta Food Centre hosts tours with groups such as 4-H Alberta, and we're going to continue to promote in that way. That's kind of a whole lot. Hopefully, that hit a couple of your questions.

As well, the emergent situation in B.C., for me, when I take a look at the – I'll be honest. Like I said, there's a changing dynamic; it seems to be changes minute by minute. Additional taxes on our agriprocessors drive up the cost for them to do business. We know that. Our government has seen a far greater benefit to moving to a low-tax jurisdiction. Because of that, we're seeing more investment, we're seeing more jobs. With that, we're seeing more growth, and through that growth we're generating more revenue to be able to support the essential programs within our government year over year.

I think it's important to understand that through tough times the best thing we can do to support our processors, producers, and farmers is ensure that they get a break and that they have the ability and the best chance to be profitable through that. I think that's a better benefit, and I'm very proud of our government and our low-tax approach to agriprocessors, our corporate environment. That goes right down into our farming operations, which many of us know are operated as incorporated or sole proprietorships.

Mr. Wright: Wonderful. Thank you, Minister, through the chair. Expanding irrigation capacity is a huge driver of concern in my area. There are great projects that are being advocated for such as we've seen with Cabin Lake as well as a few other projects to expand our capacity for irrigation. Looking at page 111 of the fiscal plan, I see \$4 million over the next three years earmarked for water management feasibility studies. Canada and, more specifically, Alberta have been globally recognized for our water quality.

As leaders of water management I wonder, you know, as we look at logistical studies of the water management process we have: could the minister provide additional details on the water management feasibility study and its research goals? How will the water management feasibility study help improve water supply management over the long term, and given that Alberta is a global leader in water management, what other jurisdictions are we learning from with our studies?

I hate to tack on just one more thought, but also on page 111 of the fiscal plan I see a significant spending on irrigation projects under the agriculture sector strategy. According to the fiscal plan, the government will invest \$150 million over the next three years towards these innovations. Can the minister provide a high-level breakdown of how this funding will be used? Are there any particularly notable projects? Still on that capital plan we also see \$9 million invested in southern Alberta irrigation projects. How does this funding vary from other irrigation projects under the agriculture sector strategy?

I'll turn it back over to the minister.

Mr. Sigurdson: Well, I'll start with the feasibility side. You touched on a couple of different programs there. An incredible highlight of agriculture in Alberta is our irrigation districts and how many irrigated acres we have here in the province of Alberta. When you're speaking to the \$4 million that you see reflected in Budget 2025, that was part of an announcement that started last year of \$5 million total. Of course, we spent a million dollars. We are working within that budget line item to look at every possibility we can to increase water storage.

Feasibility studies are required to dive deep into those opportunities on how we're going to increase storage in the province. This is a key strategy of ours, understanding that we did see drought years in both 2021 and 2023. It is very important that we continue to move forward and plan for the next drought and ensure that we are building out that capacity, which is going to be a key component. Of course, this money considers a variety of social, environmental, cultural, traditional, engineering, and economic factors. That's what this money is allocated for.

I think some of the highlights are the Eyremore dam feasibility study and additional water storage feasibility studies. Some of these are in the initial stages, but this is the first step, getting through this process and allocating this money to be able to look at the potential possibilities. The potential Eyremore dam would be located on the Bow River, about 43 kilometres downstream of Bassano dam and west of Lake Newell and Brooks, understanding that this would be – could be as the result of this feasibility; I don't want to get ahead of it – a great potential to be able to shore up water storage and supply in southern Alberta.

Of course, the key objective is to assess whether the dam can be designed, built, and operated in the current regulatory environment for a cost that provides value to Albertans over the life of the project. I mean, we have to do our government due diligence. The cost of this would be coming from Alberta taxpayers, and we have to make sure that we understand what the full scope and scale is. Work on this initiative began internally in 2023. Investigative field work took place over the summer and fall of 2024. Feasibility level design work on the potential dam options is under way, and we anticipate the study to complete in 2025.

5:00

You talked and touched on as well some additional dollars allocated to irrigation expansion. That investment is a part of the core budget for the natural resource management branch budget, and specific capital projects I can kind of highlight if you want me to go through the whole list, of course. The government of Alberta, the Canada Infrastructure Bank, and nine irrigation districts are partnered on an investment of almost \$933 million through this. The government of Alberta, \$279.8 million: that's what we're contributing. Of course, we have irrigation districts partnering at 20 per cent and CIB, which has to be paid back from the IDs at 50 per cent. This investment supports improving water availability and security for irrigation expansion. This program was announced by the previous ag minister. The continued dollars, as the projects procure the equipment and everything necessary to be able to build them, are why you see a reflection of that every year in our budget until the conclusion of the project, the total \$933 million project, which would wrap up in 2027-2028. Of course, we have \$54.9 million that AGI committed for this year to be able to continue that ongoing work.

Through the irrigation modernization expansion programs, that are happening right now, we're creating a massive opportunity for growth in the ag space to irrigate more land, understanding the incredible impact that has for our producers, especially in southern

Alberta, where they have the heat units and areas don't quite get as much rain as other areas of the province.

That's kind of a breakdown. Hopefully, MLA Wright, I touched on your questions and answered all of them.

Mr. Wright: You did, Minister. Thank you.

I'm going to cede the remainder of my time to the Member for Chestermere-Strathmore.

Ms de Jonge: Thank you very much.

Minister, I don't know if I'll be able to get through the question and give you time to answer in the next two and a half minutes, but perhaps in the next block we'll be able to follow up. You know, my colleague said something really – he just put it very nice. He said, "Agriculture is the heart and soul of Alberta." I love that as a farm kid, which I bring up every time I get to talk about agriculture either in committee or in the House, because I'm proud of that fact and it's close to my heart but also because I get to represent Strathmore. It's a fantastic place, as others in this committee will know.

Strathmore was home to the CPR demonstration farm, which taught people how to farm in Alberta's arid landscape. A big part of what they taught us well was how to irrigate. Those were in the early days, so it looked a lot different than irrigation today. You know, a crucial part of agriculture is access to water, and our government has been investing in modernizing irrigation infrastructure, which allows farmers to increase productivity and efficiency while adapting to changing environmental conditions.

Key objective 1.3 on page 21 of the business plan highlights the ministry's goals towards irrigation, modernization, and expansion, reinforcing the province's commitment to long-term sustainability in the sector. This really signals Alberta's dedication to supporting producers, which we've talked about at length today, and ensuring they have access to the resources they need to remain competitive and prosperous. Can the minister share some details on how this funding will be distributed and what specific projects will be prioritized under this initiative? As well, what are the expected short- and long-term benefits of these irrigation improvements for Alberta farmers? Are there any discussions with industry partners or municipalities to enhance co-ordination on water management? In about 30 seconds, Minister.

Mr. Sigurdson: Well, definitely, I'll dive into it. I mean, of course, for decades the government of Alberta has partnered with the irrigation sector and, often, our federal colleagues to provide technical support to push the efficiency of on-farm water application technology and financial support to be able to accelerate its adoption. We do that through programs that are available for on-farm water efficiency and other programs that are happening that are available to farmers and irrigators.

The Acting Chair: We're going to take a five-minute break, and we'll come back and we'll start with members, from Mr. Dach, I believe, in the Official Opposition.

[The committee adjourned from 5:06 p.m. to 5:11 p.m.]

