



TEAMALBERTA

ADVANCING ALBERTA'S CROP SECTOR TO 2025 AND BEYOND

June 6, 2022

Honourable Nate Horner
Minister of Agriculture, Forestry and
Rural Economic Development
Office of the Minister
131 Legislature Building
10800 -97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Horner,

On behalf of Team Alberta Crop's sector, we would like to express the need for a concerted, economic development effort by the Government of Alberta to attract commercial scale, agri-food value-added processors into Alberta's primary agricultural sector. Farmers in Alberta continue to see large scale investments into agri-food processing being made into other jurisdictions across Canada. This is resulting in lost marketing opportunities, risk diversification and reduced competitiveness for Alberta farmers - as well as diminishing jobs and other rural economic growth factors for Alberta as a whole.

Investment into Alberta agri-food processing, has typically been made into smaller volume plants and is disadvantaged by; red tape for building and permitting, property taxes, a lack of service from rail monopolies or supporting infrastructure for shipping by land and limited incentives and attraction efforts, over those offered by other jurisdictions. Team Alberta Crops represents a collaborative effort to advance policy concerns on behalf of producers represented by Alberta Barley, Alberta Beekeepers Commission, Alberta Canola, Alberta Pulse Growers, Alberta Sugar Beet Growers, Alberta Seed Growers, Alberta Wheat Commission and the Potato Growers of Alberta. Each of our commodity groups have examples of large-scale food processing companies locating in jurisdictions other than Alberta.

Our sectors are highly integrated, and Alberta is a major producer of the multiple commodities our farmers grow; however, moving raw product from west to east, where most food processors prefer to do business, is prohibited by both freight costs and logistics, leaving our producers missing out on these opportunities. In some instances, food processors are sourcing raw product from across the border to process domestically. Sugar processing is a good example of an industry that is predominantly located in Ontario and imports raw sugar cane, resulting in a lost opportunity for Alberta jobs and the economy and Alberta sugar beet farmers that have the ability to serve large processors like Kraft, Saputo and Kellogg's.

Sugar processing capacity in the province also has a direct impact on the bee industry who rely on a strong sugar supply to feed managed bee populations in the province as they go into and come out of wintering. Last year when there was a shortage at the Lantic sugar beet factory in Taber, beekeepers had to pay extremely high prices to bring in sugar syrup.

The pulse and plant protein industry is another example of how, while pleased with the recently announced PhytoOrganix and PIP plants in Lethbridge, Alberta is only capturing roughly 30 per cent of the processing capacity set to come on line in Canada this year, despite being the second largest producer of pulses in Canada.

Potato processing capacity in Alberta is critical to growth since close to 80 per cent of potatoes are processed before being shipped. Expansion of existing potato processing plants in Southern Alberta is limited by insufficient transportation infrastructure and rail service, thwarting growth for the sector.

Within the last year there have been five major announcements by Cargill, Ceres Global, FCL and AGT Foods, Richardson, and Viterro, which will add 6.8 MMT of new canola processing by 2025.





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The Canadian Oilseed Processors Association says this represents a 62% increase from Canada's current capacity of 11 MMT. These capital investments are all planned in Saskatchewan and are estimated to exceed \$2 billion, creating thousands of high paying jobs. Once a processing plant is built, it provides a steady source of employment for the community along with a steady source of demand for canola grown by surrounding farmers. While canola farmers in Alberta may benefit by these investments, the direct benefit will go to our neighbouring province's economy.

Lastly, in an announcement Premier Kenney made to the RMA in November 2020, he spoke about how companies are paying eight times more in property taxes for grain terminals in Alberta than in North Dakota, significantly reducing the amount of investment being made in the province.

Attracting a diverse agri-food processing industry to Alberta has benefits beyond economic growth or allowing farmers to capture more value close to home while reducing export risk. It also provides stability and security in the food sector and allows more high-value crops to be added to rotation which has economic, agronomic and environmental value.

Farmers, rural communities and all Albertan's benefit from the economic opportunities, revenues, jobs, food security and infrastructure investments that come from increased value-added processing. This had been a central part of the Alberta's economic recovery agenda and Team Alberta Crops is keen to support a continued effort to realize the agricultural industry's full potential.

Sincerely,

Tara Sawyer, Chair, Alberta Barley

Jeremy Olthof, Chair, Alberta Beekeepers Commission

Roger Chevraux, Chair, Alberta Canola Producers Commission

Robert Semeniuk, Chair, Alberta Pulse Growers

Tracy Niemela, Chair, Alberta Seed Growers

Gary Tokariuk, Chair, Alberta Sugar Beet Growers

Greg Sears, Chair, Alberta Wheat Commission

James Bareman, Chair, Potato Growers of Alberta

