

Ministry of Agriculture

Annual Report for 2020-21

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Letters of Transmittal



July 29, 2021

His Honour, the Honourable Russ Mirasty,
Lieutenant Governor of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of the Ministry of Agriculture for the fiscal year ending March 31, 2021.

Respectfully submitted,

A handwritten signature in black ink that reads "David Marit".

David Marit
Minister of Agriculture

The Honourable David Marit
Minister of Agriculture



July 29, 2021

The Honourable David Marit
Minister of Agriculture

Dear Minister:

I have the honour of submitting the Annual Report of the Ministry of Agriculture for the fiscal year ending March 31, 2021.

Respectfully submitted,

A handwritten signature in black ink that reads "Rick Burton".

Rick Burton
Deputy Minister of Agriculture

Rick Burton
Deputy Minister of Agriculture

Ministry Overview

The Ministry of Agriculture's mandate is to help industry manage risk and enable a globally competitive, thriving and sustainable agriculture and food sector by supporting farmers, ranchers and agri-businesses. Our mission is to enable a prosperous, market-driven agricultural industry through a supportive legislative framework, policies, programs and services. We fulfill this mission by providing a broad range of agriculture-related programs, insurance and economic development opportunities to grow the industry.

The Ministry of Agriculture's employees are committed to providing excellent service to the farmers, ranchers and agri-businesses of the province. Just like our clients, agriculture is our way of life and, together, we face the challenges, obstacles and opportunities associated with this thriving industry. Agriculture is reflected in the history of Saskatchewan and we are proud to continue that tradition through working partnerships with our clients. Ministry employees reflect professional values and a passion for their work, including innovation, teamwork, integrity, service excellence and leadership at all levels.

We have 10 regional offices, including the Agriculture Knowledge Centre, staffed with specialists who work directly with farmers and ranchers on everything from technology transfer, to crop and livestock management, to environmental planning. We partner with the federal government to provide a range of programs through the Canadian Agricultural Partnership agreement, providing producers and processors the tools and resources they need to innovate and capitalize on emerging market opportunities.

We also work to increase the public's knowledge of the sustainable farming practices that help drive our economy. We proactively engage with industry and other governments to secure market access and increase the demand for Saskatchewan food products around the world. We maintain legislation and regulations to ensure public safety, while protecting the environment. We support agricultural research and ensure producers have access to the latest technology that helps them grow. We provide a range of business risk management (BRM) programs so farmers can responsibly manage the risks associated with a market-driven industry. We support the continued expansion of provincial irrigation infrastructure so farmers can capitalize on higher value crops. We manage thousands of acres of agricultural Crown land for the benefit of all Saskatchewan citizens. Finally, we work to grow value-added production in the province.

This report provides an update on how the ministry progressed on its public commitments noted within the [2020-21 Public Operational Plan](#).

Ministry of Agriculture COVID-19 Response Highlights

Overview

The COVID-19 pandemic has challenged government operations during the 2020-21 fiscal year. The expected operations of programs and services may have significantly changed as the Government of Saskatchewan worked quickly to support citizens and businesses. Annual Reports for the 2020-21 fiscal year provide information on the impacts of COVID-19 and recognize the work of the Government of Saskatchewan in responding to the pandemic.

COVID-19 Response Highlights

- The ministry initiated an AgriRecovery response to help the livestock sector deal with challenges caused by packing plant disruptions due to COVID-19 outbreaks, through a set aside program. Funding was also provided to offset high premiums for livestock producers using the Western Livestock Price Insurance Program.
- Through the set aside program, livestock producers received compensation per head to cover the added costs of holding market-ready animals on a maintenance feed ration for nine weeks.
- Deadlines were also extended to help producers effectively manage risk:
 - Crop Insurance deadline extended to April 13, 2020;
 - AgriStability enrolment deadline extended to July 3, 2020; and
 - AgriStability interim payments increased for Saskatchewan producers from 50 to 75 per cent.
- Ministry of Agriculture regional offices closed to walk-in traffic in the spring of 2020, but staff remained at these locations throughout this time to ensure client needs were met. Producers were urged to reach out via phone or email when possible to ensure the health and safety of communities.
- After reopening to walk-in clients in the summer of 2020, regional offices remained open to the public and provided all extension services.
- The ministry's employees implemented safety measures and innovative program delivery methods to ensure that research sites and clients were protected amidst the changing circumstances with COVID-19. Some examples include:
 - Crop Diagnostic School, usually a hands-on, in-person event, transitioned to a virtual school in July 2020. Through a mix of live webinars, pre-recorded presentations and question-and-answer sessions with presenters, extension specialists delivered important agronomic information to clients. More than 700 individuals registered for the virtual event.
 - Another summer staple event, Ag in Motion, transitioned to a virtual format in 2020. The ministry's livestock and feed extension specialist team organized 19 unique presentations, including a speaker panel on beef sustainability and a stock dog demo. The presentations aired over five days and were seen by 2,300 viewers.
 - The ministry created COVID-19 protocols for staff to practice during on-farm and field visits, and encouraged our producer clients to implement similar protocols on their own farms.
- The ministry remained in regular contact with industry groups to monitor the impact of COVID-19 on the agriculture sector; this included recurring conference calls with sector partners—both crops and livestock—to check in with them and hear their concerns.
- Regular check-ins with our food processors were also important. Issues such as access to personal protective equipment (PPE) and supply chain concerns were brought forward and taken back to the ministry and government to receive assistance and guidance.
- Ministry staff were redeployed to the government-wide Business Response Team to help address the high volume of calls and provide support directly to agriculture producers and value-added related businesses. Fifty-six ministry staff were also redeployed across government to assist in the broader COVID-19 response activities.

