



HOUSE OF COMMONS
CANADA

THE FUTURE ROLE OF THE GOVERNMENT IN AGRICULTURE

Report of the Standing Committee on Agriculture and Agri-Food

**Charles Hubbard, M.P.
Chair**

June 2002

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THE STANDING COMMITTEE ON AGRICULTURE AND AGRI-FOOD

has the honour to present its

FIFTH REPORT

Pursuant to Standing Order 108(2), the Committee proceeded to a study on The Future Role of the Government in Agriculture. After hearing evidence, the Committee agreed to report to the House as follows:

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CHAIR'S FOREWORD

The Canadian agriculture sector is in a period of great transition. Recognized as a model of productivity and quality for many years, agriculture in this country has witnessed dramatic changes with respect to world trade and modes of production. With change come new challenges and, perhaps more importantly, new opportunities.

The Standing Committee on Agriculture and Agri-Food has made a number of sweeping recommendations that would better equip Canadian producers to face these challenges and embrace new opportunities. To ensure that our recommendations were representative of the Canadian agriculture industry, the Standing Committee visited 15 municipalities across the country, most of them located in rural areas, and heard the opinions of more than 350 witnesses.

The Canadian agriculture sector is in need of profound change, which explains why Canada is currently examining options to shape the architecture of its agricultural policies at the beginning of the 21st century. The fact that this report received unanimous approval¹ from the members of the Standing Committee sends a strong message to those who are developing Canada's agricultural programs. I sincerely believe that the report's recommendations provide excellent guidelines for assisting them in their task, and are a reminder that farmers are the foundation of the sector.

I would like to take this opportunity to thank all the Members of the Committee who worked assiduously in attending numerous meetings and made invaluable contributions to the drafting of this report.

A report of this scope, and the logistics of travelling across Canada and meeting with more than 350 witnesses, could not have been prepared without the collaboration of many people. The Committee Clerk, Ms. Suzanne Verville, together with her assistants Ms. Julie Danis, Ms. Madeleine Bédard, Ms. Laurette Dionne and Mr. Michel Quevillon, are to be thanked for their efficiency in ensuring that the travel and meetings were conducted in the most professional manner.

I would also like to applaud the tireless efforts of Mr. Jean-Denis Fréchette, from the Parliamentary Research Branch, who led the research activities for this report, and Mr. Frédéric Forge, Mr. Jean-Luc Bourdages and Ms. Nathalie Pothier for their expertise in biotechnology, environment and analytical grids, respectively. Also to be warmly thanked are translators, editors, interpreters, console operators and others, as well as the staff of Publications Services.

¹ The NDP member of the Standing Committee expressed a dissenting comment on one recommendation.

Finally, I would like to thank, on behalf of all the members of the Committee, the Canadian farmers who shared their insights with us. I hope that this report responds to their concerns and contributes to meeting the challenges of their sector.

LIST OF RECOMMENDATIONS

RECOMMENDATION 1

The Committee recommends that the Net Income Stabilization Account be improved, in particular by increasing the federal government's contribution, introducing greater flexibility in withdrawal mechanisms and transforming the program to make it more accessible to new farmers by adopting a formula tailored to their situation.

RECOMMENDATION 2

The Committee recommends that the government review the Crop Insurance Program to adapt it more effectively to new production conditions, in particular by introducing more flexibility in computing averages and areas where losses occur and increasing its funding to provide greater individual protection and higher price options more consistent with actual production value.

RECOMMENDATION 3

In the case of natural disasters, exceptional or prolonged, the Committee recommends that Agriculture and Agri-Food Canada establish a permanent compensation fund capped at \$1 billion. This would form a contingency fund to provide farmers registered for crop insurance with full compensation, covering the loss of the estimated gross revenue, and the annual minimum contribution would be \$500 million subject to the ceiling of \$1 billion. By favouring crop insurance as a compensation vehicle, the Committee acknowledges that farmers must assume a moral hazard.

RECOMMENDATION 4

The Committee recommends that present and future government agricultural support programs remain accessible to everyone who qualifies as a farmer so that the diverse nature of agriculture and the importance of all types of farms, large and small, for the viability of rural areas be taken into account.

RECOMMENDATION 5

The Committee recommends that the government give special attention to tax incentives that may promote the development of rural

communities — in particular through value added, biofuels and farm tourism — and be innovative in its use and application of tax measures.

RECOMMENDATION 6

Whereas the federal government must draw on the lessons learned over the past four years of Rural Dialogue, the Committee recommends that funds be invested in the development of infrastructures that meet the demands of farmers and other rural stakeholders.

RECOMMENDATION 7

The Committee recommends that the government, with the provincial governments, invest more in the road system in western Canada.

Furthermore, since the use of producer cars is an effective and competitive method for transporting cereals, the Committee recommends that the government and the Canadian Grain Commission facilitate the use of this method, in particular by protecting producers from financial losses which could result from damage to grain in transport or bad elevator debts.

RECOMMENDATION 8

The Committee recommends that the rural Secretariat's next action plan, which will be developed from 2002 to 2004, include a specific component on agriculture and the environment so that the important role of farmers is defined and recognized. The Committee further recommends adequate compensation for measures aimed at protecting the environment and the landscape in recognition that farmers play an important role in the stewardship of the land.

RECOMMENDATION 9

The Committee recommends that Agriculture and Agri-Food Canada discuss with the provinces on a regular basis the problem of urban sprawl.

RECOMMENDATION 10

Whereas agricultural cooperatives are powerful tools for rural development, the Committee urges the government to be flexible in enforcing its regulations and to be as innovative in its policies as the

cooperatives are in product development. The Committee further recommends that the government examine and adopt tax incentives such as the carry-over of tax on patronage dividend paid, that can facilitate the capitalization of cooperatives.

RECOMMENDATION 11

Whereas the emphasis must be placed on agricultural succession, the Committee recommends that the government examine all tax incentives that will facilitate the intergenerational transfer of farms, in particular by raising the capital gains exemption to \$1 million.

RECOMMENDATION 12

The Committee recommends that current government budgets earmarked for agricultural training be increased each year to meet farmers' growing need for technical knowledge.

RECOMMENDATION 13

The Committee here reiterates the importance of its other recommendation — recommendation 10 — on cooperatives and emphasizes that it is necessary for the government to be flexible and innovative. The Committee further recommends that the government support, notably through tax incentives, the new generations of cooperatives and other corporate structures owned by farmers, as well as the efforts of farmers who are developing business plans to market their own products.

RECOMMENDATION 14

Whereas additional on-farm activities and local value-added processing are an excellent way to give farmers more influence in pricing, the Committee recommends that the board of directors of the Canadian Wheat Board authorize, on a trial basis, a free market for the sale of wheat and barley, and that it report to this Committee on the subject.

Comment by Dick Proctor, NDP MP, Palliser, on recommendation 14:

I object strongly to any suggestion that the Canadian Wheat Board be asked to authorize use of an open market for the sale of wheat and barley, even on a trial basis. This would undermine the Board's effectiveness as a single desk seller, it would reduce returns to farmers, and eventually it would destroy the Canadian Wheat Board.

RECOMMENDATION 15

As a result of the many positive effects that renewable fuels may have on agriculture and the environment, the Committee recommends that the government establish a comprehensive policy in this field and support its development, particularly through tax incentives.

RECOMMENDATION 16

In view of the requirements of the main organic products export markets, the Committee recommends that the government and the organic sector move to establish a mandatory minimum standard for organic farming and an affordable accreditation system for certifying agencies.

RECOMMENDATION 17

The Committee recommends that, in the pursuit of an on-farm food safety strategy that will benefit consumers, retailers, processors and exporters, the government offer an adequate financial and technical support to farmers and their industries to develop and continue national on-farm food safety programs.

RECOMMENDATION 18

The Committee recommends that the government, together with groups representing farmers, launch a public education and information program on the origin of foods.

RECOMMENDATION 19

Whereas the interpretation of the previous multilateral trade agreements has not been standardized among the signatory countries, the Committee recommends that the government and its negotiators require that the rules of application of future agreements be established with a higher degree of transparency than those of the Uruguay Round. The Committee further recommends that Canadian negotiators maintain a firm position on Canada's ability to maintain supply management and that they negotiate market access for all sectors that is transparent, genuine and fairly administered by all member countries.

RECOMMENDATION 20

The Committee recommends that the government provide \$1.3 billion a year in bridge funding for the sectors most affected by the agricultural subsidies of other countries for as long as those subsidies unduly reduce the price of Canadian agricultural commodities.

RECOMMENDATION 21

The Committee therefore recommends that the federal government, together with the provincial and territorial governments, continue its consultations on the environmental component of the national action plan and establish a genuine partnership with the agricultural sector for the purpose of developing a national framework for the implementation of environmental farm plans. In addition, farmers should receive appropriate technical and financial assistance to carry out this exercise.

RECOMMENDATION 22

The Committee therefore recommends that the federal government and its partners in the provinces and territories implement effective programs to sensitize and educate all Canadians about the new national action plan on agriculture.

COMMENTARY:

As Bill C-5 is still under consideration by Parliament, it is somewhat inappropriate for the Committee to make a formal recommendation on the subject. However, the Committee nevertheless hopes that, should the bill be passed, the Department of Environment will quickly make known the terms of compensation of property owners and set aside sufficient sums for that purpose.

RECOMMENDATION 23

A marginal agricultural land conservation environmental program would provide benefits for all Canadians. If such a program were created, the Committee recommends that a fair and reasonable compensation be paid to farmers for the withdrawal of their marginal farm land from agricultural production.

RECOMMENDATION 24

The Committee recommends that DFO review its criteria for the application of section 35 on fish habitat in the context of agricultural areas and practices, and that it adopt a more standard approach for the Canadian agricultural sector as a whole which takes into account its particular socio-economic characteristics.

RECOMMENDATION 25

In order to facilitate the liaison between farmers and DFO regarding the protection of fish habitat, the Committee recommends that DFO and Agriculture and Agri-Food Canada appoint regional habitat management/agricultural coordinators, and that the two departments pay associated costs.

RECOMMENDATION 26

Whereas there is a critical mass of research that must aim to serve the public interest, the Committee recommends that the government play a leadership role and increase budgets intended for government research centres, colleges and universities.

RECOMMENDATION 27

The Committee recommends that the government base part of its research and innovation strategy specifically on the effects that bio-engineered crops could have on the environment and on Canada's ability to maintain the genetic biodiversity of crops. Furthermore, the government must better inform the public of the various types of crops and the close link between biodiversity and agriculture.

RECOMMENDATION 28

Whereas, to be a leader in food safety, Canada needs a sufficient number of veterinarians and to maintain their certification, the Committee recommends that the government immediately invest the necessary funds in the infrastructures of the faculties of veterinary medicine to develop their potential and maintain their international certification.

RECOMMENDATION 29

The Committee recommends that an ombudsperson, independent of the Pest Management Regulatory Agency and reporting directly to the Minister of Health Canada, be appointed to facilitate discussions on farmers' various needs regarding pest control.

RECOMMENDATION 30

The Committee recommends that the Auditor General of Canada conduct a value-for-money, or performance auditing, to examine the management practices, controls and reporting systems of the Pest Management Regulatory Agency.

RECOMMENDATION 31

The Committee recommends that Agriculture and Agri-Food Canada provide at least \$1 million a year in funding for a research and analysis program similar to the U.S. IR-4, that will be developed in cooperation with agricultural stakeholders to generate, or complete, the necessary data for the approval of new minor use products or to expand the use of previously approved products.

RECOMMENDATION 32

The Committee recommends that an advisor on matters pertaining to minor use pest control products be appointed to intervene in decisions and policies to facilitate activities relating to minor use products. The advisor's mandate should include a special focus on the harmonization issues with the United States, such as the equivalency of similar zone maps, and the consideration of data that already exist in an OECD country. The advisor should report to the ministers of Health and Agriculture and Agri-Food.

RECOMMENDATION 33

In response to the stakeholder feedback provided during the cross-country hearings, the Committee urges the federal government to formally consider the nation's ability to produce safe and affordable agricultural products to be an issue of national security. The Committee further recommends that, to achieve this national security objective, the federal government should aggressively pursue a course that ensures an appropriate monetary return to primary producers.

PREFACE

Nothing is permanent except change.
Heraclitus

Canadian agriculture is a mosaic of vibrant industries essential to the country's economic health. For public and private decision-makers, however, that mosaic becomes a puzzle when it comes to developing and implementing agricultural policies and programs.

Governments around the world have always played a role in the development of agriculture, which is why, even though the demographic weight of agriculture in Canada is now only approximately 1%, the sector still has a firm hold on the attention of members of the political class. This situation is clearly not unrelated to the sector's economic and social importance and to its evolution over the past 20 years. The agricultural sector, which used to be a chain which farmers were used to dealing only with the nearest links, has evolved into a complex and far-reaching web. Dealing as they do with a sector which combines agriculture and agri-food and where the concentration of industries meets the divergent interests of the numerous participants, governments now see their role becoming more problematical and their actions achieving broader scope.

Some analysts feel agriculture is in the midst of a crisis, others that it is merely in a transition phase which has nevertheless lasted for a number of years. Regardless of the diagnosis, major producer countries such as the United States and the member countries of the European Union have maintained a central role, despite calls for state withdrawal from the sector. What is more, farmers are the central focus of those countries' agricultural policies and programs, either through direct price support in the United States or a multifunctional approach in Europe.

Canada is currently proceeding with a redeployment of its agricultural strategy, and there is every indication that the form agriculture will take tomorrow is being decided today. The legislation and programs that emerge at one point in history are always based on the dominant and persistent political, economic and social reality of the time. This was true when Canada's major agricultural policies, such as supply management, the cooperative movement and the Crow's Nest Pass Agreement, were adopted, and it is still the case today. One fact is becoming increasingly clear: farmers no longer have the influence they used to have within the agri-food web, and the chronic weakness in the prices of many commodities means that their share of each dollar of agri-food expenditures is declining. It is partly to offset this lack of influence that Europe and the United States have made the farmer the central component of their policies and programs.

The fact that parliamentarians — members of the Senate Standing Committee on Agriculture and Forestry, the House of Commons Standing Committee on Agriculture and Agri-Food and the Liberal Task Force — are simultaneously proceeding with three studies is not a mere coincidence, but rather an indication of the critical situation facing Canadian farmers. Having so many parliamentarians making farmers their central concern is a powerful signal to those developing Canadian agricultural policy.

The Standing Committee is pleased to make room in the initial pages of its report for some of the comments which farmers made to it in the course of its consultations across Canada:

A Canadian commitment to agriculture is essential. Currently it seems that public attention is drawn to the farm sector around issues of food safety, environmental issues, or the farm crisis. We have to move much beyond that and recognize that a great deal of work has been put forward to address those issues.

Ms. Betty Green, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 44-10:10, Stonewall, February 18, 2002.

One of the things we need to look at — and I think this is where the federal government can play a key role — is assuming those costs when it's a consumer benefit, the whole issue of food safety.

Mr. Randy Eros, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 44-10:25, Stonewall, February 18, 2002.

Programs in the past have been designed to stay within a budget. We need a program designed to meet the needs of the agriculture industry. We need that program now. AIDA and CFIP are examples of programs that were designed to fit a budget, not address a need.

Mr. Murray Downing, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 45-17:35, Brandon, February 18, 2002.

Now more than ever before, money needs to be used wisely (...) There is no need to put a new state-of-the-art stainless steel roof on a building that is destined to collapse. We'd better start putting some new foundations under this economy before it's too late.(...) Laying the foundation creates jobs, ensures a supply of raw products for the value-added industries, builds infrastructure, and keeps the working middle class happy, productive, and financially healthy.

Mr. Andrew Dennis, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 45-17:45, Brandon, February 18, 2002.

