

Lobbying and Policy Activities

Lobbying and advocacy on behalf of its members are primary activities of SARM. SARM regularly meets with elected and departmental officials, from both the provincial and federal governments and is active on a number of policy issues. Some of the initiatives, activities, and accomplishments from 2006 are outlined in the following report.

Education Tax

The provincial injection of \$52.6 million in 2006, to alleviate the pressure on the agriculture land property tax was well received. The result was that the 2006 tax notices indicated a 38 per cent reduction on education tax on agriculture land in place of the 8 per cent reduction of 2005. The Premier stated that this establishes that the province is now paying 60 per cent of the agriculture land tax. He promised that this 60/40 split would be maintained for future years. SARM, and taxpayers across the province, will be watching to make sure that this promise is kept. Unfortunately not all agriculture taxpayers saw the same amount of decrease from the levels of education tax paid in 2005 – the larger school divisions incorporated in 2006 caused significant tax shifts.

SARM is continuing to work with the Education Tax Coalition to achieve the 60/40 split for all property classes. Once that goal is achieved, SARM will be targeting further efforts toward the need to achieve fairness in taxation levels between agriculture property and the other property classes.

Clearing the Path

Development - The Clearing the Path (CTP) Development Subcommittee successfully held eight CTP workshops in March and April 2006. Over 800 municipal leaders from both urban and rural communities attended the workshops. These workshops assisted municipal leaders to identify the resources and support they require to advance economic development and build strong, sustainable communities across Saskatchewan.

Although many municipalities recognized the potential for the CTP concept of municipal cooperation, they identified the lack of human resources required to accomplish their goals. To address this impediment, SARM, SUMA and the New North made a joint application to the Municipal Rural Infrastructure Fund (MRIF) in July 2006 for funding to hire resource people to assist municipalities at the local level in implementing CTP initiatives.

The application for funding was approved and the federal and provincial governments officially announced the funding on December 21, 2006. This new program is called The Municipal Capacity Development Program (MCDP). Two Municipal

Capacity Development Officers were hired in January (Shelley Skelding and Jarad Hermanson) and began working full time out of Regina on February 1, 2007. In addition to these employees, the MCDP management team will be employing two experienced planners on a contract basis to work on specific projects as they arise.

Transportation - Throughout 2006, the Transportation Subcommittee worked with the Saskatchewan Department of Highways and Transportation to design a draft primary weight haul corridor system of municipal roads. This CTP Primary Weight Haul Corridor System contains municipal roads that, if upgraded to primary weight standard, will provide strategic linkages to the current primary weight system to increase potential economic opportunities in Saskatchewan communities. Upon designing the draft, the committee sought feedback from all the municipalities in the Province. The draft map was displayed at SARM conventions and meetings in 2006, and was mailed out to municipalities in September requesting feedback.

The committee, with assistance from the Area Transportation Planning Committees, hosted eight province-wide meetings in October 2006, to ensure all municipalities had an opportunity to comment on the corridor map.

2007 Business Retention and Expansion International Conference

Growing From Within

"Thinking Regionally – Succeeding Globally"

The 2007 BREI conference will feature world-class speakers, networking opportunities, training sessions, and tools pertinent to the rapidly changing and increasingly important field of economic development – particularly to the practice of business retention and expansion.

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The CTP Transportation Subcommittee is continuing to work on integrating municipal feedback to the primary weight haul corridor map. In applying the feedback we are also establishing and implementing criteria for the corridor. The goal is approximately 7,000 kilometres of corridor road and so the subcommittee is faced with the task of prioritizing the number of suggested roads down to the most strategic, logical and economical, while still ensuring primary weight access to more communities.

The CTP corridors have two main purposes. First, some corridors will take truck traffic off secondary weight highways until these provincial economic highway corridors are upgraded to primary weight standard. In some cases, this could take a significant amount of time. Secondly, in areas where there is no primary weight access and no future plans to upgrade highways, the municipal corridor will provide a stable, affordable alternative and address transportation impediments to economic development.

