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# **Standing Committee on Agriculture and Agri- Food**

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**EVIDENCE**

**Tuesday, October 17, 2006**

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**Chair**

**Mr. Gerry Ritz**

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## Standing Committee on Agriculture and Agri-Food

Tuesday, October 17, 2006

• (1105)

[Translation]

**Mr. André Bellavance (Richmond—Arthabaska, BQ):** I'll be brief, Mr. Chairman. I'd simply like to seek the committee's unanimous consent. All committee members did in fact receive a letter from potato growers. You're aware of what transpired in the Saint-Amable region. The US embargo has been lifted, which is very good news. However, some growers—in particular the ones in Saint-Amable—are still experiencing some problems.

We had planned on hearing from them. I think we'll have time for that on Thursday, because representatives of the Canadian Wheat Board cannot be here. You even mentioned the possibility of having them testify tomorrow, Mr. Chairman. I know we'll be hearing from some Americans. Perhaps we could set aside an hour for that. I'd like the consent of my colleagues to set aside one hour this week to hear representations from the Saint-Amable growers.

[English]

**The Chair (Mr. Gerry Ritz (Battlefords—Lloydminster, CPC)):** Mr. Bellavance is asking for some time at either tomorrow's meeting or at Thursday's meeting to accommodate witnesses from the affected area.

Go ahead, Mr. Easter.

**Hon. Wayne Easter (Malpeque, Lib.):** I wonder if there is time to get them in tomorrow, because they have to come in, André. I have no problem with finding an hour. I know that the decision was just made. When you brought it forward to us originally, I don't think farmers were, at that time, ready to come in.

But it is kind of an urgent matter, Mr. Chair. I think the clerk was trying to fill in Thursday. Maybe we could take an hour there, even if we have to add on a little time, to accommodate André.

**The Chair:** Sure.

We'll have Jacques.

[Translation]

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Negotiations are under way with the Canadian Food Inspection Agency to identify growers. Perhaps we could postpone making a decision until Thursday, so as not to hurt growers in the Saint-Amable region who have been affected.

[English]

**The Chair:** Go ahead, André.

[Translation]

**Mr. André Bellavance:** On the contrary, they have asked to speak about the current situation as soon as possible.

Mr. Gourde brought this matter up himself at the beginning of the session. If I don't get the committee's unanimous consent, I will table a 48-hour notice of motion as soon as possible, namely today.

**Mr. Jacques Gourde:** Right now, the Canadian Food Inspection Agency is drawing up a list of all growers affected by the problem.

You may have received their request, but plans are being made. At the very least, we should wait until Thursday or early next week to see if they are satisfied with the arrangements.

**Mr. André Bellavance:** If they are given the opportunity to testify, they'll tell us what they need.

As I said, unanimous consent is required if we are to hear from them on Thursday. If I cannot get it, I will table a motion to that effect later today.

[English]

**The Chair:** Just for clarification, Jacques, are you talking about holding off and doing this as part of our meeting on Thursday, or holding off discussing it until Thursday?

It's the second.

[Translation]

**Mr. Jacques Gourde:** We'll have to dispose of Mr. Bellavance's motion on Thursday. Until then, negotiations will continue. We'll get an idea of the number of growers affected and we'll be better able to assess their problems. We would be jumping the gun if we were to hear representations from the Saint-Amable growers on Thursday. Negotiations are currently under way with the department. The situation for growers is likely to change between Thursday and the beginning of next week.

In my opinion, we would be better off waiting at least until Thursday.

[English]

**The Chair:** André.

[Translation]

**Mr. André Bellavance:** To sum up, Mr. Chairman, despite Jacques' remarks, the letter that all committee members received was sent to the clerk yesterday at 2:16 p.m. All committee members are mentioned. In their letter, the growers ask to appear before us as soon as possible. That is the reason for my request. We've been in contact with the growers and they want to describe their plight to us. That is the reason why I asked that we meet with them as soon as possible.

**Mr. Jacques Gourde:** It's really important to wait at least two days.

[English]

**The Chair:** Okay, so we will put it on the meeting for Thursday.

André, can you put forward that you've actually sent in a letter of notice and the motion is already being tabled? Great. We'll discuss it Thursday, then. Thank you.

Mr. Easter.

• (1110)

**Hon. Wayne Easter:** On a second point, Mr. Chair, I just want to make sure you have a second motion there, for that 48-hour notice for Thursday. The three opposition parties have come together in response to several unprecedented, unethical, and undemocratic actions taken against the Canadian Wheat Board, and we'll be undertaking an emergency review at this committee of the government's actions next week, on October 24, 25, and 26. A list of witnesses is attached.

Do you have that?

**The Chair:** I do have that motion. We'll be discussing it on Thursday, as I understand.

**Hon. Wayne Easter:** Thanks, yes.

**The Chair:** Anyone else?

Gary.

**Mr. Gary Koivisto (Executive Director, Plant Products Directorate, Canadian Food Inspection Agency):** Thank you for this opportunity to appear before the House of Commons Standing Committee on Agriculture and Agri-Food.

Today, I would like to provide an overview of the Canadian Food Inspection Agency's mandate as it relates to plant health and the international movement of plants and plant products. I will also do my best to answer any questions committee members may have.

The CFIA is a science-based organization that adheres to international standards. This has a profound influence on the CFIA's policies, decisions, and actions. The CFIA has a prominent role in international phytosanitary policy and standard-setting related to trade in plants and plant products. The agency also provides a range of support services to importers and exporters, such as risk analysis, inspection, and certification.

To fulfill its mandate as it relates to plant health, the CFIA represents Canada on a number of international bodies, such as the International Plant Protection Convention and the North American Plant Protection Organization. Again, our involvement with these organizations is strictly limited to scientific concerns, such as devising effective standards and providing technical assistance.

Our role in international trade relates directly to the CFIA's mandate: safeguarding the food supply and Canada's crops and forests. The CFIA's role in trade is of crucial importance to Canada, because exports contribute to the prosperity of Canadians and imports provide a year-round supply of products that Canadians demand. The annual economic value of trade in plants and plant products to Canada is \$9.3 billion for imports and \$21.8 billion for exports.

Global trade depends absolutely on international trust and adherence to international standards. As members of this committee know all too well, trading nations adhere to several protocols, treaties, and conventions to facilitate the safe and profitable exchange of goods and services. Canada is among the 159 countries that abide by the International Plant Protection Convention. In essence, this agreement oversees the import and export of thousands of plants and plant products. It secures actions to prevent the spread and introduction of pests, plants, and plant products and promotes measures for their control. Adhering to IPPC in Canada under the Plant Protection Act and regulations is part of the CFIA's mandate.

The stated purpose of the Plant Protection Act and regulations is to prevent pests and diseases injurious to plants from being imported into Canada, from spreading within the country, and from being exported out of it. The act also provides for controlling and eradicating pests and diseases and for certifying the pest- and disease-free status of plants and plant material.

To explain what this work involves, I will address exports and imports separately.

Under the Plant Protection Act and regulations, exporters are required to ensure that shipments meet standards and import requirements set by the importing foreign country. These standards vary according to the product and destination country. Canada strives to meet these requirements on a day-to-day basis.

[Translation]

To demonstrate compliance with standards of individual countries, an exporter must obtain a phytosanitary certificate. In Canada, CFIA staff recognized as authorized certification officers—men and women with demonstrated expertise in IPPC standards and inspection protocols—are the only ones who can issue these plant health certificates.

[English]

Each year, the CFIA issues up to 70,000 phytosanitary certificates for the export of seeds, cereals, fruits, and vegetables, along with nursery, greenhouse, and forestry products. Each certificate represents Canada's guarantee that the products meet the other country's import requirements. This assurance facilitates international trade and helps to maintain the excellent international reputation of the health of Canadian plants and plant products.

An indication of the CFIA's success in this area is that only in a tiny fraction of all cases representing less than one-tenth of 1% of all certificates issued does an importing country report that a shipment may not meet its entry requirements. This remarkable success rate helps to strengthen Canada's position in international markets.

The CFIA also facilitates exports in other ways. We operate an export unit that collects information on each country and product, and we maintain an export certification system that is continually updated to reflect current conditions. This unit also acts as the main contact for the resolution of phytosanitary issues, and acts to resolve disputes related to the application of foreign import requirements at foreign ports of entry.

On the import side, CFIA also plays a similarly multifaceted role, ensuring compliance with Canadian regulations to prevent the entry and spread of plant pests into Canada. The CFIA strives to restrict the entry of regulated diseases and pests into Canada in a number of ways, such as by conducting risk analyses, ensuring that pest risk mitigation measures have been applied at origin, conducting inspections, and implementing effective import controls. These controls range from the issuance of plant health import permits and the inspection of imported commodities to surveillance activities.

All of the CFIA's decisions about control mechanisms are based on a scientific analysis of potential risk. One of our most common analytical tools is the pest risk assessment. This tool identifies hazards and characterizes the associated risks of introduction and establishment, as well as the severity of economic and environmental impacts. The analysis of various risk mitigation options is used to establish the Canadian import requirements.

The CFIA works closely with its counterparts in the United States and Mexico through the North American Plant Protection Organization, or NAPPO, an IPPC regional organization. We regularly chair panels to set plant health standards, and we serve on numerous technical panels and technical advisory groups.

A number of those regional standards serve as a basis for the creation of international standards. The CFIA also develops certification programs and protocols that are adopted in other countries.

• (1115)

[Translation]

When it comes to its role in import, export and standard setting, the CFIA operates in a transparent, impartial and independent manner. The CFIA consults regularly with stakeholders, including farmers, importers and exporters, and we make all of our regulatory decisions based on science, in accordance with our mandate and international obligations.

