



Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on
Resource Stewardship

Ministry of Agriculture and Forestry
Consideration of Main Estimates

Tuesday, October 29, 2019
9 a.m.

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First Session**

Standing Committee on Resource Stewardship

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Standing Committee on Resource Stewardship

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Dave Burdek, Assistant Deputy Minister, Processing, Trade and Intergovernmental Relations

Andre Corbould, Deputy Minister

Bruce Mayer, Assistant Deputy Minister, Forestry

Agriculture Financial Services Corporation

Darryl Kay, Chief Finance and Innovation Officer

9 a.m.

Tuesday, October 29, 2019

[Mr. Hanson in the chair]

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

The Chair: Welcome, everybody. I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Agriculture and Forestry for the fiscal year ending March 31, 2020.

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

Mr. Rehn: Hi. I'm Pat Rehn, MLA for Lesser Slave Lake.

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

Mr. Sigurdson: R.J. Sigurdson, MLA for Highwood.

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

Mr. Yaseen: Muhammad Yaseen, MLA for Calgary-North.

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

Mr. Turton: Searle Turton, MLA for Spruce Grove-Stony Plain.

Mr. Jones: Matt Jones, Calgary-South East.

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

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

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

Mr. Feehan: Good morning. Richard Feehan, MLA, Edmonton-Rutherford.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Mr. Bilous: Good morning. Deron Bilous, MLA, Edmonton-Beverly-Clareview.

The Chair: Minister.

Mr. Dreeshen: Just go straight into it?

The Chair: No. Introduce your table, please.

Mr. Dreeshen: That's part of my speech, but okay.

I have Andre Corbould, my deputy minister and right-hand man. I have Bruce Mayer, ADM of forestry; Freda Molenkamp-Oudman, who's ADM of strategy, planning, and governance; and Darryl Kay, the CFO with AFSC.

The Chair: And just for the record if you could introduce yourself, that would be great.

Mr. Dreeshen: I'm Devin Dreeshen, Minister of Agriculture and Forestry.

The Chair: Thank you very much, Mr. Dreeshen.

I'd like to note the following substitutions for the record: Mr. Jones for Ms Rosin and Mr. Bilous for Mr. Sabir.

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

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

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

A total of three hours has been scheduled to consider the estimates of the Ministry of Agriculture and Forestry. The scheduled end time of this meeting is 12 p.m. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having the break? Thank you.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery may not approach the table. Opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule and the committee will adjourn. Points of order will be dealt with as they arise, and the clock will continue to run.

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

The vote on the estimates and any amendments will occur in Committee of Supply on November 19, 2019. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for the committee members and staff.

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

Mr. Dreeshen: Thank you very much, Mr. Chair. I would just like to start. I know that we're here to discuss this year's budget – and that's obviously very important – but I just wanted to make mention to all the farmers out there that AFSC is predicting about a \$700 million payout going out this year. We don't know until harvest is completed what the support will be, but the last estimate that we've seen is about 20 per cent unharvested across the entire province. I know regionally, as you are well aware, Mr. Chair, that up north it's

a lot worse than 20 per cent, but on average that's where the province is currently at. It is something where I just wanted to assure farmers that the safety nets that are there to support them will continue to be there with this government. That is something, with all the stress and headaches of a very difficult year, just to make the farmers aware that this government will be supporting them with historic levels.

With that, I want to thank all the members here, and good morning to you all. I would like to take this opportunity to introduce some other officials that we have here joining us in the gallery: my chief of staff, Tim Schultz; Mr. Logan Skretting; Ms Adrienne South; Dave Burdek, the ADM of processing, trade, and intergovernmental relations; Sean Royer, the acting ADM of primary agriculture; Christine Yaremko, the senior financial officer; and Yvonne Jachowicz, the director of financial planning. So we've got the full Agriculture and Forestry team here this morning as well as the officials that I already introduced.

Thank you, again, Mr. Chair, for the opportunity to be here to discuss the 2019-2020 budget for the Ministry of Agriculture and Forestry. Budget 2019 is a balanced plan to create jobs, grow the economy, and protect vital services. It delivers on this government's mandate of creating jobs and growing the economy while protecting front-line services and supports for the province's most vulnerable. Budget 2019 charts a path to balance through targeted reductions and thoughtful reallocations away from wasteful, inefficient, and unnecessary spending. Again, it is running government like a business. Many businesses across Alberta have had to try to find efficiencies, and that's something that this government in the first six, seven months took very seriously.

In short, this budget delivers on key promises and was built after extensive consultation. I am pleased to say that Agriculture and Forestry is on track to implement key priorities and support the government's path to balance by 2022-2023. The key priorities in this year's budget – it's a \$1.4 billion budget, which includes the wildfire disaster funding for this year, which was \$485 million. I'm sure we'll get into how severe the forest fires were this year. This budget represents about a 1.9 per cent reduction, which equates to about \$88 million less than last year's total expenses.

My ministry is leading by example. We have 20 per cent more efficient spending when it comes to supplies and services. This means being strategic and frugal when it comes to travel, contracting, hosting events, purchasing materials and supplies, and we are expecting the same from our agencies, boards, and commissions as well.

After an extensive review of programs and services Agriculture and Forestry has identified several key changes in funding to help us deliver on our government's priorities. This includes a renewed focus on increased funding to combat the mountain pine beetle. The mountain pine beetle infestation is a direct threat to Alberta's forests and our forestry industry. As many members here are aware, there are more than 40,000 Albertans that have jobs supported by the forestry industry. We are increasing the existing funding of \$25 million by \$5 million per year for the next four years. Another way to say that is that the mountain pine beetle funding will go up to \$30 million from the previous \$25 million level. This extra funding fulfills a mandate commitment that we will help protect Alberta's forests, the industry it sustains, and the communities that rely on the forestry industry. Again, this is a reversal of what we saw in the last four years, in which mountain pine beetle funding was reduced by roughly \$10 million.

When it comes to wildfire and forests, we are ensuring a long-term, sustainable forest industry because that is just vitally important to the province's economic growth. We will be focusing wildfire funding on what we need. In Budget 2019 we will deliver

funding for general supplies and grants more efficiently, again, running government as close to a business as we can. We will include working with municipalities and redirecting resources to look at innovative ways to FireSmart communities.

9:10

One of the examples – and I know I've talked to many members here about this – is a pilot project that we're going to initiate with the municipal district of Opportunity, where we could harvest timber near certain communities to create a tree-free safety zone in the case of a wildfire, so essentially a buffer, whether it be a grazing lease around a community or ball diamonds or whatever it may be, something that, ultimately, doesn't have intense fuel right up against the community, and to be able to FireSmart around it. In addition to making these communities safer, the benefits would be twofold: first, the obvious economic benefit of harvesting the timber; and, second, the cleared land would be used for, again, grazing or other options to benefit the residents in rural and northern communities.

Now, Athabasca has been evacuated twice, and we have the MLA that represents that region. It's been evacuated twice in the last four years due to wildfires. Initial discussions have been quite positive about this proposed approach. It's something that when we would raise the idea to these communities, they're the first ones to say: yes, that sounds logical, common sense, and it should have been done a long time ago.

When it comes to farmer-led research, we believe it's important to fulfill our government's commitment to Albertans to make sure that agricultural research is led by farmers, not government. That may be a novel concept, but it is something that we are committed to. That's ultimately a fundamental change from the previous government where it was government knows best. This government is more where farmers, industry, business knows what business actually should do. We want to work with farmers to determine their research priorities and build programs to support them.

This is an incredible opportunity to reform and transform how we do research and attract investment from private industry to Alberta. I envision world-leading agricultural research being carried out here, whether this is by leveraging work happening in existing facilities or encouraging industry investment in building brand new ones. In the coming months we will be engaging with farmers and the entire industry to determine their priorities. As part of this, we will ask questions on whether or not Agriculture and Forestry should deliver research or strategically fund it or a combination.

In the meantime we are reducing red tape and streamlining how we deliver government-led research and research extension. We will work with farmers, commodity groups, academia on how we can reform how Alberta does research, again, just to get world-leading research and to be able to have a true focus on what benefits farmers.

Going forward, members of the Agricultural Research and Extension Council of Alberta, which includes the Battle River Research Group – and many in this room will know these groups very well – the Chinook Applied Research Association, the Foothills Forage and Grazing Association, the Gateway Research Organization, the Grey Wooded Forage Association, the Lakeland Agricultural Research Association, the Mackenzie Applied Research Association, the North Peace Applied Research Association, the Peace Country Beef & Forage Association, the West-Central Forage Association, the Farming Smarter Association, where I had a great tour down south with them earlier this year, and the Smoky Applied Research & Demonstration Association, will all have more access to government funding for agricultural research projects by applying for the Canadian

agricultural partnership, or CAP, grants. There are more programs that are available under CAP for these projects, and we're increasing that funding by \$2 million specifically, just purely for research.

Our government recognizes the importance of living within our means, but we also understand the importance of continuing to support our vital services. That's why core funding is being supported for agricultural societies in Budget 2019 at \$11.5 million per year. There is incredible potential for our agriculture sector's profile to increase even more to meet the appetite of the growing world population. It's thanks to the hard work of producers and community organizations that Alberta enjoys a well-earned reputation as a reliable supplier of high-quality food products. Ag societies enhance the quality of life in our communities and provide education programs, events, services, and facilities for the communities they serve. Our government will continue to support Alberta producers and agriculture education, and we will work to create a place for communities to connect and gather, just as Alberta ag societies do.

I'm pleased to confirm that funding for rural utility grants is also being supported. Rural communities generate billions of dollars in economic activity each year, led by key sectors like Agriculture and Forestry, which combine to employ nearly 100,000 people across the province. Our government values the contributions of all rural utility providers to the economic development of rural Alberta. We have a shared goal of helping to ensure that rural Albertans and businesses have access . . .

The Chair: Thank you, Minister. Your time is up.
For the hour that follows . . .

Mr. Dreeshen: Yeah. I'll be able to throw some of the rest in later.

The Chair: Okay. Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals so members are aware of the time.

You can go ahead.

Mr. Dach: Thank you. I appreciate the opportunity to be here, and through you, of course, as always, Chair, I'll direct my remarks and questions towards the minister. I do wish to have an exchange with the minister back and forth if I may, and if agreeable to the minister, I will continue in that vein.

As I mentioned in our greeting prior to the commencement of the meeting, Minister, we hope to have a civil conversation here today about some really important issues. As you mentioned, they're very, very serious. You're talking about things that affect people's lives, whether it be employment, whether it be fires and loss of homes, whether it be, as you mentioned, serious problems with the unharvested crops in the province, especially in the north. All of these issues are of deep concern. We're not just talking about numbers on a page; we're talking about people, and there are serious effects of economic policy that governments will implement. So we're going to dig a little deeper into those things.

I do wish to say before I begin that, of course, we'll expect a good conversation back and forth, but I may interrupt you if I've heard enough on the topic and I wish to move on. Don't take it as being rude; it's just simply in the interest of time. I want to cover a lot of ground and a lot of different issues, so I'll have a conversation, but I may stop you and ask that we move on to another question.

I also want to thank all of your officials: deputy ministers, assistant deputy ministers, and other officials in the room. I know there's a great deal of time that is taken in preparation for estimates,

and that is not lost on us as opposition members. We realize the professionalism that goes into getting a minister ready to defend their economic agenda in the government, and I wanted that to not go unnoticed.

With that, I'll begin. I don't know if congratulations are in order to the minister and his ministry or not, but a *Globe and Mail* story on October 26 granted first place to the ministry in the race to the bottom as the biggest loser in terms of budget cuts: \$545 million over four years, or 38 per cent, as shown on page 16 of the business plan. It was graphically demonstrated or illustrated on October 26 in a graph in the *Globe and Mail*.

I'm just wondering. You know, that seems to be the biggest hit of all the ministries and not a prize I'd be seeking if I was a minister. You seem to be the biggest cheerleader for the Unlimited Cuts and Pain Party, as I call it, embracing a failed experiment in austerity budgeting that has resulted in zero jobs so far, \$4.7 billion up the river in corporate tax giveaways, still bleeding thousands in more job losses, 27,000 and counting. I think we should start off that the big elephant in the room right now is one wearing a bright red hat with a \$4.7 billion price tag on his head. I'm wondering about that \$4.7 billion. This experiment so far has not resulted in any jobs. It's embedded and woven right through this budget.

Mr. Loewen: Point of order.

The Chair: Point of order noted. Go ahead, Member.

Mr. Loewen: The member seems to be using a lot of figures that aren't in the budget. I just want to actually have him look to the line item to point out the \$4.7 billion figure.

The Chair: Thank you. Member, any comments on that? I would encourage you to get to the questions at hand. You've burned up four minutes of your time already and haven't asked a question of the minister yet.

Mr. Dach: Certainly, we'll get to that right away. The budget's tax element, the \$4.7 billion I was mentioning, has certainly permeated right through the whole economic agenda of the government and is the reason for the cuts, which, in my view and the opposition's view, are unnecessary. Now, the minister has made comments that he's looking towards, with the rest of this government, running the government like a business. On this side of the House we are quite aware that government isn't a business. It's the government, and it has different priorities and different responsibilities, unlike those of business.

9:20

I wanted to drill down a little bit perhaps and talk about some of the first things that the minister mentioned. I have in my hands the Alberta crop report, which the minister alluded to. I've read that given the difficulty with the harvest that we are experiencing, where there's 20 per cent unharvested so far – and it's much worse up in the north end of the province – we're going to see, as the minister indicated, a \$700 million payout. He's trying to reassure farmers: don't worry; it's all taken care of. However, there's an unchanged amount in the insurance money available this year from last, yet this payout is going to be a lot larger. Now, I'm wondering: at what point does the minister decide that they have to change the amount of money available, and what type of a time lag is there, once that decision has been made, to availability of cash payouts under the AFSC?

Mr. Dreeshen: Thank you. Through you, Chair, I'd like to thank the member opposite for those questions.

Noting the point of order on the \$4.7 billion, I've heard \$4.5 billion when it comes to our job-creation tax cut. Just as a little story, if you'd indulge me, Chair, I was at the Fantasyland Hotel yesterday, and I think there's a theme room for the NDP's \$4.5 billion or \$4.7 billion claim, which is just – it is fantasy, their budget criticisms. I think it was a CBC reporter that actually rightly corrected your NDP leader making that claim on television, and I'm just surprised that the Official Opposition seems to want to double down and triple your efforts on just promoting a budgetary fantasy.

When it comes to the \$700 million estimate, which is the crop payout from AFSC, that's just an estimate. That, at the end of the day, will come from the great people over at AFSC to make sure that farmers, depending on what their actual harvested numbers were at the end of the year, are paid out. So that \$700 million is just an estimate. It may go up, it may go down, depending on what happens.

Again, I'd like to point out to all the farmers that are harvesting canola in the snow, that are trying to get everything they can off, with the drying costs that a lot of them are going through, with the grade downgrades that they're facing, and, ultimately, with just getting paid less this year – it is a very difficult year.

Mr. Dach: Minister, did you say how much time gap there would be in delay if indeed you decide to change the amount of money available?

Mr. Dreeshen: Ultimately, it varies, so it depends on – there are still guys harvesting today. The estimates of 20 per cent left to go: that was in the last report. We'll get another report here today to see, again, how much is left, remaining. At the end of the day, the white combine, I think, will determine when harvest officially stops here in the province. We may get a good stretch of weather, but in driving up last weekend, it seems like winter is here. Again, there's no specified timeline. It just depends on when harvest concludes.

Again, on the matter of perspective, when you're mentioning how the budget cuts are somehow irresponsible, I just find that laughable, to be frank. There's \$2 billion that we as a province are spending to . . .

Mr. Dach: Public servants aren't laughing, Minister.

Mr. Dreeshen: Two billion dollars that we are . . .

Mr. Dach: People who are facing job losses aren't laughing.

Mr. Dreeshen: Sorry. If I may respond to your question, \$2 billion of interest payments are paid out. That's intergenerational debt that is being passed down to future Albertans from the 40-plus billion dollars that the previous government, your government, racked up. That \$2 billion in debt: that's bigger than Agriculture and Forestry combined.

Mr. Dach: Well, you're making choices that will cost people.

Mr. Dreeshen: To me, it is something that – we have to get back to balance. We have a predictable plan that will actually get back to balance. That will happen within four years, and that's something that we committed to do.

The Chair: Thank you. I hate to interrupt, Minister, but if we could get back to the questioning.

Go ahead.

Mr. Dach: Sure thing. Let's do that.

We're talking about job losses, and I'm just wondering: how many job losses are going to result as a result of the cuts that happen

in this ministry? I think there's at least one reference to it, talking about 51 full-time equivalents being lost. Correct me if I'm wrong. How many people are actually estimated to be losing their jobs in the ministry?