Progress in 2020-21

Government Goals



Ministry of Agriculture Goal 1 - 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.

- Submitted input to the Canadian Food Inspection Agency's consultations in the following areas: Framing Competitiveness and Innovation for Success, the Feed Regulatory Modernization, and on the proposed guidelines regarding composition and labelling of simulated meat and simulated poultry products.
- Worked with stakeholders to identify key concerns to inform the development of Saskatchewan's position regarding the Canada Grain Act review.
- Supported the work of the Canadian Agricultural Human Resource Council to improve labour market information specific to agricultural employment.

Work with government, partners and industry stakeholders to ensure agriculture development processes are clear, predictable and transparent

- Participated in Health Canada's Pest Management Regulatory Agency's review of the Re-evaluation Program to ensure that perspectives of Saskatchewan were included.

Influence federal policies and regulations to create a better business environment.

- Advocated for the needs of Saskatchewan producers for relevant programming and policies when working with federal and other provincial-territorial governments.
- Supported the timely arrival of Temporary Foreign Workers to help address labour needs, while maintaining public health and safety requirements as a result of COVID-19.

Deliver programs and services to maximize irrigation capacity in Saskatchewan.

- Administered and delivered the Irrigation Development Program and the Irrigation Efficiency Program under the Canadian Agricultural Partnership.
- Facilitated the irrigation development process for producers with the development of 9,028 new irrigation acres.
- Assessed over 16,000 acres of new lands for irrigation suitability and issued Irrigation Certificates for approximately 14,000 acres.
- Provided assistance to the Irrigation Crop Diversification Corporation with its successful collection of 22,000 acres of non-district irrigator levies.

Strategy

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

Key Actions

Leverage industry partnerships to invest in research and identify priorities for the development of new technology, practices and extension information.

- Committed \$13.9 million for 65 new Agricultural Development Fund projects and leveraged \$3.5 million from industry to support the research projects.

Drive adoption of new technology and practices that support economic growth while protecting the environment and building public trust.

- In partnership with industry, the ministry delivered 67 virtual extension events—which collectively attracted nearly 20,000 participants—to encourage producers to adopt the latest research and technology.
- Responded to over 14,300 inquiries at the Agriculture Knowledge Centre and regional offices.
- Collaborated with industry on 22 demonstrations and applied research projects that focused on increasing land productivity and nutrient management.
- Completed 29 Rangeland Health Assessments, which accounted for over 602,000 acres, in addition to 35 weed management plans.
- Supported research projects focused on advancing precision manure application, which will better match manure application with soil tests and crop nutrient requirements.
- Enhanced producers' understanding of growth opportunities through knowledge transfer and the development of tools such as the Expected Progeny Differences calculator, designed to improve herd genetics, and a grain drying factsheet.
- Promoted livestock record-keeping and its connection to technology, expanded market access, enhanced production, decision-making and profitability.

Support the application of emerging digital technologies in the agricultural sector.

- Given other demands related to the ministry's response to the COVID-19 pandemic, work on this action was suspended mid-way through the year. There are ongoing discussions on how the ministry can support this work in the future.

Strategy

Influence federal 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.

- The ministry advocated for producers' interests, as well as monitored and reported on activities concerning grain transportation.
- Collaborated with the Ministry of Trade and Export Development on a joint response to the Government of Canada's public consultations on free trade agreement negotiations with Indonesia and the United Kingdom.
- Sent joint letters from the Minister of Agriculture and the Minister of Trade and Export Development to their federal counterparts to press for action on technical trade barriers faced in Europe and on market access barriers for canola in China.

Enhance coordination with other ministries, provinces, industry partners and the federal government to identify and address trade issues.

- Chaired two working groups and participated in a third working group, under the Federal-Provincial Agriculture Trade Policy Committee, to strengthen federal/provincial government and industry coordination to trade policy. The working groups organized presentations to the Committee by four national industry associations representing grains, oilseeds, pulses and cattle.
- Met with industry groups to understand the challenges they experience related to trade policy and market access and to identify the top trade priorities facing the industry.

Leverage partnerships with Canadian provinces, the federal government, U.S. and Mexican states, and other countries, as appropriate, to influence trade policy.