[English]

Mr. Chairman, the CFIA does its utmost to fulfill its mandate. We recognize that foreign diseases, pests, and invasive species can have devastating impacts on Canada's food supply and on the plants and animals that contribute to the health and prosperity of Canadians. We will continue to protect Canada's agriculture and forestry sectors by preventing foreign plant pests from entering Canada and from spreading throughout our country. We must also continue to protect the integrity of our phytosanitary certification export program. To achieve these objectives, we will continue to rely on scientific data and collaborate closely with our domestic and international partners.

Once again, thank you, Mr. Chairman, for allowing me the time to speak before your committee.

**The Chair:** Mr. Manji, do you have anything to add?

**Mr. Bashir Manji (Acting Director, Food of Plant Origin Division, Canadian Food Inspection Agency):** I have nothing to add at this moment.

**The Chair:** Great. Thank you, sir.

We'll open the round of questioning.

Mr. Boshcoff, for seven minutes, please.

**Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.):** Thank you very much.

Gentlemen, you may be aware that there has been a severe drought this year in the northwestern part of Ontario. The Federation of Agriculture has actually written to both the federal and provincial ministers, advising that the drought conditions were so severe that they would like the area to be declared a disaster area. It has meant that some farmers are required to get hay from the Americans. And it's the same geographical area; you can't tell the difference if you're in Minnesota or that part of northwestern Ontario.

We're talking about inspections here and, because of the policies that CFIA has, about raising the cost from a \$70-per-certificate inspection to \$450. Of course, that raises the cost of the hay to almost \$10 a bale, even though if you went through a cereal leaf beetle area in southern Ontario at this time and delivered it to Manitoba, you wouldn't have to get it inspected. So there are some very amazing anomalies here. I know you're familiar with the case in which the USDA has already cleared the area and certified it to be free of cereal leaf beetle.

When we talk about process, either of international cooperation or assisting farmers in that, we're talking about a huge additional expense, an unconscionable amount of time delay, and just the whole system of putting someone through that when we know they're in an emergency situation. Knowing that it's free of this pest and has been so certified, the farm community wonders why, when you have a homogeneous quantity, it has to be bureaucratized and be certified each time, even though it's from the same source.

Could either one of you perhaps address that?

• (1120)

**Mr. Gary Koivisto:** Thank you for the question.

I will commence by saying I am familiar with this particular situation in northwestern Ontario. I wasn't aware of the drought conditions, but it certainly would be a good indicator as to the driver for why the demand for hay has shifted to south of the border and into Minnesota.

The pest of concern that we are talking about with this particular shipment is the cereal leaf beetle. Although the cereal leaf beetle is established throughout several parts of Canada, it is not in northwestern Ontario, nor is it widely established on the Prairies, where it would be the most serious pest. So that is the pest of concern, and that's why we have the program in place.

In Minnesota, you are correct that the cereal leaf beetle is not in the northern parts of the state from where this particular farmer wants to source his hay, but it is in the southern part of the state. What we are looking for, then, would be the assurance that it does in fact meet our requirement of either freedom from cereal leaf beetle or being grown in an area free from cereal leaf beetle. The mechanism by which we do that and recognize that is the phytosanitary certificate.

In the case of the United States, it's quite often state agents who will in fact do the inspections and issue the certificates, and I believe that is the case with Minnesota. In that state, they do have a cost recovery program in place, thus triggering the costs.

Another part of your question deals with the length of time it takes for an inspection to take place. Given all of that, I do hear exactly what you're saying. I have asked my staff—this week even—to take advantage of a meeting they're at with their USDA colleagues and to discuss this with the USDA office and ask them to work with the Minnesota Department of Agriculture to see if there might be an alternate way of providing that phytosanitary certificate without having to do that travel each time and adding on those additional costs. So I've already triggered that to take place, in order to see if we can expedite it and to make it in a more prudent efficient manner. Hopefully some of these cost savings could then be passed on.

**Mr. Ken Boshcoff:** I appreciate that.

If you had known about the drought, would that have changed your response? This has been happening since late July or early August, which is when I started working on this file.

I'm more concerned about process. I don't want to talk about an individual case. Would it concern you, as a section head, that you wouldn't have had even that very important component of the briefing passed on to you? Would it concern you that it would be fundamental to a decision-making process here? Of course, these

inspections have already happened fifteen times, so they have cost a huge amount in a crisis situation in terms of time and additional money.

**Mr. Gary Koivisto:** It's difficult to answer your question as to what I would have done had I known information earlier. However, I forget the number of years earlier—four or five years—there was that major drought in western Canada and there was a shipment of several rail carloads of hay from eastern Canada to western Canada to address it. And even during that crisis, we were still applying our phytosanitary measures and protecting the area from cereal leaf beetle.

• (1125)

**Mr. Ken Boshcoff:** When we talk about a process like this in terms of a government's response to a situation it sees happening in the field, where there are guidelines and all these kinds of things, is there no possibility of adapting to such a situation, say, for drought or crisis, where we're essentially going to the same homogenous source, yet requiring it each and every time, as opposed to saying...? It takes so long to do it. Why can't we understand that the same results come back each and every time because it is the same source?

If you used the analogy of a cake, you would simply go to the refrigerator and take one piece at a time. Would you expect to have it inspected each and every time you wanted a piece of cake?

**Mr. Gary Koivisto:** Again, I take your point and I agree. We are working with the USDA-APHIS to try to find an alternate way of not taking our cake one slice at a time in this case, yet still providing the assurance that we require for the identification of the source and that in fact the product is free from cereal leaf beetle.

In this particular instance we are dealing with a grower from northwestern Ontario, and even the pest we're talking about may not be a major pest in that area, yet it would be a significant pest if established within the Prairies. That's the whole concern, and that's why we are very cautious before we make these changes.

Yes, it is a slow process. I regret that it is a slow process, but that is the background in this particular situation. As I've said, I've asked staff to meet with USDA. I haven't heard the results of that, but we certainly will keep you informed as to the status of this particular case.

**The Chair:** Ken, do you have one short follow-up point, very briefly?

**Mr. Ken Boshcoff:** Again from a process standpoint, when a member of the public service is dealing with someone who obviously has what they perceive as a valid need, are your staff primarily scientists? I ask this because when the response was, "What's the big deal, it's only \$70 an inspection", do you not think that some ordinary humans out there would take umbrage to that?

**Mr. Gary Koivisto:** Certainly our staff are scientists, and any response they come up with is from a scientific perspective. But I would certainly take umbrage if a staff member were to ask, "What's the big deal?" to any one of our clients.

I'll follow up on the attitude that you have expressed. That's not the professional attitude that we would expect from our inspectors. But going to the first part of your question, the answer is yes, we do make our decisions based on science.

**The Chair:** Thank you, Mr. Boshcoff.

I have one point on what Mr. Boshcoff was asking. Does a state certificate carry the same weight in your mind as the USDA? You were saying that the state does do the certification, but then you're going directly back to the USDA. Does it not carry the same weight?

**Mr. Gary Koivisto:** Thank you for that question, which allows me to clarify. In this case, Mr. Chair, the state issues the USDA certificate, so they have been given the authority and the oversight by the USDA-APHIS to do that inspection and issue one of their certificates.

**The Chair:** Thank you.

Mr. Bellavance, you have seven minutes.

[Translation]

**Mr. André Bellavance:** Thank you, Mr. Chairman.

Thank you for your testimony, which is proving to be very timely. We would prefer that there not have been a crisis, but unfortunately, that's not the case. Having to resolve problems regarding animal or plant products is a fact of life. Recently, you have had to resolve some issues with the United States, particularly the cyst nematode problem affecting the Saint-Amable region in Quebec.

The Canadian Food Inspection Agency was slated to produce a report on this matter. Do you know when we can expect to have a full report of the events that transpired?

• (1130)

[English]

**Mr. Gary Koivisto:** Thank you very much for the question.

It is my understanding—and I am only a witness here and do not know the proceedings of this committee—that in the near future there will be a more fulsome discussion on the golden nematode situation in Quebec.

On areas of clarification, I will speak from the CFIA perspective on the resumption and normalization of trade with the United States. When we first announced in mid-August the positive find in Quebec, we all agreed that the reaction from the United States was overkill and not necessarily what was required to address the risk this situation posed.

I'm very pleased that in less than two months, which is a remarkable amount of time for this in-depth bilateral discussion and agreement, my staff were able to negotiate...with the help of everyone from parliamentarians, ministers, down to our field samplers taking samples to provide the evidence that it would take to negotiate a bilateral agreement with the United States to recognize the regionalization of the problem in a small area. Unfortunately, if you're in the area of Saint-Amable, you would consider it to be a major area. But relatively speaking, to all of Quebec and all of Canada, it's a relatively small, controlled area.

So there's the recognition of that, and then the normalization of trade for other products, including potatoes, for the rest of Quebec and the rest of Canada. I was very pleased with the results of that.

As you are aware as well, just last week the minister announced the establishment of a ministerial order. At that point, it signalled the method of control we were putting in place to ensure the golden nematode established in Saint-Amable would stay in Saint-Amable. We would work to lower the incidence of it and to prevent its further spread.

Those were two steps, and as I've said, I'm very pleased about the establishment of this and how quickly it went. Yet it is still a very serious issue that we continue to work with.

[Translation]

**Mr. André Bellavance:** You stated that the Americans overreacted by banning all products from Quebec, including plant products and even machinery and equipment. In your opinion, was the US reacting to Canada's decision regarding Idaho potatoes? I believe the embargo on Quebec products was lifted around the same time as the Idaho potato issue was settled.