You're talking about moving science out of the ministry, and that means moving people out. This whole conceptual framework that you're talking about, where you're talking about producer-led science or producer-led research, is something that deserves to be questioned. I'm wondering if you don't believe that scientists belong within government ministries, including Ag and Forestry. Science is something that should be leading government decisions, yet this government, your ministry in particular, seems to be leading the exit of scientists out of the ministry and now reinventing the wheel and then suggesting that somehow producer-led initiatives, going through some consultation that you're going to have to determine that scientists will be reintroduced into the agricultural and forestry sectors at the behest of producers – it seems to me that you're basically dissecting the scientific capacity of the ministry unnecessarily before the consultations are even started, and you seem to have a predetermined outcome in mind with respect to where science belongs. What's the reasoning behind this? Why don't you want scientists involved in your ministry as participants? How many are going to be fired?

Mr. Dreeshen: Well, Mr. Chair, I do think it's interesting, the dismissiveness of "some consultation," that you hear from the NDP. We all know and were there for the Bill 6 lack of some consultation, that the NDP government didn't do, when it came to farmers. This government has a completely different track. We are consulting. We consulted all last summer on the farm freedom and safety act, on how we can repeal and replace Bill 6. We are committed to having research consultation. I wouldn't dismiss it as just some consultation to figure out what farmers want. It is actually very, very serious. We do want to actually do consultation with farmers to figure out what the best pathway is to getting actual research that truly benefits them.

Mr. Dach: Were farmers telling you, Minister . . .

Mr. Dreeshen: Sorry. The answer to your question on how much this budget is actually committing to research: \$36 million.

Mr. Dach: Right.

Mr. Dreeshen: To your other point, on what the FTE reductions are within Agriculture and Forestry, it's 51. That is primarily through attrition. We are ultimately retiring officials at Agriculture and Forestry. We're not hiring back. I'd actually commend my right-hand man, if I could use that line again, who has done great work, even previous to going into this government that had a lot of vacancies. He knew the fiscal pressures that this government was under. I think that's the gist. Again, running government as a business is something that we need to have that focus on. But, at the end of the day, producer-led research versus government-led research, as your government was so happy to change, is something I've never heard from the agriculture community.

Mr. Dach: Well, Minister, if I may, we'll move on a little bit. We had a collaborative response to most involvement with the private sector as a government, and that's one of the things that seems to be missing in this whole exercise, where you're taking 51 people, whether it's through attrition or retirement, 51 scientists, by and large, and they are going to be gone from the ministry, and that knowledge capacity is difficult.

I will bring to mind that on page 199 of the budget document is where you'll find reference to the \$4.7 billion, the tax cut that was offered to business, so it is relevant to bring that up in this hearing here.

Mr. Dreeshen: Also, the seventh floor of the Fantasyland Hotel: that's where you'll also find it.

Mr. Dach: Anyway, let's get to business about FireSmart. One thing that you mentioned about creating buffers around communities is of interest to me and something that I think is important to many, many communities. However, it seems to be optional to the communities who were involved in it as to whether they take up the opportunities to spend the money that's available to create these buffer zones under the FireSmart program. You suggested that grazing on cleared land and so forth would be something that could be done in those areas where communities took that money and created these tree-free safety zones.

My concern is that there are many communities who are resistant to doing this. They love their trees, and they have the option not to. Now, is that not something that we should do as a ministry, insist that these communities have to create this buffer zone? We've had, you know, instances in High Level where we were creating these buffer zones in the middle of a fire, which is the wrong time to do it. What about making sure that this is not an option?

9:30

Mr. Dreeshen: First off, I'd just like to correct the record. I believe I may have said that Athabasca, not Wabasca, had been evacuated twice, which is probably why I got a really puzzled look by the MLA from that region that had been evacuated twice in four years.

But to your point – and I think you may have answered it in the question – we do want to make sure that this is voluntary. We don't want it to be a government, one-size-fits-all, cookie-cutter approach of: this is what has to happen. I think that the intent, the plan is to work with communities to figure out how best to implement some sort of buffer zone, some kind of ring road. I always mention to the officials that Edmonton and Calgary both have ring roads, so why couldn't Wabasca have a ring road? I do think, obviously, through consultations not just with the community but also any FMA holders in the area or private land owners that may surround the town, it will be an extensive consultation effort to be able to go and figure out where you could actually have a safe but also visibly appealing buffer zone around these communities.

At the end of the day, at High Level, for the fire that they had this year, there was a corner – I think it was the southwest corner of High Level – where the fire was encroaching and the wind directions had changed, and they wanted to do a controlled burn right up to the perimeter of the town. In an emergency situation, when you are having to do things all within a day – the cat work, the man hours, the helicopters, the water bombers – everything it took to do that controlled burn for that day cost millions of dollars. To be able to replicate that through forestry, through logging, to be able to do that during peace time, to make sure that you're actually doing that so you get the economic benefit from it, you're in consultation with community leaders. I think that's just a great, logical path forward. As much as I don't like to give credit to our neighbours to the west, this is actually an initiative that they had thought of – I think it was last year – to do some kind of grazing lease around communities. Again, it doesn't have to be a grazing lease. If it is farmland or if it is community land, it's really the voluntary nature and that we want it to be able to be as open as possible.

Mr. Dach: My point was that this is a public safety issue, and it's a responsibility of your ministry to keep people safe. When we have

communities that are resistant to spending money in the FireSmart program that is available to them to do just what you're talking about doing, is it not wise to look at making these expenditures necessary, making sure that these buffer zones are mandatory, not something that is an option to these communities? It's only by good fortune that we didn't end up having another community lost because of the lack of these buffer zones at High Level.

Mr. Dreeshen: And when it comes to enforcement, too, there are 52 forest officers that have been trained as peace officers to support the enforcement under the updated Forest and Prairie Protection Act.

Mr. Dach: I'm talking about presuppression efforts. That's what FireSmart is supposed to be. That's how you save lives: you do it in advance. You haven't addressed making this mandatory for communities and saying, "Look, you know, we've seen what's going on in California right now." I mean, Alberta suffers from huge fire risk as well, yet communities are saying: "No. Not us. We like our trees around our community, and we're going to keep them." As a public safety issue wouldn't we as a province and you as a minister like to have the authority to say: "Look, this isn't an option. We have to protect you and your residence, and we're going to build this buffer around your community"?

Mr. Dreeshen: Well, I think, again, we're doing the pilot project with the MD of Opportunity, and we are developing this in a thoughtful way to make sure that municipalities are being consulted with.

When it comes to the California wildfires, I would actually like to take a moment, if you would indulge me, Chair, to commend the great work that Alberta Wildfire and their personnel have done in this extremely difficult fire year that they had. I know that the man doesn't like credit, but the ADM of forestry, Bruce Mayer, has done an exceptional job as a forestry ADM and the officials that are within Alberta Wildfire, with their commitment, the tireless efforts. The Premier, myself, and many MLAs went up and toured their facilities, their incident command centres, just the level of professionalism and their concern with municipalities that were going through this, that free flow of information.

Yes, there are better ways in which we can fight fires. There is a lessons-learned report that we've commissioned, that will hopefully be finalized in December, on how the fires went this last year and what are maybe some suggestions to improve it. When it comes to wildfires, it's an art sometimes, not a science, and it is something that we are committed to. Again, it's mostly due to the great, brave men and women at Alberta Wildfire, that do a great job. I'd just like to take time . . .

Mr. Dach: We all agree that it's a serious issue.

In the vein of firefighting I'm wondering. As a normal course of your budgeting operations, tanker base upgrades are something that are ongoing, their scheduled upgrades. How are we doing with that? I mean, are we on track as far as having enough tanker base capacity for the anticipated increase in fires that we're seeing?

Mr. Dreeshen: Yeah. Well, at the end of the day, it's having the personnel, it's having the equipment, and then it's the deployment of it. It's hard just to say: "Well, if we have X amount, then we'll be safe. Then we'll be ready. Then we will prevent all forest fires." It is a management thing. Going back to the Alberta Wildfire personnel, day in and day out they try to best utilize the equipment that they have. I know that up in High Level there are many residents that were saying: well, look at all these Cats; look at all

this equipment that's here. Well, due to what they were doing that day, it's a management issue.

Mr. Dach: So you're saying that, yes, the tanker base upgrades are on schedule, on track, where capacity is satisfactory?

Mr. Dreeshen: Well, I would say that the satisfactory-capacity argument is something where you have to on the ground make those decisions and those calls. Again, we have experts at Alberta Wildfire that make those assessments of what the needs are, and they do a great job of that in wildfires. When you compare them, as you did earlier, to what's happening in California, there was no loss of life. The footprint of the fires that happened in Alberta was massive, and the fact that the great men and women at Alberta Wildfire prevented any – there was no loss of life. There was minimal property damage. Yes, there were massive forestry losses.

Mr. Dach: I agree. Our firefighter services do a fantastic job.

Mr. Dreeshen: When you compare to other jurisdictions, even our neighbours to the south, to be able to have no . . .

Mr. Dach: My question was about the tanker base upgrades, and you've covered that.

I did want to move quickly to the pine beetle issue, Minister. There's a need for the federal government to be involved, and I know that the Alberta Forest Products Association has campaigned and lobbied for two years with the feds to get them onboard with money to fight the pine beetles. The spruce budworm issue: there's money from the federal government. I mean, I think we even – maybe comment, first of all. There's a million bucks that we get in the budget from Saskatchewan. It's in a line item. So Saskatchewan recognizes the need to halt the progress of the pine beetle, and they've coughed up some cash. What efforts are you making to get the federal government onboard with money to fight the pine beetle, which is going to be devastating to our boreal forest right across the country over time unless it's stopped in its tracks?

Mr. Dreeshen: Yeah. I will agree with you: it is a national issue. It started in British Columbia. It's coming over into Alberta. We understand that. Saskatchewan understands that. That's why we signed an MOU with them for an extra million dollars a year to help us fund the fight against mountain pine beetle. At the end of the day, our \$25 million investment, that's going up to \$30 million, again, helps us in that fight. But it is a national fight, and we should have the federal government at the table. I wrote a letter to then Minister Sohi on getting funding for it. I again pointed out, as you rightfully did, in eastern Canada the \$75 million over three years, I believe it was, that the feds gave to the Maritime provinces to fight their invasive pest. The parallels are the same. There should be federal funding to the mountain pine beetle because, in reality, there's a greater economic impact that the mountain pine beetle is having.

Mr. Dach: All right. Speaking more locally about this topic if I may, Minister . . .

Mr. Dreeshen: It is something where – sorry – the federal government is at the table with us.

Mr. Dach: Certainly. I hope you are successful in those efforts, and we'll be looking forward to monitoring how you're engaging the federal government in insisting that they be involved monetarily to fight this infestation.

More locally, there are local grants offered to communities to fight the mountain pine beetle. I know that Hinton, Canmore,

Whitecourt receive some local grants. What's happened with those grants?

Mr. Dreeshen: Well, those grants: again, the funding is increasing. They're part of that kind of overall \$30 million envelope. Those grants will continue.

Mr. Dach: All right. Let's turn the page a little bit here and talk about some other issues that are of concern. You mentioned that staffing levels will be changing and that 51 full-time equivalents are going to be lost out of your ministry as a result of exporting science from the ministry. Of course, it's going to mean fewer staff. They were involved with production and research as well as partnering with associations and universities. I'm wondering if indeed staffing levels are going to be affected at the Alberta ag info centres.

9:40

Mr. Dreeshen: Well, just to back up on the first part of your question, about exporting science, again, we have a \$36 million commitment to research funding. We are doing consultations on how we're actually going to move forward with ag research, and when it comes to overall management positions, we actually have reduced an ADM as well from within the department. We're taking a very serious look at the efficiencies that we can find.

Mr. Dach: Well, this experiment of basically removing your scientific knowledge capacity out of the ministry will be well watched, I can tell you. Albertans are concerned about it. We've seen this muzzling of scientists in the Harper government. Here you seem to be doing more than that; you're simply getting rid of them. I'm very concerned about it. I think that Albertans will be watching as well.

Mr. Dreeshen: May I interject there, Chair, on the muzzling of scientists? The member himself was at a great event last night, with myself, at Genome Alberta, just the appreciation that that great science organization has for the partnering with the province of Alberta. There's \$18 million that we fund: the amazing genome mapping that they do and how that can be used in so many different research applications within the province of Alberta. If that's muzzling, I'd be interested to see what your definition of muzzling is, because, to me, it's a great partnership that the province of Alberta does with great researchers around the province.

Mr. Dach: All right. A quick question about Alberta's forestry operations. It indicates here in the fiscal plan, page 97, that "aligning Alberta's forestry operations with other provinces will save \$75.8 million over four years." Exactly what does "aligning [our] forestry operations with other provinces" mean, and how is that going to result in \$75.8 million in savings?

Mr. Dreeshen: Sorry. Could you just repeat that?

Mr. Dach: That's page 97 of the fiscal plan. It's a paragraph saying that "aligning Alberta's forestry operations with other provinces will save \$75.8 million over four years." I'm just wondering how that's going to happen.

Mr. Dreeshen: That's when it comes to firefighting as, again, we saw this year that we'd have firefighters from Ontario or B.C. coming in. Ideally, it's when, you know, we are busy in our forest fire season, which is different than in British Columbia and different than out east. It's a sharing of resources. That, again, is some efficiencies we're trying to find when it comes to firefighting, of when and how we can transfer resources back and forth across the country.

Mr. Dach: All right. Sounds good.

I have a couple of my colleagues who are chomping at the bit to ask a couple of questions, so I think I'll ask Mr. Bilous to proceed for a few moments.

Mr. Dreeshen: You're a generous man, Lorne.

Mr. Bilous: Thank you, Minister, and thank you to your staff for the work that they do. I know Bruce was ADM during the Fort McMurray fire. The department did an amazing job ensuring that everyone got out without any fatalities, so hats off to the department staff.

A question. I'm going to flip to – in your business plan you talked about, in your performance metrics, 1(a), the “number of value-added agriculture products developed and successfully introduced into the market with assistance from [Ag] and Forestry.” Can you tell me which line items and which dollar amounts are going to be allocated to supporting commercialization, or products accessing new markets, and how the department is doing that specifically, please?

Mr. Dreeshen: Well, I think I'll see if I can find more specifics on that, but overall, in general terms, the value-added industry in the province is vitally important, and it is something that we need to support. We actually have an initiative that we're trying to develop, which is to look at every different commodity group within the province, whether it be cattle or crops, to be able to say, “What do we actually export currently?” and then “How can we actually reduce those exports in lieu of actual further processing and value-added?” That is something that we're looking at, you know, what that would take, whether an investment – what would it take to be able to process more, further processing of more agriculture products here in the province versus just putting it on a train and shipping it out of the province? That's something that we're developing. As you're probably well aware, the Cavendish announcement that happened down in Lethbridge was, again, on further processing of potatoes in the southern part of the province. It's those types of investments that we're looking at in the agriculture sector. I think there's great potential in ag and forestry.

Mr. Bilous: Yeah. Minister, I agree. I don't know if your DM or your officials have specific line items. I mean, you know, previously we were looking at expanding, for example, the Leduc food processing incubator. I don't know if under your government you're continuing to move forward with that or if you've hit the halt button on that. If you can clarify for us specifically on the Leduc food processing incubator. Again, what specific programs? I agree that we need to do more. I'm looking for specifics: details, dollar amounts, which programs.

Mr. Dreeshen: Sure. I have the answer to your first question if you'll indulge me.

Mr. Bilous: Okay. Great. Thank you.

Mr. Dreeshen: The two line items would be 3.4 and 6.3. Line 3.4 would be intergovernmental relations and trade. At the end of the day, there are some efficiencies that we found. We can trim that. I think it's a \$100,000 decrease in the budget. Overall, we're looking at \$4.4 million in that funding.

Mr. Bilous: Please, if you can give details of the programs. Can you break down that number of \$4.4 million?

Mr. Dreeshen: Right. That's for, you know, forward-looking initiatives, analysis, and advice, co-ordinating with a number of

crossministry and intergovernmental policy files and negotiations, and delivering various programs that support Agriculture and Forestry's vision. The elements also contain the budget for the office of the assistant deputy minister for processing, intergovernmental relations, and trade – so that's the economic development and trade minister – also for the intergovernmental, that the Premier, actually, is part of. It's co-ordinating those efforts in line item 3.4.

Mr. Bilous: With all due respect, Minister, what's rich in this answer is that so far that is all bureaucracy. That's all red tape that you've just pointed to. Which programs specifically are going to producers or going to support those that are trying to export? I do understand and appreciate the value of having intergovernmental relations, but out of the \$4.4 million, how much actually goes to the businesses?