The Acting Chair: Hon. members, I'd like to call this committee back to order, the main estimates for Agriculture and Irrigation. I'm buying a little bit of time so some people come back to those seats beside the minister, although I'm sure he'll be happy all on his own.

We will now go to the first 10-minute block for members of the Official Opposition, where no member will speak for more than five minutes.

Before we begin, I'll note that Chelsae Petrovic has joined us. Please introduce yourself for the record.

Mrs. Petrovic: Chelsae Petrovic, MLA for Livingstone-Macleod.

The Acting Chair: MLA Petrovic is substituting for MLA de Jonge officially.

The first 10-minute block for the Official Opposition. I understand Mr. Dach is our speaker. Would you like to, Minister and Mr. Dach, share your time or block time?

Mr. Dach: I would like to go back and forth; that's the minister's choice.

Mr. Sigurdson: That is amenable.

The Acting Chair: Seems like we're on the same page.

All right. Mr. Dach, the time is yours.

Mr. Dach: Thank you, Madam Chair. I appreciate the opportunity to engage with the minister on some important agricultural topics. As the minister may know, I do have some historical roots in rural Alberta. I spent more enjoyable Sundays hunting and shooting gophers than I did picking rocks with a stoneboat. Up around Thorhild, Alberta, is where my family is from, so I spent some time on family farms and lots of summers up there, and I never missed a Thorhild rodeo until I was 20 years old. Yeah. My job was taking the riggings off the animals after they were finished in the arena, except for the saddles. They were too heavy for me. I was only 10.

Let's get into some interesting questions about agriculture. To follow up on what our shadow minister of agriculture just said, I want to ask a bit about the contingency fund. How much in the current contingency fund is assigned to drought and how much to tariff? That relates to page 44, line item 5.2, business risk management. I wanted to know – you know, obviously, the tariff is a new situation. The contingency fund would have been related to covering drought contingencies that would have cropped up, but now, of course, we've got the tariffs. Albertans, particularly farming communities and farmers, want to make sure that there is protection from the imposition of tariffs built into the contingency fund. I would imagine that your department has had some calculations made to alter their projections on how much of that would be used for tariff protection versus drought. What is the breakdown there of that fund?

Mr. Sigurdson: Well, you know, we kind of touched on this in the first block with MLA Sweet and her questions. Like I said, the delivery of our business risk management programs through AFSC – specifically I'll talk to drought. Of course, we saw a drought year in 2023. They are in the process of bringing the premium pool back up because the premium pool was deleted. At the time in which the premium pool was deleted, we moved into a reinsurance phase and moved back to building the premium pool back. There are factors and necessary adjustments as per the agreement with the federal government to do so. This is the manner in which we've delivered these programs for decades, if a seize methodology in how they deliver these programs and how they forecast these programs year over year is proven. They've worked extremely well for decades. We've always had the money there for the farmers when they need it, whether it be droughts or otherwise. Of course, as it relates to AgriStability, which would be that income support that they would see, farmers could be applicable for if they're in the program. If they do see margin declines for any numerous causes, of course the AgriStability program is there to be able to compensate through those margin losses.

The assumptions put into it. Of course, as I had mentioned, our budget was built predominantly last year, prior to any knowledge or prior knowledge of tariffs. Our strategy once they were proposed

and still: this is a wait and see. This is a changing situation every day. We thought it was pertinent to make sure that if the situation does put additional stress or strain onto our business risk management programs, that we would back those up through the contingency increase of \$2 billion as outlined in the fiscal plan of our Ministry of Treasury Board and Finance. Like I said, we don't know what the outcome is going to be. We don't know the overall impact at this time. We can't even anticipate the total scope or scale of what tariffs are going to come in place or may or may not come in place as related to the agricultural industry. What I do know for sure is that any farmer and rancher that partakes in our business risk management programs: the money will be there for them, and we've built our budget in a manner to ensure that is the case.

Mr. Dach: Thank you for that, Minister. I know that's precisely the reason why producers and the whole agricultural industry in Alberta is concerned, because of the uncertainty that you mentioned. We're in uncharted territory, and they do have concerns regardless of your reassurance that the backstop you say will be there will be enough because the longer this goes on, the more deep we get quagmired into support requirements. As you probably well know, all producers are really concerned about how much support you'll be able to give as a province over time and whether or not that account gets emptied out and they won't have the supports they require. So they're concerned.

Let's move on, though – if you want to add a quick . . .

Mr. Sigurdson: I just want to – and I'll keep it really short because I understand block time; you want to get another question in. I want to be clear in stating that those that partake in the business risk management programs: they are statutory payments. These payments have to go out to these farmers. This is an agreement signed between us, the federal government, and farmers, and I can assure every farmer that the money is there for them if they partake in these BRM programs.

Mr. Dach: Thanks for that.

Let's talk about something that I've always had fun talking about. I had in my past life here been the shadow minister for agriculture and forestry, when the two ministries were combined, and I really enjoyed talking about bees because I thought they were a very, very happy and fun industry. But it's not without risk. It's not for the faint of heart to be involved in the bee industry and honey industry in Alberta. One of the things that always struck me was that on an annual basis with the beekeepers you have about 75 per cent die-off of bees in the hive, a significant die-off. What surprised me was that in order to replace those package bees, as they're called, we rely upon foreign supply, primarily Australia and New Zealand, to do that. U.S. supply is restricted because of their contamination with potential African killer bees. The pandemic really showed the vulnerability that we had in relying on package bees from Australia and New Zealand because of the supply chain difficulties.

I wonder now how much interest your ministry has, as an economic development tool, as a protecting-the-industry mechanism, in actually making sure that we produce those package bees here. We're growing tomatoes like mad in controlled climate environments. I've asked the question before in estimates. Why, indeed, can we not make sure we produce our package bees here and export them to others? It provides a stable backstop and takes risk out of the bee and honey industry. Is that something that you're contemplating through research at Beaverlodge, or is it not on your plate?

5:20

Mr. Sigurdson: Definitely. There's a lot of research happening in the province around this. You know, it was great to have

conversations and do a tour to be able to understand both the impacts of rural mites and other pests and what that means for our bee population. Also, it's important to state that humans could leave the planet and it would continue to exist; bees leave and it turns to a desert. We understand how important it is to our farmers and ranchers. That is why as well we have supports through our government, through AFSC. As you mentioned the losses that happen each year, AFSC delivers bee overwintering program as well as the honey production coverage and that AgriStability portion on that end of it.

We've had a lot of conversations as well about bee packages. You're definitely correct. Of course, CFIA, the Canadian Food Inspection Agency, began updating their 2013 risk assessment. There was a lot of advocacy on behalf of our province, going down to the feds saying that our bee producers need affordable bee packages to compensate for those losses that they see over winter to make sure that we got the supply there.

Through research, technology, and a lot of the work that RDAR is doing right now related to all aspects of our agricultural industry, they're looking at all opportunities through research to provide ways to be able to support every individual aspect of our agricultural industries.

Mr. Dach: Thank you for that answer.

With only a few seconds left I want to ask another related question if I could and get your comment on it. That has to do with not only the importance of bees to the production of honey and that industry but also as pollinators. Of course, it's a 20-some-billion-dollar canola crop on an annual basis, and those bees are essential as pollinators. How indeed are we making sure that that is protected?

Mr. Sigurdson: Well, like I said, it's continued advocacy. You know, we've been advocating on behalf of our bee producers to CFIA to be able to open up more bees. I'll answer more later to supplement that.

The Acting Chair: All right.