[English]

**Mr. Gary Koivisto:** Thank you for allowing clarification on the bilateral agreement.

Yes, it was very much an agreement that recognized the situation in Quebec, how we would handle it in Quebec, and how it's going to be handled in Idaho—it's relatively the same situation. More than that, this is an infestation that's been long established in the state of New York and on Vancouver Island as well. It is an all-encompassing agreement as to how we are going to manage golden nematode or potato cyst nematode in both of our countries and how we will react the next time, if and when there is another find.

So yes, it was a two-way negotiation that allowed for trade. The same agreement applies to both the state of Idaho and the province of Quebec.

• (1135)

[Translation]

**Mr. André Bellavance:** I'd like to talk about the compensation awarded when serious animal-related problems arise. I'm thinking here in particular about the serious poultry crisis in British Columbia. In that case, the government, or the agency, compensated poultry producers for the losses they incurred. Similar action was taken when mad cow disease was discovered. Section 39 of the Plant Protection Act provides for payment of some form of compensation to producers.

I understand the growers in Saint-Amable were forced to destroy their crops. An order was issued to destroy potato crops infected with the cyst nematode. Now that the problem has been addressed in Quebec and in Canada — except in the case of these growers — could the CFIA look to section 39 of the Plant Protection Act to provide some compensation to these growers who stand to lose this year's crop, instead of resorting to the Canadian Agricultural Income Stabilization Program, in view of all of the associated problems that could arise?

[English]

**Mr. Gary Koivisto:** Thank you for the question.

First, before I get into compensation and a few remarks relative to that, I want to clarify that the potatoes in Saint-Amable, several acres...and if we get into where we have a more fulsome discussion, I would bring statistics and have the exact numbers. Many acres of these potatoes had already been harvested and had been safely shipped to a processor in Quebec City or in Montreal, where they were made into potato chips. We recognize that despite the fact that these potatoes were coming from a golden nematode infested field, we had put in place safety programs that would allow the marketing of these potatoes.

Other potatoes that are left in the Saint-Amable area, either in storage or in the field right now, if they come from a field where golden nematode has not been detected—and to date, there aren't that many fields where they've not been detected or where we've gone through the full process and they've not been detected—we would allow these potatoes to be washed and marketed in a controlled area outside Saint-Amable. That said, though, there is a market stigma on these potatoes; the market itself is saying it is really reluctant to purchase them.

Table-stock potatoes in storage or in the ground now that are from a positive field, we would allow to go for processing in a controlled way. But there are the same market pressures where the processors are saying, we don't necessarily need these potatoes, nor are they the potatoes we would like or prefer to process.

All these market pressures are restricting the ability of these potatoes to move.

All that is to say we have not ordered these potatoes destroyed. That's the first point. CFIA has controls on them. We would allow them to be marketed in a controlled way, yet the market itself is putting these constraints on them that make them very difficult for a producer to market.

As to the question of plant health compensation as it fits into the whole picture of financial assistance, I'm not the person to address that. In this particular instance, Agriculture and Agri-Food Canada is leading this discussion. We're involved in it, so is the Province of Quebec, and so are producers. I'm not in a position to say what part, if any, the plant protection compensation regulations could play in assistance to these growers.

**The Chair:** Mr. Bellavance.

Mr. Miller, seven minutes please.

• (1140)

**Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC):** Thank you, Mr. Chair.

Thanks, gentlemen, for coming today.

Just recently we've had the spinach E. coli problem coming out of the States, specifically California. My understanding is that some Canadians got sick from it in the States; someone may even have died from it.

What we did, and correct me if I'm wrong, is pull the product off the shelves, but we didn't close the border to it. I've got a lot of beef

producers in my riding, and they've mentioned it since this spinach outbreak. When the BSE happened no one got sick, no one died in North America or any other place because of any Canadian cattle, and the reason was that it was kept out of the marketplace, it was controlled, yet the border was closed. So they ask, what's the difference? How do you justify that? I'd like to hear some comments on that.

Also, related to the same issues, to deal with the border and what have you, is the nematode issue, which we just talked about. The border was closed there. It started, I believe, five or six years ago in P.E.I. I forget the potato disease, but it was closed there as well.

So it seems to me there are different rules here, and I'd like to hear some comments on that from you, if I could.

**Mr. Gary Koivisto:** Thank you very much.

You have several questions within a question. The first one is dealing with the food safety of spinach, and although it's not a phytosanitary issue, I did anticipate that we could quickly get into food safety issues. That's why I asked Dr. Manji to accompany me, so I'll ask Dr. Manji to address the food safety parts of your question.

**Mr. Bashir Manji:** Thank you for giving me this opportunity to clarify our position on spinach.

Basically, you're right, there was at least one Canadian consumer who was sick with spinach. We did confirm that it was linked with the spinach originating from California. The steps and the measures we took were, number one, that we did a recall for the spinach that was implicated, and that was from California, in the area of Salinas. In addition to that, we did issue a border alert, so as we speak right now no spinach from the U.S. is allowed to enter Canada.

Now we are in the process of discussing this issue with the USFDA to, first, find out what they have found in their investigation, to find out what exactly went wrong for that spinach to get contaminated in that area, and then subsequent to this, what measures they have taken to make sure the risk that was identified has been mitigated. Until we have that assurance, it will be very difficult for us to open the border. So right now spinach from the U.S. is not allowed in Canada.

**Mr. Larry Miller:** Thank you.

Carrying on with the spinach and California, I understand that the U.S. Food and Drug Administration over the last three years has issued several warnings about some products coming out of California. Do we have the bleepers out, the radar out, looking for this? Given the problems that they recognize even within their own country, what are we doing here? Is there extra testing or extra people put to it, extra attention given to it? Can you talk about that part of it?



**Mr. Bashir Manji:** Again, yes, that's true. There have been, I believe, up to 20 outbreaks in the California area, and we have our bleepers out. It's not only spinach, but it has been lettuce, tomatoes, green onions, etc. We have been taking additional measures, incremental measures, as we find more information, with fresh produce in Canada. We have worked very closely with the industry in drafting what we call good agricultural practices, in basically trying to minimize the risk on fresh produce. This has been a partnership project with industry as well as the CFIA.

From the sampling perspective, we have increased our sampling and basically targeted fresh produce. In our sampling program, again, we do some risk analysis so that we target problem areas, which I mentioned, leafy greens, onions, tomatoes. So we have increased our sampling on that.

Because we import a lot of our produce from the U.S. and some from Mexico, we have partnered with them to share information on an ongoing basis in order to develop some better methods and strategies so that we can collectively do prevention so that we don't get into this issue of food-borne illnesses.

● (1145)

**Mr. Larry Miller:** Again, with this product, it's taking extra testing and monitoring by your organization. Is this extra cost and attention being passed on to U.S. exporters, who are putting in here, or is the Canadian consumer eating the whole cost of a product that we know has been pretty iffy at times on food safety?

**Mr. Bashir Manji:** Right now, no, the cost is not being passed, but what we have is our normal sampling program. We designed this program based on our radars, what we have found as problem areas. So within the same sampling program, we reorient what we were spending before, we reorient our resources to areas where we are finding issues. So within the same resources we had, we have targeted our sampling to cover issues where we have found issues and problems, such as spinach, leafy vegetables, etc.

Basically, the sampling program is statistically oriented. The same numbers of samples are done collectively for all produce, but now there is a reorientation to do more sampling in areas where we are finding problems.

**The Chair:** This is your final point.

**Mr. Larry Miller:** I guess my last point is this. I would suggest that until they clean up their act, we should do something a little more drastic and maybe stop accepting it. That might be the only way to force their hand to clean up their act. To me, it looks like it's been a problem.

**Mr. Bashir Manji:** One point is that we are still in discussions with the FDA. In fact, there's a meeting of CFIA officials with the USFDA on Thursday.

Based on our discussion, I totally agree with you. If there are issues where the USFDA cannot assure us they have taken some strong measures in order to assure us of the safety of leafy greens and spinach, we will definitely have to do something drastic.

**The Chair:** Thank you, Mr. Miller.

Mr. Atamanenko, for seven minutes, please.

**Mr. Alex Atamanenko (British Columbia Southern Interior, NDP):** Thank you, gentlemen, for being here. I have a couple of questions. The first one is more specific, and the other one is general.

I represent fruit growers in the southern part of the Okanagan in British Columbia. We had a problem. It wasn't a major problem, but it was a problem for some of the fruit growers and cherry growers this summer in regard to the fruit fly and Taiwan, which I'm sure you're familiar with.

The problem was that the shipment was stopped before being exported to Taiwan because of the fact that the fruit fly was discovered. I'm not sure what the term is, but it's not an item that is specifically in the agreement; in other words, it can be passed. The reason for this was that it resembled the apple maggot, which is a quarantined item in Taiwan. In talking to your officials, I learned this was a precautionary measure.

Now, the question is this. One farmer I talked to was upset because this wasn't a quarantined item and yet his shipment was lost. He had to basically repack and do it all over again. That's the rule. Could you clarify or shed some light on this?

The other thing is this. If we have to determine whether it's the apple maggot or the fruit fly, is there some way of doing it quickly? As it stands now, I believe it has to be sent to a laboratory in Winnipeg or somewhere for a test to ensure it's not the apple maggot.

We may see this more and more, because apple maggot is creeping north and invading our sovereignty, so to speak, or this may only have been an initial case. Is some kind of measure being thought of by your department to make it as easy as possible for our cherry pickers?

● (1150)

**Mr. Gary Koivisto:** Thank you for the question.

Yes, I believe I am familiar with the case that's the basis for your question. This particular grower or exporter was shipping cherries to Taiwan, and our inspector, upon a statistically valid sampling and with growing technique, found early-instar larvae. Of course, the problem with these early-instar larvae is that it's difficult even for entomologists to identify exactly what they are—whether it's going to be the cherry fruit fly, the apple maggot, or another quarantine pest.