Mr. Dreeshen: Line 6.3, the forest stewardship and trade set. That's an increase of \$4 million. That's specifically going, you know, directly to industry when it comes to help fight the mountain pine beetle and also, when it comes to the forestry inventory, to help forestry companies know the actual yield and the projections of their actual forest management. So that's a direct result of the forestry industry's strategic forest initiatives, their forest tenure, their forest economics and trade, market access and innovation. That is directly partnering with industry to be able to increase economic growth. Again, as a government we were elected on jobs, the economy, and pipelines. When you look at economic growth, jobs, forest stewardship and trade, line 6.3, is a direct benefit to industry that this Budget 2019-20 delivers. Also, the CAP program as well.

Mr. Bilous: And how many jobs will that produce, then, Minister?

Mr. Dreeshen: When it comes to jobs and specifics, I guess we can try to get back to you on how many jobs we think this budget ultimately will . . .

Mr. Bilous: Well, specifically this line item. We're jumping around. I will go back to agriculture value-add and food processing. You jumped to forestry. I do have questions about forestry.

Mr. Dreeshen: Agriculture and forestry.

Mr. Bilous: Specifically with forestry stewardship and trade, how many jobs is that supporting within the industry? If you can get back to me, I'd appreciate that. There should be, I hope, a forecast number with that as far as tangible outcomes.

Going back to your business plan on food processing and value-added, I'm asking specifically if that is the goal – and I agree with that goal; I think it's a very good one to have – to support our producers, to add value to the products. I'm curious to know what specific programs are available. How are you communicating that to our producers? How do they qualify? How much money is allocated, and what outcomes do they have to produce in order to continue to receive support from government?

Mr. Dreeshen: We will get back to you because we are developing that value-added versus export plan right now. That development is under way to see, you know: is a 5 per cent reduction across the board too lofty of a goal? We want it to be realistic, but we are developing that, and ADM Dave Burdek is working on that right now. Yes, there will be jobs that will be attached to more value-add. Again, I point to Cavendish, the hundreds of new jobs that are coming there with that investment, more types like that.

9:50

Mr. Bilous: With all due respect, that was under the previous government and the previous budget.

Mr. Dreeshen: How many previous governments are you going to go back? So about six or seven years ago, when the Alberta potato producers . . .

Mr. Bilous: Minister, with all due respect, Cavendish is a great example, but it's not on this budget moving forward. That was last year's budget. That's already happened. We're looking at your budget.

Mr. Dreeshen: If I may, you raised Cavendish, and I just wanted to say that it was six, seven years ago that the Alberta potato producers went over, talked with Cavendish, made the case for a big investment here within the province of Alberta. That was two previous governments ago, just to clear the air on that.

Mr. Bilous: Right. They pulled the trigger in the last two years, Minister. We're not about to debate that.

Mr. Dreeshen: Again, when it comes to forestry and the jobs, another lofty goal, just like we're doing on the ag side to be able to say value-added and how many jobs and economic growth it can have, doing more processing here in the province of Alberta, we're also looking on the forestry side at if we were to truly manage Alberta's forests as foresters in the best possible way to have a sustainable, allowable cut – you strip away federal and provincial government regulations. If you just looked at managing Alberta's forests, which have about an 80- to 100-year life cycle – forest fires are the natural ender of forests – and the replanting, it'd be about a 33 per cent increase in the annual level cut. So we are looking at what additional jobs would come in the forestry sector if we just managed our forests in the most purely sustainable way possible.

Again, because these are lofty, big goals – we've only been in government for six, seven months – we will be able to get you the numbers that we're projecting, the value-added as well as the 33 per cent on the forestry side.

Mr. Bilous: Right, and that's what I'm interested in, Minister.

With forestry, what specifically are you doing to help the forestry sector grow their market share in countries like Japan and in Asia? In Japan, of course, you're well aware that they only want J-grade.

Mr. Dreeshen: We have an amazing minister of economic development and trade. She's been over to Japan. She was the first minister to go on a trade mission, and she promoted not just agriculture products but forestry products as well. It is nice to be able to see that we are partnering with industry, working with them. We have great offices around the world that are promoting trade.

Mr. Bilous: Minister, I'm asking specifically as to the budget: what dollars, what initiatives, what programs are helping to support that? I, too, participated on numerous trade missions to promote Alberta's products. That's great, and it's valuable, as are our trade offices. I would like to know: in your budget what are the actual dollar amounts, and how are they being allocated?

Mr. Dreeshen: Again, for economic development and trade, they'll be able to be more specific about their trade offices.

Mr. Bilous: Out of your budget, sir.

Mr. Dreeshen: We do work with them. That was part of what you, I think, previously said: well, that's just bureaucracy. That is our contribution to the foreign trade offices.

Mr. Bilous: What dollar amounts do you contribute, then, to the trade offices?

Mr. Dreeshen: I'll maybe let Bruce Mayer comment on our forestry export offices and the great work that our officials are doing and, again, the great work that Minister Fir is doing.

Mr. Mayer: Thanks, Chair, Minister. Member, a couple of the programs you were asking about: one is wood works, that we support through the Alberta Forest Products Association and the market access work they do there.

Mr. Bilous: Do you have a dollar amount, Bruce?

Mr. Mayer: It's about \$150,000 to \$200,000.

Mr. Bilous: Has that gone up or changed since last year's budget?

Mr. Mayer: Same.

Mr. Bilous: Okay.

Mr. Mayer: And then Canada Wood is the other group, that I think you're fully aware of and that we use as well. Same number of dollars.

Mr. Bilous: Same dollars moving forward. Okay.

Grants to the Alberta Forest Products Association: do you have a specific amount? Does the ministry fund them specifically directly or no?

Mr. Mayer: No, we do not fund the association itself.

Mr. Dreeshen: I guess, going back to just overall what we are doing for the forestry sector, the biggest thing that we've always heard is access to fibre. That was \$1.6 million in salary and wages last year.

Mr. Bilous: Minister, with all due respect, I'm not asking about that, so if I could keep moving forward.

Mr. Dreeshen: But that is the biggest market access; also, fibre access gets us that market access.

Mr. Bilous: I appreciate that. I'm just trying to get back to the numbers. I appreciate that you're working with them to increase access to fibre.

Can we go back to – I don't want to leave this because it is in your business plan as far as value-added and increasing our food processing in Alberta. Maybe Andre, your DM, can expand on specifically what programs or dollar amounts are supporting food processing in Alberta.

Mr. Dreeshen: Again, when it comes to the value-added, we are developing it. I mean, this is just kind of the overall budget, what we're projecting out, but when it comes . . .

Mr. Bilous: With respect, Minister, if you're developing it, then how are you allocating – like, how many dollars are going toward these programs?

Mr. Dreeshen: The budget for this year?

Mr. Bilous: Correct.

Mr. Dreeshen: When it comes to – I'll just give CAP, the Canadian agricultural partnership, for example. Their small projects have \$1.3 million, the value-added products for larger markets, \$8.4 million. I mean, I can go down the specifics of what makes up that \$8.4 million.

Mr. Bilous: Is it possible to get that sent to us as far as the dollar amounts and how companies qualify for those dollars?

Mr. Dreeshen: If I may continue, emerging opportunities and initiatives products to market is \$2.3 million, and the products to market initiative is \$1.1 million. Direct products to market through CAP is \$13.1 million. That's what's budgeted within this year. We can give you the website that has all the CAP applications on it.

Mr. Bilous: Is that an increase or a decrease from last year?

Mr. Dreeshen: I'll be able to give you the website on that. It will be the same commitment.

Mr. Bilous: Okay. Thanks.

Lorne, that's good for questions. I don't want to monopolize all the time.

Thank you, Minister.

Mr. Dach: No worries.

I think that perhaps one of my other colleagues wanted to get in on it. Mr. Schmidt.

Mr. Schmidt: Yeah. Thank you. I want to ask some questions around line 4.4. Minister, you talked about . . .

Mr. Dreeshen: Sorry; line 4.4 on . . .

Mr. Schmidt: Line 4.4 on page 36 of the estimates, livestock and crop research. Now, it's forecasting a \$2 million reduction from last year's actual. Can you give me a breakdown of how that money is spent and where those reductions are going to come from?

Mr. Dreeshen: Again, the \$6.9 million that we're expecting to spend in livestock and crop research – there is a \$2 million reduction, as you pointed out, in this year's budget, and that breaks down to \$1.1 million in proposed operating efficiencies in salaries and wages and benefits as well as \$1 million in proposed operating efficiencies in supplies and services. Again, across the board within Agriculture and Forestry we have a 20 per cent reduction cap that we're doing when it comes to supplies and services just to try to run the ministry as a business.

Mr. Schmidt: That's approximately 10 people that are going to be losing their jobs in livestock and crop research, and those are . . .

Mr. Dreeshen: The correlation isn't perfect. When it comes to the FTE reductions in this year's budget within the department, it is 51. Again, a lot of those are people that have retired and are just not being replaced.

Mr. Schmidt: Okay.

Mr. Dreeshen: Sorry. If I may, my DM has more specifics on that.

Mr. Corbould: Yeah. Thanks, Minister and Chair. I just wanted to point out that some of these efficiencies are being gained through, you know, the proper management ratios. For example, we have some managers who six months ago were managing one or two people, so we've consolidated those managers so that they're managing more people. That's where we're getting some of those

efficiencies. I can assure you that none of the efficiencies through people are going to change the sort of outcome and results on the ground. We're just managing our people better, and the front-line folks are really focused on continuing to do that work.

Mr. Schmidt: If I understand correctly, these are people who are directly employed by the Ministry of Agriculture and Forestry to do livestock and crop research. Is that correct?

Mr. Corbould: Yeah. Some of them.

Mr. Schmidt: Okay. You're claiming that there is going to be a \$1.1 million reduction in people and a \$1.1 million reduction in supplies but that that won't have any effect on the on-the-ground impact. What is the measure for success of the investments in livestock and crop research?

Mr. Dreeshen: That's the overall benefit that research has. That's a very big, broad . . .

Mr. Schmidt: I understand very well the overall benefit of research. You're telling us that these reductions will not impact the ability of Agriculture and Forestry to do research. How are you measuring that?

Mr. Dreeshen: The fact is that we're still going to be able to have, you know, commitments to research projects coming through the door. It's partnering with private industry groups, commodity associations.

Mr. Schmidt: Is it the number of research projects that you're conducting? Is it the number of commercial products that are produced? Give me an idea of what the measurements for success in livestock and crop research are.

Mr. Dreeshen: Again, I would hearken back to the previous questioner when it came to value-added. The goals that . . .

Mr. Schmidt: I'm not the previous questioner, Mr. Dreeshen. I want to know: what are the livestock and crop research measurements for success?

10:00

Mr. Dreeshen: When it comes to how we are going to create a new way of looking at value-added, when it comes to ag research and value-added products in the agriculture sector, we are developing those goals of how we can actually produce more here in the province of Alberta and not be drawers of water and hewers of wood.

Mr. Schmidt: So you don't have measurements for success right now? Is that what you're saying? You're developing those. Is that correct?

Mr. Dreeshen: For future years we want to be able to have lofty targets and goals in which we can actually increase economic activity and jobs in the province of Alberta.

Mr. Schmidt: So is it fair to say, then, that you are making these cuts without really having any capacity to measure whether or not it's going to have any impact on the ground?

Mr. Dreeshen: That would be not fair.

Mr. Schmidt: Well, I don't care if it's fair. Is that accurate?

Mr. Dreeshen: No, it's not accurate.

Mr. Schmidt: Well, okay.

Mr. Dreeshen: We've gone through budgetary process to be able to find efficiencies, and that is something that . . .

Mr. Schmidt: Can you give me a sense of what kinds of livestock and crop research programs are going to be funded with those programs, specifically?

Mr. Dreeshen: Specifically, when it comes to the strategic research and development program, there is \$9.8 million. Again, we can give you a link to the website that breaks down that \$9.8 million. On CAP, directly under this, there's \$7 million in research. Again, two more examples would be: accelerating the advancement of agriculture initiatives, \$1.4 million; adapting innovative solutions in agriculture is \$5.3 million. When it comes to science and research, that's a total of \$6.7 million in this budget that is going out to research.

Mr. Schmidt: Sorry. So that I understand correctly: out of line 4.4, \$6.7 million is going to research projects. Is that correct?

Mr. Dreeshen: This is under CAP?

Mr. Schmidt: No, no, no. My question was around line 4.4. What kinds of livestock and crop research programs is the \$25,957,000 in that line funding?

Mr. Dreeshen: Again, the breakdown – I gave you another example of CAP – but the \$9.8 million for the strategic research and development program and then the CAP funding was that additional roughly \$7 million.

Mr. Schmidt: Okay. So \$9.8 million comes from line 4.4, and another \$6 million comes from line 8. Is that correct?

Mr. Dreeshen: Ultimately, this has the \$36 million in research, so, I mean, you're piecing together the math of what comes up to the \$36 million.

Mr. Schmidt: Well, yes. You're throwing out this number of \$36 million . . .

Mr. Dreeshen: Because that's what we're spending on research.

Mr. Schmidt: That's fine. I'm just understanding: where does it show up in the actual estimates? Because you haven't made that clear in any of your statements, all we have to do is piece together here from the estimates where that's coming from. I'm asking for a clear answer, and I'm still waiting for you to give one.

Mr. Dreeshen: My father was a math teacher, and we will do the math that adds up to \$36 million, and we'll be able to provide that to you.

Mr. Schmidt: Well, it sounds like your dad may have given you an easy time in math because he was your father.

The Chair: Excuse me, Member.

An Hon. Member: Point of order.

The Chair: Address questions to the minister as the minister, not Mr. Dreeshen, and personal attacks will not be accepted.

Mr. Schmidt: Thank you.

Line 4.5, the marketing council. You've got a \$200,000 reduction in that budget from last year's actual. Can you tell me what are the

marketing councils – forgive me for not knowing what those are – and can you give me a sense of what the impacts of the \$200,000 reduction will be in that line item?

Mr. Dreeshen: Again, happy to be able to give you the link to the website that lists them. They're the commodity associations, everything from pulses to cattle: Alberta Beef Producers, Alberta Wheat, Alberta Barley. There are 20 marketing councils that encompass the entire agriculture industry here in the province of Alberta. Again, the \$200,000 decrease is going to be efficiencies in supplies and services, so that 20 per cent across-the-board efficiencies and savings that we were trying to find, again, streamlining to try to get Alberta's spending in order. If you can't find these subtle efficiencies, it goes back to the \$2 billion dollar debt that your previous government left Albertans.

Mr. Schmidt: Can you give me a sense of what impact this will have on the marketing councils' ability to do their work?

Mr. Dreeshen: I'll hand that over to my DM.

Mr. Corbould: Thanks, Minister, Chair. I'd just say that a lot of those efficiencies are coming through simple things like saying: "We're not going to host lunches anymore for your meetings. When you do a seminar with your marketing council, we're not going to spend a bunch of money on hosting a big venue and those kinds of things." So that \$200,000 can be done very efficiently in the case of marketing councils by the number of meetings they have, the number of professional development sessions they have, and how we conduct those sessions. For example, recently we decided to postpone a session so that it could be done at a time where we could get a venue that was free to us, using a government venue instead of a hotel room. It's those kinds of logistics, efficiencies. I don't think it'll have any impact on their actual work. It's about how we help them do their work and how they fund some of those activities.

Mr. Schmidt: Thank you very much.

Mr. Dreeshen: To help further your understanding of what supplies and services are, I think that there's a great definition of what that is, the streamlining of the department.

Mr. Schmidt: No. I want to go to line 4.6 right now, environmental stewardship initiatives. You're forecasting an \$800,000 reduction in environmental stewardship initiatives. First of all, I'd like a detailed breakdown of where the \$10.6 million is going to be spent this year.

Mr. Dreeshen: Well, again, when it goes on the decreasing side of the \$800,000, \$500,000 is proposed savings in grants, \$200,000 is proposed efficiencies in supplies and services, and \$100,000 again to the efficiencies of supplies and services. Again, that's the streamlining that we're seeing there, but the breakdown of the \$10.6 million that we're actually spending on the environmental stewardships – I'm intentionally ragging the puck to see if I can get the answer, but if you have another question, I'll be able to get you the specifics of the \$10.6 million.

Mr. Schmidt: Okay. In meantime you identified that \$500,000 in grants would be reduced. How are those grant reductions going to be applied?

Mr. Dreeshen: Well, when it comes to any grant application that comes through, it's not a rubber stamp. We have to be able to look at it with a good economic lens of: does this actually further the economic interest of the province; is this actually a valuable product

or valuable project? Like any grant application that's how it goes. There's no 100 per cent allocation of any grant programming. You would actually have . . .