Certainly there has been in agriculture a paradigm shift. We've seen that unfolding here in recent years. Along with the amount of change that's happened in the industry, there have been such natural disasters as droughts, which have severely affected primary producers. On the issue of long-term safety nets, I think the quicker we move in this country to one whole-farm income support program the better we'll all be. We need to focus and target our resources carefully.

Mr. Armand Roy, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 46-11:50, Davidson, February 19, 2002.

On February 6, the honourable Minister Lyle Vanclief unveiled to this committee details of what has been phrased a "new architecture for agriculture in Canada". I would like to submit that his initiative to move from crisis management to risk management, and to branding our Canadian agricultural commodities into more valuable products by advancing food safety and environment, is a good one. I would further like to suggest that these noble goals, together with incentives for renewal and encouragement for science and innovation, are dependent on the success of commercial farmers being able to make not just a net positive cashflow, but true profits in their business.

Mr. Jim Mann, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 46-9:45, Davidson, February 19, 2002.

My grandfather homesteaded. He was a homesteader, and my father was born in a sod shack on that homestead. Our family has farmed for four generations, living and working on the same farm. (...) Here we are, four generations later, less than 100 years. That's not a long time in the history of most nations. We find ourselves in a situation where for many farm families what this government does in the next five or ten years will determine whether or not there's another generation of farmers.

Mr. Newton Myers, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 47-19:25, Swift Current, February 19, 2002.

We were pretty loyal to our communities at one time. The loyalty is eroding as we have to make tough decisions now to stay viable. These are some of the things that I think people forget when you're talking about becoming more efficient. We have to become more effective. We have to do this, that, and the next thing. Who are we really doing this for? It hasn't really improved our bottom line. We grow more, do it better, and have fewer weeds. Who gets paid in the end?

Ms. Linda Trytten, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 47-21:20, Swift Current, February 19, 2002.

There are serious concerns relating to the impact of GMOs on organic production. Canola, for all intents and purposes, is no longer viable as an organic crop. The introduction of GMO wheat would probably eliminate organic grain production in Canada.

Mr. Allan Webber, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 48-10:55, Grande Prairie, February 20, 2002.

The current issue facing the pulse industry in Canada is the inclusion of peas, lentils, and chickpeas in the U.S. Farm Bill. Our experience in the past with these unfair subsidies is that they place an undue hardship on producers in Canada. I believe the role of the government should be to lobby the U.S. not to include these crops in this bill. I have been told that if they are included the production will increase. This will certainly put burdensome supplies in the market and devalue our product. I think some lobbying now could prevent a lot of future hardships in our industry.

Mr. Dave Hegland, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 48-11:15, Grande Prairie, February 20, 2002.

Some federal bureaucrats appear to have a phobia about farmers not taking money out of their NISA accounts when they're triggered. Farmers themselves are the best judges of when they need the money.

Mr. Robert Filkohazy, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 49-9:50, Vulcan, February 21, 2002.

So what is the real problem? In my eyes, it is the century-old lack of market power that is the root cause of this farm income crisis. There are several reasons why this lack of market power hits the family harder today than it did 20 or 30 years ago. We have seen a rapid concentration of mergers of companies that produce goods and services needed on the farm input side, like banks, and chemical, fertilizer, machinery and fuel producers. We have seen the same thing happening on the farm output side, with transportation, handling, processing and retailing.

Mr. Jan Slomp, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 49-11:50, Vulcan, February 21, 2002.

Changes in federal policy can play a critical role in reversing decades of food system concentration, while reducing environment degradation, which will improve financial sustainability of family farms, improve water protection and food quality. At a time when every country must begin immense changes in how it approaches issues concerning the environment, its population, and its power structures, these proposed policy changes could only strengthen Canada and its people.

Ms. Rochelle Eisen, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 50-19:05, Kelowna, February 21, 2002.

I'm really worried that we're going to be implementing identity tracking and tracing systems that make it really difficult for small and medium-sized farmers to keep up with the bureaucracy and the paperwork that might be involved. I want to know that community-based economics, like the direct farm marketing, what we do with the organic produce delivery service, and other kinds of activities that are in a local circle are not thwarted by regulations that require lots of extra work on behalf of the farmer.

Ms. Lisa McIntosh, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 50-18:50, Kelowna, February 21, 2002.

Federal policy does not recognize the contribution made by organic farmers and gardeners in sustaining and enhancing the environment or their economic contribution, because very often it's not in the GNP

And most important, Canada's agrifood policy is based on the assumption that our job is to grow edible commodities for export and not to feed the population of Canada.

*Now, I've nothing against trade. I think trade is a very important element of our food system. I personally am quite dependant on the three big Cs: coffee, citrus, and chocolate. The goal needs to be, as Brewster said in his first book, *From Land to Mouth*, to feed the family and trade the leftovers.*

Ms. Cathleen Kneen, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 51-9:35, Kamloops, February 22, 2002.

All we're asking for is a common sense approach to that bill. And perhaps if we have species at risk that are on our places we're doing something right. Perhaps we should have funding to protect or to continue to protect those species on our places rather than have the threat of that land being expropriated from us. If agricultural land is taken out of production for the species at risk legislation, then it should be fully compensated for.

Mr. Peter Phillip, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 51-9:40, Kamloops, February 22, 2002.

Grain Growers of Canada, using Ag Canada's number, has estimated the economic injury is \$1.3 billion a year for our growers. It is lost revenue as a result of foreign policies. Our producers have no means to hedge against this injury. We have no risk management strategies to avoid it. Canadian farm programs are ill-equipped to deal with this long-term injury. Disaster programs are not effective because, in the long term, economic injury tends to eliminate the gross margins that farmers would earn growing grains and oilseeds.

Mr. Ken Bee, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 54-9:45, Grand Bend, March 11, 2002.

Let me say again, that risk element is a factor, that consolidation. We must talk about it. Politically we have very little voice, being less than 2% of the population, but when it comes to importance, what is more important than food? We need it every day.

Mr. Peter Twynstra, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 54-10:30, Grand Bend, March 11, 2002.

In order to be successful, however, the new contract with Canadians requires a new paradigm on the part of the agriculture sector, the public sector, and the Canadian public. That paradigm was best reflected in the Prime Minister's remarks, already quoted, which form the fundamental premise of OFA's arguments. I'll quote again from the Prime Minister:

"The Canadian agriculture and agri-food sector is integral to our high standard of living and unmatched quality of life."

The OFA agrees, and strongly suggests that bold and immediate action such as suggested above be taken to ensure that the Prime Minister's words remain true.

Mr. Al Gardiner, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 55-9:50, Napanee, March 12, 2002.

Agriculture in Canada is at a crossroads. We have an aging population of farmers that have been and are contributing substantially to Canada's standard of living and to Canada's growing balance of payments. Many in Canada are living better today because of Canada's farmers, that is, except for the farmers themselves. Without substantial changes, this cannot and will not continue.

Mr. John Williamson, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 55-11:50, Napanee, March 12, 2002.

Canada has some of the best agricultural producers in the world for all kinds of productions. We have an international reputation for the quality of our wheat, our cattle, hogs, maple syrup, you name it. We have to build on this reputation and our government must also be competitive in relation to the US and European governments so that we producers can compete with the American and European ones.

Mr. Laurent Pellerin, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 56-14:25, St-Hyacinthe, March 13, 2002.

Just for fun, try to fry a \$100 bill. Choose either vegetable or animal fat to fry your \$100 bill in. Look at the finished product and see how it will taste. When you do that, you will see that it is not just the economic aspect of the issue that counts in agriculture.

Mr. Pierre Gaudet, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 56-15:25, St-Hyacinthe, March 13, 2002.

Aid should decline as the business grows, in accordance with the principle that large businesses, even if they are very environmentally friendly, they help to empty the land. This is a social choice. We are setting an order of magnitude. If a farm has more than 100 animals, more than 100 hectares or more than a certain gross income, he (sic) will have to do without public support from the government.

Mr. Maxime Laplante, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 57-9:35, Montmagny, March 14, 2002.

We would also like Canadian agricultural policies not to be wall-to-wall policies, from one end of Canada to the other. We would like to have agricultural policies that take into account the regional nature of the 10 Canadian provinces. Canadian agricultural producers do not have the same mentality or way of doing things across the country, and Canadian agricultural policies should not be wall-to-wall policies. It would be highly demotivating for our farmers, who form the basis of the Canadian economy.

Mr. Ghislain Cloutier, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 57-9:30, Montmagny, March 14, 2002.

If you play Australian-rules football, you have short-sleeved shirts and go up in the air, with fists and everything, with no protection at all. Some of you have seen it on television. It's the same with Australian and New Zealand agriculture. There is no protection. Then we come to the Americans. You heard about the Farm Bill this morning. The Americans and Europeans have total protection. We're in the middle, like rugby union players, with very little protection

Mr. Frazer Hunter, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 58-10:56, Truro, March 19, 2002.

I think that at all levels of organizations, governments, and industry, we must work together to make the public aware that agriculture is food and that, if you eat, you have an interest in agriculture in this country.

Mr. Charles Keddy, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 58-10:56, Truro, March 19, 2002.

On agriculture literacy — in other words, ag awareness — we think there's a place for the government to play a role here. We need a focused industry-government national strategy to raise the level of education within the Canadian public, the reason being that a lot of us feel that today's consumer is three to four generations removed from actually being on the farm (...). They've lost touch with how food is produced, and they need to be re-educated.

Mr. Robert MacDonald, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 59-11:40, Summerside, March 20, 2002.

Over the years we have absorbed many, many additional costs without the accompanying increase in price, and we simply cannot continue to operate this way. The government is promoting this policy in order to meet consumer demands. Therefore, the government should either cover the cost of the program or else develop some means by which producers can receive this elusive premium from consumers.

Mr. Vernon Campbell, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 59-12:00, Summerside, March 20, 2002.

In keeping with our vision towards the future of the farming industry, government has a role to play in ensuring there is a next generation of agriculture producers in our country. The number of farmers is decreasing across Canada, and the average age of the remaining farmers is increasing. The high cost of entering the dairy industry is prohibitive, and there must be a focus on new entrant programs or other such initiatives to encourage and assist the next generation of agriculture producers.

Mr. Robert Speer, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 60-10:10, Miramichi, March 21, 2002.

Research funded by corporations is very susceptible to bias and is used for the profit of the company and not for the good of society. The government should be involved in conducting and funding unbiased research. There are also areas of research that would not take place if there were no public funds available. Private corporations are only interested in research that could turn a profit. Research that could enhance the quality of life and the sustainability of our environment would not be a priority for them.

Mr. Ben Baldwin, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 60-10:35, Miramichi, March 21, 2002.

To ensure growth in our sector, the primary sector must be encouraged to get more involved in food processing and product development. By adding value to raw products made here, we will stimulate employment and help the primary sector remain viable. Efforts must be made to market value-added products and make stakeholders aware of this point so that the processing sector adequately supplements the primary sector. Producers must cooperate with each other and carefully target their marketing efforts.

Newfoundland and Labrador Federation of Agriculture, *Looking to the Future*, presentation to the Standing Committee on Agriculture and Agri-Food, 1st Session, 37th Parliament, no. 61, Ottawa, April 11, 2002, p. 2.

Canada should develop a national fur farming strategy. Fur farming strategies should identify crucial fur farming support infrastructures such as quality control, genetic development, research and development, training, demonstration and centralized feeding facilities, funding mechanisms, and all the things that you need to implement a proper strategy over a long period of time.

Mr. Mervin Wiseman, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 61-09:45, Ottawa, April 11, 2002.

INTRODUCTION

Agriculture is a highly capital-intensive and competitive sector in which the risks are high and often unpredictable, the returns on investment low relative to those of other sectors and the influence an individual has on the price of his products marginal. And yet there are farmers who take up the challenge and accept those high risks because they are convinced agriculture is not only part of the foundation of the agri-food sector, but also the foundation of a country.

For a number of years now, agriculture has undergone shock after shock. The Agreement on Agriculture of the Uruguay Round, which was to make agricultural markets freer and to increase food prices, has not yet met all expectations, but has disrupted farmers' operations and business decisions. In addition, new factors, such as ecological liability, biotechnology, market concentration and greater concern for food safety have arisen. As stewards of the land and entrepreneurs, farmers are ready to meet these new challenges, but they expect the government to play a role as partner and leader. This view of the government's role is moreover shared by other stakeholders in the agri-food sector.

Farmers are the foundation of this sector.

An Address by the Honourable Lyle Vancilief to the House of Commons Standing Committee on Agriculture and Agri-Food, Ottawa, February 6, 2002, p. 1.

I see government as a leader, a manager, and a team member with the agriculture industry and other stakeholders.

Hon. Ernest Fage, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 58-09:40, Truro, March 19, 2002.

When the Standing Committee began its consultation trip across Canada in February of this year, the national action plan for the creation of the Agricultural Policy Framework (APF) unveiled in Whitehorse on June 29, 2001, had just been discussed at the federal-provincial-territorial conference of ministers of agriculture held in Toronto on January 24, 2002. It is therefore not surprising that the themes of the APF repeatedly came up in the discussions. The Standing Committee's meetings showed that the concept of the APF, that is to say a concerted and comprehensive agricultural policy for a long-term strategy, is generally well perceived by Canadian farmers, but who is not in favour of virtue? In fact, one central message came out of the discussions: a new architecture for a long-term Canadian agricultural policy is needed, but that architecture must be flexible in order to be consistent with the diversity of the agricultural sectors and regions of Canada. For the government, that flexibility also means that its role sometimes amounts to simply being less present. Any new architecture must also acknowledge that farmers are the foundation of the sector, and it is imperative that that foundation be consolidated before a new structure is erected.

In addition to holding numerous meetings in Ottawa, the Standing Committee travelled from west to east and stopped in some 15 rural areas where its members met more than 350 witnesses. Some agricultural sectors and regions are doing better than others, but, as a result of the close interrelationships in agriculture, when a sector such as grains goes through an excessively long period of crisis, that can have long-term negative

impact on the rural world as a whole. The government cannot allow a portion of the foundation to collapse without fearing that that will cause a crack in the structure as a whole.

This report is divided into eight chapters, which address the major themes that arose in the Committee's meetings. Each chapter sets out the farmers' major concerns and contains recommendations that reflect the solutions proposed by those who experience the agricultural reality on a daily basis. The result is thus an up-to-date vision of the needs of Canadian farmers.

CHAPTER 1: THE FARM INCOME SAFETY NET

Agriculture is an intrinsically high-risk sector. Drought, floods, the natural cycles of certain insects, simply suddenly changing climatic conditions, remain factors that are extremely difficult to integrate into an agricultural management model. That is why major producer countries provide agricultural risk management tools.

Canadian farmers expressed considerable frustration and impatience over farm income protection programs developed in recent years. The Agricultural Income Disaster Assistance Program (AIDA) and the Canadian Rural Transition Program (CRTP) have not made it possible to respond to farmers' real needs because of their inflexibility, administrative complexity and payment receipt deadlines. Program stability, predictability and flexibility are still essential characteristics in enabling farmers to manage risk effectively. These are not characteristics of the programs recently developed, even though many witnesses consider them as fundamentally important as the provision of new government funds.

As a result of the diverse nature of Canadian agriculture, virtually no one believes that a single program can meet farmers' expectations or those of the provincial governments, which wish to retain a certain degree of latitude. One clear message came out of the committee hearings: this is not a road to take for the purposes of the Agricultural Policy Framework. However, many stakeholders appear to support an alternative.

The two main programs in the existing farm income safety net, the Net Income Stabilization Account (NISA) and the Crop Insurance Program, have for a number of years been useful risk management tools appreciated by the vast majority of farmers in all regions of Canada. However, it is now time to tweak those programs to adapt them further to current needs. Farmers often get the impression that the architects of the farm income protection programs design those programs more to fit a budget than to adjust the budget to suit farmers' needs. This attitude must change, and government funds, particularly because they are limited, must be used effectively. Canada cannot afford to

A further key role of the federal government within agriculture is to establish a sound safety net. (...) the design of any farm support program should adhere to the following fundamental principles.