I'll answer your last question first in. No, I'm not aware of a quick identification for it. Even for entomologists to identify it sometimes would require weeks, because they have to grow these things out to the point where they are in a form that's identifiable, which of course is not a practical solution for somebody wanting to get a perishable product across the Pacific Ocean.

But going back to this decision, when our inspectors find these larvae, the policy is to refuse to issue the phytosanitary certificate—thus, as you put it, stopping the export. Without that certificate, it wouldn't make it into Taiwan.

The reason for this is that even if he were able to identify it for sure, upon arrival in Taiwan, they apply an inspection sampling program that, from what I'm told, is far larger than ours. If they were to have the same find in Taiwan, they have the same problem of identification. Then they would give the exporter a choice of refused entry, finding another country, fumigating it, or waiting until we can identify it—which of course brings us back to the problem of having a perishable product here.

The decision to not issue the phytosanitary certificate—to make all of those marketing decisions here in Canada—is I believe the right one. Further, if this becomes an habitual situation in Taiwan or in any country, what quite often follows is that they step up their inspection program, they step up their sampling program, and we get more of this identified.

Thus the Canadian policy is strict, yes, we are thorough back here, but we believe this is the best way to protect the exporters and the reputation of the Canadian export system.

**Mr. Alex Atamanenko:** So the way I read this—and hearing what you're saying and also what your inspectors have told me—is that it's an important measure because it could affect all exporters of cherries. In other words, if Taiwan finds this in the shipment, they could shut down all exports.

**Mr. Gary Koivisto:** Or they would put in measures that make it more difficult to gain access to Taiwan, such as more inspection measures. They would take more samples, and there would be more delays upon arrival. From our perspective, it's much better to maintain that assurance in Canada. You can sample safely at the smaller level, knowing that we have an intense program back home.

So yes, it could affect all cherries and, as I say, then extend to other products if they lose confidence in the Canadian phytosanitary export program.

**Mr. Alex Atamanenko:** So following up on my initial question, it appears as if this problem could get worse because of what's happening. Are there measures being discussed to minimize the effect on cherry producers, in this case?

I think this case was isolated. It was one, maybe two, but if this starts happening on a regular basis to people exporting, specifically to Taiwan.... I'm not sure how it works. Is there something that can be put in place to try to minimize the effect?

• (1155)

**Mr. Gary Koivisto:** My understanding last export season was that there were four shipments that fell into this category, where we refused to issue the phytosanitary certificate. Could it get worse? I really don't know the biology of this pest, as to whether or not it's increasing now.

There are a lot of production practices that can be put in place to minimize this. There aren't necessarily export practices, certification practices, that will do it. There are control measures to put on the front end. I don't want to introduce a pesticide or whatever, but are there control measures that would protect those trees to begin with?

So a lot of this would be front-end and extension work. I could check with my colleagues in the province of British Columbia and the entomologists there to find out if in fact there are some control measures we can recommend to the growers.

**Mr. Alex Atamanenko:** Would it be possible to get some of that information once you get it?

**Mr. Gary Koivisto:** I'll do my best, yes.

**Mr. Alex Atamanenko:** In regard to being able to distinguish between the apple maggot and these other larvae, there is no quick test that can be done on the spot, you're saying. It's my understanding that it takes time, and there's no technology available anywhere on the planet to do it. Is that correct?

**Mr. Gary Koivisto:** You're asking me a greater question that.... I dare not say no technology. There's no technology, to my knowledge, that would speed this up.

**Mr. Alex Atamanenko:** Thank you very much.

**The Chair:** Thank you, gentlemen.

Mr. Easter, you have five minutes.

**Hon. Wayne Easter:** Thank you.

Gary, concerning your response to André earlier, I have just a little worry over what a consumer might think out there about golden nematode. Perhaps you should explain—I don't want a consumer coming back and saying that a golden nematode got into the food system—that really the golden nematode is not a food safety concern. Maybe you'd better explain that.

**Mr. Gary Koivisto:** Thank you very much, Mr. Easter, for that opportunity to put on the record, as you put it, that golden nematode is not a food safety issue; it is a phytosanitary issue. It's a serious pest that would affect the production of potatoes, but the potatoes themselves are safe to eat. The pressures and the stigma I was referring to are that allowing any of these potatoes to go out adds a level of risk that certain people are just not willing to accept, the level of risk being the further propagation of the pest, not the safe consumption of the potato.

Thank you very much for the opportunity to clarify that.

**Hon. Wayne Easter:** Thank you, Gary.

Concerning Larry's point, I think you'll find that generally the farm community is very concerned about.... Certainly there's a perception out there that when there is a problem with one of our products, the border slams shut. As we're seeing with BSE, it's still not open for over-30-month cattle.

When it's the other way around, we tend to be maybe more accommodating in terms of working with them. I think you'll find there's general agreement in this committee that we need to be as strict as everybody else about product coming in, because we export a high-quality product and don't appreciate the political games being played by the United States.

In part this relates to your discussion with Alex as well. In the potato industry in Prince Edward Island, one of the big areas we run into a problem with is that we ship, for example, seed potatoes to one of the danger spots, the Caribbean. A shipload of potatoes gets to port, and their inspection agency—more political than not—says no, there's a problem with the shipment.

Now, I will say that CFIA is good. They send inspectors down; they try to do everything they can to work with the exporters. But from my perspective, I hear from these individuals. They have a million dollars' worth of potatoes sitting on a ship in 35-degree heat, with the seed potato season closing in fast, and the quality of the product is certainly going to deteriorate quickly.

Is there any more rapid way to deal with this than the way we're currently dealing with it? You have a producer who has a shipload of potatoes, and the risk is huge. In my view it's strictly political on the part of their system, but it's sure a problem for us in Canada. It's not a criticism of CFIA; you've done all you can to help us any time I've asked. But is there another way we can be going about this?

•(1200)

**Mr. Gary Koivisto:** Thank you very much for that question. The concern I have with the question is with your comment about a rapid way.

Canada puts a lot of emphasis on these international standards—the NAPPO standard, the International Plant Protection Convention standards—which set out a way in which commodities have to be treated. Other countries have to react to that in such a way that they make their decisions based on quarantine science, not on any other factors. That is why we invest so heavily in these multilateral standards. Ultimately this provides us the basis upon which we can make the arguments that allow us to go and defuse those situations. But it is not the rapid process, perhaps, that you would be looking for.

**The Chair:** Are you done, Mr. Easter? Okay, great.

Is there a decent dispute mechanism for when things do go sideways, as we've seen at times?

**Mr. Gary Koivisto:** Right now, there isn't a tried dispute mechanism outside of the World Trade Organization, which doesn't work all that well either. It's difficult.

Under the International Plant Protection Convention, there is a dispute resolution mechanism; it has just never been tried. This is certainly a group in which we've invested a lot and that I would like

to think would be effective. But neither Canada, nor any other country, nor any other trading partnership has gone that route.

**The Chair:** Good. Thank you, Gary.

Mr. Gourde, for the final couple of minutes.

[Translation]

**Mr. Jacques Gourde:** Good morning. My question concerns feed exports and imports.

In my previous incarnation—before I became a politician—I exported hay to the United States. Exporting feed to the US is a relatively simple process. However, it is extremely difficult to import hay from the US. Quebec and Canadian horse breeders would dearly love to be able to import certain varieties of feed, for example, South American alfalfa. Sometimes, if the colour is unusual, our hay is not allowed into the US, even though we cannot take it back. If a shipment is turned away in Vermont, theoretically we could bring it back to Canada, given the small distance involved. Our exporters are thus faced with a dilemma. US buyers know that it is extremely difficult to return feed to Canada and so they offer ridiculously low prices, which leads to certain consequences. When our exporters are offered lower prices for their product, regardless of the reason, producers are left holding the bag.

Why haven't Canadian and US feed export and import policies been harmonized?

[English]

**Mr. Gary Koivisto:** Thank you for the question.

Without knowing the source of the hay from the United States, or the place of arrival, I can't comment on the phytosanitary concern that could create some of that. So I don't know. I could follow up a little more, from a phytosanitary perspective, with what it is you're referring to.

From a quality perspective, however, you did say that colour...and no doubt there are other factors that would impact on the movement of hay. Again, this is not a phytosanitary concern, so I wouldn't be up on those other quality factors that would impede the trade.

Quite frankly, unfortunately, I'm just not in a position to really be able to comment without getting a bit more information as to the source in the United States and where into Canada. With that information, I could deal with the phytosanitary issues, if any, that would be arising. Then I'd be able to properly respond to your question.

•(1205)

[Translation]

**Mr. Jacques Gourde:** Regardless of where the hay is grown in Canada, it's relatively easily to ship feed into the US. However, regardless of where the feed originates in the US, it's difficult to bring it into Canada. This is true even of Canadian hay rejected by a buyer. The latter may have rejected the hay because of its colour and the Canadian seller is forced to accept a price that may be 40, 50 or even 70% lower because he cannot bring the shipment back to Canada. Once the hay has crossed the border, it becomes American hay, so to speak, and the CFIA requires a phytosanitary certificate before the hay can be brought back to Canada, even if it was originally grown in Canada.

Can you explain this policy to me?

[English]

**Mr. Gary Koivisto:** You're correct that for the most part bringing Canadian hay into the United States is a relatively easy process, as the U.S. has very few quarantined pest concerns. In many cases hay can simply cross the border without any phytosanitary certification.

