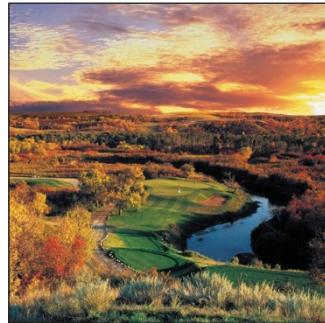


Ministry of Agriculture



Plan for 2021-22

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Statement from the Minister



*The Honourable David Marit
Minister of Agriculture*

I am pleased to present the Ministry of Agriculture's Operational Plan for 2021-22.

Government Direction and Budget 2021-22 is focused on protecting Saskatchewan people through the remainder of the pandemic, building the infrastructure that a strong economy needs, and growing Saskatchewan to help ensure a strong economic recovery.

The 2021-22 budget for the Ministry of Agriculture is \$386.9 million, including \$265 million to fully fund a suite of business risk management programs under the federal-provincial Canadian Agricultural Partnership (CAP) agreement, including Crop Insurance, AgriStability, AgriInvest and Western Livestock Price Insurance.

The budget also includes \$71.2 million for strategic programs under CAP in six priority areas: Science, Research and Innovation, Environmental Sustainability and Climate Change, Risk Management, Value-Added Agriculture and Agri-Food Processing, Public Trust, and Markets and Trade.

Investments in strategic and business risk management programs position the agriculture industry for long-term sustainable growth. As we emerge from the pandemic, this budget will grow Saskatchewan by helping to ensure a strong economic recovery.

The ministry will report on progress towards the targets laid out in this plan, within the financial parameters provided, in the 2021-22 Annual Report.

Response to Government Direction

Protect. Build. Grow. The Government of Saskatchewan is committed to protecting Saskatchewan people through the rest of the pandemic as life returns to normal and our economy grows. Investing in infrastructure like hospitals, schools, and highways will help build a strong economy and create jobs for strong families, strong communities, and a better quality of life.

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

A Strong Economy

Strong Communities

Strong Families

Saskatchewan's vision and three goals provide the strategic direction for organizations to align their programs and services to build a strong Saskatchewan.

All organizations will report on progress in their 2021-22 annual reports.

Operational Plan

Mandate Statement

The ministry helps the industry manage risk and enables a globally competitive, thriving and sustainable agriculture and food sector by supporting farmers, ranchers and agri-businesses.

Mission Statement

The ministry enables a prosperous, market-driven agricultural industry through a supportive legislative framework, policies, programs and services.

Government Goals



Ministry Goal

Growth in the primary agriculture sector.

Strategy

Enhance the business environment to attract investment and support growth.

Key Actions

- Identify and address barriers to growth in the primary agriculture sector.
- Work with government, partners and industry stakeholders to ensure agricultural development processes are clear, predictable and transparent.
- Influence federal policies and regulations to create a better business environment.
- Deliver programs and services to maximize irrigation capacity in Saskatchewan.
- Support Indigenous engagement in the agriculture sector.

Strategy

Advance research, innovation and knowledge transfer to improve productivity and sector competitiveness.

Key Actions

- Leverage industry partnerships, in collaboration with research institutions, to invest in research and to identify priorities for the development of new technology, practices and extension information.
- Drive adoption of new technology and practices that support economic growth while protecting the environment and building public trust.

Strategy

Influence trade policy to reflect Saskatchewan priorities.

Key Actions

- Advocate for Saskatchewan trade interests domestically and internationally in partnership with other ministries, including the Ministry of Trade and Export Development.
- Enhance coordination with other provinces, industry partners and the federal government to identify and address trade issues.



- Leverage partnerships with Canadian provinces, the federal government, and key trade partners, to influence trade policy.

Strategy

Expand product and market development opportunities.

Key Actions

- Increase industry's trade capacity to support growth.
- Promote Saskatchewan's interests in key high-growth markets, while strengthening trade relationships in established markets.

Performance Measures

Annual Crop Production

A key goal of *Saskatchewan's Growth Plan* is to increase crop production to 45 million metric tonnes (MMT) by 2030. Over the last four years, production has averaged 36.5 MMT per year. Saskatchewan's crop production for 2020 is estimated at more than 39.1 MMT, which would be the second-largest crop production in the province's history. The actual amount of production will be calculated in the spring of 2021, when the yields have all been reported.

Research into improving crop genetics, agronomics and agricultural technologies has resulted in the development of crops that are well-adapted to Saskatchewan's variable climate. The ministry will continue to promote and support agricultural production and protection practices, such as the importance of adopting beneficial crop management practices to ensure that profitable and sustainable crop production continues to increase in Saskatchewan. These actions ensure we are well on our way to achieving the target of 45 MMT of crop production by 2030.