Firstly, the program should be production and enterprise neutral (...)

Secondly, a well-designed program should not penalize those farmers who practice prudent risk management.

Thirdly, it should not have any adverse trade implications (...).

Agricore United, Brief to the Standing Committee on Agriculture and Agri-Food, Brandon, February 18, 2002.

In terms of the agricultural policy framework, or the APF, New Brunswick strongly supports the federal government in its attempt to consolidate support and risk management programming. We do, however, note that there are significant differences amongst agricultural regions, and that the programming must still retain the flexibility to deal with these differences.

Hon. Rodney Weston, Standing Committee on Agriculture and Agri-Food, Evidence, 1st Session, 37th Parliament, no. 60-09:25, Miramichi, March 21, 2002.

We need improvements in our safety-net system, specifically crop insurance and NISA.

Mr. Ted Menzies, Standing Committee on Agriculture and Agri-Food, Evidence, no. 49-11:30, 1st Session, 37th Parliament, Vulcan, February 21, 2002.

repeat the mistakes of the AIDA program. Now is the time to become innovative with the architecture of the programs that already make up the farm income protection net and that of those that will be developed in the future. The various programs of the safety net must be complementary and based on one another to provide farmers with a combination of tools enabling them to manage short- and long-term risk. Consequently:

RECOMMENDATION 1

The Committee recommends that the Net Income Stabilization Account be improved, in particular by increasing the federal government's contribution, introducing greater flexibility in withdrawal mechanisms and transforming the program to make it more accessible to new farmers by adopting a formula tailored to their situation.

Crop Insurance is another program that has proved its worth as a risk management tool. Although this production risk protection program is appreciated by producers, certain criticisms were constantly repeated: protection levels are inadequate and production costs are not covered. These are relatively traditional demands by farmers, who would like to have a flexible protection program, such as the Crop Insurance Program, which also affords long-term income stability. In fact, many farmers still have in mind the Gross Income Insurance Program, which played that dual role. Crop Insurance is not a priori an income stabilization program, but it is still possible to add certain features to the program to meet this need identified by farmers. Market conditions change quickly, production costs are higher and new crops and new productions methods have appeared. In the circumstances, a program such as crop Insurance must adapt to the changing conditions of the agri-food industry. Consequently:

RECOMMENDATION 2

The Committee recommends that the government review the Crop Insurance Program to adapt it more effectively to new production conditions, in particular by introducing more flexibility in computing averages and areas where losses occur and increasing its funding to provide greater individual protection and higher price options more consistent with actual production value.

If these changes are made to NISA and the Crop Insurance Program, Canadian farmers will have better risk management tools. However, major natural disasters which last or appear to reoccur more frequently than in the past are still difficult to predict and manage, and solutions to offset their effects are still hard to define. Regardless of the option government selects, there is clearly a moral risk which farmers will always have to assume. In the view of the Standing Committee, which has published two reports on the subject over the past four years, there is nothing new about this subject and committee members clearly understand farmers' frustrations. Floods and severe drought will not

disappear, which is not the case of the farmers affected by them. To settle this recurring debate and to shift once and for all to genuine “risk management rather than crisis management”, the Committee makes the following recommendation:

RECOMMENDATION 3

In the case of natural disasters, exceptional or prolonged, the Committee recommends that Agriculture and Agri-Food Canada establish a permanent compensation fund capped at \$1 billion. This would form a contingency fund to provide farmers registered for crop insurance with full compensation, covering the loss of the estimated gross revenue, and the annual minimum contribution would be \$500 million subject to the ceiling of \$1 billion. By favouring crop insurance as a compensation vehicle, the Committee acknowledges that farmers must assume a moral hazard.

CHAPTER 2: RURAL DEVELOPMENT AND AGRICULTURE

A. Rural Development: Should or Shouldn't Targeted Support Programs be Adopted Based on Farm Size?

One school of thought among the architects of agricultural programs holds that government transfers should be targeted to farms with the highest average production in the country. According to Agriculture and Agri-Food Canada data, approximately 20% of farms account for 80% of total annual agricultural production. At the national level, large farms, that is those with sales of \$100,000 or more (31% of all farms) receive 96% of net farm income and 80% of payments from government programs; small and medium-size farms, those with sales between \$10,000 and \$99,999 (35%), account for 10% of net farm income and receive 19% of payments from government programs; lastly, hobby farms, that is those with annual sales of less than \$10,000 (34% of the total) receive 1% of government payments and represent 6% of net farm income.

In light of the statistics, it is readily understood why certain analysts are tempted to allocate public funds to the largest farming operations. However, if government were to proceed in this manner, it would disregard the diverse nature of Canadian agriculture and the importance of smaller agricultural operations for the viability of rural regions. None of the witnesses who appeared before the Committee suggested that agricultural policy should exclusively target a particular group of farmers. For that reason:

RECOMMENDATION 4

The Committee recommends that present and future government agricultural support programs remain accessible to everyone who qualifies as a farmer so that the diverse nature of agriculture and the importance of all types of farms, large and small, for the viability of rural areas be taken into account.

B. Rural Development: Establishing Infrastructure and Tax Incentives for Agriculture

In rural areas where the economy is mainly based on agriculture, there can be no doubt that farm profitability is still the best guarantee of success in maintaining viable development. However, profitability in recent years, particularly in cereals and oilseeds, has considerably declined and constitutes a negative factor for rural renewal. If grain prices were to remain at low levels for much longer, there might not be a next generation of farmers, a situation that would result in a major restructuring of the sector. Of course

production could become more concentrated in the hands of a limited number of producers without there being any significant change in total output, but that might mean the deterioration, and even dismantling, of certain rural communities.

Basically, this program ["Organic Farm Mentorship Program"] links up experienced, successful organic farmers with new farmers in their area of the province. They work together throughout the season to develop food products that the young farmer will then be able to market off of their own farm. Through this program we're hoping to encourage a regeneration of our rural communities. From facilitating this program and from working within rural Manitoba throughout the last ten years, I have seen an ever-decreasing number of young people, of people my age, who want to stay in the farming area and who want to be based in rural Manitoba. It's a very depressing thing for me. Like many other presenters here, I wonder who the next generation of farmers will be.

Ms. Charlene Rowland, Standing Committee on Agriculture and Agri-Food, Evidence, no. 45-17:30, 1st Session, 37th Parliament, Brandon, February 18, 2002.

Well, our rural communities will deteriorate more. I don't know who will replace this base. (...) I don't know how you're going to stop it, but if you don't support the majority of the farmers left there now, then it's just going to expand on a much faster basis.

Mr. David Smith, Standing Committee on Agriculture and Agri-Food, Evidence, no. 54-15:30, 1st Session, 37th Parliament, Grand Bend, March 11, 2002.

For rural communities to be sustainable, active participation is imperative. One should not underestimate programs, such as the 4-H, which promote projects that develop real life skills, such as leadership and social skills. As mentioned by one witness: "the 4-Hers are the foundation of any future in our country" (Ms. Velna Dickson, Standing Committee on Agriculture and Agri-Food, Evidence, 1st session, 37th Parliament, n° 60, Miramichi, March 21, 2002). Programs that promote participation and extension services in rural communities are an integral part a agricultural policy. Agriculture and Agri-Food Canada should continue, and even increase, its support to such programs.

A number of witnesses expressed their concerns about the future of their communities, but also stated that there was no single solution or panacea for rural renewal. Some European countries have taken measures to retain a critical mass of farmers in the countryside, but,

in a country as vast and diversified as Canada, a European-type approach to agriculture seems more difficult to establish. As there are many aspects to rural development, government intervention should always be carried out in partnership with local authorities, failing which its impact will be diluted. The Rural Secretariat follows this partnership approach, and positive results are being felt. Here too government must be innovative and dare at times to go off the beaten path. If direct government expenditures on infrastructure, venture capital investment and new business development are good ways to stimulate rural development, any other measure that promotes agricultural profitability should not be neglected. Farm tourism, the creation of value added in rural areas and the establishment of non-traditional industries such as the biofuel industry are often better served by tax incentives. For this reason:

RECOMMENDATION 5

The Committee recommends that the government give special attention to tax incentives that may promote the development of rural communities — in particular through value added, biofuels and farm tourism — and be innovative in its use and application of tax measures.

In addition, witnesses from across Canada told the Committee that government investment in infrastructure was inadequate. To keep young farmers and their families on their farms, or even maintain a critical mass of population, and to attract new investment for higher value-added processing or the development of new products and services, farm communities must be able to provide a range of services such as medical centres, schools, a telecommunications network and roads, all in an integrated whole. Infrastructure development is sometimes more of a response to political issues than to the actual needs of rural populations. It is imperative that the various levels of government work together to a common end: the viability of rural regions. To this end, Rural Dialogue, which is under way as part of the Canadian Rural Partnership and is now in its fourth year, has made it possible to harmonize and better understand the needs of communities. Consequently:

RECOMMENDATION 6

Whereas the federal government must draw on the lessons learned over the past four years of Rural Dialogue, the Committee recommends that funds be invested in the development of infrastructures that meet the demands of farmers and other rural stakeholders.

C. Rural Development: Grain Transportation and the Road System

The reform of grain transportation in western Canada was discussed on a number of occasions. Farmers are still adjusting to ongoing changes, but the promise of greater efficiency in grain transportation has not yet been fulfilled. In fact, secondary effects of the reform are beginning to be felt, for example, in the form of safety of the road system. And yet there are solutions to these problems, such as producer cars, the loading methods for which have evolved and adapted to producer needs. In certain regions, these cars are a competitive and effective solution to primary silo operations, without putting pressure on the road system. However, witnesses disagreed on how producer car loading facilities should be regulated. The Canadian Grain Commission perceives those facilities more as primary silos under the act and for the purpose of granting operating licences, even if they are only used to load producer cars. Consequently:

Safety is another issue there. Do you want all these farmers buying junky old trucks and hauling their grain to these high-output elevators? That's where the producer car comes in. I could go two miles from where I live to load a producer car if there was a facility there of some sort, instead of driving this big old truck 60 miles and jeopardizing a lot of lives.

Mr. Ron Matula, Standing Committee on Agriculture and Agri-Food, Evidence, no. 48-12:55, 1st Session, 37th Parliament, Grande Prairie, February 20, 2002.

RECOMMENDATION 7

The Committee recommends that the government, with the provincial governments, invest more in the road system in western Canada.

Furthermore, since the use of producer cars is an effective and competitive method for transporting cereals, the Committee recommends that the government and the Canadian Grain Commission facilitate the use of this method, in particular by protecting producers from financial losses which could result from damage to grain in transport or bad elevator debts.

D. Rural Development: Farmers are Stewards of the Land

A number of farmers stated that their role as stewards of the land was becoming more complex as the government regulated species at risk, habitat and other environmental measures. Furthermore, the environmental plans proposed in the new Agricultural Policy Framework raised not only concerns about the costs they will incur, but also questions as to whether Canada is not in fact pursuing an approach in which farmers play an official role as stewards of the land without providing them with the compensation that must be offered under such a strategy. To clarify the situation:

RECOMMENDATION 8

The Committee recommends that the rural Secretariat's next action plan, which will be developed from 2002 to 2004, include a specific component on agriculture and the environment so that the important role of farmers is defined and recognized. The Committee further recommends adequate compensation for measures aimed at protecting the environment and the landscape in recognition that farmers play an important role in the stewardship of the land.

E. Rural development: Urban Sprawl

The disappearance of rich farmlands in favour of non-agricultural uses has always been a concern. The profitability of agriculture still remains the best tool for countering this phenomenon, but certain rural regions are suffering the consequences of the fact that prices of certain commodities have remained at low levels for some time, thus leaving the door open to urban sprawl. Unless there is a serious reversal in the price of cereals — which few analysts anticipate in the more or less near future — certain agricultural regions could lose a relatively large percentage of their agricultural lands. Consequently:

RECOMMENDATION 9

The Committee recommends that Agriculture and Agri-Food Canada discuss with the provinces on a regular basis the problem of urban sprawl.

F. Rural Development: The Role of Cooperatives

The Committee met a number of stakeholders who emphasized the importance of the cooperative movement in rural communities. At a time when there is a convergence of businesses and market concentration, forcing large businesses to rationalize their operations, cooperatives remain more integrated in their communities. Agriculture and Agri-Food's Cooperatives Secretariat aims precisely to help citizens create cooperatives and ensure their development and promotion. However, stakeholders informed the Committee that cooperatives, which must innovate in order to develop niche markets, are coming up against bureaucratic resistance in the areas of new product design, tax changes and the interpretation of certain regulations. Other witnesses told the Committee that cooperatives, unlike large public businesses, have more trouble financing themselves and that the government should play a role in facilitating their capitalization.

We would like you to note that the food regulatory requirements set down by the federal government have been a challenge for the introduction of these ethnic products. It sometimes seems that they are trying to fit a square peg into a round hole.

The Northumberland Cooperative, Brief to the Standing Committee on Agriculture and Agri-Food, Miramichi, March 21, 2002.

Bureaucratic resistance in acknowledging farmers' true needs was a recurring theme of the Committee's hearings across Canada, and it appears to indicate a certain lack of understanding on the government's part of the agricultural economic reality. There can be no doubt that agricultural cooperatives can be powerful tools for agricultural development and rural communities. The government must keep an open mind, remain flexible in its regulations and be as innovative in its policies as the craftsmen and entrepreneurs who work hard to establish economic activities in rural areas. Consequently:

RECOMMENDATION 10

Whereas agricultural cooperatives are powerful tools for rural development, the Committee urges the government to be flexible in enforcing its regulations and to be as innovative in its policies as the cooperatives are in product development. The Committee further recommends that the government examine and adopt tax incentives such as the carry-over of tax on patronage dividend paid, that can facilitate the capitalization of cooperatives.

G. Rural Development: Intergenerational Transfer of Farms

We are presently looking into taxation and other measures that make it difficult to transfer ownership of a farm operation. (...) As far as gifts are concerned, I can transfer ownership to my children as a gift, and that gift is not taxable. I can do that for my own children, but I cannot do it for my brother's children or for a stranger. Then the gift become taxable. That rule and others make it difficult to transfer a farm operation to non family members. When a producer has worked on a farm for some 40 or 50 years, often times which he acquired from his parents, he is not anxious to see the operation dismantled. That is certainly not his first choice. His choice would be to sell the farm so that it can continue to operate. Tax rules at present do nothing to help him do that.

Mr. Marcel Groleau, Standing Committee on Agriculture and Agri-Food, Evidence, no. 57-12:20, 1st Session, 37th Parliament, Montmagny, March 12, 2002.

The intergenerational transfer of farms was a major theme of the Committee's meetings in all regions of the country. Farmers are very much concerned with this issue because many of them see their businesses as a work that must be passed on. Many witnesses represented the third, fourth and even fifth generation to occupy their farms, and just as many feared for the next generation. Although they hope their operations will survive them, farmers today show a certain degree of resignation. For a number of them, the risks inherent in farming are now too high, and they understand why their children are reluctant to take over. At the same time, however, they are

not giving up and are continuing their efforts to facilitate the transfer of their farms to the next generation and to find solutions enabling them to do so. According to Statistics Canada, the average age of farmers in Canada is over 55, and an estimated 125,000 farmers could retire in the next decade. The debate over the transfer of farms helps in understanding how interconnected Canadian agriculture is. Farm profitability is on the downswing because of foreign subsidies which depress commodities prices; to counter this phenomenon, farms are expanded through capital injections and technology; as a result, the countryside has slowly depopulated, which is reminiscent of what has occurred in certain regions of the American Midwest, where there is still agricultural production, but a lack of rural life.