You described the situation where Canadian hay has gone down to the United States and, for whatever reason—and there could be lots of reasons—is returned to Canada. The problem arises that it's not an identified product. There's no label; it's a species. The American product and the Canadian product are indistinguishable. We have the same phytosanitary requirements for hay coming back in because we can't separate it. That's why we would ask for a phytosanitary certificate.

Depending on the region it comes back from—and it's difficult for me to be very precise with my answer without knowing the region—I can identify what the pest of concern is and be more definitive as to why the concern exists.

**The Chair:** Thank you. Your time has expired. If you want to write Mr. Koivisto a letter, he'd probably respond to you.

That brings to a close this first hour of our meeting today. We will suspend while we change witnesses at the table and gear up for the next hour.

Thank you.

• (1205) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1210)

**The Chair:** We'll now continue with the second hour.

In the second hour this morning, folks, we have a briefing on horticultural sector and access to the business risk management program. With us this afternoon is the Canadian Horticultural Council, represented by Marcus Janzen, president. Welcome. We also have the Ontario Fruit and Vegetable Growers' Association, represented by Len Troup, president, and Brenda Lammens, vice-chair. It's nice to see you folks. From the Canadian Federation of Agriculture, it's a guy named Bob Friesen. Imagine that! Welcome.

We'll lead off with a short presentation, then we'll move into the questioning round. Keep it fairly concise if you can.

Len.

• (1215)

**Mr. Len Troup (President, Ontario Fruit and Vegetable Growers' Association):** Good morning, and thanks for the opportunity.

We are representing fruit and vegetable growers from Ontario. I'm going to deal with one issue here today. We're going to be very focused. I'm going to read my presentation, and then we'll get on with it.

My name is Len Troup, and I am the chair of the Ontario Fruit and Vegetable Growers' Association. Brenda is my vice-chair. We are seeking your support for the extension of our self-directed risk management program, referred to as SDRM. This is to cover the

2006 and 2007 crop years. That's the crop we're already harvesting, plus the one coming next year.

This is Ontario horticulture's alternative to production insurance, and it has been used extensively by our fruit and vegetable growers for the past decade. At this point, Agriculture and Agri-Food Canada is refusing to extend this program, leaving many of our growers without coverage. A promise and guiding principle of the current APF, which commenced in 2003, is that all crops grown in Canada will have access to both CAIS and production insurance. Yet this promise has not been fulfilled. In fact, there has been little if any development of new production insurance programs in Ontario.

We are about to enter the fifth and final year of APF 1. Yet we do not have crop insurance coverage on many of the fruit and vegetable crops that we grow. Is this the fault of the growers? Absolutely not. It is the role of both Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs to develop and deliver these programs, and they have failed to do so. At a meeting in Ottawa less than two weeks ago, AAFC admitted to having dropped the ball on this issue. If there is no change in the current position, it will be our producers who pay the price for this failure.

When the APF was initiated, it was known that the development of new production insurance for horticulture was not going to be easy. Horticulture does not fit the production insurance mould produced primarily for the grains and oilseeds sector. It was for that reason that SDRM was extended to cover the 2003, 2004, and 2005 crop years. It is also the reason that prompted Minister Lyle Vanclief, as he then was, to write to our industry.

This is a direct quote from a letter addressed to me in my past and current position as the chair of the Ontario Tender Fruit Producers' Marketing Board. The letter deals with concerns I had put to him prior to entering into the APF period. I quote:

The APF is performance-based and so, if governments and industry together cannot deliver on a commitment we will be obliged to look at alternatives. Before the end of three years, industry and governments will take stock of what insurance products have been developed to meet risks. If the products have fallen short, the scope may need to be broadened and alternatives, such as self-directed risk management or variations, may need to be considered. I am sure that we all want to give the development of new insurance products the best possible opportunity. I have, therefore asked Agriculture and Agri-Food Canada officials to work with their provincial counterparts to propose a plan to agriculture ministers on how we can work multilaterally—with crop insurance agencies, agriculture departments, industry and other outside experts—to pool ideas and develop new ones in order to reach our goal. I do not want to fall short because we did not give it enough effort.

That was a letter to me responding to my concerns prior to going into the APF. That was a commitment from the Minister of Agriculture, and with that commitment in hand, we went in. But that commitment is being ignored, and that's why we are here today to seek your support in overcoming this inequity. We ask only that the government of this country follow through on a commitment, made at the outset of the APF, to provide all producers across this country with access to both CAIS and production insurance and, if a program could not be developed by the end of three years—and one has not—then to consider a program such as SDRM.

We believe the government has made a commitment to our industry. It is a moral, if not legal, obligation to follow through on that commitment. Many of our producers have no form of production insurance available to them. This is not because they don't want it or because they don't need it, but because government has not provided a program to them.

• (1220)

The government will tell us that SDRM is not production insurance in its purest form because it is not premium paid; nevertheless, SDRM is comparable to production insurance in the minds of the growers, and our members need some form of coverage, be it traditional or otherwise. As we enter the fifth and final year of APF 1, it is most probable that no new production insurance programs will be available to our members.

IBM Consulting stated in their August 2006 report to government that if we were to have new programs available by 2008—that's for the 2008 crop year—we had to start to develop them by now. Note that I said 2008, not 2007. So we're not looking forward to any change in 2007—which means more of nothing.

I'm sure you will agree that it is government's role to develop these new programs and that it is obvious they have failed to do so. It is unacceptable to our members that SDRM—their form of crop insurance—has been taken away and replaced with nothing more than a broken or empty promise of production insurance coverage.

Our request for the federal government to contribute their 60% share to the extension of SDRM would fulfill the government's commitment to our industry at the outset of the APF. It does not give our industry any more coverage than other crop producers already have and take for granted. It does not guarantee prices for market; it is simply a workable alternative to production insurance.

As a signatory of the APF, the Ontario government has recognized both the commitment made and its obligation to follow through on that commitment; it has already extended its share of the funding towards an SDRM extension to cover crop years 2006 and 2007. These are the years that we're asking the federal government to cover.

We need the federal government to do the same, to extend its share of funding for SDRM for 2006 and 2007. The government needs to honour the commitment made to our industry at the outset of the APF, that all producers of all crops have some form of production insurance coverage available to them; that's all we're asking. Just do what you said you would do. I think you will agree that we are not asking for much in the way of dollars. The cost to the federal government is approximately \$7 million annually. What we are asking is that they deliver on their commitment to our industry.

I thank you.

We're all ready for questions.

**The Chair:** Thank you, Len.

Marcus.

**Mr. Marcus Janzen (President, Canadian Horticultural Council):** Good afternoon. Thank you for the opportunity to provide some of horticulture's thoughts, concerns, and suggestions relating to

business risk management and the serious challenges facing Canada's horticulture sector.

I'm a fourth-generation farmer. Prior to 1999, we had a farrow-to-finish hog farm. In 2000, we moved into greenhouse production. We own and operate a 10-acre pepper greenhouse in the beautiful Fraser Valley in Abbotsford, British Columbia.

Before speaking to business risk management, I'd like to just offer a brief overview of our organization and horticulture's relevance within Canadian agriculture.

The Canadian Horticulture Council, or CHC, is a voluntary, not-for-profit national association that has represented the sector since 1922. Members are primarily involved in the production and packing of over 150 fruit and vegetable crops. Horticulture also includes the highly diversified floral and ornamental sector, with more than 1,500 nursery crops being grown in Canada.

Members include provincial and national horticulture commodity organizations representing more than 25,000 producers in Canada, as well as allied and service organizations, provincial governments, and individual producers.

CHC has a singular mandate: to be a strong and active presence in Ottawa on behalf of the sector by bringing issues of importance to the attention of the Minister of Agriculture and Agri-Food Canada and other federal and provincial ministers and departments, as directed by our membership. Our mission is a commitment to advance the growth and economic viability of horticulture.

Canadian horticulture is a \$5 billion industry at the farm gate level, and that's before considering both upstream and downstream impacts of horticulture production on jobs, economic activity, and taxes paid to various levels of governments. Of the \$5 billion, exports represent \$3.2 billion. Farm cash receipts for horticulture are greater than those of grains and oilseeds in seven out of 10 provinces.

Production, packing, and processing of Canadian horticulture crops generates significant contributions to the Canadian economy, and as a result of these linkages, \$29 billion of economic activity is generated annually. This activity generates employment for 200,000 full-time workers with associated wages and salaries of \$8 billion. And of the \$29 billion in activity generated, just under \$3 billion flows to governments in the form of tax revenues.

The Canadian horticulture industry, as with many other agrifood sectors and the consumer product sector in general, has had to adapt to several factors: increased globalization of trade; the emergence of low-cost offshore supply sources, like China and Chile; advances in information technology; increased regulation; buyer consolidation; and a dramatic increase in the value of the Canadian dollar. These changes have led to a chronic decline in profit margins in primary horticulture.

While I acknowledge that hardship within agriculture is widespread—beef and grain are two examples that come immediately to mind—I must note that many areas of horticulture have experienced similar price declines. In addition, phytosanitary issues like sudden oak death, plum pox virus, and potato wart have been devastating, and for many commodities, the margins have eroded to zero while costs have continued to escalate.

One of the founding principles and commitments of the business risk management component of the APF was a commitment that all commodities produced in Canada would have both access to production insurance and CAIS. While much has been said about CAIS, and no doubt the dialogue will continue, of specific concern to us is the concept that CAIS is a margin-based program, and margins are continuing to decline, and that CAIS may work for some commodities right now, but it won't in the future. At the same time, costs continue to rise, and revenues for many commodities are declining.

Second, there is the concept of imputing. It is not reasonable to deem a producer to have crop insurance when the program does not in fact exist. Production insurance does not exist for the majority of horticulture crops, and many of the programs that do exist are not effective.