Mr. Schmidt: That's fine. Is it one program that's being reduced? Is it that all grant programs are being – how many grant programs, I guess, do you fund under line 4.6?

Mr. Dreeshen: We're shuffling through the papers right now to find the breakdown of the \$10.6 million, and I'll be able to answer that question soon. If you have any further questions.

Mr. Schmidt: If I understand correctly, then, did you say that there is a reduction of \$100,000 from staff? Is that correct from that line?

Mr. Dreeshen: And, again, the supplies and services. Yeah. Actually, if Dave Burdek would like to – no. We're still hunting this. Sorry. But, no, supplies and services.

Mr. Schmidt: Okay. Well, perhaps you can provide an answer to this question, then. Line 4.7, irrigation and farm water, you also have a \$300,000 reduction proposed from the actual amount spent in 2018-19. Where is that money going to come from?

Mr. Dreeshen: Again, what it goes towards is water pumping, water supplies, commercialization of new technologies. That \$2.4 million is still committed, but when it comes to the \$300,000 reduction that's, again, \$200,000 in proposed efficiencies in salaries and services as well as \$100,000 reduction in salaries, wages, and benefits. That's again where that breakdown of the reduction would be, but that ultimately goes into the – when it comes to the, sorry, over \$10 million of irrigation funding, that's a big capital plan commitment that we have here in Agriculture and Forestry. Not a lot of capital projects we have, but the irrigation, just due to the great economic benefits that it has in southern Alberta, is something that we are committed to, so that funding will continue.

Mr. Schmidt: Sorry. If I understand correctly, though, this \$10.1 million goes to fund the operation expenses of irrigation?

Mr. Dreeshen: Capital builds.

Mr. Schmidt: It's capital builds?

Mr. Dreeshen: Yup.

Mr. Schmidt: Capital builds are showing up in the operating expenses?

Mr. Schmidt: Yeah. I'm talking about line 4.7 of operating expenses.

Mr. Dreeshen: Oh. The irrigation rehabilitation program would be the operating side. I jumped to talk about capital. We are doing both when it comes to irrigation.

Mr. Schmidt: So the entirety of the \$10 million is for rehabilitation of irrigation equipment. Is that correct?

10:10

Mr. Dreeshen: Yeah, because it is. It's on capital. I saw \$10 billion and jumped to operating. On capital it is \$14 million this year and it goes to \$10 million next year. But your question on operating . . .

Mr. Schmidt: Yes.

Mr. Dreeshen: . . . is where I jumped to capital because it's also \$10 million.

Mr. Schmidt: It's \$10 million and that's . . .

Mr. Dreeshen: On the operating this year. I apologize. I jumped, when I saw \$10 million, to capital and operating.

Mr. Schmidt: Does the ministry have any kinds of forecasts in the future demand for irrigation water due to the effects of climate change in Alberta?

Mr. Dreeshen: I think when it comes to the demand of irrigation, it's the sky is the limit. The irrigation councils down there are very aggressive looking at reasonable expansion, but when you see exciting new Cavendish-type investments into that area – they were keen to double the size of the plant as soon as they got their one built. Again, when you look at the moves that this government has made of the job-creation tax cut, the efficiencies that we're trying to find when it comes to red tape and permitting, we are becoming that beacon of investment in Canada. So it is nice to be able to see . . .

Mr. Schmidt: Yeah. That's fine. My question though is – I mean, on page 16 in the Agriculture and Forestry business plan you're showing significant reductions in 2020-2021 to the budgets of this line item. I guess my question is, you know: what is the ministry's forecast for the demand for irrigation water over the next three or four years?

Mr. Dreeshen: Sorry. Did you mean the estimates or business plan?

Mr. Schmidt: The business plan, the estimates. I'm looking at both. I'm looking at 4.7 on page 36 of the estimates. I'm also looking at page 16 of the business plan. I'm looking at the line primary agriculture support, which summarizes all of those things under section 4. Your forecasting is a \$17 million reduction in 2020-2021 and then a further \$3 million reduction in '21-'22 and then another couple hundred thousand in the year after that.

Mr. Dreeshen: That's just six different targets. So we're just trying to get the questions all lined up.

Mr. Schmidt: That's fine. I'm wondering. Which line items in the operation expense do you forecast that those reductions in the future years are going to come from?

Mr. Dreeshen: Regarding which target?

Mr. Schmidt: I'm looking at primary agriculture on page 16 of the business plan. I'm looking at the 2021 target and '22 and '23 targets. Unfortunately, those numbers aren't broken down into the seven line items in the estimates. Can you give me a sense of where those future reductions are going to come from?

Mr. Dreeshen: When it comes to primary agriculture?

Mr. Schmidt: Yes.

Mr. Dreeshen: That was your final question. Again, it's – sorry. If you could give me just a little more time to find that specific line item.

Mr. Schmidt: You know what? If you can provide us with that in writing since we're out of time. I note that we still haven't received an answer to the question on the grants under environmental stewardship. I hope that, you know, in the next segment that's allotted to the opposition, your officials can find those pages. My

question though, original question, was related to forecast for demand for irrigation and farm water.

Mr. Dreeshen: Right. Sorry. If I remember what your sixth previous question was, I think the primary agriculture. Supplies and services. So for the \$12.9 million going down to \$12.4 million, that is just supplies and services that we're cutting. Again just to try to find efficiencies. I think that addresses your . . .

Mr. Schmidt: It's all going to come from supplies and services?

Mr. Dreeshen: The \$12.9 million to \$12.4 million in the estimates? Just so we're talking apples to apples.

Mr. Schmidt: No, no, no. I'm talking about: primary agriculture on page 16 of the business plan shows . . .

Mr. Dreeshen: We're on business plan, not estimates. Okay.

Mr. Schmidt: Yes.

Mr. Dreeshen: We're keeping up. So we're on business plan. Yes?

Mr. Schmidt: Yes.

Mr. Dreeshen: And the line item within the business plan is . . .

Mr. Schmidt: Yes. The line item is on page 16 under expenses, primary agriculture. You have 2019-2020 estimates of \$93 million this year. The next year's target is \$76 million. After that it's \$73 million and after that it's \$72 million, give or take.

Mr. Dreeshen: Right. We'll be able to . . .

The Chair: Sorry to interrupt.

The next 20 minutes will be going to the government caucus, immediately followed by a five-minute break. Go ahead with your questioning.

Mr. Smith: Thank you, Minister Dreeshen. We appreciate all the work that you've put into this budget. We have a responsibility to the people of Alberta to make sure that we understand it. Coming here with all your officials today and helping us to do a better job of that is very much appreciated, so thank you very much.

The Chair: Excuse me, Member. Do you wish to go back and forth with the minister?

Mr. Smith: Oh. Yes, we'll go back and forth. I'm sorry.

The Chair: If that's all right with the minister as well?

Mr. Dreeshen: You bet.

The Chair: Thank you.

Mr. Smith: I want to start with looking at the fiscal plan if that's okay.

Mr. Dreeshen: Yeah. You bet.

Mr. Smith: Okay. We're going to be looking at page 97 of that fiscal plan. Now, on page 97, at about the middle of the page there, it says, "The ministry will also achieve savings of \$34.1 million over four years by transitioning to a framework of producer and industry-led research." How is the ministry achieving \$34.1 million in savings over four years on research?

Mr. Dreeshen: I think that goes back to the previous member's question. You know, when it comes to research, we want to have that consultation and the story with primary producers to be able to see how we can actually be funders of research or doers of research or a combination of both. We are looking at streamlining red tape initiatives. We can look at what other jurisdictions are doing to make sure that we're not duplicating efforts.

But, at the end of the day, we want to be able to – well, no. Sorry. I'll back up. We don't want to be able to say that we want to go in a certain direction on research, but there is a possibility that the government of Alberta just becomes a funder of research. I think that is something that, again, other jurisdictions around the world do. We previously did it within the forestry sector, I think 20 or 30 years ago, where there was government, bricks and mortar type research being done, but then they moved to a straight funding model, partnering with universities, going into the postsecondary world. That is something that we're looking at if there were to be transitional, structural changes. That's kind of into the future, not within this budget's purview.

Again, it's all conditional on the consultations that we're going to have. That's kind of where we'd like to see, ultimately, that it is producer and farmer led and, again, not government initiated type research projects.

Mr. Smith: Okay. Thank you very much.

The second part of that question, though.

Go ahead. Did you have something to add?

Mr. Dreeshen: Yeah. Actually, my DM just reminded me. We have the CAP program as well, which is, I think, \$43 million per year that goes into additional research. So we have the \$36 million pot. We have the \$43 million pot from CAP. Then, again, how we can restructure that \$36 million in ag research, that we currently are funding, into more efficient and better programming: that's the big consultation that we'll undergo with the entire ag sector.

Mr. Smith: Okay. What are some of the transitions the department aims to see? Maybe you could just be a little bit more specific about that. How will the ministry maintain its research capacity? Obviously, if you're just becoming a funder, you know, is there going to be a drop-off in our research capacity? How do you envision that working?

Mr. Dreeshen: Well, I'd hate to kind of go too far out into the future. Again, this is the budget, the \$36 million. It is kind of conditional on how the consultations go out into the future years. That's kind of where we're at now. You know, I know, Member, that farmers and commodity leaders in your area will be interested in that research. Again, as I mentioned in my speech, the eight different applied research associations are going to be at the forefront of that research. You're going to have the applied research associations. You're going to have commodity groups. You're going to have farmers. You're going to have academia. There's a wide swath of people, industry that we're going to be able to consult with.

10:20

I know that with your education background – you know, Telus's big investment of \$16 billion: a lot of that is data capacity. When it comes to agriculture, there is so much data that comes with agriculture. That is actually a very interesting initiative, what the positive benefits are that agriculture could have. When it comes to research, it's not just plant varieties or genetics. You could actually look to technology-type research projects in agriculture. It's cutting edge, really interesting types of research, where I think we're

committed to looking outside the box, to what that research consultation would look like.

Mr. Smith: Thank you very much.
MLA Jones.

Mr. Jones: Thank you. Can I go back and forth with the minister?

The Chair: Absolutely.

Mr. Jones: Okay. I'd like to bring up something mentioned on page 97 of the fiscal plan. Just let me know when you're there. It mentions that the ministry is allocating \$2 million in support of the fighting for agriculture and forestry strategy. Can you just explain this strategy in some more detail?

Mr. Dreeshen: Thanks. That's a great question. It's something that was in our campaign platform, that we would have a fight-back strategy for our energy sector as well as agriculture and forestry. We've had great consultations with the forestry sector and the agriculture sector on: how can government partner with industry to promote the great work that the industry does? When you look at, you know, modern agriculture practices, what we do here in the province is remarkable. It's world leading. Two billion more mouths to feed over the next couple of decades: the world is going to need not just more Alberta energy but also more Alberta food and forestry products. So that is something where we want to be able to proactively go out there and tell that story. That's where that \$2 million commitment comes from.

When you look at the energy sector and what's happened with the Tar Sands Campaign, that was started back in 2008, there was almost a decade of negative stories that were being told, and the narrative just kind of crept away. The positive narrative crept away from our energy sector, and we want to make sure that within our agriculture and forestry sector we don't become victims of the same type of international pressure or, you know, of left-wing groups being able to smear our great industry.

So it's not so much a fight-back strategy as a fight-for strategy. Again, that's just a government commitment to be able to go into that space to make sure that with the great work that our foresters and farmers and ranchers here in Alberta do – the sustainable environmental benefits, the high labour standards – we are actually putting our money where our mouth is in promoting that great work and the great industry.

Mr. Jones: Could you give us some examples of our world-class products and where those are going around the world and maybe an example of how misinformation has affected or perhaps trade issues have affected some of our producers?

Mr. Dreeshen: Well, our J-grade lumber, that goes out to Japan, is world class. We have actual hardier, tougher wood here in Alberta just due to our cold winters. That gets exported around the world, and it's a premium-quality product and something to be proud of in the province. Again, you would have left-wing groups saying, you know, that the forestry industry here in Alberta is somehow damaging the environment. Forestry is the alternative to forest fires, and that's just the reality that we have here in the province. Our forest is going to last 80 to 100 years, and then it's going to become a tinderbox, or it's going to be managed properly by world-leading foresters that harvest it, that replant the trees 2 to 1, plus the natural regrowth that happens. Our forests become healthier when we actually log them, when we actually do proper forest management practices. That narrative is something that, again, needs to be promoted, and we're committed to doing that.

On the agriculture side, we have not just world-leading genetics that we export around the world but also high-quality, amazing products. Our wheat is usually blended with poorer quality wheat from the Black Sea or from other regions. We have the best crops, the best beef, the best pork. I mean, when you look at not just the sustainability of our ag and our forestry sectors but at the high-quality and amazing products that we have – it tastes good, and we can also feel good about producing it.

It's a great story to tell, and that's where that \$2 million from this year's budget comes from.

Mr. Jones: Thank you.

Mr. Loewen: Thank you, Minister, and thanks to your staff for the great work they've been doing. I just wanted to ask about revenue on page 41 of the estimates. I'll just give you a second to get there.

Your department budgeted \$8.9 million under other revenue for the 2018-2019, and the actual came in at \$11.7 million. The budget for 2019-20 is now \$6.4 million. Can you explain why there's a reduction in the budget for other revenues compared to the previous year, when that year's actual surpassed its estimated budget?

Mr. Dreeshen: There are three, actually, for the revenue. The \$600,000 reduction comes from providing support in fighting forest fires reported in 2019-20 under transfers from the government of Canada. In previous years the revenue was reported under other revenue, so that's just a little bit of specific detail on that. For the actioning on fires, revenue is received under the Cold Lake air weapons range agreement with the federal government. That is just how it is accounted for differently now.

Of that, \$1.6 million is related to services provided to other departments under shared service agreements. That's reported in the 2018-19 under internal government transfers. In 2019-20 that internal revenue is included under this other-revenue category. The final \$3.1 million of that \$5.3 million is related to a one-time higher cost recovery in 2018-19 for providing specific supports to other jurisdictions for fighting wildfires. That's kind of the specific breakdown of where that \$5.3 million is.

Mr. Loewen: Okay. Thank you very much, Minister.

Mr. Dreeshen: Sorry for getting very technical about that, but that was a technical question.

Mr. Loewen: Okay. That sounds great. Thank you very much.
I'll turn my time over to one of my other hon. members here.

Mr. Rehn: Thank you. Thank you, Chair, and thank you, Minister, for coming with your entourage and answering our questions today.

I'd like to take a look at page 40. On page 40 of the estimates both lending and insurance have risen significantly. Why are we seeing the high increase in these programs?

Mr. Dreeshen: Actually, I was going to comment on my deputy minister's condition again, but when it comes to a lot of agriculture work, it is crossgovernment, and there are other departments that get involved. I started off this morning, when I was speaking with the deputy minister, that he may have a wounded right hand, but you should see the other DMs. He's a former military guy, so I think he appreciated it.

When it comes to the lending side, in 2018 AFSC specifically revised its lending mandate to meet the market demand. They focused their business on new and developing farmers and different value-added sectors. With that, that is where the lending costs changed year over year by nearly \$5 million. They're lending more

dollars to clients more efficiently. That's where I think that change would come from.

Maybe I'll let Darryl speak more specifically on that.

Mr. Kay: Thank you, Minister, and thank you, Member, for the question. In terms of our lending costs the minister is correct. The funding we receive from the government is really the net between the revenue and the expense. So not only are we more efficient and we've streamlined a number of our lending processes; we're also growing our lending volumes. We're going to see an expected increase of about \$400 million in volume to \$600 million. When we look at the agribusiness and value-add in particular – I know that question came up earlier – we're looking to increase our volumes from about \$9 million last year, and we're already at \$35 million this year. As we make more money on that lending program and lend more, the contribution from the government will decrease. So it's actually a good-news story in terms of growing our program.

Mr. Rehn: Thank you.

The Chair: Go ahead, Mr. Getson.

Mr. Getson: Well, first off, thanks again, Minister and your staff. As a major-projects guy, typically when we do budget reviews, we have the ability to drill down into the estimates on an Excel spreadsheet if folks start asking us and getting down into the minutiae. Understanding that we don't have that, that we only have paper copies here, from the fact that you're maintaining that and being able to gather information that quick, I'm actually darned impressed by it. So thank you for that.

Mr. Dreeshen: Thank you.

Mr. Getson: For the folks following at home, so they get a little bit of an idea: we have several different books here that we're managing and going through. Again, we get to ask you these high-level questions, which I would assume would lead down to details if required, so that will be my caveat.

Chair, if I can just go back and forth with the minister?

The Chair: By all means.

