

January 10, 2025

AR-86638

Warren Huffman
Committee Clerk
Legislative Assembly of Alberta
Warren.huffman@gov.ab.ca

Dear Warren Huffman:

In response to questions posed to the Ministry of Agriculture and Irrigation at the December 3, 2024, Public Accounts Committee meeting for the 2023-24 fiscal year, we are pleased to provide responses to the committee.

Hansard excerpt page PA-237: Page 19 of the annual report discussed the Sustainable Canadian Agricultural Partnership grants. [...] McCain was granted \$500,000 for the emerging opportunities program. Can the deputy minister tell the committee what project this grant funded? McCain is currently under investigation in the United States for price fixing. Is this grant tied in any way to product cost or fair trade practices on behalf of the operator? [...] the grant program itself, for an eligible recipient, are any of the conditions of the grant tied to the operator who is applying for the grant, whether it's McCain or anybody else, engaging in fair trade practices? Does the department take those things into consideration when deciding who gets a grant? [...] I'm talking about the emerging partnership grant, the \$500,000 that McCain was given. [...] My question is: for that grant program are fair trade practices a criteria for selection for a grant recipient?

Response

Part One

- McCain was awarded \$2 million through the Sustainable Canadian Agricultural Partnership's Emerging Opportunities Program in 2023.
- The funding supports a significant \$600 million expansion to McCain's Coaldale facility. This expansion will double the facility's production capacity and create 260 new full-time jobs.
- The grant is specifically directed to a new frying and specialty line.
- The amount of \$500,000 was provided in 2023-2024 upon execution and another \$500,000 was provided in April 2024 upon first status reporting. The remaining \$1 million will be paid in March 2025 providing the company meets final funding requirements.

Part Two

- Emerging Opportunities applications are evaluated on the program's basic eligibility criteria and by considering the applicant's business standing and practices and ability to use the funding to meet the objectives of the grant program.

- This is an especially critical issue for young producers and those just entering or returning to farming and ranching, particularly as we continue to see the increase in prices for land and equipment.
- The Next Generation loan program supports the transition of operations from one generation to the next and encourages people to return to or enter primary agriculture.
- For qualified applicants, the program offers:
 - Preferential pricing – the lowest interest rates compared to all other loan programs available within Alberta’s agricultural lending market.
 - Financing up to 90 per cent of purchase value with amortization periods up to 35 years.
 - Interest-only periods up to five years when needed.
- In 2023-24, 805 Next Generation loans were authorized for \$321 million, resulting in \$368 million in total project dollar investments.
- It is also important to note that this critical program is being delivered to Alberta producers with no subsidization by the Government of Alberta.
 - AFSC’s lending program is self-sustaining which means that all expenses of providing this program are covered by loan interest revenues.

Part Two

- Farm Transition events (focused on succession planning):
 - To ensure Alberta’s producers have the information they need to plan a successful farm transition, AGI, through AFSC, continues to present one-day workshops on farm transition.
 - The first of these workshops was held in 2022.
 - Workshops are now held annually and are province wide.
 - Workshops are designed to engage multiple generations working together on the family farm in meaningful discussions to better understand each other’s concerns and considerations for the future of the farm.
 - Farm transition planning includes tax planning, legal agreements, estate planning and relationship management. It can also involve financial discussions, such as exploring loan options for those looking to take over the farm.
 - AFSC lending team members attend each workshop to share their knowledge about lending and farm transition. They are joined by other experts including farm transition professionals and accountants.
- AFSC promotes and shares relevant information with producers/industry through its website, social media, email newsletters, and print and radio advertising.

Thank you to the committee for the opportunity to respond.

Sincerely,



Miranda Sencoussi
Director of Executive Operations