CAIS as structured, on a whole-farm basis, does not help manage risk particularly. A grower of three or four commodities will see one offset the other, resulting in a slow but steady overall farm decline.

The CHC and its members have long supported self-directed risk management. At the 1999 AGM, a letter of support was signed by all CHC members to the minister of the day, Lyle Vanclief, and this support continues, by resolution, to this day.

• (1225)

SDRM is not intended to replace production insurance but rather to offer an alternative where production insurance does not exist. SDRM is a program that could in fact be extended to other commodities, such as livestock production. It's important to remember that a core principle of the APF is that all commodities are to have production insurance coverage, and Mr. Troup has elaborated on that very well.

I offer caution when it comes to the determination of a successful program. Several of the programs that are now in place are referred to as successful by the department. Producers are astute business managers and they will subscribe to a program if it is financially sustainable.

We recommend that programs should only be deemed successful if a meaningful number of acres of that particular commodity is enrolled. Furthermore, a program cannot be deemed successful if producers are enrolled simply as a result of "cross-compliance"—that is, access to other programs being contingent on enrolment in a production insurance program that is deemed by industry to be ineffective.

The APF committed to provide both production insurance and CAIS to producers. The commitment to production insurance has not been met. The Canadian producers are heavily impacted by onerous and multi-faceted regulatory requirements; and while producers are quite willing to do the right thing, whether it be by regulation or a

voluntary basis, we find that we are often doing so with no compensation. Food safety is certainly an example.

Programs are being developed and implemented at the farm level, yet producers are not being compensated for these investments. Continued market access is not a sufficient return on investment. Access to labour in this country is reaching a crisis level, particularly in horticulture, where much of the work is labour-intensive, seasonal, and difficult to mechanize. Many of our competitors in other countries pay wages of \$2 or \$7 a day and are not subject to the same labour standards as Canadian employers must comply with.

Programs that have been in place, while appreciated, have not met our needs, and we must all accept the challenge to collectively develop and put in place programs that will ensure the future of agriculture in Canada. We must be committed to a secure and sustainable domestic food supply to assure food security as a country. We cannot rely on importing the majority of our basic food requirements. Regardless of the nature of horticulture, whether it be small acreage and diverse specialized crops or large monoculture farms, it is an integral part of the agricultural industry in Canada and needs to have a plan in place that recognizes coverage of all our crops under an effective SDRM program.

The need for government support and effective business risk management has never been greater. Horticulture producers are at an impasse, and in order to establish an orderly business climate, there must be a suite of programs to access and use for coverage.

Horticulture production is not about planting one day and harvesting a few weeks later. It is about investment, and it is about long-term planning that provides mutual benefit both for farmers and for Canadian society as a whole.

The reality of farming in Canada today is that 10% of our producers generate 90% of the production. Canada's farm policy aims to support both groups—that is, both large and small producers—simultaneously. However, it is failing because policies need to be directed towards each group separately. Simply put, Canada's farm programs are not working properly and changes must be made to remedy the situation.

For every dollar invested in agriculture, \$10 is generated in the business economy. For every job on the farm, 10 jobs are created in supply and service industries. Furthermore, the three levels of government in this country benefit from the collection of between \$500 and \$900 an acre worth of taxes every year.

Given the attention being paid to the health and well-being of Canadians and the associated costs, we have tremendous opportunities to provide solutions through the products we produce. Fruits and vegetables form a key part of a healthy diet and are known to reduce disease risks. This important fact is supported and promoted by many organizations, including the Canadian Produce Marketing Association, the Canadian Cancer Society, and the Heart and Stroke Foundation.

Agriculture is a tremendous asset that must be protected, and we are committed to working with you to find solutions. I look forward to your questions.

• (1230)

**The Chair:** Thank you, Marcus.

Bob, do you have a presentation for us?

**Mr. Bob Friesen (President, Canadian Federation of Agriculture):** Thank you very much, Mr. Chair. It's a pleasure to be here to speak to the people around this table, because I know that everybody is keenly interested in making agriculture work better in Canada.

Let me begin by saying that I support what the horticulture industry has just talked about. CFA members supported the principle of SDPI quite some time ago. It would work better in the event of margin decline as a result of imports that haven't been produced within the same standards of environment and food safety we have in Canada. It would also help where there aren't adequate production insurance programs, or where it's too complicated to try to develop them.

You have a brief in front of you, and I'm not going to read it. I'm going to make some brief comments on it and then look forward to questions.

All of you know that Canadian farmers are coming out of the absolutely worst three years of farm income in history, and 2006 looks even worse. They continue to compete against U.S. farmers, who are coming out of the best three years of net income in their history. It may surprise you to know that I'm not here today to ask for more money. How much more money we'll have to invest in agriculture is still outstanding, but what isn't outstanding is that we believe we have to be much more strategic in how we spend the money on agriculture. In that context we have a few suggestions.

When we look to the U.S. we find exactly the same thing. Of course they spend more money, but it isn't just how much you spend; it's how you spend it. Let me say—and this was mentioned earlier by the horticulture industry—we believe in keeping CAIS as the base program, because it does work much better for some commodities than others.

There's been a lot of talk in the recent past about how we can separate stabilization from income disaster. We need to explore the merit of replacing the top 15% tier of CAIS with a NISA-like program. You may know that farmers were dragged kicking and screaming to the elimination of NISA some years ago when the APF was implemented. If we had a NISA-like top tier, it would be much more bankable and predictable. In the event of margin decline, because a contributory program is based on sales, it would also be a baby step toward addressing the declining margin issue. There's a long list of what we believe are advantages in going to a more bankable and predictable top tier in CAIS.

Farmers were also dragged kicking and screaming to the elimination of companion programs. We believe that a provision for companion programs should be brought back as well, because one national program cannot address all the provincial-specific or regional-specific needs. We would like to create the ability for provinces to develop companion programs that would address provincial-specific needs.

The paper you have in front of you demonstrates that NISA might not cost more to the government. Bringing back companion programs might not cost the government more money either—of course, it works well within what was just suggested by the horticulture industry. Because companion programs would be provincial-specific case offset, an aggregate might not cost more money. So we would like to see companion programs brought back.

My last point is on declining margins, which we really have to address. This hits especially hard right now in the grains and oilseeds sector. I was talking earlier about the strategy the U.S. has adopted. With the money they spend they prime the pump in agriculture, and that has cross-subsidized into the value-added industries, such as hog feeding, cattle feeding, and the biofuel industry. We need to spend more time and attention on the grains and oilseeds sector, because we continue to have high hopes and build on our strong hog and cattle industry. We also want to build a strong biofuel industry. So in the declining margin area, we certainly need to spend more time.

• (1235)

We have some of the most competitive farmers in the world and we would like, together with everybody, to roll up our sleeves and develop a more competitive policy so that our farmers can be more effective in the international marketplace and in the domestic market.

As I said earlier, Mr. Chair, I would be happy to answer questions.

**The Chair:** Thank you.

We'll move to the round of questioning.

Mr. Steckle, we'll go to five minutes because we're short of time.

**Mr. Paul Steckle (Huron—Bruce, Lib.):** Very quickly, I think it's fair to say that in the case of farm programs we've always attempted—and I guess it was manifested in the CAIS program—to develop a program that fit everyone's situation, no matter what part of the country they lived in, and that simply isn't possible to do.

On risk management, the self-directed risk management program that you've talked about, Mr. Troup, there was an experiment for three years, I believe, and now it's run out. Why would we not continue with that program, given that it had met some degree of satisfaction by you people, at least? Why would we not continue with that?

**Mr. Len Troup:** Actually, that program was in use for about a decade. It evolved in the 1990s because there was a void. It was driven by the horticulture sector and it was offered across the country. It was only picked up in Ontario and it was very popular. The growers jumped all over it because it was something that worked instead of something that didn't. Unfortunately, it went down with NISA.

However, as the letter from Mr. Vanclief alludes to, to give us some assurance because we were getting clobbered when NISA came in—we were losing everything, and we did—he gave us three more years on the SDRM to kind of soften the blow, coming in with a promise that if nothing else was developed, it would be extended. The three years were a sure thing, but guess what? The federal government now wants to avoid the issue and say it's not pure insurance. They're simply dodging the bullet. But the commitment was there, and that's why we came in.

To their credit, and I'm not trying to beat up on anyone here, the province, given the same information, accepts their responsibility and they're in. They're in for 2006 and 2007. Hopefully, by 2008, as we go into the next APF, we can have a more long-term solution. That is why they went in for two years.

I'm here specifically to address the one issue. I agree with everything everybody else is saying, but it's a proven program. The farmers like it. It actually works. It's easy to administer, and it's a whole lot better than nothing. What we're being offered is nothing, and we're not going to take it. That letter from the Minister of Agriculture to me, to answer my concerns, I take as a commitment from the government, not only from Mr. Vanclief. Frankly, I expect the government to honour that commitment. And I'd like to hear why they don't.

● (1240)

**Mr. Paul Steckle:** Business risk management is something that we're talking about. We know that every province has various ways. Alberta can deal with situations on an ad hoc basis differently from Saskatchewan, for instance. Ontario deals with issues differently from the Maritimes. That's why one program doesn't fit every situation. I think we have to be cognizant of that and, in moving forward, recognize that.

We've talked about business risk management. Even in a sector such as the cattle industry, they're talking about things like that. They don't call it crop insurance or production insurance, but they like to think there might be a better way of dealing with some of these emergency situations.

My contention is that Canada has never had a food policy. We always talk about agricultural policy, but we don't talk about a food policy. It is my contention that we cannot have an ag policy without having a food policy. If we have a strategy for food production in this country, where we believe and are firmly committed to supporting the production of safe food for Canadians rather than becoming a dependent nation on others to produce that food for us, we will need good ag policy. If we come to that core issue and support that, then we will find these programs that will make it work. They'll work differently in different provinces and for different commodities, but I believe that is the core.