The committee has adopted a two-phase approach to implementing the corridor maps. The first includes roads that could allow primary weights as of March 1, 2007, if maintenance funding is provided. The second phase involves corridors with existing barriers such as secondary roads that require construction upgrades and corridors that include small segments of secondary provincial highway.

The committee spent a great deal of time in November and December 2006, revising maps according to feedback, and also meeting with government officials to discuss funding options. The committee has requested funding from the revenue sharing fund to implement the CTP corridor system.

Municipal Issues

Municipal Forum - The Municipal Forum met four times in 2006. Partners in the forum are SARM, SUMA and the Department of Government Relations. The Municipal Forum is a planning and decision-making forum on matters of importance to Saskatchewan municipalities. Some of the issues discussed in 2006 included: the Public Sector Accounting Board's (PSAB) proposed requirement for capital asset reporting, federal funding for infrastructure, the Province's initiative for legislative changes in response to the recent withholding of education taxes, the Clearing the Path Committee, revenue sharing, the Province's new highways strategy, municipal PST exemptions, municipal health facility capital costs, *The Planning and Development Act* review, new deal funding, the municipal/provincial review of liability provisions in municipal legislation, and the Saskatchewan Municipal Awards program.

Rural Revenue Sharing Program - The following is a break out of the 2006-07 Rural Revenue Sharing Program.

Unconditional Grants	\$33.8M
Organized Hamlet Grants	0.6 M
Heavy Haul and High Volume	2.25M
Bridges	1.2 M
Traffic Counts	0.1 M
Total	\$37.95M

A \$30 million increase in the Rural Revenue Sharing Pool has been requested for 2007-08. This increase is needed in order to:

- facilitate development of the Primary Corridor System,
- provide much needed assistance for the municipalities in the resource industry areas,
- begin the ramp-up on bridge expenditures, and
- provide additional funding to assist municipalities begin to turn the corner on the infrastructure deficit. SARM proposes that the levels of assistance need to increase to the following levels:

SARM has requested that the Rural Revenue Sharing Pool for 2007-08 be funded as follows:

Unconditional Grants - \$37.8 M

The additional \$4 M is needed to allow municipalities to deal with rapidly rising fuel, construction and equipment costs.

Organized Hamlet Grants - \$0.7 M

The additional \$0.1 M is needed to deal with aging infrastructure.

Heavy Haul and High Volume - \$2.25 M

No increase is requested for HHHV. It is expected that the creation of a Resource Road Program (see below) will take the pressure off the existing fund.

Primary Corridor - \$15 M

This new conditional funding is needed to provide assistance for maintenance and construction of the Primary Corridor as follows:

- Maintenance: \$7 M - \$1,000/km/year for the estimated 7,000 km of PC.
- Construction: \$8 M - Provide 60 per cent funding on an application based program to continue the development of the corridor system at a steady pace and at uniform standards.

Bridges - \$2.2 M

An additional \$1M per year is needed to help address the growing safety and transportation issues caused by out-dated bridges.

Traffic Counts - \$0.1 M

Accurate traffic counts are necessary for planning the transportation system. These counts have proved to be very valuable as the CTP committee plans the Primary Corridor.

Resource Road Assistance - \$10 M

This new funding is needed to assist municipalities in dealing with the enormous road costs associated with the resource industry. Municipalities cannot keep up with the cost of

providing roads where the number of trucks per day can exceed that of the Trans Canada Highway.

Biofuels - In 2006, SARM continued to lobby for senior government support for the biofuel industry. President Marit is a member of the Board of Directors of the Saskatchewan Ethanol Development Council. The issue was discussed at many meetings with Federal Officials. The industry has the potential to increase demand for agricultural production, strengthen the rural economy and provide much needed employment in rural Canada.

The lobbying efforts focused around three main points, being:

1. Agricultural producers' participation in the ownership of biofuels facilities.
2. Facilities being located in rural communities
3. Facilities being located in Canada rather than just south of the 49th parallel, with the raw product to fuel those facilities shipped south from Canada.

