



TEAMALBERTA

ADVANCING ALBERTA'S CROP SECTOR TO 2025 AND BEYOND

September 16, 2021

Honourable Devin Dreeshen
Minister of Agriculture and Forestry
Office of the Minister
229 Legislature Building
10800 97 Avenue
Edmonton, AB T5K 2B6
Via email: AF.minister@gov.ab.ca

Re: Severe drought affecting Alberta's crop sector

Dear Minister Dreeshen:

As articulated in your government's news release of September 7, 2021, "Alberta's [crop] producers have [also] experienced exceedingly dry conditions for months, putting additional stress on the very Albertans who feed Canadian families."¹ Prolonged periods of extreme heat and drought have devastated crops in several areas of the province. The early season adjustment to reduce crop insurance premiums by 20 percent and the doubling of the low yield threshold, which allowed additional crops to be salvaged for alternate uses was welcomed by the crop sector. However, with harvest underway and a projected 40 percent crop loss, Team Alberta asks you to recognize the ongoing impact of the drought and work with us to alleviate financial pressures.

We first met with you on July 14th to discuss the worst drought conditions to hit the crop sector in over two decades. Team Alberta has since learned that extraordinary costs faced by grain farmers will not qualify under the existing AgriRecovery framework. Cashflow will be the most challenging issue in the months to come as crop producers face extraordinary revenue losses and other market-related costs in planning for next year's crops. In the worst affected areas, farmers will have little to no production to sell off the combine, some will be short on their grain contracts and have costly administrative penalties to buy out those contracts, and some will not be able to apply for cash advance programs if there is no crop in the bin or they are unable to trigger AgriStability. Compounding the severity of the drought is the extreme volatility in the

¹ Government of Alberta News: \$340 million for Alberta ranchers due to drought. September 7, 2021.
<https://www.alberta.ca/release.cfm?xID=797938BE6FDEB-ACBF-E66B-3B9D2442CA6B95B7>

TEAM ALBERTA

Team Alberta is a collaborative initiative led by four of the province's crop commissions. Our commissions are producer elected, directed and funded organizations established to represent the interests of our producers across the province.



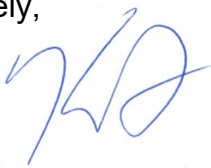
market, which is more than doubling year over year prices of key crop inputs, such as glyphosate and fertilizer.

On behalf of our farmer members, Team Alberta requests that you and your government acknowledge the impact of the drought on the crop sector, which will directly impact rural economies across the province. There is a need for existing business risk management programs to be more responsive, timely, and flexible. Minister Dreeshen, please consider the following requests to support farmers and help sustain farming operations during these challenging times.

1. **Prioritize processing crop insurance claims** by all necessary means to prevent long delays in assessments and payments.
2. **Adjust the 50 percent cap on the Variable Price Benefit** within AgrilInsurance – Team Alberta has raised this with AFSC and government staff to increase coverage for this year’s widespread commodity price fluctuations. For example, the spring insured price for durum wheat started below the market around \$7 per bushel and now it’s about \$20; these losses are capped at 50 percent of this change.
3. Cushion the impact of future coverage from low yields – **adjust the cushioning formula for 2021** to minimize the impact of this year’s abnormally low yields on the farmer’s individual yield averages. Currently, the low yield will be replaced with 70 percent of the individual normal yield for the crop year.
4. Update the New Crop Insurance Initiative to **increase support for innovation, adaptation and resiliency** – do not penalize new crops with limited production when calculating area averages and provide coverage independently from crops in the regular multi-peril production insurance program. For example, a claim on soybeans will not be paid out unless the client is in a claim position on another crop like canola or wheat.

On behalf of Alberta’s over 17,000 crop producers our organizations represent, Team Alberta requests to meet with you to follow up on these and other potential actions that will relieve the worry and concern that farmers are experiencing. Please contact Shannon Sereda, Senior Manager of Government Relations and Policy with the Alberta Wheat and Barley Commissions at 587-899-5299 to arrange this meeting. We look forward to your response.

Sincerely,



Kevin Serfas
Chair
Alberta Canola Producers Commission

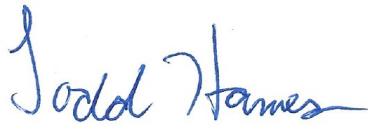


Tara Sawyer
Chair
Alberta Barley Commission

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Todd Hames
Chair
Alberta Wheat Commission



Robert Semeniuk
Chair
Alberta Pulse Growers Commission

Cc: Mr. Shannon Marchand, Deputy Minister of Agriculture and Forestry
Mr. Jamie Curran, Assistant Deputy Minister of Agriculture and Forestry
Mr. John Conrad, Assistant Deputy Minister of Agriculture and Forestry
Mr. Darryl Kay, CEO of AFSC
Hon. Travis Toews, Minister of Finance and MLA for Grande Prairie-Wapiti
Hon. Nate Horner, Associate Minister of Rural Economic Development and MLA for Drumheller-Stettler
Ms. Heather Sweet, Critic for Agriculture and Forestry
Mr. Pete Guthrie, MLA for Airdrie-Cochrane
Mrs. Angela Pitt, MLA for Airdrie-East
Mr. Glenn van Dijken, MLA for Athabasca-Barrhead-Westlock
Ms. Miranda Rosin, MLA for Banff-Kananaskis
Mr. David Hanson, MLA for Bonnyville-Cold Lake-St. Paul
Ms. Michaela Glasgo, MLA for Brooks-Medicine Hat
Ms. Jackie Lovely, MLA for Camrose
Mr. Joseph Schow, MLA for Cardston-Siksika
Mr. Todd Loewen, MLA for Central Peace-Notley
Mrs. Leela Aheer, MLA for Chestermere-Strathmore
Mr. Drew Barnes, MLA for Cypress-Medicine Hat
Mr. Mark Smith, MLA for Drayton Valley-Devon
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Hon. Nathan Cooper, MLA for Olds-Didsbury-Three Hills
Mr. Dan Williams, MLA for Peace River
Hon. Jason Nixon, MLA for Rimbey-Rocky Mountain House-Sundre
Mr. Grant Hunter, MLA for Taber-Warner
Mr. Garth Rowswell, MLA for Vermilion-Lloydminster-Wainwright
Mr. Martin Long, MLA for West Yellowhead

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