- Participated in the renewal of the Memorandum of Understanding for the Tri-National Agricultural Accord, with counterparts in other provinces, the United States and Mexico.

Strategy

Expand product and market development opportunities.

Key Actions

Increase industry's trade capacity to support growth.

- Worked with the Ministry of Trade and Export Development to provide onboarding to the new managing directors of the Government of Saskatchewan's International Trade Offices.
- Worked with the Ministry of Trade and Export Development and stakeholders to develop an agricultural work plan for the new International Trade Offices.
- Undertook a review of the Product2Market export program to identify improvements for better meeting industry needs.

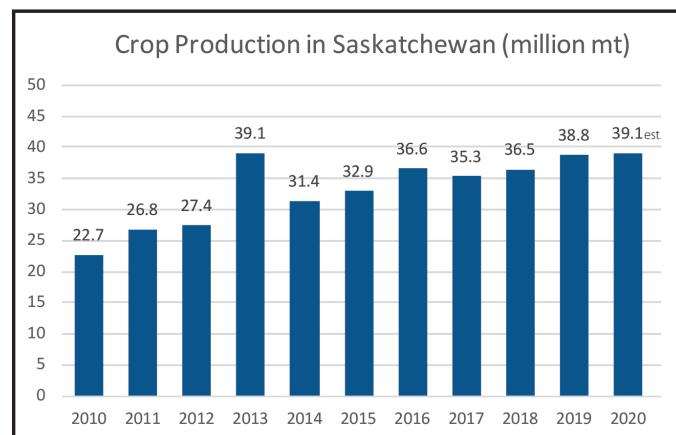
Participate in trade missions to promote Saskatchewan interests in key markets.

- Due to the COVID-19 pandemic, international travel was restricted, thereby halting any missions. As restrictions lift, the ministry will determine how to undertake missions in a post-pandemic environment.

Performance Measure Results

Annual Crop Production

Saskatchewan's crop production for 2020 is estimated at more than 39.1 million metric tonnes, which would be the second largest crop production in the province's history, even with less than ideal growing conditions. Despite the moisture challenges in 2020, overall yields stayed strong. Farmers adopted sustainable production practices, such as planting varieties with improved genetics, implementing judicious pesticide use and 4R fertilizer practices, practicing zero tillage and crop rotations—all which helped protect both yields and the environment. The actual amount of production will be calculated in the summer of 2021 by Statistics Canada, when the yields have all been reported.



Annual Livestock Sector Revenue

Annual revenue has risen dramatically from \$1.9 billion in 2013 to \$2.4 billion in 2019. High livestock prices are the primary reason for the stronger revenue over the past several years. Annual livestock cash receipts were estimated to be \$2.2 billion in 2020. COVID-19 disrupted processing plant operations, reduced in-person restaurant visits and rapidly increasing grain prices affected prices livestock producers received for their animals. The actual amount of livestock cash receipts will be calculated in the summer of 2021 by Statistics Canada.

Value of Agri-Food Exports

Saskatchewan's Growth Plan targeted value for agri-food exports is \$20 billion by 2030. In 2020, the value of agri-food exports reached an all-time high of \$16.9 billion, which is a 31 per cent increase from the 2019 value. Most of this growth comes from the increase of all Saskatchewan's main field crops. Saskatchewan's agri-food exports accounted for over half of the province's total exports.

Irrigation Development

Irrigation provides a reliable water source for crops to offset the impact of unpredictable weather. Expanding irrigation infrastructure in Saskatchewan will increase primary production and on-farm profitability by supporting the growth of diverse, high value crops, which in turn provides more opportunities for value-added processing.

The ministry supported the development of 9,028 irrigated acres in 2020: 22 per cent of the acres were developed within irrigation districts and 78 per cent of the acres were developed within non-district areas. The ministry is also part of a government-wide team that is providing leadership and support for the Lake Diefenbaker Irrigation Expansion Project, which could result in the development of 500,000 acres of new irrigation over several decades.

Government Goals

A Strong Economy

Strong Communities

Strong Families

Ministry of Agriculture Goal 2 - Growth in the Value-Added Sector

Strategy

Improve the competitiveness of the industry to improve profitability, growth, investment and attraction.

Key Actions

Identify and address sector level constraints and opportunities.

- The ministry is in regular contact with Saskatchewan's value-added processors to discuss constraints and to explore new growth opportunities.
- Through the Saskatchewan Lean Improvements in Manufacturing, the ministry allocated \$4.87 million in funding to 19 agri-businesses for infrastructure projects that improve productivity and efficiency. Eleven of the 19 infrastructure projects were fully completed in 2021-2021. Included in this funding was \$76,525 for 17 Efficiency Analysis reports to be completed for applications.
- The Product2Market Value-Added program provided \$44,135 in support to 13 small and medium-sized agri-businesses to support product development and marketing of products.
- Through the Food Safety Program, four facilities received \$134,067 for upgrading food processing safety risks. In addition, the Saskatchewan Food Industry Centre received \$50,775 in funding to conduct eight Food Safety Gap Analysis assessment reports and to develop Food Safety Systems with two companies.
- The in-person Value-Added Networking event was not held in 2020 because of the pandemic; however, the ministry planned a virtual event for May 2021.