We'll go to members of the government for the 10-minute block. Mr. Wiebe, would you and the minister like to share your time?

Mr. Wiebe: I'd love to share time.

Mr. Sigurdson: Yes, Chair. Go ahead.

The Acting Chair: That sounds good.

Mr. Wiebe, you may proceed.

Mr. Wiebe: Thank you, Madam Chair, and thank you to the minister and your team for being here. I just want to talk about the livestock industry. A strong and resilient livestock industry is essential to Alberta's economic success, providing jobs, supporting rural communities, and ensuring food security. Investing in animal health insurance is critical to maintaining confidence in Alberta's agricultural products and supporting access to both domestic and international markets.

I'm looking at line item 4.1 on page 44 of the government estimates. There is an \$8.1 million increase in funding towards animal health and assurance, reinforcing the government's commitment to food safety, livestock health, and emergency preparedness. Can you outline, Minister, the initiatives that are being funded through this increase, and how do they align with the province's broader strategy on animal health and food safety as well as how will this funding improve Alberta's ability to detect and respond to problems, assuring strong preventative measures are in

place? What impact will these investments have on maintaining the livestock industry's market access and competitiveness? Are there other jurisdictions that have implemented similar funding? If so, how was Alberta influenced from this?

Mr. Sigurdson: Well, I just want to say to you, MLA Wiebe, thank you for this question. I actually think this gives me an opportunity to talk about an incredible investment of that \$8.1 million. We know after speaking to everyone in our livestock industry that the biggest threat to the industry itself is foreign animal disease. We've seen the impacts of a recent outbreak in Germany and the impacts it's had on it when it comes to foot-and-mouth disease. We've seen additional outbreaks of HPAI in dairy cattle in the U.S. That's why our government is making sure that we're making meaningful investments to be able to protect our industry and ensure that they have what they need when they need it.

Of course, the new funding that you're seeing, I'll break down that \$8.1 million for you. In Budget 2025 we have, of course, money in there for the support of African swine fever mitigation strategies at \$3.5 million as well the foot-and-mouth disease vaccine bank, \$1.2 million. At the FPT table we had an agreement across the board that when it comes to foot-and-mouth disease, we have to have a domestic vaccine bank so that it is accessible and there and ready and a quick response if we do see FMD detected within our province or our country.

To add to that, when we talk about quicker, faster, surveillance and support for diagnostics to our livestock industry, we also with that open up the opportunity for a lot of additional learning opportunities within the University of Calgary Veterinary Medicine and research opportunities as well with that. That's why we put the \$3.1 million in grant support to the University of Calgary's Faculty of Veterinary Medicine to support that diagnostic services unit, that DSU unit.

As I mentioned in my opening comments, our veterinarians in Alberta used to have to send those lab studies out of province to Saskatchewan, so you can imagine that creates a delay. The quicker we're getting results back to veterinarians, the more responsive we can be in providing that support to animal health and wellness and as well make sure that we detect any foreign animal disease quicker and faster, which is essential as you can imagine the amount of animals that are moving on any given day throughout our province, to be able to contain any outbreak if it does happen.

As well, with that we allocated, you know, \$300,000 – we have that approved, if passed, in our budget – for increases to support operational commitments, including support for safe food and capacity expansion. Of course, we want to continue to make sure that we've got the resources and the full-time employees necessary to be able to support to ensure that we protect our food safety and security, which is always – always – a priority; the number one priority, within our department.

Mr. Wiebe: Thank you, Minister, through the chair. The next question is: Alberta's food and bioprocessing sector is an important driver in economic growth, value-added production, and market expansion. The industry supports thousands of jobs across the province and plays a key role in diversifying Alberta's economy beyond primary agriculture. With the food and bioprocessing budget increasing to almost \$9 million, under line 3.3 on page 44 of the government estimates, it's clear that there is a focus on strengthening and modernizing this industry.

Can you please explain how these additional funds will be used to enhance Alberta's food processing industry and improve market access for producers? As well, what efforts are being made to ensure that food processors have the tools, infrastructure, and

resources needed to expand operations, and how does this funding support succession planning and entry for new players in the food processing industry?

Mr. Sigurdson: Yeah. Excellent. Of course, that bioprocessing budget increasing to \$8.96 million, as you identified, under line 3.3: these funds are going to increase the capacity for providing product and process development for the food and bioprocessing industries. When we add and we build these supports in behind our innovators here in the province, we know they are more successful as they continue to move forward.

The more companies that can gain access to the Alberta Food Centre, the greater the economic impact that facility will have on creating jobs and diversifying our economy. We've had a lot of success stories that have happened through that Food Centre. We want to continue to support the work they're doing to aid those companies to be able to get the support they need to be able to quicker and faster move towards commercialization and expand their operations.

Mr. Wiebe: Thank you, through the chair. A robust food inspection system is vital to ensuring consumer confidence, public health, and market stability. As Alberta's agrifood sector is growing, maintaining stringent safety and quality standards is critical for supporting trade relationships and ensuring the province's products meet the highest global standards. Line 3.2 on page 44 shows an increase in food inspection and surveillance budget rising to \$15.01 million. We ought to recognize the importance of investing in food safety and regulatory oversight. Could the minister please clarify what this new funding supports and how it will enhance Alberta's food safety inspection capabilities?

5:30

Mr. Sigurdson: Yeah. I'll try to get through this really quickly with a minute forty-one left in this block. Of course, food inspection and surveillance did increase \$0.6 million in Budget 2025, which includes general increases to maintain service levels and additional funding for safe food and capacity expansion. Like I said, this is the number one priority for us, food safety. We are known around the globe as having some of the highest quality standards, and we want to make sure we maintain that. This money goes a long way to continuing to ensure that.

Of course, provincially licensed meat slaughter and processing and dairy processing facilities play a key role in ensuring the access to high-quality, locally produced food here in our province, and the funding that we're moving forward with supports Ag and Irrigation's meat and dairy inspection teams to provide year-round inspection services. This currently includes 74 inspectors and program specialists conducting and supporting meat and dairy inspections, licensing, and with that, microbial surveillance. In Budget '25-26 the department will, additionally, as we continue to see that growth – we talked about a lot of the investment happening – add two positions to increase support for meat processors related to food safety and two new inspection and investigation specialist positions as well.

Mr. Wiebe: Thank you, Madam Chair.

The Acting Chair: All right. Sounds like we're at the opposition time for questioning in the next 10-minute block. Mr. Eggen, would you like to go back and forth with the minister?

Mr. Eggen: I would like to, yes.

The Acting Chair: Minister, that's amenable?

Mr. Sigurdson: It is.

The Acting Chair: Wonderful. Please proceed.

Mr. Eggen: Okay. Well, thank you. I appreciate the opportunity to ask a couple of questions around agriculture. The first one is in reference to page 21 of the business plan, the very first key objective, which is to “increase investment in value-added agriculture.” You know, I confess I’m not a farmer, but I’ve been doing lots of careful shopping in the last few weeks, with the tariffs, and trying to buy Alberta products and Canadian products as much as possible. Been doing a really great job, but I’ve hit a wall in the green grocer section, right? There literally is a wall in the Superstore where they sell the spinach and lettuce and broccoli and all that stuff, and it’s really hard to get local green grocer products that are here in Alberta. We found a couple. I think there is a place in Calgary that is selling washed pea shoots and stuff like that, but they’re hard to get, and I think they have a limited capacity from that greenhouse. I presume it’s a greenhouse.

