



March 4, 2013

Mr. Chad MacPherson, General Manager
Saskatchewan Stock Growers Association
PO Box 4752
REGINA SK S4P 3Y4

Dear Mr. MacPherson:

Thank you for your e-mail of January 29, 2013, outlining the resolutions passed at the Saskatchewan Stock Growers Association (SSGA) Semi Annual Meeting, and a copy of the Canadian Cattlemen's Association EG&S Policy Paper. The following are the Ministry of Agriculture's responses to these resolutions.

Resolution #1 – Ethanol Industry Open Market

Currently Canadian tariffs on ethanol are low relative to those imposed by the United States and Europe. Further, due to the North American Free Trade Agreement (NAFTA) these tariffs do not apply to the United States and therefore have little impact on Canadian imports. As for the mandate and incentives we have in place to support the industry, these are under the jurisdiction of the Ministry of the Economy and I will forward a copy of your letter to the Honourable Bill Boyd, Minister of the Economy for his review.

Resolution #3 – Ecosystem Services Principles and EG&S Policy Paper

Our government has made it our priority to invest environmental support into encouraging proactive solutions by producers to improve the environmental situation, rather than reward producers for standard production practices. Environmental funding in Growing Forward under the Farm Stewardship Program provided funds to producers to implement Beneficial Management Practices (BMPs) that improved the environment. Under Growing Forward 2, the Ministry is proposing to continue with a similar type of approach to environmental programming.

Resolution #4 – Federal Community Pastures

Patrons of federal community pastures are the priority for the Saskatchewan Government. The Saskatchewan Stock Growers Association (SSGA) has played an integral role as we develop policies to ensure that this transition is as smooth as possible. The SSGA's commitment to continue to play a key role, at both the federal and provincial levels, will be essential.

Resolution #5 – Growing Forward 2 – Non Business Risk Management Programming

I would like to thank you for your organization's support on Growing Forward 2 (GF2). Input such as this has assisted us in determining where emphasis should be placed as we prepare to negotiate the final details of the Canada-Saskatchewan GF2 Bilateral Agreement with the federal government.

Throughout the GF2 negotiating process, stakeholder input has been essential in ensuring our approach reflects the needs and priorities of the sector. Feedback gathered through consultation meetings and written submissions has proven invaluable when determining the direction and emphasis that should be taken as we move forward in agriculture. Stakeholder organizations that are willing to offer input and advice about the industry help to ensure that the new GF2 framework will be relevant, innovative and useful for Saskatchewan's agricultural producers and industry, while at the same time building competitiveness and sustainability in the sector.

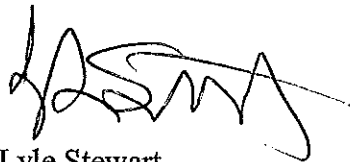
Resolution #6 – Compensation from Oil and Gas Activities on Crown Lease Land

Our government recognizes that a Crown lessee may be involved with an oil or gas company in much the same way a private landlord may be and are affected by the inconvenience and disruption of oil and gas development on lands leased from the Ministry. Most of this occurs in the year the well is drilled.

In 2008, to ensure the agricultural lessees were adequately compensated, our government increased the first year grant from \$200 per well site to \$500 per well site and also increased the level of annual rental reduction from \$100 to \$200 for the surface lease and the second and each subsequent well, to a maximum reduction of 30 per cent of the agricultural rent. The increased compensation attempts to balance public interest with the private interests of the agricultural lessee and the oil and gas company. The Ministry reviews surface lease fees and compensation to lessees on an on-going basis. In the private sector, landlords do not share oil and gas revenues with their lessees.

Thank you for your letter and the opportunity to respond.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lyle Stewart', written over a horizontal line.

Lyle Stewart
Minister of Agriculture

cc: Honourable Bill Boyd, Minister of the Economy
Mr. Wally Hoehn, Executive Director, Lands Branch