Develop and implement communications and targeted marketing plans to attract investment.

- Identified priority markets and potential companies for investment attraction.
- Profiled the ministry's marketing materials on the Ag-West Bio website.

Strategy

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

Key Actions

- Enhance effectiveness of programming and services.
- Expanded training opportunities through the Agriculture Skills & Knowledge Program for value-added processors to enhance their human resources or management skills.
- Simplified the gap analysis requirement for customers to access funding from the Food Safety for Processors Program.
- Updated the list of the Government of Saskatchewan's value-added agriculture programs and incentives available for businesses. Also, improved the clarity and consistency of program information and application forms on the ministry's website to make it easier for clients to find and understand the programs.
- Developed a General Program Application to align with Agriculture and Agri-Food Canada's Agricultural Clean Technology Program and other initiatives beyond the scope of Canadian Agricultural Partnership programs.

Enhance pathfinding services for value-added agriculture businesses.

- Completed a review of the Ministry of Agriculture and Ministry of Trade and Export Development's one-government pathfinding approach. The two ministries are determining a plan to implement recommendations.

Support market development for agriculture value-added businesses to access key markets.

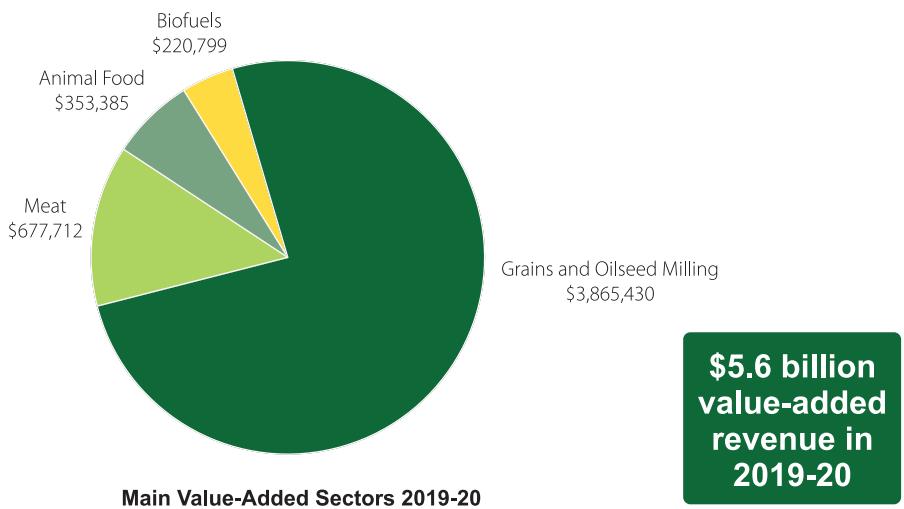
- The ministry partnered with Saskatchewan Trade and Export Partnership to support producers and businesses that were accessing key markets. This included an export guide to Japan, webinars on doing business in China and Japan, and producing marketing intelligence through subscriptions to agri-food databases.

- Through the Product2Market Value-Added program, the ministry supported 15 companies. This program promotes the development and expansion of small- to medium-sized enterprises by supporting agri-business product development and the marketing of value-added products.

Performance Measure Results

Annual Value-Added Revenue

In 2019-20, Saskatchewan's value-added revenue was \$5.6 billion, an increase of 3.7 per cent from the 2018-19 value of \$5.4 billion. Saskatchewan's food manufacturing sector represents approximately 95 per cent of the province's total value-added revenue. Furthermore, approximately 70 per cent of the total food manufacturing revenue is attributed to the grain and oilseed processing sector. In 2019-20, food manufacturing revenue was \$5.3 billion, which included \$3.9 billion in grain and oilseed processing and \$677 million in meat product manufacturing. Beverage manufacturing revenue was \$74.9 million.



Canola Processing in Saskatchewan

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. Increasing canola crushing to 75 per cent is expected to add approximately \$2.4 billion in revenue. In March 2021, Richardson's canola crush facility in Yorkton announced an expansion to double its plant capacity to 2.2 million tonnes of seed annually. This expansion is expected to be completed in 2024. Additional announcements on canola crush facilities were made early in fiscal 2021/22.

Saskatchewan Pulse Crop Processing

Saskatchewan currently processes approximately 10 per cent of its primary pea production within the province. Saskatchewan's Growth Plan targets 50 per cent of Saskatchewan pulse crops to be processed in the province by 2030. Increasing processing to 50 per cent would add approximately \$1 billion in new value-added revenue by capitalizing on the global demand for proteins.

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. The growing demand for alternative sources of proteins is creating greater demand for increased pulse processing in the province. In November of 2020, Ingredion announced full ownership of Verdient; work continued in 2020 on expansions announced in 2018. In 2019, Agrocorp completed work on Phase 1 of its pea protein plant project. The plant can handle up to 50,000 mt of pulses to produce food ingredients such as protein, starch and fibre.