Would you agree with that principle, which I think is so fundamentally important, or is it something way out there in la-la land that doesn't meet with anyone's approval?

**Mr. Bob Friesen:** You mentioned BSE. One of the things I wanted to say is that there is an additional BSE-like disaster component being developed for CAIS. It doesn't necessarily provide deeper coverage, but it provides broader coverage in that it might include business interruption, although that would of course to some

extent be a CAIS offset as well. It includes looking at the infrastructure if the infrastructure needs redevelopment. So in the event of disasters such as BSE or AI, that component would be triggered.

That is not separating stabilization from income disaster, but it is an additional component that we certainly support.

As far as a food policy is concerned, food security in Canada is extremely important when you consider—and I believe it was Mr. Miller who talked about it earlier—bringing in products from other countries and not having the same confidence in that product as you would if it was produced within our own standards. But farmers, to a large extent, have already done many things around which you could build a food policy, such as the implementation of on-farm food safety programs, environmentally sustainable programs, and things of that nature.

So I believe that in the primary production sector a lot of steps have already been taken around which you could build a very effective, solid food policy.

**Madam Brenda Lammens (Vice-Chair, Ontario Fruit and Vegetable Growers' Association):** If I may, I think we need to address the SDRM, because if we don't have some type of insurance there won't be many of us left around to produce the food and so the policy won't be necessary.

**Mr. Paul Steckle:** If you had the food policy first and believed in it, then we would support that food policy by an SDRM or whatever we want to name the program. You have to have a reason for having a program. We want farmers to continue to produce safe food in this country, and if we don't have that, then basically what are we building around?

● (1245)

**Madam Brenda Lammens:** As Mr. Friesen said, we already do have many programs in place and we're continuing to develop—

**Mr. Paul Steckle:** But consumers have to understand that. The consumers have to understand why they're paying and may have to pay more for their food.

**The Chair:** Thanks, Paul.

Mr. Bellavance, five minutes, please.

[Translation]

**Mr. André Bellavance:** Thank you for your presentations.

I'm always very interested in hearing what those directly involved, the farmers, have to say. I look upon them as the experts. We, the politicians, sometimes have a tendency to come up with ready-made solutions, to believe that we can solve everyone's problems and that we know everything, when in fact the opposite is true. It's important to meet with front-line workers and to find out from them what's working, and what isn't, so that we can go back to the government powers-that-be and lobby for the right changes.



Unfortunately, the message doesn't always manage to get through to governments. Remember the case of the CAIS program. The government that took office nine months ago pledged during the election campaign to overhaul the CAIS program. All kinds of promises were made and to date, nothing has been done.

You're telling us today that in many instances, growers do not have access to insurance and that nothing has really changed at all. You've proposed some very interesting solutions, but how do you explain the fact that nine months later, the government has yet to respond?

[English]

**Mr. Len Troup:** I don't know if I can explain anything. I'm not being totally political here. I'm not really anti one government and pro another. That's not what I'm all about, because we've had problems with more than one government down the road. And governments change but the problems don't, and that's really what's wrong.

Incidentally, we do have a food policy, and it's called cheap. It's not written in stone, but it's sure written in blood. It's really easy for any government to do, because when you do it, you obtain cheap food through an open border policy. We have to compete with everybody in the world on price and we have to be above everybody in the world on all the quality and safety standards. We also operate in a high-cost country where we pay minimum wages and all those other things.

So there is a policy: it's cheap food, and everybody likes it. Any government that wants to run against that policy puts themselves at great risk, because every consumer, including me and all of us, never like to pay more than we have to for a product. That is just our nature. So there is a policy, but I think what we need is a long-term policy that is sustainable. And cheap is not sustainable, because you're killing the farmers, and without farmers you don't have anybody. So something has to give here.

We're offering short-term solutions. The SDRM is a really obvious one. There's really no excuse for that being abandoned by any government, because we had something that worked. They took it away and they gave us nothing in return. This is very shortsighted, but they hide behind the bureaucrats, who come in and say, "Well, it doesn't technically fit the mould." I don't want to hear that. It works. The farmers like it. It's not expensive. Why don't we do it? What we need are common-sense solutions, and you're right, the farmers lots of times have the solutions, but nobody wants to hear them. We always get blocked. Our opinion is collectively heard, but nobody responds, and we're here appealing to the common-sense element. We give you a common-sense solution, but why don't we just do it? I think we need more just doing it and less talk.

I don't think I answered your question, but I feel better.

**Mr. Bob Friesen:** With regard to making changes, there have been quite a few improvements already made to the CAIS program over the last little while. They're looking at expanded negative margin coverage. We're looking at the change in the inventory evaluation. We're looking at an additional disaster component for disasters such as BSE and AI, but we're simply saying that's good, we support those improvements, but we can do more. We can address the issue of separating stabilization from income disaster. We

can do that. We can bring companion programs back at very little extra cost or possibly no extra cost and improve the efficiency and the effectiveness of the program to make it more bankable, more predictable, more efficient, and more strategic.

Then of course, we do have to address the declining margin issue in the grains and oilseeds sector.

• (1250)

[Translation]

**Mr. André Bellavance:** Often, the government institutes Canada-wide programs with very strict criteria that allow for little flexibility.

Each time we talk with agricultural producers, we hear very much the same story about plant products. Mr. Janzen also spoke about this. If you talk to Quebec grain growers, they will tell you that this type of program lacks flexibility. Given that these programs have been around for some time now, how do you explain the fact that the government still hasn't grasped the need for flexible programs? You have proposed solutions and supplied explanations. You know the percentages and the amount of money needed. Mr. Troup even referred to a program that was only in place in Ontario. All the better if it suited the needs of fruit and vegetable growers in Ontario and if other provinces didn't necessarily have any need for it.

The government must be flexible and must understand that these programs have to provide some flexibility for users. There is no need for programs containing standards ill-suited to many growers.

[English]

**Mr. Bob Friesen:** We have talked to the agriculture minister about these issues several times. We had that opportunity. Part of the complication is now with the signing of the agricultural policy framework. They need seven provinces and at least 50% of the production to agree to the changes, and so the challenge is more than just getting to the federal government and having them agree. The challenge is making sure that provincial governments agree as well.

**The Chair:** Does anyone else have a final comment? That's it?

Thank you, Mr. Bellavance.

Mr. Anderson, please.

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** I want to follow up on Mr. Troup's comments.

In terms of why the funding has not been extended, is the only reason you're getting that it doesn't "fit the mould", as you said?

**Mr. Len Troup:** That's the reason that's been given to us, that technically SDRM is not an insurance program, it's more of an entitlement. You set money aside for your farm, and you can draw just on that.

In a true insurance program, apparently.... Take house insurance; everybody puts their money into a common pool. If your house burns down, then you come out a winner. If unfortunately your house is standing at the end of the year, you simply lose your premium—but you still have your house.

That's not true with SDRM because it's an individual account. It was an add-on to NISA, and it works more under the NISA concept. It works just great, nice and simple. All the numbers come off your income tax, so if you want to beat the system, you're fighting with the income tax boys.

The program had a very low administration cost and a very high recruitment of farmers. Farmers said, hey, here's something I understand, here's something that works for me. They loved it. But I guess it was too good, so they took it away. It was too simple.

**Mr. David Anderson:** Tell us a little bit more about how it works and the details of how it works. I'm familiar with CAIS, and I was in NISA for years.

**Mr. Len Troup:** There are all kinds of modifications. With the old SDRM, the way it was with NISA, you would take 4% of your gross—it was capped at the time, although really it shouldn't have been capped—and put that into an account. The governments matched it, provincial and federal. But instead of going into a collective account, that account, like a NISA account, was good only for your farm. When you had problems on your farm, you could draw out of that account—but no more. If your account was dry, that was all you would take.

It was absolutely fair. Of course you would have taken it out of your own account only if you really needed it. It was contributory. It was an add-on to NISA, and it worked very well, especially in horticulture. In Ontario, where we have at least 125 different crops, we're never going to have 125 crop insurance programs. It's all mixed up, and you're selling into a volatile market, the fresh market, where prices are different every day. It's a crazy business.

The SDRM, NISA-type thing, where you just.... When it works off of your income tax statement, there it is, nice and simple, no complications. As I say, I guess that's why they killed it: it worked.

• (1255)

**Mr. David Anderson:** Thank you.

I want to move to a couple of comments that Mr. Friesen made.

I'm just wondering, have you done a costing of your proposals here? You say that you want most of CAIS and you want a NISA component added on top of it. You expect the companion programs can be thrown in there, and CAIS would cover disaster relief. You say that all of that "might not" cost more. I notice even your suggestion on the NISA could cost anywhere from \$30 million to \$130 million. But then you also talk about addressing declining margins on grains and oilseeds.

Have you costed out your proposals, what the total figure would be?

**Mr. Bob Friesen:** No. The only calculation we've done is what you see in front of you, and that's our best guess. That's why at this point we are not asking for implementation of a NISA-like tier, we are asking to explore putting a NISA-like tier at the top of CAIS. We

would very much like the department to get the mandate to be able to do that research so we could look at the merits of doing it that way.

With regard to companion programs, when we had companion programs in place previously, they were there with a lot less money in the total agricultural file than we currently have. What we're saying about companion programs isn't that we necessarily need a large block of extra money on top of what the industry is currently getting. All we are asking for now is the provision that provinces can use some of the 60¢ per federal dollar that flows into the province, if they contribute their 40¢, to develop companion programs.