The Committee's hearings clearly showed that this is not an option for Canada. The discussions focused more on ways of attracting young people to take over, rather than to enable current farmers to leave the sector. We cannot afford to create programs to help a cohort of more than 100,000 individuals leave the sector without also attempting to replace it. To maintain a balance, we must work on both sides of the equation. All stakeholders admit that policies and programs that improve the economic viability of farms or improve market prices are the best ways to keep or attract the next generation. However, while waiting for better economic times, the government has a role to play to facilitate the transfer of farms. Consequently:

RECOMMENDATION 11

Whereas the emphasis must be placed on agricultural succession, the Committee recommends that the government examine all tax incentives that will facilitate the intergenerational transfer of farms, in particular by raising the capital gains exemption to \$1 million.

Operating a modern farm business requires a set of technical knowledge of matters ranging from planting seedlings to marketing. Statistics show that new farmers who have sound technical knowledge and have taken advantage of some form of learning are better equipped than others for success. Witnesses maintained that training should not be a prerequisite for setting up in farming, but that it appears to be necessary. For that reason:

RECOMMENDATION 12

The Committee recommends that current government budgets earmarked for agricultural training be increased each year to meet farmers' growing need for technical knowledge.

CHAPTER 3: CONCENTRATION IN THE AGRI-FOOD SECTOR, VALUE ADDED, ORGANIC FARMING AND BIOTECHNOLOGY

Witnesses associated the themes addressed in this chapter with the government's regulatory role in agri-food. While considering it necessary that the government establish standards and regulations in the field, witnesses nevertheless thought it should be flexible and, in certain cases, simply play the role of spectator rather than that of direct intervenor.

A. Concentration of Agri-food Businesses

In recent years, farmers have lost considerable influence both downstream and upstream from the farm. Globalization of the agricultural economy has transformed the agri-food “chain” into an agri-food “web” and forced many businesses to merge their operations. This convergence strategy enables a business to integrate its various operations so it can better dominate or even control a sector. Whereas a business previously could limit itself to selling agricultural inputs, it can now extend its operations right to the consumer's plate, while carrying out non-conventional agricultural activities such as the production of biofuels or nutraceuticals.

Unfettered globalization in trade and the ever-increasing rate of consolidation of the food processing, wholesale, and retail businesses all conspire to result in lowest common denominator prices for the primary producers. Government has enthusiastically embraced globalization and appears unwilling or helpless to do anything about the wholesale vertical integration of the food industry. A small handful of mega-operations control everything from seed and chemical production to food processing.

Mr. Hans Bouma, Standing Committee on Agriculture and Agri-Food, Evidence, no. 60-10:00, 1st Session, 37th Parliament, Miramichi, March 21, 2002.

While the agri-food web was being rationalized, farmers remained roughly what they had always been: individual entrepreneurs, generally independent of one another, whose connections to the market were limited to a few links upstream and downstream from the farm. As the agri-food system economy has evolved, farmers have adapted their production methods and become more efficient, but have not created alliances that would have enabled them to increase their influence beyond the farm. Cooperatives and the supply management system have enabled some farmers to maintain their influence, but many are still facing declining margins. In a market as competitive as agri-food, it is not easy for a player to regain the influence he has lost. It seems clear, however, that the solution to this situation will lie in a market approach which will enable farmers to gain more from their production. Witnesses moreover informed the Committee that the challenge in agriculture is not merely to produce, but to market from the farm. For that reason:

RECOMMENDATION 13

The Committee here reiterates the importance of its other recommendation — recommendation 10 — on cooperatives and emphasizes that it is necessary for the government to be flexible and innovative. The Committee further recommends that the government support, notably through tax incentives, the new generations of cooperatives and other corporate structures owned by farmers, as well as the efforts of farmers who are developing business plans to market their own products.

B. Canadian Wheat Board

The Standing Committee cannot travel to consult Canadians without triggering discussions on the Canadian Wheat Board (CWB) as those for and against a mandatory CWB appear to share hearing time and each make valid arguments, it is often difficult to determine exactly whether one group is more right than the other.

It is still striking, however, that this debate has gone on so long. There is no other example of this kind of situation in the field of Canadian agricultural policy. Some producers who benefit from supply management may have different views on the orientations of their marketing system, but their arguments never take on the scope of those concerning the CWB.

When visiting Ontario and Quebec, the Committee observed that the grain producers of those two provinces enjoy increasing flexibility in the marketing of their wheat and barley. Although it must be acknowledged that the volumes produced by those

Ministers agreed that work must continue on other issues such as transportation and value-added production so that the sector can realize its full potential, through diversification and growth. (...)

Governments agree to help farm families to pursue options including: maximizing income through improvements to the farm operation, (...) enhancing income through additional economic activities on-farm.

Federal-Provincial-Territorial Communiqué, *Ministers Set Out a Vision for Agriculture*, Whitehorse, June 29, 2001.

provinces bear no relation to those in Western Canada, there is nevertheless a lack of uniformity, which does nothing to resolve the debate on the CWB's future role.

We can only observe that it is not healthy for the grain sector to have devoted so much energy for so long to a debate which invariably comes to a dead end. However, one emerging factor is a concern. As a result of the current transition characterized by low grain

prices and producers' loss of influence over pricing, one of the ways that could be adapted to restore more power over markets to farmers would be to increase on-farm economic activities. This path is moreover that concerned by certain recommendations made in this report. It is also part of the new vision for agriculture (see box).

Witnesses again informed the Committee that the producer direct sales process (better known as the buy-back policy) established by the CWB is not flexible enough and that it does not encourage local processing activities. The voices of organic wheat producers were also part of this debate. Organic production is considered a niche market and a good way for certain young farmers to start out in agriculture, particularly because of low production costs. However, the terms and conditions imposed on organic production are often perceived as a deterrent. Changes made over the years to improve the buy-back policy have not always put an end to criticism, which, on the contrary, is now on the increase.

In the Committee's view, the Agricultural Policy Framework affords interested parties an excellent opportunity to innovate and experiment with new avenues. Consequently:

RECOMMENDATION 14

Whereas additional on-farm activities and local value-added processing are an excellent way to give farmers more influence in pricing, the Committee recommends that the board of directors of the Canadian Wheat Board authorize, on a trial basis, a free market for the sale of wheat and barley, and that it report to this Committee on the subject.

Comment by Dick Proctor, NDP MP, Palliser, on recommendation 14:

I object strongly to any suggestion that the Canadian Wheat Board be asked to authorize use of an open market for the sale of wheat and barley, even on a trial basis. This would undermine the Board's effectiveness as a single desk seller, it would reduce returns to farmers, and eventually it would destroy the Canadian Wheat Board.

C. Value Added: From Traditional Farming to the Life Sciences

Canada's new agricultural strategy is based to a large degree on value added, and the Standing Committee's meetings show that a number of players in the agri-food sector support this approach. The Committee was able to visit the Food Research and Development Centre in Saint-Hyacinthe, which enables entrepreneurs to develop higher value-added products quickly and profitably. The Centre offers a library service, access to information service and a commercial pilot facility rental service, which are powerful levers for innovating and creating products.

A very quick example of value-adding is that on our farm we take a \$40 bin of apples, convert it into juice, and retail it for \$500, or we can dry it and turn it into \$1,500. So the numbers are there. I believe that direct farm marketing has not been identified as a major contributor to agriculture, and I think that its future is as bright as many others.

Mr. R.A. Gatzke, Standing Committee on Agriculture and Agri-Food, Evidence, no. 50-17:00, 1st Session, 37th Parliament, Kelowna, 21 février 2002.

On the one hand, the government appears to be truly resolved to create a viable agricultural industry, but, on the other hand, it raises barriers preventing its sustainability.

Farmers of North America Inc., Presentation to the Standing Committee on Agriculture, Davidson, February 19, 2002.

As defined by the vast majority of agri-food sector stakeholders, creating value added embraces every means by which farmers can secure a larger share of consumer spending in this area. This definition thus includes direct sales and on-farm processing, the production of products specific to niche

markets, and involvement in transportation or processing industries. Farmers and other agri-food sector participants displayed considerable interest and frustration in this regard. The initiatives of farmers and entrepreneurs are too often blocked by government or bureaucratic meddling. Witnesses emphasized that the government's role has a number of facets, including being simply less present at times.

I want to leave you with one thought before I finish. If you remember nothing else from what I've said, there was a Professor Michael Evans from the Kellogg School of Management in the U.S. who did a study a couple of years ago that concluded that for every dollar the U.S. federal government invests in the ethanol program, \$5.50 is returned to the economy in the form of new revenue, lower farm subsidies.

Mr. Bliss Baker, Standing Committee on Agriculture and Agri-Food, Evidence, no. 54-12:35, 1st Session, 37th Parliament, Grand Bend, March 11, 2002

Value added, which is the component of knowledge-based products, is a concept that embraces a host of economic activities, some of which, such as the life sciences, for example, are new. All issues relating to biotechnology, new foods, nutraceuticals and the agricultural production of non-food products such as biofuel will require the government to think in new ways, just as they have made it necessary to adopt new marketing strategies. Biofuel production is

an economic activity the cascading repercussions of which are highly promising for the agricultural production sector. Governments will thus have to think about developing a better renewable energy policy. Consequently:

RECOMMENDATION 15

As a result of the many positive effects that renewable fuels may have on agriculture and the environment, the Committee recommends that the government establish a comprehensive policy in this field and support its development, particularly through tax incentives.

D. Biotechnology in Agriculture

Science isn't something to be afraid of. We have to do a good job of communicating issues to the end consumers, at the same time really taking a hard look at the science and at the purpose of it. Is it just to increase profits for corporations, or is it to give farmers new tools? Ongoing dialogue and continued education are important, things we should not be afraid of.

Mr. Geoffrey Kime, Standing Committee on Agriculture and Agri-Food, Evidence, no. 54-10:45, 1st Session, 37th Parliament, Grand Bend, March 11, 2002.

Although it has its detractors, biotechnology is a way of the future for agriculture. Biotechnological applications for farm production, particularly in the grains and oilseeds sector, are relatively recent, and it is thus entirely natural — and healthy — for the present debate to be taking place. Governments, consumers, farmers and private

and public sector scientists must engage in a process of consultation and dialogue. At a time when the very definition of genetically modified products varies from individual to individual and from one country to the next, consultations such as those conducted by the Committee across Canada and those the Standing Committee held in Ottawa specifically on the labelling of genetically modified food and its impacts on farmers¹ are still the best tools for informing people, demystifying the question and determining the direction biotechnology will take. Some groups called for a moratorium on the development of new bioengineered products, but most witnesses were in favour of dialogue and better dissemination of information in the field.

Furthermore, the Canadian Wheat Board reiterated its recommendation on bioengineered wheat and barley before the Committee: approvals of those two grains in Canada should not be authorized unless markets require and accept them. To the extent everyone acknowledges that it is ultimately the consumer who decides and that producers are now more than ever attentive to market signals, this policy seems trivial. Citing canola as an example, the Alberta Association of Canola Producers told the Committee that, contrary to certain beliefs, Canada has not lost markets as a result of the production of bioengineered canola. Although it appears to be more accurate to say that producers have lost “sales” rather than markets, it must be acknowledged that Canadian producers are adjusting to demand from buyers, particularly in Japan, some of whom demand conventional canola, others not. Canola, bioengineered or otherwise, thus essentially remains subject to free market conditions.

First of all, we haven't really lost any markets due to genetically modified organisms. We haven't lost any markets. Europe is a red herring. The European Community produces more canola-quality rapeseed than Canada does. They're our major competitor in the export markets, and above niche markets they do not receive any substantial premiums from price.

Mr. Ward Toma, Standing Committee on Agriculture and Agri-Food, Evidence, no. 48-11:40, 1st Session, 37th Parliament, Grande Prairie, February 20, 2002.

The chapters of this report on the environment and R&D address specific biotechnology issues that were raised during the Standing Committee's cross-Canada meetings.

E. Organic Farming

Organic farming is part of the arsenal of a group of farmers taking aim at market niches. Some would like Canada's agricultural policy to take a resolute step toward organic farming, but, in the minds of others, organic farming is a value-added activity which also has a positive impact on the environment. Organic farming does not compete with conventional agriculture, but rather complements it. This is an expanding sector because the market is stimulated by the

However, I'd also like you to approach Agriculture Canada and the federal government to encourage them to develop a vision for organic agriculture in Canada and the benefits that organic agriculture can provide.

We should not look at this issue in terms of a type of agriculture which is in direct competition with traditional farming, but rather as something that is complementary. We should also consider this type of agriculture as meeting specific market demands.

Mr. Pierre Gaudet, Standing Committee on Agriculture and Agri-Food, Evidence, no. 56-15:25, 1st Session, 37th Parliament, St-Hyacinthe, March 13, 2002.

¹ House of Commons, Standing Committee on Agriculture and Agri-Food, *Labelling of Genetically Modified Food and Its Impacts on Farmers*, 1st Session, 37th Parliament, 5 June 2002.

demand of customers requiring this type of product. Because it requires fewer inputs, is generally carried out on a smaller scale than conventional farming and appears to generate good income, organic farming may in some instances be a promising alternative for young farmers wishing to establish themselves. The major problem facing this type of farming is typical of non-traditional sectors, that is to say the development of a vision for its growth and development.

In the United States and the countries of the European Union (EU), there is a mandatory minimum standard for organic agriculture. Those countries also require that certifying organizations meet the provisions of ISO Guide 65, an international standard defining correct certification practices. Starting in 2005, every country wishing to export to the EU will have to have adopted a national organic farming standard and a certification process deemed equivalent to those of the EU.

The national organic farming standard developed at the Canadian General Standards Board was published in 1999. It is a consensus document that serves as a guideline for certification agencies and is not a mandatory minimum standard for organic production in Canada. There are more than 40 organic product certification agencies in the country, and each uses its own standard. Some provinces such as Quebec have thus regulated the industry and impose a mandatory minimum standard to maintain the integrity of the "organic" designation and to prevent consumer confusion. Some feel that the absence of a mandatory minimum national standard for organic production undermines the industry's credibility among consumers in Canada and in international markets.

The federal government is also involved in a program to assist certification agencies that so wish in obtaining Canadian Standards Board certification. Organic product certification agencies certified before the end of March 2003 will be able to claim up to 50% of their accreditation expenses to a maximum of \$25,000. Accreditation guarantees that the certifying agency meets:

- ISO Guide 65 requirements and
- the minimum requirements of the national organic farming standard.

This accreditation system must enable organic farmers certified by accredited agencies better access to certain export markets. However, it is considered expensive for certification agencies which are often owned and managed by the organic farmers themselves. Since the program started in June 2001, only two certification agencies have applied to the Canadian Standards Board for accreditation. Furthermore, many fear this system does not meet the requirements of certain markets, particularly that of the European Union.

RECOMMENDATION 16

In view of the requirements of the main organic products export markets, the Committee recommends that the government and the organic sector move to establish a mandatory minimum standard for organic farming and an affordable accreditation system for certifying agencies.

Furthermore, since organic farming complements conventional agriculture, the government should develop a research strategy specifically to meet organic farmers' needs.

Establishing a minimum standard would undoubtedly provide a practical tool for marketing organic products, but this sector is still coping with a more fundamental problem which constitutes a major challenge for its survival: the issue of crop contamination through cross-pollination between organic crops and those produced by bio-engineered seedlings, an issue that was raised on a number of occasions. It is imperative that buffer zones be established permitting organic certification, but this has proved problematical in certain agricultural regions. Some witnesses suggested that agricultural regions reserved for organic

production be created in the provinces. However, this approach seems quite unfeasible, indeed even impossible. For example, the transportation of grains over long distances constitutes a crop contamination vector which could even affect protected regions. Solutions to this problem are not clear, but the right to produce organically must nevertheless be respected in the same way as the right to produce in the conventional manner. One of the best solutions to facilitating the cohabitation of both methods appears to reside in research and innovation specifically based on this problem.