Prairie Grain Roads Program - In 2001, the federal government announced new transportation funding in the form of the Prairie Grain Roads Program (PGRP). The program was set up to run for a five-year period and road construction is scheduled to end in 2007. The program was developed to assist with road issues resulting from changes to grain transportation policy in the 1990s. The changes resulted in rail line abandonment and elevator consolidation, increasing heavy truck traffic traveling on provincial highways and rural roads. The federal government contributed \$106.8 million for the Saskatchewan portion of the program. This contribution has been leveraged by contributions from municipalities and the province with the result being about \$217 million invested in the province, for both highways and municipal roads. Half of the 11,984 kilometres of municipal roads identified under PGRP in the province remain unfinished. It is estimated that an additional \$500 million is needed to build all the routes there were identified by PGRP to primary grid standards. Municipalities do not have the financial resources to complete the grain road system on their own. SARM has been lobbying the federal government to announce an extension to the program.

Transportation and Environment Committee (TEC) - SARM continues to sit on the TEC committee along with representation from various transportation and environment stakeholders including the Saskatchewan Roadbuilders Association, the Saskatchewan Watershed Authority, the Provincial Departments of Environment and Highways and Transportation and the Federal Departments of Fisheries and Oceans and Transport. The purpose of the committee is to find ways to speed up the necessary legislated review processes that are triggered by road construction projects.

Control of Richardson Ground Squirrels - Control of Richardson Ground Squirrels (RGS) continues to be an issue we are working on. While some areas of the province have had fewer problems with gophers in 2006, (probably because of higher moisture) the southwest part of the province continued

to face large numbers and high levels of damage. Another letter was written to Federal Agriculture Minister Chuck Strahl on the need for access to 2 per cent liquid strychnine until an effective, economical alternative is found. Director Steele discussed the issue with Pesticide Management Regulatory Agency officials in Ottawa in November. A new product is now available for the control of RGS's. Aluminum phosphide (Phostoxin), known to producers as a fumigant for killing insects in stored grain, has also been licensed for the use in the control of RGS's. The use of aluminum phosphide is restricted to those with their fumigation permit. SARM is organizing one-day courses in Shaunavon and Mankota for early 2007, so producers can obtain their fumigation permit.

Per Capita Rate for RCMP Services Goes up Again - On January 30, 2006, the per capita rates for RCMP Services were announced by the Department of Justice. The rate for RMs was set at \$32.45 per person, an increase of 10.75 per cent over the 2005 rate of \$29.30. The 2006 increase is the continuation of the Department of Justice's plan to bring the rates paid by the four classes of municipalities closer together. SARM's concern is that while the rate continues to increase, the level of service is decreasing, as demonstrated by the closing of several rural detachments during the year.

SARM has asked the province to address the fine revenue issue. It is our understanding that the Department of Justice has made a proposal to the Department of Finance, which, if approved, would see a portion of the fine revenues collected in rural municipalities and urban municipalities with populations under 500 returned to these municipalities. Fine revenue is currently returned only to urban municipalities over 500 in population.

Channel Clearing Assistance Program - In the 2006-07 Provincial Budget the Channel Clearing Assistance Program for rural municipalities, administered by the Saskatchewan Watershed Authority, was eliminated. As a result of lobbying efforts by SARM and rural municipalities, the program was reinstated. In 2005, over \$110,000 was accessed by 65 rural municipalities to help maintain the drainage systems servicing agriculture land. Including municipal contributions, almost \$250,000 worth of work was completed.

Exploring Saskatchewan's Nuclear Future - SARM partnered with SUMA and the University of Regina to host a public discussion forum on the nuclear industry. The "Exploring Saskatchewan's Nuclear Future" forum was held on January 16-18, 2006, in Regina. The decision to hold the forum came from the 2004 SARM resolution to work with the nuclear industry and the University of Regina's spring 2005 energy conference. The Forum brought provincial, national and international experts in all aspects of the nuclear industry together to discuss potential opportunities for Saskatchewan. Attendees heard from over 20 speakers in four different areas of the industry, being mining, value-added processing, power generation and waste disposal. After each group of speakers there was an open discussion on the topic. The highlight of the forum was the presentation by

Dr. Patrick Moore. Dr. Moore is a co-founder of Greenpeace who now believes that nuclear energy is the only practical way to deal with the global warming issue.