Annual Livestock Sector Revenue

The target of *Saskatchewan's Growth Plan* is to increase annual farm livestock cash receipts to \$3 billion by 2030. Annual livestock cash receipts are forecasted to be \$2.26 billion for 2020. This 4.5 per cent decline compared to the 2019 value of livestock cash receipts can be attributed to COVID-19-related supply chain disruptions.

The ministry is targeting \$2.3 billion in livestock cash receipts for the 2021 calendar year. Significant global population growth is anticipated over the next 30 years, which is expected to drive continued growth of the sector. Saskatchewan has 19.9 million acres of pasture and forage land that is well-suited for livestock production, making Saskatchewan an important supply market for meeting this growing demand. The ministry will continue to emphasize the importance of adopting the best livestock management, production and biosecurity practices to achieve increased livestock production in Saskatchewan.

Value of Agri-Food Exports

Under *Saskatchewan's Growth Plan*, the province's agri-food exports target is \$20 billion by 2030. As of December 2020, Saskatchewan agriculture and agri-food exports totaled \$16.9 billion, the highest value on record. This represents 22.5 per cent of Canada's total agri-food exports of \$74 billion. Included in the total agri-food exports are a number of commodities that increased significantly from 2019 to 2020 (January to December of both years): lentils to India increased by 153 per cent (\$677 million); durum exports to Italy increased by 97 per cent (\$462 million); and canola seed exports to China increased by 76 per cent (\$829 million).

Saskatchewan's top agri-food exports were canola seed, non-durum wheat, lentils, durum and canola oil. The top agri-food export markets were the United States, China, Japan, India and Mexico.

In 2020, Saskatchewan exporters were navigating a global trading system which has become increasingly protectionist. In the past couple of years, Saskatchewan was contending with canola restrictions in China, pulse tariffs in India, and labelling requirements in Italy. These trade issues have negatively impacted Saskatchewan's ability to export its agricultural products to key international markets.



Projected growth in world population and income levels will continue to drive global demand for food and agricultural-related goods. The ministry will continue to support the sector so that it can take advantage of these emerging opportunities. In particular, the ministry will expand market presence, influence trade negotiations and collaborate with industry.

Irrigation Development

Irrigation provides a reliable water source for crops to off-set the impact of unpredictable weather. Expanding irrigation infrastructure in Saskatchewan will allow producers to grow diverse, high-value crops, which increases on-farm profitability, value-added processing opportunities, business attraction, and employment. *Saskatchewan's Growth Plan* includes a goal to expand irrigation in the province, by adding 85,000 new irrigated acres by 2030. For the 2020 year, the ministry supported irrigation development of 9,000 acres. The ministry has a target of 8,500 new acres of irrigation a year over the next nine years. Further opportunities for growth are expected when the first phase of the Lake Diefenbaker Irrigation Expansion project comes on line. The expansion project announced in July 2020 will increase irrigation by over 460,000 acres when fully developed.

Government Goals

A Strong Economy

Strong Communities

Strong Families

Ministry Goal

Growth in the value-added sector.

Strategy

Enhance a competitive business environment and attract investment.

Key Actions

- Identify and address sector level constraints, to grow Saskatchewan value-added businesses and attract investment.
- Develop and implement targeted promotional activities to attract investment.
- Assess gaps in research infrastructure and identify opportunities to enable investment in research or scale-up facilities.

Strategy

Support value-added agriculture businesses to improve competitiveness and profitability.

Key Actions

- Review the current inventory of Government of Saskatchewan programs and services and identify how to address gaps and misalignment.
- In collaboration with other service providers, improve the coordination of pathfinding services for value-added agriculture businesses.
- Support market development for agriculture value-added businesses to access key markets.

Performance Measures

Annual Value-Added Revenue

Saskatchewan has set an ambitious target to grow Saskatchewan's value-added sector to \$10 billion in revenue by 2030. In order to achieve this target, the ministry will continue to expand beyond primary production toward growing the value-added agriculture industry through increased investment, infrastructure development and innovative technologies.



Saskatchewan has had one of the strongest value-added industries in Canada, with rapid growth from \$3.5 billion in revenues in 2012 to \$5.3 billion in 2018. Annual data for 2019 will be released in spring of 2021.

Canola Processing in Saskatchewan

Canola processing currently represents the largest portion of revenue from Saskatchewan's value-added sector. The target in *Saskatchewan's Growth Plan* is to crush 75 per cent of the canola produced in Saskatchewan by 2030.

Currently, there are four commercial canola crush facilities in Saskatchewan; collectively, they process approximately 40 to 45 per cent of the canola crop, which represents approximately \$3 billion in revenue. To reach the 2030 target, the government is focusing its efforts on attracting new canola processors and expanding existing plant capacities.