Saskatchewan Meat and Animal Feed Processing

The growth of Saskatchewan's crop production and value-added activity will be constrained without a strong and prosperous livestock sector. The livestock sector provides a critical local market for lower quality crops and by-products from processing activity. Increasing livestock production in Saskatchewan will drive the animal feed manufacturing sector. The target in Saskatchewan's Growth Plan is to double meat processing and animal feed revenue from \$550 million to more than \$1 billion by 2030. Meat manufacturing revenue increased from \$616 million in 2018 to \$677 million in 2019. That is a 9.4 per cent increase in only one year.

In May of 2020, Donald's Fine Food purchased the former XL beef plant in Moose Jaw and is undertaking a feasibility study of converting it into a sow processing facility, which could drive even greater growth in meat processing over the next number of years.

Government Goals

A Strong Economy

Strong Communities

Strong Families

Ministry of Agriculture Goal 3 - Improve the Agriculture Sector's Long-Term Resiliency

Strategy

Improve sector preparedness for natural and economic shocks.

Key Actions

Targeted work and promotion of crops and livestock biosecurity surveillance, response and mitigation efforts.

- Supported the delivery of the Canadian Agricultural Partnership's Plant and Pest Biosecurity Program through a collaborative partnership with the Saskatchewan Association of Rural Municipalities (SARM). This partnership helped to control nuisance rat and beaver populations, reduce invasive weed species, survey for clubroot in canola and support training and education on how to best manage agricultural crops pests.
- Promoted biosecurity extension information for producers through ministry specialists, the ministry's website, and SARM's Plant Health Officers.
- Worked with Crown corporations and other industry members of the Saskatchewan Clubroot Initiative to develop biosecurity guidelines for third parties.
- Continued planning and preparedness efforts to mitigate the impact of African Swine Fever to support the pork industry if the disease is found in Canada or North America.

Strengthen initiatives on livestock emergency preparedness and response.

- Created a permanent Emergency Planning Officer in the ministry's new Emergency Response and Inspection Unit to dedicate more resources to preparing for and responding to livestock emergencies.

Develop ministry plans to respond to future agricultural droughts and excess moisture.

- Developed the Agricultural Drought Preparedness Plan through collaboration with other relevant ministries and agencies.

Continue surveillance of established and economically important pests.

- In partnership with SARM Plant Health Officers, Saskatchewan Crop Insurance Corporation, industry, and researchers, the ministry led or participated in 10 insect surveys and 10 disease surveys. The information gathered from these surveys is used to support mitigation efforts and to inform research priorities.

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 programming to ensure it remains effective and meets the needs of industry.

- Saskatchewan negotiated with other provincial and territorial governments and the federal government to remove the reference margin limit from AgriStability payment calculations. This change is retroactive to the 2020 program year and will stay in effect until the current Canadian Agricultural Partnership agreement expires in 2023. Removing the reference margin limit expands eligibility and increases the value of payments.
- Supported a change to allow private insurance payments to be treated as non-allowable income in the calculation of the program year margin for AgriStability, starting with the 2020 program year, so payments received from private insurance will no longer reduce the support received from AgriStability.
- Engaged with federal, provincial and territorial governments to determine the path forward for Livestock Price Insurance (previously called Western Livestock Price Insurance Program).
- Initiated an AgriRecovery response for the livestock sector to deal with the fallout from plant closures due to COVID-19. This included putting in place a livestock set aside program to help sector manage inventories.

- Provided livestock producers using the Western Livestock Price Insurance Program relief from excessively high premiums related to the unprecedented market volatility related to COVID-19 impact on markets.
- Preliminary federal, provincial, territorial investigation has occurred to understand the needs of cannabis producers, including coverage levels, margins/premiums and the general impacts to the programs.

Work with Ministry of Environment to develop a provincial offset system under the provincial climate change strategy, Prairie Resilience.

- Established a working group to develop a made-in-Saskatchewan soil sequestration protocol. A draft of the protocol is complete.
- Assessed potential agriculture offset protocols that could be implemented in time for the start of the provincial offset program in 2022.

Begin consultations and identify priorities for the next federal/provincial agreement; “Canadian Agricultural Partnership (CAP) 2.0.”

- Developed an industry engagement plan, an internal engagement strategy, communications strategies and an Indigenous engagement plan, in addition to beginning initial consultations with provincial stakeholders.

Strategy

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

Key Actions

Focus extension efforts on Saskatchewan producers being recognized for nutrient stewardship by obtaining 4R designation (“right source, right rate, right place, right time”).

- Increased producer and agronomist knowledge of fertilizer products and practices as they relate to 4Rs and improved productivity through the preparation of extension material. This includes social media, Sask Ag Now website content and webinars on the four components of 4R nutrient stewardship.
- Conducted Agriculture Demonstration of Practices and Technologies (ADOPT) trials on the 4R fertilization of forages, including a feed, soil and economic analysis.

