The agri-food industry has the potential to become Canada’s largest economic sector... $11 billion in new goods and services could be added to the national economy by 2030.

Goal of province’s new incentives, investments is to become the global hub for agtech

by Saskatchewan Minister of Trade and Export Development Jeremy Harrison

Saskatchewan plants seeds for growth in agriculture, advances in technology

Agriculture continues to be a major economic driver for our province, a growing part of which is the development of innovative technologies. Our government is investing to position Saskatchewan as a global leader in agricultural technology by providing support to startups in this sector that will bring jobs and new growth to our province, while also equipping our farmers and producers with game-changing technologies.

BUILD ON A GLOBAL STRENGTH

Growing up in rural Saskatchewan, I’ve seen firsthand what our province has to offer the world. Globally, we have the advantage of being a one-stop shop when it comes to the scale of our crop production and sustainability, as well as a move to more ingredients and processed products. This provides growth and business interactions unlike anywhere else on the planet.

Saskatchewan’s tech sector contributes $4.7 billion per year (about 50 percent of which can be attributed to agtech) to the economy, making the province an attractive location for research and development, manufacturing, and the testing of advanced technology. Agtech is the application of emerging digital technologies to solve challenges in the agricultural sector. The agri-food industry has the potential to become Canada’s largest economic sector. With proper investments in agtech, the Royal Bank of Canada forecasts that $11 billion in new goods and services could be added to the national economy by 2030.

Last summer, our government launched the AgTech Growth Fund to encourage development of agricultural technology. The program is dedicated to accelerating the development of game-changing agricultural technologies; it will drive private investment in transformative farming and help attract international agtech companies to Saskatchewan. I’m proud to say our government also offers a number of other incentives to support the agtech industry, including the Saskatchewan Commercial Innovation Incentive and the Saskatchewan Technology Startup Incentive, both of which have been critical to our province’s successful approach to economic growth.

• The Saskatchewan Commercial Innovation Incentive supports the commercialization of new and transformative innovations by reducing the provincial Corporate Income Tax rate for eligible corporations to 6 percent for a period of 10 years, which can be extended an additional five years with the improvement of existing, or development of additional, eligible intellectual property.

• The Saskatchewan Technology Startup Incentive is a nonrefundable tax credit of 45 percent for individual, corporate, or venture capital corporations investing in eligible startup businesses.

EXPORTS ON THE RISE

While Saskatchewan has not been immune to the global impacts of the COVID-19 pandemic, our province has demonstrated incredible resiliency as we lead Canada’s economic recovery. Export numbers in agriculture and food products over the past few months continue to increase, thanks to growing global demand. In fact, in 2020, our export growth led the nation, with a 2.5 percent increase. This compares to a 12.2 percent decline across Canada. This significant increase in exports is largely thanks to our agriculture industry, which remains one of the key pillars of our economy.

Our resources are the root of much of our economic activity, and our agriculture production provides a basis for processing or input markets. Funding research and providing tax incentives have been the backbone of our policy efforts here. In many ways, our view is that a good business case and good business fit rely on a solid business environment — and a government that is willing to listen and respond.

CROSS-BORDER TIES AND INVESTMENTS IN MIDWEST

Closely integrated supply chains and a stable trade environment encourage innovation and investment in Canada. Saskatchewan and the United States, particularly in the agriculture sector. We are seeing a number of U.S. companies investing in Saskatchewan, including Raven Industries Inc., a leader in precision agriculture. Based out of North Dakota, Raven acquired a majority ownership in Saskatchewan-based DOT Technology Corporation, a manufacturer of agriculture technology with a focus on autonomous farming. This acquisition will lead to further commercialization of Saskatchewan-made products and innovations.

The province is also emerging as a leader in the manufacture of plant protein ingredients. The result has been attracting new investments from the United States. One example of this is Verdient Foods, now an Ingridion company. Among those who initiated Verdient were renowned film director James Cameron and his wife, Suzy Amis. The Camerons also entered into a four-year research contract with the Saskatchewan Food Industry Development Centre to develop value-added, plant-based food products. Since its acquisition of Verdient Foods, the Illinois-based Ingridion has expanded operations at the Saskatchewan site, and a new manufacturing facility is under construction to produce specialty, pulse-based protein ingredients.

CENTER OF AG RESEARCH

As global leaders in agriculture biosciences and agri-food research, Saskatchewan is a major hub of agriculture research. For example:

• Protein Industries Canada (PIC) is an industry-led, not-for-profit organization working to position Canada as a global source of high-quality plant protein and plant-based co-products. Along with its more than 240 members, PIC is investing more than $3.0 million to transform this sector of Canada’s agricultural economy.

• Saskatchewan is also home to the Global Institute for Food Security, which seeks ways to expand the global supply of food in a sustainable way. It works with clients from around the world, as well as Canadian Light Source (CLS), the only synchrotron light source facility in Canada. Research at CLS has included using beam imaging on plant root systems in an effort to discover new ways to improve the disease resistance and nutritional uptake of crops.

Saskatchewan feeds the world, and continued investment in agriculture technology will be a significant driver of growth in the industry, creating jobs and opportunities. I believe that by providing solutions in the growing agtech industry, we add value to our communities, increase sustainability, and strengthen our province’s global leadership in food production.

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Saskatchewan Trade and Export Development Minister Jeremy Harrison was first elected to the Legislative Assembly of Saskatchewan in 2007. He previously served in the Parliament of Canada.