10:30

Mr. Getson: It may not come as a surprise to you, but I'm going to focus in on the pine beetles and the forestry side of things. The member to my left and I both grew up in the forestry industry. We both did that in our backgrounds. Now we're in two different areas where actually that's kind of a big deal for us, the forestry and the pine beetles. Firefighting is one of those items that is a huge expense, it looks like, on the ledger side of things. Now, using Jasper as an example, being out there recently, that pine beetle infestation has basically encapsulated that little valley. I'm very pleased to hear that you have these programs where you can put those buffer zones around some of those areas. Some of those towns don't have that option.

Where I'm going to drill down to here is the use of the polymer gels. Again, it's a different thing that we haven't had in our arsenal. The previous government had actually cancelled a contract that was in place for it after it was proven of some efficacy. What I'm asking is if you are going to have some of those dollars allocated to a pilot project to allow that to take place. Maybe it's part of that buffer zone initiative that you're looking at.

Mr. Dreeshen: Yeah. I'll turn things over to my ADM Bruce on the polymer gels.

At the end of the day, as I mentioned earlier, it's an art, not a science, when it comes to how best to fight a forest fire. I mean, there's obviously science involved in it, but there's no cookie cutter, that if you just do X, Y, and Z, then you'll be able to fight any specific, individual fire.

Mr. Getson: Yeah. Given that, too, Minister, it's making sure that we have the tools in the set to allow them to pick up a hammer when they need it versus a screwdriver.

Mr. Dreeshen: Yeah. And when it comes to what's in our arsenal, what's at our disposal, I'll turn that over to Bruce. But, again, with the lessons-learned report we are looking at ways in which we can more efficiently, more effectively fight fires in the province of Alberta, not just with a cost-saving lens but also with an effectiveness lens of how we can actually make sure that we're putting out these fires in a faster, timelier way and looking at other jurisdictions around the world to see, you know, best management practices that come from that.

I'll turn things over to Bruce.

Mr. Mayer: Okay. Thanks, Minister. Thanks, Chair, Member. With respect to gel polymers maybe just one point of clarification. The contract I think you're talking about actually wasn't cancelled; it had expired. The contractor wasn't able to produce what was required at the time.

I guess one of the challenges we have is that from an aircraft perspective we have good tools now. We have water. We have retardant. We have foam that we use within the aircraft. Gel works great on structures, on houses, on other facilities, but you're right that we haven't had a lot of research to identify how and where it can fit within our current fleet. We just don't know if it's any more cost-effective. Right now the product is fairly expensive to purchase. The indication is to purchase it up front, whether you use it or not. The minister indicated or maybe you indicated some research. We have committed to a couple of the providers to do some further research with respect to the use of gels and see whether it does fit within our air fleet or not.

Mr. Dreeshen: Sorry. If I may tack onto that, if that's all right, we're not just stuck in fighting fires the way that we've always fought fires. There was a really neat initiative that happened – I think it was up at High Level – that protected the Tolko mill, in which there was a company that had a water cannon. So, I mean, when it comes to, you know, FireSmarting a community and having garden sprinklers like you would get at Home Depot to put on roofs just to wet roofs so that sparks don't actually land and ignite, this water cannon, essentially, just shot a beam of water up into the air and created a humidity dome around the Tolko mill.

I mean, that type of innovation is something where, you know, we're looking at: yes, if that mill were to go up, you're creating that protective buffer around it. We are looking at – the polymer gels would be in the same category – if there are better ways to do it, we're all ears. We're not just stuck in the past, that we've always fought fires this way and this is how we're going to continue to do it.

Mr. Getson: Good. I appreciate that.

As a follow-up, in the research I've done on it, it absolutely is great for aerial applications. You can use the typical buckets. You don't need the forward operating bases, the conventional things that we have. It's a third of the cost of what the other products are out there. There are tons of things to look at.

One of the other ones, too, is that I noticed in your targets, item 3(b), where it's talking about the actual harvesting. Is there any

allowance in there? Specifically coming back to the pine beetle kill, are we looking at part of that firefighting strategy to allow overharvesting of the areas that have already been killed by pine beetles, or are we just concentrating on the new timber stands?

The Chair: Sorry to interrupt. We're finished with that time slot.

We will have a five-minute break, immediately followed by 10 minutes of the opposition. We'll reconvene in approximately five minutes, at 10:40.

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

The Chair: Okay. We'll get back to our meeting. We'll be doing 10-minute rotations, starting with the opposition members, followed by the government caucus.

Mr. Dach: Thank you very much, Chair. I'll proceed, with your permission.

The Chair: Do you wish to go back and forth again with the minister?

Mr. Dach: Yeah. I'll continue to go back and forth, and I'll ask any of the deputies that wish to respond about an issue that's pretty serious.

I know that on October 7 the minister met with members of the Alberta Beekeepers Commission with some of his staff, and they were asking about emergency money for this year to save some of their honey producers and beekeeper operations in this province from going under and failing because of the difficult weather conditions they've been facing the last couple of years. Can the minister point to any line item anywhere that the beekeepers might be receiving money from this year to save them from going under in many respects? A huge, important element of our agricultural economy is our bees, who are big pollinators, as you know, and sustain across Canada a \$25 billion canola crop. Can the minister point to any money that's earmarked to help Alberta beekeepers this year?

Mr. Dreeshen: Thank you very much for that question, through you, Chair. That was a great question that you asked in question period, and it is vitally important. Our bee industry has had a very, very difficult year, as have many . . .

Mr. Dach: I wish the answer was as good.

Mr. Dreeshen: Sorry?

Mr. Dach: I said that I wish the answer was as good. Anyway, go ahead.

Mr. Dreeshen: Line 5.2 actually has references to the insurance. Ultimately, whether it's the honey insurance program or the bee overwintering program, that's part of the \$700 million through AFSC. You know, again, we'll see what happens at the end of their crop year. With the honey insurance program specifically, it provides coverage for hives managed for the sole purpose of honey production, so that's on the production side. Then the overwintering program, which, again, is coming up . . .

Mr. Dach: Yeah. I understand what you're saying. It's similar to the answer that you gave in the House.

Mr. Dreeshen: But you asked, and we have two different specific . . .

Mr. Dach: I understand that, but the concerns that the Beekeepers Commission and beekeepers in general as a business have is that the insurance products are not a good fit, and they've gotten no adequate response from you about altering those insurance products so that they better fit the industry that they're supposedly serving. Is there anything that you're doing to alter those insurance products so that there's more uptake from the beekeepers and they find that they're more useful to them to save some of them? Is there any emergency money this year that's going to help the beekeepers from going under?

Mr. Dreeshen: Well, they probably met you the same day that they met me, and since then I have asked AFSC to undertake a review that will include additional client consultation to ensure that the program is meeting industry needs. At the end of the day, we want to be able to work with them to develop, you know, tweaks to the insurance programs that we already have. What are changes by which it pays out better, it has a better understanding of having a year like this? I know that might be cold comfort to some that chose not to buy insurance this year. That comes to a broader issue of government wanting to be able to be there to provide coverage on insurance premiums. If producers choose not to have insurance, that is unfortunate.

Mr. Dach: I understand that the choice is made, Minister, because the insurance product doesn't fit the producers according to their business needs, so hopefully looking forward to you looking at more meetings with the Alberta Beekeepers Commission to develop different changes to those insurance products that meet their needs and also looking forward to your willingness as a ministry to earmark some emergency money to make sure that some of those valued honey producers and beekeepers don't fail this year, because there's a real possibility that some of them will fail this year. They're asking you for help. So far the well has been dry. I'm just wondering if there's a way that you're going to see fit to provide any money at all this year if indeed you see imminent failure of some of these beekeeper operations.

Mr. Dreeshen: I wouldn't say that the well is dry. The \$700 million well is an estimated well that would go out to producers. Yes, they are in a very difficult year, and AFSC is looking at ways in which they can tailor programs that at the end of the day can help them with bees, on their specific type of commodity, which they are. We do want to have government programs that are bankable and predictable. We want to get out of a world in which it's ad hoc, where you just have to throw money at a problem. We do want to work with industry to develop programs that are bankable and predictable.

Mr. Dach: Well, they're looking for some money to be thrown their way to help them survive this year, so hopefully you'll see fit to meeting with them and truly listening.

I want to transition a little bit if I may.

Mr. Dreeshen: If I may, just one more comment.

Mr. Dach: Quickly. Go ahead.

Mr. Dreeshen: With AFSC looking at loan repayment issues, there are other ways that, you know, immediately we could be able to address some of these issues. That's not just specific for bees but also for crop producers that have . . .

Mr. Dach: Well, specifically for beekeepers, whatever assistance you can avail them of this year is going to be critical to the survival

of many of them. So I hope you'll follow up on that, and I'll be looking forward to hearing about it.

Now, you may not know, but I was interested to learn that 8 per cent of Alberta's sugar beet crop actually goes to feeding honey bees over the winter. That's a huge amount, and it's a great synergy.

I'm wondering, too, though, as far as value-added marketing of our sugar beet product – I remember as a younger person that you could see Alberta beet sugar on the actual bag of sugar that you would buy, but you don't see that country or province of origin labelling on our beet sugar. If you're wise enough to know, number 22 on the labelling of sugar bags will identify it as Alberta beet sugar, but most consumers don't know that. I'm wondering, in terms of the development of our market even locally within the country: is there any way that you would be looking to spend some money in your \$2 million proposal to promote Alberta beet sugar and identify it as Alberta beet sugar not only in Alberta but across the country and perhaps internationally where such promotion would be permitted?

Mr. Dreeshen: To me, everything is on the table when it comes to promoting Alberta agriculture. It isn't just specifics on wheat farmers or cattle producers or ranchers. It is the great success story that is the sugar beet industry down in southern Alberta. I wouldn't presume to say that it wouldn't be involved in that fight-back strategy or fight-forward strategy or the promotion strategy for modern agriculture. Again, it is an amazing economic driver down in southern Alberta, and we have some southern Alberta MLAs here that would understand the importance of irrigation and the sugar beet industry.

The kind of synergistic relationship that sugar beet byproducts can have, you know, of feeding other industries, is akin to the energy sector if you look out east of Edmonton.

Mr. Dach: We look forward to investments promoting sugar beets and that important industry.

I want to turn to halal meat production, if I may, in the same vein of promotion of value-added products here in the province. In the business plan, item 2(b), page 12, you're looking at performance measures, percentage of active provincial licensed abattoirs that meet provincial slaughter and meat processing requirements. Now, 1.8 billion, or 24 per cent, of the world's population is Muslim, and they eat meat, in particular beef. I'm wondering what roadblocks there may be in the requirements of slaughterhouses to producing halal meat products and halal slaughter of animals. Is there any special regulation that somehow puts up a roadblock to this? Also, how many halal meat production plants are there out of those licensed abattoirs in the province?

Mr. Dreeshen: I'll let my DM go into the specifics on that, but when it comes to, you know, what we want, our targets are to meet that 100 per cent level. You know, when it comes to further regulations and red tape reduction, we have a Red Tape Reduction ministry. It's something that this government is very focused on, achieving efficiencies: what works, what doesn't work when it comes to government regulation. That as a high level is something that we're very focused on.

On the number of halal operations . . .

Mr. Dach: We're talking about slaughterhouses. We don't want safety standards to be – I worked in a packing plant, and I know how important it is to have very regulated spaces for protection of the public and for safety of the product that they're making there.

My question was about how many plants in the province we have licensed and recognized as halal abattoirs.

10:50

Mr. Corbould: Thank you, Minister, Chair, Member. We can get the number of those that are licensed for halal. Just on the halal issue, getting back to your first question, it really is a balance between, you know, respecting the consumers who want halal meat and making sure that animal care is maintained as well, and to do that, we have worked across several jurisdictions across the country to establish best practice for the production of halal meats. It's not a regulated piece, but it's certainly one that we're working with officials across jurisdictions to make sure we follow that sort of best practice and standard for that and work with the different producers.

We can get the specific number that are licensed based on that best practice. I don't have that available to me now, but essentially our view is that any producer who wants to provide that type of product can, and we'll help them get licensed to date.

Mr. Dach: Right. In that vein then, saying who's given that . . .

The Chair: Thank you very much, members.

We'll move on to 10 minutes for the government caucus starting now. Go ahead, Mr. Yaseen. Do you wish to go back and forth?

Mr. Yaseen: Yes, please. Thank you, Chair, and thank you, Minister and your staff, for working hard to put Alberta back to work and bring it to balance.

My question is on the pine beetle program. As we know, the department is in charge of the pine beetle program, and taking care of this threat is crucial for the health of our forest. Is the province expecting new threats, and does the forest health and budget account for that possibility, including the rise of threats.

Mr. Dreeshen: Thank you for that question. Through you, Chair, again, the commitment was a promise made, a promise kept that we had during the campaign to have that \$5 million increase. The previous government had taken it, I think, roughly from \$34 million, reduced it to about \$25 million. Our campaign commitment was not just to reverse a downward trend from the previous government but actually to increase funding. So that's where the mountain pine beetle funding will go, from \$25 million up to \$30 million a year.

Again, as I mentioned previously, you know, we are partnering with Saskatchewan to make sure that they are funding a million dollars a year plus trying to get some funds and make it a priority for the federal government to take this seriously.

At the end of the day, there is such a big economic benefit that comes from our forestry sector, and we have to make sure that we can protect it by all means necessary. That \$30 million: we believe there's the capacity in order to fight the mountain pine beetle and to do practices that actually slow its spread.

I wish I could say that there's a silver bullet. I wish we could eliminate the mountain pine beetle, but people much smarter than me in the forestry sector say that the best we can do is just manage it and try to reduce the spread as much as possible.

I know we had one of the coldest winters last winter, obviously, and that was always kind of one of the talking points, that if we could just get, you know, minus 30 for so many weeks, it would actually have devastating impacts, and it did. It slowed it down significantly, but it didn't wipe them out completely. You know, we did take that opportunity to capitalize on its slow growth, but at the end of the day, it's going to take more money, more commitment, and more smart forestry people to be able to help manage the mountain pine beetle.

Mr. Yaseen: Thank you, Minister.

Mr. Dreeshen: Thank you.

Mr. Sigurdson: Chair, permission to go back and forth with the minister?

The Chair: Absolutely, if the minister approves it. Go ahead.

Mr. Sigurdson: Thank you. Minister Dreeshen, I just want to, first, commend you on all the hard work that you put into this. I know there's a lot of thought that's gone into this moving forward, and I know that our agriculture and forestry industry has to live within their means. I think it's pretty refreshing to hear that you're running this like a business and living within your means as well moving forward.

I'd like to talk a little bit about, specifically, key objectives 2.1 and 2.4 on page 12 of your business plan, and I'll kind of frame this a bit. At the beginning of last year there was a forest fire that posed a threat. Now, it was in the Bragg Creek-Kananaskis area. Luckily enough, due to favourable weather conditions it was extinguished really fast. This fire could have posed a definite and immediate threat to the community and surrounding area. With this FireSmart program, I mean, as you're moving forward in reducing this risk to human life, communities, and other values and promoting healthy ecosystems – I guess my question is a little bit two-parted here. Based on what has happened in the recent wildfire season, what are you contemplating for changes on how you work the FireSmart program? How are you going to move this forward immediately, just based on what you've learned this year? I guess, as well, with that, looking a little bit down the road, how is your department going to implement or adjust initiatives in the future? I mean, how are you going to utilize this in the best way possible to mitigate the risk to these communities, families as we move forward? I think this is a big issue across Alberta.

Mr. Dreeshen: Yeah. That's a great question. Collaboratively would be the answer. It's something where, you know, you have early adopters of the FireSmart program, communities like Whitecourt and Hinton, that have been doing it for years. To me, I think the grazing lease idea or to have that protective buffer zone is of value. But, again, talk to the communities, municipalities of Whitecourt, Hinton, their surrounding areas – they're early adopters of it – to be able to ask, "How can we improve on this grazing lease idea?" plus other ideas that they even come up with. We want to work with municipalities, the forestry companies, as I said earlier, and the private landowners that would own land right up to a community. How can we best co-ordinate with everybody involved to be able to have that protective barrier?

You know, to a previous question about, "Should it be mandatory or voluntary?" this isn't going to be government expropriating land. This is going to be: how can we best work with the surrounding areas to build a protective fire zone that ultimately has safety as the primary concern? It's going to take time.

But it is something that my deputy would also like to comment on.

Mr. Corbould: Minister, Chair, Member, the other thing that's important to note with respect to FireSmart is that FireSmart is an Alberta-made concept. It was invented here in Alberta. Alberta was a big leader of FireSmart, first here in the province and then across the entire North American and then world districts, and we continue to be a leader on that front in wildfires.