You know, probably the unstable situation with the tariffs and so forth is going to continue, and specifically for a product that most Albertans eat, or they should anyway, eat their greens – right? – is there a way by which we can focus this budget to diversify value-added agriculture specifically to producing fresh greens here, presumably in greenhouses?

Mr. Sigurdson: Yeah, definitely that is something we’re keeping a very close eye on. Actually, I jokingly say this, if you were to ask me when I was growing up on a farm as a kid if we’d be growing lettuce in Alberta, I would’ve laughed, but we see the advancements in technology and vertical farming and greenhouse production and it’s absolutely incredible. I mean, it may be an opportunity to even highlight GoodLeaf that is here, locally produced. The work that they’re doing is absolutely incredible. We’re seeing a proliferation and more interest that relates to vertical farms and greenhouse operations, and the technology supports that to a point now that we can see it being more and more possible in the province of Alberta. Of course, we’re going to take a look at it and keep a close eye on it.

Like I said, we do everything possible to make sure that we are the lowest taxed jurisdiction. We have worked with additional departments like Jobs, Economy and Trade as well through emerging technologies and grants and systems to be able to land some of these investments in Alberta, but we, as you mentioned, can always look at additional ways that we can incentivize and make it even more attractive to land those investments here in the province of Alberta. Like you said, any chance that we can localize that production and provide opportunities is important, so of course we look at every chance we can to be able to incentivize that.

Mr. Eggen: Yeah. Thanks. I mean, it’s for the health of Albertans, of course, and there’s a certain immediacy around growing some fresh greens here in the province, and I think it just sends a good message, too, for people’s morale, right? You know, like when everybody is feeling down about these tariffs, and it’s something you can turn around fairly fast, I mean to actually get a product into the stores that’s grown here in Alberta. I should guarantee that it would be bought up and much appreciated by everybody, especially in the Eggen households, right?

The second question I have is sort of around the canola situation and the tariffs. You know, I haven’t been following this so close. It’s just unbelievable that you’d have 100 per cent tariffs coming from China. I know that that’s a very big market for our canola, and just having to react to that must be very difficult. So I just wanted to ask if you could give us a sense of what your emergency plan is

over these next few months. Of course, I think it’s difficult for people to turn around if they’ve made plans for what they’re going to grow this season already, they’ve bought their seed and so forth. It’s hard to change what you’re going to plant.

Of course, we have so much more canola than ever before growing in the province of Alberta, and it’s the highest value crop – right? – in terms of growing seed oil like that. It pays a big return, so people depend on it. The economy does depend on it, too. So, I mean, what are the steps? You mentioned the AgriStability fund. Is that something that you enact to compensate people for, you know, where their product is not finding a market? Do you have plans for storage and alternative markets and so forth? If you can just give us a quick sense of what the plan is here in the next few months.

Mr. Sigurdson: Yeah. I think it’s important that I break this down because there are kind of two different situations. We have an antidumping investigation, that was a direct retaliation by the Chinese government when the EV tariffs were implemented by the Canadian federal government. So that’s one. Okay. I also think it’s important to state that roughly about 90 to 95 per cent of what we export to China is canola seed, so the antidumping investigation applies to the canola seed. The recent announcement of the 100 per cent tariff on canola cake meal and oil is a much smaller market, but it is still having an impact. And when you combine the two together, it creates that instability that we’re talking about.

Of course, the initial conversations that I had with Alberta Canola Producers, immediately they came to me and said: listen, you know, this retaliatory tariff on canola is a result of the move by the federal government; we expect the federal government to support us through this time. And that’s the message that I’ve been echoing to the federal government, standing with our Alberta canola producers. They expect support, to be able to push back at the WTO level as they build their case against the antidumping investigation, which I want to say is critical. The federal government needs to provide that support to them to provide them the best possible chance of pushing back against the antidumping investigation and preventing any further impacts on our canola industry.

Then, as well, I really am begging at times the federal government to come back to the table and have a meaningful discussion with the Chinese government to be able to find a resolution. Because out of all of this, our producers know that the best path forward is to avoid these tariffs altogether and for us to get back together and find a way to be able to resolve these issues, any of the irritants that are causing this tariff situation, so that we can continue to build and grow together. That is a benefit to all of our major trading partners as we talk about food safety but also food affordability. This is the message that we’ve been sharing down in the U.S., too. Our food supply chains are so incredibly integrated, and tariffs on agricultural products destabilize. Also, the individuals that are going to end up paying that bill are the consumers that are going into the grocery store, so we’re doing everything to try to avoid that.

5:40

AgriStability, that you mentioned: yes, it’s there for margin losses, and it’s a program built out so that at the end of the year if a farmer has seen a margin decrease from their year previous due to external forces like decreased access to markets, decrease in commodity pricing, they then would be compensated through that program. Maybe I’ll just ask Darryl Kay from AFSC to talk a little bit more about that piece because I think it actually is a really important piece to highlight.

Mr. Eggen: Sure, if you don’t mind. Yeah.

Mr. Kay: Yes. Thank you, Minister, and thank you for the question. AgriStability absolutely is there for producers. We know that the production piece is covered through crop insurance. It has responded. We are seeing a real push in our organization to try to bring some grains and oilseeds producers into AgriStability. It is designed for exactly this situation. If we see pressure on prices, changes to their margin, this program will respond. We have a June 30 deadline for the AgriStability program. We are encouraging producers to participate. We are working with them through our branch offices across the province to have those conversations, but this is definitely an opportunity for them to participate in the program.

The other thing I'd like to mention is that we've done some really good work with the other provinces in terms of making this program more simple. One of the things that we do hear from producers is that it is complicated, so we've made a number of changes, including moving to a cash margin. For some of those smaller producers that don't want to necessarily pay for an accountant and go through that process, we've done some really good things to make the program more simple and easier for them to use. So excited to continue to have those conversations. I know that it's a stressful time for producers, but AgriStability is there for them.

Mr. Eggen: Yeah. I mean, I shouldn't doubt that the Chinese do want to negotiate on this, because they divided up between the cake and the oil and the seeds.

The Acting Chair: My apologies, but we'll get back to you on this.

We've got to go to the government side for the next 10-minute block. It looks like Mr. Cyr is up. Would you like to share your time or block time?

Mr. Cyr: I would love to share the time with the minister if he's okay with that.

The Acting Chair: Minister?

Mr. Sigurdson: Absolutely, Chair.

The Acting Chair: Perfect. Sounds wonderful. Mr. Cyr, please proceed.

Mr. Cyr: Well, thank you so much, and thank you to you, Minister, and to all of your deputy ministers and ADMs here. I can tell you that we've had a lot of time; we're about halfway through or just over halfway through here, and you've been answering the questions very fully. I'm very appreciative of that.

I will say that as a man that used to file those ag returns, those AgStability returns, I will tell you that they weren't easy to understand, so I'm glad to see that your department is working through that. Even as an accountant it was hard to navigate some of the paperwork that was being put forward. So thank you for doing that, sir.

I also would like to say that last year one of my concerns that I had brought forward was the funding to our local ag societies. I'm telling you that I'm delighted to hear that you're reviewing this and you're getting some input. I think it's \$7.4 million or something like that that you're doing. For our ag societies, as you understand, in rural, this is huge for us because of the fact that utility bills have been going through the roof, the carbon tax. While we've been given a little bit of a reprieve, that isn't really going to our farmers in a meaningful way.