SARM LoadTrak Vehicle Tracking Program - SARM partnered with LoadTrak (a subsidiary of SaskTel) and Prairie Mobile Communications (a LoadTrak and SaskTel dealer) to provide a vehicle tracking system to rural municipalities in 2006. The LoadTrak solution is an end-to-end hosted service that provides a wide range of tools to help manage the efficiency, productivity and safety of vehicles. With this system, you can view and track all your equipment and vehicles using Global Positioning System (GPS) information on a detailed map. The system is internet based and can be accessed any time and anywhere, with a password.

Changes to Self-Insurance Programs - Over the past few years we have seen a steady increase in the number of public buildings being insured under our property insurance program. In order to protect our insurance program, participating municipalities and the public using these buildings, effective July 1, 2006, SARM began conducting inspections on buildings covered under the SARM Property Self-Insurance Program. Recreation facilities, such as arenas and public buildings, such as community halls, will be inspected on a 5-year cycle. The cost for the inspections is \$500 per building. Where there is more than one recreation or public building in the RM, the municipality is charged \$500 for the first building plus \$150 for each additional building. On January 1, 2007, inspections began on similar buildings located in municipalities that carry the SARM Liability Insurance.

Survey of SARM Programs and Services - As part of our strategic plan, SARM surveyed their members in August 2006, with respect to programs and services offered. The purpose was to gauge member opinions regarding the efficiency, management and quality of services and programs provided by SARM, and to offer members a chance to suggest ways to improve or expand them. With a 94 per cent response rate, SARM was able to determine its members' opinions and determine how to improve its services. Most responses to the survey were positive, but there were a few areas of concern for our members. In 2007, SARM will work at addressing these issues, and maintaining our mission of meeting the needs of our members.

Saskatchewan Municipal Awards - The Saskatchewan Municipal Awards (SMA) Program is a partnership between Saskatchewan Government Relations, SARM, SUMA, New North, UMAAS, and the RMAAS, and its objective is to highlight the many excellent things being done daily across Saskatchewan by municipalities big and small. In 2006, SARM participated in the creation and planning of the program, and is co-sponsoring (with SUMA) an award category. In 2007, SARM will continue to be support this program, and is looking forward to the awards celebration sometime in May.

Agriculture Activities

SARM is mandated by its Act of Incorporation to be involved in agriculture. The SARM board takes this direction very seriously. In 2006, SARM was active in a number of different areas regarding agriculture.

Farm Aid Lobby Trip - On April 11, 2006, SARM accompanied Minister Wartman to Ottawa to push for emergency farm aid to assist agriculture producers to seed the 2006 crop. We met with Chuck Strahl and the three prairie caucuses and asked for \$575 million in emergency cash assistance for Saskatchewan grains and oilseeds producers.

Drought Assistance - In September 2006, SARM issued a news release stressing the severity of the drought in southern Saskatchewan and the need for both immediate funding to assist those currently facing drought as well as a long-term disaster assistance program. In early October, SARM wrote a letter to Minister Strahl highlighting the drought and again stressed the need for a long-term program to provide producers with some stability when facing disaster. In the interim, SARM suggested that they consider reinstating the CND-SK Livestock Farm Water Program administered by the PFRA in 2001, that assisted producers to build or re-build sustainable water systems to withstand drought conditions. This program provided producers with up to one-third of the project costs to establish such water supplies.

SARM also wrote a letter to the Farm Support Review Committee in October 2006, requesting that they meet in the immediate future to assess the severity of the drought and recommend a course of action in the short term until a long term program disaster program can be established. Although the request was not met, SARM raised concerns on the drought situation at the Farm Support Review Committee table and urged the government to take action to provide relief for drought-affected producers.

Successor to CAIS Program - SARM gave presentations to Minister Strahl and the Saskatchewan Conservative Caucus in May and November 2006, stressing the fact that the CAIS Program is not effective in its current format and suggested the following:

- Replacing the existing CAIS program with separate and effective disaster assistance and income stabilization programs is going to be key to the survival of the industry.
- These programs must be both predictable and bankable to provide some stability to the industry and allow farmers to access the funds they need to continue to operate while they wait for payments from these programs. (The current CAIS program is very slow to pay – 2 to 3 year waits for some producers).