Speaking to your second question in terms of what we are going to do for the long term, we will continue to be a leader amongst FPTs to other jurisdictions in the world about how we continue to strengthen FireSmart. But as the minister said, it really does come

back down to collaboration with municipalities and different jurisdictions in terms of what's the best thing to do, which is why we see things like pilots on grazing leases in Wabasca being a great opportunity to move into the future with new ideas.

Mr. Sigurdson: Excellent. Thank you, Minister.

I'll relinquish the time to another MLA for more questions. Thank you.

Mr. Dreeshen: Thank you.

Mr. Singh: Through the chair to the minister: Minister, I think you are doing great work. My question is: what are some of the more recent modernizations implemented to the timber and forest planning process, and how has the department's funding supported the discovery of these modernizations?

Mr. Dreeshen: Specifically, would that be on the business plan – yeah. The three things that we do a great job, I think – and, you know, I've had a tour of the operations centre. The forest operation monitoring program is a risk-based program that focuses on field inspections and those areas where the highest risk of environmental or forest sustainability may occur. The two others are the wet areas mapping and the regeneration standards of Alberta. Those are our tools that we have to be able to best monitor. Again, that's how we develop these 100-plus years plans in partnership with foresters. We need to be able to have access to the best data, the best information possible to be able to sustainably manage Alberta's forests, at the end of the day, because 60 per cent of the province is forest. The other 40 per cent is within an agriculture zone. Within the Department of Agriculture and Forestry you pretty much have the whole province covered, so you want to make sure you're doing it in the best way possible.

Mr. Singh: Thank you, Minister, for answering.

I will let my fellow member take the next question.

Mr. Dreeshen: Thank you.

The Chair: Mr. Turton.

Mr. Turton: Yes. Thank you, Mr. Chair. Do I have permission to go back and forth with the minister?

The Chair: Absolutely.

Mr. Turton: Okay. Thank you very much.

Thank you, first of all, Minister, for coming here today with your staff. It's an absolute pleasure to see you and just kind of experience your leadership style. I know my family is involved heavily in the agriculture fields. Farmers throughout Alberta are very pleased with your leadership so far.

I guess the first question that I just want to ask is actually pertaining to agriculture. Spruce Grove and Stony Plain are surrounded by some of the best farmland in this province, and I know that the members for Lac Ste. Anne-Parkland and Drayton Valley-Devon would probably agree with me on that note, without looking at them.

11:00

Mr. Dreeshen: They're nodding.

Mr. Turton: Of course they are, because it's true.

I guess my question is actually pertaining to canola and specifically page 43 of the fiscal plan. It says that there's a loss of about 25 per cent in canola shipments this year. What is your plan

in order to increase trade exports based upon the numbers that we see in the budget?

Mr. Dreeshen: Again, I go back to the work that – you know, we partner with economic development and trade. Ultimately, it's working with the Canola Council of Canada and other commodity groups to be able to make sure that we can actually increase the exports of canola. That is something that, as a farmer and for lots of people that I know as farmers, is a major issue, and market access has always been a big issue for Alberta farmers. There have been some recent reports coming out about canola shipments increasing in other parts of the world due to the Chinese market closing, and it is something . . .

The Chair: Thank you very much, Minister. Sorry to interrupt, but we'll move on to questions from the opposition for the next 10 minutes, please.

Member Ceci: Minister, back and forth if that's okay? Can you tell me what the more than 2 and a half million dollar difference between the processing, trade, and intergovernmental relations total for '19-20 in the estimates is? That's tranche 3: 3.1, 3.2, 3.3, and 3.4. That's on page 36. And on page 41 that expense is 2 and a half million dollars higher for '19-20.

Mr. Dreeshen: Okay. I think that on the first one that I have right now – thank you for this very specific question. The Alberta greenhouse rebate program, that was created due to the fact that – way back when, when we had a carbon tax, greenhouse producers would actually receive a rebate. As we proudly got rid of the carbon tax on May 30 . . .

Member Ceci: So that's a 2 and a half million dollar difference?

Mr. Dreeshen: Yeah. Sorry. I was going to get to that. Due to the fact that it was only collected from January 1 till May 30, there were 2 and a half million dollars, so we're honouring that commitment on the refund.

Member Ceci: Okay. Thank you. Sure.

The line 2 program 2.2, agricultural societies and exhibitions. I don't know; I can't see it broken out there. I'm just wondering about the Calgary Stampede grant and if that stays the same.

Mr. Dreeshen: The Calgary Stampede grant and the Edmonton ag society grant: I'm not even sure if that was under your . . .

Member Ceci: Edmonton's, I think, is gone, but Calgary's may still be there.

Mr. Dreeshen: It'd be outside of my budget. I'm not sure if it was your government or the previous government prior to your government.

Member Ceci: That moved it?

Mr. Dreeshen: That moved it to culture and tourism.

Member Ceci: So you don't have it?

Mr. Dreeshen: No. These ag societies are every single ag society within the province of Alberta minus Calgary and Edmonton.

Member Ceci: Line 5.1, lending assistance.

Mr. Dreeshen: Line 5.1 in the business plan?

Member Ceci: No. In the estimates. There's a \$5.5 million – I don't know – difference between the actuals in '18-19 and '19-20. What's the impact of that going to be?

Mr. Dreeshen: That's an increase in lending, the short of it.

Member Ceci: It's a decrease in lending.

Mr. Dreeshen: But you would have the provincial funding supports, AFSC, to deliver lending assistance, the specifics on that program, and that provides loan guarantees of up to \$15 million to primary agriculture producers. That was an increase from \$5 million to \$15 million that can go out.

Member Ceci: So you're saying that a different program has been increased; this one has been decreased.

Mr. Dreeshen: I was just going to say, yes, that the \$5.5 million decrease in this budget is due to AFSC providing an updated estimate for the budgeted revenue and expenses for the lending program based on estimated lending volumes from the 2019-2020 estimate, that determines the annual contribution from the government of Alberta. So it was more of an accounting process to show that \$5.5 million.

If Darryl wants to add more colour to that.

Mr. Kay: Sure. I'll just quickly add to that. It was part of that previous question. The way that we're funded is based on the shortfall between revenue and expense, so this really doesn't represent a drop in expense. We are becoming more efficient and streamlining, but we're also growing our revenue. As we make more money on our lending programs, we require less funding from the government.

Member Ceci: Just back to your business plan, in '18-19 there were 299 value-added products in Alberta.

Mr. Dreeshen: Sorry. Do you know the page in the business plan?

Member Ceci: Oh, sure. It is – guys, help me out – in the business plan. Here it is. The business plan, pages 10 and 11, the top of page 11. It says, "Performance Measure: Number of value-added agriculture products developed and successfully introduced into the market with assistance from Agriculture and Forestry." There were 299 in '18-19, and then your targets go down by 34 in '19-20. I'm just wondering: is this as a result of the reduction in your budget overall, that you're very proud of?

Mr. Dreeshen: No. It's more due to the targets and the variance of it. The factors that influence – again, these are just expectations – are the variances and time required to develop a product from concept to commercialization, so just kind of a further update on that. Then the economic conditions; processors reformulate existing products instead of developing new ones during an economic downturn. It was more just kind of a recalibration of the actual economic realities that I think Alberta is facing right now.

Member Ceci: Just going on to the Alberta small brewers development program and liquor development program, that were eliminated in August '19, I'm just wondering what effect that has had on the growth of the Alberta liquor industry. Do you know?

Mr. Dreeshen: Again, when it comes to that program, that was a \$30.6 million elimination of a program that we did. Again, going back to the rationale or the reason why we're having to find inefficiencies and to find programs that aren't actually providing

the economic boost or benefit to the province, as you would well know, there have been six credit downgrades that the province of Alberta has seen and \$2 billion in interest payments.

Member Ceci: Minister, I'm just asking about the liquor program.

Mr. Dreeshen: Right, but that goes to our efficiencies that we're doing as a government to be able to . . .

Member Ceci: Do you know if there's going to be additional revenue coming in as a result of the elimination of the grant program? Do you know if the net income of AGLC, Alberta gaming and liquor, with regard to this area is going to be higher?

Mr. Dreeshen: At the end of the day, there has been a differential markup scheme that was developed with them, again a change from the previous government, and the Alberta liquor manufacturers will now be able to apply under CAP, so if there is actually a specific program . . .

Member Ceci: So you don't know, in fact, if there's going to be a net increase in the income?

Mr. Dreeshen: To your question, there's a CAP program, that has about 43-ish million dollars, to which any liquor manufacturers are able to apply.

Member Ceci: All right. What will be the effect on farmer suppliers to the liquor industry as a result of the cancellation of that program, that was in and successful?

Mr. Dreeshen: Farmer suppliers being farmers?

Member Ceci: To the liquor industry in Alberta.

Mr. Dreeshen: Right. It's still commercial agreements that can happen between them and the liquor industry. I would hearken back to the fact that the elimination of the Canadian Wheat Board monopoly was something that freed up our craft brewery industry to be able to directly buy from farmers, the fact that that was previously not allowed under the former Canadian Wheat Board monopoly. But malt barley farmers, malt growers, being able to directly sell to brewers has just been a boon created by the elimination of that 75-year-old government monopoly that happened. To me, the direct relationship has drastically been improved since the elimination of the monopoly.

Member Ceci: Can I ask you about intergovernmental affairs? Do you know if any more liquor products – beer, cider, wine – not wine so much . . .

Mr. Dreeshen: Not a lot of wine production in the province of Alberta.

Member Ceci: . . . but mead, any Alberta-produced liquors, are going into other provinces? Are other provinces picking it up? One of the reasons we started the trade challenge was that there were onerous rules for getting Alberta products into any other province in Canada whereas in Alberta we accepted all with a simple application. Do you know if we've grown our liquor distribution throughout the country, or are we still at the same place?

Mr. Dreeshen: Mr. Chair, I think it's a little outside of this . . .

Member Ceci: It's policy, for sure. It's business.

Mr. Dreeshen: But when it comes to something of interprovincial trade, something where the Premier has taken great strides in reducing barriers across other provinces, I think . . .

Member Ceci: Do you know if any other products are in Saskatchewan, B.C., Ontario that get produced here?

Mr. Dreeshen: I would say again that that's outside of the purview of this, but we can try to get that answered.

Member Ceci: That would be great. I would be really interested in an update on that.

Mr. Dreeshen: Yeah. The AGLC would probably have the specifics, so we'll be able to hunt that down.

Member Ceci: I'm going to pass it over to my colleague on my right.

The Chair: You have one minute and 28 seconds.

Mr. Feehan: Okay. Thank you. Minister, I'll start now and then continue later.

I'd just like to direct you to line 4.4 on page 37 of the estimates, referring to livestock and crop research. We've had an opportunity to ask a little bit about the significant decrease in the operating costs, but we see a significant increase in the capital costs. Can you just tell me what is involved in the increase to capital costs?

11:10

Mr. Dreeshen: On page 37 of the estimates?

Mr. Feehan: Yes. Line 4.4.

Mr. Dreeshen: So the increase from \$500,000 to over a million dollars is what you're referencing?

Mr. Feehan: You're doubling the amount of money put into capital, so you must be planning to build something in particular.

Mr. Dreeshen: Right. I think that just goes into kind of the broader narrative of being able to support government research. There is an increase. The main one is for the food processing centre in Leduc. There's about \$800,000, ballpark, in funding to finish projects that have been started in previous years, so kind of a catch-up of those projects: the beginning installation of equipment for the Vegreville hemp decortication facility and fire-weather station upgrades. Those would be the two specific increases of just where it was time to update on the capital side.

Mr. Feehan: Okay. So you'll be increasing the amount of money . . .

The Chair: Sorry, Member, to interrupt.

We'll now move on to 10 minutes for the government caucus.

Mr. Smith: Did you want to continue your question?

Mr. Turton: Yes. Thank you, Member Smith.

The Chair: Go ahead, Mr. Turton.

Mr. Turton: Yes. Thank you, Mr. Chair. Mr. Minister, I was just hoping you can perhaps elaborate just a little bit more on your answer before you were cut off there in terms of the 25 per cent canola shipments that are reduced. I guess just a quick supplementary question to that: is most of that 25 per cent reduction

attributed to weather conditions specifically here in the province, or is it more attributed to trade conditions on a world-wide scale?

Mr. Dreeshen: I think there would be a combination of both. In fact, 20 per cent of the acres in the province of Alberta are unharvested, and the majority of that is canola. There are a lot of acres, a lot of canola that's still out in the ground that may not be able to be harvested this year. But, yeah, yields weren't as good as were projected going in, and then it is a mix of trade irritants and trade issues as well, of market access.

But it is reassuring to hear – I think it was yesterday it was reported – that there's a 500 per cent increase in canola shipments to the EU. I know it's easy to say, you know, that we need to be able to diversify our markets, but when you look at 40 per cent of our canola exports going to China, more than that gets exported to the United States. So when you have two markets with the vast majority of your multibillion-dollar exports, it's – again, these are companies making corporate decisions in order to sell their product around the world, to sell farmers' grain. That market diversification of being able to find new markets is something that's vitally important. To me, it's good to see. As farmers you always like to see market diversification and other markets being sold into. That, I think, kind of breaks down the canola export issue.

Mr. Turton: Would it be your assertion that, you know, we are properly diversifying when it comes to trading partners for canola and other grain exports here in the province, or is there anything else we can be doing in that regard?

Mr. Dreeshen: We do. We try. Our foreign offices that we have around the world: that is their sole purpose, to be able to not just connect our Alberta businesses to international businesses but to try to develop new market opportunities and think outside the box. But it is tough when we have the world's largest economy right next door and when it comes to ease of shipping and transportation down there, well, depending on the commodity. It is something where, you know, we do need to be more aggressive and helping industry to be more aggressive in finding new markets outside of the U.S., because our cattle industry is so integrated with the U.S., and our grain industry is so integrated. Further processing is done in the U.S., which is a great relationship, and Canadian farmers have seen great economic boom and boost from that, but we do need to try to find other markets around the world.

Mr. Turton: Okay. Perfect. Thank you very much.

Mr. Chair, I defer my time to the member with the best farmland in all of Alberta. Thank you.

The Chair: Mr. Smith.

Mr. Dreeshen: Central Alberta.

Mr. Smith: Well, I will not argue with that observation.

Thank you, Mr. Chair. I will go back and forth if that's okay.

Mr. Minister, we are going to be looking at the fiscal plan, on page 97, and we're going to be addressing the Agriculture Financial Services Corporation. In the top half of the page there's a paragraph that starts:

Following a review of Agriculture Financial Services Corporation (AFSC) office network, corporate operations and service delivery model, AFSC expects to reduce expenses by \$5.3 million by 2020-21.

Have you found it?

Mr. Dreeshen: Yeah.

Mr. Smith: Okay. You make the statement that you're going to be reducing expenses by \$5.3 million, and I guess the question that I've got is: what do these changes look like? You know, you mention a little further down there:

Additionally, through streamlined processes, automation, red tape reduction and elimination of unnecessary processes.

What do these changes look like? With the mention of automation, what does that mean for staff?

Mr. Dreeshen: It will be a reduction, at the end of the day. With AFSC we have talked about, you know, the \$5.3 million that they're committed to. Just to break that down, the streamlining of the ease of farmers to be able to actually go through and have that experience of getting their applications processed: the AFSC will be reducing their administrative expenses by \$1.2 million. That, again, is more services of corporate travel, training, contracted services, just running it more like a business and streamlining. Of the \$5.3 million, that's \$1.2 million.

Then there are going to be further administrative expenses reductions; \$1.2 million directly for administration expenses will be reduced. The reduction will impact, again, travel and contracted services. Then in 2020-2021 AFSC will reduce administrative expenses by a further \$400,000. That makes the total of the \$1.6 million. Again, it's a tightening and a streamlining of services that AFSC does. Like the FTE reductions that we're doing, it's part of how we can shrink the size of government but also be able to provide the same service standards and levels that the farmers and other front-line providers provide.

I might be able to hand things over to Darryl if he wants to get more specific.

Mr. Kay: Thank you, Minister. Thank you, Member. Absolutely, you know, our organization is really focused on streamlining, continuous improvement, cutting red tape, using technology to be able to do things a little differently. That will result in changes to how we spend our money, discretionary spending. We're focused on attrition, like the ministry is, and if there are ways for us to be more efficient, we'll take advantage of that through attrition over the coming year. It's a real balanced approach in terms of making sure that we still provide a great client experience for our producers but taking advantage of things like technology and a risk-based approach to do things more efficiently.

Mr. Smith: If I could just add one little piece to that. That's the magic, isn't it? Trying to be efficient in the way that we spend our money, trying to make sure that we have these organizations run efficiently while at the same time still being able to provide the services that our farmers need. Can you sort of foreshadow for us how some of that maybe works out a little bit? I think that that is the thing that farmers are looking for in my constituency. Okay; they understand that we need to balance the budget, but they also need service.