Saskatchewan Pulse Crop Processing

Saskatchewan currently processes approximately 10 per cent of its primary pea production within the province. *Saskatchewan's Growth Plan* has set the target for 50 per cent of Saskatchewan pulse crops to be processed in the province by 2030. Increasing processing to 50 percent would add approximately \$1 billion in new value-added revenue.

Currently, there are four protein pulse processing operations in the province. One of them began production in 2020 and another one is undergoing an expansion. There are many opportunities for pulse processing operations to meet the growing demand for alternative sources of proteins.

Saskatchewan Meat and Animal Feed Processing

The livestock sector provides a critical local market for lower quality crops and by-products from processing activity. The target in *Saskatchewan's Growth Plan* is to double meat processing and animal feed revenue to \$1 billion by 2030. In 2019, meat processing revenue was valued at \$544 million and animal feed revenue was valued at \$356 million. The annual data for the 2020 calendar year will not be available until Spring of 2021.

Saskatchewan needs to strengthen and grow its livestock sector to drive demand for animal feed manufacturing. As the livestock sector thrives, so will the animal feed manufacturing sector. In addition, the province will increase production of high protein pet food to meet the increased demand for this product.

Government Goals

A Strong Economy

Strong Communities

Strong Families

Ministry Goal

Improve the agriculture sector's long-term resiliency.

Strategy

Improve sector preparedness for natural and economic shocks.

Key Actions

- Develop and promote biosecurity plans for crop and livestock pests that focus on surveillance, response and mitigation efforts.
- Strengthen initiatives on livestock emergency preparedness and response.



Strategy

Support the sector in managing business risks and capitalizing on opportunities.

Key Actions

- Influence federal government and other provinces to enhance Business Risk Management (BRM) programming to ensure it remains effective and meets the needs of industry.
- Work with Ministry of Environment to implement a provincial carbon offset system to respond to climate change, that aligns with the agriculture sector's priorities.
- Undertake consultations and identify priorities for the next federal/provincial policy framework agreement.
- Review Ministry of Agriculture's response to the COVID-19 pandemic.
- Support industry in preparing for sustainable sourcing requirements in the marketplace.

Strategy

Increase resilience of the natural landscape to support a healthy environment.

Key Actions

- Focus extension efforts on encouraging Saskatchewan producers to adopt 4R practices ("right source, right rate, right place, right time") for nutrient stewardship.
- Develop a multi-species approach for management of critical habitat to benefit species at risk.
- Support strategies that minimize agricultural impact on water quality, water quantity and habitat loss.
- Design and implement policies and programs to achieve the goal of maintaining permanent cover (native prairie, pasture and hay land).
- Develop a plan to manage all invasive species within the agriculture sector, that can be leveraged within the larger invasive species plan being created across government.
- Initiate a proactive, comprehensive and consistent sampling approach for monitoring pesticides in the environment, in collaboration with Water Security Agency.

Performance Measures

In 2017, the Government of Saskatchewan released, *Prairie Resilience: A Made in Saskatchewan Climate Change Strategy*. Part of this strategy includes new, agriculture-related measures and targets intended to strengthen Saskatchewan's ability to adapt to and even thrive within a changing climate.

Natural Land

Maintaining the total area of Saskatchewan's natural land (i.e., native prairie, pastures and hay) sequesters carbon, retains soil moisture and increases resiliency against flood and drought events. The ministry is committed to maintaining the total area of natural land at the 2016 level of 19.93 million acres. The data is derived from the census which takes place every five years; therefore, the ministry will assess the measure when the 2021 census data is released.

Sequestration of Organic Matter

The release of greenhouse gas emissions can also be reduced by adopting agricultural practices, such as zero-tillage seeding, that sequester the amount of organic matter in cultivated land. The 2021-22 target for this measure is to maintain the current five-year average of 5.6 million tonnes per year.

Economic Resiliency

A key economic resiliency measure is the volatility in net farm income over time, as it represents the ability of farmers to maintain production and profit regardless of the impacts of climate change. The ministry is targeting no greater than a 50 per cent decrease in realized net farm income (RNFI) from the previous five-year average. The 2019 preliminary figures suggest a 34 per cent decrease in RNFI from the five-year average; however, this is subject to change once Statistics Canada releases their final numbers in Spring 2021.



Crop Diversification

The diversification of crop species contributes to economic resiliency and positive environmental outcomes, such as enhanced soil health and better management of pests and diseases. The 2021-22 target is for no one crop type (cereals, oilseeds, pulses/soybeans and summer fallow) to rise above 50 per cent of the cultivated area in Saskatchewan. In 2020, there were 38.2 million seeded acres. The crop with the largest share was cereals, which made up 47.9 per cent of all the crop types seeded.

Government Goals

A Strong Economy

Strong Communities

Strong Families

Ministry Goal

Building and maintaining public trust in the agriculture sector.