Need for a Long-term Disaster Assistance Program - On September 14, 2006, SARM released a media advisory stressing the need for a long-term disaster assistance program. The past several years have posed major challenges and created significant hardships for Saskatchewan producers through disasters such as BSE, frost, disease, flood and drought. Each year it seems producers are faced with adverse conditions beyond their control and need ad-hoc financial assistance. An efficient, specific and defined disaster program would eliminate the need for producers to ask for ad-hoc payments and provide some stability in these circumstances.

SARM raised these concerns with Minister Strahl and the Saskatchewan Conservative Caucus through letters and meetings in November 2006.

Canadian Grain Commission - In June 2006, SARM participated in the COMPAS review of the Canadian Grain Commission (CGC) and the *Canada Grains Act*. After reviewing the report stemming from this review, we were pleased with the recommendations to increase funding, research new identification methods, keep farmers better informed of their rights, and maintain continual consultations/reviews with producers.

We still had concerns, which were submitted to Minister Strahl in November 2006. These concerns include:

- The report recommends shifting to a business structure of a CEO/President and executive. Who would be responsible for appointing these new executives? SARM recommends that a producer panel should be in place to oversee CGC operations and appointments.
- SARM supports the current status of the assistant commissioners. Assistant commissioners deal with producer inquiries, inform them as to rights and responsibilities, provide dispute resolution and mediation, and have provided invaluable service in Saskatchewan. The report recommends replacing assistant commissioners with an Office of Farmer Advocacy that would be responsible for ensuring farmers rights. Because the office will be a separate entity from the CGC, we are concerned with the potential problems regarding access to CGC confidential information, such as if this ombudsman figure will legally have access to CGC port information.

SARM stressed in various submissions the importance of the CGC and Canada Grain Act to providing quality assurance, accountability, transparency, and enforceability.

Harmonizing pesticide regulations with US and Own Use Imports - SARM made an appearance before the Own Use Import Task Force in December of 2005, stressing the value of the program to farmers. We then reviewed the OUI Task Force Report which was released in June 2006.

It recommends that:

- OUI be replaced by a new program called the Grower Requested Own Use (GROU) Program.

- PMRA expedite the harmonization of pesticide regulations between the US and Canada.

SARM is very encouraged by the recommendation to harmonize regulations - it will level the playing field. However, we are still concerned that under the new GROU program eligible products will have to be materially identical. This will rule out the import of generic products such as ClearOut 41.

SARM will be lobbying the PMRA to consider that the GROU program will prevent producers from accessing generic products like ClearOut 41 and would ask them to focus their efforts on harmonizing pesticide regulations between the US and Canada and in the interim, keep the OUI program in place.

Producer Car Loading Manuals - SARM initiated a committee of grain industry representatives to put together a best practices manual for loading producer cars. In June 2005, the manual was released. The manual was very well received and 75 per cent of production was sold by the end of 2005. Due to popular demand, we ran a reprint of the manual in 2006. Printed copies of the manual can be ordered for a fee of \$5 by calling Catherine at 306.761.3720.

Next Generation Agriculture Policy Framework Consultations

- In December, SARM was invited to participate in consultations on the next generation of agriculture policy framework (APF) held jointly by the federal, provincial and territorial agriculture departments. The current APF is set to expire in March 2008, and governments were seeking industry and producer input into the policies that should be included in the next APF. SARM also participated in sessions in early 2007, and will continue to be involved in the process on behalf of our members and ensure rural Saskatchewan has a voice at the table.

The Canadian Wheat Board - In early 2006, SARM closely monitored the issues surrounding the Canadian Wheat Board (CWB) because of the resolution from our March 2006 Convention directing us to "lobby the federal government to continue its financial support of the government guarantees and single desk selling of the CWB." Following this direction, SARM participated in various meetings with governments and other producer groups to discuss what actions to follow. In addition, SARM sent letters and published articles highlighting the strengths of the CWB.