Further analysis would have to be done on how much a companion program would be a CAIS offset—because CAIS is a demand program—and on how much it would save there and in fact pay for the companion program.

**Mr. David Anderson:** Mr. Janzen mentioned that 90% of the productivity was done by 10% of the producers. You said we had to be strategic in our funding. Are you at all suggesting that we should gear or emphasize our support towards that 10% who are producing 90% of the productivity?

**Mr. Bob Friesen:** No, that's not our position. When we talk about priming the pump in agriculture, again we're not necessarily saying we should emulate the U.S. programs. But pay more attention to the declining margin—within the context of what has been suggested for the horticulture industry. Pay more attention to the grains and oilseeds sector. We do know that the grains and oilseeds sector does prime the agricultural pump, yet we haven't done a good enough job to make sure we do prime the pump and that those benefits then accrue to the value-added sector.

**Mr. David Anderson:** I wanted to come back to the SDRM. Did you say that in 2006 you do not have coverage? You're talking about this crop here?

**Mr. Len Troup:** The crop that is almost harvested has no coverage.

**Mr. David Anderson:** What has been done with those accounts? Have they been forced out like NISA was? What's going on with the accounts that are present?

**Mr. Len Troup:** Well, they're dormant at this point, but—

**Mr. David Anderson:** Do you have access to your past account? Was there money accumulated in NISA?

**Mr. Len Troup:** For the most part, they've been drawn out like NISA. There was a time when you could draw them out. There may still be some money. I'm not quite sure about the logistics of it.

We do have partial coverage now because we have the provincial portion of that 4%. The 40% of the 4% is there for 2006 and 2007. What we don't have is the 60% from the feds.

**Mr. David Anderson:** Are most accounts empty, then, or not?

**Mr. Len Troup:** For the most part.

**Mr. David Anderson:** Okay.

**The Chair:** Thank you, Mr. Anderson.

Mr. Atamanenko.

**Mr. Alex Atamanenko:** I'm going to zero in on the apple industry.

As you probably know, the survival of apple growers in British Columbia is at stake, as I'm sure it is in other parts of Canada. One reason is that we have cheap Washington apples being dumped into our province. Does this problem exist in Ontario and Quebec? That's my first question.

Secondly, what can be done? I've had discussions with BC Fruit Growers on some of these issues, but I don't see any policy being discussed or formulated. Should there be a duty? We're talking about the Americans and how they react, softwood duties, all that. Should we have a floor price, so that our people can compete and at least be assured of a minimum price? The supply management system works in other sectors. Should we be doing that, and can it be standardized?

That's one of the main concerns I have seen, at least from my part of the country. I'd like to get some feedback and see if there is some kind of comprehensive approach that can be undertaken.

• (1300)

**Mr. Len Troup:** You've asked some very specific industry questions. I'm not really an apple man, but I am a tree fruit grower in Ontario. We grow peaches. We grow a few apples, but we grow tender fruit. Frankly, I think the problems are pretty much the same. We're in a high-cost area, and the competition may or may not reflect their costs of production. Certainly, you mentioned a Washington State situation with apples. There was an attempt to handle that legally, and it was thrown out by the court. Everybody knows they're dumping, but the court decided, for whatever technical reasons, that they didn't want to go down that road. It might have been partly political. When you get behind the scenes, you never really know.

I don't know what the absolute solution is. But we can't continue to sell things for less than it costs to grow them, because the competition keeps coming in cheap. And there are a lot of reasons for cheap competition. It isn't just the U.S.; you know that. The rest of the world is coming in—duty-free; wide-open borders; a dollar an hour, or \$2 or \$3 a day labour; stuff like this. That comes in in the form of produce. It goes on the shelf. It's in direct competition with us, and we're paying \$80 or \$100 a day for our labour and everything else.

You can't keep doing that, period. I don't have an absolute solution. You need to talk to the apple people for an apple answer.

**Mr. Alex Atamanenko:** But the thing is that we all know there's a problem, and we all know—

**Mr. Len Troup:** It's a huge problem.

**Mr. Alex Atamanenko:** —that nobody's doing anything. We all know that people are discussing this issue.

Is there something being developed at the level of the Canadian horticultural association to address this specifically, so that the government can start working together with people in this industry to address it?

It just seems that everybody is talking about it, we all understand it, and we say, well, we've got to do this; we've got to do value-added, take down our trees, grow grapes—all sorts of things. It seems to me there's no direction coming from either government or the industry to address this problem.

Am I right?

**Mr. Marcus Janzen:** I think I would preface my remarks by saying that the B.C. apple industry is a bit unique. It's not that the problems are unique, but there are two things, and I want to build on the base here for a second.

One, we have the agricultural land reserve in the Okanagan. The wine industry and the grape industry have put tremendous pressure on the price of agricultural land for the purposes of grape growing, which, in most cases, is similar to where the apples are right now, to the point where we have European interests buying grape land for \$150,000 an acre. I don't care what kind of program you have here in Canada with respect to apples, but you're not going to compete on a world scale with that kind of land price.

The second thing is that we have an initiative called national replant. It's gone a long way for a lot of our producers who are in a position to take out old trees and go with high-density dwarf varieties.

Having said that, in the province of B.C. there's going to continue to be a real political decision that has to be made on where the tree fruit industry is right now in the Okanagan. Do we want to be a food producer or a tourist destination? Right now the scale is tipping towards an agri-tourism type of industry as opposed to being the lowest-cost producer of Elstars in North America.

Thirdly, we've also really felt the effects of China, in terms of being a net importer of apples ten years ago to being a tremendous exporter now and going forward.

I guess my point to you is that I think the solutions in B.C., while they're the same problems experienced nationally, are different in B. C. because of different factors, land cost probably being the primary one. In philosophical terms, do we want to continue to see the apple industry in the Okanagan and for what reason, agri-tourism or production?

I think that as long as the wine industry and the grape industry continue to expand at the rate they are expanding, it's going to be difficult to maintain a productive capacity of apples in the way we've traditionally defined it.

• (1305)

**The Chair:** Bob wants to respond to that, and so does Mr. Troup.

**Mr. Bob Friesen:** An all-based margin program will never ever address the declining margin problem. That's why we're suggesting adding components to a base-case program, such as companion programs.

We can use the B.C. tree fruit issues as an example. There are companion programs, and these are top tier, and the SDPI that they were talking about. Those would help in moving in the right direction to at least get away from depending solely on one national margin-based program.

**Mr. Alex Atamanenko:** May I ask one more question?

**The Chair:** Your final point, and that'll be it.

**Mr. Len Troup:** Regarding the apple thing in the Okanagan—and I come from Niagara, in the fruit belt—these are special areas with special problems, because the land is driven up by all kind of reasons that have nothing to do with agriculture. Yet that's where we grow the specialized crops, the wine grapes, etc. It's the same in Niagara with peaches and things like that. You can only grow them in a few places in Canada, and the land is being driven beyond its productive value.

Beyond that, in Ontario and Quebec and a lot of Canada, there are all kinds of places where they can grow apples on relatively inexpensive land, but it's still a very tough go, because in the marketplace you simply cannot get enough at the wholesale level to really make it a viable thing. It's the competition. It's the world competition; it's the U.S. competition; it's people who are either subsidized or who simply have a very cheap cost and who are bringing their product in. Remember, once you get into the fresh market, and the processing too, everything is a world market.

You have three chains in Ontario, and I think three in Quebec now, with tremendous buying power. Good product is offered to them electronically from all over the world, all day, every day, and it comes from places that can grow it a lot more cheaply than we can—and there's product that's probably pretty darn good. We operate in Canada with costs that are imposed by society, and yet when we go to the marketplace we have to compete with all the rest of the world, which doesn't have those costs.

Something fundamental has to change here. We're either going to get it out of the marketplace—and I don't know right now how we're

going to do that—or society's going to have to find another way to pay; otherwise, we're going to have a change and we're going to have nice, fancy estates in a few pieces of the country and we're going to have a lot of non-viable farms all over Canada.

It's a fundamental problem. It's that open border philosophy of cheap food. You can't have it both ways, folks; if you're going to have farming in Canada, somebody's got to pay for it. So far, it's the farmer.

**The Chair:** Thank you, Mr. Troup.

Your time has expired, Alex. We're actually way past the time.

We're just starting to scratch the surface of this issue. We'll probably return here sometime later in the winter, I'm sure. Having said that, this meeting for all intents and purposes is done.

Mr. Steckle, just before you do that, we also need a motion from the floor to cover the expenses of the witnesses for the Canadian Grain Commission hearings. These are in the neighbourhood of \$33,000. Perhaps I could have a motion from someone.

• (1310)

**Hon. Robert Thibault (West Nova, Lib.):** I so move.

**The Chair:** As a seconder, Mr. Atamanenko had his hand up as well. Thank you, gentlemen.

Mr. Steckle.

**Mr. Paul Steckle:** I want to put on the record that for the motion put forward for Thursday, I'm suggesting that at the end we add "all efforts be made to have those meetings televised". I don't want to leave that until Thursday. It should be on the record.

**The Chair:** Okay. So the motion to be tabled and discussed Thursday will be amended as you've just said.

Is there any discussion?

**Mr. David Anderson:** I have an issue about amending motions here, and whether the person who made the motion is in agreement with it or not—

**Mr. Paul Steckle:** He is.

**Mr. David Anderson:** —and whether or not it's appropriate to do it at this point.

**The Chair:** We went through that during the break, Mr. Anderson, and Mr. Easter took it as a friendly amendment. So I think we have that covered.

Is there any other discussion?

The clerk advises me at this point that this motion is an intention and will be formally discussed on Thursday as well, so come armed for that.

Thank you so much, folks, for coming.

This meeting stands adjourned.







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