Plus, the fact that the federals are also fooling around with the capital gains tax is something that a lot of my farmers are very concerned with. Even though that's not in your jurisdiction,

everything seems to be coming down from the federal government, and it's you, sir, that has to take the flack for it or explain what it is they're doing. I thank you for that, and I would wish that our federal Liberal . . .

Member Loyola: Chair, can you ask the member for a line item?

Mr. Cyr: Oh, you bet. I'm getting into page 22 of the business plan, and I'm working into that, sir.

Thank you for what you're doing there.

I see that performance indicator 1(c) on page 22 of the business plan is an extremely detailed measure to how the value of Alberta's primary agricultural commodities and value-added agricultural products – I see quite a steady upward trend in the value of these by the commodities and products. Can the minister outline the key factors that have led to these positive increases in value? Were the factors involved in this positive impact influenced by other jurisdictions? Or perhaps it provided guidance to other jurisdictions.

Mr. Sigurdson: Yeah. The key factors – I think I want to hit this, just on the key factors – that really led to the increase in those value-added exports were really across the board: a greater increase in canola oil, canola meal, processed potato exports as well as higher unit value of export for products like beef. The total export value for primary commodities was driven, of course, by an increase in wheat exports, a rebound in dry pea exports, and higher cattle prices.

Of course, when you're talking about the value-added exports, as I mentioned, Alberta is seeing an incredible amount of investment right now. Last year we tipped over \$3.05 billion. I mentioned and highlighted a lot of those great investments that we see, through Little Potato Company all the way down the line to P&H's flour mill, but we're seeing so many other investments that are cropping up, and we're seeing a mass interest. Alberta has become a bit of an igniter behind the value-added and processing investment, and that's why you're seeing that increase in the value-added exports: Alberta, our government, our agriprocessing investment tax credit, the combination of having the highest quality commodities in the world, the greatest farmers in the world. We're seeing this investment continue to grow and grow every year.

I would expect that on the value-added exports, I mean – and of course, we're heading into some times of some uncertainty, but we see a heightened awareness to the benefits of investing in Alberta. We're seeing investors flock here and are locating Alberta as the place they want to start a business. A lot of our operating businesses that we have as well, that are also applicable to our agriprocessing investment tax credit, are now looking at expanding and looking at the opportunities to the future, knowing that the global food demand continues to increase year over year.

Mr. Cyr: Okay. Thank you for that, Minister. Again, when it comes down to my area, clearly it's a very strong ranching and farming region. Agriculture is a stable – well, oil and gas is clearly the predominant one in my area.

But I'd like to move on to water storage systems, page 24 of the business plan. I see under initiatives supporting key objectives that the ministry will be continuing the funding of \$5 million over three years for feasibility studies to support exploration of expansion, upgrades of water storage systems across southern Alberta. This is an initiative from last year that is being carried over. Can the minister share some of the details on the performance of this initiative and how it continues to provide value for our southern Albertan colleagues? Now, for myself – again, in northeast Alberta

we have lots of water. I can see where this could be a real challenge, so thank you for that advocacy.

Mr. Sigurdson: Yeah. Listen, in southern Alberta there are many areas – of course, I am from southern Alberta and travel through that area of the province quite regularly, and they just don't get the levels of rain that are in other areas of the province. That's why they heavily rely on irrigation. This is a conservative estimate: in the southern Alberta area, because they see such high heat units and very little rain, irrigation increases the productivity of the land by up to or over 300 per cent. If we're going to continue to grow our agricultural export market, irrigation is going to have a huge benefit to do that.

Now, of course, the front end to that is that we have to look at opportunities on where we continue to expand storage so that we can make sure that we're putting more water aside for the availability of irrigation and stabilizing our rivers and streams in southern Alberta. Of course, the \$5 million that you're talking about, that is carried over, is going a long way to fund those studies to be able to look at whether it would be affordable to expand or upgrade even existing systems that we have. This work is progressing quite quickly.

5:50

I will let you know that, of course, as far as the feasibility study that we started with, the Eyremore dam, which is kind of a critical piece for southern Alberta on stabilization, we're looking to have that completed this summer. Then it gives us the opportunity to be able to review that and take a look at the long-term approach and the benefits to it and also the cost, which is important. Now, further feasibility studies will also include investigation for increased storage and optimized conveyance of water in Waterton, the Belly, and St. Mary basins. The ongoing studies are taking many factors into consideration, and I really do look forward to the results.

The one thing that I think you and I can agree on, Scott – I know you're a tireless advocate both for the oil and gas industry but especially our farmers and ranchers as well – is that we've seen droughts in the past, we will see them again, and it's important that we remember that just because we could be moving out of a drought cycle, it isn't going to happen again. So it's pertinent as a government that we make sure to keep our eye on the ball, knowing that these feasibility studies could result in opportunities for us to better prepare for the next drought down the road.

Mr. Cyr: I don't have a lot of time with this last 50 seconds here, sir. Is there any consideration of doing some of these feasibility studies up in northern Alberta? I know southern Alberta is important, and I recognize . . .

Mr. Sigurdson: I'm going to try to rip through this answer. Absolutely. I mean, listen, we have heard – I made a trip all the way up past La Crête in northern Alberta to have conversations with farmers and ranchers there and engage in conversations. Understanding that irrigation districts are a separate entity to the government – they're created and governed by farmers themselves. This is an incredible way for them to manage their irrigation districts, to keep them separate. I encourage that if there are farmers that are looking for more information, please reach out to my department. We're here to work hand in hand and look at every opportunity, no matter where it exists in the province of Alberta.

Mr. Cyr: Thank you.

The Acting Chair: Wonderful.

We'll move to members of the Official Opposition. Ms Sweet has the next 10-minute block with the minister. Would you like to share your time or block time?

Ms Sweet: Yeah. Share? We're good?

Mr. Sigurdson: Agreed.

The Acting Chair: Perfect. Sounds good. Please proceed.

Ms Sweet: Thank you, Madam Chair, and thank you to the minister. I just want to go back and focus on rural economic development. We can say performance metric 1(a) on page 21 just for a page reference. It's been identified through the 25 per cent tariff that Lethbridge is going to be number 10 in the country for potential economic impact, so it's 10th out of 41 Canadian cities in terms of the impact, with the risk of the economy being significant. Annual exports from the Lethbridge region are over \$2.2 billion, or just over \$15,000 per capita. Approximately 90 per cent of all goods exported from the Lethbridge consensus metropolitan area, or the CMA, goes to the United States, with a risk of about 19.4 per cent to the city's GDP.

As you are aware, I'm sure, there's now been a Lethbridge Region Economic Resilience Task Force created with many from the CMA, from our REDAs, and from other businesses. One of the key pieces that has come out of that is that there needs to be a structural change and a way for us to be able to retain and attract investment in the area. One of the things that was identified is that as much as the government's direction about attraction and getting investment in the area, which you've been very successful at – one of the concerns that the CMA has around the Lethbridge area is retention, because they're right on the border, so it's very easy to attract and to make us less competitive and be able to move your business to Montana. I guess my question, from a solutions perspective, is: are you considering a retention model in your investment opportunities and your investment tax credits versus just an attraction model?

Mr. Sigurdson: Well, I think it's a combination of both, because you do touch on it. I mean, to get the investment here is critically important. We have to land that investment. It's also important to state that any time we see those major investments, most of these businesses have a very long-term plan that is a part of their decision-making process on where they invest. Of course, retention is important, and retention is a part of ensuring that as a government we continue to focus on creating a climate in which businesses can be successful and profitable. Those are the key things we've identified. We have an incredible livestock industry, beef industry, bison industry, pork industry. We have high-value commodities that are highly sought after around the world.