Mr. Dreeshen: Yeah. I think I'll let the DM and Darryl speak on that. You're absolutely right. It is an art form to be able to find ways that you can streamline, be more efficient but also provide the same level of service, and that's something that we're committed to doing within the department. I applaud AFSC for taking seriously that request as well. Again, all agencies, boards, and commissions within the ministry: they've heard that loud and clear, that we need to be able to streamline and try to become more efficient.

Mr. Corbould: Thank you, Minister, Member, Chair. I think one really good example of the automation and increased service is the idea where AFSC is building the capacity to actually show up in

your kitchen at your farm, at your house, and finish your application there and give you the service right in your own home in terms of using, you know, the kind of technology we have. It's a good example in that it makes a bit of efficiency in terms of bricks and mortar, but you get better service because people are actually coming to your kitchen table to finalize your AFSC loan or finalize your AFSC insurance premium or your payout. Right at your kitchen table.

Mr. Smith: So you get . . .

Mr. Dreeshen: Sorry. If I may, just on service standards, something that AFSC introduced, which I think was a brilliant idea: a quick loan option for up to \$100,000 for new clients, \$150,000 for existing clients, and providing access to capital; you get your loan processed within 20 minutes or less. I mean, it is something that they are taking service standards in that kind of forward-looking, you know, farmer-led initiatives to be able to say: how can we actually make . . .

Mr. Smith: So you're actually going to be making house calls?

Mr. Dreeshen: Yeah.

Mr. Smith: Wow. Maybe you should take over health care as well.

Mr. Dreeshen: The Health minister will be here soon, I'm sure.

Mr. Smith: I'll pass it on to MLA Jones.

11:20

Mr. Jones: Thank you. To the minister: on page 11 of the ministry's business plan outcome 2 lists improving the management of food safety and ensuring the regulations and systems that support food safety. Can the minister expand on his goals for improving food safety and what steps he has taken to accomplish this?

Mr. Dreeshen: Again, food safety is obviously a top priority for the regulator, provincial abattoirs. In a previous life I worked for eight years for the federal agriculture minister, who had the Canadian Food Inspection Agency. To make sure you can find the right balance of . . .

The Chair: Sorry to interrupt.

We'll be moving on to the opposition members for 10 minutes.

Mr. Feehan: Thank you. Minister, I just want to return to questioning about line 4.4 on page 37 of the estimates regarding the livestock and crop research. Now, you indicated that the doubling of monies available in capital were to a number of projects; for example, the food processing centre in Leduc. I just wanted to ask you where those dollars specifically go. Are they invested into private industry there, or is it government operations that will receive those dollars?

Mr. Dreeshen: Government.

Mr. Feehan: It's all government industry?

Mr. Dreeshen: With the food processing centre in Leduc, yeah.

Mr. Feehan: So you will be increasing the facilities that are there but decreasing the number of scientists that are there. Is that correct?

Mr. Dreeshen: No.

This is for Andre, perhaps, to get into the specific minutia.

Mr. Corbould: Thank you, Minister, Member, Chair. I think the two are unrelated in the case of those capital investments. One, it's a bit of a mix. It is a capital investment into the state-of-the-art facility in Leduc that does research and value-add and works with industry. Then there was another the minister had mentioned, an investment into the decortication centre, again, which directly supports industry. But that is not at all related to . . .

Mr. Feehan: But your point is the same: the number of scientists is going down, but the actual facility structures . . .

Mr. Corbould: Not in those facilities, no.

Mr. Feehan: Not in those facilities in that budget line, which refers to livestock and crop research overall.

Mr. Dreeshen: But for that capital expenditure increase, yeah, you're going to see that.

Mr. Feehan: Right. Okay. Thank you very much.

I'd like to redirect your attention to line 7 on page 36 of the estimates, which is the climate change initiatives. I just wanted to ask – perhaps the deputy minister could help with this – if you could list some of the climate change initiatives that were actually paid for under the 2018-19 budget.

Mr. Dreeshen: The greenhouse rebate program, that \$2.5 million that we referenced earlier, how that has changed from – again, it was collected from January to May, but there are a few other environmental programs that were funded by the carbon tax, which are, obviously, because there's no carbon tax anymore . . .

Mr. Feehan: I'm just wanting to know what kinds of programs we're losing. So rebates is one.

Mr. Dreeshen: Specifically, with your indulgence, Chair, I'll ask ADM Dave Burdek to come forward with the specifics on, again, programs that were funded by the carbon tax but are not now because Albertans do not pay carbon tax anymore.

Mr. Feehan: Thank you.

Mr. Burdek: Thank you. Dave Burdek, Deputy Minister of Agriculture and Forestry. Specific to the question, Member, there was a reduction in Budget '19-20 with respect to programs that were previously funded by the climate leadership plan, or the carbon tax. It was a reduction of approximately \$36 million. That \$36 million went primarily to five projects, or five programs. There was a food processor program for both large food processors and small and medium processors. There was an irrigation efficiency program. There was an on-farm energy efficiency program, and there was a solar program for farmers. Those five programs were eliminated along with the announcement in May that the carbon tax was eliminated. Then, as was previously mentioned by the minister, the \$2.5 million rebate to the greenhouse industry for carbon levy paid for that period, January to May, is included in that line item as well.

Mr. Feehan: Thank you very much.

Mr. Dreeshen: It's \$36.4 million. I finally found my page. Yes.

Mr. Feehan: Right. So \$36.4 million is being taken away from direct monies to farmers for things like solar for on-farm energy, for irrigation, for food processing, and greenhouse rebates.

Mr. Dreeshen: If I may, just on that, that's also a \$36.4 million tax cut. It's not being funded by a tax which is not being collected.

Mr. Feehan: I just want to turn it over to my . . .

Mr. Dreeshen: It's actually a \$36.4 million tax saving.

Mr. Schmidt: On that note, of course, your government is imposing the Trudeau carbon tax on farmers beginning on January 1, 2020. Will the greenhouse gas rebate program continue?

Mr. Dreeshen: Actually, the premise of that question is wrong. We're actually going to be fighting in courts, as other provinces are fighting in courts, to stop . . .

Mr. Schmidt: Will the greenhouse gas rebate continue?

Mr. Dreeshen: Your question was wrong. The premise of your question was wrong. We're not imposing the Trudeau carbon tax. We're fighting to make sure that Albertans are not going to be paying a carbon tax.

Mr. Schmidt: Will the greenhouse gas rebate continue or not?

Mr. Dreeshen: Your previous government had a carbon tax, which was actually – if you want to look at carbon taxes, are they created equal? Yours actually was way more punitive, going down . . .

Mr. Schmidt: Will the greenhouse gas rebate continue or not?

The Chair: Members, please.

Minister, could we get back to line items specifically on your business plan and budget documents, please.

Mr. Schmidt: Yeah. Line 7, the \$2.5 million that you've estimated for this year. Of course, that will be paid out until March 31, 2020, by which point greenhouse producers will be paying the Trudeau carbon tax, which your government is imposing on farmers. Now, will they be eligible for greenhouse energy rebates from either you or the federal government?

Mr. Dreeshen: As I was trying to say earlier in my statement, the federal carbon tax, compared to your NDP carbon tax, will not tax greenhouse producers, so there's no need for them to get a rebate.

Mr. Schmidt: Okay. Thank you very much.

Now, how much do you estimate agriculture producers will pay in the Trudeau carbon tax in the 2019-2020 budget year?

Mr. Loewen: Point of order. Line item.

The Chair: Go ahead. Point of order noted.

Mr. Loewen: I'd like the member to provide a line item for the Trudeau carbon tax.

Mr. Schmidt: This is related to line 7. I guess where I'm going is that, of course, agricultural producers – how much will they pay in the Trudeau carbon tax in the 2019-2020 year?

Mr. Loewen: Point of order again.

Mr. Schmidt: Then how much will they be eligible for in climate change initiatives from that money?

The Chair: Member, a point of order was called regarding relevance. I believe that asking the minister how much carbon tax

the farmers are going to pay due to the federal carbon tax that hasn't been implemented yet is not in this budget item.

Mr. Schmidt: It absolutely is in this budget item because this budget extends till March 31, 2020.

You all know that the carbon tax is going to be implemented on January 1, 2020, so my question is: how much are they going to pay . . .

Mr. Loewen: The member must know the future somehow, what's going to happen on January 1, that isn't in place right now. It has to do with a federal carbon tax, not a provincial tax at all. It has nothing to do with the provincial budget. I think the member needs to . . .

The Chair: Thank you, Member.

I would ask that we stick to the line items that we have in front of us. We have a significant number of pages and documents here to deal with. Dealing with speculation I don't think is necessary. There's plenty of information that we can delve into right before us.

Please proceed.

Mr. Dreeshen: A relevant answer to that, though, of the millions of dollars that farmers here in Alberta . . .

Mr. Schmidt: My question is: how much money . . .

The Chair: Gentlemen, please.

Mr. Dreeshen: Sorry. I was trying to answer the question if that's all right, Chair.

Mr. Schmidt: No. The question has been ruled out of order, so I guess I'm going to ask you a different question. How much money are you going to make available to agricultural producers from the province to reduce their carbon emissions so that they don't have to pay the carbon tax should it be implemented on January 1, 2020?

Mr. Dreeshen: Farmers would have access to CAP funding.

But to your first question that you asked . . .

Mr. Schmidt: They'll have access to CAP funding . . .

Mr. Dreeshen: . . . from January to May greenhouse growers, for example, paid \$2.5 million in the NDP carbon tax . . .

Mr. Schmidt: Sorry. Can you clarify, then . . .

Mr. Dreeshen: . . . so a federal carbon tax, if it were to be implemented, which it most likely won't, would obviously not even be relevant.

Mr. Schmidt: So you're telling me that should the carbon tax be implemented, then agricultural producers will be eligible for some of these programs that were previously funded by the provincial government – irrigation systems, on-farm efficiency, on-farm solar – that they will be eligible through the Canadian agricultural partnership. Is that correct?

11:30

Mr. Dreeshen: Through that Canadian agriculture partnership there is an environmental sustainability line item, which has \$12.1 million in funding due to a climate change line item, \$4.4 million; environmental stewardship is \$4.3 million; the farm water supply program has \$2.2 million; and irrigation efficiency will have access to \$1.2 million.

Mr. Schmidt: Okay. Thank you for that.

Were you able to get answers to my questions around the environmental stewardship grants?

Mr. Dreeshen: The \$10.6 million?

Mr. Schmidt: Yes. That's right.

Mr. Dreeshen: It will be \$7 million in salaries and benefits; \$1.6 million in supplies and services, which, again, is travel and office supplies; \$950,000 in grants applied to research; and \$1.7 million in grants to the ag service boards. Again, that is being offset by their access to \$2 million more in CAP funding directly for research. So that breaks down that \$10.6 million on the expenses side that you had previously talked about.

The Chair: Well, thank you very much, members.

We will now move on to government members for 10 minutes, but, please, I would just remind the committee that we do have documents in front of us. The idea of this three-hour period is to address line items in the documents in front of us, not to speculate on future activities that may not happen.

Please, Member, go ahead.

Mr. Jones: Thank you, and I'd like to go back and forth with the minister again and just remind him of my question. Can the minister expand on his goals for improving food safety and what steps he has taken to accomplish this?

Mr. Dreeshen: Again, it's a commitment to have abattoirs provincially, to provide the funding, plus to be able to have Albertans have confidence in our provincial abattoir system. There are two separate systems, federally regulated facilities as well as provincial. To me, it's something that is vitally important, and we are trying to make sure that they have the funding levels to have outcome-based, safe food when it comes to the process.

I think I can hand things over to the DM if he wanted to get into more specifics.

Mr. Corbould: Thank you, Minister, Member, Chair. I guess that on the food safety I would just add that we've had some really positive examples in the last year of how the department has handled food safety issues, great collaboration with industry, amazing work by the pork industry on some of the E.coli issues, where you've got government and industry collaborating with municipalities and distributors in a way that identifies the food safety issue very quickly. There's a good detection system in place for that. Then everybody works together to remedy the issue. Then, of course, we work with Alberta Health to make sure that any food issues are not getting to the population. There's been some real good success, I would say, over the last year on specific food safety matters. The most important piece is that the issue is detected almost immediately and dealt with almost immediately in terms of protecting Albertans.

Mr. Jones: Thank you.

Could you walk me through the consultation that you have done across this province since you became minister that informed the business plan and informed the budget and estimates?

Mr. Dreeshen: Well, a lot of it is, you know, that this came from somewhere. This came from consulting, talking to farmers and industry leaders. It's meetings, like the agriculture critic has had, with people coming up to Edmonton, but it's also taking the time to go out and talk to farmers and foresters where they actually live. I was part of the 25 different consultation stops on the farm freedom

and safety act tour, where a lot of ideas came from that we've actually woven into the budget preparation.

I know that on the research side one of the questions in those consultations was, "What is the role of government?" and just big, broad questions on what we should do on research. We got some really interesting feedback from all across the province on how the government of Alberta could streamline and provide better research directly to farmers. That's been six, seven months of collaboration and working with the industry to try to craft a budget which ultimately lays out a plan for the next four years on the best way forward to grow this important sector of our economy.

Mr. Jones: Yeah. I'm just curious. Over that period of time did the farmers and stakeholders you met with have regular meetings with the previous minister or with ministry staff previously?

Mr. Dreeshen: Some, whether it was in forestry or agriculture, said that it was refreshing or nice to see a minister show up in their area. But I do apologize for not coming to yours in the city of Calgary. As you've seen, you didn't come up on the radar, so I do apologize.

Mr. Jones: Someday you do have to come visit my garden but only after I get my emissions under control.

Thank you, hon. minister.

Mr. Dreeshen: Thank you for your announcement. That's good.

The Chair: Do you have questions, Mr. Rehn?

Mr. Rehn: Yes.

The Chair: Go ahead.

Mr. Rehn: I'd like to know if I can go back and forth with the minister, Mr. Chair.

The Chair: Absolutely.

Mr. Rehn: Okay. Thank you. Through the chair to the minister, on page 97 of the 2019-2023 fiscal plan it mentions the introduction of reduced markups across Alberta Gaming, Liquor and Cannabis, AGLC. Has the ministry determined a target percentage by which markups will be reduced?

Mr. Dreeshen: That's maybe more AGLC specific, but we'll make sure that we're committed to getting you that specific target number from AGLC.

Mr. Rehn: Okay. If you could, I'd appreciate it. Thank you.

The Chair: Mr. Getson, go ahead.

Mr. Getson: Yeah. Thanks again, Minister. On page 15 here of the business plan – I'm going to throw my glasses back on; I'm starting to get old and go blind – it mentions that \$19.5 million is allocated to many of the programs and incentives that will improve the quality of life of Albertans. How exactly is the distribution of those amounts in those programs decided?

Mr. Dreeshen: Sorry. This was in the business plan, the \$19.5 million?

Mr. Getson: Yes, sir.

Mr. Dreeshen: Right. That was comprised of the rural gas and the rural electric capital programs – that creates about \$3.4 million – and the remote area heating allowance, which is \$1.5 million. The agricultural society grant program, that you mentioned previously,

would fall under that. That's \$11.5 million. Also, the youth development programming, including 4-H and junior forest rangers, would ballpark at about \$3.1 million. That's the breakdown of the \$19.5 million.

Mr. Getson: Okay. Perfect. Thank you.

I'll just turn it over to another member here on our side.

The Chair: Go ahead, Mr. Turton.

Mr. Turton: Yes. Thank you, Mr. Chair. Do I have permission to go back and forth with the minister?

The Chair: Yes, you do.

Mr. Turton: Excellent. My question, Mr. Minister, is actually on page 40, and it's specifically about disaster assistance and the amount of \$485 million that is allocated to that. Can you provide a breakdown of what disaster assistance actually means in the budget?

Mr. Dreeshen: Sure. Again, it is nice to see, impressive to see – this was my first wildfire season, obviously – you know, going through the Treasury Board process, that this is what is required: we are in a disaster, and this is the additional funding that we need above and beyond our base level just due to the severity of it. It was significant.

But of that \$485 million, \$182 million was in aircraft costs, that includes fuel and fire retardant, which maybe would be polymer gel, depending on if MLA Getson gets his way – he didn't even hear it; that's fine – \$96 million in equipment rental costs, \$21 million in manpower, \$156 million in supplies and services, and \$30 million for a grant to the Forest Resource Improvement Association of Alberta, their wildfire reclamation program for the forestry industry to reforest areas that were previously reforested at the forestry industry's costs and then, unfortunately, got burned by the 2019 fire. That work supports the long-term sustainability of Alberta's forests. So that's the breakdown of that almost half a billion dollar extra, added disaster funding that happened just due to the severity of the wildfires that happened this year.

