

Dear Mr. Craig Lukinuk:

Thank you for your recent letters regarding Smoky Lake County's declaration of a Municipal State of Agriculture Disaster. While my schedule precludes a tour in the near term, I can assure you that I recognize the challenges facing producers in the North East, North West and Peace regions of Alberta as they deal with consecutive years of excess moisture. Last fall's difficult harvest conditions combined with excessive moisture this spring and summer, is leaving many producers in Smoky Lake County unable to complete their 2019 harvest and spring 2020 seeding. My colleagues and I, as well as our federal counterparts, recognize the stresses and financial concerns facing producers impacted by these conditions.

The Governments of Canada and Alberta provide Alberta producers with Business Risk Management programs to help offset the risk inherent in farming. These programs, delivered through Agriculture Financial Services Corporation (AFSC), help mitigate many of the potential effects of weather-related disasters. Producers have access to AgriInsurance, AgriStability and AgriInvest—each of which plays a unique role in managing risk. These programs have proven successful and have helped producers who face production and revenue declines.

For 2019, the AgriInsurance program has been responding to insured producers and has paid approximately \$3.7 million in payments to producers in your county. The claims process for unseeded acres for 2020 continues with an estimated 12,204 unseeded acres, representing 7.8 per cent of the total acres in Smoky Lake County. AFSC will continue to send adjusters to inspect the unseeded fields as quickly as possible to ensure that producers receive their payments and are able to manage the unseeded acres as they see fit.

In 2019, \$95 million in AgriStability payments were paid to Alberta producers who incurred severe margin declines (five-year average). While the program takes time to respond, its individualized approach means producers' coverage is based on their operation and its history. Producers enrolled in the program can apply for interim payments, which provide 50 per cent of their estimated payment. This advance is deducted from their final claim calculation when the final claim is processed. To speed up processing of their applications, producers are encouraged to submit their tax and supplemental information (inventories) before the September deadline.

Additionally, as of July 26, 2020, Alberta producers have had access to approximately \$643 million in AgriInvest accounts, with an average account balance of \$27,300. Producers who have these funds available are encouraged to access these funds as needed.

In the meantime, I can assure you that I am monitoring the situation throughout the province as the 2020 crop year progresses. I recognize the urgency producers feel; however, the need for disaster programming in your area and in other parts of the province cannot be determined until harvest is completed. I will re-assess the situation in the fall based on how existing programs respond to determine if there is further need for disaster programming.

AFSC's team is also ready to work with clients to meet their individual needs. I encourage you to ask local producers to reach out to AFSC for any assistance they require.

Thank you again for taking the time to update me on the situation in Smoky Lake County.

Sincerely,

Honourable Devin Dreesen
Minister, Agriculture and Forestry