But, of course, we have to get down and always make sure that we're focusing on the key costs of operating those agriprocessing facilities and value-added facilities in the province of Alberta. Of course, we always look at every aspect of that, whether it is addressing our tax structure to make sure that we continue to be the lowest tax jurisdiction in Canada but as well the other costs that are in place that apply to our agriprocessors.

That's why I've advocated on the federal level for getting rid of the carbon tax. I've sat down with a lot of our agriprocessors, and they'll say that when you add up a lot of these additional taxes that go on to operating their business, though there may be very small farm exemptions to the carbon tax as far as our producers go – our processors and processing of food are very energy intensive. A lot of the additional costs, including the carbon tax, decrease our global competitiveness and hurt us in the retention side of it. So, of course,

we as a province have tried to come up and over the top of that by making sure that we're working on everything within our control to counteract what I would consider to be taxes that are not in the best interest of food affordability and profitability for our agriprocessors.

But, yes, on the retention side we do have a continued lens on it. I work with my colleagues, including the Minister of Jobs, Economy and Trade, the Minister of Treasury Board and Finance, and continue to make sure that we always will be and attempt to be the best tax jurisdiction and most competitive place to do business in all of Canada.

Ms Sweet: Thank you, Minister. Through the chair, I appreciate those comments. However, I am hearing directly from people in the south, where there is active movement to leave that area and go to the United States, so something's not working.

An Hon. Member: Federal government.

Mr. Cyr: Liberals.

Ms Sweet: The reality of it is that the government will continue to say: look over here; it's somebody else.

But there are tools within the province, and there are mechanisms within the province. The minister prior, in opening comments, talked about the growth and the ability to use the investment attraction tax credits that he's created, highlighted that in his opening comments. What I am saying is and what I am hearing is that that is not enough; 1(a), again, of the business plan. It's fine to highlight the fact that there's new investment, but when we start hearing that investment is fleeing or potentially looking at other opportunities, to say, "Well, it's just the feds" – you cannot, government, say, "Look at us; we've done all this major investment," and then try to blame the other folk when investment decides to leave because the climate in the province isn't working.

Again I would like to highlight the fact that currently in southern Alberta there is a working group that has come together to address the fact that there is a crisis in their community, and they have called it that. So I'm not bringing anything to the table that the folks in southern Alberta are not already saying. I would like to encourage there to be a more collaborative approach and an opportunity to look at other ways to support our local agrifood community. There needs to be a clear signalling by the ministries, all ministries, that we are looking at retaining our investment in the province and not just having it leave the province.

6:00

Mr. Sigurdson: Okay. I'll answer and jump in on this. But I do have to say, listen, when you're creating a low-tax jurisdiction to be able to support businesses, you're only as strong as your weakest link. The largest tax burden on our agriprocessors is the federal government. That is very clear from what I hear from our agriprocessors. A lot of the challenges that they see in competitiveness in the global market space, especially with the U.S. right to our border: we have a federal government that's cranking taxes up on them every year with the carbon tax and then continuing to decrease their competitiveness on the global stage. Because the bulk of what they contribute goes to the federal government, that decreases and is counterintuitive to the provincial efforts.

But I will talk about the process of developing within our department not only a new value-added agriculture investment and growth strategy – this is going to continue to help the value-added industry increase food production, expand export, and create jobs within our AgriInvest team. We have a team that works on aftercare with companies to help them address the issues that are ongoing so

that we can expand and support and decrease the likelihood of those businesses leaving and increase retention. We have continued programs that will help them expand exports and work to find new markets so that they can be more competitive, increase their profitability within the province of Alberta.

Of course, I just wanted to highlight that because retention is important to us. We do have those programs. To any of our municipal counterparts or businesses in southern Alberta: if you're looking for assistance, I please urge you to reach out to our department so we can allocate resources to work hand in hand with you.

Ms Sweet: Well, thank you, Minister. To be clear, these are the key goals of the group: advocate for elimination of barriers to interprovincial trade – that's provincial – diversifying global trade opportunities and expanding export development, also responsibility of the ministry; elevate the region's voice and promote the subject matter expertise of our industry leaders on the national and international stage, also can be part of the province's responsibility; promote the region as an attractive place to invest and work with municipal partners to enhance the value proposition of investment; support the ease of doing business in the region through elimination of regulatory red tape at all levels of government, not just federal; support entrepreneurs and business owners to navigate a changing economic landscape; ensure increased investment in postsecondary institutions and position them as the world leaders that they are – those are my words – promote the region's tourism potential and increase visitation; and speak with one unified consensus voice on key economic issues even when we disagree. Their words, not mine, Minister.

Mr. Sigurdson: I agree with all those words. Every initiative that you just listed off is a key focus of our government, and we are working on every single one of those initiatives supporting our agriprocessors right now.

The Acting Chair: Hon. members, we'll go to members of the government for the next 10 minute block. Mr. Stephan looks like he is going to speak.

Mr. Stephan: Me, please.

The Acting Chair: Would you like to share time or block time?

Mr. Stephan: Well, whatever the minister would prefer.

The Acting Chair: Oh, we haven't had that yet.

Mr. Stephan: Very important guy.

Mr. Sigurdson: I think we can go back and forth, Chair.

The Acting Chair: Okay. Sounds good. Mr. Stephan, go ahead.

Mr. Stephan: Well, excellent. It's great to be here, Minister. Agriculture is a huge key economic driver in our province. It is so important, so it's good to talk to you for a few minutes.

I just want to make a comment on the question by the member for Edmonton-Manning. That is if farm businesses are looking to go to other provinces, then that speaks to our own competitiveness. But if they're looking to go south, as Edmonton-Manning was saying, then the variable there is the federal government. They have done such a horrible job. They are absolutely horrible. A disgusting government. They've done so much destruction, costing hundreds of billions of dollars in lost investment. But I want to talk about page 23 of the business plan, outcome 2. It talks about initiatives

supporting key objectives, and I see that we have \$2.3 million of funding to increase support for Alberta's beef industry. Can the ministry provide additional details on this funding?

Mr. Sigurdson: Yeah, absolutely. I love opening and talking about our beef industry by saying that Alberta has the best beef in the world. Full stop. You know, in the three trips that we've done, whether it be South Korea; Tokyo, Japan; or down into Mexico, I would fly that flag very, very proud as a proud Albertan, recognizing that we have the best beef producers and the best beef genetics in the world.

Of course, in '25-28 \$2.3 million will be allocated to increase support for Alberta's beef industry. This investment will help small and medium-sized processors and new entrants navigate the regulatory framework for meat products to boost domestic and international sales to build upon the strong reputation of our Alberta beef sector and to ensure Alberta's continued success as a leader in the agrifood manufacturing sector. This funding also ensures the ministry's capacity. As I mentioned, always our primary goal that we have to never sway from is to ensure that we have the highest levels of meat safety within our province, something that we are also globally recognized for. The funding ensures the ministry's capacity for investigation, compliance, and enforcement activity related to illegal slaughter operations and sale of uninspected meat to ensure the safety of Alberta's food supply.

Mr. Stephan: Great. In terms of the work that the ministry is doing, you mentioned some of our overseas customers who recognize and value Alberta beef. How is the ministry working with these producers and processors to access these new markets?

