



Government
— of —
Saskatchewan

Minister of Agriculture

Legislative Building
Regina, Canada S4S 0B3

Todd Lewis, President
Agricultural Producers of Saskatchewan
president@apas.ca

Dear Todd Lewis:

We would like to take the time to respond to the press release Agricultural Producers of Saskatchewan (APAS) issued on Wednesday, December 1, 2021. I will begin by pointing out that we disagree with the premise of the entire document, and to suggest that the provincial government is somehow blaming our agricultural producers for the financial deficit reported in the financial update presented earlier this week is not only false, it is offensive.

The comments provided by Vice-President Ian Boxall suggest that perhaps he is unfamiliar with the concept of summary financial reporting, a budgeting standard that the province adopted in 2014. When dollars previously held in surplus by any provincial agency, treasury board crown corporation, or CIC crown corporation are utilized, it is required by generally-accepted auditing standards that the use of those surpluses is reported to the public. In fact, it only serves as a reminder that the premiums paid by producers are, in fact, being well managed by the insurance fund when surpluses are in place to cash-flow devastating years such as the one that producers in this province just experienced.

Furthermore, the fact that the province did not deplete the fund in prior years, or reduce the level of coverage available to producers is not only a reflection of how seriously the government treats supporting our suite of Business Risk Management programs, it is a testament to our unwavering support of the agricultural sector here in Saskatchewan.

It is disappointing, to say the least, that an organization such as APAS would, through either ignorance or deceit, willingly misinform its members with such callous disregard. It is somewhat disappointing that APAS has such limited comprehension of public financial reporting and doesn't understand the difference between debt and deficit. When Ian Boxall states: "Over the last several years, claims have been lower than premiums, which is why a surplus built up over time. If the Crop Insurance surplus had been invested in a dedicated fund like the SGI Auto Fund, then that money would have been readily available for Crop

Insurance claims”, it belies a fundamental misunderstanding of how government finances operate, and it creates the perception that government is unable to payout claims; this is objectively false.

Saskatchewan Crop Insurance Corporation (SCIC) operates on sound, well-established actuarial science to manage producer dollars, which are supplemented with a not insignificant amount of provincial and federal dollars. The fact we had a surplus in place to cash-flow such a devastating year for producers, and still maintain a surplus in that fund, goes to show how well managed SCIC is.

In summation, we not only disagree with the statements made by Vice-President Boxall, but we urge you to retract them. Our government champions our agriculture sector not just here, but across Canada and the world. We have lauded our producers in the province for being the backbone of our economy, and we acknowledged with great pride that it was our producers that have carried us through this pandemic. Then, when it was our producers who were suffering, we had their back, as we always do and always will.

In the future, we hope APAS will remember that our government has been steadfast in its commitment to our agricultural producers, and that APAS doesn't take that support for granted the next time it considers making such a reckless statement.

Regardless, we have appreciated the working relationship and open lines of communication with you as president in the past, and we hope that we can work together to continue supporting the agricultural sector and our producers in this province.

Sincerely,



Honourable David Marit
Minister of Agriculture



Honourable Donna Harpauer
Minister of Finance