Develop a multi-species approach for management of critical habitat to benefit species at risk.

- Piloted the Multi-Species Critical Habitat Assessment Management Tool on three leases to test the effectiveness of the tool in evaluating federally-designated critical habitats on lease lands and providing recommendations to benefit the critical habitat. The ministry will use the tool to assist with data collection and research initiatives specific to managing critical habitats.
- Guided by the Critical Habitat Working Group, the ministry developed a contribution agreement with Environment and Climate Change Canada to receive \$400,000 in funding over two years. This funding will be used to staff term positions. The term staff will be using the Multi-Species Critical Habitat Assessment Management Tool to complete research on approximately 20 leases; this information will be used to develop an approach for multi-species critical habitat for Crown lessees.
- Expanded the scope of the Interim Improvement Guidelines to include not only improvement requests on critical habitat land, but also on land protected under The Wildlife Habitat Protect Act; land identified as rare and endangered species; and land that has heritage significance.

Support the Water Security Agency as they implement the Agricultural Water Management Strategy.

- Provided additional training for ministry specialists and third-party delivery agents on the Drainage Stewardship Beneficial Management Practice—offered under the Farm Stewardship Program—to assist producers with their water development projects.

Align policies and programs to achieve the goal of maintaining permanent cover (native prairie, pasture and hay land).

- Began a full analysis of policies and programs that help maintain permanent cover.
- Consulted with Ministry of Environment on leveraging its predicitive modelling tool to categorize Crown lands and to develop policies to maintain permanent cover.

Collaborate with other ministries and agencies to develop a plan to manage invasive species.

- Created the One Government Invasive Weeds Initiative, which is developing a common understanding of goals, activities, regulatory requirements, and roadblocks to managing invasive weeds.
- Provided program support to SARM through the Plant Health Network and Invasive Weed Control Program.

Performance Measure Results

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 through agricultural practices such as zero-tillage seeding that sequester the amount of organic matter in cultivated land. The target for this measure is the current five-year average of 5.6 million tonnes per year.

2019 rates were estimated at 4.1 MT of sequestration of organic matter. The inclusion of 2016 Census of Agriculture data in Environment and Climate Change Canada's National Inventory Report modelling led to a decline in estimated sequestration rates, as it indicated land under tame forage and hay dropped by 1.1 million acres. These acres likely would have been brought back into annual production which accumulates less soil organic matter than tame forage.

Nutrient Stewardship

The 4Rs of nutrient stewardship are the "right source, right rate, right time and right place." The 4R Nutrient Stewardship Plans provide a framework to achieve cropping goals and improve environmental outcomes through the precise application of agricultural fertilizers. The target for total farmland managed using a 4R Nutrient Stewardship Plan is 25 per cent, or nine million acres by 2025.

As of 2020, approximately four per cent of the province's cultivated land is under 4R designation. This is a result of more agri-retailers working with producers to document and report the 4R designated acres.

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 50 per cent decrease in realized net farm income from the previous five-year average.

Although realized net farm income has declined slightly in previous years due to trade tensions and disruptive weather, there has been no drastic decline in Saskatchewan's five-year average of realized net farm income. The 2019 preliminary figures suggest a 34 per cent decrease in realized net farm income from the five-year average; however, this is subject to change once Statistics Canada releases its 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 the management of pest and diseases. The 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 no crops that made up more than 50 per cent of the cultivated area. In 2020, cereals made up approximately 48 per cent of the cultivated land area, oilseeds made up 32 per cent, pulses and soybeans made up 17 per cent, and summer fallow made up two per cent.

Government Goals

A Strong Economy

Strong Communities

Strong Families

Ministry of Agriculture/Organization Goal 4 - Public Trust in the Agriculture Sector

Strategy

Encourage and support industry to adopt best practices.

Key Actions

Invest in research that helps determine the environmental impact of production practices that influence public trust.

- Identified gaps in livestock research focused on greenhouse gas emissions and sequestration from grazing systems on native prairie and tame forage stands. Began developing an approach to filling those research gaps.
- Supported the development of projects, through ADOPT and the Strategic Field Program, that demonstrate best management practices for reducing reliance on routine pesticide application. Projects included initial efforts to establish thistle and kochia control demonstrations.
- Through the Proactive Stewardship Pilot project, the ministry has encouraged producers with operations close to recreational water bodies to use beneficial management practices that reduce environmental impact.

Narrow the gap between research and extension by translating findings into best management practices for producers.

- With the goal of assisting producers in making changes to crop rotations, the ministry delivered two webinars focused on crop planning and published an article on the use of perennial forages in crop rotations.
- With support from the Roy Romanow Provincial Lab, the ministry collected and analyzed 1,750 water samples. The findings were translated into management advice for producers.
- Through a survey of livestock water quality clients, the ministry learned that 99 per cent of respondents believe that the ministry's testing service adds value to their operations.

