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August 16th, 2023

Honourable David Marit  
Minister of Agriculture  
Email: [ag.minister@gov.sk.ca](mailto:ag.minister@gov.sk.ca)

Dear Minister Marit:

Over the last month, the Saskatchewan Cattlemen's Association (SCA) has hosted several town halls in areas of the province most significantly impacted by drought. We travelled to the communities of Purdue, Kindersley, Cabri, Cadillac, and Central Butte, and attendance was well over 400 producers.

One purpose for the meetings was to provide information to producers regarding supports available to them. This included the doubling of the Low Yield Appraisal announced in July, existing programs under the Sustainable Canadian Agriculture Partnership (SCAP), as well as reminding people of the importance of mental health supports and where to find them.

However, our primary objective was to hear from producers about what they were going through, and the type of support that they felt was needed in the face of another year of debilitating conditions for their operations.

Given the severity of the conditions on the ground and the frustrations expressed by many at the meetings, we believe it is important to share with you and the government what we heard, so that it may further inform your discussions with the Federal Government as you negotiate an Agri-Recovery program and target improvements to existing programs.

Summarized below are the key concerns/problems we heard, which we have organized by topics:

## **Business Risk Management (BRM) Programs**

### **Forage Rainfall Insurance Program**

- Number and location of weather stations is inadequate, and producers do not believe the results of the program reflect their on-farm experience.
- The data collected by the 3<sup>rd</sup> party operators of these stations does not get reported quickly enough. The delays do not allow producers to make informed decisions about their coverage.
- The formula to determine the forage coverage levels does not address actual costs. The program is insufficient when producers need to replace unrealized feed crops, or when feed prices increase (or decrease) dramatically.
- The program fails to consider replacement costs for feed that needs to be transported long distances, and the formula needs to accommodate/account for regional challenges in acquiring feed. It also needs to be responsive to dramatic in-year changes to prices.
- Greenfeed crops need better valuations, like yield information for crop insurance.
- Producers feel that the program needs to be more responsive in general, and also payments and claims should be processed quicker. Monthly payments like those made in Alberta were highlighted.
- Producers feel the program is extremely unreliable/unpredictable.

### **Doubling of the Low Yield Appraisal Threshold**

- The timeliness of this program is essential. If adjusters are not available, or cannot make quick decisions, the value of the program is lost.
  - Some adjusters have been unwilling to write off crops or have suggested waiting before doing adjustment.
- The program needs to be flexible to more acres to be diverted to green feed. Establishing the threshold as absolute instead of cumulative means fewer acres are made available. For instance, the difference between a low yield barley crop adjusted at 14 bu/acre and one adjusted at 15 bu/acre is 15 bu/acre instead of 1 bu/acre. This is a concern for producers who would like to make greenfeed available to their neighbour or for their own livestock.
- This program should be available through a defined drought trigger so that producers could more confidently rely on or plan for it. This would also allow the program to be more responsive/timely.
- Producers who make greenfeed available for their own livestock are at a disadvantage to producers who can sell the feed in addition to their claim.
- Many expressed appreciation for the program, but believe improvements are required to divert more greenfeed in times of need.

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## Agri-Stability

- Program is too slow to react, payments are untimely.
- The complexity of the program application means many producers feel the need to pay an accountant at additional cost to them.
- Mixed operations suffer from a margin-based insurance; should be more flexible options to recognize different types of farms and ranches.
- Livestock producers often struggle to develop sufficient margins to participate in the program, meaning they have fewer BRM tools available to them to mitigate risk.
- Whenever any other program pays out, AgriStability claws back dollars. When people are in a claim situation, either through existing programs, or through ad hoc programs like Agri-Recovery, they can ill-afford to have those programs be clawed back by permanent programs.