Strategy

Encourage and support industry to adopt best practices.

Key Actions

- Invest in research that helps determine the impact that production practices have on public trust.
- Narrow the gap between research and extension by translating findings into beneficial management practices for producers and agribusinesses.
- Deliver and evaluate programming that encourages the adoption of best practices across the industry.

Strategy

Protect food safety, animal health and the environment.

Key Actions

- Influence sound regulations and monitor compliance, in partnership with industry and the federal government.
- Increase understanding of recognized assurance systems.

Strategy

Partner to build awareness about modern agriculture.

Key Actions

- Empower stakeholders to connect with consumers and youth.
- Share stories to build confidence in Canada's robust regulatory framework and assurance systems.
- Enhance communications to stakeholders on production practices with the greatest impact on public trust.



Performance Measures

Public Understanding of Agriculture as Measured by the Percentage of Saskatchewan Residents with a Positive Perception of Agriculture

The ministry's goal is to maintain public trust in agriculture, which is measured by the percentage of Saskatchewan residents who have a positive perception of agriculture. The ministry's target is to keep the score at 85 per cent or above. According to the 2020 Public Trust Survey, 91 per cent of the 805 respondents agreed they have a "positive perception of Saskatchewan agriculture." This is up from 85 per cent in 2019. The results show that Saskatchewan producers continue to have the support of the Saskatchewan public and the perception of agriculture remains mostly positive. This presents an opportunity for producers to be a trusted voice for the industry, given the survey's lowest score was about whether the agriculture sector communicates transparently.

The target for 2021-22 is for at least 85 per cent of respondents to the Public Trust Survey indicate that they have a positive perception of Saskatchewan agriculture.

The ministry is committed to working collaboratively with industry, in practicing transparency and seeking continuous improvement, to maintain the trust of the public.

Highlights

2021-22 Budget Highlights:

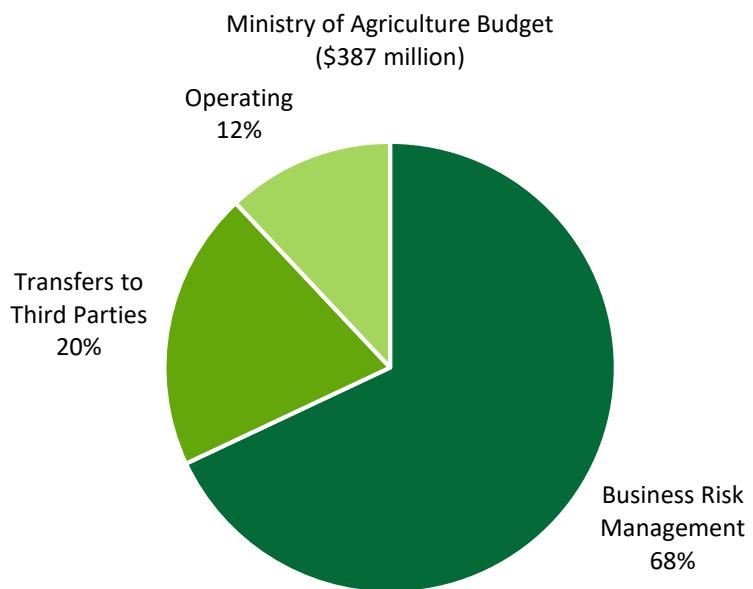
The following are key announcements being made in the 2021-22 budget:

- \$71.2 million for strategic programs under the five-year, federal-provincial Canadian Agricultural Partnership agreement for the areas of:
 - Science, Research and Innovation;
 - Environmental Sustainability and Climate Change;
 - Risk Management;
 - Value-Added Agriculture and Agri-Food Processing;
 - Public Trust; and
 - Markets and Trade.
- \$265.0 million to fully fund business risk management programs, including:
 - Crop Insurance;
 - AgriStability;
 - AgrInvest; and
 - Western Livestock Price Insurance.
- An additional \$2.5 million for agricultural irrigation development projects.

Financial Summary

| Ministry of Agriculture 2021-22 Estimates | (in thousands of dollars) |
|---|---------------------------|
| Central Management and Services | 11,848 |
| Industry Assistance | 3,889 |
| Land Management | 4,504 |
| Policy, Trade and Value Added | 5,932 |
| Research and Technology | 32,978 |
| Regional Services | 35,597 |
| Programs | 24,955 |
| Business Risk Management | 264,973 |
| Ministry Operations Appropriation | \$ 384,676 |
| Non-Appropriated Expense Adjustment | 2,297 |
| Total Expense | \$ 386,973 |

For more information, see the Budget Estimates at: <http://www.saskatchewan.ca/budget>



For More Information

Please visit the Ministry's website at <https://www.saskatchewan.ca/government/government-structure/ministries/agriculture>