Mr. Turton: Okay. I guess, just in talking a little bit about the severity of wildfires, that you mentioned, Mr. Minister, how would you say the approach of your ministry is different when it comes to trying to set aside the appropriate amount of funds needed for, you know, disaster assistance when these massive forest fires and things happen, moving forward with this government versus the approach that was perhaps used in previous governments?

Mr. Dreeshen: Well, I think of the commitment to the lessons-learned report after the very first fire year. You look at, you know, that 60 per cent of the wildfires are man-made, whether they're just the carelessness of burning something and then it just spreads and becomes a bigger fire or the case of what happened near Slave Lake, where the RCMP and our investigatory unit found that it was actually caused by arson.

11:40

We do have to, you know, take steps to make sure that we are fighting forest fires efficiently, but there's an education and prevention side of it as well, which is always hard to measure, whether it's FireSmart, having those conversations with municipalities and communities so that they understand the dangers, that as soon as the snow melts, while it might still be cold out, everything is dry. Early May, April-May, is a tough firefighting season.

So there's an education component as well as making sure that the funds are ultimately there whenever a disaster does actually strike. Those are probably some of the high-level ways we can find those efficiencies but also be effective at fighting wildfires. Again, compared to California wildfires, which seems like an annual issue where people die, I commend the great work that our Alberta wildfire team does to protect Albertans and their property.

Did Andre want to add to that?

Mr. Corbould: Yeah. Thanks, Minister, Member, Chair. I think the one thing I'd add to that, Member, is the concept that in Alberta we have a very sophisticated public safety system set up that's not just wildfire folks but integrated with the AEMA, the Alberta Emergency Management Agency, and whatever department needs to be involved. We have a very agile, you know, cabinet system in terms of making decisions, whether it's a requirement of funds or if it's an approval for supports out of human services or Community and Social Services. Unfortunately, Alberta has had a lot of practice in this.

The Chair: Thank you. Sorry to interrupt.

We will move on to opposition members for 10 minutes, please.

Member Ceci: Mr. Minister, on page 190 of the fiscal plan it deals with FTEs. You probably talked briefly about this before, but could you remind me or outline where the 51 fewer FTE staff are going to be within your department? They're not within the AFSC because there's no change there, but there are 51 people who in this year will be losing their jobs or not have their jobs as a result of the \$4.7 billion, no-jobs tax giveaway, which was referenced, members of the government, on page 144. Could you remind me where the 51 fewer staff are going to be in your department, who, in fact, are collateral damage?

Mr. Dreeshen: For the 51, they are throughout the ministry. There are no targeted areas.

I would just take a quick minute to talk about how Treasury Board has a new contingency fund of \$750 million, going forward, when it comes to disasters.

Member Ceci: What's that for?

Mr. Dreeshen: For the previous question. I apologize. I'll let my ADM go into more specifics. Treasury Board has . . .

Member Ceci: It's not in reference to this question?

Mr. Dreeshen: Just to the previous question, that I ran out of time for: \$750 million is being . . .

Member Ceci: Yeah. I'm asking about the 51 staff who are losing their jobs.

Mr. Dreeshen: It's additional. That's how the disaster fund is being reallocated: \$750 million.

Member Ceci: Sure. But the 51 staff?

Mr. Dreeshen: The 51 are throughout the department, which I felt I answered, but I'll also let my DM give more specifics.

Member Ceci: Where's the bulk?

Mr. Dreeshen: There are no targeted – it's throughout the department.

Mr. Corbould: Thank you, Minister, Member, Chair. First of all, the 51 positions that we're talking about are mostly vacant already. They were vacant at the beginning of the year, for the most part. There are a few that aren't. They're all in this fiscal year, all opted-out in management. I can give you a few examples. For example, I decided I didn't need five ADMs in a department this size; I could do it with four.

Member Ceci: How many do you have now?

Mr. Corbould: I have four now.

That ADM and that ADM's adviser moved to E and P to help with a priority from a lands perspective. I don't believe there's any collateral damage. I think we're taking this very seriously, and our head DM, Ray Gilmour, is making sure that as we look at these positions, we find spots for folks and, you know, use attrition and retirements where it makes sense. Most of these are management and opted-out, so if we don't have five ADMs, I don't need five administrative supports.

Member Ceci: Thank you. Thanks for the clarification. Okay. I'll hand it over.

Mr. Feehan: Thank you. I just have a quick series of questions that I don't expect an answer for right now. Perhaps the ministry can get back to us after the fact. I'll just read them into the record.

I just want to know if the department has a mechanism for estimating the increased costs of fire response, particularly adaptation and mitigation, that will likely come as a result of climate change, and if so, what are the estimates? You can also answer that same question with regard to forestry and to agriculture.

I'm also interested in what percentage of the FireSmart programming is going to indigenous communities in Alberta and whether there is any limitation to their access to the FireSmart programming on-reserve.

Finally, what percentage of response to fires and fire mitigation is particularly allocated to indigenous communities and indigenous employment?

Thank you.

Mr. Dreeshen: For the climate change question, in an odd, reverse way, the suppression of wildfires and the actual management of them over the last 100-plus years in the province of Alberta has actually had a buildup of old growth forest, so doing an amazing job of fighting wildfires has actually had a negative effect of building up older, bigger, dryer forests that eventually – I mean, fires do happen.

Mr. Feehan: Right. My questions still remain the same, and I'll pass on the rest of my time.

Mr. Dreeshen: Well, no. Sorry. That was just to answer that direct question when it comes to climate change.

When it comes to the indigenous . . .

Mr. Feehan: Well, I'll just pass on. It's our time, so I'll just pass it on for a question to be asked. I've asked for a written response. I didn't ask for a verbal response. Thank you.

Mr. Dreeshen: But it's Q and A . . .

The Chair: Excuse me. If I can interject.

Mr. Feehan: I asked for a written response.

The Chair: You did ask for a written response, but at the beginning of the 10 minutes it was requested to go back and forth, as we've been doing all afternoon, so the minister will have the opportunity to answer your question.

Mr. Dreeshen: When it comes to indigenous groups receiving funding within the FireSmart program, it's \$1.5 million.

Mr. Feehan: Thank you, Minister.

Mr. Schmidt: Back to one of the questions that I asked earlier, have you managed to piece together the \$36 million that you committed to research funding? I know that some of it comes from livestock crop research and that some of it comes from the Canadian agricultural partnership, so line 4.4 and line 8. Where else in the estimates does that money come from?

Mr. Dreeshen: Not quite. There's \$36 million for research. There's the \$43 million for CAP funding allocation. Again, going back to your earlier question that you'd asked on primary agriculture, the budget reduction for this year of the \$5.1 million, you'd asked for specifics on what is actually being eliminated. That is the industry capacity program, the diversified livestock fund of Alberta, the dairy research and extension consortium of Alberta grant, and also a reduction in supplies and services. For that first-year \$5.1 million reduction in primary agriculture those are the specifics of that change.

Mr. Schmidt: Okay. Earlier I'd asked about going forward into years '22 and '23. You're projecting significant reductions in the primary agricultural line. Can you give me a sense of where those are going to come from in those years?

Mr. Dreeshen: Those, again, are projections. I'd mentioned earlier about the consultation that we're doing on the research side, so that is yet to be developed, but I'd assure all Albertans that that is going to be developed with industry beside government. We are going to be able to work collaboratively together to find out how we can have industry-led initiatives and research projects being done here in the province of Alberta.

Mr. Schmidt: How much did industry spend on agricultural research in Alberta in the 2018-2019 year?

Mr. Dreeshen: A lot of it is partnership. Under CAP programming we've initiated . . .

Mr. Schmidt: What is the industry contribution to agricultural research?

Mr. Dreeshen: If I may, it will be a 50-50 on CAP projects going forward. We've had a lot of research projects that have come through at a 50-50 level.

Mr. Schmidt: So approximately dollar for dollar.

What is your target, then, for industry spending on research going forward?

Mr. Dreeshen: If industry is spending, that's industry, so I would actually have to defer to the entire agriculture industry on how much they want to invest in research. It's incredible. You see some of the private research facilities that we have . . .

Mr. Schmidt: How much, though? Do you have a number?

Mr. Dreeshen: We can do our best to talk to all the private ag researchers and forestry researchers here in the province of Alberta to see the type of research that they have here.

Mr. Schmidt: Well, it seems to me to make sense that if you're letting industry take the lead in research and development, you would have an idea of how much is being spent right now and how much you want industry to spend. Will that be developed as part of your consultations going forward?

Mr. Loewen: Line item, please.

Mr. Dreeshen: If I may, Chair, the short answer to that question is that, yes, we are going to be working with them. Private industry will be part of the consultations, as will universities, as will commodity groups, as will individual farmers. We want to make sure that we look at that holistic research sphere as well as compared to other provinces and other jurisdictions around the world that can get not just higher yields but greater value-added.

Mr. Schmidt: How much does the province of Alberta spend on agricultural research and development compared to other jurisdictions? Do you know?

Mr. Dreeshen: We currently in this budget have \$36 million – again, the \$43 million on CAP. We can commit to you that we can get a cross-Canada comparison of what other provinces do when it comes to ag research.

11:50

Mr. Schmidt: Thank you.

Do you have a written plan for this consultation on research and development that you can submit to us in writing?

Mr. Dreeshen: We're developing the plan right now.

Mr. Schmidt: And when will that be finished?

Mr. Dreeshen: It's something that I think we're going to launch in December.

Mr. Schmidt: Launch in December? Will that be publicly available, or can you submit that to the Legislature?

Mr. Dreeshen: The consultations? There will be public consultations. We will be going around the province talking to industry commodity groups.

Mr. Schmidt: The discussion document, though? I presume that there will be the development of a discussion document that will guide those consultations. Is that correct?

Mr. Dreeshen: Yes. A hundred per cent.

Mr. Schmidt: Okay. Will that be made publicly available to the entire province, or will it only be available to stakeholders who are invited to the consultations? Who do you intend?

Mr. Dreeshen: If you're going down a path in which you want to have influence and to be part of this ongoing research consultation that we're doing as the government of Alberta, I'd be happy to receive input from you and your caucus.

Mr. Schmidt: Yeah. Thank you very much. We have a number of stakeholders in our own ridings who have significant investments in agriculture research and development, so it's very important to us.

Mr. Dreeshen: Well, as the former Advanced Education minister you would have, I'm sure, a lot of input on how universities can partner. The U of A has a great wheat breeding program.

Mr. Schmidt: Thank you.

In addition to some of the questions around climate change, I think my associate talked about the forecast for the impacts on agriculture and forest fires. I guess, you know, looking at the forest line in the business plan . . .

The Chair: Sorry to interrupt, Member. We will now move on to the government caucus for the remaining seven minutes and 54 seconds.

Mr. Yaseen: Thank you, Chair. Minister, I'll be referring to page 13 of the business plan. On page 13 of the ministry business plans 2019-23 key objective 3.3 mentions: "Collaborate with the public, Indigenous communities and industry to build public and consumer trust in Alberta's agriculture, food and forestry systems." What are some of the steps that the department is taking to ensure successful collaboration?

Mr. Dreeshen: That's, again, the consultation, something that we took very seriously when it came to the repeal and replacement of Bill 6 and the farm freedom and safety act tour consultations that we had around the province to make sure that we got a good balance, whether it was, you know, 25 different stops that we had individually. I personally, individually, went to 25 different spots across the province. We had online consultation as well in which Albertans from across the province would be able to submit their input when it came to consultation. It's a commitment by this government that when we do make decisions, we do it in collaboration and we're actually speaking and talking with Albertans. That, I think, is a commitment that we have.

Again, it kind of goes back to that \$2 million of promoting Alberta as a modern agriculture producer and also in the forestry sector. That again, you know, is a further example of consultation that we've done, not just a government knows best type of mentality but to actually work with industry to develop how best government can partner with industry to amplify and to promote their good message.

Mr. Yaseen: Okay. Thank you.

One follow-up on that. What are some of the ways that the department builds public and consumer trust in our agriculture, food, and forestry systems?

Mr. Dreeshen: Well, a lot of it is, I think, debunking a lot of myths and mistruths. I think something that again came up in the consultations was that you have a current population now that is the furthest removed from agriculture that it's ever been in the province of Alberta. You always used to have a relative that was on a farm, that you could always go back to, and here there's just been that disconnect. I think that it's very easy for misinformation, whether it's on Twitter or Facebook, to be able to just demonize a sector. Then all of a sudden people say, "Oh, well, that must be how it's done," because there's just not that connection anymore. Again, that's part of that \$2 million commitment from the province, again that fight-for strategy of being able to educate and promote the facts, the actual reality, of what's happening on farms and in our forestry sector. I think that it's important to be able to do a little myth debunking when it comes to the ag and forestry sector.

Mr. Yaseen: Thank you, Minister.

I'll pass it on to my colleague.

Mr. Singh: Through the chair to the Minister, page 10 of the 2019-23 ministry business plans document mentions the objective of

executing the Supporting Alberta's Local Food Sector Act. What steps is the ministry taking to meet the act's requirements?

Mr. Dreeshen: I'll hand it over to the DM if you want to go into specifics, and I can maybe touch the high-level outlook.

Mr. Corbould: Could I ask you to repeat that question – sorry – Member?

Mr. Singh: Through the chair to the minister, page 10 of the 2019-23 ministry business plans document mentions the objective of executing the Supporting Alberta's Local Food Sector Act. What steps is the ministry taking to meet the act's requirements?

Mr. Dreeshen: I was just going to say that we do have the Local Food Council. It's something they've provided a report on and provided advice on, no matter if it be policies or programs or pilot projects, how to grow the adoption or the promotion of local food. This is the kind of further work that we're going to undertake, again, that value-added, you know, those lofty goals of what we can do in the ag space to be able to further process products here rather than just primarily shipping them out at their first stage. That is something, you know, working with the Local Food Council and others, that we can try to increase, that value-added.

Mr. Corbould: Thanks, Minister, Member, and Chair. Some of the specific issues include barriers and challenges for local food producers and processes, including how to specifically face those small challenges for smaller producers; local food aggregation; the development of food hubs and distribution and markets and those kinds of things; risk management tools to support local food producers; increasing access to local food; consumer awareness of local food; and, finally, certification opportunities for local food producers and local food processors.

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

Mr. Sigurdson: In the consideration of time could I go back and forth with the minister?

The Chair: Absolutely.

Mr. Sigurdson: I'll get right to the question. How does the Agriculture Financial Services Corporation determine candidates for its lending program? That'll be one part of the question. The second part is: do you have an estimate on how many operations are projected to be helped in the upcoming year, as referenced in the performance metrics on page 15 of your business plan? As well, can you talk a little bit about your targets over the next four years?

Mr. Dreeshen: I'll let Darryl go quickly on it afterwards. Ultimately, there are about 1,500 loans in primary agriculture. I mean, that's 1,500 different operations that AFSC directly works with today. You know, their plans of how they can expand and grow that I'll let Darryl specifically answer, but at the end of the day, it's that promotion of growing the economy and increasing jobs. They have a great financial lens in which they review and find clients and offer lending.

I'll hand it over to Darryl.

Mr. Kay: Thank you, Minister. Thank you, Member, for the question. AFSC has done a lot over the last year to focus on our lending program, including review of our programs, our mandate. We're really focused on a next-generation program for helping the young producers and with succession planning. We're also focused very much on agribusiness and value-added. One of the things we've really done over the last year is build up our lenders and our credit room so that we have good, prudent lending. As the minister mentioned earlier, in a typical year we've done around 1,500 loans that support primary agriculture and agribusiness. We're expecting to grow our volumes this year to around 1,750 to 1,800, and as we continue to invest and focus on those areas that need support, we expect that to continue to grow.

Mr. Dreeshen: And Andre, the deputy minister.

Mr. Corbould: Thanks, Minister and Member. Chair, I just wanted to add one point. The minister has directed us also to provide a concierge's level of service to potential investors coming into Alberta. We're working with EDTT, working with entities like Global Edmonton, Calgary Economic Development, and the airports so that when they arrive here, they get all the answers. This is the kind of concept that led to Cavendish several years ago, and it's something that has already resulted, based on Minister Fir's trip to Japan and South Korea shortly after the election or in the summer, where we already have a bottling plant that is invested in Edmonton. We're looking at a great potential for a microtubers organization here in Edmonton as well. So that kind of direct link to economic development and trade and then the lending, and we do introductions to AFSC for potential investors.

The Chair: Thank you very much, members. I apologize for the interruption, but I must advise the committee that the time allotted for this item of business has concluded.

I would like to remind committee members that we are scheduled to meet next at 3:30 this afternoon to consider the estimates of the Ministry of Transportation.

Thank you, everyone.

This meeting is adjourned.

[The committee adjourned at 12 p.m.]