Deliver and evaluate programming that encourages the adoption of best practices across the industry.

- Developed a farm safety communications plan to highlight farm safety and the importance of managing mental health.
- Participated in industry groups, such as the Canadian Roundtable for Sustainable Beef, to support industry's efforts to promote sustainability and make environmentally and socially responsive productivity improvements.
- Delivered programs that provide funding or rebates to producers to implement beneficial management practices. Programs include Farm and Ranch Water Infrastructure Program, Farm Stewardship Program, and Assurance Systems Producer Rebate Program.

Strategy

Protect food safety, animal health and the environment.

Key Actions

Initiate the public reporting of the health status of transitioned and co-op pastures.

- Completed an inter-jurisdictional scan to learn how other jurisdictions' approaches to public reporting can inform Saskatchewan's approach.
- Initiated the development of a communications plan for public reporting.

Influence sound regulations and monitor compliance in partnership with industry and the federal government.

- Provided feedback on proposed changes to federal livestock transportation regulations to ensure the concerns of producers in Saskatchewan were considered.
- Developed a Regulatory Review Public Trust Guide to apply a public trust lens to the internal review process.

Increase understanding of recognized assurance systems.

- Consulted with a group of industry communicators to identify the kinds of resources they would use to promote new or existing industry regulations and assurance systems.

Strategy

Partner to build awareness about modern agriculture.

Key Actions

Empower stakeholders to connect with consumers and youth.

- Provided CAP funding, through the final year of a three-year agreement, to 4-H Saskatchewan, Agriculture in the Classroom Saskatchewan and Farm and Food Care Saskatchewan to help build public trust in modern agriculture and/or leadership development.
- Worked with 4-H Saskatchewan to incorporate a commitment to building public trust in agriculture through their strategic planning process.
- Produced short videos that highlighted Agriculture in the Classroom, 4-H, and Farm and Food Care. Promoted the videos through social media.
- Created and distributed a monthly Faces of Farming video series showcasing the diversity and value of agriculture in Saskatchewan from a producers' story.

Share stories to build confidence in Canada's robust regulatory framework and assurance systems.

- Produced Agriview articles, social media content and short videos to build public understanding of how the industry protects food safety, animal health and the environment.

Analyze public perception to inform future actions.

- Supported the Federal-Provincial-Territorial Public Trust Working Group as the provincial co-chair in an effort to move towards developing a consistent framework to measure public perception and the effectiveness of government public trust programming.

Enhance communications to stakeholders on regulations with the greatest impact on public trust.

- Developed a communications plan focused on increasing public awareness and understanding of *The Animal Protection Act*. Implementation of the plan was deferred in 2020-21.
- Began implementation of changes in response to the Provincial Auditor's 2020 audit of the Ministry of Agriculture's processes to mitigate the impact of regulated pests in crops and pastures. The audit concluded that, with a few exceptions, the ministry had effective processes to mitigate the impact of regulated pests in crops and pastures.
- Provided pesticide regulatory support through *The Pest Control Products Act* and Regulations as well as collaboration with other provinces and the Pest Management Regulatory Agency (PMRA) regarding federal pesticide regulation. Through the ministry's involvement in the PMRA re-evaluation, two important neonicotinoids, thiamethoxam and clothianidin, were approved for continued use as seed treatments. Nearly all canola and a substantial amount of cereal and pulse crops use these insecticides; therefore, safe use of these products will protect the provincial economy from up to \$2 billion in yield losses and quality degradation due to insect pests.

Performance Measure Results

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, based on an annual survey. 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.

The ministry has continued to execute its tactics under the comprehensive Public Trust Strategy that is designed to foster greater public confidence in modern agricultural practices.

2020-21 Financial Overview

2020-21 FINANCIAL SCHEDULES

Ministry of Agriculture Schedule of Revenue and Expenditures	2019-20 Actual	2020-21 Estimates	2020-21 Actual	Variance over (under)	(in thousands of dollars)		Notes					
Revenue												
Land Revenue:												
Crown Land Sales	\$ 26,235	9,610	11,449	1,839			1					
Rent and Penalty on Land Leases	45,711	45,000	47,400	2,400			2					
Land Licenses and Permits	494	270	661	391			3					
Interest	30	15	-	(15)								
Receipts from Federal Government	65,518	73,568	64,563	(9,005)			4					
Privileges, Licenses and Permits	248	228	341	113			5					
Sales, Services and Service Fees	516	421	551	130			6					
Interest Revenue	-	5	279	274			7					
Other Revenue	2,562	46	167	121			8					
Refund of Previous Year Expenditures	6,207	250	2,268	2,018			9					
Total Revenue	\$ 147,521	129,413	127,679	(1,734)								
Expenditure												
Central Management and Services												
	\$ 10,279	11,767	9,677	(2,090)			1					
Industry Assistance												
	\$ 3,720	3,889	2,752	(1,137)			2					
Land Management												
Land Management Services	\$ 7,027	4,813	5,199	386			3					
Land Revenue Bad Debt Allowances	162	100	161	61			4					
Crown Land Sale Incentive Program	870	-	-	-								
Subtotal	\$ 8,059	4,913	5,360	447								
Policy and Planning												
Policy and Planning	\$ 3,347	3,936	3,320	(616)			5					
Trade and Value-added	1,542	1,910	1,515	(395)			6					
Subtotal	\$ 4,889	5,846	4,835	(1,011)								
Research and Technology												
Project Coordination	\$ 1,711	1,158	1,988	830			7					
Research Programming	32,425	31,800	30,335	(1,465)			7					
Subtotal	\$ 34,136	32,958	32,323	(635)								