The cross-pollination with the organic growers, from a producers' point of view, is unfortunate. And unfortunately, the crop we have used readily cross-pollinates. That is the reality of life, and there's no use skirting it. It has created problems, but I don't know what the answer is. To say it's not an issue may not be accurate if you're growing organic crops. But if you could test for cross-pollination within varieties of canola, I'm sure you would find it. As to whether there is or isn't a safety factor involved, I guess we're talking here about details that eventually people are going to have to lay to rest. It's a philosophical discussion, and unless there's a proven hazard, it's Mother Nature at work.

Mr. Nico van der Giessen, Standing Committee on Agriculture and Agri-Food, Evidence, no. 48-11:35, 1st Session, 37th Parliament, Grande Prairie, February 20, 2002.

CHAPTER 4: FOOD SAFETY AND QUALITY: POWERFUL MARKETING TOOLS

Food safety and quality are key elements of Canada's new agricultural policy:

As Canada's Minister of Agriculture and Agri-Food, I am working with provincial and territorial agriculture ministers, as well as industry, to develop an agricultural policy that will put Canada ahead of the competition and brand Canada as the world leader in food safety, innovation and environmental protection.²

Canada has an established reputation as a supplier of high-quality agricultural products. The international success of Canadian exports may be explained in large part by the Canadian agri-food system's ability to continually offer its customers healthy and reliable agricultural products. The stable quality of agricultural products is a powerful marketing tool. Canadian consumers also enjoy the high quality of foods produced in Canada, without really knowing how complex the agricultural production and inspection system is.

Remaining a food quality leader requires and will require sustained efforts by governments and industries, some of which, such as the chicken and cattle industries, have deployed new safety and tracability strategies to meet growing consumer demands. Whereas consumer concerns about food safety and quality used to focus mainly on activities downstream from agricultural production, incidents such as the mad cow disease crisis and the foot and mouth epidemic in Europe have drawn consumer attention to on-farm production. At their meeting in Whitehorse in June of this year, the ministers of Agriculture agreed on the following vision:

Canada is the best country in the world in terms of on-farm food safety. This vision is only attainable if we have comprehensive, cost-effective, and consistent implementation all across Canada.³

After focusing mainly on food processing and distribution, Canada's policy on food safety and quality now aims to be more comprehensive than ever in order to respond to growing integration in the sector. As in other economic sectors, agri-food is striving for total quality. Food safety and quality assurance and certification systems, such as the Hazard Analysis and Critical Control Point System (HACCP), make it possible to ensure greater quality control and serve as promotional tools because consumers are sensitive to them.

² Agriculture Canada, *Message from the Minister — An Architecture for Agricultural Policy in the 21st Century*, http://www.agr.gc.ca/cb/apf/minister_e.html, April 2002.

³ Federal-provincial-territorial communiqué, *Ministers Set Out a Vision for Agriculture*, Whitehorse, June 29, 2001, p. 5.

The farmers the Committee met acknowledged the importance of food safety at all levels of the agri-food chain, but remained circumspect about the unknown details of the proposed strategy, particularly as regards the additional costs they will have to pay to meet safety standards and the degree of responsibility that will be assigned to them. As on-farm certification systems and standards established by the government are generally complex and burdensome — the organic certification process moreover is a clear example of this — farmers wonder whether, once again, they will have to bear the burden of a government policy which may indeed enhance Canada's reputation, but further erode their profit margins. Consequently:

RECOMMENDATION 17

The Committee recommends that, in the pursuit of an on-farm food safety strategy that will benefit consumers, retailers, processors and exporters, the government offer an adequate financial and technical support to farmers and their industries to develop and continue national on-farm food safety programs.

A comprehensive on-farm food safety strategy means that the level of farmers' liability will go up a notch. Monitoring and tracing systems, which are necessary to ensure the safety systems, are obviously useful tools in circumscribing disease or pathogen centres in the agri-food chain, but thereby make it possible to hold the agricultural producer directly accountable. Consequently, is it realistic to consider a scenario in which a processor or retail chain might sue a farmer for pecuniary losses resulting from the withdrawal of a product? If that is the case, it is imperative that it be determined whether Canadian producers have access to the necessary protection tools to guard against lawsuits. The Committee urges the government and the agri-food sector to examine this issue carefully.

This is where we need help. We need a bigger package to promote awareness about food — not the issues of food quality, but the basics of where it comes from and how important it is — in all of our schools so that all of our children and educators understand this inherently.

Ms Pamela Stanley, Standing Committee on Agriculture and Agri-Food, Evidence, no. 54-15:00, 1st Session, 37th Parliament, Grand Bend, March 11, 2002.

According to many witnesses, the government has a central role in public education which it has not always properly performed. The Farm Bill, which is reviewed every five years, affords the U.S. government an excellent opportunity to inform citizens on the agricultural sector's merits. The European Union does the same with its common agricultural policy, which enhances the visibility of

agriculture and informs people about the importance of the food supply, which starts on the farm. At a time when the farming population is declining, production is being concentrated and market requirements are forcing food processing and over-processing, consumers are losing sight of the origin of food at virtually the same rate as farmers are losing their influence. In Canada, the absence of a regularly renewed agricultural policy merely accentuates the lack of public information and interest. The current development of an architecture for agricultural policy in the 21st century offers an exceptional

opportunity to better inform and educate Canadian citizens on the foundations of agriculture. Consequently:

RECOMMENDATION 18

The Committee recommends that the government, together with groups representing farmers, launch a public education and information program on the origin of foods.

CHAPTER 5: INTERNATIONAL TRADE AGREEMENTS

As leader in international trade negotiations and the administration of trade policies, the government plays a crucial role for the entire agriculture and agri-food sector. Regardless of whether Canadian agricultural producers are efficient, processors are innovative and exporters find outlets in the global market, it is enough for market access negotiated by the government to be insufficient for all the development efforts by other stakeholders to be blocked. The Agreement on Agriculture of the Uruguay Round did not meet all expectations of Canadian farmers. In the view of producers who benefit from supply management, market access has been more of a one-way affair. Canada has opened its markets to foreign products in compliance with the spirit and letter of the Agreement, whereas many other countries have displayed a more restrictive vision as a result of which Canada does not enjoy the same open markets for quota products. Furthermore, even scrupulous compliance with the Agreement on Agriculture has failed to shelter supply management and Crown corporations from challenges by trading partners.

One message was clear from the Committee's hearings: the next multilateral trade negotiations must be transparent and fair, but they must, above all, be based on the Uruguay agreements which will have been clarified and implemented fairly. In the view of a number of stakeholders, there is no point in negotiating new agreements if the previous agreements have not been fully implemented. Consequently:

RECOMMENDATION 19

Whereas the interpretation of the previous multilateral trade agreements has not been standardized among the signatory countries, the Committee recommends that the government and its negotiators require that the rules of application of future agreements be established with a higher degree of transparency than those of the Uruguay Round. The Committee further recommends that Canadian negotiators maintain a firm position on Canada's ability to maintain supply management and that they negotiate market access for all sectors that is transparent, genuine and fairly administered by all member countries.

Farm income support in the United States and income increases under the Farm Bill were a constant theme throughout the Standing Committee's hearings. In the view of all the farmers we met, U.S. subsidies are an irritant and a threat to the survival of certain agricultural sectors in Canada. In 1996, when the Farm Bill was introduced, its purpose

was to make American farmers more open to market signals and less dependent on government subsidies. The Farm Bill of 2002, officially entitled *The Farm Security and Rural Investment Act of 2002*, reversed the trend: as a result there will be a 70 to 80% increase in agricultural spending, which could translate in additional expenditures of some US\$80 billion over the next 10 years. Furthermore, not only has spending in support of traditional crops increased, but subsidies have also been extended to crops that previously received little or no subsidization.

Initial estimates show that, over 10 years, the cost of the Farm Bill could amount to US\$180 billion. American farmers could receive between \$16 billion and \$20 billion in subsidies this year. It is worth noting that U.S. obligations under agreements under the aegis of the World Trade Organization (WTO) show that farm subsidies must be limited to \$19.1 billion a year. The current level of agricultural subsidies in Canada is approximately \$4 billion under the permitted ceiling.

Short-term price risks can be partially offset by farmers participating in risk management practices such as hedging, forward pricing, diversification into different commodities, and a whole host of other options. However, none of these strategies work to offset long-term price risks. Long-term price risks are caused mainly by foreign government intervention in the marketplace.

Mr. Lynn Jacobson, Standing Committee on Agriculture and Agri-Food, Evidence, no. 49-09:20, 1st Session, 37th Parliament, Vulcan, February 21, 2002.

It is easy to understand Canadian farmers' distress when one is aware of the negative impact of the subsidies on global commodities prices and the impact this has on the Canadian agricultural sector as a whole. The depressed world price of grains and oilseeds which has lasted for some time now may be explained by many factors, but it is unrealistic to disregard the impact of agricultural subsidies paid by the United States and the European

Union. Some farmers groups such as the Canadian Grain Producers, have used Agriculture and Agri-Food Canada data to assess the income losses of Canadian grain producers caused by the subsidies of other countries. According to their calculations, those losses amount to \$1.3 billion a year. However, some government officials may be reluctant to acknowledge the harm that subsidies paid to the agricultural producers of other countries cause Canadian producers. According to OECD estimates, farm subsidies in the United States, the European Union and Japan amount to US\$350 billion a year. In view of this figure, it is hard to conceive that such a sum would not harm Canadian farmers, who are among the least subsidized in the world. The reason given for not supporting farm incomes is that subsidies create distortions, particularly because of their tendency to be capitalized in farm infrastructure, which artificially inflates the value of agricultural operations. Also advanced is the argument that all change is healthy because it enables a sector to adjust and become more dynamic. These would be entirely valid arguments in a "normal" agricultural economy, but not in the current context. Canadian farmers currently have no way of managing the risks induced by the actions of foreign

governments. If we truly want an agricultural industry as contemplated in the Agricultural Policy Framework, immediate action must be taken so that we can have a foundation on which to build that vision. Consequently:

RECOMMENDATION 20

The Committee recommends that the government provide \$1.3 billion a year in bridge funding for the sectors most affected by the agricultural subsidies of other countries for as long as those subsidies unduly reduce the price of Canadian agricultural commodities.

CHAPTER 6: THE ENVIRONMENT

After hearing and analyzing the extensive testimony it received, the Committee feels it is clear the agricultural sector considers pressure exercised by society is increasing, particularly in the environmental management and food safety sectors. There can be no doubt that Canadians are demanding more from farmers and the agri-food sector.

Nor can there be any doubt that Canada's farmers are well aware of their role as stewards of the land and the environment. Not only are they aware of this, but many take that role very seriously. However, the Committee observed that farmers are at times at a loss with regard to that role and, more often, with regard to their ability to perform it correctly. If there is one constant, it is that, at the very least, they do not want to be given new responsibilities without having the means to carry them out.

The new environmental challenges in the agricultural sector are numerous and rarely restricted to a single region. We are thinking, among other things, of the enormous challenge posed by climate change, the constraints imposed with regard to the land and air and water quality. In addition, there are the stormy debates on the interaction between city and countryside, centering on the thorny issue of the right to agricultural activity, which others call "the right to farm".

Among the topics addressed by the many witnesses who appeared before the Committee some particularly drew the Committee's attention and are addressed in this chapter. They are environmental farm plans, species at risk and wildlife habitats (including the programs of Ducks Unlimited) as well as fish habitat as administered by Fisheries and Oceans Canada. Certain keywords appeared in the extensive testimony heard by the Committee on environmental issues. The Committee focused more particularly on the ideas of joint action (between governments and farmers), incentives and compensation (particularly financial) and awareness and education (for both farmers and consumers). These are central to the success of a new Canadian approach to agriculture.

On the environment side, our members are proud of their role as stewards of the land. We believe in a cooperative approach to conservation and a science-based approach to soil management. Cooperative approaches will tend to pull the community together, where punitive or imposed actions usually divide communities.

[...]

A number of environmental issues of public concern must be managed and financed accordingly. Some of those would be the wetlands projects, the species at risk, and the types of programs.

Mr. Stan Eby, Standing Committee on Agriculture and Agri-Food, Evidence, no. 4-9:20, 1st Session, 37th Parliament, Grand Bend, March 11, 2002.

There are challenges in the Nova Scotia agriculture industry, and a number of these issues are common among producers across Canada. These challenges include declining farm margins, risk management against weather and markets, and new environmental challenges such as climate change, demand on soils, and water and air quality. The whole question of urban-rural interaction and the right to farm issue, food safety issues, and competitiveness issues are on the agenda and face the farming community and governments constantly.

Mr. Ernest Fage, Standing Committee on Agriculture and Agri-Food, Evidence, no. 58-9:40, 1st Session, 37th Parliament, Truro, March 19, 2002.

A. Whitehorse Agreement and Environmental Farm Plans

Last year, representatives of the federal government, the provinces and territories met in Whitehorse and adopted a national action plan designed to make Canada the world leader in food safety, innovation and environmental protection. That plan, which is the subject of a national dialogue on strategic orientations, will be based on the establishment of common objectives for each element.

As Minister Lyle Vanclief said before the Committee, it is in the context of this national action plan that all farms will be bound to develop an environmental plan within five years. The environmental plans would be a kind of response to the changing nature of agriculture and Canadians' heightened sensitivity to these issues in recent years. The primary objective is still to ensure significant improvement in quality of the environment by coordinating measures taken on all farms in the country. In the view of governments, the adoption of a standard approach to the sustainable development of agriculture across the country would show buyers that Canada's production methods are environmentally friendly and would enable Canadians to enjoy a cleaner and healthier environment.

Certain provinces feel that the environmental farm plans are essential to this sector's future and development. Already in Nova Scotia, some 100 farms are now registered in the environmental farm plans program, under the aegis of the Nova Scotia Federation of Agriculture.

If we are going to integrate environment into all the elements of an agricultural strategy, as you discussed when you made the Whitehorse agreement, the important thing I think we need is a federal-provincial partnership. The Environmental Farm Plan comes to mind. That's an example where the federal government provided funding for Ontario. We worked with the Ministry of Agriculture in Ontario to develop the program. It was delivered in Ontario and was a federal-provincial partnership.

Ms Mary Lou Garr, Standing Committee on Agriculture and Agri-Food, Evidence, no. 54-14:35, 1st Session, 37th Parliament, Grand Bend, March 11, 2002.

At the hearings, the Committee also observed that farmers, at least in certain regions such as Ontario, did not appear to reject the environmental farm plans. Witnesses told the Committee that the experience had been positive in Ontario because the federal government had provided funds for the purpose and thus formed a federal-provincial partnership. The environmental farm plans, in their view, should apply on a national scale, be comprehensive in scope and funded on an ongoing basis; the provinces and the federal government should

commit to this, they said, and the sooner the better.

Those witnesses also mentioned that numerous similar environmental initiatives could be successfully implemented if federal agencies could cooperate with their provincial counterparts.

In other regions, farmers' perceptions appeared to differ. Some preferred the environmental farm plan component to be optional — as the Government of Alberta appears to have indicated — and pressed the federal government not to impose a

mandatory program, but rather to provide an appropriate working framework. At the very least, they emphasize the importance of setting an adequate deadline for the introduction of corrective procedures which would be made necessary under the environmental plans.

The Nova Scotian agricultural environmental approach was cited as an example by a number of farmers, who told the Committee that, under Nova Scotian legislation, producers who, through self-audits, discover non-conforming situations are not prosecuted if they develop and carry out a plan designed to correct the problem.

Some witnesses, like Russell Husch of the B.C. Agriculture Council, advocated the introduction of a single window for all matters pertaining to the environmental requirements of each level of government. However, this kind of approach means that federal, provincial and municipal governments must be able to act together and develop realistic common objectives achievable by Canadian farmers. Farmers, however, absolutely do not want to have to knock on the doors of numerous government offices each time they want to develop a new project on their land. The Committee believes that this is precisely how the new Whitehorse initiative is relevant and can produce results if everyone takes part in it in good faith. This does not necessarily mean that a single and universal national policy must be achieved; what is really important is the clarity and coherence of environmental objectives pursued by governments in the agricultural sector, together with realistic and adequately funded implementation measures.