In November, SARM organized a panel discussion at our 2006 Midterm Convention to bring both sides of the debate to our membership before giving us further direction. The panel consisted of Ian McCreary, Director from the Canadian Wheat Board, and Cherilyn Jolly-Nagel, President of the Western Canadian Wheat Growers Association. Each presenter was given time to provide their thoughts and then there was time allotted for questions and answers from the SARM membership.

A resolution was passed in November 2006 stating: WHEREAS, the resolution to support the Canadian Wheat Board (CWB) that passed at the 2006 Annual Convention has caused

significant division within the membership;

THEREFORE BE IT RESOLVED, that we recommend to the delegates to reconsider SARM's position; and

BE IT FURTHER RESOLVED, that the future of the CWB be left to the decision of the Federal Government and grain producers.

Federal Lobbyist

In 2006, 167 (56 per cent) RMs participated in the SARM federal lobbyist fund. SARM worked closely with Hill & Knowlton (H&K) in 2006 in many different areas. H&K made the contacts and arrangements for Chuck Strahl, Federal Agriculture Minister, to come and speak to our Annual Convention in March 2006.

With a change in government, H&K suggested that the SARM Board take a trip to Ottawa in order to meet with key members in the new Conservative Government. The SARM Board went to Ottawa in late May 2006. H&K arranged several meetings, including meetings with:

- the Department of Environment on the need to accrue carbon credits to farmers;
- the Department of Transport on the FRCC and on issues with the *Navigable Waters Act*;
- the Department of Fisheries and Oceans regarding the on-going issues surrounding road construction;
- the Pesticide Management Regulatory Agency regarding the need for continued access to strychnine for gopher control and access to best prices on pesticides (e.g. glyphosate);
- the Department of Agriculture regarding the farm crisis;
- the Minister responsible for Infrastructure to put forward the need for renewing and expanding the Prairie Grain Roads Program; and
- the Conservative Prairie Caucus, Ralph Goodale and Wayne Easter to ensure they understand SARM's positions on these federal issues.

SARM President David Marit and Director Doug Steele went to Ottawa again in November. H&K arranged meetings with Agriculture Minister Chuck Strahl, the Saskatchewan Conservative Caucus and Leon Benoit, MP for Vegreville-Wainwright, MP Brian Jean, Parliamentary Secretary to the Minister of Transport, and members of the Pest Management Regulatory Agency. We were able to highlight issues such as the importance of maintaining the PGRP program, the need for effective and affordable gopher control, the continued need for a long-term disaster assistance program for agriculture, and the need to implement government programming that will engage producers and rural communities in the growing biofuels industry.

H&K staff are critical in helping us prepare materials and issue sheets for all Ottawa meetings and reviewing all materials to ensure we target the issues in the most effective manner.

H&K was also instrumental in getting SARM an appearance before the federal Finance Committee for their pre-budget

consultations in October 2006. H&K also reviewed our brief to provide tips on how best to present our case to the Committee. Our main request to the Finance Committee was for continued federal funding for the PGRP Program. We also highlighted the need for federal financial commitments to programs like Revenue Sharing, CTP, long term disaster assistance for agriculture and the need for dedicated funding towards a biofuels strategy to engage farmers and rural communities in the industry.

The SARM Board of Directors have monthly conference calls with our representatives from Hill & Knowlton. They give an update on issues SARM monitors such as developments in Federal Infrastructure Programming, Agriculture, strychnine, Transport Canada and Department of Fisheries and Oceans, and other pertinent legislation.

H&K also monitor federal policy development and provide SARM staff and board with insight and information updates on current issues in Ottawa through monthly conference calls and regular email and telephone communications. Information they provide includes any upcoming visits by Federal politicians to Saskatchewan, advice and guidance, and coordination for SARM meetings, and updates on update on important SARM issues such as developments in infrastructure programming, agriculture, transportation issues, economic development policies, and other pertinent legislation.

H&K also provides networking opportunities with politicians and departmental staff. Developing relationships both formally and informally is valuable in influencing policy.