



FEDERAL BUDGET 2024  
**The Saskatchewan Association of Rural Municipalities  
(SARM)**

Federal Funding Priorities for Rural Saskatchewan



## **EXECUTIVE SUMMARY**

**The Saskatchewan Association of Rural Municipalities (SARM) is an independent association that represents its membership of Saskatchewan’s rural municipal governments.** SARM examines and takes positions on fundamental social, economic, and political issues of the day and supports special interests such as education, health, infrastructure, and agriculture.

**Since 1905, SARM has been addressing the concerns of rural municipalities and ensuring their voices are heard by senior levels of government.** SARM advocates on behalf of members and ensures they understand legislation and regulations in their dealings with the provincial and federal governments. SARM also provides services to RMs, including representation of rural interests on boards and committees, legislation review, general municipal support, communication services, legal services, employee benefits programs, municipal insurance programs, policy research, trading services, and municipal fund management.

In recent years, Saskatchewan RMs have faced many challenges. These challenges have led to increased inflationary pressure. For agricultural producers this has meant rising costs and financial strain. Squeezed profit margins make it difficult to maintain operations, which is unfortunate because Saskatchewan RMs full of resources to help alleviate global issues like food insecurity. Producers can play a crucial role in stabilizing global food security if they have the right tools.

To be equipped to participate, producers need the federal government to find a balance between environmental policies without sacrificing the economic sustainability of their operations. Saskatchewan producers are proven to be innovative, and responsible land stewards. However, agricultural processes are energy-intensive; fuel is necessary for machinery, transportation, and heating. The imposition of carbon taxes in Saskatchewan does not lessen those needs, nor does it pay for the technology required to convert entire operations. In many cases the technology is not in existence yet. In the meantime, producers face a cost increase with no realistic solutions.

SARM's recommendations in this submission will help grow Saskatchewan's rural workforce, explore innovation, strengthen global food security, unite the country through infrastructure investment, and create consistent broadband uniformity. Providing rural municipalities with much-needed resources to ensure that Saskatchewan can continue to support Canada's economic growth and development will lessen the socioeconomic burden that so many of countries residents are currently facing. Investing, rather than reprimanding, will pay dividends for future generations.

### **BROADBAND INVEST IN RURAL BROADBAND**

The Canadian Radio-television and Telecommunications Commission (CRTC) has declared broadband internet a basic telecommunications service. Reliable broadband is necessary to maintain the health, safety, and well-being of those living in rural and remote areas.

The federal government wants to connect ninety-eight percent of Canadians to high-speed internet by 2026 and all Canadians by 2030. Right now, only sixty-two percent of rural communities have connectivity in Canada, and the situation is far worse in Saskatchewan.

Municipalities know broadband is essential in boosting rural communities' economic and social well-being. Access to reliable broadband is necessary for many rural residents to utilize technology to stay connected for work, education, and healthcare. An RMs proximity and access to services like broadband can impact its growth and sustainability, both from a business standpoint and a population one.



Our agriculture sector in Saskatchewan is based on the principles of precision agriculture. Over ninety-five percent of the provinces' land is seeded using zero or minimum tillage practices. Farmers can now access timely and accurate information on weather, markets, inputs, pests, and diseases and optimize their inputs and outputs. They can create new best practices based on complex data. They can expand into new markets and communicate with other operations within a supply chain. Unfortunately, what holds many of them back is a lack of reliable access to broadband creating information gaps, lost time, and other operational issues. This is becoming a growing frustration within the farming community.

SARM appreciates that there is funding through the Universal Broadband Fund; this signals that the federal government recognizes the importance of improving connectivity in rural communities. However, we would like to see further investment and streamlining of how applicants can acquire funding.

### **RECOMMENDATIONS:**

1. Each jurisdiction's definition of "rural" needs to be recognized. Collaborate with provinces and territories on a service plan that considers each province's population and geography individually rather than taking a one size fits all approach. Maximize the benefits of investments and better meet the needs of Canadians.
2. SARM continues to support the Federation of Canadian Municipalities (FCM) request for the federal government to invest at least \$400 million per year over ten years to improve connectivity for municipalities.
3. Use service reliability and availability as separate performance measurements, also not interchange the two.
4. Provide additional support for applicants of smaller organizations who may have more limited resources to level out the playing field against more established applicants.
5. SARM also recommends that the application process for the CRTC Broadband Fund/Universal Broadband Fund be streamlined. Ensure that projects can be approved and completed much sooner. Making this change will combat rising construction costs and help get broadband projects where they need to be in a timelier fashion.

### **FOOD SECURITY**

In June 2022, the federal government issued a news release about global food insecurity titled "Prime Minister Trudeau announces Canadian support to address global food security crisis."

The Prime Minister went on to say that:

"Global food insecurity not only leads to hunger, famine, and death, it can also create increased instability and lead to conflict. Global grain stocks are very low, supply chains are fragile and under pressure, and rising costs threaten agricultural productivity. As a result, food prices are rising rapidly and at an all-time high, and food price inflation is the principal immediate concern, which is also impacting Canadians directly. Canada will continue to take action to address the causes and consequences of the global food crisis in coordination with others to help build resilience, address the underlying vulnerabilities, and tackle the root causes leading to food insecurity. Investing in food security is important for the global economy and for Canadians, and Canada will continue to do so."



Saskatchewan is known worldwide as a consistent and reliable supplier of safe, high-quality grains, oilseeds, pulses, livestock, and agri-food products. The United Nations has a goal of eliminating world hunger by 2030. Canada has set a target to increase agriculture exports from \$55 billion in 2015 to at least \$85 billion by 2025. This 55% increase will not be attainable if the Federal Government reduces nitrogen fertilizer use by 30%.