Mr. Sigurdson: Yeah. I appreciate this question. I want to start off by saying that with the uncertainty that we're seeing right now with potentially looming tariffs, there is a conversation that we need to have in our country about coming to the table of our federal government to ensure that we're making investments within our own country so that our processors, our farmers and ranchers have access to the critical infrastructure and logistics they need to get their commodities to these markets. There is a high demand in these markets, and there's limited capability at times for them to access rail or other means to be able to get, you know, chilled beef containers to port and then shipped over to, say, Asian markets. We need to find a way to be able to provide additional access. I've always said that it'd be nice if we could build a few more oil and gas pipelines underground so we can open up more rail access for farmers and ranchers. That is something Alberta has put on the table for many years, and I think that's something that we need to get serious about right here, right now.

Of course, what you're talking about, related to that outcome 2 on page 23: we are supporting Alberta beef producers and processors to diversify their export markets with \$500,000 in funding over three years for the Alberta beef export market development program. This program administered by Canada Beef helps eligible Alberta beef producers and processors, Alberta beef brand owners, and Alberta beef purveyors and distributors with market development and promotional initiatives in international markets. The market diversification initiatives funding by the grant can include incoming buyer missions to Alberta. We've seen a lot of positive impact from individuals when they come over here and see the high standards of how our cow-calf operations, our beef ranchers are operating. Man, it's been a huge marketing tool, when they understand the high standards with which our producers are processing. Of course, it includes in market promotional activities, educational seminars. We talk about the fact that there is a bit of a

difference between USDA and how it's graded in comparison to how we grade in Canada. It's important for our international customers to understand how the grading system works so they know, and that's a part of it. This will support through '24-25. It supported 46 projects undertaken by 32 different companies targeting 11 different international markets.

We expect to see many more great results in the years ahead. Like I said, we do have to get serious about making sure that we're expanding and diversifying our global export markets, which is something we have heard loud and clear from all of our commodity groups here in the province.

6:10

Mr. Stephan: Kind of in that vein, page 23 of the business plan, initiatives supporting key objectives, has crop diversification centres funding of \$5.2 million, which I think is very timely given our current environment. Kind of along that same vein in terms of our crops, what we produce: how can we help support diversification there?

Mr. Sigurdson: As far as when we look at crop diversification and support within the province, I think I want to take a chance. I know we've got about two minutes and 30 seconds left, but I want to talk about research initiatives and how they can contribute to crop diversification. I think it's important to look at the investments we're doing right now in CDC North and CDC South. We have incredible investments going on in those crop development centres. Of course, they have a high reputation for innovative research and collaboration that benefits farmers.

Of course, not too many folks know this, but because of initiatives, expansion in irrigation, crop diversification, Alberta now produces more potatoes than P.E.I., and we are just behind Idaho. In 2023 we grew, like I said, to be the largest in Canada. CDC North partners with Potato Growers of Alberta on seed potato research, just to highlight kind of some of the work that they're doing right now on the topic about crop diversification.

It just kind of indicates, you know, to us that there is a massive benefit there. That's why through Budget 2025 we are putting heavy investments in both centres, CDC North and CDC South, in the capital infrastructure and the operational funding of those two centres, understanding the incredible work that they do to continue to grow and diversify opportunities for our farmers and ranchers into higher value crops or any other research they would like to look into.

Mr. Stephan: Wow. That's pretty amazing. I didn't realize we, you know, kind of had such a huge market presence on our potatoes. And potato chips are very good. Mashed potatoes are very good, especially with roast beef, right?

Mr. Sigurdson: Amen.

Mr. Stephan: You know, combine the two there.

I'm just wondering in terms of markets where you see great opportunities, Minister? I would be interested in hearing from you at some point. Where do you see the great opportunities for Alberta ag in terms of our products that could be in very high demand in other jurisdictions?

Mr. Sigurdson: Everywhere.

The Acting Chair: Wonderful.

We'll now go to members of the Official Opposition. I see Mr. Dach is up for 10 minutes with the minister. Would you like to go back and forth . . .

Mr. Dach: Yes, please.

The Acting Chair: . . . or block time?

Mr. Sigurdson: Agreed.

The Acting Chair: Proceed.

Mr. Dach: Thank you very much, Madam Chair and through you to the minister. I wanted to talk about water management, and there's a question that I've actually had in mind for a couple of years now. I refer to the business plan on page 19. AGI recognizes that water availability is essential for growing and raising food. It's availability that's the root of the question here.

I refer to what happened in 2024, I believe, that season preceding this one. Water management agreements were reached with irrigation water districts in southern Alberta, and I believe it was the minister of environment who negotiated that and so forth, but that involves you as well in your agriculture ministry. Sort of by the skin of our teeth we managed through that water management agreement that we reached to supply enough water to get through that season because it was a dry year.

This year it seems as though we're not going to need those water management agreements as reported in the news reports that I've heard. Knock on wood. But that's my point, that year to year one doesn't know. We are relying upon voluntary water management agreements for a product that wars have been fought over. In future years when perhaps we have successive drought years people are not going to necessarily be willing to voluntarily agree or enter into water management agreements. They will be going to court to fight battles in court to maintain their rights over water. I think that's something that the ministry really has to be aware of because it could get pretty ugly and nasty in a real hurry when people decide: "Look. I'm not shaking my hand on any voluntary water agreement. I've got rights. I got legal rights. I'm going to contest it in court. I want my water. You can do what you want to get yours."

That's something that I don't think has been talked about a lot because we're saying that this is all voluntary and everybody is co-operating. Well, what happens when they don't?

Mr. Sigurdson: Well, I first want to start with, I mean, I appreciate your concerns; I do. What I would say is that we have experienced many droughts here in the province of Alberta, and absolutely every single time our irrigation districts and our water users step up, come to the table, and establish agreements that are in the best interests of the province of Alberta. I have full faith and trust that they will do that for the foreseeable future as long as we continue to farm and, like, we understand that when we hit drought times, we have to come together as a province. There are also priorities, and we recognize that within our irrigation districts they have drought management plans and with that it has been established that the priorities will always be humans, animals, then crops.

I want to take the chance to actually thank my irrigation districts and all of our water users in southern Alberta. Their collaboration to be able to sit down with the province of Alberta and come up with a plan very quickly and move into water sharing agreements was essential and was in the best interest of all of Alberta, including our farmers and ranchers. Through that work that they did we managed a tough year, and they helped us be able to preserve and build back for the year following.

I know you may have those reservations, MLA Dach; I don't. Every single time our irrigation districts and our water users come to the table, and they understand that these agreements are necessary in order to manage the water supply in southern Alberta.

What they have come back to me and said, though, is that they want to ensure that we have a focus on not only protecting the current infrastructure that we have, understanding its importance through drought years for food production, but also looking at additional opportunities to build storage. If we want to avoid those arguments the best thing we can do is, like I said, move on the feasibility studies and put forward good plans to be able to expand storage in southern Alberta.

Mr. Dach: Thank you for that.

As you'll know in business, past performance is no guarantee of future gains. Indeed, certainly they have agreed so far including in 2024 to voluntarily enter into water management agreements, but I think that because of the importance of the industry we have a duty as a province to make sure that we have something beyond a voluntary water management agreement and we're just knocking on wood and crossing our fingers each year just because it's happened in years past. We are going to be entering into potentially significant dry years successively where we may need to look at one water management area versus another in court defending their rights, and that's a concern.

But I know you expressed your opinion . . .