## Agri-Recovery

- Needs a mechanism that triggers response quickly. Core program objectives in the past have been to maintain livestock herd numbers. When the program is late to respond to conditions, many producers have already made decisions to reduce animal numbers or to disperse entirely.
- Payments need to be tied to cost of feed replacement, and need to recognize regional challenges where freight costs are substantially higher.
- Payments in 2021 were flexible for producers to self-direct to individual needs. An Agri-Recovery response now should have that same flexibility.
- Compensation rates in 2021's Agri-Recovery program were lower than requested by industry (SCA requested \$400 per head, double the \$200 per head provided), but did achieve some policy objectives in areas where conditions improved the following year. However, since 2023, general operating costs have increased along with inflation and interest rates.
- Any payments in 2023 will need to take increased costs into account, and industry will need a higher level of support if the 2021 program objectives are the same in 2023.
- While many producers suggested broad support is still required, others suggested that any support program should be targeted for the producers most challenged by continuing drought conditions. It should also consider implications for out-years and the time pastures and forage will take to recover.
- Almost every producer in attendance at the meetings participated in this program in 2021.
- Agri-Recovery also needs to account for actual industry recovery and make access to capital or borrowing low-cost and accessible for when conditions improve.

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## **Livestock Price Insurance**

- Expansion of Livestock Price Insurance to a national program with a cost-shared premium needs to remain a priority.

## **General Comments**

### **Federal Programs/Regulations**

- The Carbon Tax is one the single greatest obstacles to growth in the livestock sector, and the agriculture sector in general. Even with rising commodity prices, the Carbon Tax has placed a substantial burden on operations, and risks creating demand issues as additional costs are also moved onto consumers.
- Federal Regulations around trucking are piling up and adding more challenges to an already strained supply chain, applying further upward pressure on shipping costs and commodity prices, including feed.
- Environmental policy doesn't reflect modern day agricultural practices in Western Canada, and producers who have been adjusting their practices or are actively conserving their land and water assets are not recognized/compensated for doing so.
- Border regulations make it very difficult to source feed privately from American producers, while no such challenge exists for commodities moving the other direction.
- Livestock Tax Deferral Program should extend beyond the disaster event for time to rebuild herds. It should also be triggered directly by the RMs who declare a state of drought, instead of waiting months for Federal designation.

### **Other Comments**

- Frozen Crown Land lease rates should continue to be frozen for at least one more year, and when the rate freeze is removed, any rate changed should be staged in to allow continued recovery in the industry.
- Lease rates shouldn't just reflect the number of animals that can be sustained, but also the increased input costs associated with that animal.
- There needs to be a pro-active, disaster response program that can be triggered in a situation where conditions are dire or catastrophic. Agri-Recovery would be better served if details were clear, it reacted quicker, and acted more like the other BRM programs.
  - A cost-of production insurance program like the one the SCA is in the early stages of working on could fill this gap.

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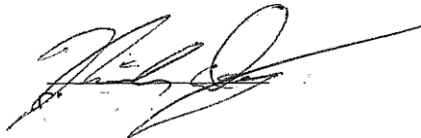
- US has a freight subsidy program that is triggered by county declaration. It is a federally funded program but is effectively a freight subsidy program. This presents an unlevel playing field for producers in the US and Canada.
- Irrigation expansion needs to be rapidly funded. Building drought resistant infrastructure will be a key to the future of the industry.
- Programs to provide support to young producers and encourage/incentivize new producers are needed for the future, including removing the cap on SCAP grants for young producers.

While not an exhaustive list, most of these topics were discussed in some capacity at all five meetings. While lengthy, we at the SCA believed it was necessary to reflect as much of the discussion as possible in this letter.

In closing, I hope that you can see the need for supporting this industry, and I hope this letter can help inform you and your federal colleagues of the disaster that lays in front of us. We heard loud and clear from producers that the herd is at risk. In the worst areas, producers discussed reducing their herds up to 75%, with others saying they had already gotten as small as they could sustain. It would be difficult to overstate the damage an even longer drought could have. We need to make sure that we keep this industry alive so that it can grow again, because the world is counting on Canada to feed it.

Thank you for your time and consideration.

Sincerely,



Keith Day  
Board Chair  
Saskatchewan Cattlemen's Association

cc: Darryl Harrison, Legislative Secretary to the Minister of Agriculture  
Jeff Morrow, Acting President and CEO, SCIC  
Rick Burton, Deputy Minister, Ministry of Agriculture

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