### **RECOMMENDATIONS:**

6. Rather than the rigid reductions, SARM supports the position taken by Fertilizer Canada for the Federal Government to work with industry and grain farmers alike to recognize that steps have already been taken and find workable solutions for the grain industry going forward.

7. SARM is also supportive of biological and breeding technologies that improve a plant's nutrient efficiency and support the adoption of the 4R Nutrient Stewardship Program. More emissions can be reduced through increased uptake of the 4R Nutrient Stewardship program while improving the competitiveness and profit of farmers.

### **AGRIRECOVERY FRAMEWORK**

The AgriRecovery Framework tools under the Canadian Agricultural Partnership are essential to rural Saskatchewan agricultural producers. The disaster relief framework aids Ag producers across Saskatchewan to recover from natural disasters by ensuring they can deal with, and recover from, the income and production losses when natural disasters occur.

One of the staple Business Risk Management programs within the AgriRecovery Framework utilized by producers in Saskatchewan is the AgriStability program under the Saskatchewan Canadian Agricultural Partnership.

This year alone, SARM has received numerous declarations of local emergencies from its rural membership, and the number is only increasing. Support from our Federal Government is imperative to mitigate this dire situation.

### **RECOMMENDATION:**

8. The federal government must listen to provincial-territorial and municipal governments regarding drought conditions or other natural disasters. Work with producers to find solutions and potential relief through the AgriRecovery Framework.

### **EMISSIONS REGULATIONS**

In the name of climate change, there are plans to reduce fertilizer emissions by thirty percent by 2030 for Canadian agri-businesses. Agriculture operations in Saskatchewan are rooted in science and precision. Fertilizer use is carefully curated to ensure that applications are not unnecessary and wasteful.

Reducing the amount of fertilizer used in Saskatchewan's agricultural operations would be detrimental and significantly impact Saskatchewan's role in creating increased food security.



Despite being known as early innovators and adopters of zero-till technology, Saskatchewan producers have not reaped federal incentives for their efforts. Zero-till efforts sink carbon, reduce soil erosion and reduce fuel usage. The Saskatchewan Soil Conservation Association has found that producers sequester 9.64 million new tonnes of carbon dioxide annually on over 28 million acres.

Another issue that has been brought forward is that federal government also requires a reduction of nitrous oxide as a part of its emissions reduction strategy. Saskatchewan producers would need to lessen the yield or productivity of their operation because the economic impact is just too significant. Future strategies need not compromise productivity of major crops and Saskatchewan.

### **RECOMMENDATIONS:**

9. Ag producers recognized for contributions to carbon sequestration and receive carbon offset credits to mitigate the negative impacts of the carbon tax.

10. Funding is also needed to provide producers with an opportunity to access technical expertise to advise them on the carbon offset market.

11. Earmark funding to study carbon offsets and benefits for agriculture producers.

12. All farm fuels should be exempt from the carbon tax from where they are purchased.

13. Funding for programs like AgriStability, AgriInsurance, AgriInvest and AgriRecover needs to continue with some changes to meet the shifting demands in the agriculture sector.

14. Consult with the provinces and ensure that federal funding is being distributed equitably so that all Canadian Ag producers benefit equally.

15. Ensure that newcomers to Canada have a smooth transition finding employment, free from unneeded red tape. This recommendation would also apply to the temporary foreign agricultural worker program.

16. Canada's supply chains need to be strong and reliable to get goods to market, with no delays.

17. Work with producers and industry to find ways to move goods across the country more efficiently.

### **RURAL CRIME**

Rural crime continues to be an issue across all Canadian jurisdictions. SARM would encourage the government to increase efforts to support the recruitment and retention of RMCP officers, Community Safety officers, and more.

Municipal governments are paying a growing share of policing costs. When it comes to contract negotiations, they need to be consulted with by the federal government. Also, when the federal government considers new equipment, like body cameras, the cost must be absorbed nationally.



### **RECOMMENDATIONS:**

18. The federal government needs to fully absorb all retroactive pay increases, which were negotiated in good faith.

19. In future, the federal government needs to ensure that they will consult municipalities before making decisions that could be fiscally detrimental or impact levels of police services in local communities.

20. Equipment costs, like body cameras, should be the federal government's responsibility and not downloaded to municipalities.

### **INFRASTRUCTURE**

Rural communities across Canada are unique. They have smaller populations spread across a large land mass, but they are primarily responsible for ensuring the robust network of the country's export market remains active and strong. Local infrastructure is often required to support more extensive investments in the provincial and federal economies. The costs associated with building and maintaining bridges, roadways, and utilities fall broadly on the shoulders of the municipality and their ratepayers.

Communities with small populations have limited access to tax dollars and funding based on per-capita models. Financial support from the federal government is essential to ensure that our nation remains connected from coast to coast and that there is also an inherent need to provide maintainable infrastructure assets for public safety.

### **RECOMMENDATIONS:**

21. Ensure there is a pool of funding that is genuinely dedicated to rural and small communities that allow for flexibility to meet the needs of each province and territory.

22. Streamline project application and reporting requirements for smaller communities, recognizing the financial, administrative, and demographic obstacles they may experience.

23. Allocate funding for programs and projects that capitalize on investment from multiple parties and technologies to reduce service costs.

24. Allow provinces to reallocate public transit funding to be used by communities of all sizes in Saskatchewan to address infrastructure deficits.

Thank you for the opportunity to discuss where some improvement needs to be made in rural Saskatchewan, as well as the many opportunities that lie ahead. We would welcome the chance to continue this conversation, as the government moves forward in the budgetary process.