What do we need to do to make this a win-win goal for farmers, governments, and the rest of society?

There must be coordination, buy-in, and commitment between federal and provincial departments, as well as internally between provincial ministries. We need provincial and federal departments to modify their enforcement policy to reflect the Nova Scotia approach.

Under the Nova Scotia legislation, producers who discover a non-compliance through a self-initiated audit will not be prosecuted if they develop a plan to remedy the problem and follow it. I believe Ontario has adopted the same approach.

The modification can be achieved by a memorandum of understanding. This would encourage farmers to participate in the environmental farm plan process, it would demonstrate that both levels of government support voluntary environmental audits, and it would ensure the confidentiality of the documents while environmental improvements are being made on the farm.

Mr. Robert Filkohazy, Standing Committee on Agriculture and Agri-Food, Evidence, no. 49-9:50, 1st Session, 37th Parliament, Vulcan, February 21, 2002.

RECOMMENDATION 21

The Committee therefore recommends that the federal government, together with the provincial and territorial governments, continue its consultations on the environmental component of the national action plan and establish a genuine partnership with the agricultural sector for the purpose of developing a national framework for the implementation of environmental farm plans. In addition, farmers should receive appropriate technical and financial assistance to carry out this exercise.

Like many farmers, the Committee firmly believes that the success of the environmental component (as well as that of the other components) of the national action

With the debate on GM labelling, segregation of commodities, and environmental farm plans and with the auditing that goes with these, I hope that government will warn consumers of their responsibility in this and not download the cost onto farmers.

Mr. Peter Hoff, Standing Committee on Agriculture and Agri-Food, Evidence, no. 49-12:05, 1st Session, 37th Parliament, Vulcan, February 21, 2002.

plan, will depend to a large degree on the ability of government stakeholders to sensitize and educate not only farmers but also all Canadians on the subject of the orientations that have been adopted. As consumers of agricultural products, Canadians must also know that the new safety and environmental requirements entail a cost that cannot be attributed to and assumed solely by farmers.

RECOMMENDATION 22

The Committee therefore recommends that the federal government and its partners in the provinces and territories implement effective programs to sensitize and educate all Canadians about the new national action plan on agriculture.

B. Species at Risk and Protection of Wildlife Habitats

However, we feel that when it comes to protection of all wildlife, it has to be a partnership with the public. That is why we fought hard for possible compensation under the species at risk legislation. We want to protect endangered species, as everyone else does. The new species at risk legislation is a good example of how legislators and those affected can work together to develop legislation we can all live with. We hope it soon passes into law.

Mr. John Morrison, Standing Committee on Agriculture and Agri-Food, Evidence, no. 55-13:35, 1st Session, 37th Parliament, Napanee, March 12, 2002.

The Committee heard testimony from a number of farmers and representatives of agricultural associations concerning the protection of species at risk and wildlife habitats. Some witnesses confirm that they did not object to the bill on species at risk being considered by Parliament and that they could ensure the preservation of the species on their farmlands. Regardless of the expectations of governments and the Canadian public in this regard, they expressed various reservations and were very clear about the conditions associated with this

stewardship role: “[...] we are clearly doing something right, and society must compensate us because we are preserving this heritage for the future.” (Mr. Don McCabe, Ontario Coalition for Major Crop Research)

There is no doubt in the Committee's mind that governments must provide compensation for the protection of species at risk on agricultural land and to offset losses caused by wildlife and predators. However, the Committee is disturbed by parts of Bill C-5 on species at risk concerning compensation. In particular, it hopes the Department of the Environment will not take four or five years to decide on the parameters that will determine the type of compensation. It also feels that sufficient amounts of money will have to be made available for the purpose of fairly and reasonably compensating property owners, including farmers.

COMMENTARY:

As Bill C-5 is still under consideration by Parliament, it is somewhat inappropriate for the Committee to make a formal recommendation on the subject. However, the Committee nevertheless hopes that, should the bill be passed, the Department of Environment will quickly make known the terms of compensation of property owners and set aside sufficient sums for that purpose.

C. Preservation of Marginal Agricultural Land

Ducks Unlimited briefed the Committee on its National Conservation Cover Incentive Program (NCCIP), which would be carried out in particular through the development of marginal lands such as wetlands. The purpose of that program is to improve the long-term management of those lands so as to improve the supply of goods and environmental supplies. According to Ducks Unlimited, "The benefits that would accrue to society through the conversion of riparian areas and marginal agricultural land to permanent vegetative cover significantly outweigh the cost to do so."⁴ In 1989, the U.S. passed the North American Wetlands Conservation Act, which serves to fund the North American Waterfowl Management Plan, in which Canada takes part. The Act provides for funding of up to US\$45 million. Congress annually votes an amount, which since 1991 has averaged between \$15 and \$18 million, and an equal amount must be paid by non-federal American organizations and/or non-governmental organizations such as Ducks Unlimited. The Act provides that 50% of funds shall remain in the United States, whereas 45% are earmarked for Canada and 5% for Mexico. On an exceptional basis, the U.S. Congress granted the maximum amount in 2000, which significantly increased Ducks Unlimited's ability to purchase wetlands.

Farmers generally support a wetlands conservation program because they acknowledge its importance for the environment. However, certain details of the program raise questions, particularly concerning compensation for farmers. Ducks Unlimited estimated the costs and benefits of its NCCIP for the western provinces, the Maritimes, Quebec and Ontario. The largest cost component consists of compensation payments to producers, which were estimated on the basis of the average annual cost to rent agricultural land in the various provinces. The methodology employed uses 1996 census data and is based on the calculation of a simple average of all land rental prices for all four western provinces,

It's difficult to comment on it in any great detail. We don't have a lot of detail about the program on things like compensation levels, land classification, and length of term. What kind of land would qualify? Is there a mechanism for intergenerational transfer? Can the land be grazed? Are there hunting rights? All of those questions would have to be answered. In general terms, I think we would support a land set-aside program in principle. We would certainly want to know the details before we committed in large measure to a land set-aside program.

Mr. Bill Boyd, Standing Committee on Agriculture and Agri-Food, Evidence, no. 47-20:00, 1st Session, 37th Parliament, Swift Current, February 19, 2002.

⁴ Ducks Unlimited Canada, *A National Conservation Cover Incentive Program for Canada*, presentation to the Standing Committee on Agriculture and Agri-Food, November 1, 2002, p. 11.

which yielded an annual compensation payment to western producers of \$32 per hectare. The same calculation yields compensation of \$87 per hectare per year for the Atlantic provinces, \$124 for Ontario and \$80 for Quebec.

The testimony given before the Committee indicates that farmers did not generally venture to suggest what the amount of compensation might be; should it be standard across Canada, based on the type of production, reflect solely in the local agricultural situation? Whatever the case may be, farmers want fair and equitable compensation. We can only admit that, since it is based on the calculation of an average for all western provinces, or all Atlantic provinces, the methodology does not take into account variations in land prices and the opportunity costs of those lands based on the market. This approach could certainly induce farmers the market rental value of whose lands is below the estimated compensation amount to take part in the program, but that would not necessarily be true of those who have lands with a higher market value. Depending on the standard deviations of prices between provinces, or even between regions in a single province, there is every reason to believe that there might be poor distribution in the withdrawal of lands for conservation purposes. Considering that the environmental component of the APF includes a component on the better management of agricultural land, proper national allocation seems important. For that reason:

RECOMMENDATION 23

A marginal agricultural land conservation environmental program would provide benefits for all Canadians. If such a program were created, the Committee recommends that a fair and reasonable compensation be paid to farmers for the withdrawal of their marginal farm land from agricultural production.

D. Fish Habitat

One example of overregulation that bothers me, although I'm not directly involved, is the Department of Fisheries and Oceans. Apparently, they've hired 120 people to run around and try to find every minnow that ever existed in Manitoba in the last 30 years in every ditch you ever saw. It's not about fish; it's about building a bureaucratic empire.

Mr. Curtis Simms, Standing Committee on Agriculture and Agri-Food, Evidence, no. 45-17:45, 1st Session, 37th Parliament, Brandon, February 18, 2002.

The Committee observed considerable frustration, to say the least, among Canadian farmers with the Department of Fisheries and Oceans (DFO), which is responsible for implementing section 35 of the *Fisheries Act*. That section confers on the department the right to intervene in all matters pertaining to fish habitat. The obligation under the departmental policy on management of fish habitat is that there be no net loss of habitat. This means that

compensation must be paid for any damage caused by any project or action where it is anticipated that fish habitat will be

damaged; this compensation may take the form of the creation of new habitats elsewhere, an approach which is not easily realized in agricultural environments.

In view of a number of farmers who testified before the Committee, section 35 of the *Fisheries Act* is an example of excessive environmental regulation. Some express their frustration with DFO officers' zeal in looking for chub or minnows in drainage ditches. In British Columbia, salmon swim into the drainage systems of lands located in salmon river basins. Others discuss the lack of standardized interpretation and application of section 35 across the regions.

I believe the federal government needs to take the leadership in making a level playing field in this matter. Don't get me wrong, environmental watchdogs are essential, they benefit us all, but there needs to be a level playing field and rules respected by all.

Mr. Kevin MacLean, Standing Committee on Agriculture and Agri-Food, Evidence, no. 55-12:15, 1st Session, 37th Parliament, Napanee, March 12, 2002.

RECOMMENDATION 24

The Committee recommends that DFO review its criteria for the application of section 35 on fish habitat in the context of agricultural areas and practices, and that it adopt a more standard approach for the Canadian agricultural sector as a whole which takes into account its particular socio-economic characteristics.

The Committee was very interested in the approach outlined to it at its hearings in Kamloops to facilitate cooperation and liaison between farmers, particularly livestock producers, and DFO for protecting fish habitat. In that specific case, DFO recruited a habitat management coordinator responsible for liaison with farmers on issues specific to the protection of fish habitat. It appears that this route greatly facilitates efforts to work with DFO and is proving to be much more effective. However, there remains the question of the financial resources to implement that approach, as not all local or regional organizations can afford the cost of hiring a coordinator.

[...] We don't want to see the demise of the fish stocks or salmon stocks. We do have a coordinator who is hired to work between ranchers and Fisheries in this area. It's working well. If you want to get something done to protect fish habitat, it's a lot faster and smoother to have a go-between rather than someone from Fisheries and Oceans.

[...] For some reason, Fisheries and Oceans are a tough bunch to work with.

[...] It's why I point to the one success with the Fisheries and Oceans of the employment of the stewardship coordinator in the area. I think it's a good step. I think it's something that should be funded in the future.

Mr. Peter Phillip, Standing Committee on Agriculture and Agri-Food, Evidence, no. 51-9:50 and 10:35, 1st Session, 37th Parliament, Kamloops, February 22, 2002.

RECOMMENDATION 25

In order to facilitate the liaison between farmers and DFO regarding the protection of fish habitat, the Committee recommends that DFO and Agriculture and Agri-Food Canada appoint regional habitat management/agricultural coordinators, and that the two departments pay associated costs.

CHAPTER 7: SCIENCE AND INNOVATION

The Committee's hearings revealed unanimous agreement that research and development (R&D) are needed in agriculture. Everyone, regardless of sector or participant, acknowledged that the excellence of Canadian agriculture was the result of R&D and that that excellence will continue as long as science and innovation are pursued. However, the bad news about the role of government in research and funding for public research is that both have dwindled to a point which many agri-food stakeholders consider disturbing. Although the division of research activities between the public and private sectors affords efficient synergies, it is still imperative that the government maintain a research program that reflects the public interest. There is a "critical mass" of research that must come from the public sector, where the peer review system for the awarding of research grants based on merit is recognized as rigorous. However, the level of funding in this field is deficient.

There's a range of tools that are available to the government to achieve those goals. Knowledge generation is one of them. If new products are to be developed, where will they come from? They will come from research. Eighty percent of the increase in productivity in the past has been fuelled by research and development, investment in research and development.

The government needs to set a research agenda that will mind the public good. We have seen research agendas in the recent past that are fuelled more by the possibility of return on investment in those research programs rather than return on investment in terms of public good. We've seen research programs that are fuelled by "Let's find a new gene that will pay us a million dollars Let's find new pesticides that will return money on the investment." We would like to see increased emphasis on minding the public good in this public research agenda.

Dr. Marc Fortin, Standing Committee on Agriculture and Agri-Food, Evidence, no. 56-15:40, 1st Session, 37th Parliament, St-Hyacinthe, March 13, 2002.

It is public knowledge that the Research Branch of Agriculture and Agri-Food Canada is undergoing a significant restructuring, which has raised considerable concern in the agricultural community. A country striving for excellence which bases its development on science and innovation cannot afford to fall too far behind in R&D, particularly in agriculture, which is developing at the accelerated pace of discoveries in biotechnology and other more traditional innovations. Committee members frequently heard witnesses claim that scientific and technological progress had accelerated to the point where they sometimes doubted the government's ability to properly assess the impact of new applications.

As is clearly acknowledged in the Agricultural Policy Framework, "The research component of innovation includes government research centres, colleges and universities, and private-sector laboratories."⁵ The government also acknowledges that it is imperative to strengthen ties between the components and to "foster a business environment that is conducive to research and development, and that encourages public

⁵ Agriculture and Agri-Food Canada, *Agricultural Policy Framework — Science and Innovation*, http://www.agr.gc.ca/cb/apf/innov_e.html (April 2002).

and private funding of agricultural research and the early application of research results.”⁶ However, the policy statement is vague on the leadership or executive role the government will play. Much research, both basic and applied, must remain in the public domain in order to serve the public interest. This entire research component must also receive adequate funding. Consequently:

RECOMMENDATION 26

Whereas there is a critical mass of research that must aim to serve the public interest, the Committee recommends that the government play a leadership role and increase budgets intended for government research centres, colleges and universities.

In addition, as biotechnology plays an important role in agriculture, but is also a subject of dispute and concern for farmers and consumers, the government should expand its role in the sector as an arbiter, but also as an information agent. In the organic farming section of this report, the Committee describes the problem of cross-pollinization between organic and bio-engineered crops. This question also raises the problem of biodiversity, which is an important component of the Agricultural Policy Framework. Since the best solution will be achieved through specifically targeted R&D:

RECOMMENDATION 27

The Committee recommends that the government base part of its research and innovation strategy specifically on the effects that bio-engineered crops could have on the environment and on Canada’s ability to maintain the genetic biodiversity of crops. Furthermore, the government must better inform the public of the various types of crops and the close link between biodiversity and agriculture.

The Committee’s proceedings were marked by a particularly disturbing topic concerning science and innovation. The deans of three of the four faculties of veterinary medicine in the country appeared before the Committee to discuss the problem of underfunding which has resulted in a deterioration of infrastructure to the point where two of the four faculties do not meet international standards and now have a limited timetable within which to bring their infrastructure back up to standard.

⁶ Ibid.

As a consequence, we are facing many risks, serious risks. So, what we need to do is prepare ourselves. We have to prepare to deal with these things. England was not quite ready and it ultimately cost them billions of dollars. Therefore, Canada must immediately take action to protect its livestock and citizens.

Some measures can be taken immediately and I know that certain groups are already working on those. But it may take longer to implement other measures which, in my view, will have a lasting impact. One of these measures is to reinvest in the infrastructure of faculties of veterinary medicine.

Dr. Raymond Roy, Standing Committee on Agriculture and Agri-Food, Evidence, no. 56-15:35, 1st Session, 37th Parliament, St-Hyacinthe, March 13, 2002.