Ministry of Agriculture Schedule of Revenue and Expenditures	(in thousands of dollars)					Notes
	2019-20 Actual	2020-21 Estimates	2020-21 Actual	Variance over (under)		
Regional Services						
Regional Services	\$ 24,311	32,026	23,984	(8,042)		8
Program Design and Delivery						
Program Design and Delivery	\$ 21,166	25,511	20,579	(4,932)		9
Business Risk Management						
Crop Insurance Program Delivery	\$ 29,800	32,118	28,334	(3,784)		10
Crop Insurance Premiums	159,525	139,070	144,702	5,632		11
AgriStability Program Delivery	18,465	20,162	18,402	(1,760)		12
AgriStability	38,206	19,980	23,484	3,504		13
AgrilInvest	35,081	33,000	38,275	5,275		14
Subtotal	\$ 281,077	244,330	253,197	8,867		
Budget Appropriation						
	\$ 387,637	361,240	352,707	(8,533)		
Supplementary Estimates/Special Warrant						
	\$ -	4,371	-	(4,371)		
Total Revised Appropriation						
	\$ 387,637	365,611	352,707	(12,904)		
Capital Asset Acquisitions						
	\$ (3,057)	-	(540)	(540)		15
Amortization of Capital Assets						
	\$ 1,386	2,667	2,279	(388)		16
Other						
	\$ 323	-	35	35		
Total Revised Estimates and Expenses						
FTE Staff Complement (FTE – Full Time Equivalent)	\$ 341.4	368,278	354,481	(13,797)		1
			305.5			

Explanation of Major Variances:

Explanations of Variances which exceed \$50,000 between Estimates and Actuals

Revenue

1. Increase in net land sales.
2. Increase in lease revenue from leasing of community pastures to patron groups and petroleum and natural gas surface leases.
3. Increase in the sale of land that required licences or permits.
4. Decreased revenue from the federal government due to the Canadian Agricultural Partnership funding going directly into the Saskatchewan Agricultural Stabilization Fund and decreased revenue for AgriStability and Crop Insurance administration costs.
5. Increase pesticide licensing fee revenue.
6. Increased land sale fees and other miscellaneous revenue.
7. Increase due to shift in Interest on accounts receivable account from Other licences and Permits to Interest.
8. Increase in land processing fees, miscellaneous agriculture fees and casual revenue.
9. Refund of prior years' accrual needed to fund AgrilInvest program payments.

Expenditure

1. Savings in accommodations and other operating expenses.
2. Decreased payouts under Miscellaneous Grants and reallocation of Canadian Agricultural Partnership spending to other areas under the program.
3. Increased system development costs partially offset by savings in other operating expenses.
4. Increased bad debt expense due to a decline in receivable experience.
5. Decreased due to operational savings.
6. Decreased due to operational savings.
7. Decreased due to reduced research program spending resulting from project delays as well as operational savings.
8. Decreased due to operational savings, the reallocation of Canadian Agricultural Partnership spending.
9. Decreased due reallocation of Canadian Agricultural Partnership spending to Saskatchewan Agricultural Stabilization Fund and other spending under the program and operational savings.
10. Decreased Crop Insurance program delivery costs paid to Saskatchewan Crop Insurance Corporation due to reduced travel expenses and lower adjusting costs due to favorable harvest season.
11. Increased premiums due to higher Wildlife Damage Compensation Program funding resulting from increased crop prices and COVID-19 related spending on the Livestock Set Aside Program and the Western Livestock Price Insurance Program Premium Rebate Program offset by decreased crop insurance premiums due to reduction in insured acres and shift in crop mix towards crops with lower premium costs.
12. Decreased AgriStability program delivery costs paid to Agriculture and Agri-Food Canada for prior years' AgriStability Program payments.
13. Increased provincial contributions required to fully fund the AgriStability 2020 program year costs from the original federal government's forecast.
14. Increased provincial contributions required to fully fund the AgrilInvest 2020 program year costs from the original federal government's forecast.
15. Primarily capital expenditures for system development.
16. Decreased amortization for actual system development amortization lower than budgeted.

FTE Staff Complement

1. Ministry of Agriculture's 2020-21 FTE actual utilization was 305.5.

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at
<https://publications.saskatchewan.ca/#/categories/893>