Mr. Sigurdson: I will provide you maybe with some context just so you're aware. It's never had to be used in the past. They are still governed under the Water Act. It's never had to go that far because they've always been amazing partners, and I think it's important to understand the incredible work they do. The individuals that serve on those irrigation districts and boards are exceptional partners. During those drought years the feedback that they provided assisted us through our water management policies and procedures and our approach. I think it was incredibly successful through that water management plan.

I just want to say once again thank you to our irrigation districts for being those solid partners.

Mr. Dach: Good. Thanks for that.

Let's move on to clubroot, something that I have asked questions about before in estimates when I was involved with the agriculture ministry as the critic in the past.

6:20

Of course, with respect to preventing clubroot spread you can, by way of enforcement, ensure that equipment is cleaned between fields, that clubroot-resistant seed is used, and that crop rotation is part of your agricultural practice. The point that I'm trying to make here though is: what happens if people don't do these things? You have field men, who are supposedly the enforcement arm of these regulations that are throughout the province and the agricultural districts, yet these appointed field men are often farmers themselves, who are in the local community, trying to enforce these regulations against their own neighbours or their cousins or their uncle.

My concern, given how big canola is as a crop, \$20-25 billion plus as an export crop: we're still relying on 1930s, '40s local enforcement rather than a central agency out of your department to actually enforce the regulations, which are very commonly known – to rotate your crops, to use clubroot-resistant seed, and to clean your equipment – and we put at risk a \$25 billion industry because we don't have a real good enforcement on clubroot. It's a serious problem and is not being eradicated. I don't know if it's being controlled as well as it could be if we had better enforcement.

Mr. Sigurdson: Well, you know, I'll touch on two things. First of all, we do fund directly through the government. As you mentioned,

our ag service boards: we have renewed their grant for three years to continue to enforce through the Weed Control Act, Agricultural Pests Act, and the Soil Conservation Act. Overall, clubroot is not in the best interest of a producer. As we continue to work on expanding through research, as you're seeing through this budget revitalization, CDC North, CDC South investments, WCI – you see the incredible work that RDAR is doing right now. We see market diversification. We see a revitalization and a little bit more of pulses working into crop rotations. As you mentioned, that's a key component to be able to avoid this.

I see more farmers working in more rotation and understanding that soil health is a key to their profitability and their long-term viability as a farmer and rancher. When it comes down to the instances that I'm hearing, they appear to be on the decline and not the increase. I mean, through the science and research that's being put in front by the incredible work that, you know, organizations like RDAR and others are doing, it's becoming more clear to our farmers that in order for them to continue to be profitable, they have to work in healthy crop rotations.

Mr. Dach: It's the outliers who are really causing the problem. If they were enforced upon, perhaps we would be actually able to make some more headway on eradicating clubroot.

Mr. Sigurdson: I would say that our ag service boards are very serious when it comes to enforcement. Under the Weed Control Act, Agricultural Pests Act, and Soil Conservation Act, they do not want that spreading to their land, their neighbour's land, and they do an exceptional job. That's why we have renewed their grant for the next three years. I have full faith and confidence in our ASBs, our field men that continue to work with our farmers and ranchers to enforce our acts.

Mr. Dach: One last comment. Sugar beets and their byproducts can be used to add to an anti-icing agent as a binder to make it stick to the highways to make our highways safer.

The Acting Chair: All right.

The final not-10-minute block to members of the government. Mrs. Petrovic, you seem to be the one up on the chopping block.

Minister, would you guys like to share time?

Mr. Sigurdson: Absolutely.

The Acting Chair: Please proceed.

Mrs. Petrovic: Perfect. Thank you, Madam Chair. In fact, I love that I'm at this committee right now because I have my budget boots on as well. I think our Minister of Finance would be very proud of me as well as the folks back home.

Through you, to the chair, I just want to thank the ministry for all of the hard work that they've done, especially in southern Alberta and my riding. I know that when I'm able to call the ministry, they're extremely efficient in being able to answer all of my farmers' and ranchers' questions and get to them in a timely fashion. So extremely grateful to you guys and all of the kind words that you've said so far for these farmers and ranchers and our water users down south. They are stewards of the land. They are the best neighbours. Through your business plan I can see that your ministry truly understands the farmers and ranchers here in Alberta. You know, we don't have anything like Bill 6, like the opposition brought forward, so thank you for that. And it's really highlighted in your business plan.

That being said, I just wanted to give you the last word and give you the opportunity to highlight anything that we haven't covered today in this budget.

Mr. Sigurdson: That's a wide open door, and I love every minute of it. I'll try to frame it in four and a half minutes.

First, I want to start off by saying, on behalf of myself and my department, that within Alberta our collaborative success hinges right down to the boots on the ground: our farmers and our ranchers and our producers. Within that, as well, Alberta has some of the best agencies, boards, and commissions representing those farmers and ranchers, individuals that my department and myself have the absolute pleasure to work with every day. The hard work and ongoing efforts of these individuals have resulted in incredible impacts for our agricultural industry. I have reiterated to them over and over again that our department, myself as a minister, our government, our Premier are here to stand up for them, to support them, and advocate on their behalf.

Of course, I think our Budget 2025 highlights that. We have touchpoints that provide support for livestock health and wellness and protection on foreign animal disease, including \$4.7 million. We have \$4.8 million in federal funding for the sustainable Canadian agricultural partnership. We have a \$4.5 million increase for the resilient agricultural landscape program, a \$0.3 million increase in other various initiatives. We have \$1.8 million to Western Crop, \$1 million to support operations of crop diversification centres, a \$0.8 million increase for safe food and capacity expansion, a \$0.7 million provision for general increases and any inflationary pressures.

As I've mentioned, we have the additional support for our regional ag societies, and I look forward to engaging with our primary eggs societies as we continue to grow and support rural Alberta. All in all, I could go on and dive into details for hours on how proud I am of this budget as a true reflection of trying to touch every area that we could, understanding that we're still experiencing some budget constraints this year and a looming possible tariff war. I think this is a very positive budget, and it is going to have a material impact to continue to grow and support our agricultural industry.

Maybe with just the short time I have left here before we close, I also want to thank my entire department. As a minister we are fully aware of the thousands of man-hours and the individual effort and compassion of our departmental officials: AFSC, RDAR, everybody else that comes to the table that continue to grow and strengthen our agricultural industry. I think I can say easily on behalf of myself that I'm very thankful to have such an incredible support staff behind me, including those outside boards like AFSC and RDAR that continue to support our agricultural industry every single day.

Even though there is some uncertainty, Alberta farmers and ranchers are not quitters. They never give up. They wake up every day, pull up their boots, and get back to work. I approach my advocacy on their behalf and I know my entire department does with the same attitude: we will not quit. The future for agriculture is bright. The future for agriculture in Alberta is going to be positive, and we know we're going to be here to support our farmers and ranchers no matter what gets thrown at us.

Mrs. Petrovic: Thank you so much for that. I really appreciate your time here today and just for speaking so highly because my constituents are these farmers and ranchers. I know that they are a big fan of you and your ministry, so thank you, once again, for everything.

The Acting Chair: Anybody else want to thank anybody else? No. Okay. The time allotted for the consideration of this main estimates meeting is concluded. I'd like to remind committee members that we are scheduled to meet on Thursday, March 20,

2025, at 9 a.m., to consider the estimates of the Ministry of Infrastructure.

Thank you, everyone. The meeting is adjourned.

[The committee adjourned at 6:30 p.m.]