The deans of the veterinary colleges across the country, together with the Canadian Veterinary Medical Association, have a proposal to secure federal reinvestment in capacity-building in the veterinary colleges. That's for capacity-building for the maintenance of our accreditation and our most-favoured trade status across the country; emergency preparedness for things such as foot-and-mouth disease; encouragement of and continued research in animal health issues outside of those issues that are involved with CFIA; and, of course, the training of high-quality people.

Dr. Timothy H. Ogilvie, Standing Committee on Agriculture and Agri-Food, Evidence, no. 59-09:25, 1st Session, 37th Parliament, Summerside, March 20, 2002.

Serious consequences are involved in not being at the same certification level as the U.S. faculties of veterinary medicine. The Canadian schools play an important role in protecting the country's food supply, animal health and public health by conducting research and training veterinarians and professionals with post-graduate degrees who provide specialized services. The main work conducted on animal health research and for the scientific advancement of diagnostic services are conducted in those schools. However, as a result of deficient infrastructure, those schools often have inadequate resources to diagnose, for example, zoonosis, conduct food safety research, develop control measures to protect the health of Canadians and maintain global trade in the agricultural sector. There is no need to recall how important international trade is for farmers. The questions of education and training of veterinarians are of course matters of provincial jurisdiction, but the services of veterinarians touch many critical points of the agricultural and agri-food infrastructure which enable the industry to provide safe and high-quality products. The current underfunding

of the faculties of veterinary medicine is already having an impact and will have other significant effects over the longer term. Not to recognize this fact as a priority goes against the entire food safety and quality component of the Agricultural Policy Framework. If Canada wants to be "the world leader in food safety", it would appear that action to ensure that recognized and adequate veterinary services are in place is strategically necessary and a priority. For that reason:

RECOMMENDATION 28

Whereas, to be a leader in food safety, Canada needs a sufficient number of veterinarians and to maintain their certification, the Committee recommends that the government immediately invest the necessary funds in the infrastructures of the faculties of veterinary medicine to develop their potential and maintain their international certification.

CHAPTER 8: ACCESS TO PEST CONTROL PRODUCTS AND THE COMPETITIVENESS OF FARMERS

The importance of access to effective, more environmentally friendly pesticides in the same way as American farmers was a recurring theme throughout the Committee's hearings in the West, in the Maritimes and in central Canada. In May of this year, the Committee published a report entitled *The Registration of Pesticides and the Competitiveness of Canadian Farmers*, which contains four recommendations for improving the registration system. The Committee here reiterates the four recommendations made in that report:

RECOMMENDATION 29

The Committee recommends that an ombudsperson, independent of the Pest Management Regulatory Agency and reporting directly to the Minister of Health Canada, be appointed to facilitate discussions on farmers' various needs regarding pest control.

RECOMMENDATION 30

The Committee recommends that the Auditor General of Canada conduct a value-for-money, or performance auditing, to examine the management practices, controls and reporting systems of the Pest Management Regulatory Agency.

RECOMMENDATION 31

The Committee recommends that Agriculture and Agri-Food Canada provide at least \$1 million a year in funding for a research and analysis program similar to the U.S. IR-4, that will be developed in cooperation with agricultural stakeholders to generate, or complete, the necessary data for the approval of new minor use products or to expand the use of previously approved products.

RECOMMENDATION 32

The Committee recommends that an advisor on matters pertaining to minor use pest control products be appointed to intervene in decisions and policies to facilitate activities relating to minor use products. The advisor's mandate should include a special focus on the harmonization issues with the United States, such as the equivalency of similar zone maps, and the consideration of data that already exist in an OECD country. The advisor should report to the ministers of Health and Agriculture and Agri-Food.

CONCLUSION

No government support, regardless of the country concerned, can guarantee that all farmers will be able to remain on their farms. In agriculture as in other sectors, there is a normal and continual transition because nothing is permanent except change. However, once a comprehensive vision recognized and accepted by all participants has been completed, the government's role is to stay the course. The strength of European and American agricultural policies is precisely based on the fact that, during a given period of a few years, all participants in the sector are focused on the expectations they can have of the government. In Canada, that stability has too long been lacking.

After adopting an agricultural policy vision, the federal, provincial and territorial ministers of agriculture have now taken on the task of better centering that vision with the aid of the various stakeholders in the agriculture and agri-food sector. The complex and diverse nature of agriculture does not facilitate development of a comprehensive policy. The members of the Standing Committee believe that the recommendations made in this report provide excellent guidelines for the architects of agricultural policies, who have every interest in using them to build an architecture for agriculture in the 21st century based on Canadian farmers and which will enable them to prosper in a dynamic and sustainable sector. In that context:

RECOMMENDATION 33

In response to the stakeholder feedback provided during the cross-country hearings, the Committee urges the federal government to formally consider the nation's ability to produce safe and affordable agricultural products to be an issue of national security. The Committee further recommends that, to achieve this national security objective, the federal government should aggressively pursue a course that ensures an appropriate monetary return to primary producers.

APPENDIX A LIST OF WITNESSES

Associations and Individuals	Date	Meeting
Stonewall, Manitoba	18/02/2002	44
Animal Nutrition Association of Canada Herb Schultz		
Canadian Cooperative Association Glen Tully, President		
Canadian Sheep Federation Randy Eros		
Department of Agriculture and Food of Manitoba The Honourable Rosann Wowchuk, Minister Don Zasada, Deputy Minister Craig Lee, Assistant Deputy Minister		
Manitoba Cattle Producers Association Betty Green, Vice-President		
Manitoba Chicken Producers Fred Homann, General Manager		
Manitoba Milk Producers William Swan, Chairman		
Manitoba Pork Council Marcel Hacault, Chair		
Manitoba Turkey Producers Bill Urvski, Vice-Chair		
Nu Gen Ag Ventures Inc. Ken Yuill, President		

Associations and Individuals	Date	Meeting
South Interlake Agricultural Society	18/02/2002	44
Gordon Grenkow, President		
As Individual		
Marvin Dyck		
Les Felsch		
Charles Fossay		
Stan Fryza		
Shirley Galbraith		
Dennis Gallant		
Wilfred Harder		
Walter Kolisnyk		
Bill Matheson		
John Morrison		
Henry Penner		
Jack Penner		
Bill Ridgeway		
Edgar Scheurer		
Eric Thornhill		
Rae Trimble		
Calvin Vaags		
Ian Wishart		
Brandon, Manitoba	18/02/2002	45
Agricore United		
Wayne Drul, Director		

Associations and Individuals	Date	Meeting
Brandon University	18/02/2002	45
Dr. Richard Rounds, Rural Development		
Canadian Federation of Agriculture		
Marvin Shauf, 2 nd Vice-President		
CIBC — Agri Banking		
Frank Thomas, General Manager		
Manitoba Broiler Breeder Hatching Egg Producers		
Robert Muir		
As Individual		
Paul Belcheff		
Don Bromley		
Andrew Dennis		
Donald Dewar		
Dale Dornian		
Murray Downing		
Joe Dusik		
Barry Farr		
Joe Federowich		
Walter Finlay		
Jim Green		
David Hanlin		
Ken Harms		
Daryl Knight		
Art Mainil		
Al Marshall		

Associations and Individuals	Date	Meeting
Bob Mazer	18/02/2002	45
Dan Mazier		
Brad Mazur		
Murray McCallum		
Weldon Newton		
Kathleen Patterson		
Jack Peters		
Tony Riley		
Ian Robson		
Scott Rose		
Charlene Rowland		
Mark Saterley		
Ken Schellenberg		
Curtis Sims		
Fred Tait		
Stan Yaskiw		
Davidson, Saskatchewan	19/02/2002	46
Agricultural Producers Association of Saskatchewan Inc.		
Terry Hildebrandt, President		
Back to the Farm Research Foundation		
Elmer Laird, President		
Farmers of North America Inc.		
Jim Mann, President		
Saskatchewan Association of Rural Municipalities		
Neal Hardy, Vice-President		

Associations and Individuals	Date	Meeting
Saskatchewan Eco-Network	19/02/2002	46
Cathy Holtslander		
Saskatchewan Food Security Network		
Karen Archibald		
Don Korsick		
Saskatchewan Organic Directorate		
Arnold Taylor, President		
Saskatchewan Pulse Growers		
Glen Annand		
Saskatchewan Veterinary Medical Association		
Curt Hagele		
University of Saskatchewan		
Alex Livingston, Dean		
West Central Road and Rails		
Bill Woods		
As Individual		
Ron Bishoff		
Greg Brkich		
Vic Bruce		
Marilyn Gillis		
Rob Goeres		
Hart Haidn		
Carol Husband		
Noreen Johns		
Darwyn MacKenzie		

Associations and Individuals	Date	Meeting
Ian McCreary	19/02/2002	46
David Orchard		
Bruce Osiowy		
Lloyd Pletz		
Warren Potter		
Armand Roy		
Percy Schmeiser		
Bob Thomas		
George Turanich		
Darhl Vercaigne		
Wayne Zimmer		
Swift Current, Saskatchewan	19/02/2002	47
Canadian Organic Certification Co-operative Ltd.		
Ken Hymers, Executive Committee Officer		
Department of Agriculture and Food of Saskatchewan		
The Honourable Clay Serby, minister		
Empress Line Producer Car Shipper's Association		
Edwin Wallace		
Honey Bee Manufacturing Ltd.		
Brad Nelson		
National Farmers Union		
Stewart Wells, President		
Prime Pro Ventures Inc.		
Steve Erickson, General Manager		

Associations and Individuals	Date	Meeting
Saskatchewan Party Caucus	19/02/2002	47
Bill Boyd		
As Individual		
Irene Ahner		
Larry Bonesky		
Lynden Elviss		
Ron Gleim		
Con Johnson		
Charles Kieling		
Cliff Murch		
Keith Murch		
Newton Myers		
Garry Nisbet		
Grant Payant		
Arnold Schmidt		
Dean Smith		
Linda Trytten		
Grande Prairie, Alberta	20/02/2002	48
Alberta Canola Producers Commission		
Ward Toma, General Manager		
Nico van Der Giessen, Director		
As Individual		
Wayne Davies		
Norman Dyck		
Dave Hegland		

Associations and Individuals	Date	Meeting
Tom Kulicki	20/02/2002	48
Art MacKlen		
Irv Macklin		
Sadie Macklin		
Ron Matula		
Leo Meyer		
John Purdie Sloan		
Cliff Richards		
Harry Schudlo		
Claude Smith		
Duane Stevenson		
Allan Webber		
Vulcan, Alberta	21/02/2002	49
Alberta Beets Growers		
Merrill Harris, Vice-President		
Alberta Chicken Producers		
Don Sundgaard, Chairman		
Alberta Egg Producers Board		
Charlie van Arman		
Alberta Soft Wheat Producers Commission		
Lynn Jacobson, Chairman		
Calgary Chamber of Commerce		
David Usherwood, Vice-Chair, Agri and Food Committee		

Associations and Individuals	Date	Meeting
Council for Rural Conservation	21/02/2002	49
Adam Campbell		
Western Canadian Wheat Growers Association		
Ted Menzies, Vice-President		
As Individual		
John Balderson		
Bruce Beattie		
Harvey Buckley		
Jim Chatenay		
Robert Filkohazy		
Elaine Hall		
Peter Hoff		
Norman Jacobsen		
Knute Larson		
Bob Maston		
Ken Nodge		
Rob Oudman		
Rick Paskal		
Jan Slomp		
Lynda Swanson		
Paul Thibodeau		
Hank van Beers		
Neil Wagstaff		

Associations and Individuals	Date	Meeting
Kelowna, British Columbia	21/02/2002	50
AgraRoots		
Anna Kirbyson		
Apple Valley Country Gardens		
Alan Clarke		
B.C. Agriculture Council		
Russell Husch		
B.C. Tree Fruits Limited		
Greg Gauthier		
Gerry Shaw		
British Columbia Fruit Growers' Association		
James Calissi		
Joe Sardinha		
British Columbia Fruit Packers		
Rob Holitzki		
Richard King		
British Columbia Wine Institute		
Tony Stewart, Chairman		
Okanagan-Kootenay Cherry Growers		
Greg Norton		
Small Scale Grower of Certified Organic Garlic		
Don Sundgaard		
As Individual		
Rochelle Eisen		
R.A. Gatzke		

Associations and Individuals	Date	Meeting
Gordie Ivans	21/02/2002	50
Peter Johnston		
Terry Klokeid		
Lisa McIntosh		
Kamloops, British Columbia	22/02/2002	51
As Individual		
Brewster Kneen		
Cathleen Kneen		
Peter Murray		
Bruce Newton		
Peter Phillip		
Grand Bend, Ontario	03/03/2002	54
AGCare (Agricultural Groups Concerned About Resources and the Environment)		
Mary Lou Garr, Chair		
Ausable Bayfield Conservation Authority		
Tom Prout, General Manager/Secretary Treasurer		
Canadian Allied Pipeline Landowners Associations		
Dave Core, President		
Canadian Cattlemen's Association		
Stan Eby, Director		
Canadian Renewable Fuels Association		
Bliss Baker, President		
Casco Inc.		
Jim Grey, President		

Associations and Individuals	Date	Meeting
Catholic Rural Life Tony Beernink, Past President	03/03/2002	54
Christian Farmers Federation of Ontario Elbert van Donkersgoed, Strategic Policy Advisor		
County of Huron Ben Van Diepenbeek, Warden		
Dairy Farmers of Ontario Gord Coukell		
Erb Crop Management Systems Inc. Mervyn Erb		
Exeter Produce and Storage Company Ltd. Len Veri, President		
Garlic Growers' Association of Ontario Wayne Passmore		
Grain Growers of Canada Ken Bee		
Great Canadian Bean Co. Ltd. Peter Twynstra, President		
Great Lakes Organic inc. Beatrix Enter, Manager		
Hempline Geofrey Kime		
Huron County Federation of Agriculture Charles Regele, President		

Associations and Individuals	Date	Meeting
Independent Ontario Hog Producers Association David Linton, Vice-Chair	03/03/2002	54
Kitchener Waterloo Food Action Alistair Neill Stewart, Co-Chair		
Lambton Federation of Agriculture Don McGugan, Past President		
Middlesex County Pork Producers Henry Aukema, Chair		
Ontario Agricultural Commodity Council Bob Down, Chair		
Ontario Agri-Food Education Inc. Pamela Stanley, Zone 1 Director		
Ontario Bean Producers' Marketing Board Tino Breuer, General Manager		
Ontario Corn Producers' Association Dennis Jack, President		
Ontario Field Crop Research Coalition Greg Devries Don McCabe, 2 nd Vice-President		
Ontario Fruit and Vegetable Growers' Association Larry Verbeke, 2 nd Vice-President		
Ontario Soybean Growers Jim Gowland, Director		

Associations and Individuals	Date	Meeting
Ontario Wheat Producers' Marketing Board Ron Martin, Director — District 3 Sifto Canada Inc Al Hamilton, Chemical Business Manager Toronto Food Policy Council Wayne Roberts, Project Coordinator World Wildlife Fund Canada (WWF) Rod MacRae, Agricultural Project Consultant As Individual Davis Bryans Judy Greenwood-Speers Gerald Kolkman Terry Laire David Smith Steve Twynstra Jim Wilson	03/03/2002	54
Napanee, Ontario Albright Trade Corporation Gerry Albright, President Canadian Cattlemen's Association John Morrison, President Jim Caldwell, Director, Government Affairs	12/03/2002	55

Associations and Individuals	Date	Meeting
Canadian Organic Growers	12/03/2002	55
Doug Parker, Representative of Prince Edward County Chapter		
Canadian Organic Sprout Company		
William Brown		
Dean Harvie		
Caravan Project		
Stan Raper		
County Regional Environmental Evaluation Koalition (CREEK)		
Don Chisholm		
Hastings County Dairy Producer		
George Thompson		
Lennox and Addington Federation of Agriculture		
Iain Gardiner, President		
National Farmers Union		
Peter Dowling, Ontario Coordinator		
Ontario Cattlemen's Association		
Richard Kidd		
Ontario Federation of Agriculture		
Al Gardiner, Provincial Representative		
John Williamson, Frontenac County		
Renfrew County Federation of Agriculture		
Bob Johnston		

Associations and Individuals	Date	Meeting
Seeds of Peace Roots of Justice Ormond Lee	12/03/2002	55
United Food & Commercial Workers International Union (UFCW Canada) Michael Fraser, Director		
As Individual		
Paul Burns		
Bob Dick		
Kevin Dick		
Helen Forsey		
John Hastings		
Barton MacLean		
Kevin MacLean		
Ray Pender		
Harold Piercy		
William Rendell		
Larry Wannamaker		
Saint-Hyacinthe, Quebec	13/03/56	56
“Coopérative fédérée de Québec”		
Claude Lafleur, Secretary General		
Denis Richard		
“Fédération d'agriculture biologique du Québec”		
Pierre Gaudet		

Associations and Individuals	Date	Meeting
“Fédération des producteurs d'agneaux et de moutons du Québec” Jean-François Samray, General Manager	13/03/56	56
McGill University Marc Fortin, Associate Professor and Chair		
“Union des producteurs agricoles de Saint-Hyacinthe” René Walaszczyk		
“Union des producteurs agricoles du Québec” Laurent Pellerin, President Yvon Proulx, Chief Economist, Research and Agriculture Policy, District of Longueuil		
University of Montreal Raymond Roy, Dean, Faculty of Veterinary Medicine		
Montmagny, Quebec	14/03/2002	57
“Centre de référence en agriculture et agroalimentaire du Québec” Ghislain Cloutier		
“Coalition Urgence Rurale” Adéodat St-Pierre		
“Fédération des producteurs de lait du Québec” Marcel Groleau, 1 st Vice-President		
“Institut de technologie agroalimentaire - La Pocatière” André Simard, General Manager		
Laval University Gaston St-Laurent, Faculty of Agriculture and Food Science		

Associations and Individuals	Date	Meeting
“Société de la protection des forêts contre les insectes et maladies” Gilles Trudel	14/03/2002	57
“Union des producteurs agricoles de la Côte-du-Sud” Louis J. Desjardins, President Johanne Laplante		
“Union des producteurs agricoles du Bas St-Laurent” Jean-Claude Parenteau Gilles Proulx		
“Union paysanne” Maxime Laplante, Secretary General		
Truro, Nova Scotia	19/03/2002	58
Agra-Futures Charles Keddy		
Chicken Farmers of Nova Scotia Paul Cook, Chair		
Department of Agriculture & Fisheries of Nova Scotia The Honourable Ernest Fage, Minister		
New Democratic Party of Nova Scotia John MacDonnell, Agriculture Critic		
Nova Scotia Agricultural College Bruce Gray		
Nova Scotia Egg Producers Ralph DeLong, Chairman		

Associations and Individuals	Date	Meeting
Nova Scotia Federation of Agriculture	19/03/2002	58
Fraser Hunter, Chairman of Industry Planning Committee		
Laurence Nason, Chief Executive Officer		
As Individual		
Ed Belzer		
Summerside, Prince Edward Island	20/03/2002	59
Atlantic Canadian Organic Regional Network		
Kevin Jeffrey, Director of Development		
Earth Action		
Sharon Labchuk		
Prince Edward Island Federation of Agriculture		
Doug LeClair, Executive Director		
Robert MacDonald, 1 st Vice-President		
Prince Edward Island Institute of Agrologist		
Don Northcott		
Prince Edward Island Potato Board		
Vernon Campbell, Chairman		
Ivan Noonan, General Manager		
Brenda Simmons, Assistant General Manager		
Prince Edward Island Wildlife Federation		
Daryl Guignon		
Seaspray Farms Organic Cooperative		
Gordon Carter		
Alfred Fyfe		
James Rodd		

Associations and Individuals	Date	Meeting
University of Prince Edward Island	20/03/2002	59
Timothy Ogilvie, Dean, Atlantic Veterinary College		
As Individual		
Ron Flynn		
Mannie Galant		
Orville Lewis		
Ranald MacFarlane		
Stan Sandler		
Miramichi, New Brunswick	21/03/2002	60
“Fédération des Agriculteurs et Agricultrices Francophones du Nouveau-Brunswick”		
Roger Richard		
4-H Club of New Brunswick		
Velna Dickson, Assistant Organizational Leader of Napan 4-H Club		
Conservation Council of New Brunswick		
Inka Milewski, Past President		
Dairy Farmers of New Brunswick		
Reginald Perry		
Robert Speer		
Department of Agriculture, Fisheries and Aquaculture of New Brunswick		
The Honourable Rodney Weston, Minister		
Maurice Bernier, Deputy Minister		
Clair Gartley, Assistant Deputy Minister		

Associations and Individuals	Date	Meeting
New Brunswick Federation of Agriculture	21/03/2002	60
Joe Brennan, President		
Hannah Searle		
New Brunswick Partners in Agriculture		
Betty Brown, President		
New Brunswick Potatoes		
Patton MacDonald, Executive Director		
New Brunswick Soil & Crop Improvement Association		
Ben Baldwin, Director		
Northumberland Co-operative Dairy Limited		
Dr. Ram Aneja		
Jack Christie, General Manager		
Glenford Copp		
Percy Scott		
Ste-Marie de Kent Farmers Association		
Larry Jewett		
As Individual		
Ben Baldwin		
Denis Belliveau		
Hans Bouma		
Robert Bremner		
Jerry Cook		

Associations and Individuals	Date	Meeting
Neil Gardner	21/03/2002	60
Helen MacDiarmid		
John Schenkels		
Ottawa, Ontario	11/04/2002	61
Dairy Producers of Newfoundland		
Martin Hammond, Executive Director		
Department of Forest Resources and Agrifoods		
Martin Howlett, Associate Deputy Minister		
Ed O'Reilly, Director of Agrifood Policy		
Goulds Agricultural Society		
Raymond Williams		
Newfoundland and Labrador Federation of Agriculture		
Eugene Legge, President		
Mervin Wiseman, 1 st Vice-President		
“Union des cultivateurs franco-ontariens”		
Alain Delorme, President		
Pierre Bercier		
Philippe Henrard		
Robert Perras		
Alain St-Denis		
Ottawa, Ontario	23/04/2002	62
Canada Customs and Revenue Agency		
Phil Jolie, Coordinator, Manufacturing and Service Industries, Industry Specialist Services, Compliance Programs Branch		

Associations and Individuals	Date	Meeting
Bill MacGregor, Agriculture Specialist, Industry Specialist Services, Compliance Programs Branch	23/04/2002	62
Department of Finance		
Len Farber, General Director, Legislation Tax Policy Branch		
Kerry Harnish, Senior Tax Policy Officer, Business, Property and Personal Income, Tax Legislation Division, Tax Policy Branch		
Randall Meades, Chief, Employment and Investment, Personal Income Tax Division, Tax Policy Branch		
Marc Rhéaume, Tax Policy Officer, Sales Tax Division, Tax Policy Branch		
Department of Agriculture and Agri-Food	30/04/2002	64
Yaprak Baltacioglu, Assistant Deputy Minister, Strategic Policy Branch		
Mark Corey, Assistant Deputy Minister, Market and Industry Services Branch		
Douglas Hedley, Assistant Deputy Minister, Farm Financial Programs Branch		
Simon Kennedy, Director General, Policy Planning and Integration, Strategic Policy Branch		
Rory McAlpine, Acting Director General, International Trade Policy Directorate, Market and Industry Services Branch		
Howard Migie, Director General, Marketing Policy Directorate, Strategic Policy Branch		
Bob Wettlaufer, Acting Director General, Prairie Farm Rehabilitation Administration		

APPENDIX B

LIST OF BRIEFS

AgraRoots

Agricore United

Agricultural Producers Association of Saskatchewan Inc.

Ahner Irene

Alberta Canola Producers Commission

Alberta Egg Producers Board

Alberta Soft Wheat Producers Commission

Animal Nutrition Association of Canada

Back to the Farm Research Foundation

B.C. Agriculture Council

B.C. Tree Fruits Limited

Bonesky Larry

Bouma Hans

Bremner Robert

Brinkman George L.

British Columbia Cattlemen's Association

British Columbia Fruit Growers' Association

British Columbia Wine Institute

Bromley Barry

Bromley Don

Bryans Davis

Burns Paul

Canadian Cattlemen's Association
Canadian Farm Women's Network
Canadian Federation of Agriculture
Canadian Organic Advisory Board
Canadian Organic Certification Co-operative Ltd.
Canadian Sheep Federation and Manitoba Sheep Association
Casco Inc.
Chicken Farmers of New Brunswick and Turkey Farmers of New Brunswick
Chicken Farmers of Nova Scotia
Christian Farmers Federation of Ontario
Council for Rural Conservation
County Federations of Agriculture for Bruce-Huron-Perth
County of Huron
County Regional Environmental Evaluation Koalition (CREEK)
Dairy Farmers of New Brunswick
Dairy Farmers of Newfoundland and Labrador
Dairy Farmers of Ontario
Dennis Andrew
Downing Murray
Dyck Norman
Eisen Rochelle
Elviss Lynden
Empress Line Producer Car Shippers' Association
Erb Crop Management Systems Inc.
Farmers of North America Inc.

“Fédération des Agriculteurs et Agricultrices Francophones du Nouveau-Brunswick”

“Fédération des producteurs d'agneaux et de moutons du Québec”

“Fédération des producteurs de lait du Québec”

Federowich Joe

Finlay Walter

Fossay Charles

Frontenac Federation of Agriculture

Furtan Hartley

Garlic Growers Association of Ontario

Gatzke Al

Gillis Marilyn

Gleim Ron

Goulds Agricultural Society

Grain Growers of Canada

Gray R.S.

Greenwood-Speers Judy

Hall Elaine

Harms Ken

Hart Haidn

Hastings County Dairy Producer

Hegland Dave

Honey Bee Manufacturing Ltd.

Hudson Bay Route Association

Husband Carol

Husband John

Independent Ontario Hog Producers Association

“Institut de technologie agroalimentaire — La Pocatière”

Jacobsen Virginia

Johns Noreen

Johnson Con

Johnston Peter

Kieling Charles

Klokeid Terry J.

Kneen Brewster

Kneen Cathleen

Kolisnyk Walter

Lambton Federation of Agriculture

Larson Knute

Laval University

Lennox and Addington Federation of Agriculture

MacKenzie Darwyn

Macklin Sadie

MacLean Barton

MacRae Rod

Manitoba Broiler Breeder Hatching Egg Producers

Manitoba Cattle Producers Association

Manitoba Chicken Producers

Manitoba Pork Council

Marshall Al

Marysburg Organic Producers Inc.

McCallum Murray
McCreary Ian
McGill University
McIntosh Lisa
Middlesex County Pork Producers
Minister of Agriculture and Food of Manitoba
Minister of Agriculture, Fisheries and Aquaculture of New Brunswick
Minister of Agriculture and Fisheries of Nova Scotia
Minister of Agriculture and Food of Saskatchewan
Morningstar Bill
Morningstar Judy
Murch Keith
Murray Peter
National Farmers Union (Prince Edward Island)
National Farmers Union (Saskatchewan)
New Brunswick Egg Marketing Board
New Brunswick Federation of Agriculture
New Brunswick Partners in Agriculture
New Brunswick Potatoes
New Brunswick Soil & Crop Improvement Association
New Democratic Party of Nova Scotia
Newfoundland and Labrador Farm Women
Newfoundland and Labrador Federation of Agriculture
Newton Bruce
Nisbet Garry

Northumberland Co-operative Dairy Limited
Nova Scotia Federation of Agriculture
Nu Gen Ag Ventures Inc.
Okanagan Federated Shippers Association
Okanagan — Kootenay Cherry Growers
Ontario Agricultural Commodity Council
Ontario Bean Producers' Marketing Board
Ontario Corn Producers' Association
Ontario Federation of Agriculture
Ontario Field Crop Research Coalition
Ontario Fruit and Vegetable Growers' Association
Ontario Soybean Growers
Organic Special Products Group
Penny Lane Organic Farms Ltd.
Perras Nicole
Perras Robert
Phillip Peter
Pletz Lloyd
Potter Warren
Prime Pro Ventures Inc.
Prince Edward Island Federation of Agriculture
Prince Edward Island Institute of Agrologist
Prince Edward Island Potato Board
Prince Edward Island Wildlife Federation
Reimer Charles V.

Richards Cliff
Riley Tony
Rowland Charlene
Sandler Stan
Saskatchewan Eco-Network
Saskatchewan Food Security Network
Saskatchewan Organic Directorate
Schmidt Arnold
Schmidt Flour Inc.
Seaspray Farms Organic Cooperative
Seeds of Peace Roots of Justice
John Purdie Sloan
Smith Dean
“Solidarité rurale du Québec”
Ste-Marie de Kent Farmers Association
Stevenson Duane
Strayer Neil
Swanson Lynda
Thomas Bob
“Union des cultivateurs franco-ontariens”
“Union des producteurs agricoles de la Côte-du-Sud”
“Union des producteurs agricoles de Saint-Hyacinthe”
“Union des producteurs agricoles du Bas St-Laurent”
“Union des producteurs agricoles du Québec”
“Union paysanne”

United Food & Commercial Workers (UFCW — Canada)

University of Montreal

University of Prince Edward Island

University of Saskatchewan

West Central Road and Rail

Western Canadian Wheat Growers Association

Wheeler Robin

Wilson Jim

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government provide a comprehensive response.

A copy of the Minutes of Proceedings of the Standing Committee on Agriculture and Agri-Food (Meetings No. 44, 45, 46, 47, 48, 49, 50, 51, 54, 55, 56, 57, 58, 59, 60, 61, 62, 64, 69, 72 and 73 which includes this report) is tabled.

Respectfully submitted,

Charles Hubbard, M.P.
Miramichi

Chair

MINUTES OF PROCEEDINGS

Thursday, June 6, 2002
(Meeting No. 73)

The Standing Committee on Agriculture and Agri-Food met at 9:09 a.m. this day, in Room 362, East Block, the Chair, Charles Hubbard, presiding.

Members of the Committee present: David L. Anderson, Rick Borotsik, Murray Calder, Mark Eyking, Howard Hilstrom, Charles Hubbard, Rick Laliberte, Dick Proctor, Bob Speller, Paul Steckle and Rose-Marie Ur.

Acting Members present: Rick Casson for Garry Breitkreuz and Odina Desrochers for Suzanne Tremblay.

In attendance: From the Library of Parliament: Jean-Denis Fréchette, Principal.

Pursuant to Standing Order 108(2), Briefing Session with the Canadian Wheat Board.

Witnesses: From the Canadian Wheat Board: Ken Ritter, Chair, Board of Directors; John Clair, Director; Rod Flaman, Director; Wilfred Harder, Director; Jim Thompson, Senior Marketing Manager for domestic and U.S. sales.

Ken Ritter made opening remarks and, with other witnesses, answered questions.

At 10:29 a.m., the sitting was suspended.

At 10:33 a.m., the sitting resumed *in camera*.

The Committee resumed consideration of a draft report on the issue of the future role of the government in agriculture.

It was agreed, — That the draft report (as amended) be adopted.

It was agreed, — That the Chair present the report (as amended) to the House at the earliest possible opportunity.

It was agreed, — That the Chair, researchers and Clerk be authorized to make such typographical and editorial changes as may be necessary without changing the substance of the report.

It was agreed, — That pursuant to Standing Order 109, the Committee request the government to table a comprehensive response to the report.

It was agreed, — That a news release be issued.

At 10:48 a.m., the Committee adjourned to the call of the Chair.

Suzanne Verville
Clerk of the Committee